



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 **Wednesday 16th September, 2015**, Rooms 5, 6 & 7 - 17th Floor, City Hall.

Members Present: Councillors Brian Connell (Chairman), Antonia Cox, Richard Holloway, Adnan Mohammed, Adam Hug and Vincenzo Rampulla

Also Present: Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services, Steve Mair, City Treasurer, Ben Denton, Executive Director, Growth Housing and Planning, Barbara Brownlee, Director of Housing, Cecily Herdman, Principal Policy Officer, Andrew Barry-Purcell, Head of Spatial Planning and Environment, Jane West, Bi-borough Executive Director of Corporate Services, Helena Stephenson, Senior Service Transformation Manager, Jonathan Cowie, Chief Executive, CityWest Homes, Anne Pollock, Scrutiny Officer and Reuben Segal, Senior Committee and Governance Officer.

Apologies for Absence: Councillor Peter Freeman and Councillor Gotz Mohindra

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 The known standing declarations as tabled at the meeting were as follows:

| Member | Organisation | Nature of Interest |
|-------------------|----------------|---|
| Brian Connell | KPMG | Employee. KPMG are the Council's auditors |
| Richard Holloway | CityWest Homes | Board Member |
| Vincenzo Rampulla | CityWest Homes | Board Member |

3 MINUTES

3.1 RESOLVED:

1. That the minutes of the meeting held on 10th June 2015 be signed by the Chairman as a correct record of proceedings.

3.2 ACTION: That the committee be provided with a response to the outstanding action set out at paragraph 5.4 (1) of the minutes. **(Action for Anne Pollock, Scrutiny Officer)**

4 WORK PROGRAMME

4.1 The Chairman explained that the Corporate Property Investment Strategy item that had been due to be considered at the meeting had been deferred to 18 November meeting due to capacity issues within the corporate property department which was in the process of developing next year's business plans and contributing to medium term financial planning.

4.2 RESOLVED:

1. That the agenda items for the next meeting on the 18th November be agreed subject to the Corporate Property Investment Strategy including outline information on the redevelopment of City Hall.
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 a verbal update from the Cabinet Member for Finance and Corporate Services on key areas of the portfolio. He informed Committee members about the extensive meetings that he holds with service areas within the portfolio on a weekly or bi-monthly basis. This included Finance, Revenue and Benefits, Corporate Property and Corporate Services which incorporated Legal Services, ICT, Managed Services and Procurement.

5.2 With regards to the Council's finances, he advised that at the end of July the budget was in surplus. He was confident that there would be a balanced budget by the year's end. He further advised that the Council was currently working on its medium term financial planning. The government's spending review was due to take place in the autumn and an announcement on the Council's financial settlement for 2016-17, and possibly beyond, would be announced in December or January. Alongside medium term financial planning individual departments were working on developing their business plans for the 2016-17 financial year. The Cabinet Member was asked whether the Government was likely to provide local authorities with a multi-year financial settlement. Steve Mair, City Treasurer, advised that whilst there was an indication that there could be a 4 year settlement covering the remainder of this Parliament this was unlikely to be the case.

- 5.3 The Cabinet Member advised in respect of Revenue and Benefits that he was shortly due to take a decision on revising the criteria for Discretionary Housing Payments (DHP) to reflect changes in funding at government level. The proposed changes had been consulted upon including with constituency MPs. The Cabinet Member was asked about the government funding for DHP for 2016-17. Ben Denton, Executive Director for Growth, Planning & Housing, informed members that this was still unknown. The government had provided the Council with £2.7 million for 2015-16 and the Council had added a further £1 million of its own funding to this sum. The government had allocated £800 million nationally in the previous 5 years for DHP while this year it had provided only £125 million which signalled a downward trend in funding. 60 to 70% of the DHP awarded by the Council is to help support homeless households in temporary accommodation. This detail has been used by the Council in its lobbying of the Department for Work and Pensions (DWP) regarding concerns about the reduction in DHP funding.
- 5.4 The Cabinet Member was asked in relation to revenue which Executive Member was responsible for lobbying on business rates retention. He explained that as the issue cuts across a number of Council service areas it is undertaken centrally by the Leader. He suggested that scrutiny of this issue was best undertaken by the Westminster Scrutiny Commission. Members were informed that the last re-evaluation of business rates occurred at a time when the market and land values were more buoyant. The Council, as a billing authority, has to pick up a percentage of the loss in business rates when a business is successful in appealing its valuation. Over the last 3 to 4 years this has cost the Council £6 million. One of the Council's requests as part of its lobbying on this matter is to shield the authority from this cost.
- 5.5 The Committee was informed in relation to the Managed Services Programme (MSP) that meetings had been held with Tri-Borough colleagues and BT to resolve outstanding issues. A meeting with BT was due to be held by the Leader and Deputy Leader of the Council. The Cabinet Member acknowledged that there were problems with MSP. It was noted that there were a number of on-going risks and a query was raised as to whether there would be compensation to smaller contractors. Jane West, Bi-Borough Executive Director of Corporate Services, advised that the Council was currently gathering information regarding the problems experienced by staff and contractors following the rollout of the new system. It was hoped that the bulk of the problems would be resolved by the end of September. The Chairman advised that if the issues had not been largely resolved by the committee's next meeting then an update of the Managed Service Programme should be added to the agenda in place of the Corporate Property Investment Strategy.
- 5.6 The Cabinet Member informed the Committee that one of the largest projects within corporate property at the present time was the redevelopment of City Hall. Members of staff had been informed in outline terms of the plans. A report had been agreed in July for consultants to work up proposals which would be submitted for consideration by Cabinet in November.

