



City of Westminster

Cabinet Member Report

Decision Makers:	<p>Cllr David Boothroyd, Cabinet Member for Finance and Council Reform</p> <p>Cllr Liza Begum, Cabinet Member for Housing Services</p>
Date:	24 October 2022
Classification:	Part-Exempt (Appendix B Confidential) By virtue of the Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.
Title:	The Passage – Bentley House
Wards Affected:	Vincent Square
Policy Context:	<p>This is a newly refurbished block of 20 units of accommodation comprising self-contained studio and 1 bed flats for completion in October 2022. The service is designed as bespoke longer-term housing for single men and women over 40 who have lived in supported housing services for several years or have been on the streets for a very long period and require an alternative solution than traditional supported accommodation.</p> <p>WCC will have the nomination rights to 19 of the units to house vulnerable clients. This programme supports the Councils aims to address the longer-term response to rough sleeping by building capacity and interventions that strengthen our pathway models of accommodation for clients from the streets into specialist support.</p> <p>The Passage request financial support from WCC for the programme.</p>

Key Decision: Yes, due to significant expenditure.

Financial Summary: That funds described in Appendix B of this report are allocated to The Passage, in return for a nominations agreement for 19 units of accommodation at Bentley House.

Report of: Debbie Jackson, Executive Director of Growth, Planning and Housing

1. Executive Summary

- 1.1 This report requests a financial contribution from the City Council towards the refurbishment of The Passage, Bentley House, a small housing scheme on Kings Scholars Passage, which will deliver 20 single units of accommodation for single men and women over 40 who have lived in supported housing services for several years or have been rough sleeping in Westminster for some time. This will be funded from the Council's Affordable Housing Fund (AHF). Westminster will be entitled to nomination rights to 19 of the 20 units as there is one returning tenant who has existing tenancy rights.

2. Recommendations

- 2.1 That the Cabinet Member for Housing Services and the Cabinet Member for Finance and Council Reform:
 - 2.1.1 Agree Appendix B of this report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A, Part 1, paragraph 3, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
 - 2.1.2 Approve the AHF grant allocation to the Passage as set out in appendix 1 subject to a funding and nominations agreement.
 - 2.1.3 Delegates authority to the S151 Officer to award the funds to the Passage.
 - 2.1.4 Delegates authority to the Director of Legal Services to enter into a funding and nominations agreement with the Passage.

3. Reasons for Decision

- 3.1 Bentley House had been vacant for many years and fallen into considerable disrepair and was not capable of being occupied.
- 3.2 It required extensive capital investment by The Passage to enable it to be occupied once again for any purpose. The accommodation was effectively on the threshold of being lost from the city's stock.
- 3.3 Bentley House will benefit from its proximity to Montfort House by combining the service management and office space and support during the night, when required.
- 3.4 Bentley House falls into the Housing led solutions category given the focus on longer term accommodation. Interventions for people who have been on the streets for long periods of time and where traditional accommodation options have failed.
- 3.5 The use of resources from the Affordable Housing Fund, along with

other funding sources available to the Passage, will provide 20 single person self-contained studio accommodation units with a full nomination agreement in place between The Passage and WCC.

4. Background, including Policy Context

- 4.1 Bentley House, on Kings Scholars Passage, is within The Passage's freehold and leasehold ownership. It has been let on a long lease to a Registered Provider and has been vacant for many years, falling into disrepair and requiring a considerable level of investment by The Passage to bring the building back to a habitable condition.
- 4.2 The Passage has bought out the remaining six years of the lease it wishes to invest the building to bring it back into use. They have raised a considerable amount of funding through a range of sources, and request WCC to support the funding.
- 4.3 Bentley House will support vulnerable clients, some of which are sleeping rough. The service will support people away from the street with the offer of an accommodation pathway which will adopt features that support people into breaking a cycle of sleeping rough repeatedly and preparing individuals to acquire the skills and confidence to sustain their own tenancies in the future.
- 4.4 The Passage continues to be a key partner to WCC, supportive of the Council's direction to ending rough sleeping and working collectively to develop plans and initiatives to reduce rough sleeping. They have and continue to support officers to engage with the local voluntary and community sector, people with lived experience and the wider community to understand the most effective and appropriate local approaches to ending rough sleeping.
- 4.5 The Passage continues to be an effective contributor to the management and service outcomes that supports and secure interventions that reduce the transmission of Covid in our communities and the wider virus vaccination programmes across Westminster. They are supporting WCC, Public Health and our CCGs to ensure access to health support is available to rough sleepers and those who are homeless.
- 4.6 This funding will support the Council to meet its vision in the areas of,
 - Supporting to address housing needs of residents, families, and social care users
 - Contribute to homelessness prevention due to increased support and more people with a housing need can stay in their local communities
 - Support the Council's approach to relieving poverty and systemic inequality are reduced, making Westminster a healthier and more equitable place

- Contribute to the Council’s ambition to create a new rough sleeping partnership comprising local and national charities

4.7 It is proposed by the Passage that rents charged on the 20 homes being provided will be in line with formula rents as determined by the Central Government. These rents are the equivalent of social rent levels.

4.8 Tenancies issued to residents will be assured shorthold tenancies (ASTs) with anticipated stays of 5/6 years, with move on depending on circumstances into other forms of accommodation including via the clearing house.

5. Financial Implications - See Appendix B (Confidential part of report)

6. Legal Implications

6.1 The Council has power to undertake the measures outlined in this report, including, provision of assistance by way of a grant to The Passage.

6.2 The Passage is a not profit charitable organisation, regulated by the Charity Commission with charity number 1079764.

6.3 Section 1(1) of the Localism Act 2011 introduced the “general power of competence” for local authorities, defined as “the power to do anything that individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area, or persons resident or present in its area. The generality of the power conferred by subsection (1) is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power.

