



City of Westminster

Committee Agenda

Title: **Westminster Scrutiny Commission**

Meeting Date: **Monday 30th November, 2015**

Time: **7.00 pm**

Venue: **Rooms 3 & 4 - 17th Floor, City Hall, 64 Victoria Street, London, SW1E 6QP**

Members: **Councillors:**

Ian Adams (Chairman)
Brian Connell
David Harvey
Andrew Smith
Barrie Taylor

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 6.30pm. 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, Andrew Palmer, Senior Committee & Governance Officer.

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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 Head of Legal & Democratic Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. MEMBERSHIP

To note any changes to the membership.

2. DECLARATIONS OF INTEREST

To receive declarations by Members and Officers of the existence and nature of any personal or prejudicial interests in matters on this agenda.

3. MINUTES

To approve the minutes of the meeting held on 12 May 2015.

(Pages 1 - 6)

4. UPDATE AND QUESTION AND ANSWER SESSION WITH THE LEADER OF THE CITY COUNCIL

Report of the Head of the Cabinet Secretariat.

The Leader of the City Council will join the meeting at 7.30pm.

(Pages 7 - 12)

5. UPDATE AND QUESTION AND ANSWER SESSION WITH THE CHIEF EXECUTIVE

Report of the Chief Executive.

(Pages 13 - 22)

6. POLICY & SCRUTINY UPDATE

Report of the Policy & Scrutiny Manager.

(Pages 23 - 26)

7. ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT

**Charlie Parker
Chief Executive
20 November 2015**



CITY OF WESTMINSTER

DRAFT MINUTES

Westminster Scrutiny Commission

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Westminster Scrutiny Commission** held on **Tuesday 12 May 2015** at 7.00pm in Committee Rooms 3 & 4 - 17th Floor, City Hall.

Members Present: Councillors Ian Adams (Chairman), Brian Connell, David Harvey, Andrew Smith and Barrie Taylor.

Also present: Councillor Philippa Roe.

1. MEMBERSHIP

- 1.1 Councillor Andrew Smith attended as replacement for Councillor Tim Mitchell, who had become Cabinet Member for Finance & Corporate Services. There were no other changes to Membership.

2. DECLARATIONS OF INTEREST

- 2.1 Councillor Ian Adams declared that he was an acting NHS Director with three neighbouring Clinical Commissioning Groups, which had no remit over Westminster.

3. MINUTES

- 3.1 The Commission agreed the minutes of the meeting held on 18 November 2014 as a correct record.

4. UPDATE AND QUESTION AND ANSWER SESSION WITH THE LEADER OF THE CITY COUNCIL

- 4.1 The Commission received an update on current and forthcoming issues from Councillor Philippa Roe, Leader of the City Council, who also responded to questions.
- 4.2 The Leader commented on the devolution of powers from Central Government to London Councils, which had been gaining cross-party momentum across London, and considered that the agenda for devolution

would now accelerate following the recent General Election. The Leader also commented on progress in implementing the new three-year *City for All* vision, which would focus on delivery of Westminster as a:

- City of Aspiration - reducing long-term unemployment and seeking to ensure that people could fulfil their full potential, with communities being able to share in the economic prosperity of Westminster.
- City of Choice - creating opportunities for people to make responsible choices for themselves, their families and their neighbourhood, and to live more healthy lifestyles; and
- City of Heritage - taking forward the commitment to protect and enhance the fabric and character of Westminster, while sensitively encouraging growth and new business.

- 4.3 The Leader recognised the problems of radicalisation and the need to build on community cohesion; and highlighted that being a diverse global destination was one of Westminster strengths.
- 4.4 The Commission discussed devolution, and agreed that it was important for Westminster to gain maximum opportunity from the devolution agenda. Although London Councils were largely in agreement with the proposals for skills, business and employment, health was more controversial as London hospitals often provided services for visitors from other countries. The Commission considered that the cost of public health could be driven down through better management; and commented on the on-going development of a model for local and co-commissioning against a background of an aging population. The Commission commended Councillor Rachael Robathan (Cabinet Member for Adults & Public Health) in building a good working relationship with the NHS.
- 4.5 The Commission discussed the City Council's housing strategy, and highlighted the need for more intermediate housing to be made available for the middle sector. The Leader acknowledged the problems associated with a polarised society, and confirmed that cross-party discussions to address the need for intermediate housing were on-going. The Commission discussed the possible use of funding obtained from planning agreements in the delivery of housing within and outside of Westminster. Members also noted that the Land Commission was looking at 'languishing sites' within London boroughs which could be used to provide housing; and that there was the possibility of a tax being levied on vacant land.
- 4.6 The Commission discussed the broader vision of supporting small and medium sized business enterprises in Westminster, which could deliver employment and boost the economy. The Commission also commented on the poor quality of broadband services, and noted that BT was being lobbied to improve the quality and efficiency of broadband services which would provide better support for small businesses.
- 4.7 Members commended the performance of Westminster's schools and acknowledged that many secondary school places were being taken by children from other boroughs.

4.8 The Commission agreed that each of Westminster's Policy & Scrutiny Committees would consider specific issues within the devolution agenda that fell within their Terms of Reference, and that strategic issues would be submitted to the Commission.

