



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 15th January, 2018**, Room 3.1, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Brian Connell (Chairman), Peter Freeman, Jacqui Wilkinson, Tim Roca and Guthrie McKie

Also Present: Councillor Rachael Robathan (Cabinet Member for Housing), Councillor Barbara Grahame, Councillor Aicha Less, Councillor Aziz Toki, Steve Mair (City Treasurer), Martin Hinckley (Head of Revenue and Benefits), Barbara Brownlee (Interim Executive Director of Growth, Planning and Housing), Robert White (Lead Commissioner for Supported Housing and Rough Sleeping Strategy), Petra Salva (Director of Rough Sleeper and Ex-Offender Services, St Mungos), David Eastwood (Services and Commissioning Manager, Housing and Land, GLA), Phil Triggs (Tri-Borough Director of Treasury and Pensions), Deirdra Armsby (Director of Place Shaping), Aaron Hardy (Scrutiny Manager) and Reuben Segal (Senior Committee and Governance Officer)

Apologies for Absence: Councillor Paul Church, Councillor Nick Evans and Councillor Adnan Mohammed

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on 6 November 2017 be signed by the Chairman as a correct record of proceedings.

4 WORK PROGRAMME

4.1 **RESOLVED:**

1. That the agenda items for the next meeting on the 26th March to include an item on staffing within the City Council anchored around the results of the annual staff survey and a report from CityWest Homes (CWH) on their engagement with residents.
2. 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, Property and Corporate Services and the Cabinet Member for Housing on the key issues within their portfolios.
- 5.2 Councillor Rachael Robathan, Cabinet Member for Housing, wished to put on record her thanks to Kevin Day, CityWest Homes Manager at Little Venice Towers, for his work in keeping residents updated on fire and gas safety issues and measures associated with the blocks following the Grenfell Tower Fire.
- 5.3 The Committee then submitted questions to the Cabinet Member for Housing.

Retrofitting sprinklers within CWH flats over 10 Storeys

- 5.3.1 The Cabinet Member was asked whether a feasibility study had been fully developed. Councillor Robathan stated that it had. She confirmed that retrofitting sprinklers was technically feasible and the study had taken into account matters such as potential low water pressure. She explained that the feasibility study has considered a range of issues including which type of sprinklers would be best to install and how best to retrofit them. The committee heard at its meeting on 11 September there are regulatory limitations on freeholders to require leaseholders to undertake certain works within their properties. She explained that leaseholders accounted for 71% of the flats in one of the Little Venice Tower blocks.
- 5.3.2 Councillors asked about the insurance implications if only some flats within a block have sprinklers installed. Jonathan Cowie, CEO, CityWest Homes, advised that such a scenario could also have implications for obtaining fire safety approval from the London Fire Brigade, Building Control and building regulations. It was an issue that the Council intended to lobby central government on.
- 5.3.3 The Cabinet Member was also asked about the retrofitting of sprinklers in high rise private residential dwellings. She advised members that local authorities have been tasked to undertake full surveys of all privately clad buildings in their areas. The Council had almost concluded this work. The Council is required to ensure that the freeholders of these buildings comply with regulations including any subsequent changes to them. The Council will lobby

the Mayor of London and central government to take on some of this responsibility.

- 5.3.4 The Cabinet Member asked the committee to consider establishing a task group to examine on the various options for retrofitting sprinklers in CWH properties that will be worked up and ranked, based on need and risk. The committee agreed to the suggestion.

Intermediate rent levels in new WCH affordable housing schemes

- 5.3.4 Westminster Community Home's (WCH) new affordable housing scheme at Ladbroke Grove provides intermediate homes for rent for local Westminster workers and residents. Weekly rents on 2 bed homes are £285. The Cabinet Member was asked about the household income required to be eligible for such a home, affordability and how this matched against the salaries of people living in Westminster who are in housing need. Councillor Robathan advised that a family would need to earn approximately £39,000 to qualify for the scheme. Under the Mayor of London's intermediate housing policy households are eligible for intermediate housing schemes as long as annual earnings do not exceed £60,000. She stated that the Council wants to make intermediate housing available to families on much lower than the maximum qualifying figure. She explained that while the Council need to deliver more social rented housing there is little intermediate housing in the Borough and more needs to be delivered to achieve mixed communities

CityWest Homes Call Centre

- 5.3.5 Members asked when the problems at CityWest Home's new call centre would be resolved. The Cabinet Member acknowledged residents' frustrations with delays in calls being answered. She was confident that the teething problems had almost been resolved.

