



City of Westminster

Committee Agenda

Title: **Cabinet**

Meeting Date: **Monday 17th October, 2022**

Time: **6.30 pm**

Venue: **Rooms 18.01-03 18th Floor, 64 Victoria Street, London, SW1E 6QP**

Members: **Councillors:**

Adam Hug (Chair)	David Boothroyd
Tim Roca	Paul Dimoldenberg
Aicha Less	Liza Begum
Nafsika Butler-Thalassis	Matt Noble
Geoff Barraclough	

Members of the public and press are welcome to follow the meeting and listen to discussion to Part 1 of the Agenda.

This meeting will be live streamed and recorded. To access the recording after the meeting please revisit the link. Participation through written representations is welcomed.



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, Daniella Bonfanti, Cabinet Manager.

**Email: dbonfanti@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 Director of Law in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. WELCOME

2. DECLARATIONS OF INTEREST

To receive declarations by Members and Officers of the existence and nature of any pecuniary interests or any other significant interest in matters on this agenda.

3. MINUTES

To approve the minutes of the meeting held on Monday 11th July 2022.

(Pages 3 - 6)

4. TRULY AFFORDABLE HOUSING STRATEGY

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

(Pages 7 - 26)

5. PRIORITIES FOR THE COMMUNITY INFRASTRUCTURE LEVY (CIL) AND UPDATE TO THE CIL SPENDING POLICY STATEMENT AND GOVERNANCE ARRANGEMENTS

Executive Director for Innovation and Change

(Pages 27 - 58)

6. FINANCIAL OUTTURN REPORT 21/22

Executive Director of Finance and Resources

(Pages 59 - 76)

**Stuart Love
Chief Executive
7 October 2022**



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 11th July, 2022**, Room 18.01 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Adam Hug (Chair), Tim Roca, Aicha Less, Nafsika Butler-Thalassis, David Boothroyd, Paul Dimoldenberg, Liza Begum and Matt Noble

Apologies for Absence: Councillor Geoff Barraclough

1 MEMBERSHIP

- 1.1. Councillor Adam Hug assumed the role of Chair and noted that it was the first meeting of the Cabinet under the new administration.
- 1.2. Councillor Geoff Barraclough gave apologies.
- 1.3. Councillor Liza Begum attended virtually and was present for the discussion but did not participate in voting on any items.

2 DECLARATIONS OF INTEREST

- 2.1. There were no Declarations of Interest.

3 MINUTES

RESOLVED: Councillor Hug, with the consent of the Members present, agreed that the minutes of the meeting held on 17 February 2022 were a true and correct record of the proceedings, while noting that the meeting was the Cabinet under the previous administration.

4 MEDIUM TERM FINANCIAL PLANNING

4.1. Councillor Boothroyd introduced the paper and noted that with this report, the council would formally begin preparing the budget for 2023 which will be the first under the new administration. He advised that due to current economic and political uncertainty, officers were unaware the former Secretary of State intended to introduce a two year financial settlement. He noted that fairer treatment is hoped for from a new Secretary of State who is a former member of this council and as a political leadership, Cabinet can only deliver the service improvements they are committed to by knowing the facts and making sure the council are in the most robust financial position.

4.2. Gerald Almeroth, Executive Director of Finance and Resources, noted that key risks to the Medium Term Financial Plan are inflation and interest rates, and their impact on the council's borrowing ability. He advised that the council's ability to manage those pressures will depend on its capacity to generate income and make savings.

RESOLVED: Cabinet noted the revised medium-term financial planning forecast to 2026/27 and agreed the budget process approach as set out in the report.

5 FUTURE OF WESTMINSTER COMMISSION

5.1 Councillor Hug introduced the paper, noting that the public launch of the Commission was due to follow on 21 July. He advised Cabinet that the purpose of the Commission is ultimately to provide an iterative policy and advisory function.

5.2 Councillor Noble noted that key to the establishment of the Commission is that it does not make decisions or alter the decision making process, and that the people on the Commission are talented and passionate about what they do.

RESOLVED: Cabinet:

- Approved the terms of reference for the Future of Westminster Commission as set out at Appendix A, thus establishing the Commission as an advisory body to the Cabinet
- Approved the creation of a budget of £150k for the administration of the Commission to be funded from reserves.

- Delegated authority to the Chief Executive to make appointments to the Commission, including agreeing any associated costs and reasonable changes to the agreed budget, subject to the Council's Financial Regulations, Procurement Code and Human Resources Policies. Appointments will be made on advice from the Leader of the Council, and subsequently the Chair of the Commission.

The Meeting ended at 6.41pm

CHAIRMAN: _____ **DATE** _____

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Cabinet Report

Meeting:	Cabinet
Date:	17th October 2022
Classification:	General Publication
Title:	Truly Affordable Housing
Wards Affected:	All
Policy Context:	The recommendations increase the number of truly affordable homes built and managed by the Council and sets a commitment for affordable provision on all future schemes to be mainly social rented homes (70%) and for these to be family homes.
Key Decision:	Yes
Financial Summary:	The indicative cost of the range of proposals to increase the Council's affordable homes is £43m. This is based on the income forgone by changing tenure. It is recommended that funding from development schemes currently on hold is redirected to support these new proposals.
Report of:	Debbie Jackson, Executive Director of Growth Planning and Housing Gerald Almeroth, Executive Director Finance and Resources

1. Executive Summary

- 1.1. Westminster City Council is committed to maximising the delivery of truly affordable housing across the Council's housebuilding pipeline. This report begins the process of ensuring that council-led development schemes prioritise low-cost social rent housing and provide Westminster residents and their families with genuinely affordable housing options.
- 1.2. The recommendations of this report will see the initial delivery of at least 143 new social rented homes in Westminster, outline the way that major regeneration schemes can deliver a further 100 or more social homes and authorise acquisitions so that more people on the waiting list can be housed in the City. This will add to the 1,200 social homes already in the Council's development pipeline and will begin addressing the waiting list of more than 4,000 households currently registered for social housing. It will begin to reduce the numbers of families relying on temporary accommodation (particularly those currently housed outside of the borough).
- 1.3. Following the local election in May of this year and in-line with manifesto promises, the new administration has implemented a cross-council plan to deliver more truly affordable homes. This means that wherever the City Council is undertaking housing development schemes the emphasis will be on delivering new social rent homes to tackle the acute shortage in the borough.
- 1.4. The benefits of social housing are extensive. It provides residents a stable, long-term home and grants security to tenants that often cannot be found in the private rented sector. The benefits to Westminster's communities can range from workforce supply to local businesses, through to strong family and care networks for established neighbourhoods. People on low incomes can continue to live close to jobs that require their skills within secure housing that is resilient to rising market prices.
- 1.5. In addition to the benefits to individuals and communities, the creation of more Council owned social rent homes reduces the Housing Benefit burden to the local authority. The cost of temporary accommodation has a significant cost to the Council with homes often sourced at a higher rate from the private sector due to demand. While being costly to the Council, this type of accommodation can often be unsuitable for families with children and vulnerable people.
- 1.6. The recommendations set out in this report will trigger the conversion of over 100 already consented market sale homes into affordable homes at social and intermediate rent levels. The plans also propose a rebalance of the 60:40 split in favour of intermediate rent housing to a 70:30 split in favour of social rent homes, prioritising their delivery on forthcoming schemes. A further 71 open market homes will be acquired and converted into temporary accommodation, providing more in-borough housing provision.
- 1.7. The decisions set out in this report will look to make an impact where the need is greatest. 79% of the 4,000 households registered on the waiting list for social housing require a family sized home with two bedrooms or more. The current

waiting list exceeds 30 years for large homes, whereas 83% of the 2,000 applicants for intermediate housing are eligible for a one-bedroom home. By converting family sized intermediate homes to social rent homes the Council can address residents needs while still providing low cost rented homes for those who are ineligible for social housing.

- 1.8. This report marks an important first step in how Westminster Council delivers truly affordable housing. It identifies further options, which the Council will explore, to increase the delivery of affordable homes through the Council's major regeneration projects, its subsidiaries and through partnerships with private sector developers.
- 1.9. Following the recently implemented strategic review, the Council has formulated a new strategy for development on the Council's own land. The strategy recognises the role the Council's major regenerations projects have to play in increasing truly affordable housing as well as identifying further opportunities for example, acquisitions funded by the Greater London Authority's (GLA) right to buy back.

2. Recommendations

That Cabinet:

- 2.1. Approves, subject to legal due diligence, the proposed change of tenure from intermediate rent to social rent at the Council's developments at Luton Street, Ashbridge, Luxborough, West End Gate, Torrison and Carlton Dene, in line with the changes proposed in section 6, and from shared ownership to intermediate rent at Lyons Place, as detailed in section 7.
- 2.2. Approves, subject to legal due diligence, the proposed change of tenure from market homes to affordable rent, and within affordable tenures, at 300 Harrow Road and Westmead development schemes.
- 2.3. Delegates authority to the Executive Director of Growth Planning and Housing
 - i) to approve any necessary terms to effect recommendations at section 2.1 and 2.2.
 - ii) in consultation with the Director of Law, to enter into and or amend any existing legal and financial documents, planning agreements and submit planning applications as required to implement recommendations at section 2.1 and 2.2.
- 2.4. Notes that the intermediate housing at Jubilee Phase 2 and Parsons North, as well as the private homes at Cosway Street, are unaffected by this report.
- 1.1. Notes that the relevant Cabinet Member may make further decisions, in consultation with the Cabinet Member for Finance and Council Reform, on the projects outlined in section 7 and any others which may be identified, in accordance with the strategy proposed in this report.

- 1.2. Approves that the development of schemes at Blomfield Mews, Woodchester, Bayswater and Brunel are put on hold and that the allocated funding be removed from the capital programme and redirected to support the delivery of proposals within this report. In addition, approves the HRA undertaking £4.5m of additional borrowing to fund the proposals.
- 1.3. Notes that the additional grant funding from the Greater London Authority (GLA) referenced in this paper is subject to separate approval from the relevant Cabinet Members.
- 1.4. Delegates authority to the Executive Director of Growth, Planning and Housing, in consultation with the Director of Law, to take all or any further actions required by the Council to facilitate the decisions of Westminster Builds (WHIL or WHDL) or Westminster Community Homes, where those actions align with the recommendations of this report.

3. Reasons for Decisions

- 3.1. In June 2022, Cabinet Members requested a review of the Council's development programme with the aim of increasing the delivery of Truly Affordable Housing. A Future of Westminster Commission was established with specialist housing professionals providing advice on increasing genuinely affordable housing. As a priority, looking at options for improving the Council's response to homelessness and housing need, as well as the quality of services provided to tenants and leaseholders.
- 3.2. A clear objective was provided to Council officers, who, considering a range of options, have developed a preferred way forward presented in this report. By a combination of converting market homes to affordable as well as changing the tenure of affordable homes of two or more bedrooms to social rent, 143 more social rent homes can be created. In addition, the preferred way forward sets out the approach to major regeneration projects at Church Street and Ebury.
- 3.3. The Council's development programme is well established, and the projects affected by the changes are at various stages of governance. By consolidating the changes across the programme, the resulting financial and legal implications can be considered in full. This report clarifies which projects are unaffected by the review, recommends schemes where the changes can be enacted and sets out the future governance for projects which, by their scope and implications, require separate approval.
- 3.4. Where this report refers to Westminster Builds (WB) it can be interpreted as applying to either Westminster Housing Investments Limited (WHIL), Westminster Housing Developments Limited (WHDL) or both.

4. Background, including Policy Context

- 4.1. The new City Council administration made the commitment in their manifesto that building new council and lower rent homes is the top priority. This report enacts this commitment and makes pragmatic amendments to Westminster's already established development programme. With several completed schemes and live projects at all stages of development this presents a timely opportunity to identify where further social and low rent homes can be delivered.
- 4.2. The Council committed to a day-one review of all current regeneration and infill programmes, seeking to increase the amount of social and truly affordable housing delivered in the borough. This included a reduction in private housing where alternative funding sources could be drawn upon.
- 4.3. The Council's affordable housing provision requires rebalancing to reflect need. The intention is to undertake a new housing needs assessment and to review this aspect of the Council's City Plan to bring it more in line with practice elsewhere in London. Just over 4,000 households are currently registered for social housing, with 79% of those requiring a home with two bedrooms or more, whereas 83% of the 2,000 applicants for intermediate housing are eligible for a one bed home.
- 4.4. The City Plan 2019-2040 sets an expectation that 60% of affordable homes will be intermediate housing, with the remaining 40% social housing. However, the Council's new strategy is to commit to social housing making up 70% of affordable housing built on public land.
- 4.5. A review of the Council's existing and planned intermediate housing has been undertaken, aligned with current waiting lists for both social and intermediate homes. Tackling the acute shortage of social housing in the borough is the Council's top priority.

5. Truly Affordable Housing

- 5.1. Following a strategic review of the Council's developments, considering the design, management, financial, legal and practical implications of tenure changes across built schemes as well as those under construction and in design, there are two proposals:
 - That all planned market homes at 300 Harrow Road (61 Homes) and Westmead (41 Homes) will now be delivered as affordable housing.
 - With limited exceptions, all affordable homes of two or more bedrooms now be reclassified as social rent and those with one bedroom as intermediate rent at no more than London living rent.
- 5.2. Application of these proposals to the current programme has created 143 new social homes through a reduction of market homes by 102 and intermediate by 41. It is estimated that this will cost the Council £44m in income forgone, with potential further programme and design costs.

- 5.3. These changes make a significant contribution to meeting housing need and delivering the Council's new policy. There will be significant savings in the costs associated with providing temporary accommodation and housing benefit payments.
- 5.4. The delivery of new permanent social rent homes will have substantial socio-economic benefits for children and vulnerable people which have also been considered in making these decisions and are captured in the EQIA (Appendix A).
- 5.5. The table below sets out the impact of the proposed changes and is expanded in section 6 of this report.

Table 5.1 – Preferred way forward for expanding provision of Truly Affordable Housing

	New Affordable Homes	Change in Intermediate	Change in Social Rent	Indicative Cost
Market Homes to affordable	102	+18	+84	£38m
Intermediate rent to Social Rent	0	-59	+59	£6m
Total	102	-41	+143	£44m

- 5.6. The assumptions underlying the indicative cost are set out in the financial implications of this report. The indicative costs include an expectation of £10m more GLA grant funding which has not yet been secured. The GLA have intimated they would provide additional grant for new affordable homes but will maintain current grant rates for any existing intermediates switching to social (i.e. normally £28,000 per home).
- 5.7. The Council has identified funding sources to meet the additional net cost of £44m and these are set out in the financial implications.

