



City of Westminster

Follow on Agenda

Title: **Housing, Finance and Corporate Services Policy and Scrutiny Committee**

Meeting Date: **Monday 13th June, 2016**

Time: **7.00 pm**

Venue: **Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP**

Members: **Councillors:**

Brian Connell (Chairman)	Robert Rigby
Barbara Arzymanow	Jacqui Wilkinson
Peter Freeman	Adam Hug
Richard Holloway	Tim Roca

Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Reuben Segal; Senior Committee and Governance Officer.

**Tel: 020 7641 3160; email: rsegal@westminster.gov.uk
Corporate Website: www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Director of Law in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

a) **Update from Cabinet Members (Follow on Item)**

(Pages 1 - 14)

Charlie Parker
Chief Executive
10 June 2016



Housing, Finance & Corporate Services Policy and Scrutiny Committee Briefing

Date: 13th June 2016

Author: Cllr Tim Mitchell

Portfolio: Cabinet Member for Finance & Corporate Services

Please contact: Sion Pryse x2228
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1. Finance

1.1 Outturn 2015/16

Key items to note following the production of the Council's accounts:

- The revenue outturn shows an underspend of £5.54m against budget.
- The capital programme original budget including 2014/15 slippage was £188.3m. This was re-profiled to £94.697m after adjustments and virements with the forecast outturn reported as £75.46m as at Period 10. As at year end the outturn position is reported as £69.432m which represents an underspend against original gross budget of £118.87m (63%).
- The original Housing Revenue Account (HRA) capital programme for 2015/16 was £89.8m. This was adjusted to include slippage from 2014/15 and re-profiled to £93.4m. At period 10 the forecast outturn reported as £49.6m. The actual outturn position was £54.7m, which represents an underspend against original gross budget of £38.8m (41%).
- The Council's balance sheet strengthened during the financial year and as a consequence of the improved financial position for the year the Council was able to increase its General Fund Reserves to provide the Council with on-going financial resilience in an increasingly austere economic climate over the medium-term.

- This year's closedown process has been challenging given the need to bed down the new Agresso system which went live of 1st April 2015 as part of the Managed Services Programme. However matters were successfully concluded as at the yearend for example the bank reconciliation was reconciled in full, UNA (unallocated income) was completely dealt with and AP and manual payments likewise resolved. Despite the challenges there have also been a range of improvements in the accounts and accounting year on year covering back office processes and systems (e.g. a refreshed "cloud based" asset register) and improved presentation, accuracy, better inclusion of information and improved accounting.

1.2 Objections to the Accounts

It will be recalled that there were previously seven years of the Council's accounts (back to 2008/09) held open because of objections.

Four of these were closed off in January (2008/09 to 2011/12).

2012/13 to 2014/15 remained open because of a further objection. The Council issued a robust rebuttal to this final outstanding objection to the auditor. Following consideration of this information, the objector formally withdrew this objection on the 12th May.

Grant Thornton have now completed their formalities and issued certificates for the three outstanding years on the 24th May.

1.3 Budget

Work has commenced on analysing the Council's budget position for 2017/18 to 2018/19, identifying where we are in relation to the estimated gaps and action that will be taken to prepare the estimates (capital and revenue) for these years, and beyond.

1.4 Budget Monitoring

A new budget monitoring tool has been produced for 2016/17 which will be rolled out across the Council on a phased basis from 31st May to 30th September, enabling budget managers to upload accruals and forecasts into Agresso which then directly feed into the monitoring packs. This will promote self-service, enhance budget monitoring, make use of the Agresso system and provide more reliable financial forecasts. Training is being delivered this week by Finance Managers to the Budget Managers for the pilot areas for P2 reporting, while the order of roll-out across the other areas is to be determined and agreed with Executive Directors.

2 Corporate Property

2.2 Investment Programme

Corporate Property has embarked on an investment programme using the funds allocated in the Council's budget for strategic commercial property acquisitions. This is intended to provide secure, long term income streams for the Council to support provision of front line services. It will also help diversification and rationalisation of the existing investment portfolio. Governance will be managed through the Property Investment Board, the Capital Review Group and the Cabinet Member for Finance & Corporate Services. A strategy for stock selection has been presented to the Executive Management Team following discussion by Cabinet Members and the Property Investment Board.

