

WESTMINSTER SCRUTINY COMMISSION
Monday 3rd September 2012

UPDATE FROM THE LEADER OF THE COUNCIL

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1. The Olympics

- 1.1 With the Olympic Closing Ceremony having taken place and the Paralympic Games currently underway, I am delighted to confirm that our city operations have so far been a resounding success during a time of extreme pressure and scrutiny. A combination of extensive planning, partnership working both internally and externally and hard work have brought about this success.
- 1.2 It has been more challenging than ever during this period to balance the needs of residents, businesses, visitors and the other agencies we have worked with. However, with our operations coordinated through the Borough Olympic Coordination Centre and Borough Group Support Unit at City Hall and the Local Authority Olympic Coordination Centre and Central Zone Event Liaison Teams externally, we have been able to assess any potential problems and, to date, overcome them. Working closely with agencies such as TfL, LOCOG, the emergency services, the GLA and utility companies in preparation and during the Games will also provide a positive, and lasting, legacy.
- 1.3 During this period, we have both planned for and addressed issues concerning:
 - Night time freight deliveries through the work of traffic marshalls;
 - Parking enforcement on the Olympic Route Network by seeking to move vehicles on rather than issuing Penalty Charge Notices;
 - Road works through an embargo on non-essential works;

- Begging, rough sleeping and anti-social behavior in partnership with the Police;
 - The clean-up operations following major road events;
 - Ensuring an effective trading standards presence;
- 1.4 Many colleagues will have also seen the stories in the early stages of the Olympics about their impact on the economy of the West End. Through joint work between the GLA and businesses, a range of measures were introducing, including coordinating marketing activity via London and Partners. This also saw a 'relaxing' of messaging around transport and a number of other public relations and marketing initiatives focused around a 'London is open for business' message with advertisements in the Metro and Standard and a social media push.
- 1.5 The City Council has also sought to work directly with our partners in the West End Marketing Alliance (WEMA). WEMA recently launched a campaign targeted at the domestic market particularly Londoners and the Home Counties. We are creating a sustained campaign that will build on the success of the games and the feel good factor and pride it has generated in the capital as a springboard to celebrate the West End and all the different elements that make it such a unique experience. To support this campaign Westminster City Council has offered free parking on 18/19 and 25/26 August, as it did during the Jubilee weekend.
- 1.6 I would like to thank Cllr Summers and all staff who have been involved to date in so successfully delivering perhaps the most complex project and challenge ever faced by Westminster City Council.

2. Community Governance Review

- 2.1 Following the conclusion of the Community Governance Review in June, we have to date received eight applications to designate a 'neighbourhood area' as the forerunner of establishing Neighbourhood Forums.
- 2.2 As a reminder, the Localism Act introduced the concept of neighbourhood planning with communities able to develop statutory neighbourhood planning policies, a 'Neighbourhood Plan', that will become part of the planning framework for their area, and establish 'permitted development' rights for certain types of new development.
- 2.3 Interested parties need to clarify a 'neighbourhood area' and then submit proposals to establish a Neighbourhood Forum (the community body that will carry out neighbourhood planning). The council, once it has received an application, undertakes consultation as to designate the area and then establishes a second phase as to who the representative Forum should be.

- 2.4 We have a legal ‘duty to support’ the Forum, but the potential production of a Neighbourhood Plan (including costs) would be the responsibility of the Forum (although we would be responsible for resourcing the plan examination, and referendum). Both the Deputy Leader, who leads on the Community Governance Review, and staff have also run seminars and workshops to support the process as well as having met officers from DCLG to share experiences. The approach continues to emerge and will be far from straightforward, with several competitive bids crossing boundaries and the initial consultations have also resulted in some objections to the both proposers and boundaries.

Neighbourhood Area	Applicant	Consultation Dates
St John’s Wood	St John’s Wood Society	Monday 25 th June – Friday 3 rd August
Soho	Soho Society	
Pimlico	Pimlico FREDA	
St James’s	St James’s Conservation Trust	Monday 23 rd July – Friday 14 th September
Mayfair	Residents’ Society of Mayfair and St James; the Mayfair Residents’ Group	
Paddington and Maida Vale	Paddington Waterways and Maida Vale Society	
Belgravia	Belgravia Resident’s Association	Monday 13 th August – Friday 5 th October
Marylebone (north)	St Marylebone Society	

- 2.5 There have also been on-going discussions with regard to potential Neighbourhood Area applications in other areas, including Westbourne (ward), Westbourne (neighbourhood assoc area), Marylebone (south of Marylebone Road), Bayswater, South East Bayswater, and Victoria.

