

Date:	08 November 2022
Portfolio:	Finance and Council Reform
The Report of:	Councillor David Boothroyd
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1. Key decisions made in the preceding period since my last Policy & Scrutiny report dated 22 September 2022:

- 21 September 2022 – NNDR Localism Relief to support meanwhile use activations as phase 3 of the Activations and Meanwhile Use Programme
- 22 September 2022 – Disposal of a vacant property in NW1
- 11 October 2022 – GLA Affordable Homes Programme 2021-26 – Grant Agreement (joint decision with the Cabinet Member for Climate Action, Regeneration and Renters)
- 24 October 2022 – Household Support Fund October 2022 – March 2023
- 24 October 2022 – The Passage, Bentley House (joint decision with the Cabinet Member for Climate Action, Regeneration and Renters)

2. The following report includes my priorities and delivery progress to date of the new administration.

Cost of Living

The **Cost-of-Living Support Hub** was launched earlier this year on the website that gives an overview of the strategic approach, the offer from national and local government, and information and signposting to helpful organisations and information for residents over key areas such as energy, debt and mental health.

The **Cost-of-Living Strategy** follows three main pillars;

1. Targeting an initial £8m package of support to help households in Westminster that are struggling with the rising cost of living.
2. Working with our partners to ensure that we coordinate and maximise our impact.
3. Making sure our residents have the information they need to access all the support that is on offer to them.

The Winter in the City Programme is also listed on the Cost-of-Living Hub. Details of this scheme to be found below.

Supporting Residents and Businesses

The **support for businesses** during the pandemic through the various Business Support Grant schemes and pandemic related NNDR reliefs has now concluded, as has the support for residents through the Test & Trace payments and pandemic related Benefit changes. All of the above were administered by the Revenues & Benefits service. Businesses that continue to experience financial difficulty can apply for NNDR Hardship relief (applications are considered by the Rating Advisory Panel).

During the pandemic central government confirmed that rateable value reductions would not be granted on business properties in respect of material change of circumstances relating directly to the pandemic. The government partially mitigated this decision, by asking local authorities to administer a discretionary Covid-19 Additional Relief Fund scheme (CARF) to assist businesses who were occupying properties not eligible for NNDR Retail relief. The City Council as the largest collector of business rates in the country received the largest funding allocation of £88.7m. At the time of closure of our scheme, the Council had allocated 98.4% of our allocation. The Council would have achieved 100% if several businesses had not subsequently refused to accept the relief. It is understood that a number of local authorities have ended up with significant underspends against their allocations.

Support for residents is currently via:

- The government's **£150 Council Tax Rebate scheme**. Local authorities have been asked to administer a mandatory scheme to pay out £150 to residents in Council Tax Bands A to D and also a discretionary scheme for residents that do not qualify for the mandatory scheme. The Council has successfully completed the mandatory scheme ahead of the 30 September government deadline, with 42,457 residents receiving the £150 payment, either through direct payment or credit to their Council Tax account. The majority of the £150 payments under the Council's discretionary scheme have also been paid, with the remainder on track to be paid before the government's deadline of 30 November.
- The government's **second Household Support Fund scheme**. The second scheme ran from 1 April 2022 to 30 September 2022. The Council fully utilised the £1.9M government funding by the scheme deadline of 30 September, as it did for the first Household Support Fund scheme. Indeed the Council provided a top-up to the government's funding to meet the demand generated by the CAB Local Hardship Fund element of the scheme. The scheme has provided support via:
 - Support for families eligible for free school meals during school holidays
 - Direct support via shopping vouchers for older residents identified as most in need
 - A Local Hardship Fund based on referrals from the CAB and their partner organisations
 - Grants to local food charities (Food banks and food pantries)

A **third Household Support Fund scheme** will be implemented for the period 1 October 2022 to 31 March 2023, delivering another £1.9m funding. This round of funding will focus on the following areas:

- Free school meals in the holiday period
- Direct support for those not eligible
- Local hardship
- Grants for food charities

Our own funded programmes are extended through:

