



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Climate Action, Regeneration and Renters
Date:	7 March 2023
Classification:	General Release
Title:	Service Change in Regeneration & Development
Wards Affected:	All
Policy Context:	No policy context
Key Decision:	Non-Key
Financial Summary:	The proposed costs of the new structure can be accommodated within the current development and regeneration staffing budgets across the General Fund and HRA.
Report of:	Debbie Jackson - Executive Director of Growth, Planning & Housing

1. Executive Summary

In Westminster, we are working to create a Fairer City. The Regeneration and Development team manages a programme that will build a significant number of affordable homes. It is also accountable for ensuring our housing-led regeneration programme responds to the needs of local communities through meaningful engagement as well as addressing the broader Fairer City priorities.

The programme is incredibly ambitious, especially given the challenges of building in one of the most busy, expensive, and historic places in the world.

To meet current and future commitments set out in the Fairer Westminster Strategy the Regeneration & Development unit is changing the way it delivers services. With the delivery of a substantial regeneration and development programme as the key driver for change, a formal restructure of the existing staffing model is proposed.

2. Recommendations

Agreement to delegate authority to consult with staff and to implement the new structure following consultation, to the Executive Director of Growth, Planning & Housing.

3. Reasons for Decision

The Regeneration and Development service needs to change the way it delivers services to meet its commitments under the Fairer Westminster Strategy.

4. Background, including Policy Context

Regeneration and Development Services are responsible for the delivery of an ambitious programme, where the Council is committed to a significant affordable housing programme over the next 15 years.

In summary:

- The programme has bought forward major regeneration schemes in Church Street, Lisson Grove and Ebury that will deliver c,2,300 new homes in the borough.
- 800 new homes will be delivered through major development sites in the North of the borough.
- 180 new homes for older people through our developments at Beachcroft, Carlton Dene, Darwin House and 291 Harrow Road.
- 140 new homes through our smaller site developments.

This represents £0.9bn of investment by the Council over the next 5 years and £1.4bn over the next 15 years.

Historically, the team has been largely focussed on identifying the potential of affordable housing developments and regeneration programmes in Westminster i.e. site identification, feasibility, business case development, local engagement and planning. The team has successfully transitioned to on site delivery on a number of projects, but the focus is now very much on the successful delivery of this ambitious housing programme and engaging with and involving local communities in the shaping of these developments and maximising the benefits and social value generated from such a significant programme of investment and delivery.

The Regeneration and Development teams came together in December 2021. Bringing these teams together integrated the working relationships whilst harnessing the skills and talent across both teams. It also ensured a joined-up approach for our communities as well as the successful delivery of some of our housing led developments. To further help our thinking on the future shape of our work we commissioned an independent review to look at and understand the programme, our priorities now and in the future, our work and processes and the impact this has on delivering an ambitious programme. This review has made recommendations as to what the future Regeneration and Development team needs to address. While progress has been made, the current staff structure and ways of working limit the extent to which the service can successfully deliver its primary objectives and meet the wider Fairer City objectives.

The review made recommendations as to what the future regeneration and development team needs to address. These included:

- Providing a clear vision and future strategy for the newly merged team
- Delivering a “fit for purpose” model going forward which recognises that we are not just building homes but also creating communities.
- Acknowledging the current structure encourages working in silos and introduce greater integration, creating a more agile/flexible team that leverages talent and maximises resource
- Enabling a culture and behaviours that are aligned to the organisational core values – the Westminster Way as mindset and attitude are critical to enable the success of a very ambitious programme.
- Developing talent management strategies to support staff in the newly formed team
- Creating a team with improved performance measurement, stronger commercial oversight and the right systems that support future requirements
- Delivering a model that ensures key external accountability and gives clarity on roles and responsibilities and aligning this model with construction practices and processes to benefit from a stronger commercial oversight.

- The creation of some roles to support strategic issues including the introduction of standard methods and processes and a more focused attention to aftercare.

