



City of Westminster

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Title:

Finance, Planning and Economic Development Policy and Scrutiny Committee

Meeting Date:

Tuesday 28th June, 2022

Time:

6.30 pm

Venue:

Rooms 18.06.08, 18th Floor, 64 Victoria Street, London, SW1E 6QP

Members:

Councillors:

Concia Albert
Paul Fisher
Sara Hassan
Patrick Lilley

Ralu Oteh-Osoka
Ian Rowley
Paul Swaddle



Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda

Admission to the public gallery is by ticket, issued from 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.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Artemis Kassi, Lead Policy & Scrutiny Advisor.

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)

4. CABINET MEMBER FOR PLANNING AND ECONOMIC DEVELOPMENT - PORTFOLIO UPDATE

(Pages 3 - 10)

To receive an update from Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development on priorities for the portfolio following the local elections in May 2022, any major issues arising and to answer questions from Members. No report is provided at this meeting, but Cabinet Member terms of reference have been shared to support Members with their questioning.

5. CABINET MEMBER FOR FINANCE AND COUNCIL REFORM - PORTFOLIO UPDATE

(Pages 11 - 16)

To receive an update from the Councillor David Boothroyd, Cabinet Member for Finance and Council Reform on priorities for the portfolio following the local elections in May 2022, any major issues arising and to answer questions from Members. No report is provided at this meeting, but Cabinet Member terms of reference have been shared to support Members with their questioning.

**Stuart Love
Chief Executive
20 June 2022**



Finance, Planning and Economic Development Policy and Scrutiny Committee

Date:	28 June 2022
Portfolio:	Planning and Economic Development
The Report of:	Councillor Geoff Barraclough
Report Author and Contact Details:	Maria Burton, Portfolio Advisor mburton@westminster.gov.uk

1. Priorities of the Administration

Economy

Economic Development Strategy

A top priority is the creation of an Economic Development Strategy, and we are currently building out the framework and evidence base for this. The Economic Development Strategy will take a holistic approach to shaping the evolution of Westminster's economy - our people, places, and businesses - ensuring that there is sustainable, inclusive economic growth that benefits workers and residents. The strategy would have a dual focus on supporting Westminster's unique role in the national economy, meanwhile increasing Westminster residents' share of the borough's economic success. It will address structural inequalities in our economy and more fully optimise economic outcomes for residents, whilst also taking a longer-term view, focusing on ensuring sustainable, inclusive future economic growth for the borough.

CAZ Futures Action Plan

Cross-borough working is being progressed with Camden, City of London, Southwark, Tower Hamlets, RBKC, Central London Forward (CLF) and the GLA on a new Central Activities Zone (CAZ) Futures action plan to drive the recovery and adaptation of the CAZ over the next 3 to 5 years. The action plan will be published by CLF autumn 2022. The action plan will focus on the following 6 themes:

- Rethinking office use and workspaces;
- Supporting the retail and hospitality sectors and the culture and creative industries;
- Supporting and enhancing the visitor economy and London's role as a global centre for business and tourism;
- Enhancing the environment and the quality of public realm;
- Opportunities to increase residential use;
- Supporting the cross fertilisation of innovation and business growth.

Each of the CAZ boroughs and GLA have been asked to convene a theme. Westminster City Council is convening the theme around supporting the retail and hospitality sectors and the

culture and creative industries and planning a workshop with businesses and stakeholders from across the CAZ for late July to feed into the development of the action plan.

Ensuring recovery and economic success beyond the West End

Another priority matter is to establish a much-needed focus on economic recovery beyond the priority focus of the West End. The City Council's £10m High Streets Programme aimed to support the recovery and renewal of high streets across the city, will be led collaboratively between Place Shaping & Economy colleagues and proposals are being developed for Cabinet Member consideration. The development of this programme presents a key opportunity to take a different approach to ensure engagement at a much earlier stage with residents and businesses and other key stakeholders to assist in the scoping and prioritisation of high streets across the borough, understanding the issues and opportunities to be addressed. To help WCC resources go further a bid is currently being developed for the Levelling Up Fund Round 2 which will have a geographic focus on Harrow Road and a value if successful of c. £5m.

