

Date:	09 March 2023
Portfolio:	Finance and Council Reform
The Report of:	Councillor David Boothroyd
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1. Key decisions made in the preceding period since my last Policy & Scrutiny report dated 08 November 2022:

- 14 November 2022 – Writing off Irrecoverable Debt, Quarter 21 2022/23
- 17 November 2022 – Contract Award for the Refurbishment of 14-20 Orange Street
- 23 November 2022 – Extension of Existing Managing Agent's Appointment
- 16 January 2023 – Ebury Estate Renewal – Delivery Strategy and Viability Position (joint decision with the Cabinet Member for Climate Action, Regeneration and Renters)
- 23 January 2023 – Church Street Procurement Strategy (joint decision with the Cabinet Member for Climate Action, Regeneration and Renters)
- 1 February 2023 – Writing off Irrecoverable Debt – Quarter 3 2022/23
- 8 February 2023 – Award of New Contract to External Agents to Manage the Investment Property Portfolio
- 9 February 2023 – Council Tax Support Fund 2023/24
- 13 February 2023 – The Appointment of a Planned Maintenance Contractor at Huguenot House
- 24 February 2023 – Residential Leasehold Buildings Insurance Renewal

2. The following report includes my priorities and delivery progress to date:

2.1 Finance and Budget

After intense work through the Autumn and over the winter, the council's proposed Budget for 2023/24 has been completed and presented to Cabinet at the meeting on 13 February. In accordance with precedent, scrutiny was undertaken by the Budget Task Group.

The cabinet member has reviewed the Integrated Investment Framework at a meeting of the Investment Executive.

LGA Finance Conference

To get an understanding of wider issues within local government finance, I attended the LGA Finance Conference with the Executive Director of Finance and Resources, Director of Finance held in January.

PDHU

Officers and members have been holding a series of meetings over the Pimlico District Heating Unit. A Strategic Outline Case for the PDHU was agreed in January 2023 to develop four viable options for the future of the network. This will aim to both decarbonise the PDHU (which is the Council's largest emitter of carbon) and improve the service provided to tenants. The current budget includes a £13m allowance to progress the business case for the scheme and to support emergency network upgrades.

Financial modelling has always shown that the PDHU will require substantial investment, in the region of £175-225m, but until the project is clear the actual cost cannot be stated and therefore is not yet built into Council's capital programme. The works and expenditure will likely be phased over several years and will funding will likely be from a mixture of Government grant, leaseholder contributions and Council funding.

Green bonds

Preparation for the launch of the Green Bonds is moving forward, with the launch date provisionally set for mid March.

2.2 Cost of Living

Support for Residents

Support for residents is currently delivered via the government's **second Household Support Fund scheme between** October 2022 - March 2023 is £1,951,507. The Council is on track to fully spend this in line with the agreed plan, with £711,065 scheduled to be spent helping at least 12,563 households - a breakdown is:

- £44,749 for food vouchers for 10,559 low-income families (families eligible for free school meals) for the holiday periods.

- £42,500 for food vouchers for 867 vulnerable families (not eligible for free school meals)
- £22,000 for food vouchers for 440 vulnerable single people such as care leavers / known to council services
- £77,226 for food vouchers for 417 low-income households receiving Housing Benefit only that did not benefit from the £650 paid to households by Government on certain means tested benefits
- £50,000 to food charities
- £69,481 allocated to 278 households through the Hardship Fund
- £8,109 in administration

The Household Support Fund scheme for April 2023 to March 2024 has been announced and a Cabinet Member Decision will be taken in due course.

Connectivity Cost of Living Support

The following support is available to households:

- Holistic Digital Inclusion Support Pilot – refurbished laptop, internet connection and digital skills support
- National Data Bank SIM Cards
- Community Fibre Free Fixed Broadband Connections

The total saving for residents for the whole package of support is £23,519.90.

Support for Businesses

The support for businesses during the pandemic through the various Business Support Grant schemes and pandemic related NNDR reliefs has now concluded, as has the support for residents through the Test & Trace payments and pandemic related Benefit changes. All of the above were administered by the Revenues & Benefits service. Businesses that continue to experience financial difficulty can apply for NNDR Hardship relief (applications are considered by the Rating Advisory Panel).

£49,000 of financial contributions have been leveraged over the Christmas period from local businesses to support local charities including the North Paddington

Foodbank, the School Uniform Bank and other local food projects including Food Pantries.

2.3 Revenues Collection

The collection of Business rates (NNDR) and Council Tax at all local authorities was severely affected during the two years of the pandemic, primarily due to the long periods where recovery of debts was prohibited.