- 5.4 **ACTIONS:** Establish a task group to consider the range of options for retrofitting sprinklers in CWH residential properties over 10 storeys, submitting recommendations to Cabinet. (**Action for: Aaron Hardy, Scrutiny Manager**)

6 UPDATE ON ROUGH SLEEPING

- 6.1 Robert White, Lead Commissioner for Supported Housing and Rough Sleeping Strategy, introduced a report on issues relating to rough sleeping in the City of Westminster alongside an update on the recently published 2017 - 2022 Rough Sleeping Strategy.
- 6.2 Westminster sees the highest number of rough sleepers in the UK. Reducing rough sleeping and addressing the associated behaviours of the daytime Street population is a priority for the Council in a time where many local authorities are seeing an increase of people on the streets.
- 6.3 The new strategy will operate in the context of the national focus on reducing the numbers of people finding themselves on the streets following a tenancy ending and implementing the new Homelessness Reduction Act from 1 April.

- 6.4 The committee heard from Petra Salva, Director of Rough Sleeper and Ex Offender Services, St Mungos and David Eastwood, Services and Commissioning Manager, Housing & Land, GLA, who had been invited to the meeting as expert witnesses.
- 6.5 Ms Salva provided a brief summary of her career background which incorporated more than 25 years experience. She had over the last couple of years fed into the development of the Council's Rough Sleeping Strategy, shaping how the local authority responds to rough sleepers.
- 6.6 Mr Eastwood explained that he oversees the Mayor of London's rough sleeping services and rough sleeping policy for the GLA. He advised that the Mayor of London had recently published a draft rough sleeping strategy.
- 6.7 Whilst recognising that Westminster has a unique set of challenges when it comes to rough sleepers, members asked the witnesses how the City Council compares with other London local authorities in terms of the services it provides. Both witnesses had worked with most, if not all, London local authorities and considered that the Council was a trailblazer in this field and supported a great deal of innovation. Ms Salva commented that Westminster is often a testing ground for new approaches and that if a new offer worked in Westminster it would likely work everywhere. She also thought that the Council's strategy was well thought out but stated that the authority could not address all the issues it faced on its own. She stated that the factors that draw rough sleepers to Westminster are the same today as they were a hundred years ago.
- 6.8 Members commented on the importance of the Mayor's strategy incorporating a pan-London approach to rough sleeping with the provision of good mental health support and a range of hostel provision with facilities spread across London. Mr White commented that rough sleeping was a national issue and that it is hard to manage such an issue within the context of localism. He stated that there are national policies which should be drawn upon and developed such as housing provision and addiction. The GLA should galvanise local authorities to do more. Ms Salva stated that it was important to offer rough sleepers the right kind of services based on need and which address the complexities which lead people to sleep rough or return to the streets after being helped.
- 6.9 The Committee was pleased to note that of the 273 new individuals rough sleeping in Westminster during July-September 2017, 77% had no second night out and 96% had no more than two nights out. Mr Eastwood stated that whilst the response for new individuals rough sleeping was good getting people out of the three No Second Night Out hubs, which is designed as a rapid response, remains a challenge. This is due to the limited availability of affordable or supported housing which is much scarcer than it used to be.
- 6.10 Ms Salva stated that whilst it was encouraging that a high proportion of new people coming onto the streets are helped quickly there is a need to focus on long-term rough sleeping where people are helped but later end up back on the street.

