



City of Westminster

# Cabinet Member Report

**Decision Maker:** Deputy Leader/Cabinet Member for the Built Environment  
Cabinet Member for City Management and Customer Services  
Cabinet Member for Sustainability and Parking

**Date:** 18 July 2016

**Classification:** General Release

**Title:** Highways and Public Realm Restructure – City Management and Communities (CMC) and Growth Planning and Housing (GPH).

**Wards Affected:** All

**Key Decision:** Approval is required for the Restructure of the Highways and Public Realm services across GPH and CMC

**Financial Summary:** This restructure will result in a combined net saving of £203k for CMC and GPH. Gross salary costs reduced by £331k however this is offset by reduced external funding and capitalisation totalling £127k.

**Report of:** Executive Director, City Management and Communities – Stuart Love  
Executive Director, Growth, Planning and Housing – Ed Watson

## 1. Executive Summary

- 1.1 This report sets out proposals to restructure the Highways and Public Realm services across the City Management and Communities (CMC) and Growth, Planning and Housing (GPH) directorates. This will deliver a new service operating model and culture that:
- Provides visible leadership for the entirety of the place shaping and public realm activities, providing an effective structure to deliver City for All ambitions;

- Clarifies roles, responsibilities and accountabilities for the development and delivery of public realm schemes including the future role to be fulfilled by the new Place Shaping Board;
- Aligns delivery functions 'end to end' within one directorate;
- Ensures visibility of all public realm schemes and works together with a three year pipeline of emerging scheme proposals;
- Empowers providers to fulfil their contractual obligations;

Provides clarity over the inter relationship with the West End Partnership (WEP);

- Establishes a new 'place shaping' function to develop initiatives, strengthen the engagement with stakeholders, and support the place shaping agenda aligned to the City Plan and City for All priorities; and
- Establishes a transformation programme to underpin the service driving changes in culture, systems, process and customer / stakeholder engagement.

1.2 The proposed structure for the Westminster Highway and Place Shaping service is shown at **Appendix 2a and 2b**. The current structure can be found at **Appendix 1a and 1b**. It is anticipated, subject to approval that this restructure will take effect from 18/07/2016.

## 2. Recommendations

It is recommended that:

1. The Cabinet Member(s) agree to delete the current organisational structure at **Appendix 1a and 1b** and to replace it with the proposed new structure at **Appendix 2a and 2b** with effect from 18/07/2016.
2. The Cabinet Member(s) note and endorse the proposed transformation initiatives that will underpin the service.
3. In line with Council policy, employees in the Council's Talent Pool who are in a redundancy situation will be given priority consideration for the new post(s) created in this Report prior to the post(s) being advertised. This may include providing training to the redeployee, where appropriate, subject to costs and individual potential benefit.
4. Every effort will be made to assimilate, redeploy or find suitable alternative employment for the post holders affected by this reorganisation. However, should it not be possible to redeploy such individuals that they be declared redundant with effect from a date to be agreed between the Executive

Directors, CMC and GPH, and paid benefits in accordance with the Council's Policy on Payment of Redundancy Compensation April 2008.

### **3. Reasons for Decision**

- 3.1 The proposed new structure for Highways and Place Shaping will deliver the required outcomes to support the councils' ambition for a sustainable and improved public realm. It will provide clarity of roles, responsibilities and accountabilities, give greater visibility of the scope and scale of public realm activities and enhance the management and engagement of the city council's key public realm stakeholders.

### **4. Background, including Policy Context**

- 4.1 The restructure of CMC and GPH in April 2015 established the current operating model for the public realm and highway functions. Revised working arrangements were proposed between GPH and CMC relating to strategic transport, highways and public realm works. The principles underpinning these changes sought to embed the design and development of transport and public realm initiatives within GPH, and the delivery of the schemes and routine maintenance within CMC. New governance arrangements were developed to provide visibility and transparency of all service activities, and roles and responsibilities of staff and leaders were redefined.
- 4.2 Despite these changes, working practice has not followed the target-operating model. This has had significant implications for delivery of some public realm schemes throughout the delivery lifecycle and on the reputation of the Council with key stakeholders and external agencies and service providers.
- 4.3 In September 2015, the Executive Director for City Management and Communities, and the previous Executive Director for Growth, Planning and Housing commissioned a review of the current operating arrangements and business processes across both directorates. A copy of the report and recommendations is attached at Appendix 3. The review identified a number of key findings :
- The lack of a comprehensive 3-5 year programme for all public realm schemes and a pipeline of future / proposed schemes that is visible and accessible;
  - Inconsistent application of the agreed business processes for delivering public realm schemes;
  - A top heavy management structure and a lack of clarity about roles, responsibilities and accountabilities;

