



City of Westminster

Cabinet Agenda

Title: **Cabinet**

Meeting Date: **Monday 11th July, 2016**

Time: **7.00 pm**

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

Members: **Councillors:**

Philippa Roe (Chairman)	Melvyn Caplan
Robert Davis, MBE, DL (Vice-Chairman)	Danny Chalkley
Heather Acton	David Harvey
Nickie Aiken	Tim Mitchell
Daniel Astaire	Rachael Robathan

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, Mick Steward, Head of Committee and Governance Services.

**Tel: 7641 3134; Email: msteward@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)

1. WELCOME

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 6 June 2016.

4. PROCUREMENT TRADED SERVICES

Report of the Chief Procurement Officer.

5. FEES AND CHARGES (TO FOLLOW)

**6. ANY OTHER BUSINESS WHICH THE CHAIRMAN
CONSIDERS URGENT**

(Pages 1 - 6)

(Pages 7 - 36)

**Charlie Parker
Chief Executive
1 July 2016**



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 6th June, 2016**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP.

Members Present: Councillors Philippa Roe (Chairman), Heather Acton, Nickie Aiken, Melvyn Caplan, Danny Chalkley, Robert Davis, MBE, DL, David Harvey, Tim Mitchell and Rachael Robathan

Apologies for Absence: Councillor Daniel Astaire

1 WELCOME

1.1 Councillor Philippa Roe welcomed those present.

2 DECLARATIONS OF INTEREST

2.1 There were no Declarations of Interest.

3 MINUTES (25 MAY 2016)

3.1 The Leader, with the consent of the Members present, signed the Minutes of the meeting held on 25 May 2016 as a true and correct record of the proceedings.

4 2015-2016 ANNUAL ACCOUNTS (REPORT OF THE CITY TREASURER)

4.1 Steve Mair, City Treasurer, introduced the report. He advised that the report set out the outline of the final account. He also advised that outstanding objections of previous years accounts had now been resolved.

4.2 Both the Leader and Councillor Tim Mitchell thanked Mr Mair and his team for all the work in completing the accounts and in particular resolving the issues of the outstanding accounts.

Resolved: That the report be noted and referred to full Council for information.

5 TREASURY OUTTURN REPORT (REPORT OF THE CITY TREASURER)

- 5.1 Steve Mair introduced the report. He advised that the report would be referred to full Council for information.

Resolved: That the report be noted and referred to full Council for information.

6 CRIME AND DISORDER CCTV (REPORT OF EXECUTIVE DIRECTOR OF CITY MANAGEMENT AND COMMUNITIES)

- 6.1 Councillor Nickie Aiken spoke to outline the circumstances which had led to the submission of the proposals in the report. She explained that discussion had been had over a prolonged period with stakeholders with a view to them sharing the £1m pa revenue cost. The Council had always recognised that it would need to invest capital. The CCTV statistics had shown that only 2% of crime was investigated using CCTV and that it was not effective in preventing crime. Councillor Aiken continued by saying that discussions would continue with the Mayor, MOPAC and others with a view of having a pan London approach.
- 6.2 Stuart Love, Executive Director, City Management and Communities, advised that at present the revenue costs were being funded from underspend. If a pan London solution was not found decommissioning would commence from September and be carried out over a six month period.
- 6.3 The Leader commented that she was pleased that discussions would continue on the possible pan London approach.

6.4 Resolved:

- (i) That approval is given not to renew or re-procure the CCTV staffing contract currently operated by G4S following its expiration on 1 September 2016.
- (ii) That approval is given for the decommissioning of the existing fixed CCTV camera system and estate from September 2016. That is unless a responsible partner volunteers before 1 August 2016 to accept transfer of the assets and their continued operation.
- (iii) That, should a responsible partner wish to assume responsibility for the assets, approval is given to transfer the assets from 1 September 2016.

Reasons for Decision

The current crime and disorder fixed CCTV system is reaching the end of its operational life and contracts for control room staffing and maintenance of the system are due to expire over the next year.

The expected annual revenue cost for the continued provision of CCTV cannot be met within existing budget projections. It is therefore not possible to procure contracts and make financial commitments which we cannot meet.

The Council can no longer afford to directly subsidise partners which benefit from the existence of a CCTV service, most notably the Metropolitan Police.

The effectiveness of CCTV in preventing particular types of crime in public spaces is questionable as suggested by the Campbell Collaboration's 2008 report *Effects of Closed Circuit Television on Crime*.

The crime and disorder CCTV System is used to support management of the public realm with activity that ultimately assists in the detection and apprehension of offenders and undertaking civil or criminal prosecutions. As a result the crime and disorder CCTV system is primarily used to provide reactive support for the police in securing arrests and prosecutions relating to crimes committed in sight of cameras.

Extensive engagement with partners over recent years on the future viability of the CCTV system has not led to any meaningful financial support, leaving the Council with the full financial burden which it can no longer continue to bear.

Despite the declining health of the CCTV system, the Council would be prepared to transfer the cameras and feeds over to partners such as the Metropolitan Police and work in partnership to ensure the continued viability of the system where appropriate. Any partner would also have to provide accommodation for a control room as the Council's existing lease at the Trocadero is due to expire in 2017. Such an agreement would have to be under development by 1 August 2016 to enable the effective planning of decommissioning or transfer.

The Council's Crime and Disorder CCTV system plays a relatively marginal role in providing CCTV coverage of the city. There are a number of other systems currently operating in the city which provide extensive coverage and could be used in the event of a major incident or to capture criminal activity, subject to their location in relation to the incident.

7 BOND STREET PUBLIC REALM IMPROVEMENT SCHEME (SEE REPORT OF THE CITY TREASURER AND EXECUTIVE DIRECTORS OF GROWTH, PLANNING AND HOUSING AND CITY MANAGEMENT AND COMMUNITIES)

- 7.1 The Chief Executive and the City Treasurer both introduced the report and advised that all partners supported the scheme for which funding agreements, subject to formal agreements, were in place.