6. Project Implication

Market to Affordable – 300 Harrow Road and Westmead

- 6.1. All market homes at 300 Harrow Road and Westmead will now be delivered as affordable homes. In total, 102 new affordable homes will be created, a mix of social and intermediate.
- 6.2. The 100% affordable residential homes will be re-balanced, so that all one-bedroom homes (including the studios on 300 harrow) will be let at London Living Rent by Westminster Builds and the homes with at least two bedrooms will be held by the HRA as social rent.

Table 6.1 – Tenure split of homes

	Market	Intermediate	Social	Total
300 Harrow Road	0 (-61)	35 (+1)	77 (+60)	112

Westmead	0 (-41)	31 (+17)	34 (+24)	65
Total	0 (-102)	66 (+18)	111 (+84)	177

6.3. Some of the implications of switching from market to affordable are set out below, all of which are likely to prolong the programme and therefore create additional cost, more so on 300 Harrow Road which is currently under construction and has less capacity in its programme to absorb changes.

- **Specification change:** The specification of market homes is not suitable for the long-term management of Council housing; the Council's affordable housing specification will be implemented where practical.
- **Planning Position:** Existing planning consents, amongst other conditions and requirements, specify the tenure types. Each planning consent and related legal agreement will require consideration to ascertain what (if any) amendments are required to give effect to the change in tenure as set out in this report.
- **Design:** While the Council builds tenure blind schemes, the internal workings of buildings is designed around the operation and management. A change in tenure may create inefficiencies, some of which may be able to be addressed through variations.
- **Programme and Cost:** Changes to a scheme mid-construction will have programme and cost implications as orders may have lead-in times which disrupt sequencing. This will impact overall viability.
- **Contractual and reputational:** The Council will need to conduct a review of existing agreements and may need to vary or terminate contracts, particularly those relating to private sale. There may be cost implications arising from this. The Council has however been careful not to disrupt private sales that were underway or that were being actively marketed.

6.4. By converting market homes to affordable the Council will forgo income, which had been factored into the overall affordability of its capital programme. This is to achieve the wider benefits of delivery of social and low-cost rent homes.

6.5. The market homes at 300 Harrow were forecast to generate £42m. While a portion of this loss is offset by the financial value of social and intermediate homes and new GLA grant, it will nevertheless result in the Council forgoing £28m of income to move to 100% affordable. The homes at Westmead had been earmarked for market rent and attracted a lower valuation of £21m; the cost of moving to 100% affordable results in £10m of income forgone.

6.6. The value of the new homes will be retained, held on the Council's balance sheet, and managed by the Council. Should the Council wish to do so, the homes could be sold on the open market at a later date and their value realised.

Intermediate to Social rent – Other Projects

- 6.7. The report recommends rebalancing the provision of affordable housing to tackle waiting lists for social and intermediate rented homes in Westminster.
- 6.8. Just over 4,000 households are currently registered for social housing, with 79% of those requiring a home with 2 bedrooms or more, whereas 83% of the 2,000 applicants for intermediate housing are eligible for a one bed home.
- 6.9. To ensure affordable housing is made available to those with the greatest need, the Council will reallocate all affordable homes with two or more bedrooms to social rent and all one bed homes to intermediate rent. Where there are relatively few one-bedroom homes on a project, these too are proposed to be switched to social, reducing the complexity of management and negating the requirement to involve a 3rd party, i.e. Westminster Builds. This effects Luton Street, Ashbridge and Torridon.
- 6.10. While switching from intermediate to social rent does not create any 'net' new affordable housing, it increases the amount of genuinely affordable low rent homes and better targets the Council's resources to the greatest need.

Table 6.2 – Intermediate rent homes converted to social rent

	Intermediate	Social	Total
West End Gate – B	21 (-8)	47 (+8)	68
Luton Street	0 (-19)	59 (+19)	59
Ashbridge	0 (-10)	26 (+10)	26
Luxborough	7 (-7)	7 (+7)	14
Carlton Dene	0 (-7)	22 (+7)	22
Torridon House	0 (-8)	21 (+8)	21
Total	28 (-59)	182 (+59)	210

- 6.11. Unlike converting market to affordable homes, switching between types of affordable tenure is less complex as the Council's specification and design is universal for affordable tenures.
- 6.12. However, amendments to planning consents and related legal agreements will be required as these documents had previously specified the individual tenure types. There will also be an income implication as intermediate homes had been earmarked to transfer to Westminster Builds providing a capital receipt to the HRA. Instead the HRA will receive a lower ongoing income through social rent receipts, as well as management costs, which reduces the HRA affordability.
- 6.13. Creating 59 new social homes is estimated to cost £6m, which reflects the lower rent levels of social homes compared to intermediate and therefore reduces their capitalised value.

7. Further Opportunities

- 7.1. This report focuses on changes that can be implemented quickly but also identifies further opportunities which the Council will pursue to deliver more truly affordable housing. This includes setting a precedent that future schemes will target 50% affordable with 70% of the affordable homes being at a social rent. Where practical the social homes will have at least two-bedrooms.

Major Regenerations – Ebury and Church Street

- 7.2. Reflecting the strategy, work has commenced on Ebury to review the tenure mix and distribution as well as addressing emerging inflation and viability pressures. A separate Cabinet Member report will bring forward several options including rebalancing the provision of affordable housing to 70% social rent and 30% intermediate rent.
- 7.3. The Council's development team have recently reviewed options for the Church Street scheme to align the project with the intentions of the Truly Affordable Housing agenda. The preferred way forward is to adjust the planning approved tenure mix to provide 70% social rent and 30% intermediate within the affordable housing provision.
- 7.4. Across Church Street Site A and Ebury this is expected to create in excess of 100 new social rented homes, compared to previous proposals.
- 7.5. The Council is continuing to assess the potential and implications of securing GLA funding for its major regeneration projects.

Lyons Place

- 7.6. The Council acquired ten shared ownership homes at Lyons Place, one of which has been sold and a further two are currently in conveyancing. The remaining seven (4x1 beds, 3x2 beds) are unoccupied. It is recommended that the Council converts the unsold properties to intermediate rent of no higher than London Living Rent.
- 7.7. Consideration has been given to a range of options detailed in the table below which illustrates the benefit to the Council of converting the shared ownership homes at Lyons Place to intermediate rent. Although the annual surplus is reduced, there is still a return to the HRA on an annual basis.

Table 3: Tenure Type	Annual Surplus / (Deficit)	Investment Payback
Shared Ownership	£50,000	14
Intermediate Rent – London Living Rent	£15,000	42
Social Rent (with additional GLA grant)	(£10,000)	-
Social Rent	(£25,000)	-

- 7.8. The table shows the average annual surplus/(deficit) which considers rents received, operational and management cost of the homes as well as the financing costs of the initial purchase price. A deficit means the financing costs of the acquisition cost exceed the net rents generated from the homes. With regards to the social rent, the deficit would impact on the Housing Revenue Account (HRA), with a £25k annual deficit equating to £1m reduction in borrowing capacity.
- 7.9. If the homes were held at social rent, the initial purchase cost would not be recovered. However, by instead converting them to intermediate rent the homes will create small surplus and payback the initial cost over a period of 34-42 years, depending on rent levels. Albeit this will be a reduced surplus compared to shared ownership. The extra costs associated with shared ownership are currently making the homes difficult to sell with an intermediate rental product more affordable for people living and working in the City.
- 7.10. The Council will require a Deed of Variation to the original s106 agreement related to the planning consent to change the tenure of the remaining 7 homes from shared ownership to intermediate rent, subject to approval of the freeholder, Almacantar. In line with the Council's normal approach, the intermediate homes will be held by Westminster Builds.

Right To Buy Back (RTBB) Fund

- 7.11. The Council has secured GLA funding for a new programme of 71 open market acquisitions in Westminster to be used as temporary accommodation (TA) for homeless households. Held in the General Fund, the homes will be funded by GF borrowing and GLA grant under their RTBB programme. The Council will continue to seek GLA funding for acquisitions beyond the March 2023 deadline.
- 7.12. The GLA will provide funding of £65k per home for acquisitions completed by March 2023. The table below estimates the total cost, including legal and stamp duty, total grant and the net borrowing cost, which will be funded by net rents

	2 Bed	3 Bed	4 Bed	Total
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No. units	45	21	5	71
Acquisition cost	£21.8m	£11.7m	£3.3m	£36.8m
GLA Grant	(£2.9m)	(£1.4m)	(£0.3m)	(£4.6m)
Borrowing Required	£18.9m	£10.3m	£3.0m	£32.2m

8. Out of Scope

8.1. The report recommends that some projects are out of scope of the strategy and should not be explored further. These are:

Cosway – 49 Market Sale Homes – Prohibitive Cost

- Loss of £60m sales receipts would disproportionately affect the HRA

Jubilee Phase 2 – 19 Intermediate Rent Homes – Contractual arrangements

- Homes were purchased from a developer who has specified they cannot be used for social rent.
- The homes are owned by Westminster Builds and would need to be acquired by the Council

West End Gate Block E and F – 8 Intermediate – All one bed homes

Parsons North – 9 Intermediate – owned by Westminster Builds and substantially let to tenants by the time of review

9. Future Governance

9.1. The recommendations in this report focus on projects which are ready to implement the strategy and notes that, on some projects not included in the report's recommendations, further decisions will need to be taken following more detailed analysis.

9.2. For projects where the tenure mix has previously been approved by Full Cabinet, it is proposed that future decisions be considered by the relevant Cabinet Member, subject to the decision aligning with the general strategy set out in this report.

9.3. Anticipated future cabinet member reports (CMRs) resulting from the strategy are set out below, with guide timelines.

- Right to buy back – Approval to enter GLA contract – Q4 2022
 - Ebury all phases - updated tenure mix – Q1 2023
 - Church Street – ballot strategy and tenure mix - Q1 2023
 - Westmead - Full Business Case, including revised tenure mix – Q1 2023

9.4. The strategy will be applied to future schemes as part of project development and viability reviews.

10. Financial Implications

10.1. The paper sets out the proposed strategy to increase the levels of affordable housing delivered through Westminster’s development programme.

Westminster’s Development Programme

10.2. The indicative costs presented focus on the income forgone by changing tenure. For example, where a home moves from private sale to social rent, a comparison is made between the previously anticipated sales receipt and the new capitalised value of the social rent home. This is the opportunity cost of providing a social rent home.

10.3. In addition to the income forgone, there may be costs incurred from changes to specification or programme delays arising from the tenure change, e.g. from revised planning approvals. In relation to 300 Harrow Road and Westmead these cost implications will be worked up in detail and presented in future reports for each project. The cost implications on moving intermediate rent homes to social rent will be less significant and will be absorbed by the HRA.

10.4. The income forgone by changing 102 market homes across the 300 Harrow Road and Westmead development sites is estimated at £37.8m. In addition, the paper sets out a range of proposals across several sites whereby intermediate homes with two or more bedrooms will be converted to social rent. The estimated cost of this change is £5.7m. The combined total cost of the proposed Strategy is £43.5m.

	Loss of Sales Receipt	Change to Int. Homes	Change to Social Homes	Additional GLA Grant	Income Forgone
Market sale to Affordable					
300 Harrow Road	(£42.0m)	(£0.3m)	£8.3m	£6.0m	(£28.0m)
Westmead	(£21.3m)	£3.7m	£3.7m	£4.1m	(£9.8m)
Sub Total	(£63.1m)	£3.4m	£12.0m	£10.1m	(£37.8m)
Intermediate to social rent					
59 across 6 sites		(£13.5m)	£7.8m		(£5.7m)
Total	(£63.1m)	(£10.1m)	£19.8m	£10.1m	£43.5m

10.5. The Council has identified a range of potential funding sources to implement the proposals set out in this report. These are as follows:

- **Repurposing funding for on-hold pipeline projects - £39m** – Four projects have been identified which are currently at an early stage of development without a preferred way forward (Woodchester, Bayswater, Brunel and Blomfield) Refocusing the Affordable Housing Fund (AHF) and HRA borrowing earmarked to these schemes to deliver the proposed changes set out in this paper, the Council can have an immediate impact on affordable housing. The budgets for these projects will be removed from the capital programme until viable preferred way forwards are worked up.
 - **Additional HRA Borrowing - £4.5m** - The HRA Business Plan has been reviewed and capacity identified to support a small amount of additional borrowing.
- 10.6. The funding changes identified above will be implemented immediately and captured within the revised capital programme as part of the normal budget setting process in February and March 2023. It should be noted that where funding streams include future projections of income (e.g. AHF), there is a risk that this may not fully materialise which will need to be carefully monitored.

Further Opportunities

- 10.7. It is noted that the Council has secured funding for a new programme of 71 open market acquisitions for use as temporary accommodation for homeless households under the Right to Buy Back initiative. The estimated cost of these acquisitions is £36.8m funded by GLA grants of £4.6m and general fund borrowing of £32.2m.
- 10.8. The annual revenue cost of borrowing of £1.7m will be funded by the rents generated, which for temporary accommodation of 2 Beds or more is £500 per week, reducing to approximately £305 per week after management and operational costs are deducted. In addition, the purchase of these units will allow the Council to directly provide temporary accommodation which will create a cost saving versus the cost of sourcing equivalent accommodation from the private sector (estimated to be £10k per unit per annum).

11. Legal Implications

- 11.1. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness-the best value duty.
- 11.2. The Council has a general power of competence under section 1 of the Localism Act 2011; this is the power to do anything an individual can do provided it is not prohibited by other legislation.
- 11.3. Section 8 of the Housing Act 1985 provides the Council with a duty to consider housing needs in respect of its district. Section 9 of the Housing Act 1985 provides the Council with the power to provide housing accommodation. Under

Section 111 of the Local Government Act 1972 the Council has the power to do anything incidental to the exercising of any of its functions.

- 11.4. The recommendations will require (as necessary) examination of planning consents and related legal agreements, existing contracts, proposed contracts relating to sale and leasing arrangements, whether consent from third parties is required (if applicable), design and construction documents, title documents and consideration of procurement for construction and design and sale and leasing arrangements amongst others are to be assessed
- 11.5. Contract documents should secure compliance with the terms of the existing legal agreements, current GLA funding conditions (and GLA approval as to any necessary changes), the Public Contracts Regulations 2015 (as amended from time to time) and the Council's procurement code.

As a result of the legal examination above, if issues are identified which affect the implementation, consideration will need to be given to the appropriate actions required to address them and further decision making required on each project may be required. Implementation of the recommendations may result in variations to the terms and conditions, changes to the specifications, design, construction briefs, increased costs, revised pricing mechanisms and structures, compensation payments for any potential termination of existing agreements and may require the agreement of any other parties to the legal agreements.