- Ineffective governance, performance reporting and monitoring including member engagement;
- The need for Senior Management to drive cultural and behavioural changes to support the new ways of working and be held to account for the delivery of service outcomes; and
- The need to further align delivery functions and reshape the scheme development, stakeholder engagement and management roles.

4.5 In November 2015, all staff involved were briefed on the outcome of the review and a realignment of delivery and strategic functions transferred the Asset and Infrastructure team from GPH to CMC. Some changes in reporting lines were also made within the Strategic Transport Planning and Strategic Project teams within GPH. However, despite these amendments further organisational changes are needed to address the detailed findings in the review. This report sets out a new organisation structure for the Highways and Public Realm services within GPH and CMC.

## 5. Proposed changes

5.1 The principles underpinning the proposed changes to the CMC and GPH Highway and Public Realm and structures are summarised below and set out in more detail in Appendix 4 :

- Visible Leadership
- Engaged and collaborative stakeholder management
- One view of all public realm schemes
- Efficient business processes consistently applied
- A clear separation of strategy and design from delivery
- Robust Governance, including Cabinet member engagement, and programme management with appropriate decision gates
- Co-ordinated place shaping and integrated delivery
- Effective relationship management
- Easy to do business with
- Ensure regular and appropriate communication with key stakeholders and members
- Clarity of relationship with West End Partnership

### City Management and Communities.

5.2 The current structure for the Highways and Public Realm delivery functions and Roads Management within CMC, following the transfer of functions in November 2015, can be found at **Appendix 1a**.

- 5.3 It is proposed that the existing structure be deleted and redesigned to combine functions and roles within a single team responsible for the end to end delivery of all routine maintenance and public realm schemes, including s106 developer schemes and the LIP. The proposed new structure is set out in **Appendix 2a**.

#### Contract, Programme and Asset Management

- 5.4 A single Head of Service will be created accountable for all aspects of delivery, regulation and management of the highways network. The new structure will combine the disciplines of contract management, asset management and planning, and the co-ordination of public realm schemes. This will ensure that the contract management focus is on the effective management and monitoring of suppliers drawing on their professional disciplines and expertise and ensuring that they are empowered to fulfil their contractual obligations to deliver the required outcomes.
- 5.5 The new structure combines the roles of contract management and scheme delivery through the creation of dedicated contract management roles for routine highways maintenance and asset management and for the management and delivery of public realm, developer and TfL funded schemes. A programme and business team will be established to develop a single view of all activities, coordinate the programme of works, monitor performance and report progress. In the short term two additional finance positions will be created to provide additional capacity pending the outcome of a wider review of finance business processes. These posts will work closely with the service Finance Business Partner and take a lead role in supporting the Corporate Finance team to monitor capital income and expenditure including TfL, s106 and s278 agreements. Responsibility for the preparation and delivery of the council's annual LIP will transfer from GPH to CMC and a new post will be created within the Contract Management Team (Public Realm). The cycling project role is TfL funded until 2017. It is proposed that this role transfer to the Contract Management Team (Public Realm) until such time as the funding expires.
- 5.6 Given the scope and scale of the council's public realm capital programme the delivery team will be resourced with a fixed core of full time staff supplemented by a flexible resource pool to secure additional professional resource as required. These additional roles will be funded through external contributions.
- 5.7 Routine business processes that should sit within the shared service functions have been deleted from the new structure. However, it is acknowledged that there may be a requirement for some transition arrangements to be put in place in the short term. This will be subject of a review led by the Finance Business partners.

- 5.8 The existing Road Safety team will be retained and report to the Programme and Business Manager. However, this function should move to a shared service model at the earliest opportunity.