Proposals are being developed for Phase 3 of the Activations & Meanwhile Use Programme with a dual focus to tackle the rapid proliferation of low-quality occupiers on key high streets across the borough, with a special focus on the current situation on Oxford Street and to enliven and activate vacant units outside of the West End, in our local high streets and district centres, potentially with a greater focus on culture, arts and makers within these spaces. We will continue to prioritise emerging brands and up and coming artists / cultural activations with a connection to the borough wherever possible and activation strategies will align to core values around Equalities, Diversity & Inclusion, Sustainability, Health & Well-being etc.

New enterprise spaces are set to complete this year in priority areas of the borough. Works are in the final stages, with completion and site handover expected shortly for 470 Harrow Road providing a new permanent home for Rebel Business School. Rebel Business School will provide free and alternative business education to emerging entrepreneurs (including a cohort of 60 local residents), who will be supported through a year-long training programme to turn their business ideas into a successful venture. The Lisson Arches enterprise space is contributing to the Church Street Regeneration Scheme providing new light industrial work/production space, with over 11,000 sq. ft of high-quality space available at 70% below market rent. Practical completion is due for December 2022. Additionally, contracts have been awarded for both the operator and main contractor for the Church Street Triangle which will deliver a high-quality workspace, retail, training, and community venue, improve the public realm through greening and street furniture and redevelop the toilet block including a commercial function to support local traders and/or the wider community.

Extending WES's focus to support residents to access higher paid, fulfilling work with prospects

WES provides effective support for residents with the highest need and access to the least support including residents who are long term unemployed often with complex needs including those in temporary accommodation, those supported by the Troubled Families programme (now Supported Families), those with children and or known to social services, those in supported accommodation and those with a physical disability. The service will extend its focus to contribute to addressing in-work poverty, precarious and unfulfilling work and underemployment with support focused on entry towards and into good jobs, with decent pay and progression.

Planning

Key priorities

The following commitments have been identified as being those of highest priority in terms of our ambitions to ensure that planning decisions in Westminster put our residents first and deliver well designed, energy efficient, low carbon buildings that support the needs of our local communities:

- Ensure a greater say for residents on developments that affect them.
- Raise the proportion of affordable housing Westminster delivers from private developments, increase the proportion of affordable housing that is for social rent, and ensure intermediate products help meet the needs of key workers.
- Ensure that rent levels on any new intermediate housing provided on public land are at or below the London Living Rent.
- Prioritising retrofit and refurbishment over demolition and rebuild where appropriate to ensure embodied carbon is fully considered in future development.
- Promote retrofit of existing buildings, particularly historic buildings and those within conservation areas.
- Increase density where appropriate through contextual 'mid-rise' development and seek to prevent the spread of tall buildings beyond current clusters.
- Ensure that established 'tenure blind' principles are consistently applied to all new homes.

To help address these issues, we are currently reviewing options in terms of where existing planning policies need revising, or new policies or guidance produced.

Approach to delivery/progress to date

Community Engagement

The council recently published its Early Community Engagement Guidance and officers are working to ensure that the core principle the guidance identifies, putting communities at the heart of the planning process so that outcomes reflect their aspirations, is embedded across all plan making and decision making planning activities the council undertakes.

Affordable Housing – Tenures

Amendment of the proportion of affordable housing delivered as social rent, and measures to ensure intermediate affordable housing helps key workers, are likely to require review of the existing affordable housing policy in the City Plan. Officers are developing a strategy and timetable for delivery of this key priority.

Affordable Housing - Affordability

Existing City Plan policy, London Plan policy and London Plan affordable housing guidance does not preclude the council from seeking rent levels on new intermediate housing provided on public land at or below the London Living Rent. The priority can therefore be delivered through negotiation by planning officers on a case-by-case basis.

Promoting Building Retention & Embedded Carbon

Following the publication of the Environmental Supplemental Planning Document in February 2022, all major developments are now expected to submit a Whole Life Carbon assessment to demolition that their design is truly sustainable and in accordance with Policy 38 in the City Plan. To support the effective implementation of the City Plan policy and the supporting guidance, the Town Planning service has recently recruited two sustainability specialists to its Design, Sustainability and Conservation Team.

