



CITY OF WESTMINSTER

MINUTES

Finance, Planning and Economic Development Policy and Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Finance, Planning and Economic Development Policy and Scrutiny Committee** held on **Wednesday 14th June, 2023**, Rooms 18.06 & 18.07, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Barbara Arzymanow, Md Shamsed Chowdhury, Paul Fisher (Chair), Sara Hassan, Patrick Lilley, Ed Pitt Ford and Ian Rowley

Also Present: Councillor Geoff Barraclough (Cabinet Member for Planning and Economic Development) and Councillor David Boothroyd (Cabinet Member for Finance and Council Reform). Officers: Stella Abani (Director of Economy and Skills), Gerald Almeroth (Executive Director of Finance Resources), Deirdra Armsby (Director Place Shaping and Town Planning), Haylea Asadi (Head of Business and Enterprise), Gaurav Choksi (Enterprise Meanwhile Spaces Programme Manager), Francis Dwan (Policy and Scrutiny Advisor) and Ed Humphries (Head of Responsible Procurement and SRM).

1 MEMBERSHIP

- 1.1 The Committee noted that Councillor Paul Swaddle and Councillor Alan Mendoza sent their apologies for the meeting.
- 1.2 The Committee noted that Councillor Ed Pitt Ford and Councillor Barbara Arzymanow stood in as substitutes.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3 MINUTES

- 3.1 The Committee approved the minutes of its meeting held on 4th May 2023.

3.2 RESOLVED

That the minutes of the meeting held on 4th May 2023 be agreed as a correct record of proceedings.

4 PORTFOLIO UPDATE - CABINET MEMBER FOR FINANCE AND COUNCIL REFORM

4.1 The Committee received an update from Councillor David Boothroyd, Cabinet Member for Finance and Council Reform, on priorities for the portfolio and updates that have arisen since the last meeting. The Cabinet Member referenced the taxpayers' alliance report on council tax rates, an issue with the annual accounts that has meant delaying of the publication of accounts and that the budget review, a manifesto commitment, was advancing. The Cabinet Member referenced upcoming decisions on appropriation of development sites and right to light. The Cabinet Member then responded to questions on the following topics:

- Interest earnings, whether interest earnings were offsetting budget pressures arising from inflation. Whether relative price distortions had been factored into expected inflation budget setting.
- Delay in the publication of the accounts, Members asked what had caused the delay in publication of the Council's accounts and how serious it was considered.
- Insourcing, Members asked for more detail about efforts on insourcing.
- Removal of right to light, what support the Council is providing to residents who might have their right to light removed particularly in terms of mental health.
- Council tax rates, whether it was necessarily beneficial for certain council tax rates in Westminster to be the lowest in the UK and whether there could be a knock-on effect on the quality of service that the Council can provide.
- Impact of pay disputes on Council finances, how strikes by the GMB Trade Union and consequential pay negotiations will affect Council finances and how prepared the Council is.
- Traffic marshal incentives, how remuneration in traffic marshalling works and what ways it could be tweaked to produce different outcomes.

4.2 The Cabinet Member also introduced the supplemental paper on the Responsible Procurement Strategy thanking the previous administration for the work they had done to start the process. Supported by the Council's Head of Responsible Procurement and SRM, Ed Humphries, the Cabinet Member answered questions relating to it on the following topics:

- New Council roles, what the launch of the strategy had meant internally in terms of paid Council staff and contractors.
- Unintended consequences, Members asked how much thought had gone into potential unintended consequences that might arise from adapting the policy,

such as higher costs, lower levels of services, weaker supplier options and whether it was the Council's place to grow Westminster's economy.

- Local job opportunities, clarity was sought on the premise of 'local people for local jobs', what was meant by this and how could such a practice be considered legal.
- Social value, how progress on social value provided by suppliers was going to be monitored by the Council.
- Cost of the strategy, what the budget and cost of running the strategy, including staff costs, amounts to.
- Large contracts being reviewed, whether large contracts, like the waste contract, would be re-negotiated as a result of the Responsible Procurement Strategy.
- Bi-borough contracts, how bi-borough contracts would be affected by adaption of the policy and whether partners, like Royal Borough of Kensington and Chelsea, were onboard with it.
- Reducing barriers to Small and Medium Enterprises (SMEs), the strategy highlights how there will be better opportunity for SMEs bidding for contracts by reducing barriers. Members asked what specifically was happening and for examples as to how this approach was working out in practice.

4.3 Actions

1. The Cabinet Member was asked to provide additional information on insourcing efforts which details how successful efforts have been.
2. The Cabinet Member was asked for additional detail on reducing barriers to SMEs by adaption of the responsible procurement strategy.

