

REPORT TO: WESTMINSTER SCRUTINY COMMISSION

DATE: 9 APRIL 2014

REPORT OF: CHARLIE PARKER, CHIEF EXECUTIVE

TITLE: CHIEF EXECUTIVE'S REPORT

1. Purpose

To update Westminster Scrutiny Commission on matters of corporate interest.

2. Introduction

Since taking up the post in January, I have held a range of meetings with staff and stakeholders to better consider and understand the major issues facing both the organisation and Westminster as a place in order to drive forward the agenda of the City Council within London.

One of my first acts upon being appointed was also to re-energise the Strategic Executive Board. As a result, the Board now meets on a weekly basis to consider issues of importance to the organisation, particularly cross-cutting matters such as Medium Term Planning where, we need to ensure that departments are working closely together if we are to meet our savings targets from 2015. The Board is now more effectively reviewing proposals before they are subject to decision at either a Cabinet Member or full Cabinet level.

As part of my commitment to regularly engage with staff, I have also ensured that briefings have taken place so colleagues better understand both the Better City, Better Lives vision for this year, and their part in its delivery. I will be regularly checking that the Administration's plans, as launched at the recent Leader's breakfast event, are being delivered.

I am also now nearing the completion of my first 100 days programme of meetings and events with external stakeholders, looking how we can work more effectively together and to understand their views of the City Council. In recent weeks I have also met with some of the Great Estates to discuss how we can develop our shared economic objectives and further improve our working relationships. I have also met with London First, a range of developers, societies and Housing Providers. I have also attended two Area Forums and the Knightsbridge & Belgravia extended ward session to outline some of my thoughts on the City Council and the issues we face, as well as the vision for improving public services in Westminster and across the Tri Borough area.

Continuing the theme of public services, I involved in discussions between senior policy officers in Westminster and the Core Cities with Civil Servants in order to develop our approach to Public Service Reform, supporting our ambition to join up with other agencies and partners in order to either prevent future demand on services or manage down existing demand. Similar conversations with local stakeholders and partners have also taken place within Westminster.

3. Delivering Better City, Better Lives

The Leader of the Council formally launched *Better City, Better Lives Year 2* to residents and staff in early March.

The vision for *Better City, Better Lives* once again sets the challenge to deliver a suite of policies which are required to achieve the three principle ambitions for Westminster: *A Safer, Healthier City, A More Enterprising City and A More Connected City*. Cabinet Members have agreed the initiatives that will deliver these ambitions and as part of the planning process services were required to demonstrate how their proposed activities met the accompanying ambitions.

For the first time, the priority-setting was more aligned with the financial and business planning process of the council, ensuring that we established a range of joint policies and programmes, accompanied by a robust assessment matrix. The delivery of these priorities will be assessed on a quarterly basis at SEB with Directors held to account for their delivery.

4. Managed Services Programme (MSP)

Work on the Managed Services Programme (MSP) continues at pace towards delivery and the roll out across Tri Borough in September 2014. This agreed date remains a top priority for all three councils in order to recognise the need to maximise the benefits realisation for HR, Finance and Payroll. MSP also provides the necessary systems infrastructure to support the new Tri Borough Corporate Services function (see section 4 below).

The priority focus of the project team is now on completion of system build, user acceptance testing and detailed planning for transition. Some additional resources have been appointed to reflect the focus on moving towards implementation and transition stage. A delivery leadership group has been established in Westminster to oversee and assure the implementation of the MSP changes which I, as the Senior Responsible Officer (SRO), am chairman of. A network of change champions have also been appointed within Service Areas across the Council to provide better communication of the corporate changes. This will hopefully ensure business readiness and maximum synergy between the overall roll out of the MSP programme and localised change.

I have also spoken at the relaunch of the programme to ensure all Tri Borough staff are aligned to the overall programme objectives and are clear about what is expected of them operationally and technically as well as how we anticipate them working to meet the key project milestones.

I continue to hold all relevant areas responsible for the programme to task and we are working closely with senior colleagues across Tri Borough on a day to day basis to meet the 'go live' date. I have also reiterated to senior BT representatives what we expect of them in order to deliver the programme and to ensure that risk is successfully managed and the benefits are maximised.