4.9 The Commission thanked the Leader for attending the meeting.

5. UPDATE AND QUESTION AND ANSWER SESSION WITH THE CHIEF EXECUTIVE

5.1 The Commission received an update on current and forthcoming corporate issues from Charlie Parker (Chief Executive), who also responded to questions.

5.2 The Chief Executive commented on progress in the on-going restructure and changes that were taking place in delivering the *Westminster Way* programme, which sought to make Westminster an organisation that was fit for purpose and prepared for pan-London devolution.

5.3 The Commission discussed the resilience of Departments within the City Council, and noted that staffing remained an issue as higher salaries could often be obtained outside of local authorities. Members noted that the recruitment and retention of social workers also remained a problem. The Chief Executive confirmed that measures were being taken to improve staffing, which included incentives such as graduate trainee programmes.

5.4 The Commission discussed the potential impact of the devolution of powers to London Councils and the future of central government funding, and acknowledged that the proportion of government savings that would fall upon local authorities would continue to present a major challenge. The Chief Executive highlighted the need for the City Council to develop a greater role of strategic leadership; and to develop a better understanding of commercial opportunities and think more creatively about income streams. The Commission recognised that Westminster was unique, with its own specific issues and focus; and noted that policy frameworks were being put in place for the growth agenda that would support income coming back into the City Council, and maintain Westminster and the West End as an international investment opportunity.

5.5 Members discussed the services that would be provided by the City Council in 5 years' time, and how they would be delivered. The Chief Executive considered that adult social care and health would change dramatically, with different payment structures and with more home support being provided for an older population. The Chief Executive also considered that the City Council would continue to support improved performance in schools, while the scale of Westminster's involvement in housing may change. Although core street based services would remain a local authority function, funding could be different; and the market for the third sector and social enterprise would grow, with more Trusts being created.

- 5.6 The Commission commented on the results of the Staff and City Surveys, and on the effect the on-going reorganisation was having on staff morale. Although the changes would lead on to future benefits, the Chief Executive acknowledged the impact on morale as staff numbers were reduced, and highlighted the need to support people in dealing with challenges and being more resilient during a difficult period of austerity. It was also important for existing experience and knowledge to be transitioned to new workers.
- 5.7 Members commented on the increase in instances of bullying and harassment which had been revealed in the Staff Survey, and which appeared to be a Tri-Borough issue. The Chief Executive acknowledged that the number of reported cases had risen, and commented that bullying by members of the public had increased. The Commission noted that the number of cases could have increased in response to staff now having a greater ability and confidence to report bullying, and agreed that consideration could be given to adding the issue of bullying and harassment to the scrutiny work programme.
- 5.8 Other issues discussed included initial difficulties associated with the new Agresso contract for Tri-Borough Shared Services; the use and future of NHS Estates in Westminster; and the building infrastructure at City Hall.
- 5.9 The Commission thanked the Chief Executive for attending the meeting.

6. POLICY & SCRUTINY

- 6.1 Mark Ewbank (Scrutiny Manager) commented on work undertaken by Westminster's Policy & Scrutiny Committees, which was to be set out in an Annual Report. The Commission discussed Committees having headline Task Groups, such as devolution or the whole family approach.
- 6.2 A 'Reception & Review' for back-bench Members which would provide an opportunity to comment on the induction programme for new Members and on work undertaken during the past year was to take place in The Mayor's Parlour, at 6.45pm on 16 June. Members would also be able to consider whether they would benefit from any future training, interact with key officers, and.
- 6.3 Commission Members also commented on the annual two-day event staged by the Centre for Public Scrutiny; and suggested that Ward Members were notified of the event, which would describe how scrutiny operated in a broader context. The Commission agreed that details of the event would be highlighted in the Westminster Information Bulletin. Commission Members also commented on the role of the London Scrutiny Network, and on the use of the Scrutiny Budget.

7. COUNCILLOR MELVYN CAPLAN

- 7.1 The Commission commended the work undertaken by Councillor Melvyn Caplan, who had recently stood down as Cabinet Member for Finance, Corporate & Customer Services.

8. TERMINATION OF MEETING

8.1 The Meeting ended at 8.40 pm.

CHAIRMAN: _____

DATE _____

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Westminster Scrutiny Commission

THE LEADER OF THE COUNCIL'S UPDATE

Meeting on Monday 30th November

1. Introduction

- 1.1 I last addressed the Commission in May, two months after the launch of the Council's three-year City for All vision.
- 1.2 In my submission for this meeting, I provide the Commission with an update on the Council's City for All vision and corporate strategy, as well as outlining the government's current devolution agenda, with particular focus on London.

