

Westminster Scrutiny Commission

THE LEADER OF THE COUNCIL'S UPDATE

Meeting on Tuesday 18th November 2014

1. West End Partnership

- 1.1 A great deal of progress has been made by the West End Partnership since the last time that I updated this group around a year ago.
- 1.2 As Members will recall, the West End Partnership, of which I am chair, was established in 2013, on the recommendation of the West End Commission, to bring together senior representatives from public services, businesses and residents, to provide stronger leadership, greater coordination and a more influential voice for the area. The key stakeholders associated with delivery in the West End sit on the Partnership Board: the Metropolitan Police, the Mayor's Office, Transport for London, Westminster City Council, partners from the private sector, including property companies and residents groups.
- 1.3 The West End Partnership is a sustainable, long-term approach to fostering and managing the benefits that can be harnessed in the West End for Westminster's residents, visitors and businesses alike, through bringing together a single voice and set of priorities. Through the West End Partnership, Westminster is providing effective place leadership, while recognising that encouraging and shaping economic prosperity and growth, in its various forms, will benefit local communities in the heart of what is a global city.
- 1.4 Over the past year, while achieving sustainable results across employment, enterprise, infrastructure, public realm, transport and business support, we have revisited our strategic approach, building enduring relationships with our stakeholders to give us a strong platform to deliver for Westminster's residents and businesses in the face of the financial challenges to come.
- 1.5 The work of the Partnership continues to be channeled through four thematic sub-groups: public realm; transport and infrastructure; the night-time economy; and marketing. These groups feed into, and take direction from, the main Partnership board.
- 1.6 The Partnership is able to harness the best creative and innovative thinking from across the member bodies to tackle issues that cut across the interests and remits of various bodies and authorities – in Westminster's case, ensuring the best possible deal for our residents and communities. For example, through working collaboratively with Transport for London, the Partnership is ensuring that the likely impacts of Crossrail are properly mapped and planned for, so that

the West End can not only cope with but also benefit from the increase in visitor numbers and footfall through ensuring strategic investment in the necessary transport and public realm infrastructure. Such investment will be of equal benefit to local Westminster residents as well as to the millions of visitors to the City.

- 1.7 The Partnership is in the process of finalising a long-term vision for the West End to which all of its members will subscribe and that will underpin the strategic direction of its work. In terms of deliverables, the Partnership has already been instrumental in securing more police visibility around Leicester Square, and is coordinating a major programme of public realm and road improvements. All of this work directly benefits our residents and local communities.
- 1.8 The Partnership is also modelling the impacts of a range of scenarios to aid joint decision-making and influencing Government to recognise the West End's economic importance and need for flexibility in areas such as cost recovery and the late night economy. Again, the resident is at the heart of this work, in terms of ensuring the best possible deal is achieved through our strategic working relationships with the bodies who form part of the Partnership.
- 1.9 All of this work is financially viable, leveraging funding and in-kind support from private interests by demonstrating a clear, shared vision and tangible results.

2. Growth Deal for London

- 2.1 The Commission received an update paper on the Growth Deal for London at its meeting in July of this year, shortly after the details were announced of the Growth Deal that had been secured from central Government.
- 2.2 To recap, the Growth Deal put forward by the London Enterprise Panel – the London local enterprise partnership (LEP) – centred on three areas: Employment Support; Skills Provision; and Housing Investment and Supply.
- 2.3 As a result of the deal, the LEP secured £236m from the Government's Local Growth Fund to support economic growth in the area. By 2021, HM Government expects this Deal to create at least 6,000 jobs and allow 5,000 homes to be built.
- 2.4 The area in which Westminster has until now focussed its efforts has been Employment Support. Our aim is to help Londoners into sustained employment through additional funding and freedoms that have been afforded to the eight central London boroughs that make up Central London Forward (which includes the City of Westminster). A time-limited pilot will be developed, targeting Employment Support Allowance (ESA) claimants who have been unsuccessful at finding work through the Work Programme.

