



CITY OF WESTMINSTER

MINUTES

Housing, Finance and Customer Services Policy and Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Housing, Finance and Customer Services Policy and Scrutiny Committee** held on **Wednesday 20th June, 2018**, Room 3.6 and 3.7, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Melvyn Caplan (Chairman), Antonia Cox, Richard Elcho, Guthrie McKie, Matt Noble, Mark Shearer, James Spencer and Hamza Taouzzale.

Also Present: Councillors Rachael Robathan (Cabinet Member for Finance, Property and Regeneration), Andrew Smith (Cabinet Member for Housing and Customer Services) and Robert Rigby (Deputy Cabinet Member for Finance, Property and Regeneration), Barbara Brownlee (Executive Director of Growth, Planning and Housing), Steven Mair (City Treasurer), Aaron Hardy (Policy and Scrutiny Manager) and Toby Howes (Senior Committee and Governance Officer).

1 ELECTION OF CHAIRMAN/MEMBERSHIP

1.1 Nominations for the election of Chairman of the Committee were sought. Nominations were received and seconded for both Councillor Melvyn Caplan and Councillor Matt Noble respectively.

1.2 The nominations were put to the vote and the nomination for Councillor Caplan as Chairman was declared carried.

1.3 RESOLVED:

That Councillor Melvyn Caplan be appointed as Chairman of the Housing, Finance and Customer Services Policy and Scrutiny Committee.

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 26 March 2018 be signed by the Chairman as a correct record of proceedings.

4 POLICY AND SCRUTINY PORTFOLIO OVERVIEW

Cabinet Member for Finance, Property and Corporate Services

- 4.1 Councillor Rachael Robathan (Cabinet Member for Finance, Property and Regeneration) was invited to give an overview of her portfolio to the Committee. She began by focusing on the Finance element of her portfolio where she oversaw financial arrangements which required sound management in order for the City Council to function properly and achieve the necessary savings whilst maintaining high quality services, many of which faced increasing demand. Members heard that work was already underway for the 2019-20 budget and Cabinet Members were reviewing proposed savings for their respective areas. In terms of charges and revenues, the collection of business rates was challenging. Councillor Robathan stated that an ambitious Capital Programme was in place and all aspects of it were being reviewed. The budget was due to be considered by Cabinet in the autumn.
- 4.2 Councillor Robathan emphasised the City Council's commitment to regeneration and delivering more affordable housing. She referred to major regeneration schemes such as Ebury Bridge and Church Street and added that more specialised housing for people with disabilities and older people were also being built. Members noted that a new nursing home was under construction at the Beechcroft site.
- 4.3 The Committee then asked a number of questions for Councillor Robathan to respond to.

Corporate Property

4.4 Investment

Members commented that the Financial Times newspaper had been critical of the Royal Borough of Kensington and Chelsea's plans to invest in commercial property and they asked why the City Council felt that it would be able to identify properties that offered good value. In reply, Councillor Robathan advised that the City Council already had an investment portfolio and attention was being given to ensure that it was managed well. Consideration would be given as to whether there were opportunities for further investment and this would be conducted in a controlled manner, focusing on regeneration opportunities in particular. Councillor Robathan added that she chairs the Property Investment Panel which included two external expert advisers. Steven Mair (City Treasurer) further advised that any property investment would be subject to extensive due diligence.

4.5 Westminster City Hall (64 Victoria Street)

A Member commented that City Hall offered a good opportunity for the City Council to raise income through leasing out office space. Councillor Robathan replied that negotiations were at an advanced stage in leasing out space to 10 floors at City Hall. She also emphasised the importance of ensuring that there was a good working environment for staff at City Hall and a recent visit she had made to the site has shown that good progress was being made. The Chairman requested that an update on City Hall be included in the Cabinet Member for Finance, Property and Regeneration update at the next meeting.

Finance

4.6 Borrowing Strategy

A Member commented that the City Council's tax was low compared with other local authorities and Government policy made it difficult for councils to undertake increases in Council Tax. In view of this, he asked what plans there were in terms of borrowing from the General Fund and the Housing Revenue Account (HRA), especially as pressure on services continued to mount. He also felt that increased borrowing would be necessary in order to provide more low cost housing.

4.7 In reply, Councillor Robathan advised that there was a specific cap in terms of the HRA. The new Wholly Owned Company allowed additional options to access funding through the General Fund and borrowing opportunities would be monitored. Consideration of ways in which the General Fund would fund the Capital Programme in future was also being undertaken. Steven Mair added that an assessment would be undertaken as to what the City Council could borrow through prudential borrowing and options would be explored.