- 11.6. The Council will also have to consider how the implementation of the recommendations may affect current timelines and GLA funding deadlines as to construction projects and procurement processes. All such documents and any current procurement processes will therefore need to be reviewed, and legal implications provided on a case-by-case basis. As necessary input should be sought from procurement colleagues. Moreover, any changes may also be subject to endorsement by the Commercial Gateway Review Board (CGRB) in accordance with the Council's Procurement Code prior to approval being sought and granted from the relevant decision makers as outlined in this report.
- 11.7. In determining a Council own planning application or amendments to any planning consents the Council (as Local Planning Authority) must assess the application as it would any other application in accordance with all statutory and policy requirements. In respect of all Council-own applications the law requires appropriate functional separation. It is therefore particularly important to ensure that throughout the process the development/corporate landowner function of the Council is kept separate from the local planning authority function.

12. **Carbon Impact**

- 12.1. There are no direct Carbon implications arising from the recommendations in this report. Each scheme will consider its carbon implications as part of its individual, normal governance processes.

13. Equalities

- 13.1. By creating more social housing the Council increases the supply of social rented homes positively impacting those residents the Council has a statutory duty to house. It reduces the number of residents in overcrowded homes or living in temporary accommodation, provides stable and secure tenancies and housing more suitable to vulnerable residents and families.
- 13.2. The increase in affordable housing, particularly social housing is expected to have a significantly positive impact on protected characteristics and will have a positive impact on those characteristics disproportionately represented on the Council's social housing waiting list.
- 13.3. Individual projects will consider their individual equalities implications. However, appendix A provides an overview of the equalities impacts of the recommendations in this report.

14. Consultation

- 14.1. Resident consultation will be undertaken as part of the planning process due to the recommendations in this report necessitating planning permission amendments.

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

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Cabinet 17 October 2022

Cabinet Report: Truly Affordable Housing

Comment from Future of Westminster Commission Housing Review

First step: the Council's own development programme

The context for the Housing Review's approach to housing supply is the Council's commitment to delivering a Fairer Westminster and in particular the pledge by the new administration to *"make building new council, social, and lower rent homes the Council's top policy priority"*.

Immediately after the Future of Westminster Commission was appointed we initiated and supported a review of the council's own development programme so that it could better reflect the needs of the city by maximising the number of additional 'truly affordable' homes that could be produced within the resources available. This intensive review has been carried out with great diligence by the Council's officers and Cabinet Members. Westminster's programme has been reviewed carefully and pragmatically scheme by scheme to determine the best approach to each project within the available resources.

The Cabinet report proposes the provision of an extra 133 family homes and 10 one bedroom homes at social rents as a result of this exercise. This number will rise when the reviews of the major regeneration schemes at Ebury Bridge and Church Street are complete. This is a significant first step towards meeting the council's intention to obtain as many extra homes for social rent as possible at the earliest time. Each home that is let as a result of this and future initiatives means a secure, stable, and affordable solution for a Westminster family in housing need, providing them with a foundation for a successful life in the city.

As the report shows, significant additional GLA support has been or is being secured. The GLA is also supporting an increased number of acquisitions from its right to buy back fund. This additional support is very welcome.

The report identifies the costs to the Council of switching these homes to social rent. It is harder to identify the savings and benefits these homes will bring, but they are real. They will bring in rental income throughout their existence and add to the Council's assets; people moving into them from temporary accommodation or private renting will require less housing support; and there are wider societal benefits in terms of improvements to health and well-being and school performance.

In the current climate only a small amount of grant is normally available from the GLA within a tight London-wide budget compared with the costs of delivering each affordable home that a council or registered provider builds. To enable them to build new council homes, boroughs have to use other resources such as their Affordable Housing Fund or generate cross-subsidy from sales. Even when land is scarce as in Westminster resources do not allow only council homes to be built. The report therefore recommends that in future new schemes in Westminster should achieve at least 50% 'affordable', with 70% of the affordable homes being social rent. This is a useful yardstick for the future but should be reviewed from time to time in light of experience and evidence from elsewhere.

Growing uncertainty

The prospects for truly affordable housing are determined only partly by the Council's own activities: external forces and the economic context are just as important. The Council is trying to increase the supply of affordable housing at a time of growing uncertainty with many factors moving in an unhelpful direction:

- After many years in the doldrums the bi-partisan localisation of council housing finance in 2011 opened the possibility of the Housing Revenue Account having sufficient headroom to support borrowing for new council homes. The removal of the cap on borrowing in 2018 made it a real

possibility that councils might build at scale for the first time in many years. It is encouraging that many councils are now building council houses again, although overall numbers remain small.

- Yet council housing, like social housing more generally, is often not viable without grant from central government via the GLA. The GLA's next 2021 – 2026 programme is already substantially committed with a more restrictive approach from Government and the Mayor having to manage the difficult trade-off between wanting to increase the amount of grant per unit of housing and meeting the government's numerical targets for affordable housing. It will be important for the Council to build on the new and successful partnership with the GLA to secure as much resource for Westminster as possible.
- The social housing model requires the balance of funding after grant or cross-subsidy to be met by borrowing, with the loans repaid from rents over many years. Rising interest rates mean the council can borrow less, and so build less, with the resources it has and the rents it charges. Interest rates are likely to remain high for some time to come, and stress testing projects against volatility will be even more important.
- High interest rates also affect the private housing market with fewer people able to afford their mortgages and pressure on private rents from landlords with mortgages too. A volatile housing market often leads to increased homelessness and additional demand for social housing. Tax changes, like the change in Stamp Duty Land Tax, add to fluctuations in the market. The Government has also announced that planning policy will change again to reduce restrictions but exactly how remains unclear. One suggestion has been that the rules around planning gain might be made less onerous on developers.
- Inflation will generally impact the Council's costs. Construction costs are already rising rapidly and present a risk to the current and future programmes.
- The Government is undertaking a consultation on social rent increases because the current formula (CPI+1%) would produce an unacceptably high rent increase. The most likely outcome will be a 5% increase which may not entirely cover general inflation in the Council's housing revenue account, which in turn could leave the council with reduced funding to support borrowing.
- Other inflationary pressures, and especially energy, impact households severely and may reduce tenants' ability to pay rent, creating an additional challenge for the Council's fairness and anti-poverty strategies. The Government has not yet committed to increasing benefits in line with inflation in April 2023.
- Finally, the increasingly evident climate crisis means that carbon emissions from the Council's homes must be tackled effectively as a key part of its commitment to net zero. This impacts every policy area, including standards in new building and retrofitting existing dwellings often carrying an initial capital cost.

Key areas for further review

Faced with this uncertainty the Council needs to build on the positive progress so far to develop **a comprehensive, council-wide strategy to deliver as many genuinely affordable homes as is possible**. There is no 'silver bullet': we need to look at all options to see how many additional affordable homes can be squeezed out of each.

Areas for further review in developing this strategy include:

- A longer-term look at the opportunities available to the Council to develop more homes on its own land and through acquisitions to get maximum benefit from all the available resources (Housing Revenue Account, General Fund, Affordable Housing Fund, and other sources) and setting the financial strategy to support housing investment. Across London the General Fund is an increasingly important funding source, especially to meet the need for better quality temporary accommodation.

- A review of delivery mechanisms, staffing resources, the roles of Westminster Builds and Westminster Community Homes to ensure delivery is not held back by capacity issues. Most councils in London have wholly-owned companies but their roles vary widely.
- A review of the housing elements of the City Plan and related documents to try to secure more social housing from planning gain arising from private development in the city. This will bring Westminster more into line with practice elsewhere in London. Homes delivered via Section 106 can be an important element in supply, although the scale of private development in highly unpredictable at present.
- A review of the contribution that can be made by registered providers, predominantly housing associations, who have had a strong track record of providing affordable homes in the city but have been less engaged in recent years as they have chosen to develop in areas of London with lower costs.
- Assisting the Council in its proposed review of allocations policy to ensure that the best possible use is made of the available housing stock. We also want to see a review of the lettings policy for intermediate rent homes to make it an effective key worker housing scheme.
- Looking long term and in more detail at the likely availability of land in the City, the appetite for private investment in new housebuilding which in turn will create opportunities for the Council and how the council can take opportunities to buy land to create a pipeline.
- Identifying opportunities to accelerate delivery through smart approaches to procurement and taking advantage of developments in modular construction.

Conclusion

Delivering the Council's aim to expand the delivery of 'truly affordable' homes has made a strong start. Many more areas of policy need to be reviewed with the Housing Review's assistance. The context in which the Council is operating, however, is highly volatile, with inflation and interest rate rises and increased instability in the economy directly affecting its ability to provide desperately needed homes.

Steve Hilditch
Chair
Housing Review

Neale Coleman
Chair
Future of Westminster Commission

With thanks to the members of the Housing Review Team: Terrie Alafat, Maureen Corcoran, Janice Morphet, Steve Partridge, Sandra Skeete, Andy Whitley, Andy Watson.

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City of Westminster

Meeting or Decision Maker:

Date:

Classification:

Title:

Wards Affected:

Key Decision:

Report of:

Cabinet Report

Cabinet

17 October 2022

General Release

Priorities for the Community Infrastructure Levy (CIL) and update to the CIL Spending Policy Statement and governance arrangements

All

Key decision

Pedro Wrobel, Executive Director of Innovation & Change

1. Executive Summary

- 1.1 This report recommends that local policy on the Community Infrastructure Levy (CIL) is updated to reflect new priorities and approaches.
- 1.2 The report also sets out new governance arrangements for the administration of CIL, most notably removing the Cabinet CIL Committee as a sub-committee of Cabinet and transferring the authority to take decisions previously reserved for the CIL Committee to other bodies or individuals. These changes will simplify governance arrangements while maintaining transparency and robust checks and balances within the system.
- 1.3 CIL is a financial contribution collected from developers to fund the provision, improvement, replacement, operation, or maintenance of infrastructure needed to support development and growth. Strategic CIL (current balance £78.5m) funds strategically important infrastructure projects across the City and Neighbourhood CIL (current balance £16.5m) funds projects identified by local people in the area the development took place.
- 1.4 Funding decisions are informed by national requirements and local policy. The existing local policy is too rigid in its understanding of infrastructure and reflects outdated priorities. The revised policy would establish a more inclusive and flexible definition of infrastructure, introduce policies including on revenue spending, and would prioritise projects to reflect the Fairer Westminster Strategy.

2. Recommendations

- 2.1 That Cabinet agree:
 - To adopt the revised CIL Spending Policy Statement, replacing the previous CIL Spending Policy Statement (adopted November 2017).
 - That all future CIL allocations be informed by the policies and priorities set out in the revised CIL Spending Policy Statement.
 - That the delegations to the Cabinet CIL Committee be withdrawn and the Committee be disbanded.
 - To note that the functions delegated to the CIL Committee will be re-delegated by the Leader as set out in section 4.5 of this report and that these delegations will be set out in the relevant sections of the Constitution.
 - That appropriate notices to give effect to the governance changes be served under section 12.4 of the Leader and Cabinet Procedure Rules contained in the Constitution.

3. Reasons for Decision

- 3.1 To update the CIL Spending Policy Statement which: reflects a broader, more flexible approach to infrastructure and infrastructure funding; updates CIL

funding priorities to reflect the Fairer Westminster Strategy; introduces new policies such as a policy on revenue spending; and rationalises and updates CIL eligibility considerations to ensure CIL funds are directed to projects which are deliverable, good value and will benefit local communities.

- 3.2 Governance arrangements for CIL require updating to enable better decision making and better enable the implementation of the policy changes proposed.

4. **Background, including Policy Context**

4.1 Introduction to CIL

The Community Infrastructure Levy (CIL) is a financial contribution collected by the council from developers. It is specifically designed to support the delivery of infrastructure needs arising from new development and to ensure that growth is effectively and positively managed in the interest of Westminster's communities.

By law, CIL money must be spent on the provision, improvement, replacement, operation, or maintenance of infrastructure needed to support development. CIL can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support development. It can also be used for anything else that is concerned with addressing the demands that development places on an area.

The council splits CIL revenue into three pots: Strategic CIL (SCIL); the Neighbourhood CIL (NCIL) and Administrative CIL. SCIL is at least 70% of all CIL and is spent by the council on strategic infrastructure projects across the City. NCIL is 15% for areas without a Neighbourhood Plan and 25% for areas with a Neighbourhood Plan and is directed to the local area to address the demands of development within that neighbourhood. The Administrative Portion is 5% retained to pay for the council's costs associated with collection and spending CIL.

The current balances are, as of the end of the financial year (31 March 2022):

SCIL: £78.5m

NCIL: £16.5m

Admin: £7.1m

SCIL funding decisions are taken annually as part of the capital programme. Projects are informed by broad understanding of the City's infrastructure requirements as set out in the council's Infrastructure Delivery Plan.

NCIL is retained centrally by the council but is tracked to each of the 21 neighbouring areas in which the contributing development was built; the list of designated neighbourhood areas and the value of their NCIL pots is set out in Appendix A. Allocations are taken as part of a quarterly application process

intended to allow the local community to propose infrastructure projects that positively shape the area and help residents achieve their vision for their neighbourhood. Requests can be made by any individual or organisation, including the Neighbourhood Forums, other local community groups or community members, or the council. The council is working to enhance awareness and accessibility of NCIL so that it is spent.

4.2 Current CIL policy

Funding decisions must comply with national legislation and regulations and should be informed by local Council policy.

Local policy is comprised of the CIL Spending Policy Statement, approved in November 2017. The document establishes indicative percentages for how much SCIL should be allocated to five infrastructure types: half of all SCIL to be spent on public realm/transport, with remaining funds divided between health and community services (10%), utilities/waste (10%), education (5%) and parks/leisure (5%), with the remaining 20% for 'other'. The document also establishes criteria for projects to be funded by CIL.

The existing policy is based on an inflexible understanding of infrastructure and reflects outdated priorities. There is a need to update the policy with a revised document that reflects a broader, more flexible approach to infrastructure and infrastructure funding and that updates the priorities. The revised document also provides an opportunity to add and amend policies and criteria to ensure CIL funding supports the best value projects that will deliver tangible benefits for local communities.

4.3 Revised CIL policy

The revised policy establishes a more inclusive and flexible definition of infrastructure for the purposes of CIL.

It sets new priorities for CIL spending, in line with the Fairer Westminster Strategy:

- Affordable housing (enabling)
- Green transition
- Sustainable and active travel
- Community facilities
- Accessible and inclusive public spaces

Each priority is justified by evidence demonstrating a need for that infrastructure as well as by alignment with ambitions articulated in other council strategies. The related evidence and strategies are set out in Appendix B.

A new policy makes clear that CIL can be spent on revenue costs associated with the operation and maintenance of infrastructure. Given that CIL is a finite resource with no guarantee of future income, the policy limits allocations for

this use for a specified period and only to projects which can demonstrate future self-sufficiency or other sources of funding.