6.4 Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any other of its functions, whether involving expenditure, borrowing, or lending money, or the acquisition or disposal of any rights or property

6.5 The Council is the local housing authority for its area pursuant to sections 1 and 2 of the Housing Act 1985. The Council as a local housing authority (LHA) has a duty under Part VII of the Housing Act 1996 (HA 1996) (as amended) to provide a homeless applicant with accommodation for them.

6.6 The purpose of the grant is to facilitate delivery of affordable housing at Bentley House.

6.7 Part 3 of the Subsidy Control Act 2022 sets out certain types of subsidies that are exempt from the subsidy control requirements in Part 2. Chapter 2 of Part 3 sets out that subsidies given as minimal financial assistance (subsidies of less than £315,000 over three years, per recipient) and as services of public

economic interest assistance (subsidies of less than £725,000 over three years, per recipient and meeting other specific conditions) are exempt from the subsidy control requirements, except that transparency requirements apply where a subsidy award given under this exemption exceeds £100,000. The Council must however be satisfied that the amount of the subsidy is limited to what is necessary to deliver the Services of Public Economic Interest (SPEI) services, having regard to: -

- (a) costs in delivering the SPEI services, and
- (b) reasonable profits to be made in doing so.

6.9 The value of the proposed grant funding exceeds £725,000. Therefore, there is an obligation on the Council, to comply with Part 2 SC Act 2022. Officers must ensure the mandatory measures set out in Parts 2 and 3 SC Act 2022 are complied with. These include the notification and confirmation requirements before release of the funds. SPEI are public services that would not be supplied (or would not be supplied under the required conditions) without public intervention, and which are of particular importance to society. Examples of an SPEI could include social housing or rural public transport services. Therefore, affordable housing is likely to fall in scope. A public authority can only therefore, award a subsidy for the delivery of a SPEI if it does so in a transparent manner and it is satisfied that the value of the subsidy is restricted to what is necessary to deliver that service.

6.9 Finally, the drafting of the legal instruments must be undertaken in such a manner that ensures full compliance with SC Act 2022. For this purpose, legal must be consulted not only for the purposes of drafting and execution of the legal instruments before any funds are released but also, for the purposes of ensuring compliance with Part 2 obligations.

7. Carbon Impact

7.1 As this project which is being delivered by an external provider is the refurbishment of an existing building and not new build and there will not be the negative impacts associated with demolition and rebuild, whilst also taking advantage of the opportunity to reduce carbon impact by reducing gas usage, increased insulation, and better systems.

7.2 The scope of works for improved energy efficiency includes the following:

- Replacement of existing gas-fired boilers (circa 20 years old) with new low NOx condensing boilers with efficiencies of 98% to serve the domestic hot water system
- Space heating replaced from gas fired boilers and circulated water systems to electric panel heaters with integral thermostatic control to lessen reliance on gas

- New variable speed pumps which vary their output based on demand, offering energy savings during periods of lower demand.
 - Improved thermal insulation on heating, hot water and cold-water pipework, reducing heat losses from pipework.
 - New domestic hot water tanks with improved thermal insulation, reducing standing losses.
 - Increased insulation between floors, internal walls and ceilings.
 - Lower flow water fittings to reduce water usage.
 - High efficiency, low energy use LED lighting.
 - Higher efficiency extract fans, with lower fan energy use, and SFPs in compliance with the latest ERP directive.
 - Improved control systems for all new equipment.
 - Provision of new water and thermal meters to better understand the breakdown of energy use when the building is in operation.
 - New trickle ventilators in windows to provide background natural ventilation in compliance with Part F of the building regulations.
- 7.3 Heat pumps were considered for heating, however due to the size of the units and the lack of roof plant space, these were not deemed suitable for the building.
- 7.4 Generally, the replacement strategy has been like-for-like replacement with modern, high efficiency equivalents. PV panels were not considered appropriate for building due to the lack of roof plant space.
- 7.5 Water efficiency will be achieved through the following
- Individual metering will be provided for each resident tenant to measure water consumption and for billing requirements
 - Low flow fittings are proposed and will be specified by the Architect to also reduce overall water consumption
 - Basin taps – 4ltr/min
 - Shower valve – 6ltr/min
 - WC flush – 4ltr /min
- 7.6 An automated water leak detection system is provided on the mains water supply between the building and the utility mains water supply to detect any major leaks and shut off supply with a solenoid valve.

8. Equalities Impact

- 8.1 The proposals contained in this report secure accommodation for 20 individuals with histories of rough sleeping.
- 8.2 This provides additional good quality housing with support for people with a wide range of protected characteristics which will vary according to individual need but given the profile of rough sleepers in Westminster will include older homeless people, people with mental and physical health problems and people on low incomes

9. Consultation

- 9.1 Ward Members have been consulted on these proposals. No comments have been received from Ward Members on these proposals.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:
Heather Clarke hclarke@westminster.gov.uk Tel: 07817054753

APPENDICES

Appendix A: Other Implications

Appendix B: Financial Implications (exempt from publications)

BACKGROUND PAPERS

None.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Finance and Council Reform**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:



Date: 24/10/2022

NAME: **David Boothroyd**

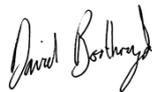
State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

The Passage – Bentley House and reject any alternative options which are referred to but not recommended.

Signed:



Cabinet Member for Finance and Council Reform

24/10/22

Date:

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Housing Services**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:

Date: 24/10/2022



NAME: **Liza Begum**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

The Passage – Bentley House and reject any alternative options which are referred to but not recommended.

Signed:



Cabinet Member for Housing Services

24/10/2022

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