2.2 Operational Property Strategy

The property consultants BNP Paribas Real Estate (BNPRE) have held a workshop with senior officers across all services in order to provide insight of service need to inform the revised Operational Property Strategy. BNPRE are carrying out interviews with all services to further understand the use of existing real estate. Collated data will be used to analyse the occupancy and use of each property that the Council occupies to deliver its services, with a target of substantially reducing the Council's property footprint to reduce running costs and to allocate surplus property for re-use or development. The study and strategy is a two phase process with the study report is due at the end of May and the occupational strategy due at the end of August.

3 Corporate Services

3.1 IT

Digital Workforce/datacentre migration

Following the launch in April of the new Office 365 intranet/collaboration platform, we have seen excellent adoption of the new tools by staff at all levels within the Council. For May and June the focus of the shared IT service is on migration from legacy WCC CapGemini datacentre services by end of June 2016. This involves migration of all email accounts to Office 365 and transition of directory and storage services to the BT "SIP" datacentre, work is broadly on track with approximately 1,200 users migrated by the 24th May. Such a major and complex change to the Council's IT infrastructure is causing some disruption for users, but this is being managed and there is recognition among CLT members that it is a necessary stage in transition to more digital ways of working.

Customer Digital

The shared IT service has established a draft timetable for procurement and implementation of a common enabling Web/CRM platform across the three Councils, which would also underpin Westminster's Customer Digital programme. There is opportunity to complete this procurement and commence build of new transactional services in autumn, subject to agreement and funding decisions which are now being discussed with the three Councils. An Executive Decision Report has been drafted for consolidation and upgrade of Geographical Information (GIS) Systems across the three Councils into a single new platform, to deliver greater insight and operational efficiency for mobile/fixed staff and the wider community. Aligned to this, work is underway to explore the potential of the new Power BI services which are now available through Office 365.

City Hall refurbishment programme

Existing WCC telephony and network contracts are being extended to limit disruption during City Hall refurbishment. An internal Gate 2 (contract award) report was approved recently to invoke existing "NGN" network contract extension clauses. The extension period will run from October until April 2018 (concurrent with telephony), this will also now be issued for Cabinet Member decision in June. Following the recent Cabinet decision, orders for the required network links to decant sites are now being placed to ensure installation in time for 2017 staff moves. Work on decommissioning of existing City Hall network and datacentre services continues this will be a significant area of focus later in summer and autumn for the dedicated project manager.

PSN Compliance

The shared IT service is liaising with the Cabinet Office regarding timescales and approach for the Council's next "PSN" certification (PSN being their Public Services Network security standard which WCC must meet in order to access DWP and DVLA data). Whilst still providing secure systems for our most sensitive data, we are also keen to exploit the potential of open data access, transparency and internal/external (multi-agency) collaborations around less sensitive data, and are lobbying for a relaxation of the traditionally "blanket" technical controls. The outcome of our initial discussions, and timescales for PSN certification should be known during June.

Member's IT

In early June evening IT drop-in sessions have been arranged with majority and minority party members to provide IT support and advice, and to arrange for permanent connection of members' phones/tablets/laptops to the Council's "SUWIFINET" Wireless network. Concurrent with this, the block on video streaming and conferencing via the City Hall guest WiFi service is being lifted, to improve the service offered to our occasional visitors.

Phase 2 of the ICT restructure

Building the shared ICT service is about to move to the next phase of activity, which will involve bringing together the RBKC and WCC staff ahead of H&F exiting their outsource arrangement with the Agilisys HFBP partnership.

3.2 People Services

Graduate Recruitment

People Services held a graduate assessment day on Tuesday of last week to continue our on-going plans to attract talented young people into the Council. Our current intake of graduates played an active part in the day and as a result we plan to secure an additional 2/3 new graduate to start with us in the autumn.

Working the Westminster Way

The Band 3 academy, called "Working the Westminster Way", has officially started and took place in the newly created "Academy" on the 3rd June in City Hall. To date we have had over 60 colleagues who have attended. Feedback has been very positive so far with colleagues mentioning that focussed investment in their development is greatly appreciated and will enable them to work more effectively as a member of their teams. The final cohort of Band 4 colleagues started their academy experience as well last week at the Lupus Street site. This cohort will see 120 people complete the programme over the coming months.

3.3 Procurement

Chartered Institute of Procurement & Supply

Procurement Services has completed a two day workshop this week in order to finalise the Council's submission to the Chartered Institute of Procurement & Supply for the CIPS Corporate Certification Standard. Undertaking a formal review and achieving the CIPS Corporate Certification supports Westminster City Procurement Services in achieving its long-term strategic plan. The submission has been made to the Chartered Institute of Procurement & Supply and it is expected that the Council will receive confirmation of achieving Corporate Certification in July 2016.

