

Westminster Scrutiny Commission

THE LEADER OF THE COUNCIL'S UPDATE

Meeting on Monday 30th November

1. Introduction

- 1.1 I last addressed the Commission in May, two months after the launch of the Council's three-year City for All vision.
- 1.2 In my submission for this meeting, I provide the Commission with an update on the Council's City for All vision and corporate strategy, as well as outlining the government's current devolution agenda, with particular focus on London.

2. City for All Update: Achievements to date

- 2.1 Since I launched the City for All vision, there have been a number of notable areas of achievement across the Council, as set out below.
- 2.2 We have launched the Council's Greener City Action Plan, providing a 10-year plan for tackling a range of environmental issues such as air quality and biodiversity, and establishing Westminster as a leading authority in the sustainability agenda.
- 2.3 We have launched Open Forum to replace the Area Forums, providing a range of means by which our residents and businesses can engage with the Council.
- 2.4 We announced the launch of the Working Capital programme which will work with several hundred people who currently claim Employment and Support Allowance to provide tailored, individual support.
- 2.5 Our campaign to bring superfast fibre broadband to Westminster has resulted in BT Openreach committing to making fibre optic broadband available to an additional 38,874 homes and businesses in Westminster.
- 2.6 We have successfully completed a pilot on behalf of the Department for Communities and Local Government to test a new approach to providing information about local road closures, providing evidence to inform the design of future national policy on statutory notices.
- 2.7 We launched the West End Partnership setting out a vision for the West End over the next 15 years.
- 2.8 We successfully completed a pilot on behalf of the Department for Work and Pensions, providing evidence to inform the roll-out of Universal Credit and the design of locally integrated employment services.

- 2.9 We were awarded a grant to support the development of new Incubator, Accelerator and Co-working Spaces in Westminster resulting in 4,000 sqm of new or improved commercial or business space.
- 2.10 We completed the first phase of the Baker Street Two Way consultation.
- 2.11 We produced a new basements planning policy.
- 2.12 We delivered the biggest West End LIVE to date with a record number of attendees and performances.
- 2.13 As part of the Better Care Fund plan, a single co-ordinated Community Independence Service (CIS) across the three boroughs is being developed. This will ensure more people can be cared for at home, help to avoid emergency hospital admissions, support timely and effective discharge from hospital and reduce the need for on-going social care.
- 2.14 Care Act phase one was successfully implemented across all three boroughs.
- 2.15 Only 44 young people across the borough are shown as not being in employment, education or training; this is on track to achieve the target of less than 70 for the year.
- 2.16 Phase one of the Troubled Families programme has concluded, with 100% (640) of Westminster families supported on issues around offending, anti-social behaviour and poor school attendance. We are now working on Phase 2 of the programme which focuses on taking a whole family approach, rather than responding to each problem, or person, separately.
- 2.17 Our Arm's Length Management Organisation (ALMO), CityWest Homes, has appointed United Living to deliver a £15 million scheme to provide affordable homes for the over-55s.
- 2.18 Progress continues with the UTC, with planning permission secured for the development, which will accommodate 550 pupils, and work on developing the new residential homes due to commence later this year. The UTC is scheduled to open in autumn 2017.
- 2.19 We are making good progress with our commitment to invest £12 million to tackle cold and damp conditions and identify tenants most at risk of poor health and work with them to improve their homes.
- 2.20 Phase one of the 'Sheltered Housing Strategy for Older People (SHSOP)' programme mobilised 5 out of 6 care homes in August, and these homes are now under the care of a single external provider, who will deliver new management and refurbishment.
- 2.21 The successful 'No Dumping' campaign was launched, involving targeted and coordinated educational and enforcement work.
- 2.22 We launched our anti-idling policy to tackle air pollution caused by idling vehicles.
- 2.23 Our commitment to support young people through recruiting apprentices, interns and graduates has seen 18 apprentices and 15 interns join the Council since March 2015. As part of the national graduate scheme for local government, we have also employed three graduates on two-year placements across the organisation.

2.24 We are also committed to providing work opportunities to those with complex personal needs. Through our Supported Employment Programme, we aim to assist 30 residents into work opportunity, and are currently on schedule to meet this target.

3. City for All Update: Challenges ahead

3.1 The key challenge facing Westminster, in common with the majority of local authorities, continues to be the financial climate facing the public sector.

3.2 Westminster achieved savings of £100m over the three years before the launch of City for All, but, as I set out in March, a further £100m is required over the next three years.

3.3 We are on course to make our projected savings for 2016/17, and planning is well underway with regards to 2017/18 and 2018/19, but external factors will of course impact on that process, whether through changes to legislation, changes to central government funding arrangements, or high-profile legal challenges.

3.4 The Government has already introduced a number of national policy changes and new legislation that will further change the landscape in which the Council is operating. These include:

- a) The announcement by the Chancellor to phase out Revenue Support Grant and replace it over time with localised business rates
- b) The extension of Right to Buy and the measures proposed in the Housing and Planning Bill
- c) Changes to the benefit cap and Discretionary Housing Benefit
- d) The introduction of Universal Credit
- e) The introduction of the Cities and Local Government Devolution Bill and the Government extending its offer to places to put forward 'deal' proposals that would boost growth and support public service reform, to which London Government has submitted a formal proposition [*further details provided under section 4 below*].

3.5 The changes to welfare and housing represent the biggest changes in a generation. Westminster is already working closely with government on mitigation around the impacts of these changes and ensuring that the detail of any regulations properly reflects the situation in central London. As part of this process, I gave evidence to the Housing & Planning Bill Committee earlier this month.