Finally, the policy updates the criteria applied to determine CIL funding decisions. It would avoid the repetition of the previous document by setting criteria which applies to both SCIL and NCIL, with some additional funding-source-specific criteria for each. The criteria are designed to ensure that funding goes to projects with strong community support, with a focus on deliverability, value for money and securing benefits for the community.

4.4 Current governance arrangements

The Cabinet CIL Committee was established to undertake the following executive functions:

- To provide Member oversight of implementation and collection of CIL
- To provide Member oversight of the engagement processes with neighbourhoods and others.
- To agree the regulation of the statutory list of infrastructure that might be funded through CIL.
- To take decisions on spend proposals for CIL and strategic section 106 funds submitted by the officer working group or to refer decisions to Cabinet as appropriate.
- To steer the two yearly reviews of the Westminster CIL already committed to.

The Committee is a sub-Committee of Cabinet and accordingly its existence and purpose are in the gift of the Leader in terms of the functions delegated to it and the Cabinet in terms of its existence.

Following a review of how CIL operates within the council as well as how it interacts with our communities, it has been noted that existing governance arrangements, most notably the existence and function of the CIL Committee, are inefficient and do not add sufficient value to the decision-making process. Furthermore, in light of the proposed policy changes, more flexible yet robust governance arrangements are required to maximise benefit of CIL to the city.

The particular issues identified which lead to the proposed new arrangements set out at section 4.5 are:

- There is no requirement for such decisions to be made by Committee and in fact CIL is an outlier in this regard across the council. Most other such decisions are taken either by individual Cabinet Members or by officers under delegated authority.
- Decisions on allocation of Neighbourhood CIL are often of relatively low financial value and do not warrant the use of a committee's time.
- Allocation of strategic CIL as well as wider strategic issues linked to infrastructure requirements currently delegated to the CIL Committee generally require input from a wider set of Cabinet Members than those which make up the Committee. While it is possible for views to be canvassed separately, the current arrangement does not give

adequate opportunity for all relevant executive members to participate in the decision-making process.

- Cabinet already provides an appropriate forum for such cross-Cabinet decisions. Other internal processes such as the Capital Review Group can make high quality recommendations to Cabinet and Full Council remains the ultimate policy making body.

4.5 Revised governance arrangements

For the reasons set out in section 4.4, it is proposed that the Cabinet CIL Committee is disbanded and Cabinet as a decision-making body retains the strategic functions it had previously delegated, namely, to provide the Member level oversight of CIL in terms of collection, administration, community engagement and review.

Similarly, it is proposed that decisions on projects funded by Strategic CIL are considered by the Capital Review Group and the council's Executive Leadership Team before approval is sought from Cabinet and Full Council as necessary as part of the council's capital programme

It is proposed that decisions on Neighbourhood CIL are made by the Cabinet Member for Planning and Economic Development. By exception NCIL decisions will require a different process. Where the Cabinet Member is conflicted or concludes that an alternative decision process is required for any other reason, the Leader of the Council will either take the decision or delegate to an appropriate alternative Cabinet Member. Where the value of a proposed project exceeds £250,000, or the Cabinet Member for Planning and Economic Development otherwise deems that the decision is of a sufficient level of complexity or scale, that decision will be brought to a meeting of Cabinet. Officers will recommend the appropriate decision process for each submission received following the closure of the quarterly application round. A summary of these recommendations will be published in an appropriate place on the council's website.

These processes are part of a broader audit and review of CIL processes to inform potential changes to optimise efficiency, effectiveness, and transparency.

5. Financial Implications

- 5.1 CIL income is not guaranteed and is subject to economic trends and fluctuations in development activity, including rates of development and the location, size, and types of those developments. The revised policy will not impact CIL income, which is calculated by the council's adopted CIL Charging Statement.
- 5.2 The policy to allow CIL to be spent on revenue costs associated with the operation and maintenance of infrastructure has financial implications. Any CIL directed to revenue cannot be spent on capital costs. The policy is financially prudent because it limits revenue allocation to specified time

periods and to projects which can demonstrate future self-sufficiency or other sources of funding, and sets an advisement triggers to ensure awareness of the proportion of CIL allocation dedicated to revenue spend.

6. Legal Implications

- 6.1 The legislation governing the development, adoption, and administration of CIL is contained within the Planning Act (2008) and the Community Infrastructure Levy Regulations 2010 (as amended). The associated government National Planning Policy Guidance is also important in guiding this process.
- 6.2 There are other areas of law which should also be considered in regard to the collection and appropriate expenditure of CIL income. These include matters relating to social housing, procurement, charitable institutions, and state aid.
- 6.3 The Director of Law has reviewed this report and the Revised CIL Spending Policy Statement, and is satisfied that the measures proposed comply with the relevant legislation and guidance set out in paragraphs above.

7. Carbon Impact

- 7.1 The decision will not have a direct carbon impact, but the revised policy will encourage carbon neutral/low carbon infrastructure and infrastructure which reduces carbon.
- 7.2 The revised policy prioritises infrastructure which supports the green transition. It also prioritises sustainable travel, thereby reducing carbon from private vehicles and public transport. The policy establishes zero carbon impact as a criteria for CIL allocations.

8. Equalities Implications

- 8.1 The policy statement applies to all relevant projects equally. The revised statement introduces a new policy on equalities.
- 8.2 An Equalities Impact Assessment screening found that a full equalities impact assessment is not required.

9. Consultation

- 9.1 The revised policy is a targeted update to the existing policy, which does not warrant consultation. The subsequent guidance will be workshopped with community members, including Neighbourhood Forums.

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

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APPENDICES

Appendix A: CIL Spending Policy Statement

Appendix B: Neighbourhood Areas and their NCIL amounts

Appendix C: Updated Priorities Evidence and Related Strategies

Appendix D: EqIA

Westminster’s Community Infrastructure Levy CIL Spending Policy Statement October 2022

This document sets local policies and priorities to guide the allocation of Community Infrastructure Levy funds. It constitutes local policy to inform CIL allocations by Westminster City Council. It replaces the earlier Spending Policy Statement (adopted November 2017).

In addition to the requirements and restrictions of national legislation and regulations, all CIL spending decisions must have regard to this document.

Introduction

Westminster’s Community Infrastructure Levy (CIL) addresses the cumulative impact of development and growth on the City. In concert with other planning obligations, it is a key source of funding projects which provide and enhance the infrastructure required to support growth.

CIL must be spent on the provision, improvement, replacement, operation, or maintenance of public infrastructure needed to support development or growth. CIL can be used to provide new infrastructure or to repair or update existing infrastructure, if that is necessary to support development or growth. It can also be used for anything else that is concerned with addressing the demands that development or growth places on an area.

CIL is allocated by the council on the project’s merits and in accordance with the legal requirements governing council decisions and the requirements of the legislation and regulations governing CIL, its administration, application, and reporting requirements. Further to these requirements, CIL is allocated in line with the policies and priorities set out in local policy, as set out by this document.

The council will seek to supplement the policies set out in this document with more detailed guidance intended to amplify and explain the application of a particular policy to CIL allocations.

CIL types

The CIL Regulations set requirements for spending CIL in particular ways. The council addresses these requirements by splitting CIL receipts into three ‘pots’ for each CIL type.

CIL Type	Percentage of receipts	Process
Strategic CIL – see section 1	70 - 80%	Strategic CIL is allocated via the annual capital budget process. Spend decided by a strategic, evidence-based approach, which refers to infrastructure planning undertaken by the council. Spend can be anywhere within Westminster - or outside – providing the infrastructure funded is required to support development and growth in Westminster and conforms to legislation and regulations and the policies set out in this document.

Neighbourhood CIL – see section 2	Currently 15% of CIL collected in respect of development in each neighbourhood capped at £100 per council tax dwelling. This increases to 25% (uncapped) in areas where a neighbourhood plan is in place.	Neighbourhood CIL is allocated via an application process to allow the community to identify the projects it seeks to fund. NCIL is collected retained by the Council and spent by it in consultation with the neighbourhood area. Spend can be anywhere within the neighbourhood area – or outside – providing the infrastructure funded is required to support development and growth in Westminster and conforms to legislation and regulations and the policies set out in this document. <i>Note: Within neighbourhood areas designated as a Community Council eg Queens Park, the Neighbourhood CIL is passed directly to the Community Council who spend it.</i>
Administrative CIL – see section 3	5% of CIL collected	Spend applied to costs of administrative expenses for collection and enforcement in line with legal restrictions on the use of this funding. <i>Note: 4% of the Mayoral CIL collected by the council can also be retained for this purpose.</i>

Infrastructure

Definition

For purposes of CIL, Westminster adopts a broad, holistic, and flexible definition of public¹ infrastructure:

Community infrastructure is the framework of physical assets e.g. facilities and equipment, services, and systems needed to support and sustain a community of people, provided to all members of that community.

2

The definition is intended to be flexible. The council will consider arguments setting out how any asset, service, or system constitutes infrastructure.

¹ CIL is concerned with the provision and improvement of public infrastructure, i.e. infrastructure which supports and sustains the community, and not that which supports private enterprises, such as a business or exclusive group. However, it is recognised that private enterprises rely on public infrastructure in addition to their private infrastructure; for example, digital communications networks are public infrastructure, whilst the ICT facilities of a business are private infrastructure, even though those facilities rely on the public network. Furthermore, public infrastructure can be provided by private enterprises; indeed, most utility companies providing public infrastructure such as water and electricity are private enterprises.

² This broad definition encompasses any public asset, service, or system which facilitates an individual's or group's ability to: maintain a modern dwelling; utilise energy, potable and waste water, waste services, and communications technology; travel; communicate and access information; engage in household, social, communal, civic, artistic, cultural, or leisure activities; maintain and improve their physical and mental health, primarily through access to health care and physical activity; be kept safe from harm, including harm to their person and their possessions presented by crime and environmental threats such as pollution, weather, and flood risk; educate themselves; engage in leisure activities; and access multi-functional green and blue spaces and other natural features. This list is informed in part by: Dr Larry Beeferman and Dr Allan Wain. Harvard University. "Infrastructure: Defining Matters". 2012.

Categorisation is useful for infrastructure planning, monitoring, and reporting purposes, but it is not intended to be exclusionary. The following categories are used by Westminster:

- **Public realm and transport**, including public realm, public transport, walking and cycling, highways and bridges, and river transport;
- **Health services**, including health facilities, and emergency services;
- **Community and leisure**, including family hubs, community facilities cultural facilities, public toilets, cemeteries, sports facilities, and play spaces;
- **Education**, including early years provision, primary and secondary education, special education needs and adult, further and higher education;
- **Green infrastructure**, including parks and open spaces, sustainable drainage (SuDS), green spaces; biodiversity corridors, tree planting and management; heat networks; and
- **Utilities and waste**, including water infrastructure, flood risk management, energy, digital infrastructure, smart technology, and recycling and waste.

For CIL purposes, infrastructure consists of primary infrastructure and other secondary requirements related to the function of the primary infrastructure. Secondary requirements can be directly related to the infrastructure delivered or could be indirectly required. For example, education infrastructure includes the facility such as a school building, the staff which run the service including teachers and administrators, and materials, both those directly related to the education provision such as textbooks and computers as well as those indirectly required to support the education provision including cleaning supplies.

Infrastructure needs

The broad, holistic and flexible definition of infrastructure for the purposes of CIL is supplemented by detailed evidence identifying infrastructure requirements.

The Infrastructure Delivery Plan (IDP) sets out infrastructure requirements across the City. It outlines strategic priorities for infrastructure. It also specifies named projects, including in the Infrastructure Delivery Schedule, which lists detailed projects to be delivered over the City Plan 2019-2040 period, with a particular focus on the first 5 years. The Infrastructure Funding Statement (IFS) includes a statement of infrastructure projects that may be wholly or partly funded by CIL. Both the IFS and the IDP are aligned to strategic priorities identified in national policy and in relevant legislation, as well as with local priorities identified in the council's City Plan. The six infrastructure categories are used in both documents.

Infrastructure requirements include the need for new infrastructure, to replace existing infrastructure, and to expand, update, or otherwise alter existing infrastructure, as well as maintenance requirements. CIL can fund any of these requirement types, as long as the infrastructure supports development and the growth of the City; CIL cannot be used to remedy existing deficiencies, although existing deficiencies which are exacerbated by new development are appropriate.

Policies and criteria for CIL funding

The policies and criteria in this section apply to both Strategic CIL and Neighbourhood CIL funding.

Policies and priorities

Infrastructure priorities

Any infrastructure project which meets national and local requirements, as set out in the legislation, regulations, and this document, will be considered eligible for CIL funding. However, given that CIL is a finite resource, not all eligible projects can be allocated funding.

The council identifies five priorities for CIL spending. Each priority is justified by evidence demonstrating a need for that infrastructure as well as by alignment with ambitions articulated in other council strategies. Infrastructure which contributes to delivering these priorities will be prioritised for CIL funding. The priorities are:

1. Affordable housing (enabling)

Projects to help deliver truly affordable homes. CIL cannot be spent directly on affordable housing, but it can be allocated to projects which enable the development of affordable homes. For example, CIL could fund a small playground within an estate regeneration scheme.

2. Green transition

Projects which enhance and accelerate climate action to achieve net zero ambitions.

3. Sustainable and active travel

Projects that make it easier, safer, and more convenient to travel by foot, bicycle, or public transport.

4. Community facilities

Facilities that offer spaces and provide services within communities, including Family Hubs, libraries, and public toilets.

5. Accessible and inclusive public spaces

Projects to make parks, playgrounds, and other public spaces truly inviting and accessible to all community members., such as designing out physical barriers and instituting programming suitable for people with different needs. New spaces which are designed to be accessible and inclusive, and improvements to existing spaces to achieve this.

Revenue spending

CIL can fund costs associated with the operation and maintenance of infrastructure, such as staffing costs, facilities operating costs, and other ongoing costs. This includes revenue costs associated with new CIL-funded infrastructure or with existing infrastructure.

As with all CIL spending, revenue costs must be related to infrastructure required to support growth or development.

Revenue costs will be funded by CIL only for a time-limited period and only for projects which can demonstrate future self-sufficiency or other sources of funding. The time limit will be set on a case-by-case basis, informed by availability of CIL and the evidence projecting when the project will no longer require CIL revenue. For example, CIL could fund the costs to

run a new community centre, but only where a business plan demonstrates that income would cover costs within a given period. These limitations are necessary because CIL is a finite resource and future revenue is not guaranteed, therefore indefinitely relying on CIL would likely result in projects being suddenly shut down.

Projects are prohibited from returning to seek additional CIL funding for revenue costs at the end of the time-limited period.

