**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 11th September, 2017**, Grosvenor Hall Grosvenor Hall, Vincent St, Westminster, London SW1P 4HB.

**Members Present:** Councillors Brian Connell (Chairman), Paul Church, Adnan Mohammed, Jacqui Wilkinson, Roca and Jason Williams

**Also Present:** Steve Mair (City Treasurer), Jonathan Cowie (CEO, CityWest Homes), Martyn Jones (Executive Director for Asset Strategy and Development, CWH), Sarah Stevenson Jones (CWH Head of Health, Safety and Wellbeing), Brian Robinson CBE, Alan Brinson, Greg Roberts (Head of Supporting People and Temporary Accommodation), Aaron Hardy (Scrutiny Officer) and Reuben Segal (Committee and Governance Services)

**Apologies for Absence:** Councillor Peter Freeman

## 1 MEMBERSHIP

1.1 It was noted that Councillor Jason Williams had replaced Councillor Adam Hug.

## 2 DECLARATIONS OF INTEREST

2.1 Councillor Church declared that he is a board member of Westminster Community Homes.

## 3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on 12 June 2017 be signed by the Chairman as a correct record of proceedings.

## 4 WORK PROGRAMME AND ACTION TRACKER

4.1 **RESOLVED:**

1. That reports on WestCo and Treasury Performance Half Year Statutory Review be included on the agenda for the next meeting on the 6 November

2. That the responses to actions and recommendations as set out in the tracker be noted.

4.2 **ACTIONS**: Provide the committee with a note on where the responsibilities for scrutinising rough sleeping lie. (**Action for: Barbara Brownlee, Interim Executive Director for Growth, Planning & Housing**)

## 5 UPDATE FROM CABINET MEMBERS

5.1 The Committee received written updates from the Cabinet Member for Housing and the Cabinet Member for Finance, Property & Corporate Services on the key issues within their portfolios.

5.2 In the absence of the Cabinet Member for Housing CityWest Homes (CWH) officers responded to questions on the following issue:

5.2.1 The performance of the new CWH Multi Channel Service Centre (MCSC) - Mr Cowie was referred to the fact that a resident in William Blake House had phoned the CWH service centre to enquire about a maintenance issue but was unable to get through. Mr Cowie was asked about the alternative options in such circumstances. Mr Cowie advised that the MCSC was launched at the same time as the Grenfell Tower fire. CWH had anticipated receiving c. 4500 thousand calls per week. However, there were unprecedented call volumes following the Grenfell Tower fire and at its peak, call volumes reached c 7500 calls per week. Additional resources were put in place to deal with the increased call volumes. Mr Cowie advised that it would take between 3 to 6 months for the new MCSC to “bed in”. However, initial performance monitoring has revealed that there is a higher resolution of queries at the first point of contact than previously, although the aim is to improve upon this. Mr Cowie explained that residents who have an emergency can call the emergency phone number. These calls are prioritised by the contact centre. Residents can also email the MCSC if phone lines are busy. CWH would in the next two weeks, be installing a call-back function so that if there is a wait to speak to a customer services operator residents can hang up but their place in the queue would be saved.

5.3 In the absence of the Cabinet Member for Finance, Property & Corporate Services, the Committee submitted questions to the City Treasurer on the following:

5.3.1 Business Rate Reform – the City Treasurer was asked when any significant changes were likely to take place. He advised that a London wide pilot could potentially begin in April 2018 for a two year period. This was due to be debated at a meeting of London Councils. Westminster does not currently benefit from the current Business Rate Retention System. Of the £1.8 billion collected the Council should retain £83 million according to its Baseline

Funding Assessment, but in fact retains just £77 million, due to Business Rate Retention appeals forcing the authority to access the Safety Net. As a result, the Council has been at the Safety Net level every year, to date, that the localised NNDR system has operated, which has resulted in the Council losing £6m per annum. Therefore, any reform may benefit the Council.

5.3.2 Objections received in relation to the Council's 2016/17 Accounts - Mr Mair explained that the two objections made during the public inspection period related to lender's option borrower's option (LOBO) transactions taken out many years previously. He explained that these are technical means of financing capital expenditure. He advised that similar objections had been submitted to a number of local authorities in the previous year which had been dismissed by external auditors.

