



CITY OF WESTMINSTER

MINUTES

**FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
POLICY & SCRUTINY COMMITTEE
22 SEPTEMBER 2022
MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Finance, Planning and Economic Development Policy & Scrutiny Committee** held on Thursday 22 September 2022 at 6.30pm at Westminster City Hall, Room 18.06, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Concia Albert (Acting - Chair), Md Shamsed Chowdhury, Robert Eagleton, Ralu Oteh-Osoka, Ian Rowley, Judith Southern and Paul Swaddle OBE.

Also present: Councillor Geoff Barraclough (Cabinet Member for Planning and Economic Development), Councillor David Boothroyd (Cabinet Member for Finance and Council Reform), Artemis Kassi (Lead Policy and Scrutiny Advisor) and Francis Dwan (Policy and Scrutiny Advisor).

1. MEMBERSHIP

- 1.1 The Committee noted that Councillor Concia Albert stood in as Chair for the meeting.
- 1.2 The Committee noted that Councillor Robert Eagleton was attending as substitute for Councillor Fisher.
- 1.3 The Committee noted that Councillor Judith Southern was attending as substitute for Councillor Patrick Lilley.
- 1.4 The Committee noted that Councillor Md Shamsed Chowdhury was attending as substitute for Councillor Sara Hassan.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3. MINUTES

3.1 The Committee approved the minutes of its meeting on 28th June 2022.

3.2 RESOLVED:

That the minutes of the meeting on 28th June 2022 be signed by the Chair as a correct record of proceedings.

4. PORTFOLIO UPDATE – CABINET MEMBER FOR FINANCE AND COUNCIL REFORM

4.1 The Cabinet Member provided a brief overview of his portfolio including its service areas, priorities for the year ahead and key service updates/issues. The Cabinet Member responded to questions on the following topics:

- The Dirty Money Charter was referenced, highlighting the desire to tackle economic crime and by extension ‘dirty money’ in the city, which harms legitimate business. Cllr Boothroyd went on to say that Westminster had signed up to the ‘Fair Tax Pledge’.
- The Cabinet Member took a question on Compulsory Purchase Orders for non-payment of council tax. Cllr Boothroyd advised that this should form part of the Charter, once it is agreed. The charter is not finalised as of yet, so cannot be specified further at this time.
- The Cabinet Member took a question on financial reserves now compared to when the current administration took office. This was clarified to mean a reference to the General Fund Reserve. The Committee was advised that the reserve is near to the £57 million amount that was there at the handover, it was reported that around £100,000 has been allocated. The Cabinet Member, alongside the Executive Director of Finance and Resources, Gerald Almeroth, did inform the Committee that some public health reserves had been drawn on.
- A question was raised regarding the budget for the ‘Fairer Westminster Committee’ scheme particularly board members. The Committee were informed that the scheme would rely on volunteers, however, the Leader of the Council had taken the decision to remunerate three of the chairs and this was given a budget of £150,000 – including some other costs.
- A question was raised on the cost of the funeral of her majesty Queen Elizabeth II and the impact this might have on future budgets. The Cabinet Member accepted that an approach to have taken, money as no object, would be patriotic, but not economically sound. The Committee was advised that all additional costs (including staffing) are to be subsidised by central government.

- The Committee made reference to council tax income still being below pre-pandemic rates. The question was then that given the pledge to ethical collection, as is done by Hammersmith & Fulham Council (H&F), how would the Council deal with persistent non-payers. It was also asked, how H&F respond to this issue. In response the Committee was pointed to the improving overall collection rate and the support networks available were referenced. The Committee was advised that, a distinction needed to be clarified with regards to those that “cannot pay and those who choose not to pay”. For those who cannot pay, there is extensive support available, both internally and charities that the Council works with, the resident just needs to reach out to the council, in some circumstances up to 100% of the council tax owed can be written off if circumstances merit it. For those who chose not to pay, the Revenues and Benefits team, are able to better specify what actions can and are taken. The Committee understood that that ‘ethical collection’ which means no bailiffs, does not mean “no enforcement” and that legal action is still pursued in the courts when necessary. However, shy of tougher economic conditions resulting in less people being able to pay, it is not fully understood.

