



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 7th November, 2016**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP.

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

**Also Present:** Councillor Tim Mitchell (Cabinet Member for Finance and Corporate Services), Martin Hinckley (Head of Centre, Corporate Finance), Barbara Brownlee (Director of Housing and Regeneration), Richard Cressey (Principal Policy Officer), Petra Salva (Director of Rough Sleepers Services, St Mungos), Vikki Everett (Senior Consultant at Garnet Consulting Ltd), Tara Murphy (Scrutiny Officer) and Reuben Segal, Senior Committee and Governance Officer

#### 1 MEMBERSHIP

- 1.1 It was noted that there were no changes to the membership.
- 1.2 **RESOLVED:** That until the arrival of the chairman Councillor Richard Holloway be appointed to chair the meeting (Items 1-4).

#### 2 DECLARATIONS OF INTEREST

- 2.1 Councillor Holloway declared that he is a board member of CityWest Homes.

#### 3 MINUTES

- 3.1 A typographical error was noted in paragraph 6.6 of the minutes which related to the proposed satisfaction targets for CityWest Homes complaint handling. This should have read as "above 85%" and not above 50%.
- 3.2 **RESOLVED:** That the minutes of the meeting held on 12<sup>th</sup> September 2016 be signed by the Chairman as a correct record of proceedings subject to the correction as identified in paragraph 3.1 above.

## **4 WORK PROGRAMME AND ACTION TRACKER**

### **4.1 RESOLVED:**

1. That the agenda items for the next meeting on the 9<sup>th</sup> January 2017 be agreed
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 and Corporate Services and the Cabinet Member for Housing, Regeneration, Business & Economic Development on the key aspects of their portfolios.

5.2 The Cabinet Member for Finance and Corporate Services responded to questions on the following issues:

### Business Rates

5.2.1 The Cabinet Member was asked about the government's feedback to the Council's consultation response to the proposed Business Rate Transitional Scheme. Martin Hinckley, Head of Centre, Corporate Finance, advised that the Council had yet to receive a reply although this was not unexpected as the consultation has only just closed. He believed that the government would put forward regulations to implement a transitional scheme in December.

5.2.2 The Cabinet Member was asked whether the Council had considered putting forward a proposal to government to take over responsibility for the valuation of local businesses as part of the government's ambition to deliver fiscal devolution. The Cabinet Member advised that whilst there had been some discussion regarding this, and the proposition sounded attractive, it would need to be supported by a fully worked up business case.

### No PO No Pay and Sundry Debtor Recovery

5.2.3 Members asked about the level of compliance of the requirement for purchase orders to be provided as the principal means of requisitioning supplies and paying invoices. The Cabinet Member explained that No PO No Pay is being phased in incrementally. The aim is for full implementation by 1 December. Martin Hinckley advised that whilst some statistics are available a full picture will not be available until the New Year. The Cabinet Member was also asked about the risks of moving to such an approach when a service improvement plan for Agresso is still being delivered. The Cabinet Member stated that the Council would not be moving to No PO No Pay unless it was confident that the system was in working order.

5.2.4 Further details were requested about the programme of debt management recovery. The Cabinet Member explained that the aim was to prioritise the recovery of the largest debts. He indicated that a key issue was the large number of transactions that needed to be followed up rather than the overall

value of unpaid invoices. Mr Hinckley advised that letters requesting payment had now been issued to all debtors.

#### Discretionary Housing Payment Fund

- 5.2.5 The Committee was informed that 900 Westminster households had been identified as being likely to be affected when the benefit cap is reduced. The City Council was in the process of writing to the households in question to forewarn them about the changes and signpost advice on dealing with their impact. The Cabinet Member was asked about the responses that had been received from households. The Committee also asked whether the Council's DHP funding for 2017/18 is likely to be of an equivalent amount to that received last year. In reply to the latter the Cabinet Member replied that it was hoped that an equivalent level of funding would be provided, although the Council would need to await the government's announcement (expected in December). Mr Hinckley advised that the Council was in the process of sending the letters and any responses will not be known for a couple of weeks.