5.4 **ACTIONS**:

Housing

1. Provide the committee with an update on the current position regarding the regeneration of Ebury Bridge. (**Action for: Barbara Brownlee, Interim Executive Director for Growth, Planning & Housing**)

2. Provide Councillor Church with confirmation of when a new fire safe door will be replaced in a tenant's residence at Kemp House. (**Action for: Sarah Stevenson Jones, CWH Head of Health, Safety and Wellbeing**)

3. Provide Councillor Roca with an update on the consultation programme for the Church Street Masterplan. (**Action for: Barbara Brownlee, Interim Executive Director for Growth, Planning & Housing**)

Finance

4. How many applications have been received for funds from the small business rate relief scheme and for the £1000 allowance for public houses with a rateable value below £100,000? (**Action for: Martin Hinckley, Head of Revenue and Benefits**)

Corporate Services

5. What is the difference in staffing levels at the Council compared to the previous year? (**Action for: Lee Witham, Director of People Services**)

6. Provide Councillor Williams with further details regarding the property management contract to GVA. **(Action for: Guy Slocombe, Director of Property, Investments and Estates**)

## 6 CITY WEST HOMES AND WESTMINSTER CITY COUNCIL'S RESPONSE TO FIRE SAFETY WITHIN COUNCIL HOUSING STOCK IN LIGHT OF THE GRENFELL DISASTER

6.1 The Committee received a report on the work undertaken by CityWest Homes (CWH) and Westminster City Council (the Council) in light of the Grenfell Tower fire on 14/15 June 2017. The paper focused on the work associated with maintaining and enhancing the safety of the Council's housing stock, as opposed to the wider work undertaken by the Council and CWH supporting the Royal Borough of Kensington and Chelsea (RBKC).

6.2 Prior to the meeting the committee had an opportunity to visit Hide Tower, a 22 Storey TMO managed residential block in Pimlico, to see first-hand some of the fire-safety related issues raised in the committee report.

6.3 The report was supplemented by a PowerPoint presentation from CWH that covered i) fire management pre-Grenfell, ii) the immediate response following the fire and iii) on-going fire safety response.

6.4 CWH and the Council had engaged fully with the Government in response to various requests for information and tests.

6.5 Following the Grenfell Tower fire, significant engagement with residents by CWH and the Council had been undertaken. Information regarding CWH's regime for maintaining fire safety of the housing stock was shared with and explained to residents, to provide reassurance. The tower blocks at Little Venice on the Warwick and Brindley estates have cladding similar to that at Grenfell Tower and a bespoke communications plan was put in place for those residents.

6.6 All tower blocks over ten stories were visited within the first few days following the fire, to carry out visual checks and to ensure all fire related signs and guidance was up to date and appropriate. Independent and/or scheduled Fire Risk Assessments with London Fire Brigade (LFB) have been put into place. CWH' fire safety team are working closely with LFB to ensure the safety of the stock.

6.7 CWH had identified 22 initial projects covering all aspects of fire safety. Some of the resulting recommendations will be considered by CWH Executive and Board, whilst others will be referred to the Council for policy decisions.

6.8 The committee heard from Brian Robinson CBE, President of the Fire Sector Federation and Alan Brinson, Executive Director of the European Fire Sprinkler Network, who had been invited to the meeting as expert witnesses.

6.9 Brian Robinson addressed the committee. He explained that he had held the post of London Fire Commissioner for 12 years and was currently the Chairman of the Fire Sector Federation, which has 65 member organisations from across the whole of the fire sector. He advised that he had recently met with Dame Judith Hackitt, who is due to lead the independent review of building regulations and fire safety, to discuss the review's Terms of Reference. He offered to share with the City Council two documents that he had submitted to the review.

6.10 Mr Robinson provided the following thoughts in response to the presentation:

- That the Council may wish to consider adopting a policy on using non-combustible products within its housing stock until experts have come to an agreement on this particular issue. He commented that whilst the Council has reconfirmed its plan to remove the existing category 3 cladding at Little Venice Tower (LVT) and replace it with Category 1 cladding (the highest safety rated version) that is classed as of limited combustability.

- He suggested that the Council commissions a report on limited combustible cladding before taking a final decision on replacing any existing cladding in order to understand the risks and to determine what type of cladding system is best for each block. He believed the building regulations would be reviewed and changes made from current standards.

- That the Council should put in place mechanisms for monitoring fire safety compliance within its housing stock. This should cover both the products installed, competence of contractors and the professional certification held by risk assessors.

