

Westminster Scrutiny Commission

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Title:	Options for Scrutinising the West End Partnership
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Cabinet Member Portfolio	The Leader of the Council - Councillor Nickie Aiken
Wards Involved:	All
Policy Context:	Civic Leadership and Responsibility World Class Westminster
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1. Executive Summary

- 1.1 The November 2016 meeting of the Commission received an update from officers on the council's role within the West End Partnership (WEP) and its activity and achievements. The Westminster Scrutiny Commission asked officers, in the context of the bid to government for a Tax Increment Financing Initiative (TIF) for the West End, to:

“Look for examples of comparative partnership delivery and public investment, to determine which model for scrutiny would be most appropriate and effective for the West End Partnership (WEP).”

- 1.2 This report provides an update of WEP activity since November 2016.

- 1.3 The nature of future scrutiny arrangements for the West End Partnership will be determined by the scale and funding arrangements of the projects the partnership delivers. With a decision still awaited from government on the outcome of the TIF bid and the consultation underway on the future of the Oxford Street District, it is too early to present firm options for how the WEP could be scrutinised in the future. However, to give the Commission an early view on how other areas have approached the scrutiny of multi-agency partnerships, this report looks at the guidance available on the scrutiny of partnership bodies and discusses examples of where different arrangements have been established.

2. Key Matters for the Committee's Consideration

- 2.1. The Commission is asked to:

- Note recent the recent activity undertaken by the West End Partnership
- Note the guidance for, and examples of, multi-agency scrutiny practiced elsewhere and consider how these could be applied to the West End Partnership should it become responsible for overseeing the delivery of substantial additional amounts of public money

3. Background

3.1 The West End Partnership

- 3.1.2 The West End Partnership (WEP) was formed in 2013, on the recommendation of the West End Commission chaired by Sir Howard Bernstein. It brings together senior public service and private sector leaders, academic experts, cultural bodies and resident representatives. It was created to be the catalyst to enable the West End to support and accommodate growth, whilst at the same time to strengthen its unique cultural character, amenities and sense of openness. The body has been chaired by the Leader of Westminster City Council and also includes member representation from the London Borough of Camden and the Mayor of London. The WEP programme is supported by working groups, staff and expertise seconded from the partners' bodies. The business improvement districts have created a West End network to better collaborate and coordinate their involvement in the WEP programme. Westminster Property Association is also very supportive of the programme. Resident groups are also actively engaged through the West End Community Network. Other representatives include the Metropolitan Police, academic and cultural advisors and London First.
- 3.1.3 As a Partnership body WEP has no legal basis of its own but instead coordinates and initiates action and delivery through its partner bodies encouraging growth through new policies, plans and actions in order to benefit residents, communities, businesses and visitors alike.

- 3.1.4 The Partnership also agreed a broad delivery plan in June 2015 aimed at ensuring the successful delivery of its vision. The delivery plan sets out a core programme of projects amounting to just under £1bn. Around half of the programme is expected to come from public sources, matched by significant private sector co-investment and leading to further private investment down the line in development and business activity
- 3.1.5 The new Leader of Westminster City Council, Cllr Nickie Aitken, took up the chair of the West End Partnership (WEP) Board at its meeting on 3 April 2017.
- 3.1.6 The meeting presented a chance to reflect on progress and achievements to date for the WEP programme and to explore whether there were opportunities to learn from the last three years in considering how to move forward.
- 3.1.7 There was a general recognition that the WEP programme had achieved a great deal in what could be viewed as a 'set-up' phase – during which the Partnership had established itself as a genuine and credible entity and come together to make the case for the West End - demonstrating the effectiveness of working together to support this ambition. The Board agreed that it was now in a new phase where plans were beginning to crystallise into solid deliverables and with work starting to take place on the implementation of a range of projects.
- 3.1.8 The future transformation of the Oxford Street district is the most high profile of these. The Bond Street Project, which broke ground in late April also demonstrates the effectiveness of the WEP as a cross sector body – representing as it does a partnership across Westminster, TfL the Mayor and private sector business to fund this showcase of public realm transformation. There was also encouragement from the Board to continue to aim high with the non-capital projects – such as that to support Westminster residents into employment across the WEP area.
- 3.1.9 There was recognition that the working group structure (People, Place and Prosperity) had run its course and that a new way of harnessing the interests of the various groups and sectors in the West End was now needed. Officers were asked to explore what this might look like and how the emergence of high profile issues such as Air Quality could be reflected in a re-casting of the work programme going forward. Overall the Board re-affirmed its commitment to the value of the WEP as the right vehicle to secure the long term future of the West End.
- 3.1.10 The TIF Bid was submitted to central government in March 2016 and business cases submitted in February. Whilst it was not agreed in the March Budget, a decision is awaiting Ministerial sign-off. Subsequent requests for further clarification have also been responded to and we remain in close touch with Government about the bid and how best to support it.