3. Budget

- 3.1 At the end of Period 12 General Fund Reserves strengthened from an opening position of £15.6M to Closing Reserves of £22.1m. Earmarked Reserves increased from £25.5M to £30.7M composed of: provision for future costs of £8.1M and a net movement of £2.9M on pre-existing reserves.
- 3.2 The Delivery Assurance process for helped ensure that over 99% of the 2011/12 £60m savings programme was been delivered and this is a model we will be retaining for the forthcoming year.

- 3.3 Our Tri-Borough work is also continuing with the savings across the three boroughs now estimated to be £40m by 2015, an increase of £7m from our original estimates.
- 3.4 Finally, we have continued to make progress in exploring other new ways of working, with our Community Budgets pilot due to conclude in the autumn, as well as exploring new ways of delivering services on a Payment by Results Basis, through the issuing of Social Impact Bonds and this year will also see the first mutual established providing ICT services to schools across the Tri-Borough area.
- 3.5 In terms of the 2012/13 budget, a further £22m savings are currently being delivered. As at the end of Period 3, £8.5m of this has been achieved with a further £6.3m being assessed to ensure delivery with Corporate Finance holding regular 'Solve-It' sessions to support the process.
- 3.6 Regarding the Capital programme, this is currently forecasting full-year net expenditure of £33.8m, which is an underspend of £2.5m.

4. Better City, Better Lives

- 4.1 The council will shortly be publishing a refreshed and revised vision for the organisation under the title Better City, Better Lives.
- 4.2 The purpose of Better City, Better Lives is as follows:
- Provide a clear, compelling narrative and strategic direction for Westminster City Council;
 - Focus the council's, and partners', purpose on delivering the Better City, Better Lives agenda;
 - Set out clear roles for the Leader, Cabinet, Chief Executive, SEB and SLT to perform effectively to achieve the Better City Better Lives vision and deliver its priorities;
 - Bring together the full resources of the council and partners around a number of cross-cutting themes and priorities;
 - Promote the values of the Better City, Better Lives narrative within the organisation and externally;
 - Use good quality information and advice to take informed, transparent decisions and manage risk;
 - Drive accountability to residents for the council's performance delivering the Better City, Better Lives agenda.
- 4.3 Underpinning and providing the philosophy for the Better City, Better Lives programme is the Civic Contract that was based on three clear principles: fairness, responsibility and opportunity. In short Better City, Better Lives is designed to 'Build the Ladders of Opportunity' and can be summarised as follows:

Better City – policies, plans and activities that improve the environment, fabric, entrepreneurial capacity and infrastructure of Westminster (e.g. clean streets, housing renewal, business support, fair parking)

Better Lives – policies, plans and activities that improve the quality of life for those that live, visit or work in Westminster (e.g. public health, access to affordable housing, tackling anti-social behaviour, tackling worklessness, use of new technology in customer services)

- 4.4 It is important that the council's existing business planning, performance, finance and human resource mechanisms are aligned around the new Better City, Better Lives framework and priorities and should be used, in part, to measure its overall impact. Work is underway to assess how this can be taken forward.
- 4.5 A series of policy ideas and initiatives will be announced over coming months to support the Better City, Better Lives vision culminating in the Leader's budget speech next March.

5. West End Commission

- 5.1 The West End Commission will formally meet for the first time on 21st September and will be chaired by Sir Howard Bernstein, Chief Executive of Manchester City Council together with 12 commissioners, listed below.
- 5.2 The Commission has published a call for evidence that runs to the 1st October and the Commission will meet monthly taking evidence from groups and interested parties in a series of themed sessions looking at elements that go to making the West End a success such as transport, infrastructure, economic growth and safety.
- 5.3 Drawing on the evidence and experience of all interested stakeholders, the Chair and Commissioners hope to work towards a long-term strategic framework to ensure that the West End meets the future needs of residents, businesses, communities and visitors alike while continuing to occupy its vital place within London and in the global economy.
- 5.4 A number of Commissioners were selected to represent particular sectors, detailed in brackets below, and were nominated by the relevant organising body or association. Others were chosen by the Chairman.