- **Governance / analysis:** We have established structures to coordinate and communicate our response, such as regular meeting with members, a cross council strategy group and a Food and Energy Network with external partners, and a monthly Community Alliance that brings together all organisations interested in providing support to those most effected by the Cost of Living crisis and the winter. Some ideas on how to respond are generated through these groups. There is ongoing monitoring of impacts and we are working on a cost of living model to track the impacts on different groups, and around 32,000 households have been identified as most 'at risk'.
- The **Winter in the City Programme** was launched in September. This programme is aimed at providing a comprehensive and interactive overview of the free activities in Westminster this winter for residents to attend. The Programme focuses on Community, Cultural and Council venues. This has been accompanied with a survey on what residents and organisations would like to see the programme develop, and what would be most useful. In light of this, we are further developing the offer and changing the Website to include an interactive walking GIS map which people can use to see their closest areas and filter by institution and geographic area.

Revenues Collection

The collection of Business rates (NNDR) and Council Tax at all local authorities was severely affected during the two years of the pandemic, primarily due to the long periods where recovery of debts was prohibited.

Business Rates collection has significantly improved in 2022/23 compared with collection during the two years of the pandemic and it is likely to meet our in-year target of 95% at year end, although the collection is still likely to be below the pre-pandemic collection levels of 97.6%.

Council Tax collection has unfortunately not recovered after the pandemic, although this is primarily due to resources being diverted to administer the government's £150 Council Tax Rebate scheme (as outlined above) and the associated cessation of recovery during the scheme's administration. However, collection has started to improve now that the mandatory element of the government's scheme has completed and since recovery has been re-instated for current year debt. It is hoped that the Council can improve collection during the remainder of this financial year in order to achieve the in-year collection target of 93%, but again this will be below the pre-pandemic collection performance of around 96.7%

Internal discussion of options for implementing the manifesto commitment to ethical enforcement of council tax debts have been ongoing and options are expected to be presented in the next few weeks.

Strategic Vision

The Fairer Westminster Strategy launched on 4 October, with a second event scheduled for 9 November. This confirms the Council's commitment to transparency, working with communities and ethical governance. The Strategy team has developed a tracker to monitor delivery against the pledges.

Procurement & Commercial

Role of procurement in delivering Fairer Westminster - As the biggest buyer in the borough, approximately £500m per annum of third party spend, there is significant opportunity to deliver the Fairer Westminster priorities. We can ensure maximum value and benefit is delivered to the borough and our residents, delivering a social return wherever possible on every pound we spend. Our focus will be ensuring our procurement is responsible, ensures ethical treatment of people and considers environmental impacts.

Responsible Procurement Strategy - Work is being finalised to refresh the Responsible Procurement Strategy which will be coming back to Cabinet in December, setting out our renewed focus aligned to Fairer Westminster. This will include the Supplier Charter, setting the standards for the businesses we want to work with. Alongside the strategy we will be releasing the Modern Slavery Statement setting out how we are tackling forced labour and steps we have taken so far to try and ensure that it forms no part of our supply chains.

Developing a more diverse supply chain – We, along with the City of London Corporation and Metropolitan Police, are collaborating with Minority Supplier Development UK (MSDUK) to support our work with integrating a higher proportion of ethnic minority led businesses into our direct and indirect supply chains. Working together we have organised an event on 14 November, which will bring together buyers from the three organisations with ethnic minority led businesses which are London based and working in Construction, Property and Housing professional services and consultancy, soft FM, Buildings/Facilities Services, and business/corporate services and ICT. The buyers will share information on upcoming business opportunities within the organisation and hear business pitches from potential suppliers who are London-based ethnic minority led businesses.

Insourcing - I have agreed a draft framework which provides a structured and consistent approach to consider insourcing and direct delivery of services as an option when contracts are approaching the point at which a decision needs to be taken about a new tendering process. The process will ensure the decision is looked at in good time and options are considered without any assumption about the outcome. It will involve a quick initial checklist without needing detailed reports, followed by more detailed options appraisal to give the business case for each option. Eventual decisions will be made based on fair analysis of all relevant factors: what meets the council's policy objectives, how the current service is performing, workforce considerations, risks, and with an overall value for money assessment.

