



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 12th June, 2017**, Room 3.1, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Brian Connell (Chairman), Paul Church, Nick Evans, Peter Freeman, Jacqui Wilkinson, Adam Hug and Guthrie McKie

Also Present: Councillor Rachael Robathan (Cabinet Member for Housing), Barbara Brownlee (Director of Housing & Regeneration), Steve Mair (City Treasurer), John Quinn (Bi-Borough Director of Corporate Services), Robin Campbell (Head of Campaigns and Customer Engagement), Maria Benbow (Commercial and Digital Transformation Director), Matthew Cain (Head of Digital, London Borough of Hackney), Jonathan Cowie (CEO, CityWest Homes), Martin Edgerton (Executive Director of Customer Services, CityWest Homes), Muge Dindjer (Scrutiny Manager), Artemis Kassi (Policy and Scrutiny Officer) and Reuben Segal (Committee & Governance Services)

Apologies for Absence: Councillor Adnan Mohammed

1 MEMBERSHIP

1.1 It was noted that Councillor McKie had replaced Councillor Roca.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest made.

3 MINUTES

3.1 **RESOLVED:** That the minutes of the meeting held on 10 April 2017 be signed by the Chairman as a correct record of proceedings.

4 WORK PROGRAMME 2017-2018 AND ACTION TRACKER

4.1 **RESOLVED:**

1. That the agenda items for the next meeting on the 11 September 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 Housing and the Cabinet Member for Finance, Property & Corporate Services on the key issues within their portfolios.
- 5.2 Councillor Rachael Robathan, Cabinet Member for Housing, provided a brief verbal update to her paper in the agenda. As per her initial presentation to the committee following her appointment to the portfolio she reiterated her recognition that there was a need to accelerate the delivery of housing in the borough. She advised with regards to the regeneration of the council's estates that a consultation on the masterplan for Church Street would run between the 21 July and the 4 August. A public meeting with residents at Ebury Bridge to explain the current status of the project and outline options would be held on 28 June. Feedback received would be taken away and used to develop the consultation options which would be consulted on in September.
- 5.3 Councillor Robathan explained that the regeneration programme is ambitious and complex. There were people living on many of the sites. As a consequence it will be a long and detailed process.
- 5.4 With regards to the infill programme, Councillor Robathan reported that the Council had identified more sites upon which additional housing could be built. To assist with the programme's objectives she would be asking all councillors to help identify any potential sites in their wards. Officers were also working at opportunities to speed up the delivery process including obtaining planning permission.
- 5.5 The Cabinet Member for Housing then responded to questions from the Committee.
 - 5.5.1 Regeneration - The Cabinet Member was referred to the fact that the decision to regenerate Ebury Bridge and Tollgate Gardens had been taken in 2013 and 2014 respectively. She was asked when the acceleration of the housing delivery on the sites was likely to be seen. The Cabinet Member was also asked given the delays, whether a different model of regeneration was likely to be considered, which other boroughs were adopting, whereby the Council enters into a partnership with developers. Councillor Robathan sought to assure the committee about the amount of work being undertaken to move forward the programme. She acknowledged that evidence of progress

needed to be seen by residents. With respect to the regeneration model, she stated that the Council was looking at how other local authorities were undertaking regeneration and the lessons that could be learned from that. However, she highlighted that Westminster has acute housing issues which are different to other local authorities.

- 5.5.2 Tollgate Gardens - the Cabinet Member was asked whether the decision taken in 2016 to deliver 76 social housing units as part of the wider regeneration of the site had changed. Councillor Robathan advised that 195 new homes would be delivered on the site. She believed that this would include 86 new affordable housing units. [Barbara Brownlee, Director of Housing & Regeneration, has confirmed that the number of social rented properties being delivered remains as originally promised at 76. There is, in addition 10 affordable intermediate rental units.]
- 5.5.3 Affordable Housing - Members were informed that Octavia Housing is currently marketing 11 intermediate homes for sale and rent at their new development located at North wharf Road in Paddington. The Cabinet Member was asked about the affordability of the shared ownership homes and whether any had been sold. Councillor Robathan acknowledged that due to the higher property values in Westminster it was harder to make shared ownership work than elsewhere. As a consequence the Council was looking at developing more intermediate rental homes. This will provide residents with the option to save money from the discounted rent which they could then use at a later date as a deposit on purchasing a home in the private market.
- 5.5.4 Empty Homes - The Cabinet Member was informed that the Council had commissioned a report from Radimus Consulting Ltd in 2013 on the impact of the prime residential market in Westminster following concern that the balance of new housing supply in the borough might be reducing the council's ability to meet all housing needs. The Cabinet Member was asked for her view on this, the notion that many properties are being left empty and the possible impact of these on homelessness in the borough. Councillor Robathan shared members concerns regarding 'buy to leave'. She stated that there was no point in providing additional housing if the properties are left sitting empty. She advised that a number of countries have rules where people cannot buy a home unless they have been resident for a period of time. She stated that the Council needed to ensure as far as it was able that any flats it is developing will be lived in. Members considered that the planning and housing departments need to work together to address this issue. The Cabinet Member was referred to the fact that a planning policy applied to a scheme in Islington requires homes to be kept in regular use.
- 5.5.5 Officers were referred to the fact that the problem of empty homes did not apply exclusively to high-value market properties. Concern was raised that during canvassing in Pimlico a high number of CityWest Homes as well as those owned by Registered Social Landlords appeared to be empty. Jonathan Cowie, Chief Executive Officer, CityWest Homes, advised that the organisation has no more than 500 voids for one month across the city at any given time. He undertook to take members who were interested through the data to reveal where at any given time there are voids.

