



CITY OF WESTMINSTER

MINUTES

Housing, Finance and Corporate Services Policy and Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Housing, Finance and Corporate Services Policy and Scrutiny Committee** held on **Monday 12th September, 2016**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP.

Members Present: Councillors Brian Connell (Chairman), Barbara Arzymanow, Peter Freeman, Gotz Mohindra, Jacqui Wilkinson, Adam Hug and Roca

Also Present: Steve Mair (City Treasurer), Barbara Brownlee (Director of Housing & Regeneration), Jonathan Cowie (CEO, CityWest Homes), Martin Edgerton (Executive Director of Customer Services, CityWest Homes), Tracey Lees (CEO of Wandle), Tara Murphy (Scrutiny Officer) and Reuben Segal (Committee & Governance Services)

Apologies for Absence: Councillor Richard Holloway

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations made.

3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on 13 June 2016 be signed by the Chairman as a correct record of proceedings.

4 UPDATE ON WORK PROGRAMME AND ACTIONS

4.1 The committee was informed that the item on Housing Options Service Transformation (re-procurement) would be brought forward from the January to November meeting.

4.2 **RESOLVED:** That the responses to actions and recommendations as set out in the tracker be noted.

5 UPDATE FROM CABINET MEMBERS

- 5.1 The Committee received written updates from the Cabinet Member for Finance and Corporate Services and the Cabinet Member for Housing, Regeneration, Business & Economic Development on the key aspects of their portfolios.
- 5.2 In the absence of the Cabinet Member for Housing, Regeneration, Business & Economic Development, Barbara Brownlee, Director of Housing & Regeneration, responded to questions on the following issues:

Delivering Church Street Renewal

- 5.2.1 The Director of Housing & Regeneration was asked a number of questions relating to Church Street Renewal including the number of years that it would take to deliver the programme, the dependency of renewal on the delivery of affordable housing at West End Green, and the timing of this, and the progress of work at Lisson Arches.

The Committee was informed that the renewal of Church Street was one of the largest regeneration projects in London involving a dozen mixed use sites incorporating commercial and residential buildings, a rail station, tube station and new park. While a fixed end date for its completion has not been set it would be at least 10 years before the main elements are finished. Ms Brownlee stated that the main emphasis at present was progressing the master-planning and procurement exercise. The outcome of these would be reported early in the New Year where there would be clear briefs for each of the specific sites.

With regards to the affordable housing accommodation at West End Green, the Director of Housing & Regeneration advised that the Council was pleased by the 127 affordable housing units obtained as part of the planning consent. The units are of a good size and tenure and equate to 22% of the entire scheme. Demolition of the Church Street estate cannot begin until the decant has concluded. She explained that the Council was still in discussions with the housing provider as to when this would occur. While this would be partly dependent on the delivery of the units at West End Green other aspects of the renewal such as the redevelopments at Cosway Street and Ashbridge Street are able to proceed as these sites are already empty. In response to questions about the timing of delivery of the affordable housing at West End Green the director clarified that the planning consent makes clear that occupation of the market units cannot be occupied until the affording housing element has been delivered.

With respect to Lisson Arches, Ms Brownlee advised that the work on site to divert services and create a development platform is proving extremely complex. The record drawings for service locations and for the foundation of adjacent structures are not wholly accurate or complete. The project team are in constant dialogue with FM Conway and the utility companies seeking to expedite progress. Weekly meetings are held between the project lead, herself and the contractor. The expectation at present is that the programme deadline will be met.

Ebury Bridge

- 5.2.2 The Director of Housing & Regeneration was asked why the housing block at Ebury Bridge had not been demolished when it has been empty for well over a year. Ms Brownlee explained that the building was not empty but was being used for temporary accommodation purposes. The Council had acquired the first of two Soho housing blocks while negotiations were well advanced on the second block. When these have been acquired the tenants at Ebury Bridge will be decanted along with those in Edgson House after which the buildings will be demolished. The aim was for the latter to occur in 6 to 8 months. Residents had been informed about the plans at meetings and through adverts placed in writing on the estates.

Update on the Housing & Planning Act

- 5.2.3 In response to a question on when regulations to support the implementation of the act were expected to be published, the Director of Housing & Regeneration advised that the Council had received little information other than the regulations relating to the high-value void levy were likely to come forward in the second quarter of 2017. Regulations on Pay to Stay were expected in the autumn but will now not likely come forward until next year.

Homelessness Legislation

- 5.2.4 The Committee asked Ms Brownlee about the possible impact of the Bill for Westminster and for details of the Council's position to the legislation including any lobbying activities undertaken. Ms Brownlee explained that the bill places a greater emphasis on homelessness prevention and extends a duty to provide accommodation to the single homeless. She advised that the Council was not in opposition to the bill and supported broadening the prevention offer to help the homeless single. However, it did have concerns about two technical issues. These related to the possible removal of a local link which could result in the Council having a duty to house for 56 nights anyone in a priority category. This would have significant financial consequences to the authority both in terms of the cost of providing accommodation and of sourcing sufficient places as London attracts most single homeless people. She stated that there were presently good pathways to support single, vulnerable people but that the bill as presently drafted would lead to others being provided with less adequate and less well supported housing. She considered it to be a blunt response to a complex problem. The Council was part of a pan London group lobbying on the bill.