#### Sustainable Transport Programmes

- 5.9 The delivery of sustainable transport initiatives including the cycling and walking strategies, carbon offset and air quality requires a stronger delivery focus to ensure that the agreed priorities are visible, that outcomes are effectively delivered and that any dependencies or impact on other public realm schemes are considered and addressed. It is therefore proposed to create a Sustainable Transport Manager within the Contract Management Team (Public Realm) with responsibility for supporting the development of the council's sustainability strategies, for commissioning their delivery and reporting progress to officers and the cabinet member.

#### Roads Management

- 5.10 The Roads management team is currently part of the Public Protection and Licensing group. It is proposed that this team be transferred to the new Highways and Public Realm team reporting directly to the Head of Service. This team is responsible for coordinating access to the network for statutory utilities, routine and reactive health and safety inspections, accident claims, granting and enforcement of all highway permissions and licenses, and managing construction activities in respect of their impact on the highway network.
- 5.11 These activities are instrumental in supporting the development of the work programme and in facilitating the effective delivery of all works on the highway network. In addition the team can provide additional contract management resource to monitor works on the ground. At this time it is not proposed to make any changes to the current structure of this team. It is also proposed that contract management of the Traffic Order Making service sits with the Roads Management team.

#### Growth Planning and Housing

- 5.12 With the transfer of functions from GPH to CMC at the start of the current year and the emergence of the WEP as a significant portfolio of projects and programmes, there is a need to redefine the role of this team within GPH and ensure that it is focused on shaping the public realm. The current structure of the Strategic Transport Planning and Public Realm team, following the transfer of functions in November 2015, is shown at **Appendix 1b**.
- 5.13 It is proposed that the existing structure of the Strategic Transport Planning and Public Realm be deleted and a new Place Shaping team be created, as shown in **Appendix 2b**. This team will lead and be responsible for the development of all

place shaping strategies/activities covering a range of work areas focused on the delivery of coordinated investment and change across the City. In particular, it will work closely with external stakeholders to develop public realm initiatives, coordinate scheme development and identify opportunities to enhance public realm investment. More broadly the team will ensure the delivery of holistic place-shaping strategies covering all activities including property, housing, regeneration, sustainable development and economic development. Building strong working relationships with businesses and residential groups, as well as the GLA, Government and neighbouring boroughs (where applicable) will be a key role.

- 5.14 The team will coordinate the council's involvement in Strategic Infrastructure Projects e.g. Crossrail / Tideway / HS2 etc. as well as developing the pipeline of public realm initiatives to inform the future programme and determine the resource requirements to support delivery.
- 5.15 The team will be led by a Head of Place Shaping with overall responsibility for the development of the new functions and for building effective relationships with stakeholders. The Head of Place Shaping will be supported by a team with responsibility for the development of place shaping strategies, external development and coordination of public realm initiatives, and oversight and coordination of external funding. The team will work closely with the delivery teams within CMC throughout the lifecycle of projects as well as providing advice and support to the council's broader housing and regeneration initiatives.
- 5.16 In establishing the new Place Shaping team a number of important services currently carried out within the existing Strategic Transport Planning and Public Realm team will need to be reassigned. The development and delivery of the annual LIP programme, cycle project work, and day to day responsibility for flood management will transfer to the delivery team within CMC. The responsibility for Transportation policy development and the development of flood management strategy will transfer to the City Policy and Strategy team within the Policy, Performance and Communications Directorate in line with the principles established in the 2015 review.
- 5.17 In addition to this team a new post entitled Head of WEP Place Programme will be created. This post will be responsible for co-ordinating place shaping activities within the WEP programme relevant to Westminster. In both cases the Head of Place Shaping and Head of WEP Place Programme will report directly to the Executive Director – Growth Planning and Housing.
- 5.18 Given the proposed changes affecting both City Management and Growth, Planning and Housing the functions outlined above the post of City Transport Advisor is no longer required. It is proposed that this will be deleted at a date to be agreed between the Executive Director, GPH, and the Director of HR. This is expected to be the 30 September 2016. The current delegations for the City

Transport Advisor will transfer to the Executive Director, City Management and Communities, and a plan for handling this transfer of responsibilities will be put in place to ensure the smooth transfer of activities.

