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Title:	Chief Executive's Update
Report of:	Charlie Parker, Chief Executive
Cabinet Member Portfolio	Leader of the Council
Wards Involved:	All
Policy Context:	City for All
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1. Executive Summary

1.1 This report provides an update for the Westminster Scrutiny Commission on the following items

- TIF Bid
- Devolution
- Health & Social Care Sustainability and Transformation (STP) Plan
- Tri-Borough to Bi-Borough Programme
- Corporate Transformation Update
- Managed Services Update

2. Key Matters for the Committee's Consideration

2.1 The Commission is asked to:

- Note the report and provide feedback on recent activity

3. Tax Incremental Finance (TIF) Bid

3.1 The West End is the most dynamic and diverse city centre in the world, with a huge capacity to rapidly generate economic growth and jobs of benefit to the country as a whole. It competes internationally, rather than with other UK cities, but creates benefits for elsewhere in the country. But, without

investment in the West End's public spaces, transport and other infrastructure, private investment will become attracted to better global business environments elsewhere. The West End's current and future prosperity is at risk as other major international cities are embarking on huge investment in their infrastructure, public realm, retail and commercial offers.

- 3.2 The West End is the heart of the economic and cultural life of the UK – it is our national shop window, front of house, meeting place, summit host and headquarters. What happens next in the West End will be a signal of how well the UK is responding to the profound economic challenges ahead.
- 3.3 Members will be aware that as a result, in partnership with TfL and the GLA, and with the support of the WEP Board and the London Borough of Camden, we have submitted Full Business Cases (FBC) to Government in early October. The investment case supports the £1bn WEP Programme with £320m through a TIF arrangement linked to business rates.
- 3.4 We have explained to HMT that we are looking to retain only £40m more a year of the £1.8bn of business rates generated in the area. In return, we have demonstrated to HM Treasury that on a net basis – i.e. over and above the tax take they would otherwise receive without the WEP programme - the Exchequer would benefit substantially from further investment in the West End. By retaining 6.5% rather than the current 4% of local business rates and reinvesting that additional sum into the West End, major co-finance can be attracted from the business sector. This £320m TIF agreement to 2030 will create £12.3bn additional economic output (GVA) and £3.8bn more taxes for the Exchequer over the 15 years of the WEP programme, having accounted for the cost of the programme. Jobs growth could also improve, supporting an additional 102,000 jobs, which will enable the West End labour market to keep pace with the needs of London's growing population and make major advances in productivity and efficiency.
- 3.5 We have made the case that Crossrail 1 (the Elizabeth Line) will create additional opportunities for the West End but also add major pressures, which, unless addressed, could do damage to London's and the UK's economy. We also look forward to the impact that Crossrail 2 will make on the area and show how the WEP programme will help prepare better for this major investment in the capital's transport network.
- 3.6 Since the submission of the FBCs to Government this autumn, an extensive programme of lobbying has been implemented to ensure that that key players at the Treasury and across Government are aware of the strength of support from the Business Community, as well as the public sector.
- 3.7 Should the bid not be included in the Autumn Budget, officers are also liaising with central government and the business community to consider alternative approaches to securing the necessary finance to complete the transformation phase of the programme with TfL financing the transition scheme

4. Devolution

4.1 The government agreed a Memorandum of Understanding (MOU) on further devolution to London alongside the Spring Budget on the 8 March. The agreement with the GLA and London Councils includes joint working to explore the benefits of and scope for;

- Development and funding infrastructure
- Transport
- Criminal Justice
- Business Rates
- Health
- Skills
- Employment Support

4.2 The government has written to the Mayor and Chair of London Councils confirming the government's intention to honour the MOU.

4.3 The Work and Health Programme represents the first devolution to London government and is part of a wider ambitious set of devolution proposals being progressed by Central London Forward (CLF) and London Government, which includes adult skills budgets. The Work and Health Programme is a five-year employment scheme to provide support for benefit claimants across Central London with an estimated value of £55 million.

4.4 As part of the devolution of the Work and Health Programme to London, the Council has entered into a MOU with the other members of CLF to enable the Corporation of London to commission the programme on our behalf. Westminster and CLF's preferred provider has been selected and the mobilisation process for the contract has begun. The selection of a preferred bidder is a significant step for the programme and will enable officers to progress the work to integrate Central London Works with existing local services.

4.5 London Councils & the GLA also signed a MOU with DCLG to explore the potential for London to create a business rates pooling pilot from 2018/19. Work is on-going to finalise this and London Leaders have committed in principle to form a pool for a two-year period from April 2018. The Council has until mid-January to formalise its support for on this pilot.

