

## **Appendix 7 – Report and Minutes from the Budget Task Group Sessions**

### **Budget Task Group – Summary Report on 2021/22 Budget Scrutiny**

#### **1. Executive Summary - The Scrutiny Process**

The Westminster Scrutiny Commission agreed in July 2007 to set up a Budget and Task Group as a standing group, with the following Terms of Reference:

“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.”

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.

The Task Group examined five key themes:

- the potential impact of savings proposals on affected groups
- whether or not the budget proposals would affect the Council’s ability to fulfil its legal obligations
- the need to identify and address potential optimism bias (over-confidence about the ability to secure third party income)
- the need to examine the Capital Programme as closely as the revenue budget
- the potential impact of any external factors.

The minutes of the Task Group’s meetings are attached to this summary. These include the Task Group members questions and comments on the budget.

The Task Group would like to offer its thanks to the officers of all directorates for the rigour and commitment that went into preparing papers and Equality Impact Assessments for the Task Group’s meetings, answering members’ questions and following up on requests.

#### **2. Overall Budget**

The overall 2021/22 draft budget appears robust. Officers provided assurances on a number of points raised by members across all directorates, including managing the impact of changing service demand priorities, the

deliverability of a number of projects, and how external economic factors will continue to put pressure on the council's finances.

### **3. Risks**

There are a number of risks which the task group wishes to highlight:

- The COVID-19 pandemic has vastly impacted the local, national and international economy. Furthermore, the Government's support over the pandemic will continue to have a long-term impact on public finances. Members noted that these factors would present on going challenges for the council's finances.
- Members noted that changes in the London housing market could have an impact on the council's future capital position.
- Members noted that uncertainty around income streams, like that from parking, commercial waste and advertising sites, presents an ongoing risk.
- Members noted that uncertainty about grants from central government going forward presents an ongoing risk, particularly if COVID-19 restrictions continue.
- The Government has indicated the Fair Funding Review will go ahead. While further delays are possible, it is expected this will have a sizeable impact on Westminster.
- Members noted that a lot of the savings proposals in the budget were from staff salaries and restructures. Members noted that reducing the number of staff, including those in business support roles, could have an impact on service capacity.

### **4. Positive Observations**

There are a number of positive observations which the task group wish to highlight:

- The council's reserve policy mitigated the impact of the pandemic on council finances. Furthermore, the 2021/22 budget has flexibility built into it which will mitigate against continued uncertainty around COVID-19 and the local and national economy.
- Members found clear examples of taking a prudent approach and avoiding optimism bias. For example, the sensitivities work the council carries out around its housing regeneration schemes.



**CITY OF WESTMINSTER**

**Budget Task Group**

**MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Budget Task Group** held on **Monday 25<sup>th</sup> January 2020**.

**Members Present:** Cllr Gotz Mohindra (Chairman), Cllr David Boothroyd, Cllr Iain Bott, Cllr Adam Hug and Cllr Karen Scarborough, and Cllr Andrew Smith

**Also Present:** Gerald Almeroth (Executive Director Finance and Resources), Stephen Muldoon (Director of Commercial and Financial Management), Rikin Tailor (Head of Corporate Finance), Debbie Jackson (Executive Director of Growth, Planning and Housing), James Green (Director of Development), Raj Mistry (Environment and City Management) Chana Joginder (SFM City Management and Communities) Sarah Newman (Executive Director of Bi-Borough Children's Services), and Gareth Wall (Bi-Borough Director of Integrated Commissioning)

**1. Welcome and Apologies**

1.1 The Chair welcomed those present.

**2. Declarations of Interest**

- 2.1 Cllr Mohindra declared he owned an electric car and therefore has a tangential interest in EV infrastructure and that he had a business interest based around South Berkeley Square. Cllr Smith declared that until recently he was the Cabinet Member for Environment and Highways.

