



City of Westminster

# Committee Agenda

Title: **Housing, Finance and Customer Services Policy and Scrutiny Committee**

Meeting Date: **Wednesday 20th June, 2018**

Time: **7.00 pm**

Venue: **Room 3.6 and 3.7, 3rd Floor, 5 Strand, London, WC2 5HR**

Members: **Councillors:**

Melvyn Caplan  
Antonia Cox  
Richard Elcho  
Adam Hug

Pancho Lewis  
Matt Noble  
Mark Shearer  
James Spencer

**Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda**

**Admission to the public gallery is by ticket, issued from the ground floor reception. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.**



**An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Toby Howes, Senior Committee and Governance Officer.**

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Corporate Website: [www.westminster.gov.uk](http://www.westminster.gov.uk)**

**Note for Members:** Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Committee and Governance Services in advance of the meeting please.

## **AGENDA**

### **PART 1 (IN PUBLIC)**

#### **1. ELECTION OF CHAIRMAN/MEMBERSHIP**

To elect a Chairman of the Housing, Finance and Customer Services Policy and Scrutiny Committee.

#### **2. DECLARATIONS OF INTEREST**

To receive declarations by Members and Officers of any personal or prejudicial interests in matters on this agenda.

#### **3. MINUTES**

To approve the minutes of the Housing, Finance and Corporate Services Policy and Scrutiny Committee held on 26 March 2018.

#### **4. POLICY AND SCRUTINY PORTFOLIO OVERVIEW**

The Committee to receive an update from the Cabinet Member for Finance, Property and Regeneration and the Cabinet Member for Housing and Customer Services on the following:

1. A summary of the service areas.
2. Cabinet Member priorities for the year ahead; and
3. Any key service updates/issues.

Report to follow.

#### **5. 2018/19 WORK PROGRAMME**

To consider topics for the 2018/19 work programme.

#### **6. ANY OTHER BUSINESS**

To consider any other business which the Chairman considers urgent.

**(Pages 1 - 10)**

**(Pages 11 - 14)**

**Stuart Love  
Chief Executive  
12 June 2018**



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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 26th March, 2018**, Room 3.1, 3rd Floor, 5 Strand, London, WC2 5HR.

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

**Also Present:** Councillor Tim Mitchell, (Cabinet Member, Finance, Property and Corporate Services), Stuart Love (Chief Executive), Steve Mair (City Treasurer), Lee Witham (Director of People Services), Aruj Haider (Senior Organisational Development Advisor), Julie Foy (Head of Human Resources, Housing and Modernisation, Southwark Council), Emily Nice (Head of Organisation Transformation, Housing and Modernisation, Southwark Council), Tom McGregor (Director of Housing and Regeneration), Jonathan Cowie (CityWest Homes Chief Executive), Jim Patterson (Property Services Director, CWH), Aaron Hardy (Scrutiny Manager) and Reuben Segal (Senior Committee and Governance Officer)

**Apologies for Absence:** Councillor Nick Evans and Councillor Murad Gassanly

#### 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 15 January 2018 be signed by the Chairman as a correct record of proceedings.

#### 4 WORK PROGRAMME

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

- 4.2 **ACTIONS:** Submit a forward plan of decisions to be taken by the Cabinet Member for Housing and the Cabinet Member for Finance, Property & Corporate Services to the first meeting of the Committee after the City Council elections to assist Members in devising a work programme for the next Municipal Year (**Action for: Aaron Hardy, Scrutiny Manager**).

## 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 The Committee submitted questions to the Cabinet Member for Finance, Property & Corporate Services.

### Finance

#### Accounts 2017-18

- 5.2.1 The Cabinet Member was asked for an explanation of the benefits of delivering a clean set of accounts by 1 April. He explained that the purpose was to ensure that the service can focus on looking forward working with service areas to deliver a balanced budget rather than looking backwards with their time focused with external auditors.

#### Business rates reform

- 5.2.2 Members asked whether there was any further announcements from the government on the reform of business rates. The Cabinet Member stated that the 2017 spring budget introduced three legislative changes relating to national non-domestic rates return (NNDR), one of which is to amend revaluation to every 3 years. He advised that to work successfully this will require a radical transformation in the performance of the Valuation Office as until only a couple of years ago they had still been considering appeals submitted in 2005. This has implications for the City Council. The Council has to retain reserves for appeals by businesses against their valuations as it has to bear a proportion of the refunds of any appeals which are successful.