#### Operational Property Strategy

- 5.2.6 The Cabinet Member was referred to the fact that at its last meeting the committee considered a report on Treasury opportunities. He was asked how the Operational Property Strategy linked with the Treasury Management Strategy. The Cabinet Member stated that there wasn't a direct link between the two strategies. He explained that the latter is agreed annually by the Full Council and compliance with it is reviewed on a regular basis. The development of an Operational Property Rationalisation Strategy will help the Council to better asset manage existing assets, make more efficient use of accommodation across the portfolio and, identify surplus property in order to deliver targeted savings. He advised that releasing surplus buildings and land as a result of rationalisation could create potential development opportunities resulting in revenue generation for the Council. He explained that the Council has retained the services of a number of professional advisers including property experts to advise the Council in such matters.

#### Staff "Your Voice" Survey

- 5.2.7 The Committee asked about the opportunities to scrutinise the results of the Staff "Your Voice" Survey. The Cabinet Member believed that a report was ordinarily presented to the Audit and Performance Committee. He advised that while generally the results were positive one area which did not score very highly was ICT. He highlighted that this may have been a consequence of the survey being run over a period where there happened to be a major IT issue that affected all users.

#### ICT

- 5.2.8 Members asked about the risks to the Council from emerging cyber attacks and its resilience against them following the move to "cloud computing". The Cabinet Member stated that there would always be some inherent risk around IT. He advised that earlier in the year the Council experienced two outages. These were caused by a new form of Ransomware which was not covered by WCC antivirus protections. These were shut down quite quickly. He

considered that it was important to train staff to be aware of the risks as the incidents originated as a result of staff accessing infected data.

### 5.3 ACTION:

1. Councillor Hug would like details of the likely total financial shortfall that will be experienced by the 900 households following a reduction in the benefit cap. (**Action for: Martin Hinckley, Corporate Finance**)
2. Clarify whether the Audit and Performance Committee will be considering the results of the Staff 'Your Voice' Survey and/or whether there is an opportunity for the scrutiny committee to do so. (**Action for: Tara Murphy, Scrutiny Officer and Reuben Segal, Committee Officer**)
3. Provide Councillor Hug with details of the number of new affordable homes that are expected to be delivered in the Borough in 2017/18. (**Action for: Barbara Brownlee, Director of Housing & Regeneration**)
4. Provide Councillor Roca with details of the overall number of longer term unemployed people in Westminster. (**Action for: Greg Ward, Director of Economy and Infrastructure**)
5. The Committee would like details of any changes to the revenue targets relating to the procurement of a private market operator to run Berwick Street Market. (**Action for: Greg Ward, Director of Economy and Infrastructure**)

## 6 DRAFT ROUGH SLEEPING STRATEGY 2017-2020

- 6.1 Richard Cressey, Principal Policy Officer, introduced a report that outlined the proposed priorities for the Draft Rough Sleeping Strategy 2017-20 and the headline findings from the public consultation, which closed on 4 November 2016.
- 6.2 Mr Cressey informed the Committee that the headline findings since the agenda was published remain the same although a greater number of responses to the consultation had been received. During the consultation period the City Council engaged and received responses from over 400 people. This included a mix of residents, businesses and public and voluntary sector organisations who provided a breadth of views. Officers were now examining the responses in detail with the aim of working up final proposals in consultation with stakeholders.
- 6.3 He stated that from the responses received it was clear that rough sleeping is a polarising issue. Some consider that more help should be provided to those who sleep rough while others believe that there should be a more robust approach to tackling the problem. One clear message that came out of the consultation is that people wish to see more of the detail; how the strategy and its priorities will work in practice. Many respondees wish to see more action on tackling begging and anti-social behaviour. Many comments were received highlighting that rough sleeping is particularly acute in Westminster

but is caused by national and international drivers. There were disparate views on how to tackle rough sleeping by non-UK nationals.