### **3. Capital Budget 2021/22**

#### **3.1 Capital Budget Overview 2021/22**

Gerald Almeroth presented the Capital Budget Overview 2021/22 and thanked officers for their hard work putting the papers together:

- Members noted that the task group sessions were all very close together this year. Officers agreed that they would review this for the sessions to be scheduled in subsequent years. They also noted that for next year it would be helpful to be provided with projected vs actual expenditure
- Members asked what work was being done to understand how COVID-19 might impact the Council's future capital position. They heard that the council cannot take for granted that capital receipts will continue to come in. Given this, an understanding of the property market is an important part of each regeneration scheme as this provides confidence that the units sold will be able to fund planned affordable housing units. When the council looks at its regeneration schemes it carries out a high level of sensitivity analysis and takes a prudent approach regarding sales prices. In terms of the developer contributions (Section 106, CIL, Section 278 and Affordable Housing Fund) there are already reserves that the council is planning to spend. However, there is a sensitivity around whether these funds will continue to come in.
- Members noted that in the last few budgets including the current one, the capital spend is projected to increase in successive years as opposed to in the year the budget is set. They heard that for this year COVID-19 has affected when some of the development schemes were able to start, which has pushed budget allocations out to successive years.
- Members clarified that the council's capital receipts are largely from housing sales. Rental income generally just covers operating costs and loan repayments, whereas sales help to pay off loan debt.
- Members asked what formula determined the 'prudent approach' the council was taking. They heard that a lot of sensitivities were taken into account particularly when it comes to housing regeneration schemes. These include sales, variations in prices, interest rates and cost inflation. Members noted that inflation could be an ongoing issue from COVID-19. They heard that being able to borrow at a secured lower rate offered some protection from cost inflation. The council would continue to look for and take up opportunities to borrow at these secured lower rates.

- Members asked exactly how many capital projects had been delayed. Officers agreed to provide a briefing note on this.

#### **4. Finance and Resources 2021/22 Capital Budget**

4.1 Gerald Almeroth presented the Finance and Resources 2021/22 capital budget:

- Members asked how COVID-19 had impacted the council's investment mandate. They heard the existing policy expects a yield of around 4% - 5%. The council do not look to buy speculative properties purely based on the yield in return or look to buy commercial properties outside of the borough. When making acquisitions the council looks at how it would fit with the council's larger strategic objectives. Officers noted that COVID-19 could bring about opportunities in the City and the council may want to acquire property to make bigger things happen. Members suggested that a specific investment criterion would be helpful to ensure acquisitions fit in with the council's medium to long-term strategy.
- Members noted that a few options had been put up regarding the future of both the Queen Mother and the Seymour Leisure Centres. They asked what option, from a finance and resources perspective, was best. The council was still looking at the overall position to see what both schemes would deliver. COVID-19 had also led to pause in the decision making around this. There was also work being done around rationalising the property estate to enable the council to deliver services in a better way from a commercial and community point of view. Finance and Resources will be asking all services for input into the work.

#### **5. Executive Leadership Team Department Summaries**

##### **5.1 Growth, Planning and Housing GF 2020/21 Capital Budget**

Debbie Jackson presented the Growth, Planning and Housing capital budget:

- Members asked about whether the council needs to rethink the Oxford Street programme in light of the impact of COVID-19 on retail. The council appointed a programme director late last year and he has been revisiting the place strategy in light of COVID-19. A plan will be released in February.
- Members asked whether commitments from private landlords about investing their own capital into the City have remained the same. The local landowner and BIDs remain more committed than ever. However, they are under their own pressures so contributions may be less than pre-

COVID-19. Members stressed that a lot of public funding was being directed at the Oxford Street programme and it was important that this funding serve to leverage other sources of funding from the private sector. Officers agreed to provide an overview of private sector funding and leverage in relation to the Oxford Street District programme.

- Member noted that the targeted housing acquisition has fallen behind schedule. They heard that it has been difficult to acquire property during COVID-19. In terms of buying out of borough, the council can get more for its money which enables it to place families in more appropriate temporary accommodation. Officers agreed to provide follow up information on rationale and assumptions for out-of-borough acquisitions for temporary accommodation.
- Members asked about ring fenced funding within this capital budget. They heard that most of the funding was allocated in the budget but not necessarily ring fenced. Members made the point that this could mean that in future funding for projects like Oxford Street could be reduced depending on other pressures across the whole budget. Officers agreed to provide a table of ring fenced/match funding projects.
- Officers agreed to come back to the committee with figures for the 5-year previous spend on temporary accommodation purchases.
- Members asked about the budget for Strand Aldwych. Currently there is 18 million allocated of the total provision of 27million. The contributions from partners is yet to be quantified, but it is expected that they will work with the council on the revenue costs.