2. City for All Update: Achievements to date

- 2.1 Since I launched the City for All vision, there have been a number of notable areas of achievement across the Council, as set out below.
- 2.2 We have launched the Council's Greener City Action Plan, providing a 10-year plan for tackling a range of environmental issues such as air quality and biodiversity, and establishing Westminster as a leading authority in the sustainability agenda.
- 2.3 We have launched Open Forum to replace the Area Forums, providing a range of means by which our residents and businesses can engage with the Council.
- 2.4 We announced the launch of the Working Capital programme which will work with several hundred people who currently claim Employment and Support Allowance to provide tailored, individual support.
- 2.5 Our campaign to bring superfast fibre broadband to Westminster has resulted in BT Openreach committing to making fibre optic broadband available to an additional 38,874 homes and businesses in Westminster.
- 2.6 We have successfully completed a pilot on behalf of the Department for Communities and Local Government to test a new approach to providing information about local road closures, providing evidence to inform the design of future national policy on statutory notices.
- 2.7 We launched the West End Partnership setting out a vision for the West End over the next 15 years.
- 2.8 We successfully completed a pilot on behalf of the Department for Work and Pensions, providing evidence to inform the roll-out of Universal Credit and the design of locally integrated employment services.

- 2.9 We were awarded a grant to support the development of new Incubator, Accelerator and Co-working Spaces in Westminster resulting in 4,000 sqm of new or improved commercial or business space.
- 2.10 We completed the first phase of the Baker Street Two Way consultation.
- 2.11 We produced a new basements planning policy.
- 2.12 We delivered the biggest West End LIVE to date with a record number of attendees and performances.
- 2.13 As part of the Better Care Fund plan, a single co-ordinated Community Independence Service (CIS) across the three boroughs is being developed. This will ensure more people can be cared for at home, help to avoid emergency hospital admissions, support timely and effective discharge from hospital and reduce the need for on-going social care.
- 2.14 Care Act phase one was successfully implemented across all three boroughs.
- 2.15 Only 44 young people across the borough are shown as not being in employment, education or training; this is on track to achieve the target of less than 70 for the year.
- 2.16 Phase one of the Troubled Families programme has concluded, with 100% (640) of Westminster families supported on issues around offending, anti-social behaviour and poor school attendance. We are now working on Phase 2 of the programme which focuses on taking a whole family approach, rather than responding to each problem, or person, separately.
- 2.17 Our Arm's Length Management Organisation (ALMO), CityWest Homes, has appointed United Living to deliver a £15 million scheme to provide affordable homes for the over-55s.
- 2.18 Progress continues with the UTC, with planning permission secured for the development, which will accommodate 550 pupils, and work on developing the new residential homes due to commence later this year. The UTC is scheduled to open in autumn 2017.
- 2.19 We are making good progress with our commitment to invest £12 million to tackle cold and damp conditions and identify tenants most at risk of poor health and work with them to improve their homes.
- 2.20 Phase one of the 'Sheltered Housing Strategy for Older People (SHSOP)' programme mobilised 5 out of 6 care homes in August, and these homes are now under the care of a single external provider, who will deliver new management and refurbishment.
- 2.21 The successful 'No Dumping' campaign was launched, involving targeted and coordinated educational and enforcement work.
- 2.22 We launched our anti-idling policy to tackle air pollution caused by idling vehicles.
- 2.23 Our commitment to support young people through recruiting apprentices, interns and graduates has seen 18 apprentices and 15 interns join the Council since March 2015. As part of the national graduate scheme for local government, we have also employed three graduates on two-year placements across the organisation.

2.24 We are also committed to providing work opportunities to those with complex personal needs. Through our Supported Employment Programme, we aim to assist 30 residents into work opportunity, and are currently on schedule to meet this target.

3. City for All Update: Challenges ahead

- 3.1 The key challenge facing Westminster, in common with the majority of local authorities, continues to be the financial climate facing the public sector.
- 3.2 Westminster achieved savings of £100m over the three years before the launch of City for All, but, as I set out in March, a further £100m is required over the next three years.
- 3.3 We are on course to make our projected savings for 2016/17, and planning is well underway with regards to 2017/18 and 2018/19, but external factors will of course impact on that process, whether through changes to legislation, changes to central government funding arrangements, or high-profile legal challenges.
- 3.4 The Government has already introduced a number of national policy changes and new legislation that will further change the landscape in which the Council is operating. These include:
- a) The announcement by the Chancellor to phase out Revenue Support Grant and replace it over time with localised business rates
 - b) The extension of Right to Buy and the measures proposed in the Housing and Planning Bill
 - c) Changes to the benefit cap and Discretionary Housing Benefit
 - d) The introduction of Universal Credit
 - e) The introduction of the Cities and Local Government Devolution Bill and the Government extending its offer to places to put forward 'deal' proposals that would boost growth and support public service reform, to which London Government has submitted a formal proposition *[further details provided under section 4 below]*.
- 3.5 The changes to welfare and housing represent the biggest changes in a generation. Westminster is already working closely with government on mitigation around the impacts of these changes and ensuring that the detail of any regulations properly reflects the situation in central London. As part of this process, I gave evidence to the Housing & Planning Bill Committee earlier this month.
- 3.6 As well as the government's legislative programme, further policy announcements are to be expected as the London Assembly and Mayoral elections draw closer. A number of key issues for Westminster, from air quality to affordable housing, the garden bridge to the pedestrianisation of Oxford Street, are already at the forefront of public debate.
- 3.7 Demographic changes within the City of Westminster will also have an impact. Westminster's current population is just over 233,000, which is a 2.8% increase on the 2013 estimate – the biggest percentage rise in Westminster's population since 2005 and the third highest growth in population of any London borough.

