



City of Westminster

Agenda

For

Budget and Performance Task Group
**Cllr Michael Brahams (Chairman), Cllr Paul Dimoldenberg, Cllr Danny Chalkley
Cllr Robert Rigby**

Date/Time

18:00, Wednesday 1st February 2012

Location

Committee Room 5,6,7, 17th Floor, City Hall,

Contact

Mark Ewbank 020 7641 2636
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1) Welcome & Introductions (18:00 – 18:05)

2) Corporate (18:05 – 19:30)

▪ **Finance and Operations**

Barbara Moorhouse
Anna D'Alessandro
John Ogden
Chris Matthews

▪ **Chief Executive's Budget**

Mike More
Chris Matthews

○ **Comms. & Strategy**

Julia Corkey
Chris Matthews

○ **Legal & Committee Services**

Peter Large
Chris Matthews

○ **Corporate Property**

Richard Platt

○ **Libraries and Sports and Leisure**

(Finance Lead) Yvonne Carey

3) Parking (in-depth) (19:30 – 20:15)

Leith Penny
Alison Kirwan
Kevin Goad
Kieran Fitsall
(Finance Lead) Anil Nagpal
Ramesh Prashar

4) Transformation (in-depth)

Barbara Moorhouse
Tim Stranack

5) AOB – Wrap-up



City of Westminster

12/13 Budget & Performance Task Group

Finance and Operations

1st February 2012

Finance and Operations £m	Budget 2012/13	After growth and (savings) of	Red Risks 2012 /13	Amber Risks 2012 /13
Finance	10.6	(0.2)	0.4	0.5
IS	10.9			
Customer Services	10.0	(1.4)		0.3
Procurement	3.1			
Transformation	3.3	1.4		
Volunteering	1.2			
Total	39.1	(0.2)	0.4	0.8



Finance

Draft Budget envelope of £10.6m for 12/13

During the year we successfully introduced the new 'Finance Foundations' Project, a new model for Finance which went live in October and will deliver savings of £0.7m in a full financial year. The main savings targeted were delivered in 2011/12 with the balance shown below

Budget adjustments for 12/13

Growth - Vertex Contract inflation	£ 0.1m
Savings - 'Finance Foundations' Staff reductions	£(0.2)m
Revenue and Benefits adjustment	£(0.1)m

Key financial risks for 2012/13

Red Risks	Contract inflation	£0.2m,	Building insurance	£0.2m
Amber Risks	Contract inflation	£0.3m,	Building insurance	£0.2m

Draft Budget envelope remains at £10.6m with key financial risks for 2013/14 continuing to be a focus such as, contract indexation and the cost of insuring our property.



Information Services (IS)

Draft Budget envelope unchanged of £10.9m for 12/13

The IS department continues to address the issues arising from an ability to capitalise costs, due to a reducing capital budget and increasing expectations and impact of Tri-borough activity as we try to align the systems across the Councils.

Budget adjustments for 12/13

No savings or growth adjustments were identified for 2012/13 or 2013/14

Draft Budget envelope for 2013/14 remains unchanged at £10.9m

Key financial risks

No specific revenue risks were identified for either 2012/13 or 2013/14



Customer Services and Procurement

Draft Budget envelopes of £10.0m (CS) and £3.1m (Procurement) for 12/13

Customer Services is expecting to deliver a significant adjustment arising from changes to the operation of the One Stop Shops.

No changes were identified for Procurement

Budget adjustments for 12/13 – all for Customer Services

Growth	Contract inflation	£0.5m
Savings	One Stop Shops	£(1.9)m

Key financial risks for 2012/13

£0.3m - Risk identified in the delivery of the costs savings expected from the change to the One Stop Shop.



Transformation

Draft Budget envelope unchanged of £3.3m for 12/13

The Transformation budget has been increased to centralise the costs of the change - more will be discussed as part of the 'deep dive' session later.

Budget adjustments for 12/13

Growth adjustment	£ 1.5m
Savings – staff costs	£(0.1)m

Key financial risks for 2012/13

No specific revenue risks were identified for either 2012/13 or 2013/14

Volunteering

No change to the draft budget envelope of £1.2m for 12/13





City of Westminster

12/13 Budget & Performance Task Group

CEO Portfolio

1st February 2012

CEO Portfolio £m	Budget 2012/13	After growth and (savings) of	Red Risks 2012 /13	Amber Risks 2012 /13
SEB	0.6	(0.6)	0.5	0.5
Ceremonial	0.5			
Strategy and Communications	2.8	(0.3)		0.2
Sports and Leisure	1.0	(0.2)		
Libraries and Culture	7.1	(0.6)		0.5
Neighbourhoods	0.9			
Legal	2.0	(0.3)		0.3
HR	4.4			
Property	0.0		1.2	2.0
Total	19.3	(2.0)	1.7	3.5



SEB

Draft Budget envelope of £0.6m for 12/13

Budget adjustments for 12/13

Savings - Income from Branding activity	£(0.5)m
Tri-borough impact costs	£(0.1)m

Key financial risks for 2012/13

Red Risks	Branding	£0.5m
Amber Risks	Branding / contingency savings target	£0.5m

Draft Budget envelope is £0.6m with key financial risks for 2013/14 continuing to be focused on the delivery of Branding income.