6.4 The Housing, Finance and Corporate Services Policy and Scrutiny committee was asked to:

- Reflect on the consultation and the views provided by residents, businesses, voluntary sector organisations and others engaged with.
- Comment on the draft strategy in light of consultation feedback gathered, and identify areas for further development ahead of final publication of the revised strategy early in 2017.

6.5 The committee heard from witness, Petra Salva, Director of Services (Rough Sleeper, Migrants and Ex-offender Services) at St Mungos, who had been invited to the meeting to provide an expert's view on the priorities. Ms Salva provided a brief summary of her career background. She stated that she had worked in a number of different roles. This included working as an Outreach Worker in Westminster. She was the instigator of the Government initiative No Second Night Out and has been instrumental in developing approaches to the challenges around rough sleeping by non-UK nationals. Over the course of her career she had been both an advocate and critic over the use of penalties and enforcement to address rough sleeping as well as the provision of day centres.

6.6 At the Committee's request Ms Salva provided her reflections on the draft strategy. She commended the Council for challenging the perceptions around rough sleeping. She considered that the Council was serious about tackling rough sleeping and that the consultation had been well run. She informed the Committee that Westminster has historically been a magnet for attracting rough sleepers. One of the reasons for this is that homeless people are aware that the Council provides rough sleepers with a good level of services. She went on to explain that rough sleepers do not respect borough boundaries and often do not know that they are in Westminster. The vast majority will not have a local connection to the borough. As a consequence tackling rough sleeping requires a pan London approach and is not an issue that the City Council can resolve on its own. This is something that is often missing in proposed solutions. She reflected that while there was a great deal of activity around tackling rough sleeping outcomes were often poor. Whilst this is recognised and addressed in the draft strategy she considered that there was a need for greater focus on this. She suggested there was a need for a whole range of services to assist those rough sleepers with complex needs as well as solutions for different cohorts.

6.7 The Committee then considered the proposals and in the ensuing discussion submitted a range of questions to Ms Salva and the officers present.

6.8 The Committee noted that while the strategy contained targets these did not include an overall target for the reduction of rough sleeping. The Committee asked whether it should. Ms Brownlee recognised that setting numerical targets can focus activity. However, she explained that rough sleeping is a continuous and complex problem where flows are hard to predict. Ms Salva

supported setting numerical targets to eliminate chronic homelessness particularly for rough sleepers with a local connection to Westminster. However, she considered that it would be difficult to set such targets for reducing the number of new rough sleepers.

- 6.9 The Committee asked about the challenges of successfully helping long term, entrenched rough sleepers who identify with a “community” or lifestyle. Ms Salva explained that the reasons why many become caught in a “revolving door” of rough sleeping are numerous. Mr Cressey acknowledged that supporting such people to re-build their lives was particularly challenging. There is a need to draw in other services to tackle underlying, fundamental problems such as alcohol and drug abuse and mental and physical health issues. Officers were referred to the fact that the pathway through GPs to tackle mental health problems was not particularly effective and that many rough sleepers suffer from problems which may not fit into defined categories of mental illness or do not meet the statutory threshold for intervention. In response, Ms Brownlee advised that the Council was submitting a bid towards funding therapy for rough sleepers suffering with Personality Disorder.
- 6.11 The Committee asked for details of how the Council was participating on a pan London basis to reduce rough sleeping. Ms Brownlee informed members that a representative of the Council sat on the Mayor’s Strategic Homeless Group. The Council was also preparing on behalf of the GLA bids to Government for homeless funding. It was also working in partnership with a number of cities in the North of the country to help those rough sleepers from those towns to reconnect with their local area. Ms Salva was asked why she believed that a pan-London approach was not working. She was of the view that while Westminster was at the forefront of providing innovative solutions to the problem she was not sure that the Mayor’s Strategy was being well implemented. She was unsure that other London boroughs were playing their full part where reciprocal arrangements are important. She stated that although Westminster has put a lot of funding towards the enforcement of antisocial behaviour associated with rough sleeping other London local authorities had not. Ms Brownlee commented that some London local authorities had stopped providing services to rough sleepers which has resulted in a reduction in the problem in those areas.
- 6.12 The Committee noted that the new strategy would run until 2020. Officers were asked whether it was likely to be reviewed earlier given the possible impact of major changes such as Brexit. Mr Cressey advised that officers would invariably keep the strategy under informal review to ensure that it remained fit for purpose.
- 6.13 **RESOLVED:**
1. The Committee was pleased to hear from officers that over 400 people had participated in the consultation which is considered to be a comparably high response rate for a City Council Consultation. It noted that responses were received from a range of stakeholders including residents, businesses and public and voluntary sector organisations. The