4.8 Treasury Management and Investment Framework

Members sought clarification in respect of the City Council increasing the amount of cash eligible to be invested with a single local authority counterparty. Steven Mair advised that the City Council could consider investing in any other local authority, that due diligence was undertaken on each authority and that as local authorities they offered reduced risk.

4.9 Westminster Community Contribution

Members asked whether there was a maximum amount that a resident could give in respect of the voluntary Westminster Community Contribution for those on Council Tax Band H, the highest band and were there any plans to extend this scheme. Councillor Robathan replied that there was no maximum limit to contributions and the aim of the initiative was to see if extra resources for services could be accessed through asking top band Council Tax payers, who were most likely be the wealthiest in Westminster, whether they would be prepared to voluntarily donate additional contributions. Councillor Robathan advised that residents who contributed were sent letters explaining what their donations were being used for. This was important as it would help encourage residents to donate again next year as it was intended to continue with the scheme. The Committee also heard that residents had been supportive of the scheme.

4.10 Budget 2018/19 2019/20 and beyond

The Chairman requested that the next Cabinet Member update include detailed financial figures in respect of the Budget and the Capital Programme for the Committee to consider. Another Member suggested that new housing often benefited those who were not already living in Westminster. He felt that every effort should be made to use the Capital Programme and borrowing to address the housing needs of Westminster residents. Councillor Robathan replied that consideration was being given as to how to widen delivery of the Capital Programme.

Regeneration

- 4.11 A Member stated that some residents with disabilities were being affected by parking spaces being removed as part of a regeneration scheme in his ward. This meant these residents being disadvantaged by having to park further away from their homes. He asked whether this had been recognised, and if so, what steps were being taken to address this. Councillor Robathan replied that she would look into the matter and respond to Members. The Chairman requested that this issue also be included in the next Cabinet Member update.

Cabinet Member for Housing and Customer Services

- 4.12 Councillor Andrew Smith (Cabinet Member for Housing and Customer Services) then addressed the Committee to provide an overview of his portfolio. Councillor Smith began by referring to the performance of CityWest Homes (CWH) which had been experiencing difficulties in repairs and customer services. CWH was carrying out a number of changes to transform services and there were already signs of significant improvement. The call centre was up and running and there had been investment in resources to ensure that there was sufficient staff to deal with peak demand. CWH had taken steps to strengthen its relationship with the repair contractor and satisfaction levels had risen to 88% as a result. Councillor Smith advised that a governance review of CWH was also being undertaken and external consultants had been appointed to lead on this. This represented a good opportunity for CWH to do things differently and Councillor Smith welcomed input from the Committee.
- 4.13 Councillor Smith commented that the City Council had played a significant role in assisting with the recovery from the Grenfell Tower fire and fire safety was a key priority. The cladding from Venice Towers had been removed and Government guidance was awaited as to what should replace it. Councillor Smith informed Members that he would be visiting every estate in Westminster.
- 4.14 Councillor Smith emphasised that the City Council was committed to providing a high quality customer service to its residents and visitors. Consideration was being given as to how to improve the digital offer and the City Council's website and allow residents greater access to services.
- 4.15 The Committee then asked a number of questions for Councillor Smith to respond to.

CityWest Homes

4.16 CWH Structure

The Chairman felt it would be appropriate that the Committee look at how CWH operates and it was agreed that a task group be created to report back to Members on its findings. The Chairman requested that the task group consider CWH's structure and the ways in which it works in the various services that it provides. He also requested that expert witnesses be invited to address the Committee.

- 4.17 A Member felt that the re-organisation of CWH was not going well and was driven by financial issues. CWH was not able to easily identify vulnerable residents as there was no system in place to undertake this. He commented that it was not only important to provide more housing, but also the right type of housing. He felt that some housing classified as affordable housing was not in fact affordable for many on the housing waiting list.

- 4.18 In reply, Councillor Smith stated that the transformation of services in CWH was being undertaken so that CWH could engage with residents more and was not only driven by financial pressures. The changes would also lead to improved customer services and allow residents to access services in different ways. In order to achieve this, Councillor Smith stated that it was necessary to have clear data and understand trends in terms of the volume of calls to help plan resources in future. Councillor Smith stated that a mix of housing was needed, including housing with lower rents and provision for key workers. Section 106 funds were being used to provide more housing. He added that it was important that provision of housing tied in with the need to create healthy communities.

4.19 Repairs Performance

A Member commented that there had been significant improvements to the Lillington Gardens and Longmoore estates. He commented on the difficulties in finding suitable spaces in Westminster to provide housing. He added that listed building status often impeded the ability for repairs to be undertaken and he asked whether there was a strategy to address this. Another Member highlighted delays in long term repairs and he stressed the importance of addressing this to ensure that they were completed in a timely manner.