5 PORTFOLIO UPDATE - CABINET MEMBER FOR PLANNING AND ECONOMIC DEVELOPMENT

5.1 The Committee received an update from Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development, on priorities for the portfolio and updates that have arisen since the last meeting. The Cabinet Member highlighted progress on the Oxford Street Programme, working to acquire funding from the private sector, the upcoming economy plan launch and the Carbon Fund launch which will help businesses become more environmentally sustainable. The Cabinet Member then responded to questions on the following topics:

- Combatting deprivation, Members asked what work was being done and planned to help improve economic outcomes for those in the most deprived wards of Westminster.

- Oxford Street Programme, questioning the approach being taken and how decisions were being made.
- Carbon Fund, how the Carbon Fund operates and where the money for it originates from.
- Public conveniences, the plans for re-opening of public conveniences and the planning restrictions in place for repurposing.
- Private sector funding on Oxford Street Programme, the likelihood and risk of certain businesses operating on Oxford Street not contributing to the programme and benefitting as a free rider.
- Planning obligations and affordable housing supplementary planning document (POAHSPD), how the viability testing of the POAHSPD was done and what the outcomes were.
- Marks and Spencers, whether the Council had received an update from the Secretary of State on called-in plans for the planned demolishing and redevelopment of Marks and Spencers and when to expect an announcement.
- Economy and skills, Members asked for more detail on the Council's economy and skills work and what it entails.
- Berwick Street, whether the 'community Saturdays' scheme operating at Berwick Street was acting as a pilot scheme for a wider scheme set to be rolled out across Westminster. Members also suggested that Berwick Street should operate both food and non-food rather than one or the other, more frequent pop-ups than monthly and the Council's promotion of market events needs to be stronger.

6 MEANWHILE ACTIVATIONS PROGRAMME (FORMERLY POP-UPS)

6.1 The Cabinet Member for Planning and Economic Development, Councillor Geoff Barraclough, introduced the report. After this, Gaurav Choksi, Enterprise Meanwhile Spaces Programme Manager, outlined the programme through the use of some slides. The Cabinet Member, supported by specialist officers then took questions on the following themes:

- Matching trends, whether the programme was doing enough to match the current trends, beyond traditional retail, that are sought and what analytics are done to understand youth trends.
- Tax-free shopping, Members asked what the opinions were about the removal of tax-free shopping for international tourists and what could be done to reinstate it.

- Cost breakdown, clarity was sought on the financial models in the paper and how exactly the cost structures work out. Members also asked about the revenue structure and how it might change when occupiers are brought in.
- Promotion, whether the Council helps promote brands that take-up the spaces and how it could be improved. Members suggested the Council consider taking on external public relations or commercial consultants to improve this.
- High Street usage, the processes of removing 'undesirable' tenants in premium spaces, with some evidence of potential ties to money laundering in some instances and how joined up the Council is with the Police and National Crime Agency.
- Professional experience, the degree to which Council staff have retail venture capital experience was asked and what experience of operating businesses.
- Project budget, the total financial liability of the programme was asked and whether more funds might be required in the future.
- Monitoring change of use, how high streets in Westminster have changed their use and how this compares to other high streets in the UK and internationally.
- Market research undertaken, Members asked what market research is available in terms of high street visitors and a demographic breakdown of international visitors to London High Streets and Oxford Street specifically.
- Financials, understanding the burden imposed on landowners of vacant listed buildings who bring in a brand and how onerous that is. The financial return from the first two phases was also enquired about.
- Understanding high street vacancies, Members asked for an explanation as to why major brands are not taking up the spaces that are being offered. Having heard the explanation, Members asked whether it was realistic to expect the brands being offered meanwhile activations to ever be in a position to afford the spaces.
- Long-term impact, Members asked how many brands that have taken up meanwhile activations or pop-ups in the earlier stage have been retained either in Westminster or in the space or high street they set up in.
- Treating the symptoms not the causes, attention was drawn to the fact that ventures like the Meanwhile Activations Programme are unlikely to solve the issues of high-street decline and vacancies on high streets like Oxford Street.
- Shifting focus, it was suggested that the Council look at both sides of Oxford Street and draw on successes that happen across the high-street.
- Programme scope, whether the programme operates in Soho and if it was planned to expand.

- Marketing strategy, Members suggested that vacancies be advertised to international brands.

6.2 Actions

1. Members asked what market research is available in terms of high street visitors and specifically, whether the Council had any information about international footfall and visitor demographics in London High Streets (/Oxford Street specifically). If data exists outlining international visitors by nationality, this would also be sought.

7 WORK PROGRAMME REPORT

- 7.1 The work programme was discussed, and Members highlighted a desire to explore insourcing and to look at the elements relating to this Committee from the Future of Westminster Commission.

The meeting ended at 21.05.

CHAIR: _____

DATE _____