## **6. Growth, Planning and Housing Growth HRA 2021/22 Capital Budget**

6.1 Debbie Jackson presented the Growth, Planning and Housing 2021/22 capital budget:

- Members asked for detail on the money being spent on planned maintenance. They heard some of it is for essential upgrades to the PDHU and some is for making the PDHU more carbon efficient. Another part of the budget is to address energy efficiency of the housing stock. However, this will mostly ramp up in year three as options for doing this are still being assessed. Officers noted that most of the money for energy efficiencies is assumed to be from grants.
- Members noted a lot of planned maintenance was held back during lockdown. They heard that the figures for next year will include the underspend from the first lockdown.
- Members commented that the council may have exhausted most of the quick wins around small sites schemes. They heard that there is benefit from getting the low hanging fruit first done first. Part of the challenge with small sites projects is proving that these schemes can be successful, which helps get people on board with more complex projects down the line.

## **7. Westminster Builds 2021/22 Capital Budget**

7.1 Debbie Jackson presented the Westminster Builds 2020/21 capital budget:

- Members heard that Carrick Yard was the best-selling scheme in Central London. Given this, members asked whether the properties were priced appropriately. They heard that a prudent approach was taken to pricing in order to get interest in exchanging contracts. Also, the product was taken to overseas markets which was likely helping with sales. Members noted that this could create a risk around the properties becoming “buy to leave empties”. Officers said this was something that needed to be considered, but that it was hard to control and ultimately a trade-off to enable affordable homes to be built. Members commented that there are mechanisms and conditions that council could use to ensure the properties are kept in use.
- Members heard that there was a lot of flexibility to respond to the market in terms of acquisitions. Work was going on at the moment to understand what opportunities there were and how market values might move.
- Members noted that the council is budgeted to loan Westminster Builds about 500million over the next five year, they asked whether this created a contingent liability on the council if there was a delay to ones of the schemes. They heard that the loans were considered in detail at the approval point for each scheme, giving an opportunity to consider the market and risks and take an informed decision at that time.

## **8. Environment and City Management 2021/22 Capital Budget**

8.1 Raj Mistry presented the Environment and City Management 2021/22 capital budget:

- Members asked about the procurement of a new electric waste fleet. They heard the council was still assessing its needs and watching the market. The council was also looking at its overall waste strategy and this would be looked at as part of that.
- Members heard that the council’s contribution to Grosvenor Square was around dealing with traffic, but the rest would be funded privately. With Berkeley Square South the scheme had been brought forward by the landowner and there would be no cost to the council.
- Members heard that the 4.4 million for parking was going towards new technology. While this investment does not directly release income if the council does not make the investment parking income will ultimately go down and costs will go up.
- Members asked about the contracts for public conveniences. They heard the council was looking at the delivery and capital programme together and a programme board had just been started to take this forward.

## **9. Children's and Family Services 2021/22 Capital Budget**

9.1 Sarah Newman presented the Children's and Family Services 2020/21 capital budget:

- Members asked if the council was still responsible for capital investment in the buildings for academy schools. They heard the council is not technically responsible for the building work, but for some schools the council helps with managing projects and getting funding from DfE.
- Members asked whether CIL funding was available for any of the projects. They heard the department tries to get as much of that funding as possible, particularly for projects that are not fully funded by DfE grants. In 2021/22 there is over 2 million of CIL and S106 funding for projects in the capital programme.
- Members asked about the contingency for school repairs. They heard the council receives money from DfE for school improvement. It rarely gives all of this out in a year so there is a contingency of funding in the bank.