## **6. Transformation**

- 6.1 The new structure will establish a fit for purpose services to deliver the councils ambition for the public realm. This must be underpinned with robust and efficient business processes, systems, governance, and a culture that proactively promotes and embeds the councils PACE values and behaviours.
- 6.2 Concurrent to the changes to the organisation structure a programme of work has been scoped out to transform current business processes and practices across the service and with external providers. Key priorities will be to establish a single view of the council's highways and place shaping programme, build a service performance dashboard and carry out a comprehensive review of the use of ICT with a view to rationalising the current disparate standalone systems, improving customer experience and building effective relationships with our providers. Detailed plans for the transformation will be developed with those staff affected across the teams to ensure the work can be delivered quickly and to identify investment requirements that may emerge.

## **7. Staffing implications**

- 7.1 Details of positions deleted and created are set out in the table in Appendix 3 attached to this report. The proposed changes result in a net reduction of seven posts within CMC and five within GPH.
- 7.2 Recruitment to the new structure will be subject to the City council's Change Management Policy which ensures all staff affected are afforded the opportunity to apply for new posts. Staff will also be offered support to prepare for the interview and selection process.
- 7.3 Whilst every effort will be made to assimilate, redeploy or find suitable alternative employment for the post holders affected by this reorganisation. However, should it not be possible to redeploy such individuals that they be declared redundant with effect from a date to be agreed between the Executive Directors, CMC and GPH, and paid benefits in accordance with the Council's Policy on Payment of Redundancy Compensation April 2008.

## **8. Financial Implications**

- 8.1 City Management & Communities and Growth Planning & Housing teams forming part of this restructure are partially funded by external income and capitalisation. Previously across both directorates approximately 50% of costs were covered by income or capitalisation. The changes in structure and



responsibilities has included a review of the capitalisation rates with a prudent approach adopted for the revised budgets required to fund the new structure.

- 8.2 As over half of the posts fall within assimilation and ringfencing arrangements, the financial implications are estimated at this time. As a result of the change in structure, budgeted staffing costs before external funding and capitalisation reduce in City Management & Communities by £175k and in Growth Planning & Housing by £156k, i.e. £331k in total. However, income budgets reduce by £104k and capitalisation reduces by £23k. The net effect of the restructure is a reduction of budgeted costs to the General Fund by £203k across the two directorates (CMC £171k and GPH £32k). Redundancy costs are estimated at £300k excluding any pension fund cost implications. However, a funding strategy is in place to manage all one-off costs.

## **9. Legal Implications**

- 9.1 In implementing the restructure the Council will pay due regard to and ensure full compliance with the relevant and applicable employment legislation in accordance with the Equality Act 2010 and the Employment Rights Act 1996.

## **10. Consultation**

- 10.1 Staff were made aware of the review of current services in September 2015 and were invited by their respective team leaders to be involved in the review process. Formal team briefings were held with staff and the Trade Unions in November 2015 to advise them of the outcomes of the review and the planned transfer of functions within GPH and CMC. At that time staff were informed that further changes in structure would be required.
- 10.2 In January 2016 a series of workshops were held with staff to consider the findings of the review and explore opportunities to address the review report recommendations.
- 10.3 The proposed restructure report was issued to staff and the Trades Union for formal consultation on 9<sup>th</sup> May 2016 with a closing date of 8 June 2016. A full set of documentation including new job descriptions were made available to staff to review and comment on. A meeting was held with the Trades Union on 24<sup>th</sup> May 2016 to discuss the proposed restructure in more detail.
- 10.4 Staff were invited to comment and feedback on the proposed changes and responses to general questions were updated regularly and made available to staff.
- 10.5 Staff broadly welcomed the proposals and were supportive of the need for change to improve the overall co-ordination of public realm and highway services throughout the development and delivery lifecycle, and agreed that there is a

need to strengthen and improve the management of the council's third party service providers. Within City Management and Communities, staff felt that it was important to ensure the structure retained suitably competent and qualified staff in respect of asset management, especially public lighting expertise. There were some concerns about the overall level of resourcing, accountabilities and delegations and where the responsibility for customer correspondence, including freedom of information requests, would sit in the long term.

