CITY OF WESTMINSTER

# MINUTES

## Finance, Planning and Economic Development Policy and Scrutiny Committee

## MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Finance, Planning and Economic Development Policy and Scrutiny Committee** held on **Thursday 9th March, 2023**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

**Members Present:** Councillors Concia Albert, Barbara Arzymanow, Paul Fisher (Chair), Sara Hassan, Patrick Lilley, Ralu Oteh-Osoka and Ian Rowley.

**Also Present:** Councillor Geoff Barraclough (Cabinet Member for Planning and Economic Development) and Councillor David Boothroyd (Cabinet Member for Finance and Council Reform). Officers: Stella Abani (Director of Economy and Skills), Gerald Almeroth (Executive Director of Finance Resources), Haylea Asadi (Director Regeneration and Economic Development), Jake Bacchus (Director of Finance), Francis Dwan (Policy and Scrutiny Advisor), Bernie Flaherty (Deputy Chief Executive), Debbie Jackson (Executive Director Growth, Planning and Housing), Stuart Love (Chief Executive) and Manisha Patel (Director of Governance Operations – Oxford Street). External: Mike Cooke (externally commissioned report author, Chief Executive of London Borough of Camden 2011-2019).

### 1 MEMBERSHIP

1.1 The Committee noted that Councillor Paul Swaddle sent his apologies for the meeting.

1.2 The Committee noted that Councillor Barbara Arzymanow stood in as substitute for Councillor Paul Swaddle.

### 2 DECLARATIONS OF INTEREST

2.1 Councillors Arzymanow, Fisher, Lilley and Rowley all declared that in respect of Items 6 and 8, they are Members of the Oxford Street Programme Advisory Board.

2.2 Councillor Fisher declared that in respect of Items 6 and 8 he lives within the area.

## 3 MINUTES

3.1 The Committee approved the minutes of its meeting held on 8th November 2022.

3.2 RESOLVED

That the minutes of the meeting held on 8th November 2022 be agreed as a correct record of proceedings.

## 4 PORTFOLIO UPDATE - CABINET MEMBER FOR FINANCE AND COUNCIL REFORM

4.1 The Committee received an update from Councillor David Boothroyd, Cabinet Member for Finance and Council Reform, on priorities for the portfolio and updates that have arisen since the last meeting. The Cabinet Member's address stated that since submission of the report, the Council's budget had been approved at Full Council. The Cabinet Member highlighted that it meant Westminster charged the lowest Council tax in the UK. In addition, the Cabinet Member referenced the Westminster Green Investments, the corporate property portfolio, the Responsible Procurement Strategy launch and the Council accounts audit. The Cabinet Member then responded to questions on the following topics:

- Free School Meals (FSM): Members asked for the scope of the rollout, the number of children set to benefit and whether non-Westminster residents would benefit from the scheme. Members asked for information on the practicalities in terms of contractors worked with and the overall cost to the Council.

- Council tax gap: Members requested a greater explanation in understanding why the gap exists and what efforts are being made to close it. This was noted as an action.

- Business rate collections: Members asked whether there was a shortfall on business rates, like Council Tax. Members also asked what the level was and what the likely contributing factors were.

- Report-It online tool: The report identified that just 29% of users gave feedback that they were satisfied with the service and Members asked how this was being addressed and what the budget for improvements would be. More detail was asked for on changes to the experience and whether the budget set for the changes was sufficient.

- Electoral services: Given the impending legislative changes requiring formal identification to vote, Members asked what work was being done to make people aware of this and to minimise the disruption this could cause. It was also asked whether work was being joined up with other local authorities.

- Ethical collections: Members asked for more detail on what this would mean.

- Seymour Leisure Centre: Members asked, given the required changes, whether the programme was still deemed necessary and what the justification was to carry it on.

4.2 Actions

1) The Cabinet Member, through the Revenues and Benefits team, was asked to provide a greater in-depth explanation as to contributing factors that explain the Council Tax collection gap. Members also requested more detail on how this shortfall is being addressed.

## 5 PORTFOLIO UPDATE - CABINET MEMBER FOR PLANNING AND ECONOMIC DEVELOPMENT

5.1 The Committee received an update from Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development, on priorities for the portfolio and updates that have arisen since the last meeting. The Cabinet Member's address brought particular attention to the North Paddington Partnership Group, Maida Vale Community Group, High Street Programme and widening the Neighbourhood Community Infrastructure Levy (NCIL) application criteria given the £12 million that is still available. The Cabinet Member then responded to questions on the following topics:

- Promotion of economic schemes: Members suggested that pop-ups, enterprise spaces and other employment schemes could be promoted better, to improve their reach and achieve more impactful outcomes. This was marked as an action for noting.