Funding will be released piecemeal according to a schedule agreed with the delivery partners. Where a project has achieved self-sufficiency earlier than expected, future funds release could be terminated.

Revenue cost allocations will not exceed the total amount of CIL available minus all other project allocations at the point at which the allocation is decided. This is to guarantee that there will be sufficient funding to meet costs. At the strategic level, revenue spend should not demand such a large proportion of CIL that capital projects cannot be funded. If revenue spending becomes 40 per cent, 60 per cent, and then 80 per cent of total allocated CIL, the cabinet member and cabinet will be advised, to ensure proper oversight of the proportion dedicated to revenue.

Monitoring requirements

CIL-funded projects will be subject to monitoring requirements to ensure projects are delivered as agreed and to facilitate reasonable modifications during project lifetimes.

Project managers are required to submit update reports every six months, unless otherwise agreed. These reports will set out activity and works that have taken place in the previous six months and a programme for future works. Barriers to delivery should be noted where these are identified.

Project managers are also required to submit evidence of project completion, such as photographs, documentary evidence including invoices, and other evidence.

Bespoke monitoring requirements will be applied to projects as appropriate. Requirements might be imposed regarding time limits, progression and completion submission requirements, and more.

Evidence and feasibility studies

In addition to direct spend on infrastructure, CIL can fund anything necessary to deliver infrastructure or anything else that is concerned with addressing the demands that development places on an area.

CIL can fund research into infrastructure needs. It can also fund feasibility studies to investigate whether and how to deliver an infrastructure project.

Criteria

In addition to the requirements set out in national legislation and regulations, to be considered eligible for CIL funding projects shall meet the following defined criteria. This criterion is applied to all CIL allocations, in addition to the separate criteria applied

specifically to Strategic CIL and that applied to Neighbourhood CIL. The criteria could be applied using a scoring system.

Deliverable

The council must be certain that projects will be started and delivered within reasonable periods. Projects should be supported by, where appropriate and possible: technical feasibility studies; necessary design work; and robust business and funding plans. Ideally, programme of works can demonstrate delivery timetables. Where required, projects should either have, or demonstrate that they are likely to secure, any necessary legal powers and/or regulatory consents required for implementation, such as planning permission.

All delivery partners, including project managers and contractors, should be engaged and supportive from the earliest point possible.

Funding requests should be calculated to ensure that the request represents sufficient funds to enable the delivery.

Potential barriers to delivery should be identified and addressed satisfactorily.

Plan-led and strategic

Projects should be informed by adopted council strategies and action plans, including but not limited to the City Plan and Supplementary Planning Documents (SPD) and Supplementary Planning Guidance (SPG), the Active Westminster Strategy, the Climate Action Plan, the School Organisation and Investment Strategy, the Health and Wellbeing Strategy, and the A Partnership Approach to Open Spaces and Biodiversity in Westminster. For example, a new health facility should help to deliver the vision and goals of the Health and Wellbeing Strategy. Identification of a project or project type in the IDP is a requirement for Strategic CIL and a key consideration for Neighbourhood CIL allocations.

Forward-looking

The council must be content that the infrastructure will endure for its expected lifespan. Practically, this requires confidence that the infrastructure will be properly managed and maintained and that it will be properly funded. Management plans setting out action plans for maintenance, programming, administration, and any other relevant requirements should be agreed. Responsible parties should be clearly identified and, where appropriate, reflected in legal agreements or property ownership. Business plans identifying costs and revenue should also be agreed.

Incidental future costs must be considered and addressed.

Cost effective

The council must consider that the project represents good value i.e. it provides high quality infrastructure at the lowest available cost.

Contingency costs should be reasonable and reflect industry norms. For construction projects, contingency costs of more than 10% must be justified.

Zero carbon impact

Where appropriate, reasonable, and possible, projects should estimate their carbon impact. Zero carbon projects or those which achieve carbon reductions will be prioritised, in line with the prioritisation of projects which support the green transition. Projects with carbon impacts must demonstrate how this can be mitigated.

Equalities

Projects should consider the needs of all members of the community. Where appropriate, consideration should be given to accessibility issues, including any necessary adjustments that could accommodate people with disabilities. Where a project has the potential to impact upon people with a protected characteristic, the impact should be positive or neutral.

Additional

Funding will not be allocated to projects that are seeking to remedy pre-existing deficiencies, although existing deficiencies exacerbated by new development is appropriate for CIL.

Strategic CIL

A minimum of 70% of the receipts from Westminster's CIL will be applied in whole, or in part, to the provision, improvement, replacement, operation or maintenance of infrastructure that is required to support the development of the City of Westminster. This shall be known as 'Strategic CIL'. It can be spent anywhere in Westminster (there is no necessary geographical link between developments making CIL payments and where revenue is spent). It can also be spent on infrastructure beyond Westminster's boundaries on infrastructure that will support the City's development.

Strategic CIL is allocated annually via the council capital budget process. All proposed spending is reviewed for eligibility for CIL allocation. Of the eligible projects, some will be funded from the Strategic CIL pot; projects which are not allocated CIL can still be included in the capital programme and funded from alternative sources. Funding decisions are taken by the full Council when it agrees the budget.

Strategic CIL criteria

In addition to the requirements set out in national legislation and regulations, to be considered eligible for Strategic CIL funding projects shall meet the following defined criteria. This criterion is applied to Strategic CIL allocations, in addition to general criteria applied to all CIL allocations. It could be applied using a scoring system.

Plan-led and strategic

Projects must be identified in the IDP. Priority is given to projects explicitly listed in the Infrastructure Delivery Schedule; projects which address needs or relate to infrastructure type requirement narratives can also be allocated Strategic CIL. This ensures that Strategic CIL allocations are informed by a broad understanding of the City's infrastructure requirements considering the pressures of developments and the need to support growth.

Projects must address the principles and policies set out in the City Plan and other council strategies.

Timely and spatially appropriate

Projects should deliver the right infrastructure at the right time in the right location. Projects should have regard to the phasing suggested in the Infrastructure Delivery Schedule in the IDP. Where infrastructure requirements are supported by an evidence base with a spatial component, the location should also satisfy the need identified.

Priority driven

Projects must strike an appropriate balance between strategic and more locally-based place-making infrastructure to support the development of Westminster and its neighbourhoods and help address the demands that this will place on an area.

Neighbourhood CIL

15% of the Westminster CIL paid by development in each neighbourhood area, capped at £100 per Council Tax dwelling, or 25% with no cap in areas with an adopted neighbourhood plan, will be ring-fenced by the council. The money is retained and spent by the council, in consultation with the local community, except where there is a Community Council the money is transferred directly to the Community Council.

Neighbourhood CIL is allocated via an applications process, to allow the local community to propose projects that positively shape the area and help residents achieve their vision for their neighbourhood. Any local individual or group can make an application. Prospective applicants are encouraged to work with council officers to develop a better understanding of the ambitions of the neighbourhoods and to design projects which will achieve those ambitions efficiently, effectively, and in line with local and national requirements and priorities. Applications are reviewed by officers and an internal governance group prior to funding decisions taken by the cabinet member or, in extraordinary circumstances, the full cabinet.

Neighbourhood CIL can be spent within the local neighbourhood area or in other parts of the city or even outside of the city. The council encourages neighbourhoods to work together to develop applications for projects that will benefit them jointly. The council also welcomes applications to fund projects entirely within another neighbourhood area, where the other area has low amounts of Neighbourhood CIL available.

In addition to the provision, improvement, replacement, operation or maintenance of infrastructure, Neighbourhood CIL is appropriate to fund anything else that is concerned with addressing the demands that development places on an area. This could include studies or research to determine infrastructure needs that might differ from other area due to the unique characteristics of the area, or feasibility studies required to support delivery of prospective infrastructure. It also includes the costs associated with the production of plans and strategies that can address the demands of development, such as a Neighbourhood Plan.

Neighbourhood CIL criteria

In addition to the requirements set out in national legislation and regulations, to be considered eligible for Neighbourhood CIL funding projects shall meet the following defined criteria. This criterion is applied to Neighbourhood CIL allocations, in addition to general criteria applied to all CIL allocations. It could be applied using a scoring system.

Plan-led

Projects must be informed by Neighbourhood Plans, where there is an adopted Neighbourhood Plan.

Projects must also consider any council plans or strategies which set out guidance for the neighbourhood area, either in whole or in part, including the Spatial Strategy policies in the City Plan and conservation area guidance documents. Support the growth plans for Westminster as a whole and for the neighbourhood.

Local engagement

Projects must have been subject to appropriate levels of engagement and consultation. Local ward councillors, neighbourhood forums, and business improvement districts, where they exist, must be given the opportunity to comment on all proposals within their area.

Priority is given to schemes shown to have the support of the local community.

Relevant infrastructure providers must also be engaged. Projects will not be progressed where relevant infrastructure provider has objected.

Benefit the community

Applications should articulate how the infrastructure will benefit the local community.

New facilities must be publicly accessible. Where a facility will serve both private and public functions, then CIL should only be sought for the proportion of the public function; for example, if a new hall is available for community activities half the opening hours but reserved for the use of the private group which owns the site the remaining half of opening hours, then Neighbourhood CIL should fund 50% of the costs.

Cost effective

The council must consider that the project represents good value in the sense that it provides high quality infrastructure at the lowest available cost.

Applications should be supported by at least three quotes for delivery. The lowest quote need not always be selected, but selecting the higher cost must be justified in terms of value.

Projects should identify match funding.

Applicants should always consider whether Neighbourhood CIL is the most appropriate funding source. Alternative funding sources, such as large property holders, third sector

organisations, central government, and council ward budgets, should be considered. Applicants must demonstrate either that 1) they have unsuccessfully sought alternative funding; or 2) alternative funding sources do not exist or are otherwise not appropriate.

Minimum amount

To ensure that Neighbourhood CIL is allocated to proposals of a kind and scale that will have appreciable benefits in terms of supporting growth and meeting the demands of development, a minimum financial threshold for the value of a proposal is set at £2,000. Any application to fund a project valued at less than £2,000 must justify use of CIL instead of other funding sources.

Administrative CIL

A maximum of 5% of Westminster's CIL will be applied to the administrative expenses incurred by the council in connection with Westminster's CIL. All expenditure will be made in line with the regulations.

Reporting and monitoring

The regulations require local authorities that collect developer contributions to report annually on what they have received and spent through CIL and other developer contributions and include information for the following year on the allocation of these funds. The council will report this information in the annual IFS report.

Appendix B Neighbourhood Areas and their NCIL amounts

Neighbourhood Area	Collected	Allocated	Available
Queens Park*	£2,819.83	£0.00	£2,819.83
Notting Hill East	£22,162.11	£10,000.00	£12,162.11
Bayswater	£595,992.93	£169,472.00	£426,520.93
Little Venice and Maida Vale	£1,601,740.22	£215,621.00	£1,386,119.22
Belgravia	£691,793.58	£265,000.00	£426,793.58
Church Street	£606,692.64	£50,000.00	£556,692.64
Churchill Gardens Estate	£0.00	£0.00	£0.00
Ebury Bridge	£169,000.00	£0.00	£169,000.00
Fitzrovia West	£623,438.68	£152,000.00	£471,438.68
Hyde Park and Paddington	£1,289,635.38	£460,000.00	£829,635.38
Knightsbridge	£318,980.45	£40,000.00	£278,980.45
Maida Hill	£32,761.24	£32,000.00	£761.24
Marylebone	£2,588,635.43	£636,625.00	£1,952,010.43
Mayfair	£2,335,221.08	£729,003.00	£1,606,218.08
Pimlico	£165,625.48	£0.00	£165,625.48
Soho	£437,579.64	£40,700.00	£396,879.64
South East Bayswater	£845,105.14	£0.00	£845,105.14
St James's	£77,001.44	£0.00	£77,001.44
St John's Wood	£1,728,038.10	£1,411,778.00	£316,260.10
Victoria	£806,816.03	£30,000.00	£776,816.03
Westbourne	£184,284.55	£45,000.00	£139,284.55
Outside Neighbourhood areas	£2,321,888.07	£392,224.00	£1,929,664.07

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Appendix C Updated priorities evidence and related strategies

CIL priority	Evidence and related strategies
Affordable housing (enabling)	<p>Fairer Housing is one of the five key ambitions of the Fairer Westminster Strategy. Westminster's Housing Needs Analysis (2017) identifies an annual requirement of 563 affordable homes, 38% of the overall 1,495 needed. The London Plan identifies delivery of more genuinely affordable housing as a key strategic issue.</p> <p>CIL could support the implementation of Housing Investment Plan and 30-year Housing Revenue Account (HRA) Business Plan, which sets out commitments to a series of capital investments.</p>
Green transition	<p>Fairer Westminster Strategy commits to achieving a net zero city by 2040. This reflects the Climate Emergency Declaration (2019) which also sets a target for Westminster City Council to achieve net zero emissions by 2030.</p> <p>CIL could support the goals of the Climate Action Plan (2021) and the Westminster's Air Quality Action Plan (2019-2024).</p>
Sustainable and Active Travel	<p>Fairer Westminster Strategy highlights that active travel and sustainable transport will create greener neighbourhoods, cleaner air and healthier lives. The London Plan (2021) sets a strategic target of 80 per cent of all trips in London to be made by foot, cycle or public transport by 2041. The Mayor of London's Transport Strategy sets out a vision for transport, including the creation of Healthy Streets; the Mayor of London's 'Vision Zero' ambition is to eliminate all deaths and</p>

	<p>other serious casualties related collisions by 2041.</p> <p>The Infrastructure Delivery Plan identifies needs for: public transport; walking and cycling; highways and bridges; and river transport.</p> <p>CIL can fund more safe and pleasant routes for walking and cycling. It can deliver the actions set out in the Freight, Servicing and Deliveries Action Plan 2020-2040 (2021), the Walking Strategy (2018) and the Cycling Strategy (2014).</p>
Community facilities	<p>Fairer Westminster Strategy's commitment to Fairer Communities includes provision of excellent health and care services and facilities for children.</p> <p>The Infrastructure Delivery Plan identifies needs for: health facilities; community and family centres; libraries; cultural facilities; sports and play spaces; and cemeteries.</p> <p>CIL can help to deliver the Cultural Strategy 2020-25 (2020) and the Health and Wellbeing Strategy 2017-2022 (2017).</p>
Accessible and inclusive public spaces	<p>Fairer Westminster Strategy makes a commitment to diversity and inclusion. The London Plan requires public spaces be designed to allow people to spend time in comfort and safety and to be places where everyone is welcome, which foster a sense of belonging, which encourage community buy-in, and where communities can develop and thrive.</p> <p>CIL can help to deliver the Greener City Action Plan 2015-2025 (2018).</p>



REVISED CIL POLICY STATEMENT EQUALITY IMPACT ASSESSMENT SCREENING

Completing an EQIA is the simplest way to demonstrate that the Council has considered the equality impacts of its decisions and it reduces the risk of legal challenge. EQIAs should be carried out at the earliest stages of policy development or a service review, and then updated as the policy or review develops. EQIAs must be undertaken when it is possible for the findings to inform the final decision.