- 3.8 Alongside this overall population growth, Westminster's aged 65+ population has grown by 4.3%. This is estimated to translate to a 20% increase in demand for services for those over the age of 65 in the next ten years.
- 3.9 With the strength of the evidence that shows that tackling problems early allows us to resolve issues before they become more costly and complex, a focus on prevention and managing demand will be required, not only in high spend areas such as adult social care and children's services, but across all areas of the council.

4. Devolution

- 4.1 The Government's current devolution agenda is seeing the largest shift of powers and responsibilities to local areas in a generation. It offers local government the ability to invest in creating jobs, building homes, developing infrastructure and reforming frontline services so that they are on a sustainable footing for the future. Westminster has led London in developing ambitious proposals for how devolved powers can strengthen the city's communities.
- 4.2 Westminster is an 'outlier' amongst local authorities, with unique challenges and opportunities. We have been seeking greater local autonomy to set and implement policy for a number of years and in a number of different policy areas, and the devolution agenda has become the primary vehicle for pursuing these ambitions.
- 4.3 Westminster was instrumental in the negotiation of a Growth Deal for London in 2014, which included a number of pilots and initiatives across areas such as employment, skills and business support. One of the most prominent was the sign-off in principle of a pilot in central London to pioneer an improved approach to supporting long-term unemployed Londoners with health conditions back into work.
- 4.4 As I noted above under the update on City for All achievements, the 'Working Capital' project has now commenced delivery and will work with several hundred eligible Westminster residents over the next few years.
- 4.5 The pre-General Election period saw an escalation of the Government's devolution agenda, most notably through two ground-breaking 'deals' with the Greater Manchester Combined Authority: the first offering a range of powers and funding across employment, skills, business support, planning and housing in exchange for the city-region agreeing to bring in an elected Mayor; the second giving the city-region control over £6bn of health and social care spending to speed up integration of different services.
- 4.6 In London, the Chancellor of the Exchequer and the Mayor of London announced a 'long-term economic plan for London' in February 2015 which included a number of new initiatives relevant to this agenda, including an indication that adult skills commissioning responsibilities would be devolved in some form to London and the establishment of a London Land Commission to identify and make better use of surplus public sector brownfield land in the capital.
- 4.7 Following the General Election, the Government extended its offer to localities to put forward 'deal' proposals to Government that would boost growth and support public service reform, and has introduced a Cities and Local Government Devolution Bill to underpin

further deals. With Cornwall already having struck a deal with Government, 38 further deal proposals were received by Government by its initial deadline in early September, including a set of propositions from London.

4.8 The 'London Proposition' sets out asks and offers from London in six key areas:

(a) Employment and complex dependency: commitment from the Department for Work and Pensions and other departments to pool resources to support long-term unemployed people into work, through 'hub' based service delivery and a co-designed, intensive programme for the hardest to help. This would be backed by an 'invest to save' financing model that allowed London to retain some of the savings from reducing benefit expenditure to reinvest in local programmes

(b) Skills: commitment to devolve the adult skills budget (for those aged 19 and over) and allow London to improve the match between skills provision and current and future industry needs through setting incentives, agreeing outcome frameworks with colleges and improving labour market intelligence

(c) Enterprise support: commitment to devolve various national budgets and programmes, such as UK Trade and Industry budgets and the national Growth Accelerator programme, to the London level to give businesses and entrepreneurs a 'one stop shop' for advice and support

(d) Health and care: commitment to back one or more health and social care integration pilots in areas within London, building on existing local work such as the Better Care Fund

(e) Crime and justice: commitment to devolve budgets in specific areas (e.g. preventing extremism) and provide for better integration between different emergency services to save money and improve performance

(f) Housing: commitment to allow London to trial a number of measures to boost house building, including greater local flexibility on raising and spending funding and in setting planning fees

4.9 A key question for London in the devolution debate has been how any devolved settlement would be governed. A consensus has been developed through dialogue between partners, principally London Councils and the GLA, that structures based on the London Councils Congress, which brings together the Mayor of London and a representative grouping of London borough Leaders, should be the principal vehicle for pan-London decision-making. Beneath this, it is felt likely that sub-regional groupings such as Central London Forward will need to play a larger and more formal role.

4.10 These questions are currently being further explored in parallel with the passage of the Cities and Local Government Devolution Bill, which has passed through the House of Lords and entered the House of Commons in autumn 2015. This provides a legislative underpinning for the devolution 'deals' that Government is negotiating with cities, most obviously in allowing places such as Greater Manchester and the Sheffield City Region to implement city-region-wide elected Mayors.

- 4.11 Announcements in a number of these areas are expected in the coming weeks and months.
- 4.12 Sub-regional working across the footprint of borough groupings such as Central London Forward and the West London Alliance is likely to become a more prominent feature of 'business as usual' service delivery for London boroughs, particularly in areas such as employment and skills. Significant thought is also being given at both local and national levels to how a more intensive, integrated and locally-determined model of employment support for groups with health conditions can be deployed.