5. PORTFOLIO UPDATE – CABINET MEMBER FOR PLANNING AND ECONOMIC DEVELOPMENT

5.1 The Cabinet Member provided an overview of his portfolio including its service areas, priorities for the year ahead and key service updates/issues. The Cabinet Member responded to questions on the following topics:

- The Committee asked whether WCC’s commitment to only working with employers that pay the London Living Wage (LLW) might mean that some contractors might drop off. In response, Haylea Asadi (Interim Director of Economy) told the Committee that the overwhelming majority of partners already paid at least the LLW, however a small number of legacy contractors pay the national minimum wage rather than the LLW. There is a hope that they will adapt the LLW, however she stressed that the vast majority already pay the LLW, even if not actually accredited as doing so (although most are). In follow-up Haylea was asked what would happen if a large national organisation was not paying the LLW universally across the organisation. In response, the definition for WCC will only be in relation to staff working in Westminster. The Committee then asked if ‘legacy partners’ who pay the NMW rather than the LLW were approved under conservative leadership to which the reply was that is correct, but they had done so with cross party concession.
- The Committee asked what the future plans were for Marble Arch, following the unsuccessful mound scheme. In response Cllr Barraclough, told the Committee that it is a challenging site. It is a traffic island which is difficult to cross. When the lights don’t work in your favour it can take a full five minutes just to get past. Cllr Barraclough suggested that it needed a Transport for London funded scheme, but

was frank in that this was not likely to be a priority for TfL not least of all as it could require upwards of £40 million in investment.

- The Committee asked whether the Oxford Street Paper could be looked at and how much of the remaining budget was left. In response the Committee was told that of the £150 million budget, £35 million had been spent – under the previous administration. The remaining £115 million is still to be allocated. Following this it was asked whether, given the fact that many small pop-up stores are currently making use of the Oxford Street scheme, small local businesses and pop-ups would ever be able to afford to operate sustainably on Oxford Street. In response the Committee heard how the pop-up programme had been successfully running for several years and it presents opportunities to different demographics both in terms of occupying the space but also in terms of visitors to Oxford Street. There is no intention to change the eligibility as it is currently which works well for many who otherwise would never have the opportunity. To this point, Debbie Jackson (Executive Director of Growth, Planning and Housing) added that the scheme can allow multiple vendors to occupy smaller spaces and that historically some have gone on to successfully buy up space. As an update, the Committee were told that the Ebury estate pop-up will be occupied by local residents soon. In supplement the Committee noted that the report suggests that after two years they would be taken over by a retailer. Cllr Barraclough informed the Committee that it was a fair comment and that the ultimate aim was to shift the type of businesses that the Council want to support and getting rid of the infamous candy stores.
- The Committee sought clarity on what constituted a ‘high street’ to be considered within the high streets programme. A member asked whether local councillors would be consulted throughout the process as they will be able to add local expertise. In response, the Committee was told that at this stage there is a benchmarking exercise underway at an early stage to determine where would benefit from attention. In addition, it was announced that there will be engagement with local councillors. Attention is aimed to be on genuine high streets as opposed to parade streets.
- The Committee asked whether the extension of medical practitioners was on the radar and what efforts will be made to prevent a surge in them on Oxford Street. In response, it was clarified that Oxford Street is predominantly retail based and as an authority we would like to see this continue, if not increase. The Cabinet Member revealed that he is not aware of any current planning application bids from medical practitioners on the high street at this time, so it is not a major concern at this time. Debbie Jackson followed up by saying that the introduction of the Business Improvement Districts strengthens the defence against this kind of takeover.
- The Committee enquired whether Looper Street, with its problem of empty premises would be included in the high streets programme. In response Ruchi Chakravarty (Interim Director of Place Shaping) confirmed that it is part of the

plans. After which Debbie Jackson added that the aim is to go beyond retail, they are not just about shops and should integrate with WCC's '15 minute city' programme.