#### Westminster Voluntary Community Contribution

- 5.2.3 The Committee asked about the annual sum likely to be raised via the Westminster Voluntary Community Contribution. The Cabinet Member explained that a budget figure has not been projected as this is the first year that the scheme is being run. He hoped that the scheme would raise £500,000 this year which would fund the three priority projects which are youth schemes, tackling homelessness and reducing isolation amongst the elderly. In response to supplementary questions he explained that the scheme is being administered by the City of Westminster Charitable Trust so that the Council can benefit from gift aid giving. He also advised that the Council would be lobbying government on current Council tax banding and the need for these to be revalued.

## **Corporate Property**

### Investment Property Management Specification and Contract

- 5.2.4 The Cabinet Member was asked about the level of interest from bidders for the contract and why City Hall was incorporated in the specification. He explained that eight firms had expressed an initial interest in submitting a proposal. City Hall was being incorporated in the specification as the intention is for 50% of the building to be let commercially which moves it from an operational asset to a hybrid operational and investment asset.

### Operational Property - Marylebone Library and nursery

- 5.2.5 Members asked whether the Council would be helping the nursery located at the Seymour Leisure Centre to find alternative premises as it makes way for the inclusion of the new Marylebone Library on the site? The Cabinet Member stated that as a private sector tenant it was a matter for the nursery to find alternative accommodation. Their management had known for some time about the Council's plans to redevelop the site and hoped that they had informed the parents of the changes.

## **Corporate Services**

### Procurement Services - General Data Protection Regulations

- 5.2.6 The Committee asked about the Council's preparations for complying with the new regulations which come into force in May and what training is being provided to staff. Lee Witham, Director of People Services, explained that the principles are broadly the same as current data protection rules. A mandatory online training programme is available on the Council's Intranet which forms part of the staff training provision and work was being done on a new GDPR training module.

### MSP

- 5.2.7 The Committee asked about the key differences in service provision between the BT contract and the Hampshire Partnership and about the training on the new system that will be provided to staff. The Cabinet Member explained that one main difference is that the Hampshire partnership does not include an income management system. Steve Mair, City Treasurer, advised that the Council is implementing a separate solution to mitigate this. It has contracted Unit 4, who are the software providers of Agresso, to take over from BT and supply the income manager function for the Council. The Director of People Services stated in respect of staff training that the Hampshire Partnership had experience of on-boarding other public sector clients. The Council would use its training materials which had already been successfully tried and tested.

## **5.3 ACTIONS:**

1. Circulate to the committee the LGSS Board's advice regarding adopting an incremental approach to Legal Services moving to an Alternative Business Structure. **(Action for: Tasnim Shawkat, Director of Law)**

2. Provide the committee or its successor with an update on housing regeneration following the Council elections. **(Action for: Tom McGregor, Director of Housing & Regeneration)**
3. Provide Councillor Roca with details of the appointment process of the independent chairwoman to the Ebury Bridge Community Futures Group including any consultation undertaken with Ward councillors. **(Action for: Tom McGregor, Director of Housing & Regeneration)**

## **6 STAFF SURVEY 2017 HEADLINE RESULTS**

- 6.1 Lee Witham, Director of People Services, introduced a report on the key changes to the annual staff survey. It had been made shorter and more user-friendly with faster reporting timescales and the ability to produce intuitive reports. The report also summarised the results of the 2017 survey. The overall response rate was 62% compared to 68% in 2016. However, this is still above the Local Government Benchmark.
- 6.2 Mr Witham informed Members that Westminster's current engagement score is average when compared against other local authorities. He explained that employee engagement is a workplace approach resulting in the right conditions for all members of an organisation to give their best each day, committed to the organisation's goals and values, motivated to contribute to organisational success with an enhanced sense of their wellbeing.
- 6.3 Aruj Haider, Senior Organisational Development Advisor summarised the headline results from the 2017 survey.
- 6.4 The committee then heard from, Julie Foy, Head of Human Resources and Emily Nice, Head of Organisation Transformation from Southwark Council. They had been invited to the meeting as expert witnesses as Southwark has an engagement score in the top quartile when compared against other local authorities. They summarised the headline findings from Southwark's Staff Survey, which had been undertaken in Summer 2017, together with the key lessons learned. This information was set out in a note that had been circulated to the Committee in advance of the meeting. Emily Nice highlighted that the key factors that had contributed to excellent levels of engagement at Southwark were good line managers who supported staff when things went wrong and thanked staff for their efforts. Results were fairly consistent across all service areas. She suggested that to improve employee engagement the Council should examine the variances of responses between directorates to understand what is driving levels of satisfaction. She commented that one of the key issues that came out of the survey for Westminster is health and wellbeing which is 9% below the local government benchmark.
- 6.5 The committee was asked to consider what the Council should focus on to increase employee engagement so the Council is considered to be a top quartile employer? The Committee was also asked what role members should play to help facilitate the Council's aims?