- 10.6 In response to the issues raised by staff the senior leadership team accept that there is a need to retain appropriate qualified and competent staff and this is reflected in the asset management roles. The council's contractors provide the necessary technical and engineering expertise which should be commissioned for specific tasks and duties. Should there be a requirement for additional technical resource or works that may not be covered within the scope of the current contract arrangements, then discussions with the service provider should be had and contract variations put in place if required.
- 10.6 In respect of concerns about capacity within the new structure, the design principle reiterate the need to manage the contractors to fulfil their obligations. The focus is therefore on contract management. Should there be a need for additional resource this should be assessed against demand and the structure provides sufficient flexibility to increase resources on a case by case basis. The scheme of delegations will be reviewed and accountabilities assigned to the appropriate officers. Responsibility for customer correspondence lies with the contractor and should be managed as part of the overall contract management regime.

### **Growth, Planning and Housing**

- 10.7 Despite strong support for the concept of creating a Placing Shaping function within the department, comments received from the existing team within GPH centred upon the following issues. These were:
- clarity of role and purpose of the new team;
  - reduction of staff resources within the new team;
  - loss of professional identity within the new structure;
  - working relationships with CMC, PPC and specifically the WEP;
  - future management of strategic infrastructure projects; and
  - process and procedure surrounding the delivery of public realm projects.
- 10.8 Whilst the new team will have similarities to the existing, the fundamental difference proposed by the review is that the purpose of the new team will be to work across the organisation taking a more holistic view of delivering projects. This will involve working with Housing, Property, Major Projects and Planning whilst sustaining and developing the links with CMC and PPC. Further details outlining the purpose of the team are contained within Appendix 5.

- 10.9 Within the new structure a number of the functions will transfer to other areas of the Council to align with the principles established in the 2015 re-organisation. This means that whilst the reduction in staff numbers may appear large these functions will be delivered in the future by other areas of the Council. We have also increased the number of junior professional roles within the new structure to reflect the comments received through the consultation process.
- 10.10 Whilst the new job descriptions do not contain the details of professional responsibilities seen in the past this follows the convention adopted by the City Council at present. However the new structure will provide for the mix of skills currently embedded within this team to be continued within the new place shaping structure.
- 10.11 The current and future working arrangements with the West End Partnership have caused much discussion. Moving forward the recently formed Place Shaping Board will oversee the relationship between these teams and will consider the issue of resourcing and support for this project moving forward.
- 10.12 Responsibility for managing the impacts of Strategic Infrastructure Project will still remain with this team and the Council will continue to honour its commitment to the external partners involved in these projects.
- 10.13 Finally, clarity over governance, process and procedure will be co-ordinated through the Place Shaping Board moving forward. This will ensure that all work areas across GPH, CMC and PPC will conform to the same high standards.

#### **BACKGROUND PAPERS:**

[Appendix 1a](#) and b – Current structure (with position numbers)

Appendix 2a and b – Proposed new Finance Structure chart

Appendix 3 – Report on the review of the Public Realm and Highway functions – September 2015

Appendix 4 – Design Principles

Appendix 5 – Place SHaping

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact:**

Kevin Goad; [kgoad@westminster.gov.uk](mailto:kgoad@westminster.gov.uk)

0207 641 1903

For completion by the **Cabinet Member** for Deputy Leader/Cabinet Member for the Built Environment

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME: **Councillor Robert Davis, MBE, DL**

State nature of interest if any .....

.....  
*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled **Highways and Public Realm Restructure – City Management and Communities (CMC) and Growth Planning and Housing (GPH)** and reject any alternative options which are referred to but not recommended.

Signed .....

Cabinet Member for The Built Environment

Date .....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment: .....  
.....  
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

For completion by the **Cabinet Member** for Cabinet Member for City Management and Customer Services

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME:     **Councillor Melvyn Caplan**    

State nature of interest if any .....

.....  
*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled **Highways and Public Realm Restructure – City Management and Communities (CMC) and Growth Planning and Housing (GPH)** and reject any alternative options which are referred to but not recommended.

Signed .....

Cabinet Member for City Management and Customer Services

Date .....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment: .....  
.....  
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

For completion by the **Cabinet Member** for Cabinet Member for Sustainability and Parking

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

NAME:     **Councillor Heather Acton**    

State nature of interest if any .....

.....  
*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled **Highways and Public Realm Restructure – City Management and Communities (CMC) and Growth Planning and Housing (GPH)** and reject any alternative options which are referred to but not recommended.

Signed .....

Cabinet Member for Sustainability and Parking

Date .....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment: .....  
.....  
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.



Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.