Promoting Existing Building Retrofit

The Town Planning service is developing a number of measures to support increased delivery of retrofit measures to improve the sustainability of our building stock, including historic buildings, which can be more difficult to sensitively retrofit. Officers are developing 'How to' guides to support householders and other applicants to make applications for simple retrofit and sustainability improvements such as replacement of windows and installation of solar panels. The service is also developing proposals to establish a Retrofit Taskforce, which will comprise a high-level group of industry experts. It will work with officers to identify relevant challenges to historic building retrofit in Westminster and develop a work programme to positively address them, providing technical expertise to feed into and develop this.

Contextual Development & Tall Buildings

Existing Policy 41 in the City Plan limits proposals for tall buildings to within specified areas, namely, the Opportunity Areas, at the junction of Edgware Road and the Marylebone Flyover and the Housing Renewal Areas. The expectation elsewhere in the city is that development will be contextual in terms of its scale and height. Therefore, the aspirations for development to be mid-rise in scale and to limit the spread of tall buildings beyond their current clusters can be delivered via existing adopted City Plan policy on a case-by-case basis through planning decisions.

Tenure-Blind Development

Existing City Plan policy, London Plan policy and London Plan housing guidance supports a tenure-blind approach to all housing. Therefore, this priority can be delivered via appropriate application of existing adopted policies and guidance.

Place Shaping

The following priorities have been identified and the team are working with Council departments and Members to incorporate these within various Place Plans:

- Principles of the 15-minute city and projects to enhance sustainable neighbourhoods
- Active travel, emphasis on permeability and intuitive local routes for walking and cycling
- Focus on local high streets
- Emphasis on public-private partnerships to unlock wider place benefits
- Developing a co-creative approach with communities across projects to ensure that places are representative of the demographic they serve

In addition, a Levelling Up Fund (LUF) Round 2 Bid will be submitted in July to support regeneration efforts linked to the Harrow Road Place Plan.

Smart City

Key Priorities

The top priority for the Smart City programme is to ensure that all residents benefit from digital transformation.

Another priority is to plan for a smarter future for our city with work underway to develop our Smart City Operating System. The Smart City Operating System will be the mission control hub for operating and managing smart city services, making data available to our communities and businesses, and building a digital model.

The programme encompasses four themes – Clean Tech, Empowering People, Extraordinary Experiences, and Innovation Ecosystem – each with their own aims and strategic outcomes that will enable us to build an inclusive Smart City for our residents now and in the future.

Approach to delivery/progress to date

Clean Tech

Ancoris Proof of Concept - Clean Tech staff have attended a number of events and engaged with the Westminster Community to get further feedback on the prototype as well as engage in wider conversations around Air Quality and Climate Change.

Schools Air Quality Pilot Public Portal - The Public portal has been published and shared with the four Primary Schools involved with the pilot on Clean Air Day (16/06/2022).

Smogmobile Event - The Smog mobile is a mobile air quality monitoring lab which can track emissions in real time both inside and outside the vehicle to demonstrate the health risks created by pollution from vehicles and engine idling.

Carbon Audits - The Business Energy Audit Scheme offers support to Westminster-based businesses to assist them to transition to a green economic recovery following the impact of Covid-19. Businesses will receive bespoke recommendations and tailored support to help reduce their emissions and associated costs.

Empowering People

Westminster Innovation Challenge - WIC ideas are being formatted into a presentation to pass on to the relevant departments for feedback and data from them to update the WIC applicant.

Extraordinary Experiences

Virtual Library - We are working with our Library Service to explore new ways to bring experiences to residents and visitors to our libraries by creating new virtual experiences through the Westminster City Council website, creating touch points between the physical and the digital library service with an expansion around events, communities and more.

Innovation Ecosystem

University Collaborations - RCA/Imperial Partnership is a co-delivery project of the 2022 'IMPACT' module in MSc Innovation Design Engineering by Smart City and Place Shaping. The challenge question is: Smart Design for the Future of Westminster's High Streets in a Climate Emergency.