## **10. Adult Social Care and Public Health 2021/22 Capital Budget**

10.1 Gareth Wall presented the Adult Social Care and Public Health 2021/22 Capital Budget:

- Members confirmed that the planned upgrades to the Mosaic IT system were a legal obligation.
- Members asked whether the disabled facilities grant was assured. They heard it has been increasing year on year and it is very likely it will continue.

## **11. MEETING CLOSE**

11.1 The Meeting ended at 20:52



**MINUTES**

**CITY OF WESTMINSTER**

## **Budget Task Group**

### **MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Budget Task Group** held on **Tuesday 26<sup>th</sup> January 2021**

**Members Present:** Cllr Gotz Mohindra (Chairman), Cllr David Boothroyd, Cllr Iain Bott, Cllr Adam Hug and Cllr Karen Scarborough, Cllr Andrew Smith

**Also Present:** Gerald Almeroth (Executive Director Finance and Resources), Stephen Muldoon (Director of Commercial and Financial Management), Rikin Tailor (Head of Corporate Finance), Bernie Flaherty (Bi-Borough Executive Director of Adult Social Care and Health), Russell Styles (Director of Public Health) Sarah Newman (Bi-Borough Executive Director of Children's Services) Debbie Jackson (Executive Director of Growth, Planning and Housing), Neil Wightman (Director of Housing),

#### **1. Welcome and Apologies**

1.2 The Chair welcomed those present.

#### **2. Declarations of Interest**

2.1 There were no declarations of interest.

### **3. Budget Overview 2021/22**

3.1.1 Gerald Almeroth presented the budget overview:

- Members noted that the national and global economic context as a result of COVID-19 would present on going challenges for the council's finances.
- Members asked whether the council had been given an indication from central Government about whether various grants would continue, noting that restrictions would likely continue through 2021. They heard the council was not certain that these grants would continue as the Government has tended to release them as they were needed. There is always an ongoing conversation around whether the resources for specific pieces of work are sufficient, for example test and trace.
- Members asked what impact COVID-19 has had on the council's reserve fund. They heard that of the £63 million in reserves about £10 million will be taken out to cover budget short falls this year.
- Members asked whether central Government was looking to delay the fair funding review. The fair funding review has been modelled in budget projections and it is expected to have a sizeable impact on Westminster. The expectation from Government is that it is still on the cards but given the current context further delays are possible.
- Members asked whether the £2.4 million budget gap would be covered by increases to council tax. Officer noted this was a political decision and they would work with the executive on ways to cover this.
- Members asked whether each directorate will be going through a restructure. They heard a number of savings will relate to salaries. Equality impact assessments are important part of the process when proposing savings.
- Members asked about the assumptions around recovery of income. They heard that lockdowns were a large determinant on income levels and these were hard to predict. Central Government support had continued including sales and fees charges support. The council did make assumptions about how the economy would pick-up. However, having flexibility in the budget was also important to mitigate against uncertainty.

### **4. Adult Social Care and Public Health 2021/22 Budget**

4.1 Bernie Flaherty presented the Adult Social Care and Public Health 2021/22 budget:

- Members heard that the staffing review would cover three broad areas which are: commissioning staff; agency spend; and business support staff.

The review around commissioning is happening at a bi-borough level and majority of the savings are projected to come from this commissioning review.

