



City of Westminster

# Housing, Finance & Corporate Services Policy and Scrutiny Committee Briefing

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## 1. Corporate Finance

### Business Rates

- 1.1 In the Spring Budget, the government announced several changes to Business Rates, including:
  - A supporting Small Business Rate Relief scheme;
  - A £1000 allowance for public houses with a rateable value below £100,000;
  - A Discretionary Fund for local authorities to assist businesses adversely affected by the Revaluation rateable increases.
- 1.2 The Council has now billed the 171 Public Houses that may be entitled to the Public House Allowance and the 97 businesses that could be entitled to the Small Business Rate Relief Scheme. The Council is now consulting with local businesses and other stakeholders on the Discretionary Relief Scheme.
- 1.3 It was expected that the Queen's Speech would contain the Government's intentions to amend Business Rates legislation, however no announcement was made. DCLG have issued a statement confirming that the Government is still committed to Business Rate reform. It is now unclear if or when any significant changes will take place.
- 1.4 The Council achieved "in year" collection rates as at the end of July of 42.05% for NNDR (42.37% at the same point in July 2016) and 47.63% for Council Tax (47.76% at the same point in July 2016). In both cases this is very slightly down on last year's collection, however, it is expected that collection by year end will match or exceed last year's performance.

## **Discretionary Housing Payment Funding**

- 1.5 The Government has announced the Council's Discretionary Housing Payment Funding for 2017/18. The funding of £1.4M represents a 47% reduction on our 2016/17 funding however for 2017/18 an additional £1m has been allocated from the Council's General Reserves. The Council's revised Discretionary Housing payment policy has been completed and is now awaiting approval from Legal Services and the City Treasurer.

## **Sundry Debtors**

- 1.6 The automated invoice reminder process continues to work well, with BT providing a daily report of reminders issued the previous day. The direct contact project has resumed whereby we are supporting service areas to follow-up unpaid invoices by contacting the largest value debtors (exceeding £50k). Centrally, the pilot exercise with a third party provider to take further action on a small number of unpaid debts has been slightly delayed, but is now expected to be underway in September. The results will inform our strategy on debt recovery.

## **Accounts Payable**

- 1.7 No PO No Pay became compulsory from 1<sup>st</sup> June 2017. Suppliers are now required to quote valid WCC purchase order numbers on all invoices. Invoices that do not comply are being deleted from Agresso. A few items continue to be exempt from this policy, such as utility bills, precepts and levy payments, compensation and refund payments. The compliance rate with No PO No Pay for non-exempt items was at 98.3% in Period 4. Efforts are being made by the Accounts Payable Team and service areas to achieve full compliance.

## **Final Accounts 2016/17**

- 1.8 The Council's 2016/17 accounts were published and sent for audit in 4 working days – 3 days earlier than last year. The external auditors provided a draft opinion on these accounts on 9th May and a full opinion on 18th July. The Audit and Performance Committee has also approved the accounts
- 1.9 There were two objections to the 2016/17 accounts, made during the public inspection period related to lender's option borrower's option (LOBO) transactions taken out many years previously. Resolution of these is anticipated by the end of August and a verbal update will be given at the meeting. All objections relating to prior years have now been cleared. There were no objections to the 2015/16 accounts.

## **Budget 2018/19**

- 1.10 The Council is progressing with its planning for the 2018/19 budget which will be reported to Scrutiny, Cabinet and Council in due course.

## **2. Corporate Property**

### **Investment**

- 2.1 The property management contract to GVA expires in May 2018. Preparation of procurement of a new property manager is underway. Active asset management of the investment portfolio continues. Of 368 assets that make up the portfolio, 19 are vacant, representing 1.75% of estimated rental value of the portfolio. This is well within acceptable limits. Of the 19, 12 are not in the market, owing to redevelopment or regeneration programmes. Income has increased since the beginning of the financial year by £516,000. No further acquisitions have been made pending completion and ratification of the Council's updated overarching investment strategy.