Procurement Programme

A Procurement Programme has been developed to drive procurement excellence. The Programme for the year (ending in March 2017) is split into 4 Themes. These include People Development, Market Development, Technology Development and Operating Model.

Internal Audit

Internal Audit is commencing an audit of Procurement Services. The overall objective of this internal audit is to provide Members with assurance as to the adequacy and effectiveness of the key controls relating to Procurement Services Strategy, Policy and Procedures as well as Training and Guidance to those in procurement or contact management roles. The audit will be completed by end June.

Apprentices

Procurement Services has appointed its third apprentice into the department. He is a Westminster resident and joined the team in May, and will be helping Procurement Services with data cleansing activities as well as system updates and data input. Our aim will be to give him a broad insight into sourcing systems and systems management in order to develop his interest in this important area of work.

3.4 Legal

Tri-borough Legal Services Savings

It has been a year since WCC went live as a tri-borough legal service (1st May 2015). The tri-borough arrangement has affected the financial position in a positive way. There has been significant costs savings through the consolidation of the staff structure, co-locating in one building and through other efficiencies in the procurement of supplies and services including joining up the case management system, rationalisation of legal books and online resources.

The total savings is set out in the table below. It should be noted that the table below shows the savings from the recent merger with WCC. We had already made savings when LBHF and RBKC legal services merged. That is why the WCC savings are higher.

Year	H&F	RBKC	WCC	Total
2015/16	£356,676	£295,860	£610,930	£1,263,466
2016/17	£51,667	£51,667	£51,667	£155,001
2017/18	£15,667	£15,667	£15,667	£47,001
Total	£424,010	£363,194	£678,264	£1,465,468

Through consolidation, legal services have been able to create larger and specialist legal teams and as such are able to undertake more work in house, which has generated savings. Although Counsel spend is likely to fluctuate from year to year, we have seen an overall material reduction in counsel spend.

Tri-borough Legal Services quality of service

Quality has improved in most areas. With a larger and more specialised team of lawyers we are able to respond faster to queries and requests for advice and representation.

Tri-borough working has enabled us to grow areas of expertise which only existed in one Council. For example all compulsory purchase orders and rights of light work in LBHF and RBKC used to be outsourced, as we did not have the expertise in-house. However, WCC lawyers have that expertise and so as a Tri-borough Service we are now able to do this work in-house for all three Councils. Similarly LBHF and WCC have benefited from highways, and contract law expertise from RBKC. Likewise RBKC and WCC have benefitted from LBHF's expertise in dealing with high volume/bulk litigation and court work.

Therefore we can do more of the complex work in house. Having this resource means that the service can have specialist teams. It also allows senior lawyers to continue to develop the skills in their specialist area from which the rest of the team and clients can benefit.

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Housing, Finance and Corporate Services Policy and Scrutiny Committee Briefing

Committee date:	13th June 2016
Author:	Cllr Daniel Astaire
Portfolio:	Cabinet Member for Housing, Regeneration, Business and Economic Development
Please contact:	Matt Greet x 2852 mgreet@westminster.gov.uk

Please find below an update on key areas of activity from the Housing, Regeneration, Business and Economic Development portfolio since the committee last met.

Housing

1. Church Street renewal:

The refurbishment of 99 Church Street, led by CityWest Homes, was completed last month with handover to the council taking place a few weeks later. Fit out is being undertaken with a view to the office being open for use by the end of this month.

The new base will have space for eight officers and an informal meeting space for residents and stakeholders to drop in and meet the team on a daily basis. In the first instance, Vital Regeneration, the Employment Coaches and the Business Engagement Officer will work from 99 Church Street. The base will be a starting point for the team to move out into the community, as well as for the community to come to the team.

- The Neighbourhood Upkeep procurement process is complete with a preferred supplier in place.
- The recruitment of a new Chair for the Future Steering Group (FSG) is underway with a view to having someone in post later this month. Two candidates met FSG members on 3rd June and final interviews with Ed Watson, our Executive Director of Growth, Planning and Housing, are due to take place on 10th June.
- A review of the FSG and its working groups is underway to ensure efficient monitoring and scrutiny is in place to support the progress and development of Church Street projects over the coming years. The review will also allow for better use of stakeholder volunteer time and officer time.