7.2 Resolved:

1. That the appendices be exempt from public disclosure as they contain information relating to the financial and business affairs of the authority in accordance with paragraph 3 of Schedule 12a of the Local Government Act 1972, as amended
2. That approval is given to the funding package set out in the Financial Implications at Section 10 and the Council's commitments within it which are to:
 - (a) **provide a budget of £9.85m** for the entire project within the capital programme, receiving funds from the project partners of £7.8m as set out in Appendix A and entering into contracts to deliver the scheme.
 - (b) to enter into a loan agreement with the GLA for £2m guaranteed and repaid by the Council.
 - (c) to provide £0.05m Section 106 funding.
3. That if by December 2016 either the GLA/LEP has failed to provide the loan of £2m or the Treasury has not approved the business rates TIF for the West End Partnership, officers will report back to members on the issues and risk of the Council providing this additional £2m funding from its Capital Programme – or alternatively the consequences of decreasing the scope of scheme delivery or terminating the scheme before start of works, which are due in May 2017. The same applies if TfL assumed funding is not confirmed.
4. That approval is given to complete the drafting of the legal agreements between the Council and NVEC so that their elements of the funding package can be secured and to agree terms with the GLA for accepting the loan from the Growing Places Fund. That the agreements are completed before any formal construction contracts are let or works commence.
5. That approval is given to the Bond Street Stage 1 feasibility design shown on the General Arrangement drawing Sheets 1 to 5 (Appendix B).
6. That the Bond Street Project Board involving Westminster City Council, NVEC and TfL (as set out in the Annex) is delegated to have overall oversight over the project subject to reserved matters on the delivery and costs being referred back to the City Council for approval, as set out in the legal agreement with NVEC as detailed below.
7. That approval is given to carry out a programme of initial stakeholder consultation on the design of the scheme and the operational principles that have been incorporated into the design with the formal statutory consultation required for the Traffic Regulation Orders (TRO) to follow on

from these early consultations, any amendment and a further specific approval through a further report to Members.

8. That spending approval of £2.0m is given, subject to approval of the budget arrangements, to allow design to continue to programme through Design Stages 1 to 3 (at a cost of £1.557m) with a sum of £0.243m to allow for surveys and engagements with utilities and £0.2m for contingency. The spending approval will also cover the cost of the early stakeholder engagements and amendments to be made so that the project can be finalised for a further Member Report and for approval for the subsequent TRO consultations.
9. That the relevant Executive Directors in consultation with the City Treasurer be authorised to complete the necessary legal agreements with NVEC and GLA and other necessary matters for the BID Bond Street project in consultation with the appropriate officers.

Reasons for Decision

The proposed highway modifications identified in this report will improve the streetscape for pedestrians and provide a safer environment for cyclists that will deliver substantial improvement of the public realm and maintain Bond Streets' status as a world class destination of choice for the purchase of high quality goods. NVEC will also work with our employment providers, Recruit London, to maximise employment opportunities for residents on Bond Street.

Approval is required to commence the Council's initial stakeholder engagement activities. These are vital to ensuring that NVEC's earlier engagements and consultations, which indicated a good support for the scheme, are applicable over the wider audience engaged by the Council.

The agreements associated with the funding package need drafting and signing to ensure that the timelines to be completed in line with the Elizabeth Line (Crossrail) opening are maintained, this will need delegated authority at a Member level.

The key benefits of the scheme cited by the Bond Street partners are:

- The improved public realm will lead to better 'dwell time' (estimated at 7%-10%) by visitors and thus higher spend per person in the Bond Street stores (revenues and sales densities are likely to increase on average by 10-15%), capturing more of the market for such visitor expenditure which other cities have been enjoying whilst Bond Street's figures have remained static. An increased expenditure by visitors of £10m a year is envisaged by the Bond Street Partnership group.
- The improved competitive position of Bond Street will in turn lead to higher visitor expenditure in the shops, restaurants and hotels of the West End, providing employment and training opportunities for residents. The Council's new Employment Service is linking up with these West End

businesses to identify job opportunities to support the Council's aim of reducing long term unemployment in the city.

- The scheme partners estimate that rental yields will be enhanced by 3-8% derived from improved turnover by businesses of over 10% produced by improved dwell times.
- The scheme will yield significant additional Gross Value Added to the West End economy which CBRE has estimated at £23m.
- The scheme will reduce vehicle movement and improve pedestrian access, thereby reducing air pollution in the area. The retailers has proven that they are committed to change through this project by already having reduce the number of waste collection firms collecting waste from the street from over fifty firms half a dozen.
- The scheme will also link with Hanover Square and Oxford Street and Piccadilly – making the West End as a whole more accessible and coherent as a district, spreading footfall and crowds away from bottlenecks. This approach accords with the West End Partnership place shaping vision to create a wider retail district of the West End to relieve overcrowding on key streets.
- Employment opportunities will be targeted at Westminster residents through NWECC's sponsorship of the Recruit London employment initiative.
- To demonstrate an alignment with the Council's City for All employment priorities, the Bond Street partners have recently provided the following employment opportunities for residents via the Council sponsored Recruit London employment agency: 3 sales executives a Victorinox, 5 sales advisors at Russell & Bromley, 1 butler at Chanel, sales operatives at Bottega Venetta.

8 ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT

None.

The Meeting ended at 7.15 pm

CHAIRMAN: _____

DATE _____



City of Westminster

Cabinet Report

Meeting or Decision Maker:	Cabinet
Date:	11th July 2016
Classification:	For General Release (Part A)
Title:	Procurement Traded Services
Wards Affected:	None
Key Decision:	No
Financial Summary:	As part of the Council's Medium Term Planning process savings targets for Procurement Services of £50k for 2016/17 and on-going savings of £100k per annum for 2017/18 and 2018/19 have been identified. The traded service model is a recommended approach which will provide income generation opportunities for the Council in excess of the 2016/17 targets.
Report of:	Anthony Oliver Chief Procurement Officer Tel: 020 7641 2608 Email: aoliver@westminster.gov.uk

1. Executive Summary

- 1.1. The report proposes that the City Council establishes a procurement trading company for the sole purpose of developing traded "procurement consultancy services", wholly owned by the City Council, to enable the City Council to take advantage of the powers to trade on a commercial basis under the Local Government Act 2003.
- 1.2. The report further proposes that subject to 1.1 above the Council's wholly owned trading company enters into a joint venture with a niche procurement consultancy, in order to establish a separate joint venture trading company delivering "procurement consultancy services" to the public sector.
- 1.3. It is intended that, initially at least, neither the Council's wholly owned trading company or the joint venture trading company would own assets, and staffing resources would be provided in the case of the City Council in accordance with the State Aid rules which may be satisfied by reimbursement on a full cost recovery basis by the City Council and the joint venture partner on a part time loan/secondment further supplemented by interim resources. If joint venture trading company is successful, grows and is profitable, it is likely that dedicated staffing and assets will be required at a later date.