Chief Executive's Office

WESTMINSTER SCRUTINY COMMISSION

Meeting on 30th November 2015

CHIEF EXECUTIVE'S PROGRESS REPORT

Update on significant matters of corporate interest

1. Introduction

1.1 This paper provides Members with an overview of some of the key corporate issues the Chief Executive is currently focused on. Members will be aware that the new Government launched an ambition legislative programme in the Queen's Speech earlier this year and that the challenging financial landscape is likely to continue for some time. In this context it is important that the Council becomes more agile and flexible and is able to think creatively about how it responds to the challenges and opportunities the sector faces, so that residents and stakeholders continue to receive the high quality services for which Westminster City Council is renown. Many of the programmes I have highlighted below aim to achieve this. The paper starts by summarising the some of the issues that are being grappled with at a London level, particularly Growth and Devolution. It then goes on to consider some of the key corporate programmes that will underpin the Council's response, particularly around better use of resources and supporting our employees so that we attract and retain the best staff we can.

2. Growth Deal

2.1 The implementation of the London Growth Deal agreed in 2014 is now underway. The City Council's particular focus is on the Working Capital pilot, which is being pursued alongside partners across the Central London Forward grouping of boroughs. The £11m, European-funded pilot will work with c.4,000 long-term unemployed central London residents with health conditions (ESA claimants), providing them with intensive case worker support integrated with local borough teams in order to help them overcome barriers and move towards employed work. Delivery of the pilot went live in October. Central London's involvement in Working Capital, in which the WCC has played a key role, has helped to inform and add weight to broader devolution discussions with government about the scope for aspects of DWP employment support programme to be delivered through more localised models in future.

3. Devolution

3.1 The pre-General Election period saw an escalation of the Government's devolution agenda, most notably through two groundbreaking 'deals'

with the Greater Manchester Combined Authority: the first offering a range of powers and funding across employment, skills, business support, planning and housing in exchange for the city-region agreeing to bring in an elected Mayor, and the second giving the city-region control over £6bn of health and social care spending to speed up integration of different services. In London, the Chancellor of the Exchequer and the Mayor of London announced a 'long-term economic plan for London' in February 2015 which included a number of new initiatives relevant to this agenda, including an indication that adult skills commissioning responsibilities would be devolved in some form to London, and the establishment of a London Land Commission to identify and make better use of surplus public sector brownfield land in the capital.

- 3.2 Following the General Election, the Government extended its offer to places to put forward 'deal' proposals to Government that would boost growth and support public service reform, and included a Cities and Local Government Devolution Bill in its Queen's Speech to underpin further deals. With Cornwall already having struck a deal with Government, 38 further deal proposals were received by Government by its initial deadline in early September.
- 3.3 These included propositions from London, which the City Council has been closely involved in developing, with the Leader, myself and other officers playing a leading role in coordinating this work across London. At the time of writing, announcements of further 'deals' with places are expected in the run up to and alongside the Spending Review statement from HM Treasury on November 25th, with the headlines of the Sheffield City Region's deal having been announced already ahead of the Conservative Party Conference. Given the complexity of the capital and the additional milestone of next year's Mayoral election it is likely that London's settlement will be more gradual. Discussions at official level to seek to shape London's settlement are ongoing across the themes below, with Westminster taking a particular direct interest in employment, skills and housing.
- 3.4 The London Proposition sets out asks and offers from London in six key areas:
- **Employment and complex dependency:** commitment from the Department for Work and Pensions and other departments to pool resources to support long-term unemployed people into work, through 'hub' based service delivery and a co-designed, intensive programme for the hardest to help. This would be backed by an 'invest to save' financing model that allowed London to retain some of the savings from reducing benefit expenditure to reinvest in local programmes.
 - **Skills:** commitment to devolve the adult skills budget (19+) and allow London to improve the match between skills provision and current and future industry needs through setting incentives, agreeing outcome frameworks with colleges and improving labour market intelligence.

- **Enterprise support:** commitment to devolve various national budgets and programmes, such as UK Trade and Industry budgets and the national Growth Accelerator programme, to the London level to give businesses and entrepreneurs a 'one stop shop' for advice and support
- **Health and care:** commitment to back one or more health and social care integration pilots in areas within London, building on existing local work such as work taking place through the Better Care Fund
- **Crime and justice:** commitment to devolve budgets in specific areas (e.g. preventing extremism) and provide for better integration between different emergency services to save money and improve performance
- **Housing:** commitment to allow London to trial a number of measures to boost house building, including greater local flexibility on raising and spending funding and in setting planning fees. Further details regarding the work on the proposition from London local government may be available for discussion at the meeting. If not, a supplementary report will be brought to the relevant Scrutiny Committee.