- The Council needs to be assured that leasehold properties within the Council's housing stock are as fire safe as tenanted properties.

- That the Council needs to consider whether alarms should be installed in communal areas within residential blocks and not just in individual flats.

6.11 Alan Brinson then addressed the committee. The European Fire Sprinkler Network was established in 2003 and is a fire safety coalition whose members wish to see an improvement in fire safety through the widespread use of fire sprinkler systems. Mr Brinson explained how sprinkler systems work whilst dispelling some common misconceptions. He informed the committee that:

- Sprinklers are installed at intervals along the length of the room.

- They are activated by heat at high levels such as from a fire

- They are not triggered by smoke from burning toast.

- They are triggered one sprinkler head at a time rather than all at once. If they did no one would install them.

- All large supermarkets and department stores have fire sprinkler systems.

- It is feasible to retrofit them in existing buildings as well as in the new builds.

- They have demonstrated that they are an extremely effective fire safety measure and where installed have significantly, if not entirely, eliminated deaths in building fires.

- He considered their installation to be particularly important in high-rise buildings given the challenges of evacuating large numbers of people from such buildings.

- An activated sprinkler will help put out a fire before firefighters arrive at a scene and/or have an opportunity to reach the affected dwelling.

- They are a more economic measure than many other fire safety solutions costing approximately £2,000 to £2,400 per flat.

6.12 The committee was asked to consider the following issues:

1) How effective had WCC/CWH been in responding to the concerns raised by tenants about fire safety.

2) What approach should be taken with regard to ensuring leaseholder compliance with legal and contractual responsibilities.

3) Any further actions that WCC/CWH should take.

6.13 The Committee discussed the issues raised and asked questions and expressed comments on them.

Cladding

6.14 Members expressed concern over the uncertainty of using limited combustible cladding and wanted assurances that the cladding that is to be replaced at LVT will not need to be changed a further time if regulations are updated in a few months-time. Mr Cowie advised that the City Council and CWH have raised these questions with the LFB and the Permanent Secretary at DCLG. Mr Robinson stated that the Fire Sector Federation have raised the same concerns regarding the replacement of cladding on hospitals and schools. He advised that Dame Judith Hackitt has indicated that she intends to publish interim guidance on building regulations in November.

Sprinklers

6.15 The Committee asked about the reliability of sprinkler systems, their on-going maintenance and whether performance would be impacted by low water pressure which affected some Council blocks within the Borough. Mr Brinson advised that he was only aware of about five instances per year where sprinklers had accidentally gone off while many millions have been sold. He stated that they were no more likely to break than mains plumbing within a household. With regards to replacement and maintenance, he advised that sprinklers in domestic settings have a 50 year lifespan and that all the moving parts which need checking would not be installed in residents' flats. He stated that sprinklers would ordinarily run off the water main in a block and need a minimum of 1 to1.5 bar pressure. A dedicated tank, pump and riser can be installed in a block where existing pressure is low. Mr Cowie advised that each block over 30m will be assessed individually to determine the appropriate design and solution for retrospectively fitting sprinklers. CWH

would await the publication of guidance following the review on building regulations before making any final decisions. He anticipated a two year installation programme.

6.16 Councillor Church stated that Kemp House on Berwick Street had no secondary fire escape staircase and that fire engines had struggled to get to a recent fire below the building. He requested that the installation of sprinklers in the building be prioritised. Mr Cowie confirmed that CWH had a number of blocks which had already been prioritised and the sequencing of Kemp House for installation would be considered.

Fire Alarms

6.17 Members asked about the location of fire alarms within the Council's blocks. They were informed that fire alarms and smoke detectors are installed in individual flats. There are no alarms installed in communal areas. This is to avoid a mass evacuation which is particularly difficult to do in high-rise residential blocks especially where there are single staircases. Where a flat is affected by fire the occupier should leave. The fire service should be alerted and will attend and put out the fire. Fire protection provided in the building should protect other flats for at least 60 minutes.

Fire Risk Assessments

6.18 Officers were informed that many residents want the independent assessors to undertake Fire Risk Assessments (FRA's) due to a perceived lack of confidence in councils which is greater following the Grenfell Tower fire. Mr Cowie advised that the LFB have jointly reviewed a number of fire risk assessments in Council's blocks over 10 Storeys since Grenfell and their findings have been shared with residents. The LFB's central task force have accompanied CWH fire risk assessors to review fire safety at LVT, given the presence of ACM cladding. For transparency information on what has been disclosed and the action to be taken will be provided to residents in writing before any works take place. This has already been undertaken for Parsons House and LVT. An independent fire consultancy has been appointed to undertake intrusive (type 4 risk assessments) across a number of high rise blocks over 10 storeys with enclosed communal parts. The results of these assessments are due before Christmas.