Proactive Pilots - Proactive pilots are focussed on our internal needs as a council by proactively problem solving for our services, and are small scale projects to test a concept or an idea that is primarily funded by the Smart City team. If these small-scale pilots are successful, they can then be rolled out across the council.

City Lions/Smart City Social Engagement Project with Volume Ltd (Proactive Pilot) - One of the challenges City Lions has faced is reaching certain Westminster wards and the aim of this project is to create specific target audience advertisement within these catchment areas. Smart City has appointed Volume Ltd to create an interactive Instagram game that allows young people to explore what City Lions has to offer as well as navigate through the page to discover which offer appeals to them and how to sign up. Volume Ltd will create a dashboard to monitor the performance of the adverts which will provide valuable insights and learnings for Westminster and in turn help to improve future outcomes.

Digital Inclusion

Digital Inclusion Housing pilot - The pilot project is current in the delivery stage and is going well. To date we have received a total of 142 resident contact details who have indicated that they will like digital support. The pilot will run to the end of July, and then evaluations will commence in August.

Friends & Family – two residents focus groups have successfully completed and the outcomes are being evaluated.

Employment - Current working with WES and WAES on how to facilitate employment for residents, including liaising with IT companies for training that will lead to suitable employment.

Community Hubs - NHS Pimlico GP have reached out to collaborate with WCC Digital Ambassadors and initial consultation is ongoing.

Devices - This month we met with an external company that has worked with other Government bodies in the refurbishment of devices. The Social Value team met with stakeholders regarding donations of devices from businesses as part of their social value.

Skills and confidence/Training - The Digital Inclusion Team are currently in discussions with the Organisational Development team for a digital skills support project, this will involve creating online training modules, to assist residents with accessing Council digital services.

Digital Place

Connect Westminster Business Voucher Scheme - The Connect Westminster Business Voucher Scheme is being delivered in Westminster and the West End Partnership area. Businesses within this area are eligible for one voucher per business and vouchers guarantee the reimbursement of up to £2,000 of the capital costs associated with their connection. To date, 899 vouchers have been issued.

Digital Street Markets – This includes the deployment of a free and secure WiFi network for use by eligible market traders operating at Westminster Council's owned markets and a three-year programme of free digital skills training for any eligible business in Westminster.

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City of Westminster

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

Date:	28 June 2022
Portfolio:	Finance and Council Reform
The Report of:	Councillor David Boothroyd
Report Author and Contact Details:	Maria Burton, Portfolio Advisor mburton@westminster.gov.uk

1. Priorities of the Administration

The report sets out some of the key priorities of the administration and the achievements to date within the Finance and Resources Directorate by service area.

Finance Department Priorities

Key priorities the Finance Department are working with the administration on include:

- Working to deliver cost effective services through Westminster to all residents throughout the 2022/23 financial year, supported by rigorous financial management.
- Developing a 2023/24 balanced budget for Westminster which reflects the new Administration's priorities.
- Further develop the Medium-Term Financial Plan to align with manifesto plans and horizon scanning information where adequate information is available.
- Examine ways to improve the call centre system and online reporting services.
- Improve the Council's website to further develop accessibility functionality.
- As part of reviewing WCC's Pension fund's responsible investment strategy, officers have been working on environmental, social, and governance factors for the pension fund governance and have also applied for Stewardship Code status with the financial reporting council.
- The Council's pension fund supports housing and infrastructure development. The first tranches of social housing, renewable energy infrastructure and standard infrastructure have been invested in over the last two years, with further planned investigation for the agenda for the next twelve months.

- Refreshing the Council's Responsible Procurement and Commissioning Strategy to align with the new administration's priorities. This includes the launch of a Modern Slavery Statement and Supplier Charter, setting clear standards for organisations we would like to work with.
- A bank of supplier award criteria has been created showcasing contract specific approaches to CO2 reduction, air and noise pollution, minimising waste, and urban greening, as well as other commitments to test during tenders.
- Introducing the consideration of in-sourcing, from the beginning to potential procurement, for projects as part of the Procurement Gateway process.