- 5.5.6 Homelessness Reduction Act - the Cabinet Member was asked whether the Council had undertaken any modelling to estimate the additional costs that will arise from the Act. Councillor Robathan advised that this was being progressed. She explained that the government have announced that they will make £61 million available to local authorities to meet the additional burdens arising from the Act over 3 years. However, ministers have not announced how the funding will be split.
- 5.5.7 Specialist Housing Strategy for Older People - The Cabinet Member was asked what steps had been put in place to ensure the provision of excellent specialist housing for older people. Councillor Robathan stated that the main contractor tender returns for the new Beachcroft Care Home have been assessed and officers have formally issued the recommendation to appoint their preferred contractor. The new care home will be a state of the art facility which will provide 84 nursing care beds for people with dementia. The enabling work will begin in June and will be completed by the end of 2019. This will allow the council to redevelop Carlton Dene and Westmead. The Cabinet Member highlighted that there is a need for replacement accommodation and extra capacity in the North of the city for older people with complex needs. There is a desire to incorporate flexibility on sites so that residents do not have to move as their needs change. The new home at Carlton Dene will hopefully provide this. 60 extra care beds were being provided in the south of the borough around Chelsea Barracks.
- 5.4 The Committee then submitted questions to the City Treasurer on the corporate finance related elements of the update from the Cabinet Member for Finance, Property & Corporate Services.
- 5.4.1 Final Accounts 2016/17 - The City Treasurer was asked about the increased underspend by £2 million between Period 10 and the end of the financial year. He advised the committee that the Council has an annual budget of between £850m and £900m per annum and that it was inevitable given the scale of such a budget and the size of an organisation such as the council that an underspend of this kind could occur.
- 5.4.2 Discretionary Housing Payment Funding - In response to questions the City Treasurer advised that the council's discretionary housing payment policy was being revised and would be completed in a number of weeks. The committee asked about the opportunity to scrutinise the revised policy before it was submitted to the Cabinet Member for approval.
- 5.5 **ACTIONS:**
1. High Value Voids Levy - Inform Members when the government consultation on the formula to determine the payment will take place.
 2. Shared Ownership Sales at North Wharf Road - the committee would like to know how many of the shared ownership properties have been sold. **(Action for: Barbara Brownlee, Director of Housing & Regeneration)**

6 UPDATE ON DIGITAL SERVICE AND FUTURE PLANS

- 6.1 The Committee received a report that provided an update on the current level of digital service delivery available to residents and others and how they currently perform. It focused primarily on the website and apps through which residents can engage with the Council and access its services or report issues to them. The report also informed the committee of the direction of travel of the Council's emerging Digital Strategy. This is put in context with the provision of some benchmarking information and best practice.
- 6.2 The committee was asked to comment on current service delivery and note the direction of travel for the Council's emerging Digital Strategy and consider any recommendations for the Cabinet member to consider before the strategy is finalised.
- 6.3 Matthew Cain, Head of Digital, London Borough of Hackney, addressed the Committee as an expert witness. He informed Members that he had taken up his current position in January. He had previously worked in a slightly different role at Buckinghamshire County Council for 18 months and prior to this had worked in the private sector. Whilst working at Buckinghamshire County Council he had delivered a project which saw Members go paperless which had saved £30,000 per annum and in the last year had implemented 27 projects which had saved the Council £985,000.
- 6.4 Mr Cain provided the following observations of lessons learned in delivering digital transformation.
- There is a need for a broad definition of digital: He considered that it was important to harness the methods and culture of the digital era which was greater than websites or the use of apps particularly as the latter can quickly become obsolete.
 - Taking risks should become a cultural norm: The solutions for Westminster City Council will be different than for other public sector organisations. He considered that digitally maturing organisations are more comfortable taking risks than their less digitally mature peers. To make their organisations less risk averse, business leaders have to embrace failure as a pre-requisite for success. The Council should not worry about developing perfect solutions.
 - Communication must be built around the citizen: What customers need will start before they contact the Council and end long after. It can be a challenge for the Council to understand what its customers need and due to the size and range of the local authority and its services these priorities can take time to align within the organisation.
- 6.5 Mr Cain then highlighted some of the lessons learned whilst working at Buckinghamshire County Council. Based on his experience working at the BBC and Sky, he set out to digitise the highest volume of transactions across the organisation. However, whilst this was desirable at the BBC and Sky this was not the case in Buckinghamshire. The majority of staff did not notice the