4. Staff Retention and Awards

- 4.1 Reward and recognition are key to retaining high calibre staff. The Council is therefore looking at how it can demonstrate it values the contributions staff make in a number of ways.
- 4.2 The council is currently undertaking an employer branding exercise to strengthen its current position in the market as the employer of choice. Focus groups will be held with staff to ensure we have their feedback and understand what they value about working at Westminster and what they would also like to improve. This will feed into the people engagement and retention strategy for both new talent and existing staff.
- 4.3 The Council recognises that pay restraint in the public sector will continue for some time so a wholesale review of pay is not practical. Nevertheless Managers have the flexibility to award consolidated pay increases (step ups) based on staff performance and contribution as part of the annual performance appraisal. The council has a Rewarding Your Contribution scheme that enables managers to acknowledge and reward staff with one-off payments. These payments can be made during the year as immediate recognition or at the end of the performance year. The scheme is an effective means of recognising the efforts of employees who undertake additional work over and above the requirements of their role, go the extra mile or make a contribution which has tangible benefits to the council. The use of these tools has been limited in recent years, so EMT is encouraging managers to ensure that exceptional performance is properly recognised.
- 4.4 Reward is not just about pay. WCC has a recognition scheme that allows managers to acknowledge and thank individual employees for their contribution by awarding non cash benefits, such as membership

of a Westminster Leisure Centre Gym, or tea with the Lord Mayor. We are currently arranging an annual awards ceremony to be held in early 2016 to celebrate staff achievement.

- 4.5 Members will be aware that the council has been through a significant reorganisation, which has resulted in flatter organisational structures. This in turn has led to potentially fewer opportunities for career progression. We have worked with managers to develop career grade schemes, where appropriate, to support retention of staff and staff development. In addition, we have increased the number of graduates and apprenticeships into the Council in order to build tomorrow's talented workforce.
- 4.6 There are also other factors to support staff motivation and morale. WCC undertakes an annual staff survey as part of the on-going staff engagement. The survey conducted in September 2015 showed some positive engagement, with for example 68% of staff engaged with what the council is doing and 70% who are proud to work for the council. There was an increase in 6% since 2014 of staff who were satisfied with pay. Work will continue to engage with staff and managers will be developing action plans in response to the staff survey.
- 4.7 In previous staff surveys, staff have identified career development as one of their key issues and the leadership programme was developed to address this.

5. The Westminster Way Programme

- 5.1 I reported last year that the Westminster Way Programme is the Council's leadership and behaviours programme had been established. Progress has been made in many areas and a summary of the main outputs are detailed below:
- 5.2 Following agreement of the organisation's revamped values last year, considerable effort has been put into embedding them in the culture of the organisation. The PACE values and behaviours have started to be widely recognised across the Council and are embedded in the performance review process, Leadership Academy programme and underpin all our internal communication.
- 5.3 In January 2016, we began to roll out the new "Leading the Westminster Way" programme in partnership with TDP Development starting with the top 100 Westminster Leaders. This first cohort of senior Westminster leaders completed the academy programme in May 2016.
- 5.4 In June 2016, we began the roll out of this programme to our band 4 colleagues. To date, 195 colleagues have attended the programme and this will continue until September 2016. Feedback has been highly positive so far with an average score of 4.7 out of 5 agreeing that the content was clear and structured in a way that helped participants to learn. Further work is now in plan to roll out to band 3 colleagues during 2016.

- 5.5 To support the academy programme we have also organised master classes from external well known organisations who we can learn from as we continue to develop our leadership teams.
- 5.6 We have heard many success stories where leadership behaviours are changing and the impact in a variety of areas. The academy programme is helping us to develop our staff and represents our investment in their on-going development. Here are some examples of anecdotal feedback we have heard during the current phase:
- 5.7 'I can tell the difference between people in this council who have been on this programme and people who haven't - their attitude and mindset is clearly more positive. Mine is, so are the other people I work with'
- 5.8 Observation made by Band 4 colleagues of senior managers who had clearly been using the four cornerstones in their interactions (this is one of the tools used to enable leaders to engage effectively with their people)
- 5.9 In the morning two delegates met for the first time on a morning session (Crucial Conversations). They had a meeting scheduled which required a 'crucial conversation that afternoon'. They used the techniques to get the issues' out in the open and it got them to a positive outcome much more quickly.
- 5.10 One delegate has recently been successful in applying for her manager's role after they moved on. She felt that she wouldn't have had the confidence or belief in herself or her capabilities if it hadn't been for the programme.
- 5.11 Further work to embed PACE as "lived" behaviours will continue over the coming months with further work planned with the staff networks, a proposed 360 feedback process for all leaders and an awards process to openly recognise those areas and individuals who demonstrate PACE through their work with colleagues, partners, residents and members.
- 5.12 The staff network has also been refreshed this year and now has a core membership. It meets regularly and is an important tool for ensuring that there is good engagement between senior managers and staff. We have recently recruited 3 graduates from the National Graduate Development programme, the first in a number of years for us. This helps us strengthen our ambition to bring new young, talent individuals into the council alongside our apprenticeship, supported employment and intern programmes.
- 5.13 The successful roll out of Windows 7 and upgrade of hardware for staff has been well received over the last year and City Hall has undergone an intensive "de-clutter" programme to help prepare for the move during the summer of 2016 onwards.

6. Staff Survey

6.1 The 2015 Your Voice survey was live for 3 weeks between September 4th and 25th 2015 with an impressive 72 per cent response rate from Westminster staff, a significant increase from last year.