4.6 Further announcements relating to Health & Social Care and Housing devolution continue to be expected in due course. I will continue to update the Westminster Scrutiny Commission on the progress of this work.

5. Health & Social Care Sustainability and Transformation (STP) Plan

5.1 Work continues to further the implementation of the North West London STP Plan. A programme delivery infrastructure has now become well embedded based around 5 STP Delivery Areas, which are aligned with Health and Wellbeing Priority Areas.

- 5.2 It is anticipated that during the autumn, some changes will be made to the governance arrangements for delivering the plan.
- 5.3 Sustainable Transformational Funding (STF) is not available for local authorities in this and the next financial year. However, it is anticipated that some additional funding will be made available in 2019/20. For WCC budget purposes, it is being assumed that funding may not be available in the near future. Nonetheless, some funding that has been agreed to go to the NHS in the next two years, which will improve services to reduce the number of people staying in hospital and creating more beds in the system. The profile of the funding does, however, make the delivery of STP objectives of improving wellbeing, improve quality of care & achieving finance efficiencies significantly more challenging.
- 5.4 In these circumstances, officers continue to meet with colleagues from the NHS and other Local Authorities to progress the STP Business Cases. Officers are focusing on 5 Business Cases as they are more developed and are not reliant on STF funding; they are namely
- Discharge to Assess
 - Alcohol Prevention
 - Time of Crisis
 - Work & Health
 - Enhanced Care in Care Homes
- 5.5 While STP funding profiles is being clarified, alternative means of delivering better, more joined-up health & social care services (that might include funding for NHS parties through the first phase of STP monies) are being pursued. This includes
- Integrated Better Care Fund (iBCF)
 - Integrated Health & Social Care Services
 - Mental Health Transformation & Reconfiguration of Hospital Services
 - NWL CCGs Sub-Regional Collaboration Plans

6. Tri-Borough to Bi-Borough Programme

- 6.1 The consultation of affected staff in Tri-Borough Adult Social Care, Public Health and Children's Services ran from 3 October until 2 November. The consultation was supported by a thorough communications programme, including staff engagement events, as well as a dedicated intranet hub.
- 6.2 The consultation report and final staff structures were published internally on 15 November. A small number of staff will be subject to a competitive assimilation process ahead of a phased launch of the new Bi-Borough services in the New Year.

6.3 The new Bi-Borough staff structures will be fully implemented by 1 April 2018. A report will be considered by Cabinet in December, finalising all the arrangements.

7. Corporate Transformation Update

7.1 Cabinet agreed the high-level definition for the corporate transformation portfolio at Cabinet Briefing in April 2017.

7.2 The corporate transformation programmes are:

- **Hubs:** To increase access to preventative services for those with multiple needs and improve the use of our estate / resources with others.
- **One Front Door:** Better local services & reduced cost through better client records, effective data sharing, joint assessment protocols & multi-skilled staff
- **Digital:** End to end review of customer contacts to identify digitally-enabled solution to more effectively manage demand
- **Differential Services:** Introduce tiered pricing and alternative revenue streams.
- **More Effective Neighbourhood Working:** Local delivery of services, which are tailored to the needs of the community
- **City Hall:** to improve the quality and efficiency of Westminster City Hall, to reduce overall cost to the Council, to provide interim accommodation for the period of the refurbishment and to manage the associated change.
- **Tri- to Bi-Borough Programme:** To establish bi-borough arrangements for Children's Services, ASC & Public Health, providing certainty for staff and safeguarding frontline services for the most vulnerable.

7.3 The programmes now report directly to EMT and the Commercial and Transformation Review Board, which is chaired by Cllr Tim Mitchell.

8. Managed Services Update

8.1 The Bi-Borough and BT have agreed the changes in service requirements, a Recovery Plan for any outstanding work, and Call-Off Contract arrangements.

8.2 Progress continues to be made with payroll and pensions recovery.

8.3 A report on the preferred managed services provider to replace BT will be presented to WCC's Cabinet meeting in December.

8.4 Detailed discussions will take place with LBHF and RBKC about the exiting arrangements for the BT contract, and to agree next steps for the relevant services.

8.5 Detailed scheduling of the implementation of new arrangements will begin in the New Year, subject to Cabinet's approval in early December.

**If you have any queries about this Report or wish to inspect any of the
Background Papers please contact Anne Pollock x2757
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APPENDICES: N/A

BACKGROUND PAPERS: N/A