- 6.6 The Committee noted that the overall response rate for Westminster was 62% in 2017 compared to 68% in 2016. Members wanted to know why the 38% of staff that had not filled in the survey did not feel sufficiently engaged to participate. Stuart Love, Chief Executive, stated that the feedback from the staff network suggested that people had concerns about anonymity and confidentiality. The Director of People Services reported that 100 members of staff that had filled in the survey did not even wish to state if they were male or female. The Chief Executive confirmed that the survey was anonymous. He indicated that there was a piece of work around trust that the Council would need to undertake in advance of next year's survey.
- 6.7 Members asked the representatives from Southwark Council about the response rates for their surveys and any targets they had aimed for. Emily Nice stated that Southwark had aimed for a response rate of 55% but achieved 48%. However, she explained that their survey was launched just after the London Bridge terrorist incident. Furthermore, she said the response rate from the 950 front line staff who do not access email and Southwark's IT systems regularly was significantly lower. As a result, Southwark re-ran the whole survey for that group which included waste and cleansing staff. This increased Southwark's overall response rate to 50%. She stated that BMG which runs Southwark's survey confirmed that a response rate of 48% provides a statistically sound evidence base. Julie Foy advised that when she had previously worked at Camden Council, which has approximately 4,500 employees, the response rate was between 52-55%. Camden did try to incentivise staff to fill in the survey by offering the opportunity to win a prize but this did not have much impact.
- 6.8 The Committee noted that the results of questions about line managers and senior managers varied between service directorates. The Committee asked whether any follow up assessments of managers and their skill-set will be undertaken and about the follow up work that would be progressed at grass-root level to address any perceived weaknesses. Aruj Haider advised that this year quality manager reports would include individual analysis for each manager recommending key areas to focus on to increase engagement in their teams. This 'key driver analysis' is a significant step forward in facilitating local action and improvement.
- 6.9 The Committee then turned its attention to the Employee Engagement scores. Members observed that most of the responses to the basket of six questions were in the mid-range of the scale rather than "strongly agree". Members also observed the discrepancy between the positive score against the statement "I am committed to helping the Council meet its goals and objectives" and the lower score for "I would recommend the Council as a great place to work".
- 6.10 The Committee noted that the directorates with the lowest engagement scores were based in tri-borough services. Members questioned whether this was a reflection of the difficulties faced by those members of staff in front line services which had been affected by budget cuts. The Chief Executive was asked whether there was a direct correlation between budget cuts and low staff morale. He suggested that this was not necessarily the case. He

considered that a good deal depended on how change is managed and the chance that employees have to contribute to it.

6.11 The Committee considered the demographic data in the results. It revealed that the most engaged employees were from Black and Minority Ethnicities (BME). However, it noted that the BME base is quite small. Emily Nice advised that there was little variance in engagement scores between ethnic groups in the Southwark survey. Whilst welcoming Westminster's results, the Chief Executive acknowledged that there were few senior directors at the Council from a BME background. He stated that the number of women in senior positions is improving. He advised that the Council is in discussions with the Chief Executives of local authorities that have better BME representation at senior level on how they have achieved this. It is also asking recruitment consultants about how it can encourage more applications from candidates from BME backgrounds for executive level vacancies.

6.12 **RESOLVED:**

1. Whilst the committee welcomed the news that the overall response rate was above the Local Government Benchmark it was keen to see a more ambitious target in future years particularly in order to understand the views of those members of staff that had not responded this year.
2. The committee noted the importance that good line management plays in driving up employee engagement and how this year quality manager reports include individual analysis for each manager recommending key areas to focus on to increase engagement in their teams. This 'key driver analysis' is a significant step forward in facilitating local action and improvement.
3. Given the importance that staff play in the delivery of the Council's services the committee intends to keep a watching brief on this matter. It would like to receive a follow-up report in 12 months' time which compares this year's performance with the results of next year's survey.

6.13 **ACTIONS:**

1. Provide a response from the contractor ORC International on how responses from the 38% of staff that did not complete the survey would impact on the headline results?
2. Provide the Committee with any comparable staff satisfaction data for the Council's larger contractors, where available.
3. The Committee would like details of trends on bullying and harassment compared to the last survey.
4. Provide the Committee with a selection of the open comments from staff about what they think should be improved.