3.6 As well as the government's legislative programme, further policy announcements are to be expected as the London Assembly and Mayoral elections draw closer. A number of key issues for Westminster, from air quality to affordable housing, the garden bridge to the pedestrianisation of Oxford Street, are already at the forefront of public debate.

3.7 Demographic changes within the City of Westminster will also have an impact. Westminster's current population is just over 233,000, which is a 2.8% increase on the 2013 estimate – the biggest percentage rise in Westminster's population since 2005 and the third highest growth in population of any London borough.

- 3.8 Alongside this overall population growth, Westminster's aged 65+ population has grown by 4.3%. This is estimated to translate to a 20% increase in demand for services for those over the age of 65 in the next ten years.
- 3.9 With the strength of the evidence that shows that tackling problems early allows us to resolve issues before they become more costly and complex, a focus on prevention and managing demand will be required, not only in high spend areas such as adult social care and children's services, but across all areas of the council.

4. Devolution

- 4.1 The Government's current devolution agenda is seeing the largest shift of powers and responsibilities to local areas in a generation. It offers local government the ability to invest in creating jobs, building homes, developing infrastructure and reforming frontline services so that they are on a sustainable footing for the future. Westminster has led London in developing ambitious proposals for how devolved powers can strengthen the city's communities.
- 4.2 Westminster is an 'outlier' amongst local authorities, with unique challenges and opportunities. We have been seeking greater local autonomy to set and implement policy for a number of years and in a number of different policy areas, and the devolution agenda has become the primary vehicle for pursuing these ambitions.
- 4.3 Westminster was instrumental in the negotiation of a Growth Deal for London in 2014, which included a number of pilots and initiatives across areas such as employment, skills and business support. One of the most prominent was the sign-off in principle of a pilot in central London to pioneer an improved approach to supporting long-term unemployed Londoners with health conditions back into work.
- 4.4 As I noted above under the update on City for All achievements, the 'Working Capital' project has now commenced delivery and will work with several hundred eligible Westminster residents over the next few years.
- 4.5 The pre-General Election period saw an escalation of the Government's devolution agenda, most notably through two ground-breaking 'deals' with the Greater Manchester Combined Authority: the first offering a range of powers and funding across employment, skills, business support, planning and housing in exchange for the city-region agreeing to bring in an elected Mayor; the second giving the city-region control over £6bn of health and social care spending to speed up integration of different services.
- 4.6 In London, the Chancellor of the Exchequer and the Mayor of London announced a 'long-term economic plan for London' in February 2015 which included a number of new initiatives relevant to this agenda, including an indication that adult skills commissioning responsibilities would be devolved in some form to London and the establishment of a London Land Commission to identify and make better use of surplus public sector brownfield land in the capital.
- 4.7 Following the General Election, the Government extended its offer to localities to put forward 'deal' proposals to Government that would boost growth and support public service reform, and has introduced a Cities and Local Government Devolution Bill to underpin

further deals. With Cornwall already having struck a deal with Government, 38 further deal proposals were received by Government by its initial deadline in early September, including a set of propositions from London.

4.8 The 'London Proposition' sets out asks and offers from London in six key areas:

(a) Employment and complex dependency: commitment from the Department for Work and Pensions and other departments to pool resources to support long-term unemployed people into work, through 'hub' based service delivery and a co-designed, intensive programme for the hardest to help. This would be backed by an 'invest to save' financing model that allowed London to retain some of the savings from reducing benefit expenditure to reinvest in local programmes

(b) Skills: commitment to devolve the adult skills budget (for those aged 19 and over) and allow London to improve the match between skills provision and current and future industry needs through setting incentives, agreeing outcome frameworks with colleges and improving labour market intelligence

(c) Enterprise support: commitment to devolve various national budgets and programmes, such as UK Trade and Industry budgets and the national Growth Accelerator programme, to the London level to give businesses and entrepreneurs a 'one stop shop' for advice and support

(d) Health and care: commitment to back one or more health and social care integration pilots in areas within London, building on existing local work such as the Better Care Fund

(e) Crime and justice: commitment to devolve budgets in specific areas (e.g. preventing extremism) and provide for better integration between different emergency services to save money and improve performance

(f) Housing: commitment to allow London to trial a number of measures to boost house building, including greater local flexibility on raising and spending funding and in setting planning fees

4.9 A key question for London in the devolution debate has been how any devolved settlement would be governed. A consensus has been developed through dialogue between partners, principally London Councils and the GLA, that structures based on the London Councils Congress, which brings together the Mayor of London and a representative grouping of London borough Leaders, should be the principal vehicle for pan-London decision-making. Beneath this, it is felt likely that sub-regional groupings such as Central London Forward will need to play a larger and more formal role.

4.10 These questions are currently being further explored in parallel with the passage of the Cities and Local Government Devolution Bill, which has passed through the House of Lords and entered the House of Commons in autumn 2015. This provides a legislative underpinning for the devolution 'deals' that Government is negotiating with cities, most obviously in allowing places such as Greater Manchester and the Sheffield City Region to implement city-region-wide elected Mayors.

- 4.11 Announcements in a number of these areas are expected in the coming weeks and months.
- 4.12 Sub-regional working across the footprint of borough groupings such as Central London Forward and the West London Alliance is likely to become a more prominent feature of 'business as usual' service delivery for London boroughs, particularly in areas such as employment and skills. Significant thought is also being given at both local and national levels to how a more intensive, integrated and locally-determined model of employment support for groups with health conditions can be deployed.