

Chief Executive's Office

WESTMINSTER SCRUTINY COMMISSION

Meeting on 12 May 2015

CHIEF EXECUTIVE'S UPDATE

Update on significant matters of corporate interest

1. Introduction

1.1 Members will be aware that Westminster City Council is currently undergoing significant organisational and fiscal change. Westminster City Council aspires to maintain its national reputation as a leading local authority for its efficiency, innovation and leadership. Our plan to achieve this includes introducing a new leadership change programme that will assist managers to lead the council through the next phase of austerity and develop new ways of working for local government. This programme is underpinned by the restructuring of the council's organisational arrangements. These changes will ensure we are best placed to navigate through this period of intense fiscal pressure and adapt to meet the growth in demand on some service areas.

2. The Westminster Way Programme

2.1 The objectives of the programme referenced above are to:

2.2 *Deliver cultural change:* including reinvigorating the council's values and behaviours (PACE); developing and improving the managerial leadership capability across the organisation and where appropriate Tri-borough; better working with partners; greater cross cutting and thematic working to help reassert the Westminster 'Brand'.

2.3 *Develop new ways of working:* including helping staff to get the job done, working on a thematic basis and across departments; providing the right kind of office environment that allows effective collaboration and make the best use of the space available in a cost effective way; and streamlining internal structures so that decision-making is agile and able to meet the needs of Members, residents, partners and staff.

2.4 A development centre has been introduced for Senior Managers to assess their competencies and capabilities to feed into the newly established Leadership Academy. The first cohort is due to complete by the middle of May and we are currently in the final stages of procurement in order to secure a partner in order to roll out the initiative across the Council over the next two years. Whilst the initial Development Centre has proved to be challenging for some staff and in certain

instances created some tensions during the reorganisation period, there has been recognition from senior personnel that the Leadership 2.5 Academy has been different, relevant and targeted at delivering support for senior managers to deliver the change programme, improve the leadership culture and establish strong behaviours to start to implement the Council's new vision and values. Approval ratings for the programme have been extremely high (95%) and the revamping of the Council's organisational development function will support a further overhaul of broader training and development opportunities for staff within the Council.

3. Restructure

- 3.1 During late 2014 and early 2015 WCC underwent a significant restructure in three departments – City Management and Communities (CMC), Growth, Planning and Housing (GPH), and Policy, Performance and Communications (PPC).
- 3.2 The delivery of the full programme was completed in just over six months including the appointment of all the senior external and internal positions, bar two posts; Director of Housing and Head of Economic Development, which are due to be appointed by the end of May. During that period all the relevant consultation and engagement was undertaken with the trade unions who have been extremely complimentary about the transparency, speed and attention to detail to deliver the restructure. In addition to meeting the original timetable, the agreed budget savings arising from the restructure have been achieved both at headcount and managerial level (as the layers of senior management were reduced) and cost saving measures have been introduced around the use of agency staff that will significantly reduce expenditure in this area. All staff who were due to leave under any redundancy arrangements duly left the City Council by the 31st March 2015, unless in the interests of the Council's operational arrangements a later date has been agreed.
- 3.3 Staff moved into new roles in the restructured departments on 1st April 2015. There has been various communication and several launch events across the organisation to ensure that all staff are welcomed and informed about the new structures, new ways of working and new expectations.

4. Staff Survey

- 4.1 Overall, there was a 63 per cent response rate for Your Voice 2014. This was significantly higher than the local government average of 56 per cent, making the results more representative of staff views. At a headline level, from what staff have told us, the crucial areas we need to focus on are: improving the working environment and ICT provision; reducing bullying and harassment; better ways to retain staff; and improving career development opportunities. Whilst there have been substantial efforts to improve these areas over the past year, clearly there is still more work to be done.
- 4.2 The survey results include:

- 87% of staff feel they are clear about what is expected from them in their jobs
- 90% feel their line managers trust them to do a good job
- 85% of staff are committed to helping the Council meet its goals and objectives
- Over 70% of staff believe that working for WCC makes them want to do the best work they can and two thirds of staff want to be here in 12 months time

5. City Survey

5.1 The residents' survey for 2014 returned significant approval ratings for a range of services and perception ratings for the Council. Much of this work has been through the hard efforts of frontline staff in the Authority. However, there has been over the last 12 months a stronger focus on performance by managers and combined with a clear set of priorities as laid out by the administration, this has resulted in there being an extremely high level of satisfaction ratings from residents and customers across Westminster.

5.2 The survey results include:

- 87% satisfied with the way the council runs the City (highest ever)
- 76% think the council offers good value for money (up 5% in 1 year)
- 90% satisfied with street cleansing
- 83% feel safe in their local area after dark
- 71% think the council is efficient and well run
- 94% satisfied with the area as a place to live

6. Medium Term Planning

6.1 The Council's Executive Management Team has supported Members to deliver the 2015/16 budget and put in place arrangements for 2016/17 and 2017/18. Whilst Year 3's detailed proposals are yet to be finalised a significant portion of the £100m target has now been identified and will be firmed up over the next few months. The 2015/16 budget was delivered in line with the Council's decision making timetable and the 2014/15 budget has come in around £750k under budget thereby successfully delivering the savings for 2014/15. The Council has introduced a new financial planning framework for the forthcoming year in order to deliver the budget preparation to an earlier timeframe.