Committee was further pleased to receive confirmation from the expert witness that the consultation had been well thought out and executed.

2. Members endorsed the targets within each of the priorities which it considered were acceptable. However, following consideration it concluded that the strategy would not benefit from incorporating specific numerical targets.
3. The Committee expressed a specific desire for the strategy to focus on improving rough sleepers' health and well-being, with a particular focus on addressing mental health issues. Members noted that 88% of those in the Council's accommodation services identified themselves as having a mental health support need. These are often the service users who move in and out of services because they abandon their placement or are evicted after serious or consistent antisocial behaviour. This results in rough sleepers becoming stuck in a 'revolving door' of rough sleeping which is unproductive for those involved and an ineffective use of resources.
4. Having noted Ms Salva's reflections that rough sleeping does not respect borough boundaries and that the vast majority of rough sleepers in Westminster are not connected to the borough, the Committee wish to see greater reference in the strategy to the importance of Pan-London working and connections with the Mayor of London's rough sleeping strategy.
5. Members would like further consideration to be given to whether different targets should be set for non-UK/Irish nationals to reflect that rough sleeping by this group in Westminster raises distinctive issues. It was noted that such individuals have No Recourse to Public Funds and with the exception of those with significant support needs or who are vulnerable the Council does not provide them with services.
6. The Committee has noted that rough sleeping is particularly acute in Westminster due to its unique location but also because of the good services it provides. The committee expressed concern at anecdotal information that this is exacerbated by the perverse effect of other London boroughs reducing services for rough sleepers.

## **7 RE-COMMISSIONING THE HOUSING OPTIONS SERVICE**

- 7.1 Barbara Brownlee, Director of Housing & Regeneration, introduced a report that provided a background to the Council's Housing Options Service and its contract which is due to expire at the end of September 2017.
- 7.2 With the expiry of the existing contract, and the introduction of a new Rough Sleeper Strategy in 2017, the Council has an opportunity to review frontline service delivery and reshape the service to be more responsive to the needs of residents.

- 7.3 The purpose of the report was to inform and gain support from the Scrutiny Committee on the overall strategy for and reshaping of the service and its intended procurement.
- 7.4 Vikki Everett, Senior Consultant, Garnet Consulting Ltd, addressed the committee. She explained that she had been appointed by the Council to manage the procurement of the re-commissioned service and to deliver a realistic and successful mobilisation of the contract. She provided a brief summary of her background which included experience in outsourcing and the transformation of services.
- 7.5 Ms Everett highlighted that there are elements of the service where there are well developed and very mature markets i.e. frontline advice services, property management, rent collection, lettings etc. The element of service that is not typically outsourced by Councils and where there is a less developed market are the statutory housing/homelessness functions e.g. duty to make enquiries into cases of homelessness or threatened homelessness, duty to make arrangements to ensure social services are aware of cases where applicants with children are homeless or threaten with homelessness, duties to assist and accommodate those eligible cases. Typically, Council's have retained these services in house Hence, for these statutory elements of the service, there is not a developed market. This also informed the Council's approach of splitting the service into Lots to attract competition for those areas of service where there are providers already delivering these services elsewhere.
- 7.6 The Committee considered the proposals put forward which were as follows:
1. The creation of a more agile frontline advice service that enables greater mobile working, outreach advice, collaboration and integration with other related services such as Children and Adult services, promotion of and access to employment services, in addition to promoting self-serve and digital advice solutions.
  2. The procurement of the service in four 'lots' that will encourage competition by appealing to experienced providers that are currently delivering specialist services within this and related sectors and encourage providers to consider the formation of partnerships and consortium arrangements to deliver the requirements of the Council.
  3. The movement towards a partnering approach with providers that will enable the transformation of these services over time and ensure a more flexible service that can respond adequately to the changing demands and legislative framework in addition to the impacts that other broader Council initiatives such as the Integrated Customer Service, One Front Door and Digital Transformation initiatives will have on these services.
  4. The re-shaping of the service that forms a clearer distinction between the 'people' and 'property' aspects of the service and places greater emphasis on frontline advice, homeless prevention and self-serve solutions.