- 6.11 The Committee asked about the number of long-term rough sleepers in Westminster and the average length of time they had been rough sleeping. Mr White explained that help for entrenched rough sleepers is managed by two teams. One is Westminster Compass which is delivered on behalf of the Council by St Mungo's. A 4-year scheme which recently concluded had an original cohort of 190 long term rough sleepers. Not all of the participants had been rough sleeping at the start of the project but would have had ongoing complex needs. The project had a number of clear parameters and outcomes which included the number of contacts made by rough sleepers with services over the four-year project's lifespan. Of the original cohort only 16 are still rough sleeping which is a significant achievement. The new contract will deliver services to a slightly smaller cohort of approximately 100 individuals due to a reduced demand.
- 6.12 The secondary team is the GLA Social Impact Bond (SIB). Mr Eastwood informed the committee that the new GLA SIB will help 350 of the most entrenched rough sleepers in London, 127 of which are from Westminster. This will see each identified long-term rough sleeper receive dedicated support from a member of St Mungo's or a Thames Reach SIB worker to sustain a route away from the streets. This project will also for run for 4 years. It will have a different cohort of entrenched Westminster rough sleepers than the Compass Team so it will not be duplicating the service offer. To qualify for the SIB each rough sleeper has to have lived and worked in the UK and be in receipt of Housing Benefit. While the majority will be UK nationals there will be some foreign nationals who will qualify for the scheme. Given these requirements the scheme would not prove helpful in addressing the number of foreign nationals sleeping rough in Westminster.
- 6.13 Members asked about the street population numbers in the day and the evening. Mr White stated that there were approximately 200 people sleeping rough in Westminster per night although the figure fluctuates seasonally. The street population during the day is slightly higher at 250. He explained that the day and evening populations were made up of different people. The Westminster Street Engagement Team are looking to undertake four day counts to establish the composition of the street population during the day and their circumstances.
- 6.14 Mr White was also asked about rough sleeping in the Royal Parks. He explained that those people bedding down in parks at night do so because they do not wish to be found or engaged with. Due to safety concerns counting them at night would only be undertaken in conjunction with the Metropolitan police. The Council has greater control over rough sleeping in open spaces for which they are directly responsible. Addressing the behaviour of the street population within the Royal Parks during the day falls to the Royal Parks.
- 6.15 Whilst the committee welcomed the news that rough sleeping numbers are declining the perception from residents and visitors is that the problem in Westminster is growing. Members of the public are also unsure of how best to help rough sleepers which they may encounter. Mr White explained that the

Council had last year launched a Real Change campaign to explain to the public how it could help rough sleepers. This had a minimal impact due to the limited budget available. The Council hoped to relaunch this in conjunction with providing Ward Councillor briefings.

- 6.16 Mr Eastwood advised that the first ever campaign by the Mayor of London on how people can help rough sleepers had been launched. It provides links to specific organisations where people can report rough sleeping issues, promotes services available to those on the streets while a One London portal funding stream will distribute donations to identified homeless charities.
- 6.17 Members asked about the impacts on service levels where budgets across the public and charitable sectors are reducing. Barbara Brownlee clarified that savings in service had been achieved through the re-contracting process. Any bed spaces that had been reduced have been re-provided elsewhere although they may be used differently. Ms Salva was asked about the impact of budget reductions for St Mungo's. She stated that the organisation has had to rethink its focus and look at other opportunities for raising funding. It has also had to access income through selling properties and taking out mortgages which it had not had to previously. Some activities such as helping rough sleepers to access employment could no longer be provided although these were being offered through other organisations.
- 6.18 The Committee was then updated on a High Court ruling on Home Office policy regarding the questioning, detention and removal of EEA nationals currently rough sleeping who cannot demonstrate that they are exercising their obligations under free movement. Officers explained the impacts of this for the City Council. Mr White advised that in the absence of such powers it will be challenging for the Council to counter this problem. Ms Salva clarified that the use of these powers could be justified where rough sleepers were engaging in criminal activity. Mr Eastwood stated that in light of the judicial ruling public sector bodies would need to look at what incentives can be offered to EEA nationals to remove them from the streets. He referred the committee to the fact that there had also been a reduction in the number of EEA rough sleepers in boroughs that had not used such enforcement.