Financial management

Preparations are underway for developing the 2023/24 budget. Meetings with other departments to discuss capital and revenue budgets are ongoing and involve assessment of all budget lines and options.

Corporate Property

Seymour Leisure Centre

The latest round of public consultation and feedback has now closed before the planning application is submitted for this major project next month. Over the last two months the project has had focused community engagement, through the project microsite but also via four face to face consultation events at different locations, two online webinars, additional meetings with local residents' groups and user groups, c.9000 consultation flyers issued across the area (including every address in the Church Street ward) and dialogue with local schools. The team have taken onboard

feedback including the request to stop consulting and start delivering! A detailed design Stage 2 report has been produced which shows that the project can still be delivered within the budget and timeline agreed by council.

Huguenot House

A full carbon assessment of options of development at this site has been commissioned and the output is currently being evaluated by officers. This is important given the desire for any development here to meet our net zero aspirations. Essential maintenance works are required at this site and a tender exercise has resulted in a selected contractor. There will be meetings with residents to discuss the detail of the planned works.

Decarbonisation

The Public Sector Decarbonisation Scheme (PSDS) provides grants for public sector bodies to fund heat decarbonisation. The Department for Business, Energy and Industrial Strategy (BEIS) initiated the PSDS funding to help meet the UK Government's ambitious carbon emissions targets. The grant fund scheme is administered on behalf of BEIS by Salix Finance.

The latest round of funding is now open, Phase 3b. This allocates up to £635m of funding to public sector organisations, to be spent in financial years 2023/24 and 2024/25.

Phase 3b grant application conditions require applicants to match fund the like-for-like replacement costs of the fossil fuel heating system, however additionally the grant amount must produce a carbon threshold saving of £325/ tCO₂e. This is much more challenging than the previous round where the carbon threshold was £500 / tCO₂e.

Westminster have submitted a bid which seeks to replace end of life gas boilers in the following eight qualifying buildings (Seymour Centre, Barrow Hill Junior School, George Elliot Primary School, Stowe Centre, Maida Vale Library, Queens Park Library, Abbey Community Centre and Four Feathers Community Centre) with low carbon heating measures as well as implementing other energy conservation measures such as heating pipework insulation, roof insulation, glazing upgrades, LED Lighting and solar PV generation.

The total project cost of this submission is £7.4m which is made up of £3.8m/52% grant funding and £3.6m/48% match funding which will deliver an additional 582 tCO₂e saving to the 1600 tCO₂e achieved with the PSDS phase 1 £13m funding. The match funding will be sourced from the following capital programme budgets in Financial Year 23/24 - Community (CIL), Seymour Centre and Re:Fit Capital. Projected carbon emissions reduction of 582 tCO₂e equates to approximately 6% of the Corporate 2018/19 baseline emissions.

The applications will be assessed on a first-come-first-served basis. We expect to be informed of the outcome of our application by the end of January 2023.

Contact Centres Performance Update

The Council's Corporate Contact Centre has been outsourced since 2002. The current contract has been with Agilisys since 2014 on a cost per transaction basis plus a fixed cost. A decision was made to insource the daytime corporate contact centre to allow the council to have greater control over the customer experience and transformation, additional benefits of insourcing include:

- Reputational and customer service improvements through greater cultural alignment
- Greater control of strategic change and channel shift
- Support local economy through jobs, skills and local spend
- Greater service resilience through back-office support
- Better visibility and immediate action relating to performance issues
- Opportunities for shared management with Housing Services
- Increased retainment of subject matter expertise
- Improved conditions for staff leading to increased staff retention and fewer days lost to sickness
- Greater richness and ease of access to data to support user research and service design

A phased approach to insourcing the corporate contact centre was taken and the newly recruited team started taking calls from 29 April. During this period both Westminster and Agilisys staff used Agilisys's telephony platform. The transition was managed well over the last six months by the project team with the new contact centre team recruited, onboarded and trained in over 20 service lines and the new 8x8 telephony platform was successfully launched. The contract with Agilisys ends on 3 November with the final lines transitioning at the end of October.