**(Action for: Lee Witham, Director of People Services/Aruj Haider, OD Advisor)**

## **7 CITYWEST HOMES - IMPLEMENTATION OF NEW OPERATING MODEL AND REPAIRS SERVICES**

- 7.1 Since June 2017 CityWest Homes (CWH) has changed its operating model for service delivery and mobilised new contracts for repairs and maintenance. The committee received a report that explained why the changes were necessary and how the quality of services to residents had been impacted. It also explained arrangements for on-going service improvements. The report was supplemented by a Powerpoint presentation from Jonathan Cowie, Chief Executive, CWH.
- 7.2 Mr Cowie explained that the changes to the operating model were designed to simplify how residents contact CWH whilst improving service quality and consistency. They were structured to make better use of the resources available to provide support to residents. The new repairs contracts were designed with residents, to be easy for customers to use, to deliver value for money and provide a reliable service.
- 7.3 He further explained that the changes implemented impacted on all parts of CWH and combined, represented the greatest level of change to the Westminster housing service in 20 years.
- 7.4 Members heard that initially, both customer contact handling and repairs performance dropped to unacceptable levels. A backlog of repairs created during the handover of contracts pushed call volumes upwards and resourcing levels both within the new customer services centre and the incoming repairs contractor were insufficient to cope.
- 7.5 A recovery plan was put in place in October but it has taken time for the issues to be worked through and performance was poor between September and January. The new arrangements have now been bedded in and performance levels are improving and were back to target level by February.
- 7.6 The committee asked Mr Cowie what CWH was doing to restore its reputation with residents. He advised that CWH would focus on improving its communications and engagement with residents, particularly keeping them updated on the issues that they have reported. There would also be greater visibility of the estate teams during visits to the estates with more of a focus on engagement with residents.
- 7.7 Members informed Mr Cowie that whilst they welcomed the news that call response times at the contact centre had improved, residents were frustrated by the need for repeat visits to resolve often simple repairs. They asked how this will be addressed. He explained that in February CWH introduced a repairs diagnostics tool which enables the call centre agents to more accurately diagnose repairs. This has improved the accuracy of information passed to the contractor and should ensure more repairs are completed at the first visit. In the medium term performance management should be able to track how many visits have been required to fix a problem. Jim Patterson, Property Services Director, CWH, stated that more multi-skilled operatives are

required who can complete a number of jobs in one visit. CWH has asked Morgan Sindell, the new main repairs contractor, to increase the number of multi-skilled tradesmen that it employs, which currently stands at 20%. Members also highlighted the importance of ensuring that tradesmen arrive with essential tools and parts to undertake works which has not always been the case previously.

7.8 The Committee asked Mr Cowie whether CWH has a list of all vulnerable residents that live within CWH properties. He advised that the organisation has a list of 1,500 residents that fall within its definition. However, he acknowledged that the list was not as thorough as it could be. CWH was liaising with other parts of the City Council to improve the completeness of its records which he hoped to have in place within 12 months time. Mr Patterson also advised that the contact centre was also trying to obtain such details from residents when they get in contact.

7.9 The Committee noted that the exiting repairs contractor had left a backlog of approximately 2,000 outstanding jobs. Mr Cowie was asked about what penalty clauses there were within the previous repairs contract for poor performance. Mr Cowie explained that the previous ten year contract had weaker penalty clauses within it. He was asked whether CWH intended to dispute with the exiting contractor any outstanding claims for payment given the backlog of outstanding jobs. He confirmed that CWH intended to the previous contractors to do this as the contract concludes and outstanding financial payments are agreed.

7.10 **ACTIONS:**

1. Members asked CWH to prioritise the following service improvements in the year ahead:
  - ii) improve communications particularly at the local level when residents raise queries in estate offices;
  - iii) reduce the number of repeat visits required to fix simple repairs and
  - iv) improve its records of the number of vulnerable residents living in CWH properties.
2. Provide the Committee with details of the final negotiated payment to the exiting main repairs contractor including any reduction to mitigate the backlog of outstanding jobs.