5.2 Actions

- High Streets Programme to consult with relevant ward councillors once the high streets that the programme will focus on have been identified.

6. COMMUNITY INFRASTRUCTURE LEVY REPORT

6.1 The Committee was introduced to the paper by Ezra Wallace (Director of Policy and Projects), who clarified that the purpose of bringing this item to the Committee was to get a steer on guidance for future decisions on attracting and allocating funding. Alex Csicsek (Principal Policy Officer) gave a clearer description of policies and the development required to qualify for CIL funding. They clarified that the figures in the report identified currently available balances, not necessarily standard ratios.

- The Chair then welcomed the first of the guest speakers, Deborah Loades (Business Development Officer, St Marylebone C E School). Deborah has previously had successful applications for NCIL funding with WCC and so had a good understanding of how the system works and suggestions for how the Council might be able to develop and improve its approach.
- Deborah ran the Committee through five projects which she had applied for NCIL funding including a green roof terrace, two additional classrooms, replacement of windows in the sixth form centre, 2 air purifiers and structural improvements to the science lab. These projects ranged from £60,000 up to £330,000 for the air purifiers. Most of these projects were either fully, or mostly, covered by NCIL funding. Deborah stated that without NCIL funding, none of these projects would have been possible for the school.
- The Chair then welcomed the second guest speaker, Yael Saunders, Chair of the Marylebone Neighbourhood Forum (MNF). Through the MNF, Yael has helped a number of applicants get bids across including Deborah and St Marylebone C E School and the projects she had mentioned. Yael told the Committee that bids were made possible thanks to a number of 'professionals' within the MNF, to what is currently a "complicated" process.
- In the temporary absence of the third speaker due to a scheduling conflict, Ezra Wallace spoke about the idea of participatory budgeting and how it might better engage the local community.

- Committee asked what the problems were with the current model and expressed that these problems, if any should have been included in the report. The committee suggested that perhaps the report came too soon and questioned whether individual submissions would be big enough and expressed concern about the potential volume of applicants; commenting that there were 1000 applicants in St John's Wood alone.
- Deborah spoke to the current NCIL process being straightforward once worked in, although expressed that there is a financial burden for some and the process can be time consuming. Deborah also identified that there are a fair amount of hidden costs with the current system such as time and pricing up the projects. She told us that the MNF helped fund these to make their bids possible. She expressed fortune at being on Marylebone, who's neighbourhood forum is about 10 times bigger than Fitzrovia's for example. It would be difficult for a couple of volunteers to navigate the current system.
- The Committee enquired 'whether payments were paid up front or in arrears after construction. In response it was advised that while typically payments are scheduled to be paid after, it is done case by case. In fact about 50% of the time WCC pays as invoices come in. There is also currently help (financial and advisory) for those that apply.
- The Chair welcomed the third and final guest speaker, Lorna Hughes, Director of Communities, Strategy and Communications at Brent Council, to inform members about Participatory Budgeting (PB) in relation to NCIL spending. In setting the scene she highlighted that the traditional system allows grants allocated by officers in private with little to no clarity externally on what is approved and what is not. PB is an established method of getting residents involved in the process of deciding how public money is spent. It can occur in a number of forms.
- In describing Brent's adoption of PB. She described that their £2 million budget is split evenly across the five areas of Brent – so £400,000 each, allocated at 'you decide' events. The Committee was informed that officers do still need to vet applications to ensure they meet the basic criteria; assuming they are eligible then they go on to the relevant decision day event which are either on a Saturday or on an evening. On the door ID is required to ensure only local residents attend and are eligible to vote on prospective projects. Voting takes less than three minutes and at Brent they use electronic keypads to vote. For the first decision day an 'expert' facilitator was hired to ensure the occasion went smoothly, but officers felt confident after the first session that they were not required after this.
- The Committee noted that 139 different applications had been made through the PB process which is roughly equivalent to the number of applicants through the traditional NCIL process. 129 of these were valid and taken to the 5 events. Despite this process, officers still have final determination. The decision is made with the public vote effectively acting as consultation feeding into the decision. Whilst there

is no cap on bids, Brent's constitution does require any bid of over £100,000 to have cabinet approval underwritten by policy. Brent have found a significant increase in first time applicants and high engagement in the process.