The new inhouse contact centre have already been achieving excellent weekly performance levels as shown below:

Week No	Calls Offered	Calls Answered	Calls Answered %	Average Handling Time
Week 1	2,294	2,175	94.81%	05:10
Week 2	3,078	2,982	96.88%	05:34
Week 3	4,348	4,256	97.88%	05:05
Week 4	4,283	4,188	97.78%	05:02
Week 5	3,346	3,196	95.52%	04:59
Grand Total	17,349	16,797	96.82%	05:10

The out of hours contact centre is remaining with Agilisys for a further 12 months. Performance has been good for the last six months with no major issues. The usual peaks of call volumes have been seen for housing repairs for block issues and adverse weather conditions which can cause performance to dip on occasion. Options are currently being reviewed for the future of the out of hours service which include joining an existing framework, a full market tendering exercise and the feasibility of an inhouse service.

Below is a summary of performance for the Council's main contact centres for April – September 2022 with some additional commentary on each:

	Volume of Calls Answered	Percentage of Calls Answered	Target All Calls Answered	Average Wait Times	Wait Time Target	Average Handle Time
In hours (Agilisys & corporate)	69,848	90.5%	95%	1 minute 7 seconds	66.5% achieved	6 minutes 23 seconds
Out of hours (Agilisys)	35,772	92.4%	95%	44 seconds	76% achieved	6 minutes 39 seconds
Revenues & benefits (Capita)	139,031	93.5%	97%	4 minutes 49 seconds	N/A	12 minutes 29 seconds
Housing (Westminster)	98,784	94%	92%	41 Seconds	N/A	14 minutes 26 seconds
Parking (NSL)	47,937	94.81%	-	8 minute 23 seconds	80% in 30 seconds	5 minutes 48 seconds
Housing Solutions (RMG)	28,630	83%	85%	4 minutes 11 seconds	<15mins – 99% achieved	4 minutes 19 seconds

Revenues & Benefits (Capita)

The Council Tax Energy Rebate (£150) increased call volume considerably and therefore these volumes and performance are not comparable to previous periods. During April – September the number of calls answered was below the required SLA (Service Level Agreement) of 97%. Call centre performance continues to be closely monitored, although it is expected these figures to improve in Q3.

Parking (NSL)

Although overall, the deliverables have improved dramatically and stabilised since this point last year (calls answered up by 6% and average wait times more than halved) work is still ongoing towards KPIs being consistently achieved. Improvements have been delivered by the site moving away from home working, for the telephony element of the service and the service provider focussing on pay, recruitment and retention.

Housing (WCC)

A strong first six months of the financial year from the Housing contact centre via telephone and social media contact. Customer satisfaction has remained on target at 85% over the 6-month period and has continued to do so going into the winter months.

Since introducing web chat as part of the 8x8 system, the uptake continues to increase as residents choose this channel to interact with us and we have received positive feedback. The take up since go-live is increasing. We continue to monitor and review chats in order to improve the experience for our customers.

Since implementing the customer relationship management system (CRM) in November 2021, the Housing contact centre has improved service delivery and benefitted from the way data is stored and is able to maintain accurate records of all contacts with residents.

The 8x8 omni-channel solution continues to support the team managers to improve training and coaching for the contact centre advisors.

Housing Solutions (RMG)

The team are continually working with advisors to improve call handling, so they are both efficient and effective. The Team Manager has increased call monitoring and feedback.

First time resolution of calls is 92% which is 7% over the main KPI. Achieving these impacts on calls answered (target 85%), so as above the team are working harder to achieve better call control which should impact positively on the number of calls answered.

A review of the rota is also in place to ensure that there are no gaps in Advisor resourcing during peak times.

Report-it

Throughout 2020, work was undertaken to understand user needs and to map user journeys for a number of different issue types around the borough, e.g., fly tipping. There is also a parallel work stream focused on My Westminster and the technology landscape that underpins the systems that manage these user journeys.