3.1.11 The Leader has also asked officers to look at alternative options for funding the initiative if the TIF Bid is unsuccessful. Work is progressing and will include exploring what the options might be for a reduced cost envelope should the full TIF amount not be forthcoming as well as how to ensure the private sector contributes fully to any of the funding scenarios.

3.1.12 The Board also received an update on the Oxford Street Project and the work that NWEA had commissioned to explore how the growth of the Oxford Street District could most effectively support the long term public realm transformation. They were also briefed on the draft materials for the first round consultation material in advance of the launch on 24 April. A more detailed update on the WEP's progress on Oxford Street is included in the Chief Executive's update to the Westminster Scrutiny Commission.

3.2 The Rationale for Scrutinising the WEP

3.2.1 The nature of future scrutiny arrangements for the West End Partnership will be determined by the scale and funding arrangements of the projects the partnership delivers. With a decision still awaited from government on the outcome of the TIF bid and the consultation underway on the future of the Oxford Street District, it is too early to present firm options for how the WEP could be scrutinised in the future. However, to give the Commission an early view on how other areas have approached the scrutiny of multi-agency partnerships, this report looks at the guidance available on the scrutiny of partnership bodies and discusses examples of where different arrangements have been established. Should the WEP become responsible for substantial additional amounts of public money, the Commission may wish to examine these examples in more detail at a later date.

3.3 The Challenge of Scrutinising the WEP

3.3.1 Published Guidance:

There is limited published guidance on the scrutiny of multi-agency partnerships. The Centre of Public Scrutiny concluded that the scrutiny of strategic partnerships tends to be ad hoc and opportunistic, with attempts at more complex and permanent structures having limited success.

3.3.2 The Scrutiny of Multi-Agency Partnerships, published in 2010 between the Welsh LGA and the Centre for Public Scrutiny provides one of the few examples of written guidance. It argues that scrutiny should have a pivotal role to play in ensuring that such partnerships are accountable for their performance, make efficient and effective use of public resources and are informed and directed by community needs, views and aspirations.

4. **Examples of other multi agency scrutiny**

4.1 Local Service Board Scrutiny Performance Panel

4.1.1 Local Service Board Scrutiny Performance Panels were established in Welsh legislation to scrutinise local service boards, which are multi-agency boards

overseeing the delivery of local public services in Wales. Scrutiny is led by a multi-agency panel with a core membership of seven including four councillors and three non-executives from the other local partner agencies. This core membership will reflect the membership of the local Service Board Executive Group.

- 4.1.2 In addition to the core membership, the panel is also entitled to co-opt additional members on a temporary basis. Co-optees cannot be acting in an executive capacity for any of the partner agencies and may only be invited to join the panel with the unanimous consent of each of the core seven members.

4.2 Lessons from Local Service Board Scrutiny

4.2.1 Key lessons identified include:

- It is important to take account of existing “scrutiny” or accountability mechanisms that other partners may already have in place: scrutiny should complement rather than duplicate
- It is important to clarify the scope of scrutiny activity- that scrutiny will focus on the partnership as opposed to the individual organisations that are in the partnership; that it is strategic not operational and that it is outcome focussed
- It is important to manage the expectations of those carrying out the scrutiny and those being scrutinised
- Scrutineers need to be sensitive to changes in dynamics and how scrutiny can assist or exacerbate these
- Approaches could include using existing scrutiny committees or through co-opting representatives of other partners onto an existing committee.

4.3 Advantages and disadvantages

- 4.3.1 This approach seems to have a clear rationale and a very thorough approach to achieving scrutiny of the multi-agency partnerships operating in Wales. The role of the local authority in putting in place the arrangements for scrutiny of these partnerships is enshrined in government guidance. From the lessons learned it is clear that a great deal of investment is made in the scrutiny body and the partners being scrutinised to understand each other’s role and the scope of the scrutiny as well as ensuring that the scrutiny does not duplicate any existing arrangements that may be taking place.