Sustainability

- Deliver sustainability and decarbonisation interventions across our offices, and operational buildings plus the wider Westminster community.
- Continue to apply for grant and other funding, to achieve funding for our sustainability ambitions.
- Delivery against the target making Westminster buildings carbon net-zero by 2030 which includes work on the second phase of our decarbonisation plan which will cover both operational and investment properties.
- Employment of a new Community Sustainability Officer to support community occupiers and their buildings with decarbonisation plans and a restructure of the wider Property team to bring more focused resources in this area more widely.

Accessibility

- Following a successful bid of DLUHC, we received £150,000 for 3 new Changing Places Toilet provisions. Changing Places support people with severe disabilities and their carers who require specialist toilet and changing facilities. We are working to create and promote changing places across the city to assist visitors and residents.
- Further rollout of Touchdown spaces across the city in locations such as in libraries and housing offices so that staff can work across Westminster not just in main offices. These spaces are particularly useful for peripatetic workers and is supported by the ABLE network.
- Rollout of the WelcoMe app at more locations. This easy-to-use application is designed to enable and engage visitors to our buildings with additional needs to make them feel welcome and have an overall better experience tailored to them.

Community Hubs

- Delivery of a Community Hub approach, initially at ex-Bayswater Children's Centre and as an inherent feature in the design of the new Seymour Centre.

Temporary Accommodation

- Assessment of future schemes are looking at the viability for Temporary Accommodation at site.

2. Achievements

Finance Department Achievements

The Finance Department is working with all services to manage the approved 2022/23 budget and will look to update on further achievements throughout the year. To date the reported achievements, include:

- Closing of accounts for the 2021/22 financial year is underway, and due to meet statutory deadlines.
- The General Fund outturn position for 2021/22 was a net outturn of £2.0m, an overspend against an approved budget of £183m. This was a favourable position compared to earlier forecasts due to Covid specific grants.

Corporate Contact Centre

Service transition of the corporate contact centre back in house to the council began in May 2022 and will continue in a phased approach until October 2022. This phased approach will ensure high performance and maintenance of service quality, whilst allowing the recruitment and training of the new in-house team.

The recruitment programme has focused on promoting opportunities to local people. In partnership with Westminster Employment Service a third of all posts in the new structure have been filled by Westminster residents.

In June 2022, an omni channel telephony solution has been procured to provide a platform for all customer contact including voice, email, web chat, SMS, and social media. The platform also allows customer journeys to be monitored and provides advanced speech analytics to gain valuable insights.

Website and online

Report-It

Project established to redesign the report-it function to make it easier for residents to report issues and receive updates. This work includes:

- End-to-end user-centric service design across services and channels
- Discovery to understand user needs and pain points
- Technical implementation
- Exemplary project to establish blueprint for future service design and product delivery.

MyWestminster Digital Card

The cabinet member has been given a briefing on the MyWestminster Digital Card, and has encouraged officers to continue to integrate more services, and smooth out the process of application.

Public Sector Decarbonisation Scheme Phase 1

The programme of energy conservation measures funded by the PSDS grant of £13m is drawing to a rapid conclusion, with final funded works being completed by 30th June 2022.

The funding has delivered carbon saving across a range of buildings including Council offices, leisure centres, libraries, schools, community centres and nurseries. We have installed a wide variety of energy conservation measures and here are just some of the outcomes of the programme:

- A projected underwritten reduction of up to 20% in the carbon emissions attributable to our corporate property buildings. This equates to a total annual CO2 energy saving of circa 1,700 tonnes.
- Investment of Air Source Heat Pump technology in 9 buildings, which will generate combined annual energy savings of up to 5m kWh and carbon emissions savings of 1,217 tonnes.
- A total of 1649 solar PV panels have been installed across 12 sites, providing annual electricity savings of 580,000 kWh and carbon emissions savings of 40 tonnes.
- LED lighting has been introduced at 63 buildings which will reduce carbon emissions by 77 tonnes.
- Pipework insulation has been undertaken at 27 buildings reducing carbon emissions by a further 107 tonnes.
- The combined impact of all measures will result in a £253k annual cost saving measured at 2020/21 prices (pre-energy price escalation levels).
- The benefits to the programme are wider than just the carbon savings; including improvements to immediate environment, job creation, added social value through apprenticeships and a range of learning experiences with school children at sites across Westminster. The standardisation of plant and fittings across the sites means easier and lower cost maintenance and improvements to the building environment for users and staff.