- Members asked whether people leaving the UK would create staffing pressures. They heard that there was less risk than initially assumed.
- Members noted that COVID-19 had resulted in an easing of some pressures. They asked whether the budget capture bounce back in demand. Evidence shows that pressure from particular service users will increase. However, the identified savings in the budget should cover this.
- Members asked about the strategy to minimise agency spend. They heard that this was complicated as sometimes it is essential to be able to bring in for people for a short time, particularly if the council does not have a specific skill set in house. However, officers also noted that the council should be looking at providing development opportunities to permanent staff. Furthermore, with the upcoming restructure it would not be prudent to bring on more permanent staff.
- Members asked about the savings identified for personalisation staff. Previously these roles were to help establish personalisation. The new model does not specifically have these roles because the culture of personalisation has largely been embedded.
- Members asked about lessons learnt from COVID-19. They heard the ASC team has had to operate in different way which had actually led to centring resident more.
- Members asked for more detail around the savings proposals relating to increased focus on prevention and greater utilisation of community strength and assets. They heard the council did work with service users to understand the social care model they wanted going forward. The message was that service users wanted support to do more for themselves where they could. They wanted more information and different technology. These changes will ultimately reduce the number of staff going into people's homes. Members asked when more detail would be available about what this model looked like in practice. They heard that the transition to the new model would happen iteratively and build on the vision over time.
- Members asked whether there would be an increased demand on beds as we come out of COVID. Officers clarified that the savings identified were due to a new model around vacant beds.
- Members asked whether the cost identified around SEN children transferring to ASC was new. They heard that this cost changes year on year and is based on what is identified as coming through in Children's Services.
- Members heard that the majority of the spend on COVID-19 has been on PPE which has been covered by the Government.
- Members asked whether it was expected that the PH grant would retain its ring fence. The Government had indicated that it would lose the ring fence and that is why there is a reserve in the budget. However, it has not lost it this year.

- Members asked how much Westminster's test and trace had cost the council. The test and trace budget was separate from the main PH budget and is currently underspent.
- Members asked for clarification around the budget for PH Internal Health Outcomes. It is an internal budget where PH funds projects that lead to wider health outcomes in other services.
- Members asked for clarification around the savings for substance misuse contracts. They heard there was a new contract that cost less but was like for like with the previous contract.
- Members asked about the savings around health visiting contracts. This would be the result of a new model that reduced duplication around health visits.

## **5. Children's Services 2021/22 Budget**

### **5.1 Sarah Newman presented the 2021/22 budget:**

- Members asked for some clarification around the staffing review and what bands of staff would be impacted. They heard the review would include staff in senior positions and also business support staff. The EIA had identified that those staff on lower bands were more likely to be women and people from BAME populations. Officers agreed to provide more detail in on specific services that will be affected.
- Members asked about Westminster's traded services and whether some schools might look elsewhere. They heard Westminster offers some services competitively. However, as more schools become academies the council would need to review the offer.
- Members heard that the £300, 000 savings for libraries and archives represents an additional income target. This is a new initiative which is based on transformation programme in libraries.
- Members expressed their thanks for the work that was done with the Young Westminster Foundation around providing children in the borough with laptops.
- Members asked what was driving the increase in pressure for short break funding. This was part of a focus on early intervention. The idea being that providing a child and their family with a short break may prevent a family breakdown and enable the child to ultimately stay with their family.

## **6. Growth, Planning and Housing 2021/22 Budget**

### **6.1 Debbie Jackson presented the Growth, Planning and Housing 2021/22 budget:**

- Members asked for clarification on the review of grant funding for registered providers. Members heard this funding was largely not needed as most RPs already provided the services the grant funded. Officers noted, most other local authorities no longer pay this.
- Members asked about the review of legal costs. They heard this was about having better system of control and only seeking legal support when necessary.
- Members asked what initiatives would contribute to the reduced spend for temporary accommodation. Essentially the initiatives were around preventing homelessness at the front door and supporting people to stay in their own homes. The current eviction ban presents opportunities. It is also about how we give people choices around moving on. Members queried how the budgeted figure was determined and whether the figure was realistic. They heard the figure is based on average savings per-household. Achieving the savings would be a challenge particularly due to the current lockdown. However, the private rented sector is quite buoyant in some areas which provides some mitigation. Members asked for confirmation that no one in TA will be required to move. The council will look at statutory processes as well, but noted it is beneficial to target people who want to move.
- Members asked about the changes to the storage offer. They heard this represented a reprofiling of a universal offer to case by case offer. Officers agreed to provide more detail on this.
- Members asked for more detail on the planning application review. Officers clarified this does not relate to future changes to planning announced by the Government last year. This related to processes in the office. It will be looking things like gaining efficiencies from automation.