**(Action for: Jonathan Cowie, Chief Executive, CWH)**

3. The committee has indicated that it or its successor should review in 12 month's time whether these service improvements have been delivered. **(Action for: Aaron Hardy, Scrutiny Manager)**

The Meeting ended at 9.25 pm

**CHAIRMAN:** \_\_\_\_\_

**DATE** \_\_\_\_\_

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## Housing, Finance and Customer Services Policy & Scrutiny Committee

<b>Date:</b>	20 <sup>th</sup> June 2018
<b>Classification:</b>	General Release
<b>Title:</b>	<b>2018/19 Work Programme</b>
<b>Report of:</b>	Director of Policy, Performance & Communications
<b>Cabinet Member Portfolio</b>	Cabinet Member for Finance, Property and Regeneration Cabinet Member for Housing and Customer Services
<b>Wards Involved:</b>	All
<b>Policy Context:</b>	All
<b>Report Author and Contact Details:</b>	<b>Aaron Hardy x 2894</b> <b>ahardy1@westminster.gov.uk</b>

### 1. Executive Summary

1. This report presents suggested topics for the committee to consider when deciding its 2018/19 work programme.

### 2. Key Matters for the Committee's Consideration

- 2.1 The Committee is asked to:

- Review the list of suggested items (Appendix A) and decide which of these items or other topics should be prioritised on the 2018/19 work programme.

### 3. Topic Selection

- 3.1 The proposed list of topics (Appendix A) has been compiled by policy and scrutiny officers in collaboration with services. The committee will also have received reports from the Cabinet Member for Finance, Property and Regeneration, and Cabinet Member for Housing and Customer Services. These reports detail upcoming issues in their portfolios that may highlight

potential topics for the work programme. Members may also have their own suggestions.

3.2 When deciding which topics to include on the 2018/19 work programme, the committee is encouraged to consider:

- Which items can scrutiny add most value to;
- When would be the best time to consider an item;
- Which items would enable scrutiny to contribute most to the council's priorities;
- What is the most appropriate way to consider a topic (e.g. committee report, task group or another approach); and
- Which items would help the committee best reflect the voice and concerns of residents.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact Aaron Hardy**

[ahardy1@westminster.gov.uk](mailto:ahardy1@westminster.gov.uk)

## **APPENDICES:**

**Appendix A** - Suggested topics



## **Policy and Scrutiny Topic Selection Campaign 2018/19**

### **Housing, Finance and Customer Services Policy and Scrutiny Committee**

#### **High Priority Topics**

##### **Budget**

- Annual review of the budget proposals
- Task Group
- September 2018

##### **Sprinklers**

- Second meeting of the task group investigating retrofitting sprinklers into tall building.
- Task Group
- July 2018.

##### **Fire safety**

- First annual report of fire safety in council properties.
- Committee meeting or continuation of sprinklers task group.
- June 2019

#### **Medium Priority**

##### **CityWest Homes**

- Review of CityWest Homes performance and structure.
- Task group
- Summer 2018

##### **Temporary accommodation**

- Review the council's needs with regards to temporary accommodation and the difficulties securing enough supply.
- Committee meeting

##### **Digital Transformation Strategy**

- Review the implementation of the Council's digital transformation strategy and the effects it has had on residents' satisfaction with services.
- Committee meeting

##### **Transfer to universal credit (with Family and People Services Committee)**

- Review the effect of the transfer to universal credit on Westminster's residents
- Committee meeting
- Timing – after universal credit has been in place in Westminster for a year.

##### **Homelessness (with City Management and Public Protection Committee)**

- Review proposed changes to homelessness strategy in response to new statutory responsibilities
- Committee meeting

- April 2019

### **Housing and community cohesion**

- How do the council's housing related policies affect community cohesion? Could focus on difference between intermediate and social housing.
- Task group

### **Tenant Management Organisations**

- What is the role of TMOs in Westminster, are they well run, do they pose a risk to the Council meeting its obligations? Are these risks well mitigated? How effective is resident engagement in properties run by TMOs?
- Committee meeting

### **Digital infrastructure strategy**

- Review how council policies affect the procurement of technologies such as broadband and 4G/5G. Identify how better aligning policies to providers needs could affect residents and businesses.
- Task group

### **Business rates retention scheme**

- To review the London business rates retention pilot, assess the impact on Westminster's finances and identify any changes on which Westminster or London might want to lobby.
- Committee meeting

### **Low Priority**

#### **Treasury report**

- Annual report on treasury management
- Committee meeting
- January 2019

#### **Green paper on social housing**

- Review green paper with a view to influencing the council's response.
- Briefing

#### **Empty properties in Westminster**

- Investigate the prevalence of empty properties in Westminster. How many are they? Do they affect the City in a significant way? Could the Council intervene to reduce the number of empty properties?
- Task group

#### **General Data Protection Regulations**

- Review the council's implementation of GDPR
- Briefing note