5. Corporate Services

Further to the agreement of Cabinet on 24 February, work is now proceeding with the scoping and development of detailed business propositions for a range of Corporate Services. Those services which were agreed to be within remit of the detailed business planning exercise include:

- Human Resources
- Procurement
- Legal Services
- Revenues and Benefits (client arrangements for Westminster City Council)

Any Corporate Services proposals will also include relevant functions which are already being delivered on a Tri Borough basis, namely the Tri Borough Treasury / Pensions function, an Audit and Fraud function and an ICT function where a Tri Borough Chief Information Officer is already in post.

As the SRO responsible for the development of the Corporate Services function across the Tri Borough area, I have asked Jane West from the London Borough of Hammersmith and Fulham to oversee the development of the business cases and expect to be able to report these to Cabinet for consideration in June or July.

I would like to take this opportunity to congratulate all members and staff involved in the development and delivery of the Tri Borough partnership, which was formally recognized as the winners of the Public Public Partnerships category at the LGC Awards on 12 March. I was delighted to see that the Westminster Fraud Team were also shortlisted in the Anti Fraud Category. This recognition shows the standing and impact of our work amongst peers and should motivate us all to continue to innovate and find new ways of delivering services more effectively.

6. Securing a Growth Deal

Over the last several months, the City Council and the Central London Forward (CLF) grouping of boroughs have been working closely with London Councils and the Greater London Authority to contribute to the London's Growth Deal submission to Government and consider what a 'Deal' might look like for central London as the UK's economic powerhouse. The final 'Deal' submission was submitted on Monday 31 March.

This submission, which incorporates bids for various funding streams and proposals for broader powers for London, has been developed largely through joint work between the Greater London Authority and London Councils and will be submitted by the London Enterprise Panel (LEP) at the end of the month. The Leader now sits on the LEP and is active to ensure a strong central London and West End voice is reflected in its work. Westminster City Council staff have played a leading role within CLF to prepare the bid. There will now be a period of negotiation with Government before the Deals are announced in principle before the summer Parliamentary recess.

The Growth Deal submission focuses around four broad themes:

- Skills – making sure that London has the leverage to ensure that residents have the skills that business needs.
- Employment support – drawing on the strong track record of schemes such as Westminster's Workplace Coordinators, increasing local partners' influence in ensuring successful programmes to get unemployed residents back into work.
- Housing investment – reducing restrictions to help stimulate housing development, including public sector borrowing caps and the issue of planning fees which we have championed.
- Fiscal devolution – furthering the arguments of the London Finance Commission for devolution of property taxes and other powers to London on a revenue neutral basis to the Treasury.

The LEP has accepted the principle that sub-regional groupings of boroughs in London, working closely with business, will be essential to deliver this vision. Recognising Central London's importance to the economy, and the unique challenges the area faces, CLF has put together a number of working draft documents which it released on 26th March in support of the London Growth Deal. These included:

- A statement of intent from CLF Leaders and business signatories, outlining CLF's support for the Growth Deal and future plans to build

the evidence base for empowering central London in areas such as housing and the visitor economy.

- A baseline study from the leading economic forecasting and modelling agency Oxford Economics outlining central London's performance against key growth indicators and providing headline growth forecasts for the central London economy to 2023.
- A short 'thought piece' in partnership with the think tank Centre for Cities setting out the importance of central London to the UK economy and the particular barriers it faces to promoting economic growth.
- An indicative business case in partnership with specialist economic consultancy Amion Consulting which provides a more detailed idea of what might be achieved through new ways of working to provide employment support in central London, and the potential savings to Government.

Now that the 'Deal' has been submitted, the City Council and CLF will be seeking to influence the negotiation process, as well as taking stock of the central London offer and considering next steps around developing business cases and evidence base, delivery plans, potential funding and commissioning plans (including influencing European funding programmes), as well as future governance arrangements.

7. Budget update

Accounts Closure

As per my commitment to improve processes and reporting, I have tasked the Interim Director of Finance and SEB to close the 2013/14 annual accounts process and report by the end of June 2014. This is a significant step forward from the previous reporting process which usually took place at the end of September each year.

With significant budgetary challenges ahead, I believe that it is important that the annual accounts are closed expeditiously if we are to allow colleagues in Finance and across the organisation to have added time to effectively contribute to the Medium Term Planning process and identify further efficiencies and savings opportunities across the year.

2013/14 Budget – Period 11

Revenue

At the end of Period 11, the Council was projecting an overall surplus to Budget of £2 million, unchanged from Period 10. Service Areas are now projecting a £1 million adverse variance, which is an adverse movement of

£0.1million from Period 10. The movement is mostly due to backdated IT maintenance costs in Libraries & Culture. Corporate Financing is reporting a £3 million underspend to Budget, unchanged from Period 10.