Business Rates collection has significantly improved in 2022/23 compared with collection during the two years of the pandemic and it is likely to meet our in-year target of 95% at year end, although the collection is still likely to be below the pre-pandemic collection levels of 97.6%.

Council Tax collection has unfortunately not recovered after the pandemic, although this is primarily due to resources being diverted to administer the government's £150 Council Tax Rebate scheme (as outlined above) and the associated cessation of recovery during the scheme's administration. However, collection has started to improve now that the mandatory element of the government's scheme has completed and since recovery has been re-instated for current year debt. It is hoped that the Council can improve collection during the remainder of this financial year in order to achieve the in-year collection target of 93%, but again this will be below the pre-pandemic collection performance of around 96.7%

2.4 Procurement and Commercial Services

Responsible Procurement & Commissioning Strategy Endorsed by Cabinet

The council's Responsible Procurement & Commissioning (RPC) Strategy, aligned with our Fairer Westminster vision, was endorsed by Cabinet on 12 December 2022. This Strategy maps out how we can use the leverage and opportunity that our significant spend brings, to drive ethical and sustainable business practices throughout our supply chain and derive a range of benefits for our local community.

The RPC Strategy is accompanied by a suite of documents that will be used to support its delivery:

- Supplier Charter – setting responsible business requirements for the organisations we work with, as part of supplier selection;
- Ethical Procurement Policy – a set of requirements on aspects related to workers' rights that will now be integrated as a schedule within our standard terms and conditions;
- Westminster's first Modern Slavery Statement – setting out how we are tackling forced labour, steps we have taken so far to try and ensure that it forms no part

of our supply chains and a six-month action plan for continuous improvement in our approach to due diligence.

The 'Fairer Westminster Delivery Plan' comms is planned for March 2023. The aim is that the RPC Strategy launch flows from this, with a launch in April 2023, emphasising how Westminster City Council is planning to deliver a Fairer Westminster through our procurement and commissioning activities. Prior to this launch, a comms plan and toolkit to facilitate delivery of the strategy is now being developed, alongside training and guidance materials for the procurement team and stakeholders across all directorates, as well as suppliers.

Global Majority Business Engagement Event

On 14 November, we held an Ethnic Minority Business (EMB) engagement event with our peers in the Metropolitan Police and the City of London. The event was co-organised by Minority Supplier Development UK, who the council are now affiliated with to support our supplier diversification aims. The event saw 70 people from EMBs across London convene to hear about each organisations' upcoming plans to increase our direct and indirect expenditure with smaller, local businesses, social enterprises and minority-led businesses including EMBs.

This half day event targeted businesses from sectors where the market can be most readily penetrated by smaller suppliers including construction professional services, corporate services including design and marketing, facilities management including cleaning and security and the IT sectors. Participants were divided into break out groups where each host organisation ran through pipeline opportunities and EMBs pitched their businesses and capabilities. Representatives from relevant departments around the council came to support the Procurement and Commercial Services team and learn more about how EMBs can be effectively integrated into their service areas.

The event was an important first step in our journey to making progress on this key objective within the council's Responsible Procurement and Commissioning Strategy, but we recognise there is still far more to do to break down barriers and actively encourage diverse and local SME participation in our supply chains. This is a theme the whole Procurement team will be working collaboratively on over the coming months.

Living Wage accreditation renewed by the Living Wage Foundation

In July 2019 Westminster City Council Cabinet committed to ensure the Council adopts the Living Wage Standard, and in November 2019 we were officially recognised as a Living Wage accredited organisation. Our commitment to the Living

Wage then and now remains a core element of our approach to procurement within Westminster City Council. This has been clearly demonstrated by our recent reporting figures, where 100% of in-scope contracts over £100k awarded between October 2021 and September 2022 included Living Wage commitments.

2.5 Insourcing

Procurement, working closely with Cllr Ormsby, Deputy Cabinet Member for Procurement, have drawn up an Insourcing Framework. The framework proposes an organisational approach to support insourcing decisions which is consistently applied across the council.

This framework has been shared with ELT who are having discussions with their respective cabinet leads to identify possible projects to investigate the insourcing option and are continuing to refine the approach.

