



**Date:** 26 September 2023  
**Portfolio:** Finance and Council Reform  
**The Report of:** Councillor David Boothroyd  
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**1. The following key decisions were made in the period since my last Policy & Scrutiny report dated 20 July 2023:**

- 19 July 2023 – Westmead – the Appropriation of Land for Planning Purposes (joint with the Cabinet Member for Climate Action, Regeneration and Renters)
- 20 July 2023 – Ebury Bridge Estate Renewal – Supplemental Agreement to the Building Contract with Bouygues (UK) Ltd. Phase 1 (joint with the Cabinet Member for Climate Action, Regeneration and Renters)
- 01 August 2023 – Ebury Bridge Estate Renewal – Phase 2 Demolition (joint with the Cabinet Member for Climate Action, Regeneration and Renters)
- 04 August 2023 - Writing off of Irrecoverable Debt (Quarterly Report) – Quarter 1 2023/24
- 08 August 2023 – Westmead Development – Approval of the Full Business Case and the Appointment of the Main Contractor to Deliver the New Development (joint with the Cabinet Member for Climate Action, Regeneration and Renters)
- 09 August 2023 – Leisure Contract Variation (joint with the Cabinet Member for Resident Participation, Consultation Reform and Leisure)
- 13 September 2023 – Ashbridge, Ashmill and Cosway Site – Settlement of the Main Construction Final Account with Geoffrey Osborne Ltd (joint with the Cabinet Member for Climate Action, Regeneration and Renters)
- 15 September 2023 – CCS Energy Purchase Agreement for 2024-25 Supply Period (taken under Special Urgency)

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

### **2.1 Budget Preparation**

#### Zero Based Budgeting

Starting in July, a meeting with each directorate has been held as part of the Zero-Based Budget Review. The meetings have been based on an analysis of directorate spend, looking at the individual programmes and departments but also thematically at income and identifying spending on staffing, supplies, premises and contracts. The meetings have been attended by Finance colleagues, relevant Directors and Cabinet Members and have discussed prospects and priorities for each directorate, establishing areas where we have options over income and expenditure, and identifying areas for deep dives and further investigation. We have been guided by the Fairer Westminster priorities.

The deep dive meetings are being scheduled to take place in the autumn to fit with the Budget timelines.

### **2.2 Revenue Collection**

Revenues collection in 2022/23 was good. NNDR “In year” collection rose from 91.8% in 2021/22 to 95.5% in 2022/23. This is a very good outcome given the insolvency of a large number of companies following the pandemic. The service is well placed to improve collection further in 2023/24, indeed collection in the first couple of months of 2023/24 is on a par with the Council’s best ever collection percentage of 97.6% achieved just before the pandemic.

Council Tax collection also achieved a good result increasing “in year” collection from 91.5% in 2021/22 to 93.6% in 2022/23, although this remains below the pre-pandemic collection level of 96.7%. The achieved collection level was especially pleasing given that significant resources were diverted to administer the government’s £150 Energy Scheme during 2022/23. The government’s scheme also meant that Council Tax recovery had to be halted for a large part of the year. It is expected that the service will deliver further improvements in collection in the future, providing there are no more government schemes to administer. Collection in the first couple of months of 2023/24 is showing further improvement.

Both revenues met their business plan in year collection targets.

In line with Fairer Westminster objectives, the Council transitioned to an Ethical Recovery process partway through 2022/23, with the new process outlined below. It

is not considered that the Council's new Ethical Recovery process has had any significant effect on the 2022/23 collection level, although the 2023/24 financial year will enable a proper analysis of the effect on Council Tax collection.

### **2.3 Cost of Living Support**

The Council's approach for spending the £3.9m Household Support Fund (HSF) for 2023/24 was approved in May 2023. The areas of focus include:

- Support for approximately 5,000 low-income families eligible for free school meals through food vouchers in the holidays.
- Food vouchers for approximately 2,400 households not eligible for the Government's cost of living payment as they are in receipt of Housing Benefit or Council Tax Support only which are not qualifying benefits. The first of these vouchers were sent out in July with further ones before Christmas.
- A Cost of Living Support Fund based on referral from the advice sector to help struggling households that are mainly in receipt of benefits.
- A Hardship Fund that households can apply to where they missed out on Government's Cost of Living payment as they are getting the right qualifying benefit, but not at the right time. The criteria are being updated in October to target households that are struggling and just outside eligibility for benefits.

Around half of the HSF has been distributed.

### **2.4 Corporate Property**

#### **Sussex Street petition**

At the full council meeting on 28 June, Councillor Ed Pitt Ford presented a petition signed by 105 local residents calling on for the Sussex Street playground in Pimlico to be redeveloped into a public green space for all.

The playground at Sussex Street is a historic bomb site never previously used as public open space/green space, prior to its development as a play area in 1970. It was used by Children's Services until 2016 with the decision taken to close it in 2015 due to budget constraints. The site was closed and nothing progressed in terms of redevelopment or the creation of public open space. Subsequently, in September 2018 the council entered into a lease with Eaton Square Schools for them to utilise the play area. This arrangement remains in place, reviewed on an annual basis.

The Fairer Westminster Strategy priority of Fairer Housing includes identifying potential sites for residential redevelopment and this site has been identified as an underutilised site having potential to provide much needed homes in Westminster.

The Corporate Property team instructed architects in 2022 to produce a massing study which examined how the site could be redeveloped to create new homes and publicly accessible open space. The study identified a number of options in efforts to demonstrate the most viable and efficient solution which not only maximised the development value of the site but offered green open space, accessible to the public. We have noted the Pimlico Neighbourhood Plan and its specific reference to the site and the desire to see it opened up further given its lack of open public access currently and historically.