- 1.4. The Chief Procurement Officer was tasked by the Commercial and Transformation Review Board with the development of a business model for traded service offering procurement services to other local authorities and public sector organisations. The Chief Procurement Officer recommended the creation of a joint venture to leverage the strengths of the wholly owned company specialising in procurement consultancy services with those of a leading niche procurement consultancy, to be delivered through a separate trading organisation.
- 1.5. Discussions with procurement consultancies indicated there is a viable market in the public sector for procurement services to be delivered, which leverage the knowledge of a public sector procurement organisation with the skills of a leading niche procurement consultancy.
- 1.6. Westminster is recognised as a commissioning authority with an effective procurement capability and broad experience of local government in general. However the Procurement Services does not currently have experience in the consultancy market or experience of selling services.
- 1.7. Two leading niche procurement consultancies were identified that were actively interested in partnering with Westminster in delivering consultancy services to the Public Sector and the Commercial and Transformation Review Board agreed that the Chief Procurement Officer should progress discussions with both providers with the aim to identify a preferred partner. Following extensive dialogue, a preferred partner has been identified.
- 1.8. A partnering approach with a procurement consultancy will enable the Council's wholly owned trading company to gain additional expertise in terms of the different delivery models they adopt becoming more agile and delivery focussed.

2. Recommendations

- 2.1 That the report attached as Part B in [Appendix 5](#), be exempt from public disclosure in that it contains commercially sensitive information pursuant paragraph 3 to Schedule 12A of the Local Government Act 1972, as amended
- 2.2 That the establishment of a private limited company wholly owned by Westminster City Council, for the sole purpose of developing traded "procurement consultancy services" as set out in this report, be approved.
- 2.3 That the establishment of a joint venture trading company between Westminster Procurement Services Limited and the preferred partner as detailed in the report, to provide "procurement consultancy services" to public sector organisations as set out in this report, be approved
- 2.4 That the naming of the joint venture trading company be agreed by the Chief Procurement Officer in consultation with the Cabinet Member for Finance & Corporate Services.
- 2.5 That the appointment of Directors as detailed in this report be approved.

2.6 That the broad governance and funding arrangements for the trading company, as set out in this report, be approved and the Director of Law, Shared Legal Services be given delegated authority to settle the detailed arrangements for the establishment of both the procurement trading company and the joint venture trading company including detailed constitutional issues such as additional matters to be reserved to the Council as shareholder in both companies and any necessary agreements between the procurement trading company and the Council, and the procurement trading company and the joint venture trading company.

3. Reasons for Decision

- 3.1 The public sector continues to be challenged to deliver significant savings targets required by the Government in addressing the national budget deficit. In addition there is a need to reduce our costs, increase our income or both as well as increase efficiency and best practice.
- 3.2 Many local authorities have failed to grasp the need for professional procurement resources within the organisation to meet the increased demand to reduce costs and transform services.
- 3.3 The niche procurement consultancies have failed to address the opportunity within the public sector. This is due to insufficient experience in this market and the complexity of public sector governance and EU procurement regulations; whilst some of the larger consultancies e.g. IBM, PWC etc, are recognised to be an exception.
- 3.4 Shortage of experienced procurement professionals has led to increased interim rates which have the potential of opening up the market to consultancies.
- 3.5 There is an opportunity for procurement consultancies, with expertise in the public sector, to target public sector bodies including but not limited to local & central government, agencies, housing associations, health, and education establishments.
- 3.6 A blended model that leverages the resources of both Westminster and a third party consultancy will be most effective in assuring that service delivery in the Council is maintained and strong commercial outcomes are delivered.
- 3.7 Westminster is able to knowledge share and leverage expertise with a joint venture partner to provide joint benefits and allow the Council to leverage new knowledge and skills to its own benefit. This would help with retention of procurement resources as well as making Westminster a more attractive place to work for procurement professionals.

4. Background

4.1 Options Analysis

- 4.1.1 In order to achieve the Medium Term Planning process, traded services target for Procurement Services of £50k for 2016/17 and £100k per annum for 2017/18 and 2018/19 an options analysis was conducted as follows:-

4.1.2 **Do nothing:**

The focus will remain on the Council's Procurement Services organisation serving internal clients and continuing to drive cost savings.

4.1.3 **Partner with one of the large consultancies:**

This is not considered viable as based on our experience of the market they already have established relationships within the public sector that their procurement arms are leveraging. Their cost base also tends to make them less commercially flexible.

4.1.4 **The Council independently attempts to deliver a procurement consultancy service:**

This has been dismissed because:

- a) We do not have the necessary experience in selling services
- b) Providing the services ourselves could impact on service delivery to the Council if we have no additional consultancy support.
- c) We do not have the opportunity to enable the Council's procurement team to gain additional expertise from working with a private sector consultancy.

4.1.5 **Partner with a niche procurement consultancy through a Joint Venture partnership:**

This is the preferred option and has the advantages that:

- a) A 50-50 profit share model can be achieved with a joint venture partner.
- b) The niche procurement consultancies have the expertise in selling services to clients.
- c) The Council can provide targeted resource in conjunction with the potential partners
- d) The Council is a strategic good fit with a niche procurement consultancy and a review of the Council's strengths, weaknesses, opportunities and strengths has been substantiated following engagement with the market. [See Appendix 1.](#)
- e) The Council's recognises that effective procurement is fundamental in supporting the delivery of the Council's overall financial strategy and delivery of the Council's vision. Westminster can leverage the expertise of its Procurement Services department in delivering its vision of delivering "Procurement Excellence" to both the Council but to other clients through a joint venture partnership. [Appendix 2](#) provides an overview of Procurement Services.

4.2 **Size of Opportunity**

- 4.2.1 The opportunity for a successful procurement consultancy service within the public sector is significant as there are significant cost pressures on local authorities.

- 4.2.1.1 Revenue Expenditure is budgeted to be £95.4 billion in England in 2015-16, a decrease of 3.4% (£3.3 billion) from 2014-15. (Source: Department for Communities & Local Government July 2015) which continues to increase costs pressures on local government to deliver better procurement results.
- 4.2.1.2 Local Authorities continue to look for innovative ways to reduce costs. Westminster City Council is well known for providing innovative procurement approaches to reconfigure services and reduce costs.
- 4.2.1.3 NHS Five Year Forward View – 2016-2021 sets out how the NHS will deliver £22bn in efficiency savings by 2020-21. These savings will come through improvements to quality of care and prevention, staff productivity and importantly better procurement. (Source: Government Spending Review & Autumn Statement Nov 2015).
- 4.2.1.4 Even with cuts to budgets, total expenditure in the public sector remains high, affording opportunities to make savings and efficiencies.
- 4.2.1.5 Total expenditure for the following public sector bodies for 2014-2015:
- Universities (£16 billion)
 - NHS Trusts (£29 billion). There are 240 NHS Trusts in the UK.
 - Police Forces in England & Wales (£11 billion). There are 50 police forces in the UK.
- 4.2.2 The Council have been able to utilise existing opportunities in the market by working with the proposed joint venture partner to provide resources for TfL. The profits from this activity will be passed in to the joint venture.
- 4.3 **Service Provision**
- 4.3.1 Discussions with niche procurement consultancies have identified the proposed service provision that should be offered to ensure that a full service offering is available. Services to be offered could include the following:-
- 1) Opportunity Analysis
 - Spend Analytics
 - Cost Reduction/ Quick Wins
 - Contracts Review (audit)
 - Sourcing & Savings Plan
 - 2) Strategic Sourcing
 - Project & Tender Management
 - Category Strategy Review and Implementation
 - Benchmarking
 - Contract Negotiations

- 3) Commercial Bid Support
 - Pre Bid
 - Post Bid
- 4) Operating Model
 - Organisation Design
 - Policies & Governance Review
 - Process Review
 - eSourcing – technology
 - eProcurement / Catalogues

Based on the experience of those consultancies engaged in the review, it is likely that the engagement on a small project lead to a fuller engagement on a larger programme of work.