7. Accounts for 2014/15

7.1 The Council's accounts for 2014/15 were issued to the auditors on the 16 April (both Council and Pensions accounts) and subject to the audit are planned to be signed and published on 21 May 2015, ahead of the statutory deadline of 30 September. This should make Westminster one of the 1st local government bodies to publish its accounts for 2014/15. As well as accelerating the pace of preparation there has been a focus on improving the quality of the accounts with the introduction of a quality assurance process.

8. Tri – Borough Shared Services

- 8.1 During 2014/15, the Managed Services Programme (MSP) for HR, payroll and finance has finally gone live. Despite there being some setbacks over the last twelve months with two proposed go-live dates not being achieved, the final arrangements for going live on April 1st 2015 were successful (albeit that the programme has some significant teething problems particularly with supporting schools and will take three months to fully bed down). In addition, I have led the negotiations with BT around compensation for the delay in going live and have secured on behalf of Tri-Borough significant resources to help compensate the three Authorities for the additional costs they have incurred for the delay in the programme. Whilst there is still much work to be done, the delivery of the system is an important milestone and the programme – possibly the most complex and ambitious back office transaction arrangement across three Authorities that has been embarked upon in our sector – will, it is anticipated, deliver significant savings for Westminster in the longer term.
- 8.2 Progress is also being made around the introduction of other corporate services. Tri-Borough Legal Services should go live in the next quarter and was approved by Members in March 2015. In addition, ICT and the establishment of its new target operating model is on schedule having been approved, in principle, across all three Authorities in March 2015. The full implementation of the ICT arrangements across Tri-Borough will not complete until later in 2015/16, but there is an opportunity to align the introduction of new systems and hardware across three Authorities over the next two/three years. At present, there is further work being prepared regarding on the potential to implement a Tri-Borough procurement service and scoping for the possibility of a Tri-Borough HR service will be complete by the end of May. Whilst the original construct for a Tri-Borough Corporate Services offer across the three Authorities has changed, the implementation of MSP, Legal and ICT services has meant that momentum is still being maintained in this key area.

9. Growth Deal

- 9.1 During 2014/15 I successfully led the negotiations for agreeing the London Growth Deal for Central London Forward. The submission, which incorporated bids for various funding streams and proposals for broader powers for London, was developed largely through joint work between the Greater London Authority and London Councils and submitted by the London Enterprise Panel (LEP). Since securing approval for the growth bid in the summer of 2014, negotiations have been undertaken with government officials on the procurement of a delivery partner and also the co-designing with JCP of the ‘wrap-around support’ for local services to deliver the ESA targeted programme. £11m of ESF funding has been secured to support the delivery of the programme and discussions are on-going with DWP about the future of the second round of work programme commissioning to take place in 2016.

10. Devolution

- 10.1 Since successfully securing the London Growth Deal I was asked by colleagues in London Council's to be involved in the preparation of a wider London devolution proposal to Central Government on behalf of London Councils, the GLA and the individual boroughs across London. To date the development of a cross-cutting programme covering six themes from employment and skills, criminal justice, health and social care, housing and business and enterprise support, has been led by a small group made up of Chief Executives from London Authorities, London Councils and GLA officials. A series of suggested devolution proposals are currently being presented to London Council Leaders and the Mayor during early May as part of a consultation programme on a range of propositions that will then need to be discussed and agreed, at individual borough, sub-regional and pan-London basis, prior to a submission being made to government in time for the next comprehensive spending review (CSR). It is anticipated that the formal London devolution submission will be made in early June, once signoff from Leaders of London Councils and the Mayor has been secured.
- 10.2 In addition, on behalf of the City Council I have recently attended a number of confidential meetings with the LGA, DCLG and HMT regarding post-election scenarios. These have included discussions about fees and charges, social care, public sector assets and land use, and high cost cohorts. Again, this work is influencing the possible post-election policy landscape and the CSR.

11. West End Partnership

- 11.1 The West End Partnership has recently reviewed its governance arrangements, including the role of its working groups, as part of the transition from developing the strategic vision into the implementation phase.
- 11.2 The partnership is currently finalising its joint vision and programme prospectus for the area and working to influence Government to recognise the West End's unique contribution to the UK's economic and cultural life. The vision document and programme prospectus will be launched publicly in June.
- 11.3 The programme prospectus will include key core and transformative transport and public realm projects, but crucially also a broader range of cross cutting projects to enhance local amenity priorities and economic opportunities for local residents and businesses, such as those around employment brokerage, freight and waste consolidation, as well as support for enterprise initiatives. Some of the projects will be led by the City Council, whilst others will be delivered by either the private sector or other public bodies (e.g. TfL). The programme will be supported by a small cross-cutting delivery team, bringing together key staff from partner organisations including ourselves, TfL and the private sector to both oversee and deliver all the various projects collaboratively, but critically within a single overarching programme management framework.