The Development Team have identified a dedicated resource to progress the feasibility study and further developed options will be presented to relevant Cabinet Members in due course, once a preferred option has been identified. Engagement with local councillors and the local community will be undertaken to ensure that future proposals meet aspirations.

### **Emanuel House**

Emanuel House is a housing block which is owned by Westminster City Council, but in the General Fund and with the large majority of flats being leasehold. When the adjacent office section of Emanuel House was redeveloped in 2006 the council offered to sell the freehold to residents for a notional sum provided a proper freehold company was set up. Prolonged negotiations did not make progress.

Following consultation with officers I made a renewed but time limited offer last year. Unfortunately, residents considered that uncertainty over current major works and the likelihood of a substantial major works bill charge made it impossible to establish a freehold purchase company at this time. They remain interested in doing so once the works are completed.

As the time for the offer has expired I have withdrawn it. After meeting residents I have agreed, and the council has written to all leaseholders to inform them, that the council is not planning to dispose of the freehold and are still keen to work with residents to assist them in the steps needed to form a residents' management company.

## **Property Investment Panel member**

The Council has a Property Investment Panel which considers the council's property portfolio and advises on new proposals for strategic investment. It includes two independent members who are property industry experts. Dr Robin Goodchild, formerly of LaSalle Investment Management, retired from the panel earlier this year and I would like to thank him for his contribution and sage advice to successive council administrations.

Recruitment of a new member of the panel is currently underway.

## **Reinforced Autoclaved Aerated Concrete (RAAC)**

Reinforced autoclaved aerated concrete (RAAC) is a lightweight, precast, cellular concrete building material cast with steel reinforcement. It was used in construction in the UK and parts of Europe from the mid-1950s to 1980s. RAAC was found in the 1990s to have limited structural integrity in older roof panels in particular, and was liable to fail without warning, with no visible deterioration. RAAC is very porous and highly permeable. This means that the steel reinforcement is less well protected against corrosion than traditional concrete where there is water ingress. Attention has recently been focused on schools. Due to the age of Westminster's community school buildings, it was deemed highly unlikely that there was any RAAC construction. However, the council engaged RAAC trained surveyors earlier this year to complete surveys across all Westminster schools and nurseries. All schools and nurseries have had an initial visual survey completed with no increase in risk of presence of RAAC identified. To be completely sure that no RAAC is present, further limited intrusive surveys have been commissioned in small areas in six premises where it was not possible to complete an initial visual inspection. These will all be completed by Thursday 21 September.

In order to mitigate risk a desktop exercise is underway to identify any structures where there is an increased RAAC risk. A RAAC survey has been instructed for a limited number of properties. This exercise includes properties in both the investment and operational estates and held in the HRA.

## **2.5 Digital and Innovation**

### **Generative Artificial Intelligence (AI)**

An initial staff guidance document outlining fundamental aspects of Generative AI and appropriate use of free and easily accessible tools such as ChatGPT has been drafted. An internal communications approach for dissemination is being developed whilst outstanding decisions on governance are being considered.

The current guidance is informed by a wide range of resources relevant to local government contexts, as well as internal insights, engagement and feedback. The council have been working closely with organisations like the London Office of

Technology and Innovation to ensure its approach adopts current best practice and data ethics considerations.

The intention is to maintain this guidance as an evolving, dynamic document to be updated with new advice and real use cases from different services. However, it is recognised the Generative AI landscape is ever-changing and the council cannot provide an exhaustive view of tools, opportunities and risks. The focus therefore is on key messages to enable officers to comply and make secure decisions about use, without stifling potential gains in productivity and creativity.

To compliment this approach a Community of Practice is being trialled in which cross-council colleagues convene regularly to address service specific contexts, enhance learning and collectively identify corporate risks.

Furthermore, to ensure the council adheres to GDPR laws and proactively mitigating risks, the Digital and Innovation leadership are working closely with the council's Data Protection Officer to strike the balance between enabling innovation and embedding appropriate governance steps. How best to incorporate this technology in our existing Data Strategy is also being reviewed.

## **IT Disaggregation**

Progress continues on migrating critical customer-facing applications, currently located in RBKC environments, to WCC servers and subscriptions within our existing multi-tenancy environment. This migration will take place over 5 phases and is due to be completed early in 2024. Once the transition is accomplished, complete ownership and management of the web applications will be assumed by WCC. The initial stage of migrating the WCC data warehouse has been delivered, with the subsequent phase of moving planning and street collection applications scheduled for September 2023.

The process of creating a thorough compilation of our technical contracts within the Digital and Innovation domains is nearly complete. This compilation will function as a valuable asset for managing upcoming procurement activities, facilitating disaggregation of joint contracts, and establishing a more robust and efficient infrastructure.

Discovery in collaboration with external partners has been initiated to explore optimal strategies for disaggregating our enterprise architecture and Microsoft 365 infrastructure from a multi-tenant environment to a sovereign WCC setup.

## **Laptop Refresh**

We have started planning a two-year programme to replace over 3,500 laptops, primarily Microsoft Surface Pros, to ensure council staff have the right equipment to fulfil their roles. Many of the existing laptops are long overdue replacement, and are underpowered and unsuitable for many of the roles that council staff perform.

The programme will bring substantial improvements to the deployment, support and asset management models. Long-term support and sustainability targets aim to maximise options to repair, re-use (for example into community digital inclusion programmes) and recycle (zero-to-landfill).

The procurement route will be confirmed in September, with the first deployments expected in Jan-Feb 2024.

The programme is expected to cost approximately £4m to replace the laptops covered by the capital programme, with additional service costs to be determined through the market engagement and procurement route, to be confirmed this September.