2.6 Corporate Property

Carbon net zero award

The Corporate Property Sustainability team have won the Energy Savings Award for the 'Public Sector Project of the Year' for their Carbon Management Programme. The team have been working on decarbonising the Property Operational Estate. The Carbon Management Programme funded by a £13m PSDS grant was completed on 30 June 2022 and is projected to deliver circa 1,600 tCo2e / 20% reduction in the Councils operational buildings baseline emission. The funding has produced carbon savings across a range of 61 operational buildings including Council offices, leisure centres, libraries, schools, community centres and nurseries. We have installed a wide variety of energy conservation measures such as pipework insulation, BEMS optimisation, draught proofing, EC fan replacements, Heat Pumps, Solar PV and LED lighting upgrades, delivered through 135 projects.

The Phase 3b submission for funding from Salix/BEIS

We are awaiting a decision from Salix Finance on our latest grant bid of £3.8m. A decision is expected by the end of January 2023. The project team have developed a phase 2 programme of works building on the success of the phase 1 which would deliver a further reduction of over 580 tCO2e.

Seymour Centre

Regular swimmers at the Seymour Centre have been raising concern at the initial proposal to reduce the size of pool as part of the refurbishment. After much

consideration and further analysis of the plans, we have instructed the team to keep the existing main pool to the same dimensions. The pool will be re-lined and refurbished and will have deck level access to ensure that as many people as possible can use it.

This change will impact upon the previously proposed spectator seating and some changes will be required to the changing room space. However, the changing rooms will be completely refurbished and will remain a separate male/female facility with the retention of a family changing area.

Property Investment Panel reorganisation

A minor change to the role of the Property Investment Panel and its expert advisers has been agreed.

2.7 Digital and Innovation

Contact Centre

Since the corporate contact centre moved in-house, the improved performance has continued. In December, over 92% of calls were answered, above the 90% target, and 79,5% of calls were answered within 30 seconds, above the 70% target.

The service has worked with the Economy team to recruit six residents as Customer Service Advisors, and ongoing training is provided to all CSAs. Post-call surveys are offered, and responses that do not meet target are within a percentage point of the target. Performance in this measure is stable, although there has been marked improvement in customers feeling their query has been resolved since the service was moved in-house.

The out of hours contract continues to be operated by Agilisys. Performance has been stable until December, where a number of issues led to a surge in demand for the contact centre. On 17/18 December a burst water main affecting six postcodes resulted in three times as many calls as normal to the contact centre on those days, but performance was otherwise good.

Report-It

The Report-It survey resulted in 401 responses from a broad range of respondents. The survey was promoted on social media, which helped to increase responses from younger people. The results were as expected, with residents' top concerns being around waste, noise and highways.

Of the respondents who had used Report-It, only 29% were satisfied with the outcome, and the vast majority expressed problems using Report-It, most commonly difficulty in using it, or not receiving a reply.

The results of the survey, and other elements of the Discovery work, will be used to develop the plans for Report-It. Playback sessions for respondents have been arranged for early March, and dedicated playback sessions for Members are planned.

Officers are planning how to deliver the proposed changes in terms of technology, processes and people, and next steps will be shared in due course. A webpage is being developed to update members of the public on progress, and a summarised discovery report will be published on this webpage in the coming weeks.

Free School Meals – Digital Portal

Families are still encouraged to apply for free school meals even if their child receives universal free school meals at primary school. The Digital team has been developing the digital offer to improve the user experience of applying for FSM, such as streamlining the application process, receiving results sooner and reducing the need for additional information to be provided.

2.8 Council Reform

Council Meetings

Discussions about how to enable greater and more flexible public participation in council meetings, and making them more responsive to community concern, have continued to progress. The Governance and Councillor Liaison team, and the legal team who oversee the constitution including Standing Orders for council meetings, have met to exchange ideas and proposals, and weigh up the practical implications.

Our Voice – Staff Survey

The results of the staff survey have been analysed, with feedback across all directorates improving, and the high levels of engagement we saw over the pandemic having been maintained. The average response rate across the council was 70%, and directorates are analysing any areas of concern and developing plans to address them.

Electoral Services – Voter ID

All elections held after 4 May 2023 will require people to present photographic identification to vote in person. I have met with Electoral Services to discuss their plans to communicate this change with residents, both in advance of the next scheduled elections in May 2024, and any elections that happen before then. Electoral Services will work with Communications over the coming months on this.

Audit issues

I have had a meeting with the council's external auditors Grant Thornton to discuss the Value For Money audit for financial year 2021-22.

The recruitment of an independent member to serve on the Audit and Performance Committee has been successful with a strong candidate being selected. He met (in an online meeting) the chair of the committee, the opposition spokesperson and myself, at the beginning of February and will be formally appointed imminently.