



City of Westminster

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Title:

Business and Children's Policy and Scrutiny Committee

Meeting Date:

Wednesday 27th October, 2021

Time:

6.30 pm

Venue:

Rooms 18.01 - 18.03 - 18th Floor, 64 Victoria Street, London, SW1E 6QP

Members:

Councillors:

Karen Scarborough
(Chairman)
Geoff Barraclough
Susie Burbridge
Tony Devenish

Aicha Less
Mark Shearer
Ian Rowley
Adam Hug

Members of the public and press are welcome to attend the meeting and listen to the discussion of Part I of the Agenda. This meeting will be live streamed and recorded.

To access the recording after the meeting, please revisit the link. [Link to live meeting](#)

Admission to the public gallery is via the ground floor reception. If you have a disability and require any special assistance, please contact the Committee Officer (details listed below) in advance of the meeting.

Part II of the Agenda (Agenda Item 6) concerns matters under Section 100 (A) (4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), as per paragraphs 1 and 3. The public and press will be excluded from the meeting for this item of business because it involves the likely disclosure of exempt information.

**If you require any further information, please contact
Artemis Kassi (Lead Scrutiny Advisor/Statutory Officer):**

**Email: akassi@westminster.gov.uk Corporate Website:
www.westminster.gov.uk**

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Committee and Governance Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

8. CALL IN REPORT - CABINET MEMBER REPORT: MARBLE ARCH MOUND PROJECT AND FINANCIAL POSITION

(Pages 3 - 6)

Report of the Executive Director of Growth, Planning and Housing and the Executive Director of Finance and Resources

Stuart Love
Chief Executive
27 October 2021

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Business and Children's Policy and Scrutiny Committee

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| Date: | 27 October 2021 |
| Classification: | General Release |
| Title: | Call In Report: Cabinet Member Report: "Marble Arch Mound – Project and Financial Position" |
| Report of: | Debbie Jackson, Executive Director of Growth, Planning and Housing Gerald Almeroth, Executive Director of Finance and Resources |
| Cabinet Member Portfolio | Business, Licensing and Planning Finance and Smart City |
| Wards Involved: | Knightsbridge and Belgravia |
| Policy Context: | A Cabinet Member Report was submitted on 19 October 2021 to approve forecast expenditure for the Marble Arch Mound; a visitor attraction to encourage people back to Westminster and demonstrate that the borough is welcoming and open for business. |
| Report Author and Contact Details: | Megan O'Connell, Programme Manager moconnell@westminster.gov.uk |

1. Executive Summary

- 1.1. On 19 October 2021, the Cabinet Member Report (CMR) entitled, "Marble Arch Mound – Project and Financial Position" was issued to the Cabinet Member for Business, Licensing and Planning and the Cabinet Member for Finance and Smart City. Both Cabinet Members approved the CMR, and the call-in period was initiated under section 20.16 of the Council's Constitution.
- 1.2. On 22 October 2021, four councillors notified the Proper Officer that they wished to call-in the decision. Three of these councillors are members of the Business and Children's Policy and Scrutiny Committee; this has therefore triggered the call-in provisions for the decision.

- 1.3. The CMR dated 19 October 2021 provides a further update on the Marble Arch Mound visitor attraction, following the previous CMR issued on 4 May 2021. The October CMR seeks approval for the forecast expenditure and sets out the detail behind the cost increases after May.
- 1.4. These increased costs, which were first publicised by the Council in August 2021, have been subject to further refinement and checking. The Council has also conducted an internal review into why the costs increased and why the Mound opened too soon. The internal review report is being considered at the meeting of the Business and Children's Policy and Scrutiny Committee on 27 October 2021, which will also consider this call-in.

2. Key Matters for the Committee's Consideration

- 2.1. Under section 20.16 (d) of the council's constitution, the committee are empowered to refer the decision back to the Cabinet Members for reconsideration, setting out in writing the nature of its concerns. This provision is only triggered in the event of a majority vote of the committee. The committee may not amend the decision directly.
- 2.2. Section 20.16 (c) of the council's constitution states that "Councillors requesting the call-in shall be asked to give reasons in order to assist the decision maker in preparing for the response." Accordingly, councillors were asked to provide reasons for the call in.
- 2.3. The Councillors responsible for activating the call in stated that they held "serious concerns about the cost-overruns on this project that are not answered in the report of the investigation" and an assertion that "continuing to operate the Mound as a visitor attraction is an unnecessary waste of money and that consideration should be given to closing the Mound immediately".
- 2.4. A list of additional questions were submitted under four headings: Costs, Income, Impact and Other Options. It is expected that the detailed answers to the questions posed will be explored when the internal review is considered by the Committee. A short narrative on each area is however provided in this report.

2.5. Costs

- 2.5.1. The CMR in May 2021 set out the cost of the Mound - split into construction and legacy costs. The complexities of the design, build and management of the Mound led to several changes in its scope between May and August 2021. The details of this along with the procurement process for appointing the main contractors and sub-contractors are documented in the Internal Review Report.
- 2.5.2. It is estimated that the total cost for the Mound will be £6m with £4.5m for the build and decommissioning and approximately one fifth of the build and decommissioning specifically set aside for dismantling the structure.

2.6. Income

- 2.6.1. The current assumption on income is that sponsors are willing to provide the Council with up to £160k in income. The sponsorship agreements are in their final stage of development following close working with the sponsors to update the original agreements to fully reflect the offer of the Mound.
- 2.6.2. A decision was taken in August to continue to offer free entry to the Mound recognising that there would be a negative impact on demand of reintroducing charges, detracting from the Mound's main purpose of attracting visitors back to the City. This remains the case.

2.7. Impact

- 2.7.1. Since 26 July to 25 October, over 150,000 people have visited the Mound.
- 2.7.2. To date, a range of tools have been used to understand the impact of the Mound:
 - Research undertaken at the end of September, as part of a wider exercise that is still ongoing, found that 50% of people said the visit to the Mound was their first visit to Westminster in the last year and when asked what they were going to do after their visit to the Mound, 29% of people said to shop, 23% eat out, and 23% will go to another local event.
 - Data captured to monitor changes in footfall across the City show that the Marble Arch area has almost returned to pre-pandemic levels.
- 2.7.3. The average spend for a day visitor to Westminster is £60.

2.8. Other options

- 2.8.1. The majority of costs are sunk costs as they relate to the build and construction of the Mound.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact Megan O’Connell, Programme Manager
moconnell@westminster.gov.uk

APPENDICES:

For any supplementary documentation, especially from external stakeholders or documents which do not fit this template.

BACKGROUND PAPERS

This section is for any background papers used to formulate the report or referred to in the body of the report.

[Marble Arch Mound Project and Financial Position CMR October 2021](#)