- A business case for Cosway Street should be completed within the next fortnight.
- Green Spine – the contract to develop the green spine has now been awarded and are initial ideas are being worked up for discussion with residents.
- Recruitment to community volunteer posts will begin in July.
- The Arts and Culture Fund has now been launched, giving grants for community projects in the Church Street ward. The first two awards have been made.

2. Delivering Church Street renewal

Tresham Crescent: Both nursery operators are now in occupation. The temporary use of the upper floors by the church relocated from Dudley House has commenced, with little adverse comment.

Lisson Arches: The main contract works are now scheduled to commence in October 2016 allowing for the enabling works to be completed, which have increased in scope.

Luton Street: A number of key meetings have taken this month along, including dialogue sessions with Cllr Graeme and Carole Spedding in her role with the Working Group. A planning application is expected to be submitted in October 2016, with start on Site scheduled for March 2017.

Venables Street: Conways are carrying out the enabling works, along with managing the construction of the market traders' storage units. The storage units are being manufactured, delivered and installed by a separate company. This work will be complete by September 2016. Start on site has been delayed due to UKPN in regards to their substation and a party wall issue. A surveyor has been appointed, but this has added 4 weeks to the start on site date. Nevertheless, other activities have been taken place during this time in order to reduce the delay incurred on the programme.

A drop-in session has been held between the council, our contractors and the market traders. This was an opportunity to further discuss the traders' design requirements and as such the architects are submitting to planning for minor requested amendments.

Orchardson Street: Handover of the completed properties will be achieved this month. The homes will then be available for residents to view via open sessions held over three weeks in July.

Penn and Lilestone: Work continues on developing both the content of the building, in line with the commitments set out in 2013, to provide a new health facility and office accommodation for the council. Dialogue is continuing with NHS London over their requirement to replace Gateforth Street health centre and meet the needs of the expanding population of the ward.

District Energy Scheme: Work continues on the development of an outline business case for the project and a clear preferred technical and commercial option for delivery.

3. Housing Zone:

Following detailed discussions with the GLA and including their agreement to a significantly reduced degree of scrutiny and control the Overarching Borough Agreement has been accepted.

The first funding agreement for the Lisson Arches site (sheltered housing) has been the subject of negotiation over recent weeks and is close to being finalised. Discussions are ongoing with the GLA on the financial pressures in the HRA and lobbying for the second tranche of funding to be a grant rather than a soft loan continues.

4. Ebury Bridge:

A second meeting was held with residents on 11th May to discuss the revised timetable for delivery of the estate regeneration programme. This will involve revision of the phasing and changes to the planning consent. The proposed timetable is;

Start refurbishment of Rye, Victoria, Bucknill, Westbourne and Doneraile Houses	– by April 2017
Complete refurbishment	– by January 2018
Complete Phase 1	– by January 2020
Complete Phase 2	– by March 2022

A further meeting with ward members and residents is scheduled for 6th July to discuss the project further. Discussions are also being held with the Department for Communities and Local Government about securing financial support for a programme of social and economic activities to reduce worklessness, improve skills and address causes of ill health.

5. Affordable Housing

In 2015/16, 180 new build affordable homes have been completed in Westminster and made available for occupancy. These new homes delivered include 79 social housing units and 101 intermediate homes. In addition, a further 33 spot purchases were secured for use as affordable housing.

Schemes that have recently secured planning consents that will deliver on site affordable housing include:

- Dudley House W2 - 197 affordable homes;
- 221-235 Lanark Road - 44 affordable homes;
- 32 Buckingham Palace Road SW1 (Grosvenor Estates) - 23 affordable homes;
- 32 34 Great Peter Street SW1 (Qatari Diar) - 6 affordable homes;
- 206 -216 Marylebone Road NW1 (Marylebone Properties Ltd) - 16 affordable homes;
- 10 Broadway sic New Scotland Yard (Northacre) - 10 affordable homes;
- 21-23 Farm Street W1 - 14 affordable homes;
- First Chicago House, 90 Long Acre, London WC2 - 10 affordable homes;
- West End Green NW8 (Berkeley Homes) - 126 affordable homes,

Those planning applications pending that will deliver affordable new homes include:

- Dora House, St. John Wood Road NW8 (Central and Cecil) – 156 modern sheltered affordable homes (heard by planning committee on 8th March and deferred).