Leaseholder Compliance

6.19 The Committee expressed concern regarding the ability of freeholders to monitor and enforce fire safety responsibilities with leaseholders. Mr Cowie stated that this was a hugely important issue as 40% of residents within the Council's housing stock are leaseholders. Whilst CWH installs smoke detectors in all tenanted properties and is required by law to provide annual gas safety checks for tenants there is no legal requirement for leaseholders to install or undertake the same checks within their properties. He considered that parity was required in order to properly manage fire safety within a block and that this needed to be included as part of the national debate. Mr Robinson informed members that he is an adviser to the all-party group within Parliament and advised that he was not aware that this was such a difficult issue for local government.

6.20 Sarah Stevenson-Jones, CWH Head of Health and Safety, informed the committee that she chairs the London South and SE region of the National Social Housing Fire Strategy Group (NSHSFG), a national body representing the housing sector, which was enacted by social housing providers following the Lakanal House fire. The NSHSFG are members of the Fire Sector Federation. She explained that she and her peers were working with the Chief Fire Officers Association (CFOH) to raise and highlight these particular issues. There are several different approaches that the Council and CWH can take to ensure leaseholder compliance with fire safety. The Fire Service can serve a notice on CWH as the responsible person under the Regulatory Reform (Fire Safety) Order to take certain action. CWH can in turn require leaseholders under their lease covenants to meet these requirements. CWH was also in early discussions with the Council's Environmental Health Service about whether the former can serve notice on individual leaseholders to comply with fire safety measures under the Housing Act.

Impact on the HRA Business Plan

6.21 The committee asked about the costs of the additional fire safety projects and what implications this would have on the HRA Business Plan. Mr Cowie advised that the additional costs which would include cladding, sprinklers and other enhanced fire safety arrangements would cost c. £25m. The HRA Business Plan will need to be amended to reflect this. Martyn Jones, Executive Director for Asset Strategy and Development, CWH, explained that the Council may as a consequence need to make choices between its ambition to deliver more housing compared with accelerating its existing planned maintenance programme. He advised that officers are approaching Government on the possibility of raising the HRA cap in a prudent way.

Tenant Management Organisations (TMOs) and Private High-Rise Blocks

6.22 Grenfell Tower was managed under a TMO. Members were conscious that there are a number of TMOs within Westminster where there is the potential for similar type of management issues to arise. The committee asked about the inspection process for such blocks and private high-rise residential buildings. Members were informed that CWH undertakes the FRA's on behalf of all the TMOs except MEMO (Millbank), albeit CWH is currently engaging with MEMO about potentially undertaking its FRA's. Registered Providers were undertaking FRA's of their stock and the Council's City Management and Communities Department was leading on the inspection of cladding on private high-rise residential buildings.

Capturing Resident's Fire-Related Concerns

6.23 The Committee asked officers how they could be confident that residents' concerns regarding fire safety would be captured and responded to. Mr Cowie advised that many questions can be raised following the reviews of FRA's, especially where follow on actions are recommended. Concerns will also be captured through the complaints system. CWH also encourages its Residents Associations and TMOs to engage with them on estate issues.

6.24 **RESOLVED**:

1. The Committee recognises and thanks officers both at the Council and CWH for their work in supporting affected residents and other public sector bodies in the immediate aftermath of the Grenfell Tower fire.

2. The committee is substantially assured over the fire safety management review undertaken by CWH following the Grenfell Tower Fire and the fire safety projects and solutions being progressed to maintain and enhance the safety of the Council's housing stock.

3. The committee noted the regulatory limitations of freeholders to monitor and enforce fire safety reviews with leaseholders which can lead to issues of compartmentalisation within mixed blocks which has implications for the overall successful fire safety management within blocks. This is particularly likely to impact Westminster given the large number of leasehold properties within the Council's housing estates.

4. The committee is significantly reassured regarding the working and reliability of sprinklers and the benefits that they afford.

5. The committee noted a potential conflict between the additional costs of fire safety works and the Council's ambitions of delivering more housing and the consequent impact that this may have on the HRA Business Plan where other capital projects may need to be deferred.

