

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

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## 1. Finance

### Final Accounts 2015/16

At the time of writing work continues across the whole of the accounts as officers close down and bring together the revenue and capital outturn and the financial statements. This is the main focus of the financial service at this time of the year.

### Budget

The Chancellor's Budget Statement on the 16th March identified that:

The Government has committed to a departmental efficiency review to support delivery of £3.5bn savings in public spending in 2019/20 (alongside maintaining the planned savings announced in the Autumn Statement). This is likely to result in additional reductions in public spending by unprotected departments, including local government.

The Government will increase the share of London's business rates retained by the GLA and transfer responsibility for funding TfL's capital projects. This will give the Mayor of London control over almost £1 billion more of locally raised taxes. The government will also explore with London options for moving to 100% business rates retention ahead of the full roll-out of the business rates reforms.

We welcome the announcement to bring forward 100% business rates retention in London however the London boroughs should play a major role in the new scheme in line with the Chancellor's original ambition set out in the Autumn Statement. Should this be implemented in London, there is also no indication of what additional burdens or reductions in other grants will be allocated to the GLA to keep this change fiscally viable.

From April 2020 business rates will be indexed to be consistent with Compulsory Price Index (CPI), not Retail Price Index (RPI) as currently. As RPI records higher inflation than the CPI, this will significantly reduce our projections on the business rate we expect to receive. Business rates re-evaluations will occur every 3 years. This is also likely to make the considerable issue Westminster already has with appeals more complex.

### ***Infrastructure and Capital Investment***

The Government confirmed that it would bring forward £1.5bn in capital investment in schools, housing and transport, including funding for Highways Maintenance Challenge Fund and Pothole Action Fund. An assessment will also be produced of how the UK can become a leader in 5G mobile network deployment.

### ***Education***

All schools will become academies by 2020, or have an academy order in place to convert by 2022. As noted last week allocating school funding will be reformed to introduce the National Funding Formula for schools by 2017/18. At present, it is uncertain how this will impact Westminster schools.

### ***Housing***

The Government announced the introduction of the Starter Homes Land Fund Prospectus for local authorities to access £1.2bn of funding to enable brownfield land to be used for housing, with the aim of delivering 30,000 starter homes (this applies outside London but the Government is working with the GLA to develop a complementary programme). £250m of capital spending will also be brought forward from the end of Parliament to 2017/18 and 2018/19 to deliver 13,000 affordable homes two years early. The Government is proceeding with the proposals to increase the rates of Stamp Duty Land Tax for purchases of additional residential properties, which will affect acquisitions by the Council.

### ***Homelessness***

The Government announced £100m to deliver low-cost 'second stage' accommodation for rough sleepers leaving hostel accommodation and victims of domestic violence and their families moving on from refuges. There will also be £10m available over 2 years in innovative projects to prevent and reduce rough sleeping and the funding for the Rough Sleeping Social Impact Bond will be doubled from £5m to £10m.

### ***Employment and Apprenticeships***

Later this year, the Government will publish a White Paper focusing on the roles that the health, care and welfare sectors can play in supporting disabled people and those with health conditions to get into and stay in work. Further to the introduced apprenticeship levy (to operate from April 2017), employers will receive a 10% top-up on their levy contributions which will be available to them to spend on apprenticeship training.

### ***Health***

The Government confirmed the introduction of a soft drinks levy for manufacturers and importers of soft drinks that contain added sugar. The soft drinks levy is

expected to raise £520m in the first year of operation (2018/19) which will be used to support improved physical education and breakfast club provision in primary and secondary schools.

### ***Further announcements for Local Government***

The Government will consult on new rules requiring local authorities to be transparent about the cost of the in-house services they provide, and whether there could be savings made from using competitive external providers. From April 2017, where the public sector engages an off-payroll worker through their own limited company, the public authority will become responsible for determining which tax rules should apply, and will be liable for the payment of the correct tax. The review of the discount rate used to set employer contributions to the public service pension schemes has resulted in a reduction in the discount rate which will increase the contributions employers pay to the scheme from 2019-20 onward.