- The Committee asked whether it would be appropriate for WCC to consider caps on applicants and was advised that caps on legitimate bids would not be considered. Asked what the costs associated with PB might be, Lorna explained that hiring the voting equipment, the facilitator, venue hire, incentivised participants, refreshments and staffing would all be cost considerations.
- It was then expressed that PB and 'decision days' can go beyond NCIL funding and be used to allocate other funding pots and community grants – as is done in Brent.
- Members asked what projects were currently ongoing. Yael pointed the Committee to appendix C, several of which were submitted by the MNF. She was not willing to divulge current ongoing applications
- The Committee asked three questions of Lorna Hughes about Brent's participatory budgeting and 'decision days'. Firstly, what it would cost to get PB started up? Secondly, given that decisions remain at the discretion of officers following the vote, what was the protocol for going against a public choice and how would this be communicated? Thirdly, he asked how, if at all, participants to 'decision days' were chosen? And whether attendants at previous events in Brent had been diverse and broadly representative of the areas?
- In response, Lorna said that the initial cost estimate was £30,000-£50,000 all told. Although this could be brought down with a successful pilot. With regards to going against recommendations, she told us that it had not happened to date. She reiterated that illegitimate or invalid applications are already screened out, so only viable options are put to the vote. She detailed one successful bid by a local body applicant (which is not the type of bid NCIL funding 'hopes' to attract). It received support from the public and so was passed through and has since been implemented. In response to participant selection, Lorna told us that participants are "self-selected". Whilst they kept an eye on demographics, they did not seek to control it. She detailed how demographic trends are not ever stable and, especially in Brent, swing over time. She could only hope that decision days reflect the community at that particular time. In terms of turnout, the Committee heard that one event had 259 residents and most others had over 100 residents in attendance.
- The Committee then heard Gael ask a question of Lorna. Gael asked whether there had ever been a particular agenda to voting; effectively lobbying from large groups to get projects over the line. In response, Lorna told the Committee that whilst some applicants did bring people along, there have been instances of individual applicants being successful and some groups who ended up being

unsuccessful. She also clarified that on decision days attendees are compelled to stay for the duration of the event, using the voting machine they can determine the number of votes cast. They have previously discounted the votes of attendees who did not participate in voting other than the project that they proposed themselves.

- The Committee expressed concern that Brent does not operate on the same scale as Westminster as their overall budget of £2 million is only roughly equal to Marylebone's entitlement.
- The Committee asked for clarity on the breakdown presented in the paper. Which worked out to show 'administrative expenses' as exceeding the regulatory maximum of 5%. Officers clarified that this was a retained amount after initial expenditure and that figures can include 'mayoral CIL'. The 5% is not exceeded overall.
- The Committee raised the point that the NCIL paper had perhaps been presented to the Committee prematurely and a callover meeting with the Chair of the Committee would have been useful. The Committee was advised that with the late change of the Chair, staffing pressures and the summer period no callover had taken place, but efforts are being made to ensure that standards are recovered.

6.2 Actions

- Officers to ensure a callover occurs before the next Committee meeting on the 31st October

7. WORK PROGRAMME

- 7.1 The Committee asked that agendas were flexible and adaptable going forward. If a report isn't ready, as some members felt of the CIL paper, then they should not be brought to Committee until such a time as they are.
- 7.2 The Committee was reminded of an earlier request for Oxford Street to come to a future Committee when it is ready.

8. TERMINATION OF MEETING

- 8.1 There was no other business.

The meeting ended at 20.33.

CHAIR _____

DATE _____