5.7 The Committee also received a written update from the Cabinet Member for Housing, Regeneration, Business and Economic Development on key aspects within the portfolio.

5.8 **RESOLVED:** That the report be noted.

5.9 **ACTION:**

1. Provide the Committee with a copy of the presentation on the redevelopment of City Hall that was circulated to staff. (**Action for: Ben Denton, Executive Director for Growth, Planning & Housing**)
2. Provide Councillor Rampulla with details of the number of cases in the last year where bailiffs had been used for the recovery of non-payment of council tax. (**Action for: Steve Mair, City Treasurer**)
3. Provide the Committee with a briefing note on current lobbying activities by the Council on business rates. (**Action for: Martin Hinckley, Head of Shared Services Centre**)
4. Include an item on MSP on the Committee's next agenda if the bulk of outstanding problems are not resolved by the end of October. (**Action for: Anne Pollock, Scrutiny Officer** in liaison with Jane West)
5. Provide Councillor Mohammed with the timeframe for completing the joint venture with Central London CCG whereby the Council will fund bed spaces for hospital discharge services for homeless people. Provide details of the number of hostel beds available through rough-sleeper hostel services. (**Action for: Ben Denton, Executive Director for Growth, Planning & Housing**)
6. Provide Councillor Rampulla with background information on the Key Employment Programme Projects. (**Action for: Ben Denton, Executive Director for Growth, Planning & Housing**)

6 INDICATIVE IMPACT FOR WESTMINSTER AND LONDON OF GOVERNMENT MANIFESTO PLEDGES IN RELATION TO WELFARE CHANGES AND HOUSING REFORM

6.1 The Committee received a PowerPoint presentation from the Executive Director for Growth, Planning & Housing on government housing and welfare policy changes and how these would directly impact on the activities of the Council's housing service and indirectly impact on other services.

6.2 The presentation provided an opportunity for the Committee to gain an understanding of the changes and the potential impacts and to ask for further explanations/analysis to be provided. It also provided an opportunity to challenge officers to consider whether all reasonable actions are being taken to mitigate the adverse impacts of the changes.

6.3 It was noted that the Council's new Housing Strategy was intended to be published in November but given:

- the impacts of these national policy changes on some of the key announcements and policies in the draft strategy,
- that there are still a lot of the details about how these changes will be implemented that the Council doesn't have, and
- that a Housing Bill that will make many of the changes will be introduced into Parliament in October

The current draft strategy is no longer appropriate. Instead of producing a strategy at this stage the Council will publish a "Direction of Travel" statement which will highlight themes and general approaches that the Council will be taking until it is in a position to publish a strategy of the kind originally intended.

6.4 In response to questions Andrew Barry-Purssell, Head of Spatial Design and Environment, confirmed that until the full impacts of the legislative changes are known and a final strategy has been approved none of the planning policy proposals in the new draft strategy would be taken forward.

6.5 The Committee then discussed policy changes and the Council's response to them including proposed actions to mitigate the adverse impacts and its lobbying approach.

6.6 The Committee noted that the benefit cap reduction and Local Housing Allowance freeze would likely result in additional homeless acceptances from 2016 or 2017 which would likely result in longer waits in increasingly expensive temporary accommodation. Officers were asked whether the Council could be more proactive to reduce the demand for temporary accommodation such as by encouraging residents at risk of homelessness to move to more affordable housing outside of London. Mr Denton advised that the Council had been cautious compared to other London local authorities in this respect. The Committee was informed that the London borough of Brent has a settlement officer based in Birmingham whose role is to help Brent residents move to the area. The duties involves offering a wide range of support including directing people to employment opportunities and helping enrol children in local schools. Barbara Brownlee, Director of Housing, explained that one of the consequences of remaining in temporary accommodation is that households can experience a number of moves as it is often difficult to retain such property. In Westminster those families that have moved out of borough have tended to have initiated the move. She advised that the Housing department does intervene early on to prevent a household becoming homeless and as part of an intervention officers will see if the family has a connection elsewhere. Members considered that in order to provide constructive views on this issue it would be beneficial to receive further information on the proactive resettlement approaches of other London local authorities.