### **Operational Property**

- 2.2 The savings target for 17/18 of £597,000 from rationalisation of the corporate estate has been met. Work is on-going to deliver next year's savings and to develop a hub based corporate estate to encourage co-location, better accessibility to Council services and to generate further savings.

### **City Hall Refurbishment**

- 2.3 All Council staff and Members have successfully vacated City Hall and moved to either Portland House or 5 Strand. The moves were well managed and staff reported positively on their experience. City Hall was handed over to our Contractor, ISG, on 24th July when the soft strip began. We now have a working relationship with Land Securities and obtained their consent for the external temporary works. Scaffolding is therefore being erected and the refurbishment works remain on programme and budget. Practical completion is due in November 2018 and staff will start to move back in December/January.

## **3. Corporate Services**

### **People Services**

- 3.1 On the 8<sup>th</sup> June, People Services hosted a graduate assessment day for 12 potential candidates. A range of senior leaders across all services took part in supporting the day and carrying out interviews. As a result four graduate places have now been offered this year.
- 3.2 The Westminster Way staff awards were held on 22<sup>nd</sup> June 2017 to celebrate the achievements of our staff. The winners were:
- PACE Award - Individual Aruj Haider (People Services – Corporate Services)
  - PACE Award Team – Registrars (Libraries – City Management & Communities)
  - 'City for All' Outstanding Achievement Award Individual - Kiran Malik (Public Protection – City Management & Communities)
  - 'City for All' Outstanding Achievement Award Team - Team Two City Inspectors (Public Protection – City Management & Communities)
  - Team of the Year - Trading Standards Financial Investigations Team (Public Protection – City Management & Communities)
  - Leader of the Year - Anabel Lopez (Libraries – City Management & Communities)

- Partner of the Year - Konstantinos Vlachakis, Centrepoint (Housing – Growth, Planning and Housing)
- Young Person of the Year - Charley-Mae Foster (Operations – Policy, Performance and Communications)
- Volunteer of the Year - Policy Performance and Communications
- Staff Choice Award - Greta Kurkuzinskaite (Procurement – Corporate Services)

3.3 Also highly commended:

- Outdoor Learning Unit for Team of the Year Award (Sports – City Management & Communities)
- Jamie Shah for Young Person of the Year Award (City Treasurer)
- Beth Coyne for PACE Individual Award (Employment Team – Growth, Planning and Housing)
- Jennifer Travassos for Leader of the Year Award (Rough Sleeping Team – Growth, Planning and Housing)

3.4 Following consultation with staff, the new and refreshed staff survey will be called “Our Voice” and is set to launch on the 18<sup>th</sup> September 2017. The Council has also commissioned ORC (the new supplier) to conduct shorter pulse surveys, the first of which was carried out in July with a pilot group, in order to understand how people are getting on with agile ways of working following decant. The results of the pulse survey have been shared with the agile working group and will be presented to senior management teams of September.

## **Procurement**

- 3.5 CityWest Homes have completed the procurement of five term contracts for maintenance services for the next ten years. They are; Mechanical Services, Domestic Heating, Voids, Responsive Repairs and Electrical Services. Cabinet Member approval has been received and the contract award process commenced.
- 3.6 Following the judging of the Chartered Institute of Procurement & Supply UK Supply Management Awards 2017, we are delighted to confirm that Westminster City Council has been shortlisted for Delivering Social Value through Responsible Procurement in the Best Contribution to Corporate Responsibility category. The Awards night will be held on Wednesday 13<sup>th</sup> September 2017 at the Grosvenor House, Park Lane.
- 3.7 In addition, Westminster City Council has been shortlisted for the 2017 London Borough Apprenticeship Awards in the category Best Work with Supply Chains.
- 3.8 Westminster Procurement Services was awarded its first engagement with the procurement of a works contract for Sion Manning School, north Kensington.
- 3.9 Belfast City Council has confirmed its intent to award Westminster Procurement Services with a contract for the delivery of key procurement services. The first two phases which will run in parallel are a review of Belfast’s current operating model for procurement and the appointment of an interim Head of Procurement. Two further phases (Delivery of Programme of sourcing and contract initiatives and the Implementation of recommendations from phase 1) are under consideration subject to

the outcome of phase 1. Phase 1 is a 10 week engagement and phase 2 is a six month engagement.