Broadband

- 5.2.5 Jonathan Cowie, CEO, CityWest Homes (CWH) provided an update on the provision of broadband on CWH estates. He stated that CWH was in the process of opening up the Council's estates to the provision of 1GB fast broadband. This was to be provided by three non-BT providers. The rollout to the Churchill Estate, which would be the first of three estates to benefit from the scheme, was expected to be approved next week.

Finance

- 5.3 At the chairman's request Steve Mair, City Treasurer, provided the committee with an overview of the budget setting cycle.

5.4 **RESOLVED:** That the updates from Cabinet Members be noted.

5.5 **ACTION:**

1. Provide the committee with an update on proposals for Berwick Street Market.
2. The Committee would like an update on which areas of Westminster would be the first to benefit from the rollout of the new Fibre to the Premises broadband. Members also want to know whether there are any residual planning issues that may affect the rollout.
3. With the joint Westminster/Camden BID by the Fitzrovia Partnership in mind, the Committee asked about the possibility of joint BIDs with other local authorities on the boundary with Westminster.

(Actions for: Councillor Daniel Astaire, Cabinet Member for Housing, Regeneration, Business & Economic Development)

4. The Committee would like a note on the rollout of 1GB faster broadband on CityWest Homes Estates including whether there will be affordable packages for those on low incomes.

(Action for: Jonathan Cowie, CEO, CityWest Homes)

6 UPDATE FROM CITYWEST HOMES ON THEIR TRANSFORMATION PLAN

- 6.1 The Committee received a Powerpoint presentation from Jonathan Cowie, Chief Executive, CityWest Homes (CWH) and Martin Edgerton, Executive Director, Customer Services, CityWest Homes on CityWest Homes Transformation Plan.

The presentation set out:

- the wider context for CWH transformation agenda
- some of the key challenges faced
- the outcomes the transformation will deliver
- the vision, how the new approach will work
- a high level timeline for delivery

- 6.2 The committee heard from witness Tracey Lees, CEO of Wandle and former CEO of Barnet Homes, who had been invited to the meeting to provide a peer perspective on the proposals. Ms Lees provided a brief summary of her career background. She advised that she had worked for more than 30 years in social housing for a number of local authorities, registered providers and ALMOS including the City Council where she had been an operations manager for 10 years prior to the authority establishing CWH. She was currently the CEO of Wandle, a Housing Association operating in South London.

- 6.3 At the chairman's invitation Ms Lees provided her initial thoughts on the proposed transformation plan. She considered that some aspects of the plan that was being proposed, is addressing issues that felt quite dated. She expressed surprise that Westminster still had such a high provision of local estate offices which were expensive to maintain. She explained that in Barnet, outside the core estates where residential blocks were scattered it did not make sense to have local offices. She considered that CWH should review the on-going provision of local estate offices. No other local authority that she was aware of had as extensive an offer. She stated that while it was important to have some core standards of service, beyond this CWH could and should differentiate service levels according to different occupier requirements. She stated that a high level of leaseholders who have not been Council tenants do not have the same requirements as social housing tenants. She suggested that providing the same services differently could enable the Council to redirect the money saved elsewhere such as to providing health or employment projects. She was also surprised that there had not previously been a higher demand for self-service from residents.
- 6.4 The Committee then considered the proposals and in the ensuing discussion raised a range of questions with the officers present.
- 6.5 Members reported that some residents express surprise at the satisfaction levels reported as these do not correlate with their experience of services. The committee asked how CWH would tackle such perceptions. Mr Cowie stated that while 20% of residents were highly satisfied with CWH it would be complacent to consider this to be good. He stated that to change perceptions it would be important to understand the 80% of resident's who didn't respond and address any systemic root cause of dissatisfaction. He advised that CWH was about to receive the results of satisfaction metrics from 5000 residents using a new approach via the Institute of Customer Services. This would provide CWH with a better understanding of what residents think and would help the organisation to realign culturally. This would also allow Westminster and CWH to compare satisfaction directly with the best public and private sector organisations in the UK. Mr Edgerton advised that the transformation programme included plans for more real-time analysis and information on performance where residents would be asked for feedback which should assist CWH to obtain a clearer picture of how the organisation is performing.
- 6.6 The Committee asked about the way that complaints would be dealt with as part of the new vision. Mr Cowie stated that although statistically CWH received a low number of complaints he recognised that it had been poor at handling those that it did receive. He advised that in the last 4 months satisfaction with complaint handling had improved from 63% to 77%. He stated that he wished to see this figure rise to above 50%. One measure of how well complaints were dealt with was whether many were escalated to the ombudsman. He advised that the cause of complaints around major works often related to the performance of contractors. He recognised that the contracting out of major works had in the past had not always been well managed. The contracts often included a high degree of subcontracting and contractors did not necessarily have the same strategic alignment as CWH

and the City Council. He advised that over the next 12 months £500 million of contracts were to be tendered and the aim would be to address such issues. Part of this would include more joined up working and rationalising the level of subcontracting on major works.