- 6.7 Officers were referred to the fact that the definition in the presentation relating to the Discharge into the Private Sector does not include reference to the quality of the property and it was suggested that this should be inserted.
- 6.8 Officers were asked whether there was merit in challenging the government on the homelessness duty in relation to the 'local connection' outlined in Section 193 of the Housing Act 1996. Concern was expressed about the requirement for the Council to take responsibility for people presenting themselves as homeless where no local connection elsewhere allegedly exists.
- 6.9 The Committee also reflected on how the Council should mitigate the impact of the annual 1% reduction in social rent from 2016/17. It was noted that this would have an adverse impact on Westminster's Housing Revenue Account over the next 30 years. Mr Denton advised that while the policy changes will impact on the Housing Capital programme they should not jeopardise the Council's regeneration projects. They simply may need to be undertaken differently. The Committee discussed whether the Council's housing renewal programmes should be modified either by extending 'renewal cycles' or making changes to specifications standards. Members concluded that in order to provide an informed view on this matter it should be provided with information on the CWH standard, the proportion of homes that meet the standard, and how it differs from the decent homes standard.
- 6.11 With regard to the extension of Right to Buy legislation to Housing Association tenants, Members were concerned to hear that some housing associations had advised that they would sell off their properties as they became vacant. Officers were asked what lobbying activities were being undertaken with the DW P and the Treasury on this subject. Mr Denton advised that he was only aware that one housing association, Genesis Homes, had made such a statement. This had not been supported by either their Board or Management team.
- 6.12 Officers were asked in relation to "Pay to Stay" whether the Housing Income Assessment would be undertaken at national level (HMRC) or locally and who would pay for this. Members were advised that this was unknown at present. Members asked whether any modelling had been undertaken on the impact of the £40,000 income threshold on different family sizes. Concern was expressed that households with a number of children could be more adversely affected leading to an increase in child poverty. Officers advised that preliminary indications suggested that 7-8% of households may be affected but specific figures were not available.
- 6.13 Members commented that the presentation did not include the impact of the removal of eligibility for housing benefit for those under the age of 21. Helena Stephenson, Senior Service Transformation Manager, informed Members that this would particularly impact young people moving out of hostel accommodation and could result in an increase in homeless numbers. The Council was undertaking work to try and mitigate this impact.
- 6.14 **RESOLVED:**

1. That the report be noted.
2. That a task group be established to scrutinise the Housing Bill and its impact on Westminster in order to help inform the Council's mitigation actions and lobbying activity.

6.15 ACTION:

1. Circulate a copy of the Powerpoint presentation to Committee Members **(Action for Anne Pollock, Scrutiny Officer)**
3. Provide the Committee with further information on the proactive resettlement approaches of other London local authorities **(Action for Ben Denton, Executive Director for Growth, Planning and Housing)**
4. Provide the Committee with information on the CityWest Homes Standard, the proportion of CWH homes that meet the standard and how this compares to the decent homes standard **(Action for Ben Denton, Executive Director for Growth, Planning and Housing)**

7 WESTMINSTER HOUSING STRATEGY CONSULTATION RESPONSES & ANALYSIS ON HOUSING TARGETS

- 7.1 The Committee considered a report that provided a summary of the consultation responses to Westminster's draft new Housing Strategy that had been launched for consultation over the summer.
- 7.2 The report also provided answers to questions asked by the committee at its last meeting about how the targets for affordable housing in the draft strategy have been developed and why they are presented in the way they are.
- 7.3 Officers were asked for their views on how they felt the consultation had gone. Andrew Barry-Purssell, Head of Spatial and Environmental Planning, commented that the consultation had been difficult as the Government's Welfare changes and Housing Reform were announced midway through the consultation period. It was difficult to know how that had affected the number of responses that the Council received. He stated that it was disappointing that the Council had not received more feedback from the private sector although officers did have a good idea about their views as they speak to a variety of organisations in the sector on a regular basis.
- 7.4 The Committee expressed disappointment that the response rate to the consultation had been low particularly given the high priority of housing to those living in London and the south-east. Members were also disappointed that of the 57 responses received there was an under-representation from the business sector including BIDS and the private rental sector.
- 7.5 Mr Barry-Purssell advised that the business and development sector tend to provide their views through representative organisations rather than individually.

- 7.6 Officers were informed that some residents had advised Councillors that they would have responded to the consultation but had not known about it. Cecily Herdman, Principal Policy Officer, advised that posters and summary documents had been made available in a variety of locations including CityWest Homes estate offices. Some had not been put on public display but once this had come to light was rectified.
- 7.7 It was suggested to Officers that it may be useful to seek the views of the Scrutiny Committee in future on the consultation strategy to help improve response rates.
- 7.8 **RESOLVED:** That the report be noted.
- 7.9 **ACTION:**
1. Make explicit in the Direction of Travel Statement that the Council will still accept comments on the Draft Housing Strategy (**ACTION FOR: ANDREW BARRY-PURSSELL/CECILY HERDMAN**)
 2. That officers target those sectors that were underrepresented in the responses when consulting on a revised draft of the housing strategy (**ACTION FOR: ANDREW BARRY-PURSSELL/CECILY HERDMAN**)
 3. Provide the Committee with the raw consultation data from those respondents that have commented on the strategy to date (**ACTION FOR: ANDREW BARRY-PURSSELL/CECILY HERDMAN**)

The Meeting ended at 8.55 pm

CHAIRMAN: _____

DATE _____