HR

Draft Budget envelope of £4.4m for 12/13 unchanged from 11/12

Key financial risks for 2012/13

No specific revenue risks were identified within the budget for either 2012/13 or but an amber risk of £0.1m for potential cost increase from the Tri-borough and Athena projects is identified for 2013/14

Ceremonial

The budget envelope is £0.5m including the increase of £0.05m in 2012/13 to support activities in regards to the Olympics and Diamond Jubilee.

This one off increase will revert back to the 2011/12 budget levels in 2013/14.



Strategy and Communications

Draft Budget envelope of £2.8m for 12/13

During the current year the Strategy and Communications department absorbed significant elements of the Policy and Performance units.

Budget adjustments for 12/13

Savings - Re-organisation £(0.3)m

Key financial risks for 2012/13

An Amber Risk for the re-organisation of the Policy function £0.2m

Neighbourhoods

Draft Budget envelope of £0.9m for 12/13 unchanged from 11/12 and will be constant in 2013/14



Legal and Democratic

Draft Budget envelope of £2.0m for 12/13

Legal is progressing with its decision to move to a Traded Service during next FY. This will involve generating income from external sources and continuing the process of aligning resources and demand throughout 2012/13.

Budget adjustments for 12/13 – all for Customer Services

Savings expected from the delivery of the new model of working £(0.2)m

Committee Support £(0.1)m

Key financial risks for 2012/13

£0.3m - Risk identified in the delivery of the new model for working and recovering of costs.



Corporate Property

Draft Budget envelope of £0m for 12/13 unchanged from 11/12

No additional growth or savings have been identified for Corporate Property

Key financial risks for 2012/13

Red risks	NNDR £0.7m / Utilities inflation £0.5m	1.2
Amber	Key elements : Council House running costs £0.5m, Rent reviews £0.8m	2.0

2013/14

There are no planned changes to the budget for FY2013/14

Risk Assessment

Red	NNDR £0.7m / Utilities inflation £0.5m	1.2
Amber	Key elements : additional Utilities inflation £0.6m (2 nd yr) Council House running costs £0.6m, Rent reviews £0.8m	2.7



Sports and Leisure

Draft Budget envelope of £1.0m for 12/13

The overall objective of the Sports and Leisure Unit is to become cost neutral by 2015-16 and is currently on track in the delivery of this objective.

Budget adjustments for 12/13

Savings - Outsourcing / Marshall Street £(0.2)m

Key financial risks for 2012/13

No risks identified with the delivery of this budget

FY 2013/14

Budget envelopes forecasted to remain unchanged from 2012/13 but subject to the commentary above



Libraries and Culture

Draft Budget envelope of £7.1m for 12/13

An integrated Tri-Borough Library service will be operational from April 1st 2012. There have been three areas of savings identified; A single management structure, server efficiencies and integrated core services. This provides a unique opportunity to sustain excellent frontline services and deliver customer outcomes, whilst reducing costs.

Budget adjustments for 12/13

Savings - Closure of St James	£(0.2)m
Tri-borough	£(0.2)m
Service efficiencies including implementation of self service	£(0.2)m

Key financial risks for 2012/13

No Red risks identified but Amber risks as follows:

Implementation of Tri-borough Operating Model	£0.2m
Delay in merger of Westminster Libraries	£0.2m
Marylebone Library transitional costs	£0.1m

FY 2013/14

Budget envelopes expected to remain unchanged but risks with the delivery are as identified for 2012/13 with additional risk for

Registrars income of	£0.3m
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City of Westminster

2012/13 Budget & Performance Task Group City Management - Parking

Leith Penny

Strategic Director City Management

Parking Services Budget

- Parking Services was allocated an approved budget envelope of £52.3m in 2011/12 .
- Parking Services is currently forecasting an adverse variance of £1.0m in 2011/12.
- Parking Services has a draft budget envelope of £52.3m for 2012/13.



Budget Adjustments in 2012/13

- Vertex Contract (£450k)
- NSL Enforcement Contract (£1.4m)
- Pay By Phone Contract (£250k)



Risks and Service implications – 2012/13

Key financial risks:

- Further reduction in PCNs additional to those forecast
- Casual Parking Income
- Olympics Impact
- Any changes in recovery rate, average value other than those forecast



2013/14 Budget and Risks

The draft budget envelope for 2013/14 is £52.3m.

Key financial risks:

- As for 2012/13 (excluding Olympics) plus
- Policy context dependent on outcome of future Cabinet Decisions
- Re-Tender of Enforcement & Back Office Contracts
- Enforcement & Back Office Contract Ends in July 2014