## **7. Housing Revenue Account 2021/22 Budget**

### **7.1 Debbie Jackson presented the Housing Revenue Account 2021/22 budget:**

- Members asked for more detail around the proposed housing restructure. The overall ambition of the restructure is to reduce management posts and increase frontline staff.
- Members asked about the savings around repairs post-inspection costs. They heard that when the new serviced is rescoped Westminster surveyors will do both a pre and post inspection and will take control for the higher cost jobs. Members asked if the impact on officers had been modelled. They heard the Housing restructure would provide more frontline staff.
- Members asked about using technology to drive savings. The council has piloted a new in-house minor works team and they have all been provided with large phones or i-pads to do this work. These are also being rolled out to estate officers. The pilot has showed this model is cheaper and better.

- Members asked how increased rent in arrears would be managed over time. Members heard the vast majority was from commercial properties not residential. The council is focusing early on people who are getting into trouble. It is using more personalised methods of contact like texts and phone calls and using long term repayment plans.
- Officers agreed to provide clarification on the budget for landlord incentive payments.

## **8. MEETING CLOSE**

8.1 The Meeting ended at 21:06



CITY OF WESTMINSTER

**Budget Task Group**

**MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Budget Task Group** held on **Thursday 28<sup>th</sup> January 2020**,

**Members Present:** Cllr Gotz Mohindra (Chairman), Cllr David Boothroyd, Cllr Iain Bott, Cllr Adam Hug, Cllr Karen Scarborough, Cllr Andrew Smith

**Also Present:** Gerald Almeroth (Executive Director of Finance and Resources), Stephen Muldoon (Director of Commercial and Financial Management), Rikin Tailor (Head of Corporate Finance), Richard Cressy (Head of Cabinet and Committee Services), Raj Mistry (Executive Director of Environment and City Management), Pedro Wrobel (Executive Director of Innovation and Change), Richie Gibson (Head of City Promotions Events and Film)

**1. Welcome and Apologies**

1.3 The Chair welcomed those present.

**2. Declarations of Interest**

2.1 There were no declarations of interest.

### **3. Finance and Resources 2021/22 budget**

#### **3.1 Gerald Almeroth presented the Finance and Resources 2021/22 budget:**

- Members asked about the business support function review including what risks for services had been identified. The review was broadly defining business support as roles that were not front-line. The review would look across the council with the aim of providing consistency across the business support function. Another focus was on providing more career paths and progression opportunities for staff in these more administrative roles. The review is forecast to save about 10% of overall costs. Members commented that this accounted for a large number of staff and could have an impact on morale. They also commented that there could be a significant transitional impact on capacity for services. They encouraged the council to remain mindful of these risks. In terms of equality impacts, members heard that women were more likely to be impacted by the review.
- On the senior management review, members commented that executive level positions seemed to have been added in an ad-hoc way over the past years. They also commented that the council risked losing expertise and institutional knowledge through a review like this.
- Members asked for more detail around the building rationalisation work. The council is looking at disposing of mostly small satellite buildings and having most of its office space in either City Hall or Lisson Grove. Members commented that centralising the office space and withdrawing from local areas could have a service impact. They heard that the pandemic had normalised agile working and people were using technology which reduced the need to come into the office.
- Members asked about the move to a single benefits reception site. They heard COVID-19 had illustrated two sites were not necessary as most contacts has moved to over the phone or online. When people required an in-person meeting these could be arranged at a council site near the service user.
- Members asked whether the council has considered letting out other floors of City Hall. This is something that could be considered, but it does become more complicated when floors are let out to private entities on an ad-hoc basis.
- Members asked about the savings in members allowances. Officers clarified these were mainly the result of legacy budgets for travel expenses and telephony services that were no longer claimed.
- Members asked for more detail on the contact centre review. The council has a number of contact centres across a range of services. The aim of the review was to consolidate the council's contact centres which would ultimately reduce the number of calls. However, there will not be a reduction in the level of service.
- Members heard that a lot of the IT savings had already been delivered.

- Members noted the increase in fees and charges. The fees are increased for inflation every year by about 2%. Members noted that currently inflation was a lot lower than 2%.
- Members asked how the council tracked staff performance in the context of remote working. They heard good management should not rely on staff being physically present.
- Members asked about the implications of shifting the council's data to cloud storage. They heard the data will continue to be owned by the council. Officers agreed to provide more detail on this.