## **ICT**

- 3.10 The major programme of IT works to support the City Hall decant have now been completed. The final stages included migration/decommission of City Hall Mezzanine floor datacentre and provision of new IT services in Strand and Portland House. This work was completed within budget and on time to give vacant possession of City Hall in July 2017. It is the culmination of a wide ranging programme which included also the implementation of new flexible working software such as Office365.
- 3.11 A new customer digital technology platform (MyAccount), which is based on the Microsoft Dynamics 365 platform, has been undertaken with partners Pythagoras and a team of IT developers. The initial MyAccount capability and customer journeys, integrated into legacy Council systems have been developed, and will be implemented during Autumn 2017.
- 3.12 The team have been providing critical services in support of Grenfell response, such as provision of IT services to support RBKC and WCC's response and humanitarian aid teams and dealing with the major additional data security workloads arising from the public response and legal action. The Shared ICT Service has also led on the logistical response to Grenfell donations processing, working with a variety of commercial and charitable agencies to ensure that donated items were processed efficiently and in support of the victims.
- 3.13 Development of a new strategy, leadership and sourcing approach for the Shared IT Service has now commenced. This will establish a single shared ICT service for RBKC and WCC following expiry of current BT, Agilisys, VMB and Ericsson contract terms. This will help to ensure a strong digital capability to support Council transformation.

## **Digital**

- 3.14 All roles on the post-reset Digital Programme are being filled by appropriately and we are now close to completing the team. In addition, we have been successful in appointing a CWH secondee into the programme, working with GPH. This will provide an excellent opportunity for us to gain access and data into otherwise unknown areas.
- 3.15 A feasibility study is currently underway to explore options for the Digital Programme and provide recommendations for delivering savings, efficiencies and improvements to services, whilst ensuring the continued development of the ambition to support the Customer journey.
- 3.16 Whilst the timelines of the study have been impacted by Grenfell, in that secondees and access to data has been delayed, the team is working hard to mitigate the impact. Opportunities have already been identified and the latter phase of the feasibility study will push to explore opportunities across the organisation.
- 3.17 Data mapping continues to be a challenge; some progress is being made but remaining work to truly understand the organisation's data quality and architecture should not be underestimated.

## **Managed Services**

- 3.18 **MSP Commercial Negotiations:** Following on the successful conclusion of the commercial negotiations, the team have continued to work with BT to define what constitutes a “good enough service” until the end of the contract. This is being shared with the Finance and HR Directors of all three boroughs, with a view to completing a formal Change Control Note by the end of August.
- 3.19 **MSP Re-procurement:** At a meeting with the Chief Executives of both WCC and RBKC on 15<sup>th</sup> August, agreement was reached that both boroughs would continue to work together and that they would, by the end of October, develop a business case with Hampshire CC to join the Hampshire Partnership, with the aim of implementing a replacement for BT Managed Services by the end of September 2018.

## **Legal Services**

- 3.20 Senior managers and officers in Legal Services have been extremely busy following the major incident at Grenfell Tower. External Solicitors, counsel and a number of QCs have been appointed. The service has had to bring in additional staff to assist with the day to day work.
- 3.21 Legal is progressing detailed due diligence work on the business case for an ABS (Alternative Business Structure), where the services are shared with three other authorities under a wholly owned company. The business case was well received by Cabinet Briefing on 17<sup>th</sup> July and the aim is to bring the final Report to Cabinet for approval on 9<sup>th</sup> October. If the Tri-borough Councils go ahead, this will give the service greater resilience.