- North Paddington Programme: Members asked for more detail on the Programme and a timeframe for completion.

- Pop-ups: Members asked what the projections were for the outcome of pop-ups, factoring in vacated properties on high streets. Members also asked whether the scheme would likely have a long-term benefit to high streets and particularly small businesses. Both questions were marked as actions.

- Business rate revaluation: The Cabinet Member was asked whether there would be a re-evaluation of business rates in places like Oxford Street, given recent pressures and changes in the macroeconomic climate.

- Engagement in multi-ethnic areas of the City: Members asked whether engagement and consultation in diverse areas like Harrow Road and North Paddington would consider the breadth of different cultural sensitivities.

5.2 Actions

1) The Cabinet Member to consider the promotion efforts for employment schemes such as pop-ups and enterprise to improve their reach and achieve the positive outcomes they are capable of delivering.

2) The Cabinet Member was asked for a written response to the question, 'given the level of vacated properties, particularly on high streets, what are the projections for what can be achieved by pop-ups, are they likely to lead to long-term improvements to high streets and (small) businesses?'

## 6 OXFORD STREET DISTRICT PROGRAMME - MIKE COOKE REPORT

6.1 The Cabinet Member for Planning and Economic Development, Councillor Geoff Barraclough, introduced the report, highlighting the economic significance of the area in relation to national income and business rates but drawing attention to the need for refurbishment. After referencing the spend to date from the previous administration, he introduced the external report author, Mike Cooke. Mike emphasised the importance of self-improvement in local government, of which this was an exercise, and the importance of learning lessons from the past. Mike identified that there was strong awareness and clear determination to address known issues which he believed meant strong prospects for the Programme. Following this, Mike, alongside Stuart Love, Chief Executive, took questions from Members on the following themes:

- Culture at Westminster City Council: The report identified officers seemingly feeling uncomfortable asking challenging questions, particularly of those in positions of authority. Members asked whether this was a culture identified in this particular team or whether it was more emblematic of the wider culture at Westminster City Council.

- Technocratic competence: Members asked how oversight of operational detail could have occurred and why it might not have been picked up sooner.

- Hiring processes: Members asked about the hiring process of key figures, specifically the Director of the Programme, how decisions had been made and whether changes had been implemented.

- Managing escalating costs: Members asked whether there were plans in place for future projects that may, inevitably, exceed the budget and how they would be managed to not spiral to levels previously seen.

- Timing of procurement exercises: The report identified that the timing of some aspects of procurement was "surprising". Members asked for more detail on how this finding was concluded and for an explanation as to why this might have been. Members asked how big of a problem this appears to have been and for clarity on what might have been done specifically in terms of procurement planning.

- Identifying the Responsible Person(s): Members identified that from the report, it was not clear who, ultimately, was at fault. Consequently, Members asked who, specifically, was to blame for any errors in the past and which individual must ultimately take responsibility. Members also asked, if that could not be identified, how could the Council expect to learn from the past if it could not identify precisely where the mistakes had happened.

- Member/officer relationship: Members asked whether there was evidence of a breakdown in the relationship between Members and officers across the Programme as had been identified previously with the Marble Arch Mound.

- Pressurised environment: Members asked whether the Programme had a culture of putting excess pressure on decision makers. This was later followed up on for clarity.

- Meeting and decision-making accountability: Members asked whether meetings were held and recorded routinely enough and whether decision-making accountability was appropriate. Members asked for additional detail on the 'leaders of the oxford group'.

- Understanding the motivators for officers: Members asked if the drivers behind senior officer decision-making were known. Members also asked whether there are any changes now that are made more difficult as a result of the legacy of the Programme.

- Information sharing: Members asked what lessons were learnt on quality of information sharing.

- Spending to date: Members asked what certainty there was in terms of the figures published in the report and whether the actual figures were likely to differ dramatically. Further to this, Members referenced that the historic spending should perhaps not dictate future direction, in the form of a 'sunk cost fallacy' and whether the report author shared this feeling.

6.2 The Chair thanked the report author and invited the Chief Executive for comment. The Chief Executive, Stuart Love, wished to make it clear that he and the Council had accepted all the findings and recommendations of the report.