By building on the previous work and improving 'Report it' the Council aims to create an exemplary service that helps us meet our ambitions of being the Digital Local Authority.

To create this exemplary an in-depth discovery is required. The Discovery phase of any project is the most important in terms of framing the problem that needs solving. This will be done by understanding how the Council currently operates this service and how the service works for our customers. This discovery aims to:

- Frame the Report It service in the context of the wider Council services
- Be outcome driven, identifying how success will be measured and defining targets
- Provide confidence for progression to alpha to test the new service design

The core part of the discovery phase will centre on user needs, which will be established through research with a variety of user groups. Contextual research will be planned, co-ordinated and undertaken by our website partner Zoocha.

This method will be used to understand the end-to-end service journey and the factors that impact the services and digital platforms users need. This phase will also ensure that service users, members and staff are involved throughout the development of the proposed solution.

The final phase of discovery will be the final Discovery report and planning of the Alpha phase, which will include considerations like how success will be measured, defining the team needed for Alpha and the progression to beta. This work will then be progressed by the new Westminster.gov.uk

product team (a new user centred, multi-disciplinary team), created as part of the new Digital and Innovation service.

Connectivity Cost of Living Support

The whole of the UK is currently experiencing a cost-of-living crisis and throughout Winter, it is likely that budgets will get tighter for all our residents. In their September update, Ofcom showed that the number of households struggling to afford communications services doubled from 2021 to 8 million households; this is also a significant increase from their March research showing ~1.1 million households struggling to afford broadband.

The following support is available to households:

- Holistic Digital Inclusion Support Pilot – 10 x Refurbished Dell Laptops, 10 x 12-month 10Mbps Broadband with Community Fibre, 10 x Digital Skills Support Sessions across 12-months
 - Saving per Beneficiary = £325 (plus benefit of digital skills support)
 - Total Saving = £3,250
- National Data Bank SIM Cards - 90 x SIM cards available through the National Data Bank from O2, Vodafone, and Three.
 - Saving per Beneficiary = £48 (O2 SIM), £90 (Vodafone SIM), £34.99 (Three SIM)
 - Total Saving = £5,869.90
- Community Fibre Free Fixed Broadband Connections – 60 x 12-month fixed broadband connections provided by CFL (50Mbps).
 - Saving per Beneficiary = £240
 - Total Saving = £14,400
- Total Saving for Whole Package = £23,519.90

Fixed Broadband and Mobile Social Tariffs

A full list of social tariffs is available from LOTI, and this can be found in our WCC Cost of Living Support Webpages this will be able to help any other resident who needs support in affording their connectivity.

Eligible Areas

It is important that these offers should be targeted, to increase value for money, and hopefully the ability to successfully rollout and onboard residents at pace. Therefore, according to the levels of digital exclusion and deprivation across our wards, we should target this support in:

- Westbourne (12% digital exclusion)
- Church Street (11% digital exclusion)
- Abbey Road (9% digital exclusion)
- Harrow Road (7% digital exclusion)
- Queens Park (7% digital exclusion)
 - All of the above have a high concentration of areas within the 10% most deprived areas in the UK

- Pimlico South (7% digital exclusion – notable number of areas within the 50% most deprived areas in the UK, despite having a majority of areas within the 20% least deprived areas in the UK)

Council Reform

Discussions about how to enable greater and more flexible public participation in council meetings, and making them more responsive to community concern, have moved on. The Governance and Councillor Liaison team, and the legal team who oversee the constitution including Standing Orders for council meetings, have met to exchange ideas and proposals, and weigh up the practical implications.

Although this is a change which is part of the Fairer Westminster programme of the council leadership, I want to be careful to ensure that any changes are based on broad support including opposition and backbench councillors of all parties.

Trade Unions

Cordial discussions between the council leadership and our three recognised trade unions have continued, at which the 2022 pay gaps were discussed along with how the unions are able to represent their staff who are working on major council contracts but whose actual employer is the contractor.

As part of ongoing work we are planning to survey major contractors on the state of their union recognition.