4.4 **The Edinburgh Trams**

- 4.4.1 The Edinburgh Tram project did not start off with any inbuilt member led scrutiny. Scrutiny arrangements were put in place once the project had already run into overspend and delays, which included:
- Regular internal weekly meetings at officer level with their private sector partners
 - A weekly briefing with Transport for Scotland and officers
 - Monthly meetings with the project contractors who were project managing it for them

- A joint project board which met 4-5 times a year. The principles were to look at every part of the partnership and to build relationships and adopt a problem solving approach.
- A working group which provided all party oversight and included Councillors and Transport. These were informal monthly meetings with presentations to be scrutinised. At this stage they were running a £250 million overspend.
- A Transport Forum- which brought in the private sector, cycling groups and met informally.

It should be noted that all the scrutiny arrangements that were established were at an officer rather than a Member level.

4.2.1 Advantages and disadvantages

When asked about learning, officers at Edinburgh City Council identified the need for real clarity of purpose in any arrangements you establish. Another key piece of learning was to establish scrutiny early on to satisfy the council that the arrangements are robust and not to wait until there is a problem to think about scrutiny.

4.3 The Garden Bridge Project

The Garden Bridge was envisaged as running from the Temple to the South Bank and it has received various types of scrutiny.

The GLA Oversight Committee started a review of the design procurement in September 2015. The Committee was joined by representation from TfL and two independent architects. On 17th March 2016 they reported and published their findings and recommendations. The latter were that:

- TfL consider reimbursing the unsuccessful bidders from the Garden Bridge design contract to compensate them for their loss of time and expenses in preparing the proposals
- The Mayor's office should compile written reports of all meetings with external bodies, including clarity about what capacity he is there in and
- The TfL Audit and Assurance Committee should publish audit reports in full, not just the summary and conclusions

On 19th January 2017 the Westminster Housing, Finance and Corporate Services Policy and Scrutiny Committee "called in" a decision made by the Cabinet Members for the Built Environment and for Finance and Corporate Services regarding the acquisition, appropriation and disposal of property intended to facilitate the next stage of the Garden Bridge. The decision was taken on 20th December after councillors had received a large amount of correspondence in relation to this decision. .. The Committee sat with the contribution of the then Chairman of the Environment and Customer Services Policy & Scrutiny Committee and decided to refer the decision on the

acquisition of property required to build the bridge back to Cabinet Members for further consideration taking into account the following points:

- Members suggested that the Cabinet Members consider whether the council should require the Garden Bridge Trust to demonstrate that it has sufficient funds including contingency in place prior to construction starting on the bridge.
- Members asked for assurance that the impact of the extra estimated 7m footfall that would result from the Bridge on the council's public realm and on its services had been fully considered.
- The committee also considered it essential that the council advertises the proposed acquisition and appropriation of land as required and that it considers the responses to this consultation prior to taking a final decision on such matters.

The cabinet members were written to with these recommendations and an interim response was received outlining their response to the recommendations which was positive.

Lambeth Council also had a call in on the Garden Bridge. This was a call in of the cabinet member decision regarding the lease held by the Coin Street Community Builders relating to land on the South Bank. The committee decided not to refer back but made some recommendations.

In October 2016, the new Mayor asked Dame Margaret Hodge M.P. to review the: "value for money, escalating costs and conduct and procedures in procuring the works associated with the Bridge to date." She reported on 7th April 2017 and was highly critical in all three areas. The original ambition for the Bridge was that it was totally privately financed, but to date it has cost £37m in public funds (£46m if the government costs in underwriting cancellation are included). She recommends:

- Greater transparency is introduced for procurement processes and more effective checks and balances are put in place to ensure that public money is properly and well spent.
- The authority and accountability of audit, legal and the commercial teams of TfL should be reviewed to make certain that their advice is independent and that their accountability reinforces that independence and that
- The Mayor should conduct a review of employment conditions so that there can be no hint of a conflict of interest when contracts are let by TfL or the Greater London Authority.

On 28th April the Mayor came out publicly to withdraw support for the Garden Bridge. He said he would not provide the financial guarantees needed for the construction to begin. This is critical because the planning permission expires in December 2017, making the timetable to fill the Private funding gap of £70m appear impossible. Although most commentators now say the Bridge is no longer viable, the Garden Bridge Trust still say they can raise the private funds to deliver.