4.4 **Routes to Market**

4.4.1 There are several routes to market which have been explored which include:-

- a) Targeted opportunities identified by researching the public sector market on Councils experiencing financial hardship or embarking on business transformation exercises. The proposed joint venture partner has dedicated resources to support this activity.
- b) Use personal contacts and networks to make introductions to Council Chief Executives and Heads of Finance. Leverage existing relationships with the London Heads of Procurement Network and London Treasurers.
- c) Tender for public sector Framework Contracts with major Buying Organisations e.g. Crown Commercial Services (CCS), Eastern Shires Procurement Organisation (ESPO)

Note: CCS Consultancy 2 will be retendered this year.

- d) Use initial engagements offering spend analysis/diagnostics as a good way to asses and propose opportunities for future procurement work.
- e) Set up alerts for tender opportunities from the OJEU.

4.5 **Joint Venture**

4.5.1 The Council's Procurement department identified two potential niche procurement consultancies to work with and an outline business case was presented to the Commercial and Transformation Review Board. The proposed joint venture partner as identified following exploratory discussions to identify and agree strategic and business alignment, cultural fit and alignment with the Council's values, and financial alignment.

- 4.5.2 Other consultancy practices were rejected as not having sufficient market recognition within the procurement profession or for having an established public sector record which would not benefit from a partnership with the City Council.
- 4.5.3 The proposed joint venture partner has extensive experience in the private and regulated sectors but in the Council's view has failed to leverage the opportunities in the public sector, yet have aspirations to extend their services in to both local, regional & central government, NHS and other areas of the public sector. A number of new members to their management team come from an extensive public sector consultancy background focussing on procurement.
- 4.5.4 A joint venture is the recommended legal vehicle for the partnership.
- 4.5.5 Tri-Borough Shared Legal Services have confirmed that the Council trading company would not be a contracting authority to whom the Public Contracts Regulations applies to enter into the joint venture. A strong brand needs to be created that is unique for marketing procurement services to the public sector.
- 4.5.6 EU Procurement Regulations would not apply to the proposed joint venture. The JV Partner agrees that the most effective means of engaging the market is via a joint venture with the WCC wholly owned company.
- 4.5.7 Risks associated with procurement traded services and a joint venture is detailed in [Appendix 3](#).

5 WCC wholly owned Trading Company

- 5.1 In setting up the procurement trading company, the following issues need consideration and definition.
- Company Name
 - Purpose of the Company
 - Aims of the Company
 - Governance Arrangements
 - Set up Requirements and Costs

5.2 Company Name

- 5.2.1 It is proposed that the company be called "Westminster Procurement Services Limited".

5.3 Purpose of the Company

- 5.3.1 To profit from the capabilities of Westminster City Council' Procurement Services department.

5.4 Aims of the company

- 5.4.1 To enter in to a joint venture with a niche procurement consultancy, in order to establish a separate joint venture trading company delivering "procurement consultancy services" to the public sector.

5.4.2 In addition the procurement trading company will independently aim:-

- To creatively deliver procurement services that is attractive in a competitive marketplace.
- To develop strong and positive relationships with our customers so that we understand their changing needs and adapt our services accordingly
- To provide the shareholder with a return on their capital employed (Westminster City Council will be a 100% shareholder).

5.5 Governance Arrangements

5.5.1 The company must legally appoint Directors. The Directors of the company must ensure that the company does everything it is obliged to do by law and that any decisions they make are in the best interests of the company. It is proposed that the Directors of the company are appointed as follows:

Managing Director – Anthony Oliver

Finance Director – Dai Williams

5.5.2 A requirement of the appointment of Directors will be that they are required to step down from the procurement trading company upon them leaving the Council's service for any reason, unless their continued appointment is specifically agreed by the Cabinet Member for Finance & Corporate Services.

5.5.3 Model Articles of Association that set out the regulations governing the running of the company's affairs will be utilised.

5.5.4 Legal Shared Services will assist with the incorporation of the WCC wholly owned trading company.

5.5.5 It is noted that further consideration will needed to be given to decision making procedures, financial and operational performance requirements & reporting and parameters within which the company operates. These key factors will be included with the articles of association as well as the companies complying with the Council's policies and procedures in relation to governance of subsidiary companies.

5.6 Set Up Requirements and Associated Costs

5.6.1 Setting up the procurement trading company will attract initial start-up costs but minimal ongoing costs as the company will initially be a vehicle to allow for the joint venture. The company is therefore likely to have a small turnover but with the potential to make increased profits as a shareholder of the joint venture. Present estimates of setup costs are £2,000 which will be borrowed from WCC on commercial rates.

6 Joint Venture Trading Company

6.1 In setting up the joint venture trading company, the following issues need consideration and definition.

- Company Name
- Purpose of the Company
- Aims of the Company
- Governance Arrangements
- Set up Requirements and Costs

6.2 Company Name

6.2.1 It is proposed that the company be agreed in consultation with the Cabinet Member for Finance & Corporate Services.

6.3 Purpose of the Company

6.3.1 To profit from the capabilities of Westminster City Council' and the JV Partner via a joint venture partnership, leveraging the procurement capabilities of both organisations, the Council's reputation in the public sector and JV Partners' expertise in the delivery of consultancy services.

6.4 Aims of the company

6.4.1 To creatively bundle services as per **Error! Reference source not found.** that are attractive in a competitive marketplace including:-

- Opportunity Analysis
- Strategic Sourcing
- Commercial Bid Support
- Operating Model

6.4.2 In addition the procurement trading company will aim:-

- To develop strong and positive relationships with our customers so that we understand their changing needs and adapt our services accordingly
- To provide the shareholders with a return on their capital employed.