7 CALL IN OF: CHURCH STREET MASTER PLAN DECISION

- 7.1 On 4 December 2017 the Cabinet made executive decisions in respect of the Church Street Masterplan. The Church Street Ward Councillors subsequently exercised their right to call in the decision for scrutiny by the committee.
- 7.2 The committee received a report that included details provided by the Church Street Ward Councillors for calling in the decision. It also included responses to the issues they had raised.
- 7.3 At the Chairman's invitation the Cabinet Member for Housing made some opening remarks in response to the call-in request. Councillor Robathan stated that the committee had reviewed the Church Street Masterplan consultation process and output at its last meeting on 6 November 2017 where it had commended the wide range of consultation approaches that had

been used and concluded that the consultation process had been well thought out and implemented.

- 7.4 Councillor Robathan clarified that the Masterplan did not seek to provide detailed plans for each site but to set a framework for the regeneration of Church Street. Each site would be the subject of much more detailed analysis of what can be delivered and any subsequent plans would require further approvals including planning permission. These would be the subject of public consultation. The Council recognised that there is a significant amount of overcrowding in this part of Westminster and wished to build the type of provision that residents want.
- 7.5 Barbara Brownlee, Interim Executive Director for Growth Planning and Housing, then responded to each of the issues of concern that had been raised by the Church Street Ward Councillors.

Height of Buildings - there is nothing in the Masterplan that states that the Council will build any tall buildings. The Council will be sensitive to such an issue. There will be detailed individual consultations on each site and the Council will have regard to both its own and the GLA's planning policies at the time. She undertook to re-examine proposals to demolish Kennett House.

Retention of Westminster Adult Education Service (WAES) - this would be re-provided and the Council had discussed this with WAES.

Demolition on such a large-scale versus renovation - the proposals at this stage are based on increasing the number of affordable housing in the Church Street area. These numbers are based on what the architects state, at this point, could exponentially be delivered if additional homes are demolished than in the futures plan. Detailed analysis had yet to be undertaken and would also need to be costed.

Housing Tenure - the proposals will meet the City Council's housing policies and those of the GLA at the time. The current proposed master plan will deliver 50% affordable housing. If fewer buildings are demolished less affordable housing will be achieved.

Demolition of Supported Housing - if the Council intends to demolish any supported housing it will speak at length with residents beforehand. Such housing will be re-provided in Church Street. Individual people's housing needs will be taken into account.

Protection of Historic Buildings - little was mentioned by consultees regarding protecting historic buildings. The Council has an exemplary record of protecting heritage and will have regard to buildings of historic value.

Effectiveness of the Regeneration Base at 99 Church Street - the effectiveness and output of the regeneration base is considered by officers to have the resources, support and expertise required. She had only in the last month been made aware about Future Steering Group meeting papers not going out in time. This was being picked up by the Director of Place Shaping.

Co-ordination between Ward councillors and City Hall - since taking over the portfolio a year ago the Cabinet Member had attended Church Street Futures Group meetings, which include the Church Street Ward councillors, consultation events and had been up and down Church Street.