With the delivery of a substantial regeneration and development programme as the key driver for change, a formal restructure of the existing service is necessary.

5. Financial Implications

The current forecast staffing cost across the development and regeneration team for 22/23 is £5.351m. This includes basic salaries plus provision for on costs such as national insurance and pensions. Given that the main focus of the work of the team is delivering regeneration and development projects across the borough, a significant proportion of this cost is then charged to capital. For 2022/23 this is estimated at 81% or £4.342m. The residual net staffing cost of £1.040m is then shared across the Council's general fund and HRA revenue accounts since projects are delivered across both funds. The forecast net salary cost for the general fund revenue account is £619k against a net budget of £669k and for the HRA a forecast cost of £421k against a revenue budget of £425k.

The current proposed new team structure is estimated to cost £5.048m including basic salary and on costs. This is a reduction of £0.303m on the 22/23 forecast gross salary costs. It is proposed that a proportion of those costs are then charged to capital as is currently the case. The overall percentage of capitalisation remains broadly the same proportion at 80% but is a lower charge of £4.028m since it is applied against a lower overall staffing cost.

The net revenue cost is estimated at £1.004m which is charged to the general fund revenue account (£550k) and the HRA (£454k). This will release a saving against the budget in the general fund of £120k and create a pressure within the HRA of £30k. The pressure within the HRA can be contained within wider regeneration budgets.

	Gross Salary Costs £m	Charge to Capital £m	Net Revenue Cost £m	Net Revenue Budget £m	Budgeted Charge to GF £m	Budgeted Charge to HRA £m
Current Structure	5.351	-4.311	1.040	1.094	0.669	0.425
Proposed	5.048	-4.044	1.004	1.004	0.550	0.454
Movement	-0.303	0.267	-0.036	-0.090	-0.120	0.030

The above estimated position may change following the staff consultation process and does not include provision for redundancy and pension strain costs that may arise as part of the reorganisation.

6. Legal Implications

The Cabinet Member for Climate Action, Regeneration and Renters has delegated authority for staffing matters within the Directorate under their current Terms of Reference. The proposed delegation of Authority to the Executive Director of Growth, Planning and Housing is made under paragraph 12.3 (c) of the Leader and Cabinet Procedure Rules within the Constitution.

7. Carbon Impact

There are no direct Carbon implications associated with this report.

8. Equalities Impact

There are no equalities implications from the decision to delegate report.

An initial Equality Impact Assessment will be completed as part of the consultation process and will be reviewed and updated as the proposals develop.

9. Consultation

No consultation is necessary to delegate authority.

Early engagement work has started with staff and the Unions to help shape the future service, and this consultation and engagement will continue throughout the reorganisation process. The resulting reorganisation will be managed in line with Westminster's Organisational Change Policy and HR processes.

As part of the formal consultation process, views will be sought from staff on the proposals and structure set out, allowing them to input into the decision. At the close of the consultation period, all feedback received will be reviewed and a revised final version of the structure document will be issued.

We will work with the Cabinet Member for Climate Change, Regeneration and Renters to ensure that elected members are informed about the changes to the structure for Regeneration and Development and timelines for implementation.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

James Green – Director of Development

APPENDICES

None.

BACKGROUND PAPERS

None.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Climate Action, Regeneration & Renters**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:  Date: 07/03/2023

NAME: **Cllr Matt Noble**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled:

Service Change in Regeneration & Development and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Climate Action, Regeneration and Renters
07/03/2023

Date: _____

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

1. **Resources Implications**
2. **Business Plan Implications**
3. **Risk Management Implications**
4. **Health and Wellbeing Impact Assessment including Health and Safety Implications**
5. **Crime and Disorder Implications**
6. **Impact on the Environment**
7. **Equalities Implications** – See section 13
8. **Staffing Implications** – See section 13
9. **Human Rights Implications**
10. **Energy Measure Implications**
11. **Communications Implications**
12. **Counter Terrorism and Security Implications** – See section 13

Note to report authors: If there are particularly significant implications in any of the above categories these should be