Grant Bids

A grant application has been made for funding this month, from the Low Carbon Skills Fund, of BEIS/Salix Finance. This grant funding being the forerunner to Phase 3 of the Public Sector Decarbonisation Fund, most likely to become available from Aug 2022.

Strategic Investment

The re-structure of the head-lease arrangements at 90-104 Berwick Street completed on 16th May 2022 from which time the Council received all the rent

payable under the lease to Premier Inn. As well as a significant uplift in the value of the Council's freehold interest, the transaction doubles the net income it receives, providing additional financial support for frontline services.

Seymour Centre Development

The Seymour Centre refurbishment has been on the council's agenda for very many years. The scheme's community hub approach embeds the multi-use of the building, incorporating Libraries and Registrars, whilst maintaining all current leisure provision.

At the time of coming into office, officers had prepared the next stage of public consultation in June and were planning to issue invitations to public meetings at Seymour Leisure Centre and Marylebone and Church Street Libraries. After reading the briefing to understand what work had been done, it was agreed to the consultation proceeding exactly as planned. The first face-to-face community consultation events occurred earlier this month alongside more online webinars and there was further detailed engagement with user groups, clubs and occupiers.

We also completed activity to engage early procurement of a main contractor for the scheme.

Procurement and Commercial Services

Procurement and Commercial Services are continuing to engage large suppliers and SMEs, this time with a construction Supplier Engagement Event. The event connected SMEs, including minority owned organisations, with large Tier 1 construction contractors. The construction pipeline was showcased, and smaller organisations received tips on the bidding process.

Several meetings have been held with the procurement team, together with the Deputy Cabinet member for Procurement, to discuss how to move on revising the procurement code to promote insourcing and social value from contracts.

Performance monitoring

Work has begun with the Strategy and Intelligence Team to devise a system of performance monitoring that measures the relevant data and developments to ensure all manifesto pledges are delivered.

Local Carbon Bonds

While funding from the Department for Business, Energy and Industrial Strategy (through Salix Finance) has allowed solar panels to be added to several council buildings, the administration is committed to doing more, with the cost likely to exceed current resources within the Carbon Offset fund.

Accordingly, and together with the Deputy Cabinet Member for Climate Action and Biodiversity, several meetings have been held with the finance team relating to the pledge to issue a climate bond that funds work towards our Net Zero pledges.

Census

The local authority population figures from the Census are due to be released on 28 June. The Census was taken in March 2021 when Westminster's population was strongly affected by the Covid-19 pandemic. Work has taken place in advance to arrange the City Council's response.

Nepali delegation

The Cabinet Member was invited to give evidence on control of local and national government finance to a visiting delegation of members of the Nepal Parliamentary Finance Committee, arranged through the National Democratic Institute.

Decisions

Since being appointed five formal decisions have been taken:

- Household Support Fund Extension: April – September 2022 - This decision sets in place the arrangements by which Westminster will distribute £1,951,507 Household Support Funding awarded to it. The largest two elements will fund school meals during holiday periods and older person households identified as having a low income. This decision was the first to be taken under the present administration.
- Council Tax Rebate scheme - to provide £150 Energy Support to eligible residents - This decision concerns additional funding for a discretionary scheme to help those not covered by payments automatically made to households in Bands A-D for Council Tax.
- 9 Woodfield Road London W9 2BA - This decision agrees a deed of variation to an agreement under section 106 of the Town and Country Planning Act 1990. The agreement is needed because the development will provide new depot for the street cleansing unit.
- Lease Renewal - Public Open Space at Kensal Wharf, opposite 598-606 Harrow Road, London W10 - It was agreed for the council to lease the small park next to Halfpenny Bridge on Harrow Road for 125 years, to secure this locally important but small area of public open space, and access to the footbridge.
- Writing off of irrecoverable debt (quarterly report) - Quarter 4 2021/22 - This is a regular decision to agree to the council ceasing to pursue some debts which would likely never be paid or where the cost of pursuing the debt now exceeds the likely return.