Commissioners:

- Sir Howard Bernstein, Chief Executive, Manchester City Council (Chair)

- Matthew Bennett, Soho Society (residents)
- Jim Steer, founder, Steer Davies Gleave and Greengauge21 (transport)
- Greg Clark, international advisor on city investment and management
- Harvey Goldsmith, performing arts promoter (tourism)
- Geoffrey Riesel, Chairman, Radio Taxis Group (London-wide business)
- Simon Thomas, Chairman, Hippodrome Casino Limited (night-time economy)
- Julian Bird, Chief Executive, Society of London Theatre (night-time economy)
- David Shaw, Chief Executive, Crown Estate (BIDs)
- Professor Yvonne Rydin, Chair of Planning Environment and Public Policy, University College London (planning/land use)
- Henry Overman, Professor in Economic Geography, London School of Economics and Director, Spatial Economics Research Centre
- David Kaner, Covent Garden Community Association (nominated by Camden Council) (residents)
- Helen Bailey, Chief Executive, Local Partnerships

6. Customer Services Review

- 6.1 The CSI contract currently delivered by Vertex/Serco which manages many of the council's direct customer contact services and many office services at a cost of £40m per year will terminate in November 2014. A series of customer programme meetings are ongoing to ascertain a detailed definition of how the council will deliver front office (contact centre) and back office (processing transactions) functions after the current contract expires. The convergence of customer expectations and technological capability allows us to take a very new approach to delivering services to our customers.
- 6.2 The Cabinet Member for Finance and Customer Services and the Chief Executive have so far co-chaired a series of meetings with each service area which currently receives assistance via the Vertex/Serco contract, reviewing policies and process, opportunities and risk as well as the needs of each area.
- 6.3 On 24th July 2012 following on from the service area meetings the first Customer Led Transformation Programme Board meeting took place which was again chaired by Cllr Caplan and Mike More, with senior officers present from across all departments of the council.
- 6.4 The Customer Led Transformation Programme Board will continue to meet on a fortnightly basis to discuss strategic dashboards and status, a channel shift and cost goals dashboard, the key prioritisation

decisions and the key procurement decisions. The council will also continue to work with an external expert group including John Lewis and Google to further define how to deliver the best services to our customers, drawing on their wealth of experience in the private sector. It is also likely that a Cabinet Sub-Committee will also be appointed to look specifically at the issue with a view to having a designed Target Operating Model by the end of this year.

7. Lobbying Priorities

- 7.1 The Local Government Finance Bill will continue its passage through the Lords in October. The Bill seeks to do two things. First, the partial reform of the current NNDR regime and second, localisation of council tax benefit. Colleagues will be aware of the concerns that the council has raised that the Bill as it currently stands will not benefit those authorities in high-density areas who choose to invest in their public realm. We also have concerns over the appeal and reset mechanisms. We have had considerable success in raising these concerns during the passage of the Bill and will be taking them forward through discussions with Ministers over the coming weeks. .
- 7.2 I also recently met London Councils to discuss the latest position in regard to a possible London pool for business rates, including how this would work in practice. Discussions are ongoing both among London boroughs and with CLG but are made more challenging by the current lack of stable baseline data. I have emphasised that Westminster will not enter a pool unless it was beneficial for us to do so and will keep colleagues informed of developments as they move forward, but the timetable of getting something in place for the next financial year currently seems impractical.
- 7.3 We also anticipate that the government will publish an Economic Development Bill at some point in the autumn and we will again be looking to influence its contents with a range of ideas and thoughts that would seek to benefit both local government and Westminster in particular.
- 7.4 Following considerable work by the Deputy Leader, I was pleased to see the recent announcement from the CLG confirming their intention to proceed with the localisation of planning fees. Whilst further work is undertaken to develop a consistent model for this, CLG have agreed to a 15% increase in planning fees, with effect from 1 October, the first increase since 2008.
- 7.5 CLG also confirmed that they are open to discussions on whether listed building and conservation area consent applications should attract a fee under a new regime and further work will be undertaken to convince CLG on this issue.

- 7.6 Finally, we have agreed a joint position on both a Tri-Borough and Central London Forward basis following the launch of the interim allocation formula by the Advisory Committee on Resource Allocation (operating on behalf of the Department for Health) for the localisation of funding for the delivery of public health.
- 7.7 The interim formula used a Standardised Mortality Ratio for those aged under 75 years as the basis for the redistribution of funding. We have agreed that this fails to recognise a number of key drivers of public health need and the unique characteristics of urban areas where wider requirements include demand-led open access sexual health services, the impact of population churn and the needs of children in inner London.
- 7.8 We have noted our concerns to the Secretary of State for Health, submitted a response to the consultation and are now exploring the potential to undertake further modelling to help the formula as it develops.