- 7.5 Councillors Barbara Grahame and Aicha Less addressed the committee. Councillor Grahame stated that residents in Church Street were unhappy at how the regeneration process was going. She also raised concerns at the lack of engagement by the Council with Ward councillors. Councillor Less stated that it was unclear who the Masterplan was being developed for. Residents feel like they are being treated as an inconvenience. Their comments provided as part of the consultation seemed to have been put aside. Ward councillors would like the Council to reconsider and take note of their comments and incorporate them in the Masterplan. Ward councillors had not received a detailed account of all the responses received at the Regeneration Base and would like to be provided with these.
- 7.6 In response to the last point, Barbara Brownlee advised that the papers submitted to the Cabinet meeting on the 4 December 2017 included the Church Street Masterplan Consultation Report. This included an analysis of completed feedback forms, comment cards and other responses, the comments received and how the Masterplan has responded. She offered to take the Ward councillors through them.
- 7.7 The Committee considered the issues raised and asked and received responses to a range of questions.
- 7.8 Members asked about the level of affordable housing that will be delivered under the current proposed Masterplan and about the level that rents will be set. Barbara Brownlee clarified that 50.7% affordable housing will be delivered overall across the regeneration scheme which meets the Mayor of London's guidelines. Rents will be set at the same level as those for Council tenants. No other type of affordable rents are being proposed. She also advised that where a Council tenant has to move to facilitate the regeneration they would only have to do so once within the area. This commitment would not extend to those in temporary accommodation.
- 7.9 Members asked about the viability and impact of increasing the level of affordable housing. Barbara Brownlee advised that this could only be achieved at the expense of providing other community benefits including public realm. The Council did not want to create a ghetto but an area with good public realm for the benefit of local residents.
- 7.10 The Committee referred to the financial implications in the report. This set out that it is a condition of the £23.5m Greater London Authority Edgware Road housing zone funding that the City Council are in contract with the GLA by 31 January 2018. This had been confirmed by the GLA. Members asked what the funding was earmarked for. Barbara Brownlee explained that this was a focused fund to buy leaseholders out of their properties. Deidra Armsby, Director of Place Shaping, explained that the GLA housing zone fund is finite.

Based on her previous experience of overseeing regeneration in the London Borough of Newham there are likely to be other local authorities waiting to access this fund and that if the funding was not taken up by the Council it could be offered to other authorities.

- 7.11 The Chairman stated that the call in had provided an opportunity to re-air the decisions taken by Cabinet on the 4 December 2017. It was noted that each site will be the subject of further detailed consultation before any decisions on them are made.
- 7.12 **RESOLVED:** Having considered the matter, the committee endorsed the decision made by the Cabinet.

Councillors McKie and Roca dissented to the decision.

8 DRAFT TREASURY MANAGEMENT STRATEGY 2018-2019 TO 2022-2023

- 8.1 Phil Triggs, Tri-Borough Director of Treasury and Pensions, introduced a report that set out the Council's proposed Treasury Management Strategy Statement (TMSS) for the period 2018/19 to 2022/23, and Annual Investment Strategy (AIS) for the year ending 31 March 2019, together with supporting information.
- 8.2 The TMSS and AIS form part of the Council's overall budget setting and financial framework, and will be finalised and updated as work on the Council's 2018/19 budget is progressed in January and February 2018.
- 8.3 The Committee asked about the risks to the strategy of slippage in the capital programme. Members also asked whether the City Council had formed a view on its borrowing position subsequent to the Bank of England increasing interest rates and the likelihood that they will rise again over the next couple of years.
- 8.4 Steve Mair, City Treasurer stated that the City Council is a large and complex business with a budget of over £800 million per annum and a large and significant capital programme. Therefore, it is not unusual given its complexities for slippage to occur in the capital programme. Effective forecasting relied on a combination of leadership and project management skills. He advised that the finance team does robustly challenge the assessments from those leading on capital projects.
- 8.5 With regards to forward borrowing, the City Treasurer advised that the Council was not currently borrowing to finance capital expenditure. The finance team had put together a borrowing matrix based on a range of borrowing scenarios. A decision on the Council's approach would be taken in the next few months once a new Chief Executive was in post.
- 8.6 The Committee asked about the rationale behind the decision to reduce the credit rating limit for investments in Supra-national banks and European agencies from AA+/Aa1/AA+ to AA/Aa/AA. Mr Mair explained that the slightly

lower credit rated institutions were still in a highly recommended band. This would provide the Council with opportunities to potentially invest liquid balances at improved returns with limited risks that will contribute to the Council's saving targets.

- 8.7 **RESOLVED:** The Committee noted the various elements of the proposed TMSS and AIS prior to the submission to Cabinet on 19 February 2018.
- 8.8 **ACTIONS:** Provide the committee with a briefing note on the forward borrowing arrangements once a decision on this has been made. (**Action for: Steve Mair, City Treasurer**)

The Meeting ended at 9.23 pm

CHAIRMAN: _____

DATE _____