SECTION 1:

Title	Local Enforcement of individual
What are you analysing? <ul style="list-style-type: none"> • What is the policy/project/activity/strategy looking to achieve? • Who is it intended to benefit? Are any specific groups targeted by this decision? • What results are intended? 	Revised CIL Policy Statement The policy informs Community Infrastructure Levy funding decisions. The revised policy would establish a more inclusive and flexible definition of infrastructure and would prioritise projects to reflect the Fairer Westminster Strategy
Details of the lead person completing the screening/EQIA	(i) Full Name: Alex Csicsek (ii) Position: Principal Policy (Place & Investment) Policy Officer (iii) Unit: Policy & Projects (iiii) Contact Details: acsicsek@westminster.gov.uk
Date sent to equalities@westminster.gov.uk	30 September 2022
Version number and date of update	V1
<p><i>You will need to update your EQIA as you move through the decision-making process. Record the version number here and the date you updated the EQIA. Keep all versions so you have evidence that you have considered equality throughout the process. However <u>only</u> the most updated version will be saved in the Equalities SharePoint folder. 1</i></p>	

SECTION 2: Do you need to complete a full Equality Impact Assessment (EQIA)?

Not all proposals will require a full EQIA, the assessment of impacts should be proportionate to the nature of the project/policy in question and its likely impact. To decide on the level of detail of the assessment required consider the potential impact on persons with protected characteristics.

<p>2.1</p>	<p>Please provide an overview of who uses/will use your service or facility and identify who are likely to be impacted by the proposal</p> <ul style="list-style-type: none"> <i>If you do not formally collect data about a particular group then use the results of local surveys or consultations, census data, national trends or anecdotal evidence (indicate where this is the case). Please attempt to complete all boxes.</i> <i>Consider whether there is a need to consult stakeholders and the public, including members of protected groups, in order to gather information on potential impacts of the proposal</i> 															
	<table border="1"> <tr> <td data-bbox="504 734 932 967"> <p>How many people use the service currently? What is this as a % of Westminster’s population?</p> </td> <td data-bbox="938 734 1481 967"> <p>All individuals and groups within local communities are able to submit applications for Neighbourhood CIL, which would be considered against the policy, although on average approximately 20-30 applications are received annually.</p> </td> </tr> <tr> <td data-bbox="504 967 932 1061"> <p>Gender</p> </td> <td data-bbox="938 967 1481 1061"> <p>Any</p> </td> </tr> <tr> <td data-bbox="504 1061 932 1155"> <p>Race</p> </td> <td data-bbox="938 1061 1481 1155"> <p>Any</p> </td> </tr> <tr> <td data-bbox="504 1155 932 1249"> <p>Disability</p> </td> <td data-bbox="938 1155 1481 1249"> <p>Any</p> </td> </tr> <tr> <td data-bbox="504 1249 932 1344"> <p>Sexual orientation</p> </td> <td data-bbox="938 1249 1481 1344"> <p>Any</p> </td> </tr> <tr> <td data-bbox="504 1344 932 1438"> <p>Age</p> </td> <td data-bbox="938 1344 1481 1438"> <p>Any</p> </td> </tr> <tr> <td data-bbox="504 1438 932 1518"> <p>Religion or belief</p> </td> <td data-bbox="938 1438 1481 1518"> <p>Any</p> </td> </tr> </table>	<p>How many people use the service currently? What is this as a % of Westminster’s population?</p>	<p>All individuals and groups within local communities are able to submit applications for Neighbourhood CIL, which would be considered against the policy, although on average approximately 20-30 applications are received annually.</p>	<p>Gender</p>	<p>Any</p>	<p>Race</p>	<p>Any</p>	<p>Disability</p>	<p>Any</p>	<p>Sexual orientation</p>	<p>Any</p>	<p>Age</p>	<p>Any</p>	<p>Religion or belief</p>	<p>Any</p>	
<p>How many people use the service currently? What is this as a % of Westminster’s population?</p>	<p>All individuals and groups within local communities are able to submit applications for Neighbourhood CIL, which would be considered against the policy, although on average approximately 20-30 applications are received annually.</p>															
<p>Gender</p>	<p>Any</p>															
<p>Race</p>	<p>Any</p>															
<p>Disability</p>	<p>Any</p>															
<p>Sexual orientation</p>	<p>Any</p>															
<p>Age</p>	<p>Any</p>															
<p>Religion or belief</p>	<p>Any</p>															
<p>2.2 Are there any groups with protected characteristic that are overrepresented in the monitoring information relative to their size of the population? If so, this could indicate that the proposal may have a disproportionate impact on this group even if it is a universal service.</p>	<p>No</p>															

2.3 Are there any groups with protected characteristics that are underrepresented in the monitoring information relative to their size of the population? If so, this could indicate that the service may not be accessible to all groups or there may be some form of direct or indirect discrimination occurring.

2.4 Does the project, policy or proposal have the potential to disproportionately impact on people with a protected characteristic? If so, is the impact positive or negative?

	None	Positive	Negative	Not sure
Men or women	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of a particular race or ethnicity (including refugees, asylum seekers, migrants and gypsies and travellers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disabled ¹ people (consider different types of physical, learning or mental disabilities)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups (consider in particular children, under 21s and over 65s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are intending to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Impact due to pregnancy/ maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If any of the answers to the questions above is, “negative” or “unclear” you will need to undertake a detailed impact assessment.

¹ Disability discrimination is different from other types of discrimination since it includes the duty to make reasonable adjustments.

2.5	Based on your responses, should a full, detailed EQIA be carried out on the project, policy or proposal
	Yes or <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.6	Provide brief reasons on how you have come to this decision?
	This is a policy document which informs funding decisions regarding infrastructure. The policy applies to all relevant projects equally and requires the needs of all community members to be considered when making infrastructure funding decisions.

SECTION 3: ASSESSING THE IMPACT

In order to be able to identify ways to mitigate any potential impact it is essential that we know what those potential impacts might be. Using the evidence gathered in section 2, explain what the potential impact of your proposal might be on the groups you have identified. You may wish to further supplement the evidence you have gathered using the table below in order to properly consider the impact.

Protected Group		Positive impact?			Negative impact? If so, please specify the nature and extent of that impact	No specific impact	If the impact is negative, how can it be mitigated? Please specify any mitigation measures and how and when they will be implemented	What, if any, are the cumulative effects of this decision when viewed in the context of other Council decisions and their equality impacts
		Eliminate discrimination	Advance equality	Good relations				
Gender	Men					X		
	Women					X		
Race	White					X		
	Mixed/Multiple ethnic groups					X		
	Asian/Asian British					X		
	Black/African/Caribbean/Black British					X		
	Gypsies / travellers					X		
	Other ethnic group					X		
Disability	Physical		X					Policy will encourage provision/design of more inclusive public spaces.
	Sensory		X					As above
	Learning Difficulties		X					As above
	Learning Disabilities		X					As above

	Mental Health		X					As above
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Protected Group		Positive impact?			Negative impact?	No specific impact	What will the impact be? If the impact is negative, how can it be mitigated? (action)	What are the cumulative of effects
		Eliminate discrimination	Advance equality	Good relations				
Sexual Orientation	Lesbian, gay men, bisexual					X		
Age	Older people (50+)		X					Policy encourages provision of community facilities. Older people are more likely to utilise.
	Younger people (16 - 25)					X		
Gender Reassignment						X		
Impact due to pregnancy/maternity						X		
Groups with particular faiths and beliefs						X		
People on low incomes			X					Policy encourages provision of infrastructure that will be available to low income households and have a disproportionate impact on quality of life.

SECTION 4: ACTION PLAN

4.1 Complete the action plan if you need to reduce or remove the negative impacts you have identified, take steps to foster good relations or fill data gaps.

Please include the action required by your team/unit, groups affected, the intended outcome of your action, resources needed, a lead person responsible for undertaking the action (inc. their department and contact details), the completion date for the action, and the relevant RAG rating: R(ed) – action not initiated, A(mber) – action initiated and in progress, G(reen) – action complete.

NB. Add any additional rows, if required.

Page 56	Action Required	Equality Groups Targeted	Intended outcome	Resources Needed	Name of Lead, Unit & Contact Details	Completion Date (DD/MM/YY)	RAG

THIS SECTION TO BE COMPLETED BY THE RELEVANT SERVICE MANAGER

SIGNATURE:

FULL NAME:

UNIT:

EMAIL & TELEPHONE EXT:

DATE (DD/MM/YYYY):

WHAT NEXT?

It is the responsibility of the service to complete an EQIA to the required standard and the quality and completeness of EQIAs will be monitored by EMT.

All EQIAs for proposed changes to levels of service arising from budget proposals must be completed by (insert date).

All completed EQIAs should be sent to equalities@westminster.gov.uk

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City of Westminster Cabinet

Decision Maker:	Cabinet
Date:	17 October 2022
Classification:	Open
Title:	Revenue and Capital Outturn 2021/22
Wards Affected:	All
Key Decision:	Yes
Financial Summary:	The report summarises the Council's 2021/22 year-end financial position and requests approval for unspent 2021/22 capital budgets to be reprofiled into future years
Report of:	Gerald Almeroth, Executive Director – Finance and Resources

1. Executive Summary

- 1.1. This report presents the Council's 2021/22 outturn positive for revenue and capital for the General Fund (GF) and Housing Revenue Account (HRA). It also provides a summary of the pension fund and the Council's treasury management for the year.
- 1.2. The General Fund (GF) revenue position is an outturn of £2m (1.1%) overspend against an approved budget of £183m. The Council used its general reserve balance to absorb the final year-end position. It should be noted that this is a favourable position compared to the forecast at quarter three of £3.4m overspend and this was mainly due to a greater use of Covid specific grants.
- 1.3. The Council has built up its general reserve position over several years to allow it to manage unforeseen circumstances and financial risk. Whilst the use of the general reserve in 2021/22 reduces the Council's balance to £57m, this only accounts for 3.5% of the total balance.
- 1.4. The Council is particularly sensitive to economic volatility because of the level of income it receives through fees and charges and therefore holding this level of

General Fund reserves as risk mitigation is considered to be an appropriate and robust level.

- 1.5. The HRA outturn is a surplus of £2.1m a planned drawdown of £0.855m from the HRA reserve, therefore a variation of £2.955m.
- 1.6. The general fund capital outturn is a gross expenditure variance of £84m against a budget of £271.2m. The HRA capital outturn is an expenditure variance of £2.8m against a revised budget of £165.2m.

2. Recommendations

- 2.1. That Cabinet notes the outturn position for 2021/22.
- 2.2. That Cabinet approves the slippage from the 2021/22 capital programme into future years as set out in appendix 1 (GF) and appendix 2 (HRA)

3. Revenue Budget

General Fund

- 3.1. The table below summarises the year end revenue position:

Directorate	2021/22 Net Budget £m	2021/22 Net Outturn £m	2021/22 Net Variance £m
Adults Services	52.982	52.675	(0.307)
Children's Services	40.379	41.799	1.420
Environment and City Management	6.756	9.686	2.930
Growth, Planning and Housing	24.107	23.869	(0.238)
Finance and Resources	28.047	27.124	(0.923)
Innovation and Change	13.593	13.175	(0.418)
CEX and People Services	4.347	4.207	(0.140)
Public Health	(1.029)	(1.029)	0.000
Corporate Items	13.577	13.297	(0.280)
Total	182.759	184.803	2.044

Key Variances

- 3.2. The key expenditure variances for the final outturn position across Council services are explained in sections below. But in summary:
 - Environment and City Management had an overspend due to reduced parking income
 - Children's services overspent due to demand pressures
 - All other areas had underspends and details of these are set out below.

Adult Services (ASC)

- 3.3. Adult Social Care is an underspend of £0.307m, representing 0.6% of the net budget of £52.982m. Key drivers for this underspend are primarily in line with what was previously reported.
- 3.4. The outturn position is supported by additional income from the NHS at the point in time they move into the social care sector. Furthermore, additional one-off grants such as Infection Control and Workforce Capacity were received during the year to support its providers. However, it should be noted that the availability of discharge to access funding is currently uncertain for future years.
- 3.5. This year saw an increase in placement levels and the continuous increase in complexity of care needs for people in the community. These challenging factors are amplified by the discharge to assess process. There is a strong likelihood that this trend will continue in future years. Furthermore, the current economic challenges with inflation will pose challenges to market frailty and supporting providers with increasing costs. The directorate is in continuous dialogue with providers and exploring options at how support can be offered.

Children's Services

- 3.6. In Children's Services the final outturn position was an overspend of £1.420m.

Education - £1.232m overspend

- 3.7. Short Breaks has a staffing overspend of (£0.150m), and at the Tresham Centre (£0.440m) due to increased demand across holiday periods. Care package and direct payment pressures (£0.310m) account for the balance.
- 3.8. Remaining pressures include overspends on staffing (£0.100m) and independent travel training savings (£0.050m) – both of which have been reversed in 2022/23, with the latter being reprofiled for delivery in the new year.
- 3.9. The position also includes Covid grant income (-£0.173m) that offsets pandemic-related agency staff costs in Short Breaks.

Family Services - £0.713m overspend

- 3.10. The Family Services outturn is driven by net placement pressures arising from a combination of rate changes and fluctuating placement numbers, further impacted by a reduction in income. The Home Office grant award for exceptional costs relating to UASC and Former UASC was substantially lower than anticipated, creating a further pressure (£0.300m).
- 3.11. The overspend include staffing pressures in Safeguarding (£0.100m) and Pre-Birth to Five Redesign (£0.065m) – both of which have been reversed in 2022/23.

IT Case Management (£0.088m) and MASH savings (£0.050m) have been reprofiled.

- 3.12. The position includes Covid grant income (-£0.535m) that offsets pandemic-related costs across Family Services.

Registrars - £0.709m underspend

- 3.13. Following the easing of Covid restrictions an increase in ceremonies was seen as a backlog of events took place which improved the Registrars position and includes an overachievement of income (-£1.050m) from ceremonies, offset by additional staffing costs (£0.280m) and lesser pressures across the service (£0.070m).

Libraries and Archives – £0.129m overspend

- 3.14. The Libraries and Archives position is related to income pressures

Environment & City Management

- 1.1. The Environment and City Management Directorate outturn position for 2022/23 was an adverse variance of £2.930m.