## **2. Corporate Property**

Corporate Property will embark on an investment programme from April 2016 using the funds allocated in our budget for strategic commercial property acquisitions. This is intended to provide secure, long term income streams for the Council to support provision of front line services. It will also help diversification and rationalisation of the existing investment portfolio. Governance will be managed through the Property Investment Board, the Capital Review Group and the Cabinet Member for Finance & Corporate Services. A strategy for stock selection has been presented to the Executive Management Team following discussion by Cabinet Members and the Property Investment Board.

The property consultants BNP Paribas Real Estate will be holding a workshop in April with senior officers across all services in order to provide insight of service need to inform the revised Operational Property Strategy. Presently BNPRE are analysing the occupancy and use of each property that the Council occupies to deliver its services, with a target of substantially reducing the Council's property footprint to reduce running costs and to allocate surplus property for re-use or development. The study and strategy will be a two phase process. The first phase report is due at the end of April and the occupational strategy is due at the end of July.

Special Projects have provided briefings to me and Planning officers on major development projects including redevelopment of Seymour Place Leisure Centre, Huguenot House and Queen Mother Leisure Centre.

## **3. Corporate Services**

### **IT**

The Council has been assessing options around the renewal and implementation of a new network and telephone solution for WCC and the procurement route for this is due to be finalised in April.

An IT Project Manager has been appointed for the City Hall refurbishment project and is working closely with datacentre and network providers to ensure project timescales are met.

### **The Office 365**

Following a platform soft launch in mid-March we are continuing to migrate email accounts from legacy CapGemini datacentre to the new Microsoft cloud service. New corporate Intranets will be launched later in April. Further developments including Skype for Business will follow shortly.

Migration of other legacy CapGemini datacentre services to the new BT Lot 3 contract (Shared Infrastructure Platform) is on-going ahead of completion end June 2017.

### **Staff consultation**

Phase 1 of the ICT staff consultation took place last year which led to the establishment of the Triborough ICT services. The next step is Phase 2 which will bring staff from the shared services into one coherent team; this is progressing towards formal consultation stage.

## **HUMAN RESOURCES**

### **The Westminster Way Staff Awards**

The Westminster Way Awards ceremony will take place on 13th April at Porchester Hall. This will be a black tie event with dinner and entertainment for approximately 300 people. The ceremony will recognise and celebrate all of the good work that takes place at Westminster City Council. Six sponsors are meeting the majority of the cost.

### **People Services – new structure**

The HR restructure is well underway. The process for existing staff has concluded with all but five new posts in the new structure being filled from existing team members. The remaining posts have been advertised and a selection process is currently underway. The new structure has been live since 1st April.

### **London Healthy Workplace Charter**

The London Healthy Workplace Charter provides a framework for action to help employers build good practice in health and work in their organisation. The framework reflects best practice and is endorsed nationally by Public Health England.

The Healthy Workplace Charter is the first pan-London framework that supports and recognises investment in staff health and wellbeing, partnering local public health resource with employers. The Mayor of London's Office has awarded Westminster City Council a London Healthy Workplace Charter award at commitment level having successfully satisfied the criteria. We are one of over sixty organisations that have met the standards to date. All of our hard work is helping to improve the health of Londoners and showcase the Charter as a valuable framework for other employers to invest in staff health and wellbeing.

By using the charter we can benefit from:

- The ability to audit and benchmark against an established and independent set of standards -identifying what WCC already has in place and what gaps there may be in the health, safety and wellbeing of employees
- Developing strategies and plans – the charter provides a clear structure that we can use to develop health, safety and wellbeing strategies and plans
- Recognition - the award helps to strengthen our employer brand and reputation
- We can use the attached logo below to help us stand out as employers and representatives will be invited to an exclusive evening awards ceremony at City Hall on Tuesday 15 November 2016.

In the City for All year 2 commitments the Council has undertook to achieve level two of the London Healthy Workplace Charter by March 2017.

### **Leadership Academy**

Plans for the roll out of the Westminster Academy to band 3 colleagues and below are well underway. Space to run the planned new 2 day programme has been allocated in City Hall on the 3rd floor and will commence in early May. The officers are currently working with line managers to prioritise delegates to attend the programme over the coming months.

TDP will continue to deliver the programme on our behalf with a view to build our in house capacity and capability once the new team within People Services is fully established. The new programme for band 3 colleagues and below will mirror the content and style of the academy programme so far and will be called “ Working the Westminster Way” to reflect our values and the role everyone has to play to deliver our services and vision City for All.