4.3.1 Advantages and disadvantages of this approach

As can be seen from the timeline above, various aspects of the Garden Bridge have been scrutinised by the GLA Assembly, by Westminster, by Lambeth and we have had a detailed report commissioned by Mayor Khan and carried out by Dame Margaret Hodge. These various inquiries have been held over a two year period each examining different aspects of the proposed Garden Bridge and each making recommendations to their relevant constituent bodies/authorities. They can be judged to be successful within their own terms of reference. The advantages of such an approach are that each body can scrutinise within their area of competence (powers) and focus on the key elements of the project to satisfy them.

5. **Options for Scrutinising the West End Partnership**

Future options for scrutinising the WEP will depend on the timing of potential funding becoming available and key projects moving into delivery.

It is proposed that until the WEP takes on responsibility for co-ordination of substantial additional sums of public money, the Leader of the Council continues to report to the Commission on the work of the partnership.

However, should the nature of the work of the partnership change, the Commission may wish to consider alternative scrutiny arrangements.

5.1 Option 1

It is recommend that until the WEP becomes responsible for substantial additional sums of public money there is a standing item at each Commission meeting where the Leader and Chief Executive provide a regular update to the Commission and respond to questions .It should be noted that the Chief Executive and Leader may not always appear in person at each meeting.

5.2 Option 2

If the WEP becomes responsible for substantial additional sums of public money, the Commission may take the view that WEP should report only on an ad hoc basis based on projects, spend and risk. This model would assume that the partnership was functioning well and would take reports by exception.

5.3 Option 3

If the WEP becomes responsible for substantial additional sums of public money and it was felt that there was benefit in holding the full range of partners to account, to the Commission may wish to work jointly with Camden, TfL and private sector partners and others to expand the membership of the Commission and give it the authority to scrutinise across

the partnership bodies. It is envisaged that such a Commission meeting may take place perhaps annually and would require the addition of non-executive representatives of some of our key partners to the Commission for this purpose (WEP Board members are shown at Appendix 1). Recommendations would then be made to the WEP Board who would respond back to the Chairman. It is proposed that this option provides the most robust scrutiny possible and should be adopted if the WEP is successful in securing TIF funding.

6. Next Steps and Conclusions

6.1 The Commission is steered towards Option 1 in paragraph 5.1 above and that this is kept under review and is revisited should the WEP become responsible for additional sums of public money so that scrutiny arrangements:

- Ensure good value for public funds
- Ensure transparency in the work of the WEP
- Be proportionate to the funding and risk that the WEP carries
- Avoid duplication of any other scrutiny arrangements already being carried out.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact Muge Dindjer x2636
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APPENDICES:

Appendix 1 shows the WEP Board membership

BACKGROUND PAPERS

Scrutiny of Multi-Agency Partnerships- Welsh Local Government Association and Centre for Public Scrutiny- 2010

West End Partnership

Board Membership

Cllr Nickie Aiken

– Leader, Westminster City Council (Chairman)

Cllr Phil Jones

– London Borough of Camden, Cabinet Member, Regeneration, Transport & Housing

Val Shawcross CBE

– Deputy Mayor for Transport, Mayor of London's representative

Simon Loomes

– Chair, Baker Street Quarter, representing Business Improvement Districts

Professor Tony Travers

– London School of Economics (academic advisor)

Mike Brown MVO

– Transport Commissioner, Transport for London

Matthew Bennett

– West End Community Network (Westminster) and Chair, WEP People Group

David Kaner

– West End Community Network (Camden)

Alex Beard CBE

– Chief Executive, Royal Opera House, cultural sector representative

Attended by:

Cllr Robert Davis DL MBE – Westminster, Chair WEP Place Group

Charlie Parker – Chief Executive, Westminster City Council – lead officer

Graham King – Westminster City Council/WEP Team

Ed Watson – Westminster City Council Executive Director Growth, Planning & Housing

Julia Corkey – WCC, Director of Policy, Performance and Communications

Alexandra Jones – Centre for Cities

Karen Galey – London Borough of Camden

Fiona Fletcher-Smith – GLA, Exec Director Development Enterprise & Environment

Jace Tyrrell – Chief Executive, New West End Company (Oxford Street issues)

Matthew Jaffa/Colin Stanbridge – Federation of Small Business/London Chamber of Commerce & Industry joint representatives as observers

Alex Williams, Transport for London, Director for Borough Planning

Peter Vernon

– Grosvenor UK & Ireland, representing London First (Deputy Chair)

Neil Thompson

– representing Westminster Property Association

Craig McWilliam

- Grosvenor