Sports, Leisure & Active Communities - £0.304m overspend

- 1.2. The outturn consisted of £0.569m income shortfall at Sayers Croft due to slow recovery of residential visits after lockdown, and £0.025m favourable variance from the deed of variation on the leisure contract, Parks favourable position of £0.240m due to additional cemeteries income.

Waste & Cleansing - £0.012m underspend

- 1.3. Commercial Waste income outturn was an adverse variance of £0.556m, an increase of £0.056m from P9. This movement is a minor change of 0.41% of the £13.72m budget and was the result of a lower than expected recovery in February and March from the impact of the Omicron wave and covid restrictions during winter. The outturn of £13.16m shows a significant recovery from the prior year where the income totalled £7.68m, showing an increase of 71%.
- 1.4. A number of variances to budget that broadly offset each other. The key income areas consisted of shortfalls in Commercial Waste (£0.556m) and Public Conveniences (£0.347m) and a small surplus on Special Collections (£0.055m). The shortfall on Commercial Waste income was partially offset by lower spend on Commercial Waste service (£0.287m),
- 1.5. General waste disposal costs (£0.083m favourable movement from a forecast to budget) and underspends in Public Conveniences (£0.618m). Employee cost

savings of £0.093m and the overspend on Collection & Street Cleansing of £0.221m.

Public Protection & Licensing - £1.075m overspend

- 1.6. This variance was driven primarily by under recovery of income: HMO Licensing income (£0.537m); Street Trading income £0.335m; Pavement Licensing (£0.164m); Primary Authority (£0.141m), additional legal costs £0.511m, additional staffing costs £0.10m, offset by over recovery in Street Litter & Waste Fixed Penalty Notices (£0.139m) plus additional new burdens grant funding of £0.577m in relation to the changes to Pavement Licensing.
- 1.7. Street Trading and Tables & Chairs – Income under recovery of £0.498m due to licensing fee waivers to traders who were categorised vulnerable or caring for vulnerable individuals in quarter 1; and to the two thirds of traders who in the past 18 months have surrendered their licences. Additionally due to the introduction of the Government's Pavement Licensing regime during lockdown continuing to September 2022, under which the price of new/renewal applications is significantly reduced for Tables and Chairs.

Parking - £2.574m overspend

- 1.8. Parking – Paid for Parking - The outturn is an adverse variance of £2.704m which is a reduction of £0.05m from the P9 forecast. Weekly numbers fell in February, increasing negative variances, but these were recovered during March when activity improved, particularly in the first two weeks of the month, with variances only 4-6% off budget.
- 1.9. Parking – PCNs (Traffic Cameras) - The Camera PCNs shortfall increased a further £0.197m to £0.997m at year end. Ticket issues were up by 500 in March compared with February (3,024 / 2,524), but not yet at the level anticipated given the additional cameras and increased activity in the City.

Road Management

- 1.10. There was an overall favourable outturn variance of £0.948m against the budget, which was an improvement of £0.148m since P9. This stems from increased income activity levels which are 23% higher compared to that previously projected, with increases on temporary structures and Temporary Traffic Orders.

Innovation & Change

- 1.11. Innovation and Change reported a £0.418m underspend, which includes a £0.203m net over recovery of income from City Promotions, Events and Filming plus further service efficiencies.

Growth, Planning and Housing

- 1.12. Growth, Planning and Housing reported a £0.238m underspend for the year, outlined below:

General Fund Housing Operations - £2.390m underspend

- 1.13. Housing Operations has come in significantly below budget, with a £2.390m underspend. The main driver for this is the multiple grant awards in the final quarter of 21/22, combined with the government policy change on Housing Prevention Grant that required the Council to certify that anything in the claim had been fully spent “in-year”.
- 1.14. At the end of March 2022 there were 2,793 TA tenancies, a small increase (less than 1%) from the 2,770 at the end of March 2021. Most tenancies (2,010) are within properties rented from the private sector; each tenancy costs WCC on average £4.2k per annum net although this figure varies widely according to location and size of unit. There are 168 tenants in B&B properties (net cost to WCC £4.9k per unit) and 323 in nightly booked properties (net cost to WCC £10.8k), with the rest (292) in properties owned by WCC, either in regeneration areas or properties purchased specifically for use for temporary accommodation.

Place Shaping & Town Planning - £2.3m overspend

- 1.15. The final outturn shows a £2.3m variance to budget. The bulk of this relates to the shortfall in planning income of £2.4m, which has been projected through the year. This has been partially offset by small underspends across the service.
- 1.16. The Council’s MTFP position included an expectation that planning income would recover significantly back to near pre-pandemic levels. In 2019/20, the service saw 9,869 applications (67 “Major”), whereas in 2021/22 this had still only recovered to 8,035 of which only 37 were “Major” applications. A similar situation was encountered with pre-planning application advice.

Housing Revenue Account (HRA)

- 1.17. The HRA outturn is a surplus of £2.156m. The HRA budget had been set on the basis that a drawdown of £855k from the HRA reserve was required to balance planned expenditure, but this was not required, and the overall variation was £3.0m.

- 1.18. The HRA surplus was diverted to fund capital HRA expenditure and thereby reduce the level of new borrowing required to fund the capital programme in 2021/22.
- 1.19. The main variances contributing to this surplus are:
- £1.9m staff underspend on staff across the HRA following the redesign of the Housing Service which was undertaken in 2021/22 and a number of vacancies held by the service whilst the restructure was finalised.
 - £0.5m lower interest charges to the HRA
 - £2.2m contingency not fully utilised
 - £0.7m in rebates from contracts has been generated by Property Services
- 1.20. These underspends are partially offset by pressures across the HRA, the main ones being:
- £1.2m lower income from commercial property on housing estates than budgeted
 - £0.7m more recharges for support services than budgeted
 - £1.4m more provision for bad debt than planned

Finance and Resources

- 1.21. The Finance and Resources Directorate reported a £0.923m underspend in year which is due to a combination of factors both in terms of income and expenditure across Property and Treasury.
- 1.22. Commercial income in Property performed better than expected by around £1.8m in 2021/22 although this was against a reduced target given the impact of the pandemic on the commercial property market.
- 1.23. Treasury and Pensions also generated more income than budgeted. This was related to increased investment income as interest rates rose late in the financial year.
- 1.24. Overspends were present in Procurement related to staffing, further overspend in Corporate Property relating to additional backdated rents payable as well as an increase in commercial income bad debt provision.

2. Capital

- 2.1. The Council's capital programme was approved by Council in March 2021, with a General Fund expenditure budget of £271.194m and an income budget of £84.431m (including reprofiling from the previous year). The delivery of schemes and capacity for planning projects have been affected by several factors, notably procurement and onsite issues and acquisition delays.

2.2. Although the level of slippage is significant, there were also several projects that spent within a reasonable tolerance of the original budget. These included The Strand Aldwych, King Solomon School Expansion, Hallfield Site Improvements, Footway Programme Maintenance and Church Street Green Spine.

2.3. The table below summarises the General Fund capital outturn position for 2021/22, after slippage:

ELT	2021/22 Expenditure Budget £m	2021/22 Income Budget £m	2021/22 Net Budget £m	2021/22 Outturn Expenditure £m	2021/22 Outturn Income £m	2021/22 Net Outturn £m	2021/22 Expenditure Variance £m	2021/22 Income Variance £m	2021/22 Net Variance £m
Adult's Services	0.568	(0.468)	0.100	0.101	(0.101)	0.000	(0.467)	0.367	(0.100)
Children's Services	18.417	(14.814)	3.603	10.757	(9.249)	1.508	(7.660)	5.565	(2.095)
Growth, Planning & Housing	74.733	(22.859)	51.874	60.416	(12.745)	47.671	(14.317)	10.114	(4.203)
Environment & City Management	75.918	(31.613)	44.305	48.963	(23.763)	25.200	(26.955)	7.850	(19.105)
Finance and Resources	42.053	(14.677)	27.376	21.327	(12.486)	8.841	(20.726)	2.191	(18.535)
Westminster Builds	58.596	0.000	58.596	45.116	0.000	45.116	(13.480)	0.000	(13.480)
Projects Funded from FCR*	0.905	0.000	0.905	0.568	0.000	0.568	(0.337)	0.000	(0.337)
Total for Council	271.190	(84.431)	186.759	187.248	(58.344)	128.904	(83.942)	26.087	(57.855)

General Fund Capital Programme

1.1. In total the general fund capital programme has gross expenditure slippage of approximately £81m. The majority of slippage is related to the following reasons:

- Procurement issues
- Delayed acquisitions
- On site issues and delays

Summarised slippage by ELT can be seen in the table below, this is awaiting Cabinet approval:

Expenditure

ELT Area	Slippage from 21.22 to 22.23 £000	Slippage to 21.22 from 22.23 £000	Slippage from 21.22 to 23.24 £000	Slippage to 21.22 from 23.24 £000	Slippage to 21.22 from Other Future Years £000	Total Slippage £000	(Under)/Overspends £000	Total 21.22 Outturn Variance £000
Adult's Services	(467)	-	-	-	-	(467)	-	(467)
Children's Services	(7,845)	-	-	-	-	(7,845)	184	(7,660)
Environment & City Management	(30,932)	2,187	(2,002)	-	-	(30,747)	3,792	(26,955)
Finance and Resources	(14,514)	414	-	-	-	(14,100)	(6,625)	(20,726)
Growth, Planning & Housing	(27,703)	13,671	(553)	75	205	(14,305)	(8)	(14,317)
Westminster Housing Investments Limited	(13,480)	-	-	-	-	(13,480)	-	(13,480)
FCR	(337)	-	-	-	-	(337)	-	(337)
	(95,278)	16,272	(2,555)	75	205	(81,281)	(2,657)	(83,942)

Income

ELT Area	Slippage from 21.22 to 22.23 £000	Slippage to 21.22 from 22.23 £000	Slippage from 21.22 to 23.24 £000	Slippage to 21.22 from 23.24 £000	Slippage to 21.22 from Other Future Years £000	Total Slippage £000	(Under)/Overspends £000	Total 21.22 Outturn Variance £000
Adult's Services	367	-	-	-	-	367	-	367
Children's Services	5,749	-	-	-	-	5,749	(184)	5,565
Environment & City Management	13,571	-	456	-	-	14,027	(6,176)	7,851
Finance and Resources	1,979	-	-	-	-	1,979	211	2,190
Growth, Planning & Housing	11,024	(119)	385	-	-	11,290	(1,177)	10,114
Westminster Housing Investments Limited	-	-	-	-	-	-	-	-
FCR	-	-	-	-	-	-	-	-
	32,690	(119)	841	-	-	33,412	(7,326)	26,087

1.2. The table below summarises the projects with the largest variance to budget.

Project	FY Variance to Budget £m	Comments
Westminster Housing Investments Limited	(12.020)	The underspend this year was a result of a delay in the transfer of affordable units at Parsons North to WHIL and a delay in the transfer of 300 Harrow Road, as legal work is being finalised. These are expected to complete in 2022/23 in Q2, therefore the budget has been reprofiled from 2021/22 to 2022/23.
20 In-Borough Acquisitions for Temporary Accommodation	(5.419)	Of the projected 35 acquisitions this year we have completed on 26 IBB properties, the remaining properties are due to complete in 2022/23, therefore the budget is being reprofiled from to 2022/23.
Ceremonial Streetscape Grouping	(8.147)	Issues outside of the control of WCC such as access to land to commence works and material availability due to general shortage in the construction industry has resulted in re-profiling of this scheme to 2023/24 from 2021/22. Work will start when approval has

		been given from external parties and landowners. Some elements of the scheme will be starting over the next few months.
St Marylebone Bridge Special School	(4.153)	Reprofiling against the St Marylebone Bridge Special School project, due to major defects found on the foundations. The variance has been reprofiled to 2022/23 from 2021/22 and work is expected to be completed by the end of the summer.
Westminster Community Homes Development Loan and Affordable Housing Fund	(3.773)	Loan will not be drawn down until 2022/23, when properties are potentially acquired. The budget is being reprofiled from 2021/22.
300 Harrow Road	(2.926)	The total spend on the scheme will remain in HRA until the legal terms are agreed.
Oxford Street District	(2.396)	Total OSD spend of £12,097 is lower than forecasted mainly due to Citywide contractor costs, as delivery on some schemes such as Manchester Square have slipped and as a result have been reprofiled to 2022/23 from 2021/22. Further discussions are currently taking place to discuss the short-term delivery of work packages and a business case review is also underway by an external third party.
Investment Portfolio Income Security	(2.216)	Works on Huguenot House were delayed as a result of the procurement. The procurement has recommenced in April 2022. Works at Orange Street have been delayed; although the scope of works was agreed, these works increased significantly following surveys at the site. The budget has been reprofiled from 2021/22 to 2022/23.
Strategic Acquisition Huguenot House	(2.000)	It was thought that the project would see a small number of flat acquisitions. These acquisitions have yet to take place but are expected to complete in 2022/23, therefore the budget has been reprofiled from 2021/22 to 2022/23.
Seymour Leisure Centre	(1.869)	There has been a delay in the appointment of the structural/services consultants and the associated surveys. These require the consultants' technical briefs before additional services can be procured. The budget has been reprofiled from 2021/22 to 2022/23.
Villiers Street Public Realm	(1.653)	A longer than expected consultation period has led to a delay in the programme delivery, which will now begin in April 2022. Therefore, the budget has been reprofiled from 2021/22 to 2022/23.
Jubilee Sport Centre Redevelopment	(1.495)	The overall programme for the residential units was 5 months late, this delayed the fit-out contract resulting in budget reprofiling to 2022/23 from 2021/22.
TOTAL	(48.067)	

Housing Revenue Account Capital Programme

1.3. The Housing Revenue Account's (HRA) capital budget was approved at £209.519m and revised at P4, representing a net change of £44.349m. The Council have now finalised the outturn for the financial year and the budget profiling of a number of projects have changed for the Housing Revenue Account. This is in line with revised delivery timelines and/or amended payment schedules. In most cases budgets have been reprofiled from 2021/22 into future years but there are instances where the budget has moved into 2021/22 from future years. For HRA, this represents expenditure reprofiling of £4.3m from 2021/22 to 2022/23.

1.4. The table below summarises the HRA capital outturn position for 2021/22.

	2021/22 Revised Budget £m	2021/22 Out-turn £m	2021/22 Variance £m
HRA Capital Programme			
Housing Planned Maintenance	43.042	40.143	(2.899)
Housing Regeneration	114.948	114.433	(0.515)
Self - Financing	7.180	7.811	0.631
Total Capital Expenditure	165.170	162.387	(2.783)

1.5. HRA Business Plan approved by Full Council in March 2022 approved a gross capital budget for the HRA in 2022/23 of £197.508m. Reprofiled from 2021/22 of £4.294m is proposed giving a total budget of £201.802m.