6.5 Governance Arrangements

6.5.1 The company must legally appoint Directors. The Directors of the company must ensure that the company does everything it is obliged to do by law and that any decisions they make are in the best interests of the company. It is proposed that each of the two shareholders is able to appoint two directors. It is proposed that the City Council appointed Directors of the company are as follows:

Managing Director – Anthony Oliver
Finance Director – Dai Williams

6.5.2 A requirement of the appointment of Directors will be that they are required to step down from the Joint Venture Trading Company upon them leaving the Council's service for any reason, unless their continued appointment is specifically agreed by the Cabinet Member for Finance & Corporate Services.

6.5.3 Model Articles of Association that set out the regulations governing the running of the company's affairs will be utilised.

- 6.5.4 A Joint Venture Shareholder Agreement will be prepared which will include any commercially-sensitive provisions (e.g. the reserved matters and the business plan etc.).
- 6.5.5 External solicitors, Sharpe Pritchard will assist with the incorporation of the joint venture trading company.

6.6 Set Up Requirements and Associated Costs

- 6.6.1 Setting up the procurement trading company will attract initial start-up costs as well as ongoing costs which will be jointly shared by the City Council and 4C Associates. The company is targeting a turnover of between 500k to £1M. Present estimates of set up costs are £8000 covering legal and initial marketing costs, which will be borrowed from WCC on commercial rates.

7. Financial Implications

- 7.1 Minimal set up costs for joint venture - legal costs and joint marketing expected to be in the region of £10k.
- 7.2 As part of the Council's Medium Term Planning process savings targets for Procurement Services of £50k for 2016/17 and on-going savings of £100k per annum for 2017/18 and 2018/19 have been identified. The traded service model is a recommended approach which will provide income generation opportunities for the Council in excess of the 2016/17 targets.
- 7.3 The Council have realistic aims during the first 12 months with potential of greater returns for the following 24 months.

8. Legal Implications

- 8.1 The Council has various powers to set up a company in order to trade for a profit. The Localism Act 2011 provides powers for local authorities to do anything that individuals may generally do. This would permit it to provide services to public bodies not covered by the Local Authorities (Goods and Services) Act 1970 or, to the private sector and charge for those services.
- 8.2 Further reliance could be placed on the powers conferred by the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 and the Local Government Act 2003. This allows the Council to do for a commercial purpose anything it is authorised to do for the purpose of carrying on any of its ordinary functions. In order to exercise this power the Council is required to:
 - 8.2.1 prepare and approve a business case;
 - 8.2.2 exercise the power through a company within the meaning of Part 5 of the Local Government and Housing Act 1989; and
 - 8.2.3 recover the costs of any accommodation, goods, services, staff, or any other thing that it supplies to the company.
- 8.3 Any loans granted to the company by the Council should be provided on commercial rates so as to avoid any potential State Aid challenges.

- 8.4 Legal Services will be available to assist officers with incorporating the company limited by shares at Companies House.
- Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Shared Legal Services, 020 8753 2772.
- 8.5 The powers set out in paragraphs 8.1 and 8.2 above apply equally to the incorporation of a joint venture vehicle and it is within the Council's powers to do so, subject to the same paragraphs 8.2.1, 8.2.2, and 8.2.3. The Council's rights and obligations under the proposed joint venture shall be contained in a Joint Venture Shareholders' Agreement. This agreement will cover, amongst other things:
- 8.5.1 the establishment of the joint venture vehicle and how each party will contribute resources to it;
 - 8.5.2 the rights of each party to appoint directors to the board;
 - 8.5.3 any restrictions placed on the parties (i.e. not separately competing for business that should be run through the JV);
 - 8.5.4 the content and process for agreeing annual business plans;
 - 8.5.5 the dividend policy, setting out how and in what circumstances profits should be distributed to each JV partner;
 - 8.5.6 the process for dealing with a deadlock situation where neither party can agree a course of action;
 - 8.5.7 terminating and unwinding the arrangement.
- 8.6 The board of directors will have responsibility to run the business of the JV on a day-to-day basis. Certain decisions (being those of greater importance) will be reserved to the shareholders (the so-called 'reserved matters'). Reserved matters would include agreeing the business plan for each year, altering the rights attached the shares in the company, changing the company name and entering into contracts or employing anyone over a pre-agreed financial limit. Other reserve matters can be added to this list to ensure the Council retains control over certain, key issues.
- 8.7 The appointed directors to each newly-incorporated company will be under statutory duties imposed by the Companies Act 2006. These duties include:
- 8.7.1 a duty to promote the success of the company;
 - 8.7.2 a duty to exercise independent judgment;
 - 8.7.3 a duty to exercise reasonable care, skill and diligence; and
 - 8.7.4 a duty to avoid conflicts of interest.
- 8.8 Conflicts of interest can frequently occur in the context of a joint venture when directors have to balance the interests of the shareholder organisation that appointed them with the need to exercise independent judgment and promote the success of the company. The JV articles will include detailed provisions on how the shareholders will be able to permit the directors from still acting notwithstanding any actual or potential conflict they may face.

8.9 A failure to adhere to these duties may, in certain circumstances, result in the director concerned facing personal liability. It is recommended that the Joint Venture Company takes out D&O (directors' and officers' insurance) for the appointed directors. This will, in the absence of fraudulent activity, remove any personal liability for the directors.

Joint venture company legal implications provided by Peter Collins of Sharpe Pritchard LLP.

8.10 It is a requirement of the financial regulations that joint ventures are approved by full Cabinet.

9. Equalities Implications

9.1 There are no equality implications. [See Appendix 4.](#)

**If you have any queries about this Report or wish to inspect any of the
Background Papers please contact:
Anthony Oliver, Chief Procurement Officer on 020 7641 2608**

Appendices

- 1) SWOT Analysis**
- 2) Activities and services delivered**
- 3) Risks**
- 4) Equality Impact Assessment**
- 5) Part B Confidential Report**

Appendix 1

SWOT ANALYSIS

Strengths

- Council's flexible mixed resourcing model e.g. FTE's and short term and long term interims
- Council's Category Management Toolkit fit for purpose for public sector procurement
- Professionally Qualified Staff – CIPS qualified
- Public Sector Expertise
- Westminster reputation
- Local government category expertise
- Significant Outsource experience
- Westminster Own Framework Contracts
- Westminster Public/Private mix of resources
- Recognised for delivering innovative solutions
- Ownership of capitalEsourcing
- Council developing a more agile approach
- Seen to be collaborative i.e. Tri-borough

Weaknesses

- Existing resources dedicated to Westminster projects
- Availability of quality Procurement resources
- Political environment i.e. do Councillors support a traded strategy
- Public Sector funding for consultancy under pressure
- Westminster's agility to provide external services
- Negative perception of Westminster by some local authorities

Opportunities

- Westminster's support for Trading Model
- Trading Services helps Council's funding gap
- Shortage of experienced procurement specialists in the market
- Partnering arrangement with Westminster Agency Staff provider will assist resourcing
- Limited number of organisations who can provide public sector benchmark data
- Diverse public sector market opportunities e.g. Local & Central Government, Agencies, Housing Associations, Health, Education
- Knowledge share and leveraging expertise with partner to provide joint benefits
- Support for private sector bids in to other public sector organisations
- Procurement becomes an Employee Mutual

Threats

- Prospective clients in public sector under financial pressure
- Other councils are trialling Traded Service model
- Commercial model not beneficial to Westminster City Council
- "External" consultancy experience & inability to sell the service
- Defining the model
- Lots of small consultancies competing
- Staff retention due to change in ways of working

Appendix 2

Activities and services delivered

The Procurement Services organisation has two **Category Management** teams – People & Services and Place – and a **Procurement Development** team.