6. The Council's regeneration programme has necessitated decanting residents from the Ebury Bridge and Church Street estates. The committee has asked CWH to ensure that updated fire plans are put in place to reflect that many of the homes are currently empty.

7. The committee wishes to review on an annual basis the concerns that residents have raised regarding fire safety in the Council's housing stock and how these have been investigated and responded to.

6.25 **ACTIONS**: That a letter be sent from the committee to the Leader of the Council and the Cabinet Member for Housing expressing its concerns over the regulatory limitations of freeholders to monitor and enforce fire safety reviews with leaseholders and TMOs and suggest that the City Council lobbies government to amend legislation to redress this problem as part of the wider national fire safety debate. The note to also highlight the impact of the additional fire safety costs on the HRA Business Plan and suggest that the Council also lobby the Minister of State on raising the borrowing cap in a prudent manner. (**Action for**: **Aaron Hardy, Scrutiny Officer**)

## 7 SUPPLY AND ALLOCATION OF SOCIAL HOUSING 2017-18

7.1 The Committee received a report on the issues that will influence the allocation of social housing in 2017/18.

7.2 Members were informed that the social housing allocations during 2016/17 showed high levels of homeless re-housings reflecting the demand from this group. Total social housing lettings for 2017/18 (including tenants' transfers) are estimated to be 770 compared to 701 in 2016/17.

7.3 The committee was further informed that the principal factor that is driving the high levels of homelessness continues to be the availability of private sector housing for households on benefits. Homeless acceptances during 2017/18 are forecast to continue at the same level as 2016/17 at approximately 500 and the total requirement for TA will remain between 2300-2650 during the year.

7.4 The implementation of the TA commissioning strategy had succeeded in ending the use of Bed and Breakfast accommodation for families over 6 weeks, reduced unit costs and increased supply and made best use of Council resources. However, the challenges of sourcing sufficient private sector accommodation suitable and affordable for households in housing need continue.

7.5 The committee noted the steps taken to procure the necessary amount of housing to meet its statutory duty to support vulnerable households in housing need. In response to questions, Greg Roberts, Head of Supporting People and Temporary Accommodation, advised that the Council has developed a wide variety of housing related support services for people who experience severe and enduring mental health issues. The schemes and units are located across the Borough. The service are seeking to increase the range of high level support to best meet demand through investing in good quality accommodation as the alternative to out of Borough care.

## 8 DEPUTATION FROM THE 'SAVE OUR EBURY' GROUP

8.1 The Committee agreed to receive a deputation from some residents of the Ebury Bridge Estate regarding their concerns over the regeneration of the estate.

8.2 'Save Our Ebury' is a group comprising of some leaseholders, tenants and retailers on the Ebury Bridge Estate. The council, including the Leader and Cabinet Member for Housing, met residents at the end of June to inform them that the planned renewal scheme for the estate was not commercially viable and could not be delivered. They pledged to listen to the local community through the summer and then co-create with new, viable scheme options.

8.3 Rachel Reilly addressed the committee on behalf of the group. She stated that:

- A poll of residents has revealed that a significant majority have no idea about the current position regarding the estate's regeneration.

- The information and engagement events held over the summer were inadequate and not well-publicised. Detailed information on the new proposals was lacking and questions submitted at events could not be

answered. Some residents had come across a report online that set out options for the estate which had not been shared with them by the Council. Residents would like clarity and honesty regarding new options and for the consultation to be extended until the end of the year.

- The Ebury Bridge Futures Group has been formed as a consultation vehicle with residents, however, no one has been able to tell residents how it will operate and when it is due to meet.

- The decant of residents from the estate to facilitate the regeneration was due to be undertaken in a phased approach. Tenants living in blocks by the railway had recently received letters from the Council about bringing forward the decant. Residents questioned the haste to move people when no new, viable scheme options existed.

- Residents are disappointed that there is no intention to hold a referendum on any new options.

- Residents do not wish to see the estate redeveloped but would like a meaningful refurbishment.

8.4 **ACTIONS**: That a record of the deputation be forwarded to the Cabinet Member for Housing and the Interim Executive Director for Growth, Planning & Housing with a request that they provide an update to the committee on their plans to meet and engage with stakeholders. (**Aaron Hardy, Scrutiny Officer**)

The Meeting ended at 9.10 pm

**CHAIRMAN:** _____ **DATE** _____