- 4.20 Councillor Smith advised that the Infill Programme's aim was to identify suitable spaces for housing. In respect of listed building status, he acknowledged that this could hamper work and maintenance generally was a challenge and CWH was using data to identify 'hot spots' where repair and maintenance needs were high. Councillor Smith acknowledged that the problem with long term repairs needed to be resolved, and these often involved addressing a number of complications.

- 4.21 A Member remarked that the housing needs of young people needed to be addressed, with many having difficulty in remaining in their local area because of the lack of affordable housing. He asked what steps were being taken to

address this and whether young people were able to get on the housing register.

4.22 In reply, Councillor Smith advised that Government criteria applied in terms of placing people on the housing register, however every effort was made to be as flexible as possible. Barbara Brownlee (Executive Director for Growth, Planning and Housing) advised that the Supply and Allocations report would be due for publication shortly. The Chairman requested that the next update include details on supply and allocation.

4.23 Resident Communications

A Member emphasised the importance of interacting with residents and enquired whether there was a chat facility on the website and whether it was mobile friendly. He stated that it would also be useful if CWH could provide residents with regular surgeries with CHW representatives. He also commented that the concierge living concept was becoming increasingly popular in London and he suggested that organisations that offered this be looked at to see if CWH could offer something similar to its residents. The Chairman added that web chat facilities would be particularly useful where English was not a resident's first language.

4.24 In reply, Councillor Smith acknowledged the points raised and stated that one of the challenges was for CWH to publicise more what they are doing and what services they can offer. He agreed that holding surgeries would increase access for residents and holding a regular roadshow may also be possible. Fergus Coleman (Head of Affordable Housing and Strategy) added that CWH was already looking at making their services more accessible through the website.

Housing Services

4.25 Temporary Accommodation

A Member commented that the number of people in temporary accommodation remained a problem and was this likely to worsen as demand for housing rose. It also would sometimes lead to residents having to be placed in hotels which increased costs. Councillor Smith replied that a lot of thought and investment was being put into addressing this and although residents were sometimes placed in hotels when there were no alternatives, this happened less compared to other local authorities.

4.26 **ACTIONS:**

1. Update on City Hall be included in the next Cabinet Member for Finance, Property and Regeneration update. **(Action for: Barbara Brownlee, Executive Director of Growth, Planning and Housing)**
2. Next update to also include financial details and figures for the Budget and the Capital Programme. **(Action for: Steven Mair, City Treasurer).**

3. Information to be circulated to Members in respect of disabled parking spaces in regeneration areas and included in the next update. **(Action for: Councillor Robathan, Cabinet Member for Finance, Property and Regeneration, Barbara Brownlee, Executive Director of Growth, Planning and Housing and Richard Barker, Executive Director of City Management and Communities)**
4. Task group to be created to consider CWH's structure and the ways in which it works in the various services that it provides to report back to the Committee with expert witnesses. **(Action for: Aaron Hardy, Policy and Scrutiny Manager)**
5. Next Cabinet Member for Housing and Customer Services update to include details on supply and allocation. **(Action for: Barbara Brownlee, Executive Director of Growth, Planning and Housing)**

5 2018/19 WORK PROGRAMME

- 5.1 Aaron Hardy (Policy and Scrutiny Manager) presented the report which provided a list of potential topics for the Committee to incorporate into its work programme. He then invited the Committee to comment and make suggestions on the work programme.
- 5.2 The Chairman advised that the Sprinklers Task Group was already in progress. He stated that the Digital Transformation Strategy was a topic that the Committee should consider soon. He added that suggestions were also welcome outside of the meeting. He also suggested that there be no more than two topics for each meeting in order to provide sufficient time for each to be considered.
- 5.3 A Member queried why the budget was set in the autumn rather than in March. In reply, Steven Mair advised that this allowed more time to deliver savings.
- 5.4 Members agreed that regeneration be added as a topic on the work programme and that it be included in the Cabinet Member for Finance, Property and Regeneration updates. The Chairman requested that he be advised as to when would be appropriate to consider Business Rates. A briefing note on the implementation of Universal Credit, including timescales, and detailing how housing providers were responding to the implications of Universal Credit in view that they often required rent to be paid in advance was also requested.
- 5.5 **ACTIONS:**
 1. Regeneration to be added as a topic to the work programme. **(Action for: Aaron Hardy, Scrutiny Manager)**
 2. Chairman to be advised as to when Business Rates can be considered by the Committee. **(Action for: Steven Mair, City Treasurer)**

3. Briefing note on the implementation of Universal Credit, including timescales, be provided. **(Action for: Martin Hinckley, Assistant City Treasurer and Head of Revenues and Benefits)**

6 ANY OTHER BUSINESS

6.1 There was no other business.

The Meeting ended at 8.20 pm.

CHAIRMAN: _____

DATE _____