6. Housing & Planning Act update

The Housing and Planning Act has now received Royal Assent. Much of the detail about how the various policies will operate will be set out in regulations, which have yet to be published and are expected summer or autumn this year for many areas. The regulations are to come back to both Houses of Parliament for dialogue, so we will have opportunities to continue to shape them. Once more details are available, further work will be done to identify impacts and prepare for implementation.

7. CityWest Homes

CityWest Homes performed well against targets set by the council for 2015/16 and a new performance framework is in place for 2016/17.

Selection of the new resident engagement structure is complete and a launch event was held on 21st May, which was very well attended. As per one of with the key goals of the new structure, it has produced an even split of leaseholders and tenants, along with 47% BME and 17% registered with a disability. We are confident that this gives an accurate representation of our wider resident base and I look forward to seeing the new structure progress.

I am delighted that Tom Keevil has been appointed as the new Chairman of CityWest Homes, having recently retired from Barratt's Plc. Tom officially takes up the post from 8th June and I am sure that the Committee will join me in welcoming him into his new post. Following Cllr Rampulla standing down from the council and his subsequent resignation from the CityWest Homes Board, Cllr Aicha Less has been nominated to succeed him.

The annual tenant and lessee satisfaction survey is complete, with an excellent sample pool of over 4000 surveys returned. 89% of tenants and 70% of lessees reported satisfaction with landlord services, which compares favourably with other landlords and is an improvement on the 2015 position.

Work is also on-going in aligning CityWest Homes's overarching strategy even more closely to the Council's. Joint working is underway on projects including:

- environmental services;
- parking options;
- public health (entitled 'Keeping tenants in their home for longer');
- digital and service transformation, including joint IT procurement and sharing of technology infrastructure;
- employment;
- and homelessness from CWH households and rough sleeping on estates.

CityWest Homes is also continuing to support the Council's regeneration and development programme, with 13 active projects worth £378m. The profile for major works for 2016/17 is currently being finalised. CityWest has been successful with the acquisition of 95 affordable homes so far this year, with a planned 135 additional in the pipeline.

8. Rough Sleepers' accommodation services

Highlights in Quarter Four 2015/16 include:

- 60 people moved into the rough sleeping pathway this quarter, with 50 of those directly from the streets. The council accommodated one rough sleeper every two days in the period.
- 13 people moved into their own tenancies across London.
- Four people in the pathway successfully entered rehabilitation services. 74% of those demonstrating a primary drug need receiving drug support services.
- The Common Health Assessment Tool was completed in this quarter, producing some valuable information around homeless health engagement across our service.

332 forms have been completed and returned, giving us the best health profiling of this client group that has ever been completed. This research will go some way to supporting commissioners and health authorities to target the right interventions for our client group. Key findings include:

- Almost 100% of clients are GP registered
- Clear high levels of health needs, giving the council a baseline to discuss with CCG's & NHS England

Priority areas for discussions will include: dental care, respiratory care, podiatry and mental health.

Economic Development and Growth

9. Markets

The council has been engaged with the local community and traders with regards to the procurement of a market operator for Berwick Street. In a consultation conducted with the Soho Society, we received over 120 responses from local residents, businesses and workers giving their views on what they would like to see from the market.

The existing temporary licenses for Berwick Street market traders are being extended until the end of March 2017, with the new operation of the market set to launch in April 2017.

10. Business Improvement Districts (BIDs)

Planning has commenced for the next BIDs Round Table scheduled for 21st June. The Economy Team and the City Management and Communities Department continue to work closely together in developing the council's approach to working with BIDs.

It has been announced that the current Chief Executive of the Heart of London Business Alliance (HOLBA) is stepping down. A succession plan is in place to ensure a new Chief Executive is in place by the autumn.

BIDs have shared footfall data with the council in order to assist with an exploratory piece of work that our Business Intelligence Team is undertaking around the impact of the soon to be launched night tube. During 2016/17, the Economy Team will identify an opportunity with each of Westminster's BIDs to collaborate on delivery of our enterprise and employment programmes.

11. Employment & Skills

The Council is to be directly involved in commissioning the new Work Programme (Work & Health Programme) through Central London Forward. The programme will be commissioned on behalf of the Department for Work and Pensions over the next 6 months and, from 2017, will focus on long term claimants with health conditions.

Another significant change to the support available for local jobseekers will be delivered through new services supported by European Social Fund. More than 20 separate schemes will operate in Westminster. The council is not the direct commissioner of European Social Fund and in most cases will be seeking to influence providers, connecting with local priorities and suppliers including our own in-house employment services.