#### **4. Environment and City Management 2020/21 budget**

##### **4.1 Raj Mistry presented the Environment and City Management 2021/22 budget:**

- Members heard the budget included an extra £15.6 million pressure to account for a possible extension to the lockdown and continued restrictions.
- Members asked for detail on the highways contract efficiencies. They heard these would come from working with the contractor to reduce non-essential expenditure.
- Members asked for more detail on efficiencies identified for Sayers Croft. This will be a combination of cost reductions and new income streams.
- Members heard that charges for HMO licencing is for cost recovery. However, the council is planning to use existing staff to deliver the programme which will allow for an income stream which will generate savings. Members asked about risks around modern slavery and HMOs. They heard that this will be looked at when the programme is implemented.
- Members asked what it cost to install a rapid EV charger. They heard most of the chargers were funded externally. The cost per charger was about £40,000. Members asked how income was generated from EV chargers. They heard it was through a concession contract. Officers said that EV chargers would a part of a broader review of parking policy and its link to climate change emissions. There will be proposals later in the year for the relevant policy and scrutiny committee to review.
- Members asked for clarification on the city highways budget. The income mainly came from parking and also commercial waste. The largest portion of expenditure went on the Veolia waste and street cleaning contract. The parking and highways contract make up the majority of the rest of the expenditure. These three contracts will be coming up for renewal in the next few years. Members heard that starting negotiations early led to the best outcomes for these types of contracts.
- Members enquired about the impact of removing the performance bond from the parking contract. This was a safety net in the budget. However, the company that holds the contract had stable finances which reduces risk and therefore it was decided that the bond is no longer needed

- Members asked about the proposal to transition from street sweeping to litter picking in some streets. They heard this was still being worked out with Veolia. A pilot would take place in a particular area before it was rolled out borough wide. Members asked that Scrutiny be able to see the data from the pilot before the decision is made to roll it out borough wide.
- Members asked about the pest control saving. They heard this was mostly based on cost reduction. The council was also looking to contract out some of this work to the private sector.
- Members asked about the impact of COVID-19 on income from leisure facilities. The council is looking at how this sector is recovering across the world. It will take time to attract people back to the facilities. The council is constantly talking to Sports and Leisure Management about costs and is working with them to ensure they can continue to deliver over lockdown.
- Members asked for more detail on savings in the budget from changing ways of working. Part of this will be about updating old IT systems. There will also be a business process review which will look at implementing more automated systems. Members asked that Scrutiny be kept informed about this.
- Members asked about the decrease in maintenance costs for bridges and underpasses. They heard these savings were due to previous capital investment which reduced the need for maintenance.

## **5. Innovation and Change 2020/21 budget**

### **5.1 Pedro Wrobel presented the Policy, Performance and Communications 2021/22 budget:**

- Members asked about the review of the communications function. They heard this will address duplication, improve quality of outcomes and join the communications function up more closely with the other services.
- Members heard the Council's contracts with Westco would be looked at as part of this review. While Westminster gets a dividend from Westco, this needs to be weighed against overall value for money.
- Members noted that some of the signs about COVID-19 had only been in English but they had been placed in communities where other languages were widely spoken. Members heard that the communications review will address issues like this. However, officers also noted that oversights can happen when people are working at pace.
- Members asked whether Westminster's communications should focus on a more local audience. They heard that the vast majority of communications has been directed at a local audience. Most recently the team had been building trust in COVID-19 testing and vaccinations. However, there are times where a more national approach is needed.
- Members heard that the savings in the Lord Mayors Office were mostly due to events and travel that had not taken place because of COVID-19. There were also a number of vacant posts which have not been filled.
- Members noted that eight roles had been disestablished and asked what the impact of this would be. They heard that these were vacant posts which the directorate was operating fine without.
- Members noted the large drop in advertising income in the past year due to COVID-19. They heard the council was setting itself up to be able to exploit advertising income in future. However, there was still a lot of uncertainty and therefore the assumption that advertising income will remain low had been built into the budget.

## **6. MEETING CLOSE**

### **6.1 The Meeting ended at 20.28pm.**