Category Management	Procurement Development
<ul style="list-style-type: none"> • Strategic sourcing is the procurement process that continuously improves and re-evaluates the purchasing activities of an organisation. • Strategic Procurement is designed to support major categories of expenditure and has adopted Category Management as an approach to address key spends. • Category Management is a cross functional approach that uses to our advantage service expertise alongside professional procurement skills to effectively manage the organisations spends. • Provides an assessment of the organisations current spend, assessment of the supply market and total cost analyses • Development of sourcing strategies including identifying suppliers and sourcing. • Implementation new supply structures and results tracking 	<ul style="list-style-type: none"> • Owner of the procurement processes, procedures, policy and governance including the Council's Procurement Code and Contracts Management Framework • Responsible for procurement specific systems e.g. capitalEsourcing • Support process adherence both in Procurement and within the Lines of Business • Responsible for provision of performance measures and procurement dashboards • Manages supplier risk, compliance and Responsible Procurement strategy • Manages supplier diversity obligations e.g. SMEs, Third Sector • Responsible for organisation wide communications to the supplier community

Procurement Services is principally a Westminster service, however we are operating across Tri-Borough. The team has worked on a number of Tri-Borough procurements, taking the lead on initiatives including ICT, Passenger Transport and Public Health, and advising on initiatives including Homecare and School Meals.

There are collaborative projects with the Clinical Care Groups (CCGs) as part of the closer alignment with Public Health. In addition we have also set up collaborative arrangements with other Local Authorities outside of Tri-Borough that allow the Council to follow best practice and share infrastructure costs, for example, the pension fund shared service with Surrey County Council.

Our customers

The Category Management teams have clearly defined sets of customers across the Tri-Borough organisation and also work collaboratively on pan-London procurements working with other London Boroughs and also the Clinical Care Groups in Health.

People & Services are predominantly concerned with supporting City Management and Communities, Planning, Public Health and wider corporate service initiatives.

Place is focused on supporting Growth, Planning and Housing with Housing Regeneration, General Construction (Libraries/Leisure/Schools) and Property and also works closely with City West Homes. Procurement works in collaboration with its key customers within the Council, often having staff co-locate with programme teams and having some resources directly funded by the Service itself.

Procurement Development works across the Council providing systems, policy and training to all Service areas engaged in both procurement and contract management activity. Procurement Development provides the capitalSourcing procurement platform across Tri-borough and beyond to the City of London, and the London Boroughs of Newham, Havering and Hillingdon. There is direct support for Tri-Borough teams and collaboration with the other organisations, with the objective of getting them to a position where they become self-sufficient.

It is recognised that effective procurement is fundamental in supporting the delivery of the Council's overall financial strategy and delivery of the Council's vision "City for All". To reflect the importance of a commercially aware procurement organisation, that adopts best practice and continuous improvements through its people, market engagement, technology and our operating model, **Procurement Services** vision is "**Procurement Excellence**".

Procurement Services employs a strategic sourcing approach to procurement that provides leadership, commercial insight, assurance, policy and governance to the procurement activity of the Council.

We address third party spend under contract of approximately £450million per annum, covering the procurement of goods, services and works, with a supply base of around 6,000 suppliers.

Our primary role is to ensure that what we procure provides value for money (VFM) and meets the functional needs of the Council. Through strong relationship management we ensure that our suppliers and partners deliver high standards of performance, as well as continuous improvement and innovation within the VFM framework.

As a strategic partner to all services in Westminster we are in a position to deliver opportunities that create commercial value and allow sharing of best practice across the Council, and by using capitalSourcing we can identify further opportunities by having site of all of the Council's contracts.

Appendix 3

RISKS

Description of Risk	Likelihood	Impact	Mitigating Action
Loss of reputation	Low	High	Effective management of client contracts
Loss of service internal to the Council	Medium	High	Effective management of the trading company and JV trading company with clear separation of governance. Provision of resources to client via JV partner or appointment of interim resources limiting impact on Council.
Poaching of staff	Medium	High	Contractual restrictions with clients and within JV agreement. Commensurate reward scheme.
Contractual disputes	Low	High	Correct documentation and governance arrangements.
Financial	Low	High	Correct documentation and governance arrangements.
Loss of income to Council due to inefficient delivery vehicle	High	High	Fully review delivery options available to understand
Disagreement in decision making between JV partners. Where is registered office, who gets what title? Who can make what decision? Who has deciding vote?	High	High	Address decision making within Joint Venture Shareholders' Agreement. Subject to growth of JV, appoint independent Chair.
Cultural differences in approach between JV partners	High	High	Clearly review and consider pre creation, noticeably offices, working conditions etc.
Unrealistic profit assumptions leading to Council budget pressures	High	Low	Realistic financial planning needed before creation of JV agreed by Both parties and plan monitored on regular occasions. Council has policy on governing and monitoring subsidiaries
Competition from JV partner in individual capacity or from other organisations	low	low	Ensure agreement does not allow for organisations to encroach on sectors/clients services by JV.
Inequality in resource and cost inputs from separate JV partners	Low	Low	Agree on formula, approach and mark-ups of staff in JV to avoid debate
No exit strategy from JV if issues. No exit strategy or provisions meaning council or trading co may get burdened with clients/contracts it doesn't want	low	High	Clear exit strategy/plans and agreements in place before creation of JV
JV direction and aspirations do not align with Councils. Council obviously wants profits/savings but if JV wants to retain monies to grow invest, who wins?	High	High	Realistic financial planning needed before creation of JV agreed by Both parties and plan monitored on regular occasions. Council has policy on governing and monitoring subsidiaries
Valuing Intellectual property of JV partners solutions/tools. Easy to price people but what about capital e sourcing and products you will want to use/sell within JV	High	low	Identify IP that needs to be retained by JV partners upfront in Joint Venture Shareholders' Agreement.



Appendix 4

EQUALITY IMPACT ASSESSMENT TOOL

The council has a statutory duty to consider the impact of its decisions on age, disability, gender reassignment, pregnancy & maternity, race, religion or belief, sex (gender) and sexual orientation.