1.6. This is summarised in the table below. A more detailed breakdown by project is provided in appendix 2.

1.7. Summarised slippage:

Details of the major changes being put forward for approval to be re-profiled are provided in the following section:

- **Ebury** covers reprofiling of £7.254m from 2021/22 into 2022/23 due to a delayed start on site which reduced the spend in 2021/22 but good progress has been made since to ensure that the scheme remains on track.
- **Ashbridge** represents reprofiling of £2.251m from 2021/22 to 2022/23 due to a scheme change resulting in the inclusion of a sustainable energy system (i.e Air-source heat pumps).
- **Warwick Community Hall (300 Harrow Road)** shows re-profiling of £4.124m from 2022/23 to 2021/22 due to a change to the delivery mechanism for the scheme which will see most of the spend in 2021/22 reimbursed to the HRA (as delivery is now anticipated to be via the General Fund).

- **West End Gate** includes re-profiling of £0.800m from 2022/23 to 2021/22 due to a revised programme timeline from the developer that will yield more units than previously planned.
- **Lisson Arches** shows re-profiling of £0.933m from 2022/23 to 2021/22 due to revised programme in 2021/22 that saw the service provider accelerate delivery and amend the practical completion date.

6. Financial Implications

6.1. The financial implications are set out in the main body of the report

7. Legal Implications

7.1. There are no legal implications arising from this report

APPENDICES

Appendix 1 – General Fund Slippage

Appendix 2 – Housing Revenue Account Slippage

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

Jake Bacchus (jbacchus@westminster.gov.uk)

Appendix 1 - General Fund Slippage from 2021/22 to Future Years

Project	Expenditure Slippage from 2021/22 to Future Years	Income Slippage from 2021/22 to Future Years
Finance and Resources	(14,100)	1,979
BARNEY & FLOREY	(368)	168
DIGITAL TRANSFORMATION	(112)	-
MEETING ROOMS REFURBISHMENT	(400)	-
BUSINESS INTELLIGENCE AND DATA ANALYTICS	(200)	-
SMART CITIES	(150)	-
ZF CARBON MANAGEMENT PROGRAMME	(1,488)	1,488
GF PORTMAN - REMODEL	(261)	-
REMODELLING OF EARLY HELP/CHILDREN	(100)	-
Schools Minor Works Projects	(323)	323
LIBRAIRES 6 YEAR DCOR PROGRAMME	(437)	-
SPORTS & LEISURE - CONDITIONS SURVEY & MA	(658)	-
LEISURE REVIEW MAINTENANCE	(469)	-
CORONERS COURT IMPROVEMENTS	(196)	-
ENERGY MONITOR & TARGET	(1,174)	-
MANDELA WAY UPGRADE	(311)	-
FORWARD MANAGEMENT PLAN	(435)	-
SEYMOUR LEISURE CENTRE	(1,869)	-
LEISURE REVIEW - DEVELOPMENT	(80)	-
STRATEGIC ACQUISITION - HUGUENOT HSE	(2,000)	-
MIN ENERGY EFFICIENCY STD (MEES)	(267)	-
INVESTMENT PORTFOLIO ASSET MANAGEMENT	(320)	-
INVESTMENT PORTFOLIO INCOME SECURITY	(2,216)	-
ACCESSIBILITY PROGRAMME - ACCESS & INCLU	(628)	-
WORKPLACE PROPERTY RESPONSIBILITIES	(52)	-
END-USER COMPUTING REFRESH	145	-
PORCHESTER LEISURE CNTR & PADDINGTON LIB	86	-
CAPITALISED SALARY COSTS	5	-
Huguenot House Redevelopment	127	-
IT Product Development	51	-
Environment and City Management	(30,747)	14,027
Queensway ST scape Improve Phase	(687)	687
ABELL AND CLELAND PUBLIC REALM	(374)	374
Footway Programme Maintenance	(46)	-
Replacement Street Nameplates	(40)	-
LEGIBLE LONDON	(27)	-
Cemeteries Infrastructure	(22)	-
RECYCLING CONTAINERS AND BINS	(78)	-
CCTV - CRIME & DISORDER	(140)	-
Great Scotland Yard	(18)	-
Arundel Court	(173)	173
Elizabeth St/Buckingham Palace	(493)	493
OPEN SPACES STRATEGY	(98)	-
WILBERFORCE MULTI USE GAME AREAS	(77)	21
BUS STOP ACCESSABILITY PROGRAMME	(200)	-
ROYAL ALBERT HALL HOSTILE VEHICLE MGT PR	(1,366)	538
PICCADILLY UNDERPASS	(524)	-
VEHICLE ACTIVATED SIGNS	(36)	-
CEREMONIAL STREETSCAPE	(5,351)	5,351
TRIAL 20MPH SCHEME	(213)	-
MINOR WORKS PROGRAMME 19/20	(469)	-
North Wharf Gardens Site II	(156)	156
ISOLATED PITCHES ELECTRICS	(798)	80
PARKS AND GARDENS LIGHTING	(177)	-
GOLDEN JUBILEE FOOTBRIDGE IMPROVEMENTS	(1,261)	-
VILLIERS STREET PUBLIC REALM	(1,653)	-
THAYER/MANDEVILLE STREET	(26)	-
LIGHTING-GAS VALVE SAFETY CONNEX	(473)	-
PADDINGTON GREEN SCHOOL MUGA	(113)	-
NEAT STREETS 2	(167)	-
STATE EVENT OPERATION PLAN	(54)	-
CARLTON VALE & RANDOLPH AVE	(72)	-
MINOR SAFETY	-	50
OLD COMPTON ST GREEK ST & FRITH ST	(102)	-
Riding Hse St Pedestrianisation	(361)	-
TACHBROOK MARKET ELECTRIC UPDATE	(434)	-
ST GEORGES DRIVE & WARWICK WAY PEDESTRI	(82)	82
PADDINGTON ENVIRONMENTAL AND PLACE PLAN	(386)	-
PORTMAN SQUARE FOOTWAYS	(30)	-
BURLINGTON GARDENS PUBLIC REALM IMPROVEM	(246)	246
STREET TREES – NEW PLANTING	(17)	-
BLOMFIELD ROAD/EDGWARE ROAD	(87)	-
PLANNED PREVENTATIVE MAINTENANCE (PPM)	(192)	-
WESTMINSTER CEREMONIAL STREETSCAPE PH 2	(2,796)	2,444

Project	Expenditure Slippage from 2021/22 to Future Years	Income Slippage from 2021/22 to Future Years
BUCKINGHAM GATE RED ROUTE AND COACH MGT	(24)	-
ZERO EMISSIONS STREET CLEANSING VEHICLES	(610)	610
LSS 20/21 BUCK GATE & WILFRED STREET	(6)	-
SACKVILLE STREET & VIGO STREET PR	(100)	100
WELLINGTON HOTEL (P689)	(150)	150
HIGHWAYS INNOVATION	(655)	-
WATERLOO BRIDGE STREETScape	(414)	-
PRINCES' STREET	(100)	100
HIGH SPEED RAIL 2	(75)	75
ELECTRIC VEHICLE CHARGING	(329)	-
GROSVENOR SQUARE PR SCHEME	(700)	700
ACTIVESTMINSTER PROJECT	(368)	-
HEALTH & WELLBEING PROJECTS	(495)	100
HIGHWAYS BUILDOUTS FOR TREES	(1,283)	-
TREE PRESERVATION REPLACEMENT PROGRAMME	(18)	-
PUBLIC CONVENIENCES RENOVATION PROGRAMME	(611)	-
MAIN FLEET REPLACEMENT PROGRAMME	(159)	-
LONDON CYCLE HIRE – TFL	(542)	542
OLD BURLINGTON STREET PUBLIC REALM IMPRO	(399)	399
CONNAUGHT VILLAGE GREEN	(100)	100
LSS NORTHUMBERLAND PLACE EMBANKMENT	(39)	-
COVENT GARDEN TMS	(234)	-
ACCESSABLE- ACCESSIBILITY AUDIT & SCHEME	(50)	-
ASSET UPDATE	(94)	-
FOOD WASTE CONTAINERS	(775)	-
FREIGHT & SERVICING ACTION PLAN	(122)	-
LOW CARBON STREETS	(400)	-
PARKS AND CEMETERIES TREE PLANTING	(15)	-
PIMLICO LOW TRAFFIC NEIGHBOURHOOD	(273)	-
VOIDS IN THE PUBLIC HIGHWAY	(90)	-
RESIDENT PARKING ZONE - KILBURN LNE	(50)	-
WESBOURNE TERRACE PED SUB INFILL	(605)	-
PICC & BAKER TWO WAY FEASIBILITY STUDY	(50)	-
STREET TYPES - HIGH STREET	(150)	-
DOG EXERCISE AREAS	(5)	-
MOBILE WORKING PROJECT	(161)	-
PROTECTIVE MEASURES	(427)	-
PIMLICO PLACE STRATEGY	(139)	-
COVENT GARDEN HVM	(254)	245
FUTURE CITY MANAGEMENT	(1,748)	-
SCHOOL STREETS & STP	-	211
LIGHTING IMPROVEMENTS	636	-
LED Lighting Rollout	235	-
TRAFFIC SIG MODERNISATI&PEDESTR	45	-
Commercial Waste Containers	28	-
MINOR SAFETY	506	-
SCHOOL STREETS & STP	63	-
CENTRAL ISLAND IMPROVEMENTS FOR ELGIN AV	12	-
DRAINAGE SURVEY INFRASTRUCTURE	327	-
Capital Refurbishments	335	-
Growth, Planning and Housing	(14,305)	11,290
BEACHCROFT	(78)	-
AFFORDABLE HOUSING FUND BUDGET	(1,239)	1,239
20 IN-BOROUGH ACQUISITIONS FOR TA	(5,419)	1,000
LUXBOROUGH DEVELOPMENT	(1,034)	1,528
JUBILEE SPORT CENTRE REDEVELOPMENT	(1,495)	-
TEMP ACCOMMODATION ACQUISITIONS	(547)	-
TA purchase IBB	(1)	-
Westmead	(1,397)	-
OXFORD STREET DISTRICT	(2,396)	1,541
WEP - CONNECT WMINSTER-BROADBAND	(436)	-
ENTERPRISE	(1,259)	450
OPEN SPACES AND GREENER PLACES	(162)	-
HOUSING SERVICE DIGITISATION	(116)	-
CHURCHST GREEN SPINE PUBLICREALM	(155)	-
SOHO AREA PUBLIC REALM IMPROVEME	(118)	-
CHURCH ST GOOD GROWTH FUND	(1,387)	1,341
CHURCH ST REGENERATION HUB	(300)	-
PADDINGTON NORTH BANK	(104)	-
WEP PROGRAMME	(889)	-
THE LODGE	(109)	-
VICTORIA PLACE PLAN	(645)	-
GREENING IMPROVEMENTS TO HALL PLACE	(88)	-
MAJOR WORKS ON TA AND IH PROPERTIES	(198)	-
RESIDENTIAL BROADBAND CONNECTIONS	(295)	-
STREET MARKETS WIFI ERDF	(35)	18

Project	Expenditure Slippage from 2021/22 to Future Years	Income Slippage from 2021/22 to Future Years
ECONOMIC RECOVERY - RETAIL/ARTISTS	(392)	-
GREEN SPINE PHASE 2	(110)	-
HOUSING SOLNS ONLINE SERVS & BACK OFFICE	(125)	-
LISSON GROVE PROGRAMME - GF ACQNS	(475)	-
300 HARROW ROAD	(2,926)	-
WCH DEV LOAN & AHF - VIC PH2 & HARROW RD	(3,773)	3,773
WEP - THE STRAND-ALDWYCH	325	-
CHURCH STREET ACQUISITIONS	903	-
HARROW ROAD PLACE SHAPING SCHEME	179	134
THAMES RIVERFRONT	1	-
291 HARROW ROAD	12157	-
Rough Sleeper Accommodation Programme	181	-119
STRATEGIC INFRASTRUCTURE POT EXPENDITURE	(385)	385
BLOMFIELD MEWS	(256)	-
Ebury Bridge Estate Equity Loan For Resident Leasehold	88	-
Church Street Sites ABC Equity Loan	205	-
Adult's Services	(467)	367
FRAMEWORKI- UPGRADE TO MOSAIC	(163)	163
LUPUS STREET	(14)	14
PEOPLE FIRST WEBSITE	(21)	21
HEALTH INTEGRATION	(119)	119
MOBILE WORKING	(50)	50
ASC CARE INFO EXCHANGE ENHANCEMENT	(100)	-
Children's Services	(7,845)	5,749
KING SOLOMON SCHOOL EXPANSION	(64)	64
ST MARYLEBONE BRIDGE SPECIAL SCH	(4,153)	3,228
SOCIAL CARE SYSTEM REPROCUREMENT	(390)	-
REACTIVE CAPITALISED MAINTENANCE WORKS	(729)	-
BARROW HILL ACCESS AND SAFEGUARDING	(49)	49
HALLFIELD ASD	(48)	48
MILLBANK- WINDMILL ASD PROVISION	(331)	331
QUEEN ELIZABETH II ASD CLASS BUILD PROVI	(500)	500
EDWARD WILSON ASD AND INTERNAL BLD RESTR	(298)	298
CARER'S EXTENSIONS FUNDING (LAC)	-	-
SAFEGUARDING COMMUNITY PRIMARY SCHOOLS	(484)	484
SCHOOL DEVELOPMENT CAPITAL PROJECTS	(741)	741
LIBRARIES IT/SMART OPEN	(32)	-
CCTV – LIBRARIES & LEISURE	(6)	6
OLD MARYLEBONE TOWN HALL ROLLING REDEC P	(20)	-
Flexible Use of Capital Receipts	(337)	-
TECHNOLOGY REFRESH	(337)	-
Westminster Builds	(13,481)	-
LUTON STREET	(1,461)	-
WESTMINSTER HSG INVESTMENT LIMITED (WHIL	(12,020)	-
Grand Total	(81,282)	33,412

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Appendix 2-HRA Slippage from 2021/22 to 2022/23

Project	HRA Slippage from 2021/22 to 2022/23
Housing Planned Maintenance	-
Housing Regeneration	(4,293,913)
Lisson Arches	933,695
Luton Street	144,888
Ashbridge	(2,251,117)
Ashmill Street	95,399
Carlton Dene	(40,699)
Ebury	(7,254,066)
Tollgate Gardens	154,239
Infills	(1,000,000)
300 Harrow Road (Warwick Community H	4,124,000
West End Gate	799,747
Other Works	-
Grand Total	(4,293,913)

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