- 2.5 Westminster has been instrumental in negotiating the detail of this pilot and cohort with central Government. There are currently more than 10,000 adults claiming ESA in Westminster at an average cost to the Exchequer of £8,831 per person per year and a total cost of over £88m per year. Mental health is the biggest single cause of ESA claims, but many clients have a variety of complex needs that prevent them from easily obtaining and holding on to employment. Success rates through conventional services such as the Work Programme are very low. In London only six per cent of new ESA claimants and 11 per cent of claimants with disabilities have found sustained work since the programme began.
- 2.6 The Central London Forward group of central London authorities expects to be jointly awarded £11.15m of additional funding to deliver a five year pilot that will help almost 4,000 Work Programme returners claiming ESA to find and sustain work. The pilot will test how the integration of employment support and wider public services can be better achieved at a local level for the very hardest to help, thereby delivering better job outcomes and producing increased fiscal savings in terms of a reduction in benefit expenditure and reduced demand for public services.
- 2.7 The key feature of the pilot will be the appointment of dedicated caseworkers who will provide residents with intensive support to tackle the issues that are inhibiting their path into employment. The design of the model has been informed by evidence of what works locally, including our Work Place Coordinator Scheme, Troubled Families programme and the Family Coaching Service. The pilot will aim to significantly improve on the performance of the Work Programme.
- 2.8 The other key focus of the pilot is in terms of managing demand on Westminster's services. We know that in pockets of high rates of worklessness and poor health, a relatively small cohort of individuals and households can have an enormous impact on public services in terms of demand and cost. By targeting our efforts at that group, we will not only improve the life chances of the individuals concerned enormously, but we will ensure significant savings are achieved at a time of increasing financial constraint and difficulty.
- 2.9 Success will unlock a series of progressive steps towards further local service integration. HM Government has immediately committed to '*open discussions on ways for London Government to play a greater role in the commissioning of the next phase of employment support programmes [including the Work Programme]*'. Over the longer term, and subject to the success of the pilot, HM Government will also grant London 'priority status' for any future policy changes to locally led commissioning arrangements for future employment services for the hardest to reach.

2.10 The pilot is one of only three to be granted nationally (the other two have been awarded to Greater Manchester and Glasgow) and it sets an important precedent that supports the Council's longer term objective of capturing a greater proportion of the upside of economic growth which can then be re-invested back into local services to benefit residents. The Council has played a leading role in securing this ambitious pilot which has positioned Westminster as a leader in the wider national and London wide debate on devolution, enhancing our influence with the Mayor and HM Government at a time when that debate has gained a particular momentum.

3. Budgetary Challenges Facing Westminster

3.1 Colleagues will be aware that the scale of reductions in local Government funding that we have faced since 2010 has been almost unprecedented. On a national level, there is an estimated funding gap of some £14.5bn between the funding available to local authorities and their projected expenditure in 2019-20.

3.2 In Westminster, we have had to achieve £100m of savings in the past three years, which we have successfully done, not only balancing the books at an incredibly difficult financial time for local authorities across the country, but also retaining the vast majority of front-line staff and services and maintaining – and even improving – Westminster's levels of resident satisfaction in the process.

3.3 We have done that by concentrating on driving out inefficiencies and taking a creative and innovative approach to service delivery. This was, of course, perhaps best showcased through the Tri-Borough programme, which has become the national benchmark and model for delivering shared services.

3.4 By focusing in that way, I am proud that this authority was able to achieve the necessary savings while, for example:

- halving the average length of care proceedings to 26 weeks, helping children in care find loving homes faster;
- ensuring a 10% reduction in reconviction rates through commissioning a shared service that has also reduced local spending on tackling re-offending by £6.1m over five years; and
- exceeded the Mayor's affordable housing target, with a total of around 1,200 built over the past five years out of a total of more than 5,000 new homes in Westminster.

3.5 However, the authority is now required to find a further £100m of savings over the next three years until 2018. That is of course going to be challenging and will have to effect the way that we do the things that we do as an authority. Westminster has always, quite rightly, had a reputation for innovation, and we will need to be at our resilient and flexible best over the years ahead.

- 3.6 The scale of the savings is such that it will not be possible simply to meet them through top-slicing departmental budgets. It will require creative cross-departmental and portfolio working, to realise savings through a fundamental change to the way that services are delivered. Only that way will we be able to continue fully to meet the demands of our residents and protect front-line services to the best extent possible.
- 3.7 This approach is being encouraged by central Government through additional funding streams and pooled budgets being made available targeted on outcomes, such as for example Troubled Families, the Better Care Fund and, as mentioned earlier in this update, Local Growth Funds.
- 3.8 In a number of areas, Westminster is working at the forefront of the public service reform agenda; rethinking our provision of services to concentrate on the resident interface with the Council and ensuring that those interactions are streamlined and made as efficient as possible, especially where individuals or families may call on a number of Council services. The Council has recently launched a new website and is focusing ever more on the importance of digital interaction with our residents – both from the point of view of the reduced costs to the Council, but also the increased convenience to individuals.
- 3.9T he demands placed on the Council from our residents, visitors and businesses will remain constant – indeed, according to some data, expectations are actually increasing. They have rightly come to expect the very best from this authority, and we must ensure that we continue to deliver to those standards. My Cabinet colleagues and I are working very closely in tandem to ensure that the savings that are required are achieved in a way that does not diminish those standards or threaten front-line services in the City.