The Council also has a duty to foster good relations between different groups of people and to promote equality of opportunity.

Completing an Equality Impact Assessment (EIA) is the **simplest way** to demonstrate that the Council has considered the equality impacts of its decisions and it reduces the risk of legal challenge. EIAs should be carried out at the **earliest stages** of policy development or a service review, and then updated as the policy or review develops. EIAs must be undertaken when it is possible for the findings to inform the final decision. Keep all versions of your EIA. An EIA should be finalised once a final decision is taken.

When should you undertake an EIA?

- You are making changes that will affect front-line services
- You are reducing the budget of a service, which will affect front-line services
- You are changing the way services are funded and this may impact the quality of the service and who can access it
- You are making a decision that could have a different impact on different groups of people
- You are making internal reorganisations that will result in staff changes including Transfer of Undertakings (TUPE), redundancies, change in job roles or terms and conditions.
- EIAs also need to be undertaken on how a policy is implemented even if it has been developed by central government (for example cuts to grant funding)
- **Section 1 of the EIA Tool: Initial Screening**, will help you decide whether a full EIA is necessary

Who should undertake the EIA?

- The person who is making the decision or advising the decision-maker

Further Guidance

- [Step-by-Step Guidance to the questions](#)
- An EIA e-learning module is available for all Westminster staff:
www.learningpool.com/westminster/course/view.php?id=159

Please contact the Equalities lead to inform them when you begin and then complete an EIA: equalities@westminster.gov.uk

SEB will monitor compliance with the requirement to complete EIAs.

Title of Proposal

Development of Commercial Operating Model for Procurement

Lead Officer

- i. Anthony Oliver,
- ii. Chief Procurement Officer
- iii. Procurement
- iv. aoliver@westminster.gov.uk EXT 2608

Has this project, policy or proposal had an EIA carried out on it previously? If yes, please state date of original and append to this document for information.

Yes No

Date of original EIA:

Version number and date of update

You will need to update your EIA as you move through the decision-making process. Record the version number here and the date you updated the EIA. Keep all versions so you have evidence that you have considered equality throughout the process.

SECTION 1: Initial screening: Do you need to complete an Equality Impact Assessment (EIA)?

Not all proposals will require an EIA, this initial screening will help you decide if your project or policy requires a full EIA by looking at the potential impact on any equality groups.

1.1		What are you analysing?			
	Development of commercial operating model for procurement including: <ul style="list-style-type: none"> • Generating income through pan London Frameworks let by City Council • Promotion of capitalSourcing as solution of choice for local authorities • Development of Business Case for procurement traded model "consultancy practice" offering services to other local authorities and public sector organisations. 				
1.2		From a service user and staff perspective, does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?			
		None	Positive	Negative	Not sure
	Disabled people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Men or women (include impacts due to pregnancy/ maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	People or particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	

If the answer is "negative" or "unclear" consider doing a full EIA

1.3	What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p><u>None or minimal impact would be where there is no negative impact identified, or where there will be no change to the services for any groups. Wherever a negative impact has been identified you should consider undertaking a full EIA by completing the rest of the form.</u></p>			

1.4	Using the screening and information in questions 1.2 and 1.3, should a full assessment be carried out on the project, policy or proposal?
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1.5	How have you come to this decision?
	Having reviewed the processes or requirements to deliver the additional income, I am satisfied that none of them will impact on service users or staff.

SECTION 2: EQUALITY IMPACT ASSESSMENT

Building an Evidence Base: What do you know?

This section will help you build your evidence base and interpret what the likely impact will be of your service. Complete this section if your proposal is service user related. If your proposal only affects staff, go to section 2.2

2.1	<i>Build up a picture of who uses/will use your service or facility and identify who are likely to be impacted by the proposal</i> <ul style="list-style-type: none"> <i>• If you do not formally collect data about a particular group then use the results of local surveys or consultations, census data, national trends or anecdotal evidence (indicate where this is the case). Please attempt to complete all boxes.</i> 	
	How many people use the service currently? What is this as a % of Westminster's population?	
	Disabled people	
	Particular ethnic groups	
	Men or women (include impacts due to pregnancy/maternity)	
	People of particular sexual orientations	
	People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	
	People on low incomes	
	People in particular age groups	
	Groups with particular faiths and beliefs	
	Any other groups who may be affected by the proposal?	

This section should be completed for all proposals that will impact on staff.