6.2 Areas to note specifically are:

- Staff felt they had more freedom to act in comparison with the overall councils' results and felt that teams regularly found ways to improve, which again had increased in comparison to the overall councils' average. However there was a slight decline of responses in clarity about what was expected of them (still at 84%) and understanding of how the Council meets its objectives (82%).
- There was an increase-compared to the overall councils' average, in senior managers being open about communication, which reverses the position in 2014. However there was a decline around the issue of performance management, with a significant drop in appraisal rates in the last 12 months of 11% (6.4% decline against the overall councils' average). The rates of 1:1s and regular feedback had also declined against the councils' average. However, these figures are being reviewed against the information we currently hold for performance reviews being completed, which is a higher figure.
- Rates of learning and development reviews with line managers have increased significantly as have opportunities for career progression.
- On the matter of communication and consultation staff did not feel as well informed as they could be about issues within their department and issues affecting them personally.
- Rates of reported bullying and harassment have declined from last year and resources available to staff have increased including IT resources. Perceptions of rates of pay have also increased, but remain at 46%, which is within the councils' average. However, views regarding physical working environment (e.g. City for All and Lisson Grove) have declined compared to the councils' average.
- Finally, there has been an increase in staff believing that action will be taken as a result of the survey.

7. Corporate Services

7.1 Members will recall that work was undertaken to look at establishing a Corporate Services function for RBKC, Westminster City Council and Hammersmith & Fulham with the intention of establishing a Director post to lead the work. Members received an early business case in 2014 for their consideration. With the change in administration in H&F the original proposition evolved and RBKC entered into an interim arrangement for a Bi-Borough Director Post with WCC. Jane West was initially seconded to this role and has recently moved on to become the Managing Director

at One Source. This provided an opportunity for both Councils to review their options.

- 7.2 As a consequence, WCC and RBKC are of the view that a permanent Bi-Borough Corporate Services Director post is needed and Members agreed to its establishment. The cost of the post will be shared between WCC and RBKC. The arrangement between the two councils will be defined in a s113 agreement, including a notice period of one year.
- 7.3 The post will manage the bi-borough responsibilities for Tri-borough ICT, Tri-borough Legal Services, the MSP programme, WCC HR and procurement plus a number of other mono-borough services for RBKC. The position will be line managed by the Chief Executive of WCC. Recruitment to the post will be completed by early December after the Bi-Borough Member Panel held on 9 December.

8. Managed Services Programme

- 8.1 Members will be aware that the introduction of the Managed Services Programme has not gone as smoothly as we had hoped, in spite of significant pre-go-live testing that suggested the system was fit for purpose. Considerable effort has been focused on recovering the programme and establishing a 'steady state'. This culminated in a significant meeting between the Leader, key Cabinet Members and senior officers with Luis Alvarez, CEO BT Global Services to discuss MSP. As a result BT agreed to deploy significant extra resources into the MSP recovery programme.
- 8.2 Whilst a number of new people have been recruited, Tri-Borough still has issues with BT trying to get staff deployed quickly into the key areas, such as the SSC at Jarrow and the need for specialist Agresso technicians. Payroll is still not consistent although payment performance is improving. Officers continue to liaise with senior BT Global Officers to progress the MSP issues as soon as possible. The deadline of end of November for business as usual is challenging but at present we are on track for Payroll, P2P and reconciliation workstreams.
- 8.3 More detailed reports have been prepared but the Audit and Performance Committee and the MSP Taskgroup chaired by Cllr Connell. It is not suggested here that the Committee undertake a detailed investigation of the problems associated with the programme's introduction.

9. Accounts 2014/15

- 9.1 The Council's accounts for 2014/15 were issued to the auditors on the 16 April (both Council and Pensions accounts) and were successfully audited, approved and published on 18 May 2015, over 4 months ahead of the statutory deadline of 30 September. This made Westminster the first local government body to publish its accounts for 2014/15 and the earliest for 75 years. It also exceeded the performance of 83% of the FTSE 100. As well as accelerating the pace of preparation, there has

been a focus on improving the quality of the accounts with the introduction of a quality assurance process and the auditors commented that the process has improved significantly compared to the prior year.

10. Medium Term Planning and Accounts 2015/16

- 10.1 The Council's Executive Management Team is supporting Members to deliver the 2015/16 budget and put in place arrangements for 2016/17 to 2018/19. Whilst Year 3's detailed proposals are yet to be worked up, a significant portion of the £117m three year target has now been identified and will be firmed up over the next few months. The 2015/16 budget is on track to balance and indeed an underspend is now expected. The Council's new financial planning framework for the forthcoming years in order to deliver the budget preparation to an earlier timeframe is beginning to show the benefits of this approach.
- 10.2 Work is ongoing on the 2015/16 accounts as part of a planned programme of continuous improvement. The Council has been undertaking monthly close down of the accounts since month 5 with increasing levels of detail and completeness as we progress through the financial year. This year the closedown will benefit from an enhanced quality assurance process, lessons learned from last year and further commitment to improve performance. There are challenges to be addressed arising from the ongoing embedding of the MSP programme.