## 7 ONGOING EFFECTS OF COVID-19 ON COUNCIL FINANCES

7.1 The Executive Director for Finance Resources, Gerald Almeroth, introduced the paper, drawing attention to the fact that elements of the report had previously been analysed through the Council's Audit and Performance Committee. Having summarised historic impacts, the Executive Director highlighted that the current impact on income streams is estimated to be between £15 million and £20 million. However, there are several other external factors which make it impossible to identify direct causation. Committee Members then asked questions around the following themes:

- Disentangling variable factors: Echoing what the Executive Director had stated, Members questioned the benefit of drawing conclusions on direct impacts given that factors are too entangled to determine direct measurable outcomes.

- Planning and parking income: Questioning the explanation of these decreases, particularly in parking, given long-term trends and other local authorities experience.

- Black-Swan events: Members asked whether there was adequate level of reserves for future 'black swan' events in the future, if central Government support was not as comprehensive as it had been for Covid, for example.

- Cost of major works and building: Given raw material cost rises, what the impact might be to the contractors and the Council to major works in the future. Members asked whether the Council was protected from the contracts agreed to significant rises in cost of contractors and the extent to which contractors could demand more money from the Council.

- Totalling the losses the Council is facing: Members asked for the total losses the Council is facing culminating in losses to income such as commercial property, parking revenue and parking suspensions. Members asked if there was optimism as to whether it would bounce back to previous levels.

## 8 OXFORD STREET PROGRAMME

8.1 The Cabinet Member for Planning and Economic Development, Councillor Geoff Barraclough, introduced the report. After referencing historic efforts to address the street and area, he described that it was time for a fresh approach with a view to improve the area and resilience. He clarified that the area covered by the Programme had changed and referenced some of the governance and stakeholder engagement in place before identifying the challenges of private sector contributions, inflation costs and risk of digging, given London Underground proximity. The Deputy Chief Executive, Bernie Flaherty, introduced herself as the Senior Responsible Officer alongside Manisha Patel, Director of Operations and Governance. Bernie highlighted the four main areas of the report: status of Oxford Street, the governance in place, engagement and scope. The Cabinet Member and Deputy Chief Executive then took questions on the following themes:

- Consultation: Members questioned the benefit of consultation feedback from 200 people, as referenced in the report, when millions come through the area regularly. Members asked whether engagement was sufficient and whether the Council had the expertise to operate effective consultation. Adding to this, Members stressed the importance of appreciating that engagement does not equal consultation and asked how important the principle of resident feedback was to the Programme.

- Pedestrianisation: Members identified that the threat of pedestrianisation was one of the most controversial proposals that have been considered to date and asked whether there had been any comments in favour of it, in consultations to date.

- Third-party funding contribution: Members asked what commitments from third-party funding would there be and how they would be managed by the Council. Members asked whether shops would be financially contributing to the Programme. It was suggested that the Oxford Street Programme should return to the Committee once the business case had been seen. This was noted as an action.

- Candy stores: Members asked how the crackdown on Candy Stores linked into the Oxford Street Programme.

- Quantifying success of the Programme: Members asked how the success of the Programme was going to be quantified and expenditure justified in terms of key performance indicators. Members asked whether mechanisms were in place to perform emergency stops on expenditure and outgoings.

- Responsibility of the Programme: Members asked who would ultimately manage execution of the Programme and whether they had the technocratic skills to do so. Members asked who the advisory board report to.

- Managing high-street change: Members asked whether the Programme was prepared for potential usage changes and what that might mean for the future of development and Oxford Street's ability to attract investment in the future.

- Adaptability of the Programme: Members asked whether the Programme had the capacity and preparedness for the potential overrunning of the projects and projects running overbudget. Members asked how the Programme fit in with Growth, Planning and Housing.

- Resident groups: Members asked that the Programme recognise the salient difference between residents and resident groups and to take caution with oversaturating opinions from resident groups on the advisory board. Members reminded the officers responsible to consider other forms of engagement to ensure residents were accurately considered.

- Highway improvements: Members asked for specific detail on some of the streets around Oxford Street including Berners Street, Newman Street, North Road and Park Street. Members asked what backlash, from residents, might be expected to any traffic management changes that may be incorporated and may displace traffic.

- Advisory board: Members asked whether the advisory board was overly ambitious given the size of the advisory board and number of different stakeholders which, even geographically, span the entire length of Oxford Street. Members asked what assurances there were that the advisory board is not dominated by some partied over others.

- Balancing businesses and public realm: Members asked how the business case goals would be balanced alongside flourishing of the local public realm.

8.2 Actions

1) To bring back the Oxford Street Programme when a clearer picture of funding is available, the business case has been completed and these aspects can both be brought to the Committee.

There was no other business and the meeting ended at 21.31.

**CHAIR:** _____ **DATE** _____