2.2	<i>Build up a picture of the makeup of the workforce profile in the service affected.</i>																																																																																																																																																										
<p>What is the workforce profile of the service? As a percentage, how does this compare to the profile of Westminster City Council workforce?</p> <ul style="list-style-type: none"> • Age • Disability • Gender • Gender Reassignment • Ethnicity • Pregnancy and Maternity • Religion/Belief • Sex • Sexual Orientation 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Group</th> <th colspan="2">Service</th> <th colspan="2">Council</th> </tr> <tr> <th>No</th> <th>%</th> <th>No</th> <th>%</th> </tr> </thead> <tbody> <tr> <td colspan="5">Age</td> </tr> <tr> <td>16-24</td> <td></td> <td></td> <td>35</td> <td>2%</td> </tr> <tr> <td>25-29</td> <td></td> <td></td> <td>148</td> <td>7%</td> </tr> <tr> <td>30-44</td> <td></td> <td></td> <td>893</td> <td>43%</td> </tr> <tr> <td>45-59</td> <td></td> <td></td> <td>854</td> <td>41%</td> </tr> <tr> <td>60-64</td> <td></td> <td></td> <td>115</td> <td>5%</td> </tr> <tr> <td>65 +</td> <td></td> <td></td> <td>33</td> <td>2%</td> </tr> <tr> <td colspan="5">Disability</td> </tr> <tr> <td>Yes</td> <td></td> <td></td> <td>66</td> <td>3%</td> </tr> <tr> <td>No</td> <td></td> <td></td> <td>897</td> <td>43%</td> </tr> <tr> <td>Not Known</td> <td></td> <td></td> <td>1115</td> <td>54%</td> </tr> <tr> <td colspan="5">Ethnicity</td> </tr> <tr> <td>Asian/Asian British</td> <td></td> <td></td> <td>145</td> <td>7%</td> </tr> <tr> <td>Black/Black British</td> <td></td> <td></td> <td>416</td> <td>20%</td> </tr> <tr> <td>Mixed</td> <td></td> <td></td> <td>62</td> <td>3%</td> </tr> <tr> <td>White</td> <td></td> <td></td> <td>1371</td> <td>66%</td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td>42</td> <td>2%</td> </tr> <tr> <td>Unknown</td> <td></td> <td></td> <td>83</td> <td>4%</td> </tr> <tr> <td colspan="5">Gender</td> </tr> <tr> <td>Female</td> <td></td> <td></td> <td>1192</td> <td>57%</td> </tr> <tr> <td>Male</td> <td></td> <td></td> <td>886</td> <td>43%</td> </tr> <tr> <td colspan="5">Pregnancy and Maternity</td> </tr> <tr> <td colspan="5"> <ul style="list-style-type: none"> • Are any staff pregnant or on maternity • How are they affected by this change </td> </tr> <tr> <td colspan="5">Religion & Belief</td> </tr> <tr> <td colspan="5">There is insufficient data to make an assessment on this characteristic. Any issues identified as part of the consultation process will be included</td> </tr> <tr> <td colspan="5">Sexual Orientation</td> </tr> <tr> <td colspan="5">There is insufficient data to make an assessment on this characteristic. Any issues identified as part of the consultation process will be included</td> </tr> <tr> <td colspan="5">Gender Reassignment</td> </tr> <tr> <td colspan="5">Data on Gender Reassignment is currently not available</td> </tr> </tbody> </table>	Group	Service		Council		No	%	No	%	Age					16-24			35	2%	25-29			148	7%	30-44			893	43%	45-59			854	41%	60-64			115	5%	65 +			33	2%	Disability					Yes			66	3%	No			897	43%	Not Known			1115	54%	Ethnicity					Asian/Asian British			145	7%	Black/Black British			416	20%	Mixed			62	3%	White			1371	66%	Other			42	2%	Unknown			83	4%	Gender					Female			1192	57%	Male			886	43%	Pregnancy and Maternity					<ul style="list-style-type: none"> • Are any staff pregnant or on maternity • How are they affected by this change 					Religion & Belief					There is insufficient data to make an assessment on this characteristic. Any issues identified as part of the consultation process will be included					Sexual Orientation					There is insufficient data to make an assessment on this characteristic. Any issues identified as part of the consultation process will be included					Gender Reassignment					Data on Gender Reassignment is currently not available				
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		but it is unlikely that this proposal will impact either positively or negatively on the protected characteristic of gender reassignment. The consultation process should identify any issues that need to be considered with regards to this protected characteristic.
	Using the information above, are any groups of staff disproportionately represented compared to the Council workforce?	
	Does TUPE apply to this proposal?	
	Will the reorganisation/restructure result in an increase or decrease in staff numbers? If so, approximately how many?	
	Will the reorganisation/restructure result in changes in job roles or terms and conditions for staff? If so, what changes are proposed?	

2.3 Summary (to be completed following analysis of the evidence above)				
	None	Positive	Negative	Not sure
Does the project, policy or proposal have the potential to have a <u>disproportionate</u> impact on any of the following groups? If so, is the impact positive or negative?				
Disabled people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy/maternity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think this proposal may affect negatively or positively?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	

SECTION 3: Assessing Impact

In order to be able to identify ways to mitigate any potential impact it is essential that we know what those potential impacts might be.

3.1	Consultation Information	
	<i>This section should record the consultation activity undertaken in relation to this project, policy or proposal</i>	
	<p>i. Who will you consult with?</p> <p>ii. How will you consult? <i>(inc meeting dates, activity undertaken & groups consulted)</i></p>	
3.2	What might the potential impact on individuals, groups or staff be?	
	<i>Consider disability, race, gender, sexual orientation, transgender, age, faith or belief and those on low incomes and other excluded individuals or groups</i>	
	Generic impact (across all groups)	
	Men or women (include impacts due to pregnancy/maternity)	
	People of particular sexual orientation	
	People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	
	Disabled people	
	Particular ethnic groups	
	People on low incomes	
	People in particular age groups	
	Groups with particular faiths and beliefs	
	Other excluded individuals and groups	

SECTION 4: Reducing & Mitigating Impact

- 1** As a result of what you have learned, what can you do to minimise the impact of the proposed changes on equality groups and other excluded / vulnerable groups, as outlined above?

4.1	Where you have identified an impact, what can be done to reduce or mitigate the impact? <i>(Remember to think about the Council as a whole, another service area may already be providing services which can help to deal with any negative impact).</i>	
	Impact 1: [Insert impact here]	Consider options as to what we can do to reduce the impact
	Impact 2: [Insert impact here]	
	Impact 3: [Insert impact here]	
	Impact 4: [Insert impact here]	
	Impact 5: [Insert impact here]	

4.2	Now that you have considered the potential or actual effect on equality, what action are you taking?	
	No major change (no impacts identified)	<input type="checkbox"/>
	Adjust the policy/proposal	<input type="checkbox"/>
	Continue the policy/proposal (impacts identified)	<input type="checkbox"/>
	Stop and remove the policy/proposal	<input type="checkbox"/>

4.3	Please document the reasons for your decision	

4.4	How will the impact of the project, policy or proposal and any changes made to reduce the impact be monitored?	

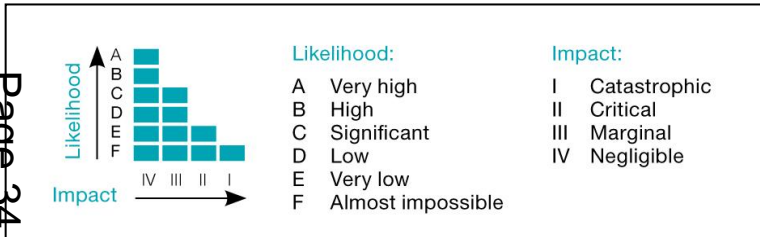
4.5	Conclusion <i>This section should record the overall impact, who will be impacted upon and the steps being taken to reduce/mitigate impact</i>	

SECTION 5: Next Steps

5.1	Action Plan <i>Complete the action plan if you need to reduce or remove the negative impacts you have identified, take steps to foster good relations or fill data gaps.</i> <i>NB. Add any additional rows, if required.</i>					
Action Required	Equality Groups Targeted	Intended Outcome	Resources Needed	Name of Lead, Unit & Contact Details	Completion Date (DD/MM/YY)	RAG

5.2 Risk Table

Ref	Risk	Impact	Actions in place to mitigate the risk	Current risk score	Further actions to be developed
R1.1	[Enter risk here]	[Enter here the likely impact if the risk came to pass]	[Record here any actions already in place to reduce the risk]	[Using the key below, enter the current risk score]	[Enter here any actions that can be developed in future to reduce the risk identified]



THIS SECTION TO BE COMPLETED BY THE RELEVANT SERVICE MANAGER

Signature:

Full Name:

Unit:

Email & Telephone Ext:

Date of Completion (DD/MM/YY):

WHAT NEXT?

Please email your completed EIA to the Equalities Lead: equalities@westminster.gov.uk

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