11. West End Partnership (WEP)

- 11.1 In the summer the West End Partnership launched its fifteen-year Vision for the West End, based on a set of eight principles. These principles ranged from ensuring a vibrant, productive, and resilient West End to the provision of new jobs and skills opportunities.
- 11.2 To translate the vision into delivery, the WEP also launched its Delivery Plan in the summer. Based on the vision, this sets out the partnership's rolling programme of substantive projects, ordered under the headings of 'People', 'Place', and 'Prosperity'. Restructured 'taskgroups' consisting of a wider range of partners are currently being established under these headings to scrutinise progress of projects. The delivery programme will be supported by a small cross-cutting delivery team.
- 11.3 Key projects and programmes within the 'People' agenda include the further delivery of employment opportunities, environment enhancement, cycling, safety and enforcement, and the consolidation of freight and waste transportation across the West End.
- 11.4 The WEP Board is currently prioritising the key transformational 'Place' schemes. In particular, the Board has been assessing potential improvements to Oxford Street West. Central to this has been the vision for Oxford Street to become the world's best outdoor street shopping experience, with a reduction in vehicular use and improvements to public realm.

- 11.5 Additional areas that have been reviewed by the Board include Northbank BID's public realm plans for the Strand and Aldywch, as well as the proposed transformation of the Tottenham Court Road area to cope with increased demand that will arise from Crossrail.
- 11.6 In terms of 'Prosperity' the WEP has also undertaken lobbying to ensure greater broadband connectivity across the West End and are also currently assessing the potential impact of the localisation of business rates and ramifications of proposed new legislation, including the Housing and Planning Bill.
- 11.7 As many of the West End Partnership projects and programmes are developed, the partnership will increasingly have an important role in delivering a coordinated, area-wide approach to public affairs and communication.

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Westminster Scrutiny Commission

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| Date: | 30 th November 2015 |
| Classification: | General Release |
| Title: | Policy & Scrutiny Update |
| Report of: | Policy & Scrutiny Manager |
| Cabinet Member Portfolio | n/a (Westminster Scrutiny Commission) |
| Wards Involved: | All |
| Policy Context: | City for All |
| Report Author and Contact Details: | Mark Ewbank x2636 mewbank@westminster.gov.uk |

1. Executive Summary

- 1.1 The Standards Committee has recommended that the Westminster Scrutiny Commission evaluates the outcomes of the Centre for Public Scrutiny development session on 30th September and considers whether Members require more bespoke training and development opportunities.

2. Key Matters for the Commission's Consideration

- 2.1 The Commission may wish to consider:
- Further training and development opportunities.
 - The further development of the Overview & Scrutiny function.

3. Background

Centre for Public Scrutiny - Development Session - Wednesday 30th September

- 3.1 The Chairman of the Westminster Scrutiny Commission commissioned the Local Government Association (The Centre for Public Scrutiny) to provide a session for Westminster Members on how to maximise the impact of the overview and scrutiny function. All non-Cabinet Councillors were invited to

attend and the event took place on Wednesday 30th September. Fifteen Members (including one co-opted Member) and four officers attended the session.

3.2 The facilitator first took Members and 4 Officers through a set of slides detailing successful case studies of overview and scrutiny across the country. Members and Officers were then asked to describe and clarify the format and operation of task groups at Westminster, to explore good practice. Attendees identified the following types of task group:

- **Pre-Decision Task Groups** – those that meet to input and influence strategies in development, prior to a decision being made by the Cabinet Member (e.g. Cycling Strategy Task Group, Highways and Transportation Contract Re-Let Task Group)
- **Research Task Groups** – where a group of Members meet, in person or virtually, to undertake a research project and report back to the Committee for endorsement (e.g. Sex Workers).
- **Single-Member Studies (SMS)** – where a Member is granted approval by a Committee Chairman to undertake research and report back to the Committee for endorsement (e.g. Party Drugs, Childhood Obesity)
- **Tri-Borough Task Groups** – where a group of Members (commissioned by a Chairman) meet from across the three Boroughs to undertake site visits or research on a shared concern (e.g. Imperial College Healthcare NHS Trust)

3.3 Members and Officers said it would be useful to share the protocols, agreed last year by the Westminster Scrutiny Commission, in relation to Task Group / Single-Member Study operation (also attached here) relating to how Members can start an investigation within the Policy & Scrutiny function. This was sent via email to all Members following the session.

3.4 Members also requested information on questioning techniques, how to maintain successful external relationships and the powers that Policy & Scrutiny Committees have over external bodies under the Local Government and Public Involvement in Health Act 2007. Members also asked about the suitability of Deputy Cabinet Members (DCMs) being on P&S Committees, but it was clarified that DCMs did not sit on P&S Committees which related to the same topic area as their DCM position.

3.5 The facilitator then outlined a methodology called '**return on investment**' scrutiny, which was designed to improve the quality of recommendations coming from overview and scrutiny functions. The facilitator organised group work for the Members and Officers to develop a potential scope for a 'return on investment' study of some of the items currently on the Westminster City Council P&S work programmes. Each group then reported back how each item could be considered using this methodology.

If you have any queries about this Report or wish to inspect any of the
Background Papers please contact Mark Ewbank x2636
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