13/14 Savings Programme

The programme continues to make good progress with around 86% assessed as either Completed or Green with the remaining 14% being still being delivered.

13/14 Projected Closing General Fund Reserves

As part of budget planning we had previously proposed to use £2 million of Reserves to balance the Budget. However, as a result of the improved financial position this use is no longer required and when coupled with the improvements noted above, generate an improved overall financial position. At Period 11, the projected General Fund Closing Reserves position will remain around £32 million. This will be reviewed during the last month of the financial year.

Capital Expenditure

At Period 11 the projected Service Area outturn for the year is £25.2 million which is £1.2 million below the agreed February CRG forecast of £26.4 million, and £1.4 million below the Period 10 projection. The movement from Period 10 is mainly due to projects which have been rescheduled following changes in service provider (Property £0.6 million); slipped delivery date for equipment (Information Services £0.5 million) and a delayed planning decision (Sports & Leisure £0.2 million).

8. Medium Term Planning

The medium term planning process is continuing to progress. Discussions with Cabinet Members have identified a number of areas where officers have been asked to complete more detailed analysis and planning. Proposals will be the subject of detailed member discussions in June.

9. West End Partnership

The independent West End Commission, chaired by Sir Howard Bernstein, recognised the huge importance of the West End to London and the UK and the need for a coherent voice for the area. In its report in April 2013, the Commission recommended the creation of a new West End partnership bringing together public service organisations and business. The Leader of Westminster City Council has committed to working with others to establish a West End Partnership to provide stronger leadership, greater coordination and a more influential voice for the West End of London, and the Partnership Board was established in June 2013 (see list of members below).

Key activities

The Partnership Board is currently working in three main areas:

- Building on the Commission's report, bringing together partners' different aspirations and plans into an agreed **strategic vision** to inform decision-making and joint action. After a competitive exercise, Arup were contracted to work with the Partnership Board to develop the vision. The vision was discussed in draft at the West End Partnership Board meeting in March and will now be subject to further engagement with stakeholders and an 'awayday' to discuss the key strategic challenges and choices facing the West End and further drafting.
- Working to **influence Government and the Mayor** to recognise the West End's uniqueness, importance to the UK economy and need for appropriate freedoms and flexibilities in areas such as:
 - managing the evening and night time economy
 - cost recovery for planning fees
 - making tax free shopping easier for overseas visitors to the West End
 - longer term reforms to increase London's financial autonomy, e.g. some of the measures cited by the London Finance Commission
- Establishing and getting input from **working groups on key issues** on the ARUP document, with expert Chairs and membership including relevant officers, Members and resident representatives, which will report back to the Board over the next 9-12 months with a more detailed implementation plan. The sub groups include:
 1. Transport (Chaired by Professor Peter Jones, UCL) – looking at the opportunities and challenges of the West End post-Crossrail (drawing on a study commissioned by TfL, NWEC and WCC currently in progress).
 2. Public realm investment and delivery (Chaired by Cllr Robert Davis DL) – looking at the principles of good public realm in the West End, developing a prioritised schedule of schemes for delivery and putting forward recommendations on funding mechanisms.
 3. Improving the evening and night time experience (Chaired by Professor Marion Roberts, University of Westminster) – looking at the costs and benefits of the evening and night time economy in the West End (drawing on a WCC-commissioned study currently in

progress), considering desired characteristics for the evening and night time economy and exploring how to ensure that the right tools are available to manage it.

4. Marketing and promotion (Chaired by Conrad Bird, Director, GREAT Britain Campaign, Prime Minister's Office) – developing a coordinated marketing strategy for the West End, bringing together a wide range of sectors and stakeholders and including a fully costed, jointly funded implementation plan providing stakeholders with a better return on their marketing investment.

10. Staffing

Dr Meradin Peachey has recently started as our permanent Director of Public Health. Meradin joined us from Kent County Council and will report to Liz Bruce, reflecting our ambition of continuing to integrate Public Health into our services across the Tri Borough area.

Finally, I am currently in the process of recruiting a City Treasurer to be our new permanent S151 Officer and a Chief of Staff to lead on a range of activities including the behavior and cultural change programme across the organization. I will continue to update members as the respective posts are recruited to.