- 6.7 Officers were referred to the fact that while CWH provide some comparatively high service standards these came at a high cost. The Committee asked about the balance between having such standards and the requirement to provide value for money. Mr Cowie advised that CWH was refreshing and transforming how it engages with residents through the new resident engagement boards. CWH would establish what is most important to residents and then look at how these can be prioritised. This would help establish minimum standards of service and help to drive more consistency. Mr Edgerton commented that during engagement on service standards residents had been pragmatic and accepted reasonable trade-offs. Any money saved could then be re-channelled into other priorities.
- 6.8 Members expressed concern about the possible closure of estate offices which would likely meet with negative reactions from local residents. Mr Cowie recognised that there will always be some people who will need to have direct contact with the organisation. He explained that the transformation programme would review how a local presence can be provided while providing value for money. He advised that CWH are developing the options for review by November alongside work on how it can better use its spaces and opportunities to develop hubs. Concurrently, the City Council is undertaking a review of its operational property portfolio of over 300 buildings and CWH is participating in this to see where opportunities may exist. Any plans to re-shape how the services are to be delivered via the estate offices would involve an extensive review with resident's via the new resident council and area panels.

RESOLVED:

1. The committee considered that the transformation programme had on the whole a great deal to recommend itself. Members noted that the CWH Executive Team was keen to modernise services, deliver greater efficiency and reduce cost. It considered the programme of change to be ambitious providing more performance measurements on issues of importance to tenants and tailoring services to customer requirements while reducing costs to leaseholders and delivering more housing.
2. The committee was keen to see greater joint working with Westminster services as well as other public sector bodies within the target operating model, not just a in relation to infrastructure, but also procurement in order to take advantage of the increased benefits provided by scale.
3. With regards to potential risks, the committee noted the intention to further develop its digital and self-service offer. It considered that CWH needs to consider how it will provide on-going assistance to those residents who rely on direct access to services and who will be unable to interact with the organisation digitally. It also considered that as CWH does not have a

baseline for all data there is a risk that some measurements will not be included as part of the target operating model.

7 TREASURY OPPORTUNITIES

- 7.1 The Committee received a report that provided a background to the Council's current treasury portfolio and set out details of initiatives being considered with the potential to optimise the return on cash investments including a number of projects being evaluated.
- 7.2 The City Treasurer was asked what mechanisms are used to identify opportunities. He advised that the Council benchmarks its activities and performance against other local authorities. Additionally, the finance team liaises with its peers and professional contacts to discuss different income opportunities.
- 7.3 The Committee asked whether consideration has been given to investing in buy to let such as providing student accommodation which would complement Westminster's objective of being a leader in education. The City Treasurer was also asked for an update on the Council's thinking of using the pension fund to support regeneration with profits being re-paid to the fund. The City Treasurer advised in relation to the former that the Council had agreed when setting the Council tax budget in March to invest £25 million with the potential to rise to £50 million in property to generate income. The Council had signed its first contract relating to this a few weeks ago. He advised in relation to The Pension Fund and the City Council fund that officers are continuing to explore options.
- 7.4 Members provided mixed views on the risk appetite for the Treasury portfolio.

7.5 RESOLVED:

1. The committee noted the initiatives set out in the report which were being evaluated alongside other options. It supported the objective of optimising the return on investments subject to maintaining a cautious approach to risk based on a principle of being risk aware rather than risk averse.
2. The committee requested that the City Treasurer provide i) more detailed information on the Treasury opportunities being progressed by other local authorities, ii) the mechanisms employed by the Council for sourcing ideas and iii) how options being developed link to other Council strategies when the Draft Treasury Management Plan for 2017-18 is submitted to the committee for consideration in January.

8 WESTMINSTER RESIDENTS PANEL

- 8.1 Councillor Hug, who had requested that the item was added to the committee's agenda, addressed members on his concerns relating to the proposed withdrawal of funding to the Westminster Residents Panel. He explained that the panel is an independent city wide forum of Council and registered provider residents that discuss best practice and issues of common

concern and support residents associations. A significant proportion of the money provided by the Council to the Panel paid for a part-time administrator as well as general office requirements. The withdrawal of funding would result in loss of the administrative post which would affect the panel's ability to continue to operate.

- 8.2 Councillor Hug advised that he had been in correspondence with officers on the matter for a number of weeks. His intention for adding the item to the committee's agenda was to have an opportunity to debate the matter and put questions to the Cabinet Member. In the Cabinet Member's absence he agreed to follow up his concerns outside of the meeting.
- 8.3 In response to questions the Director of Housing & Regeneration, advised that while the Council has an obligation to provide housing for those in housing need and to provide this across the Borough there is no statutory or regulatory requirement to have a panel of this kind. She undertook to continue liaising with Councillor Hug on the matter and keep him informed of any further developments.

The Meeting ended at 9.17 pm

CHAIRMAN: _____

DATE _____