- 7.7 The Committee explored the issues and in the ensuing discussion raised a number of issues.
- 7.8 Members noted that there is a medium term planning (MTP) saving target linked to homelessness for 2017/18 of £500,000. The committee asked whether there was confidence that splitting the contract into 4 lots will deliver the required savings given that some of the market is less developed. Ms Everett explained that there are undoubtedly some risks associated with this that will need to be effectively mitigated through the procurement process and contractual and governance arrangements that are put in place. This is why there is a preference to have a lead contractor that partners with specialist providers. As part of the reshaping of the contract contractors will be incentivised to implement innovative solutions and provide better value for money through a risk and reward mechanism. The Director of Housing & Regeneration explained that some service provision is duplicated within the Council. For example, the Council currently funds two different streams of homelessness prevention advice: The reshaping of the contract provides an opportunity to eliminate this duplication resulting in savings to the Council.
- 7.9 Ms Everett advised that the strategy had been informally tested with the market. Twenty three providers had expressed an interest in all or some of the lots, 15 organisations had participated in the soft market testing sessions and there was a high level of support for the overall strategy across all 4 lots.
- 7.10 The committee asked whether consideration had been given to whether some aspects of the service would be better delivered in-house or by CityWest Homes. The Director of Housing & Regeneration advised that the Council does not currently provide many elements of the service in-house including single person homeless services. In her view the latter would be better provided by experienced specialist providers. She considered that whilst the Council could deliver Lot 3 (housing assessment, allocations and nominations) itself she believed there was greater merit in accessing a well-developed, mature market as well as keeping all the services together in one procured contract.
- 7.11 The committee noted that emphasis will be placed in the new contract on shifting access to the Housing Options Service away from a traditional reception facility to a more streamlined and digitally informed environment. The Director of Housing & Regeneration was referred to the fact that the service users are likely to be the least digitally experienced and for some English may not be their first language. Ms Brownlee explained that while there is an intention to promote self-service and provide digital advice solutions there will still be a human element behind the processes which people can engage with where required. She advised that all local authorities were further digitalising their services and that the City Council was some way behind its peers in this respect.
- 7.12 Members reflected on the interdependencies between the services and were keen to know how the service would ensure that users will have a smooth transition between the different elements. Ms Brownlee informed members that to assist the successful contractor(s) the Council was mapping the

customer journey in a pilot in conjunction with The Passage. She stated that the reshaped service should provide a better experience for users as there would be a greater emphasis in comparison with the current contract on early intervention and homeless prevention. Ms Everett also advised that work was taking place on developing common branding across the different elements of the service so that there is no difference from the perspective of the user.

- 7.13 **RESOLVED:** Following careful consideration, the Committee endorsed the overall strategic approach to the reshaping and procurement of the Housing Options Service. It has requested that a further update be provided to the committee as the procurement moves forward.

The Meeting ended at 9.15 pm

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

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