change and he reflected that to be beneficial changes should be relevant and visible to those working on the front line.

6.6 The Committee discussed the current service delivery and made the following observations:

- Residents had reported that the website is not user friendly or intuitive at present. Members considered that this de-incentivises citizens to engage with the Council.
- The “report it” function has limited functionality. Residents are frustrated at not being able to upload photographs of issues, it is cumbersome to use on a mobile device as access is gained from the Council’s website rather than an app and feedback is rarely provided on the issue reported. The latter was also the experience for some Committee members.
- The Committee noted that there are references on the Council’s website to services that are provided by partners rather than the Council but that links or contact details to these bodies are not included and should be.
- That the Open Forum Microsite was launched in 2016 in order to host major Council consultations, promote the public open forum meetings with the Leader and Cabinet and to provide a way for people to get involved with local decision making. This has not been as effective as it could be. There needs to be greater coordination between the consultations on the Council website and the ward element within the Open Forum micro site in order to engender better engagement from local residents.

6.7 Robin Campbell, Head of Campaigns and Customer Engagement, acknowledged that Westminster’s digital offer including its website has some considerable distance to make up against many other local and central public bodies and to meet the needs of customers. He advised that there is a desire to improve the design, content and functionality of the Council’s website so that it includes greater capability as well as introducing features that are more mobile responsive.

6.8 Maria Benbow, Commercial and Digital Transformation Director, explained that the front facing capabilities are not fully supported by back-office systems where there is a lack of inter-connectivity and integration. She explained that the Council has circa 75 microsites/third party platforms and a significant number of these are not linked together. She advised that transitioning to the next step of the Council’s digital progression starts with classifying and mapping key user journeys which will help the Council to simplify, automate, rationalise or eliminate processes. This will include a more online transactional experience for users, in line with best practice across sectors. To achieve the latter the Council has recently procured Microsoft Dynamics to implement a new “My Westminster Account” which will be launched through a phased approach later this year. Every effort will be utilised to motivate users to adopt online services by creating and registering their new account. The

“My Account” software has already been successfully tried and tested in other local authorities.

- 6.9 Maria Benbow thanked the Committee for their feedback on the current service delivery which will be reflected upon when developing new services.
- 6.10 The Committee then discussed the Council’s emerging digital transformation strategy and put forward suggestions on the digital end-to-end services, processes and platforms that it believed would enhance the customer experience. This included:
- A more intuitive “Report It” tool so that non-compliance/breaches of Planning, Parking, Licensing and Noise conditions or rules can be addressed.
 - A “notify me” tool where residents are informed about Planning and Licensing applications submitted in their vicinity which they can then make representations on.
 - Ensuring that links on the Council’s website remain static so that they can be accessed at a later date from an email notification.
 - Developing more online transactional opportunities for users which, in addition to improving the range of tasks available to users, can also generate income for the Council.
- 6.11 Maria Benbow advised that the Council was already working with the Environmental Health Noise team to provide a digital solution for people to report noise issues. In response of comments on Planning and Licensing, the Council intended to map the customer journey to understand the current user experience and the touch points including the interconnectivity or lack thereof. This will involve consultation with a cross section of stakeholders. The Council will also look at payment opportunities and the best solutions on the market. She agreed with the principle of ensuring that links on the Council’s website remain static.
- 6.12 Officers were asked how digital services would be prioritised as part of the development of the digital strategy; Whether this will be based on what users want or where the most savings can be delivered? They were also asked whether there is a risk that improving the digital experience will result in much greater reporting of issues which the Council may struggle to react to. John Quinn, Bi-borough Director of Corporate Services, explained that while the main focus of the strategy will be to improve the customer journey, the need to bridge the £18 million budget gap for 2018-2019 and reduce costs will influence priorities.
- 6.13 A feasibility study will run until the end of the summer. Each directorate had been asked to second a “Champion” to support the project as the Council’s staff are some of the best placed to identify where the current limitations are.

6.14 John Quinn explained that Members will naturally have their views on the priorities for the strategy which will be submitted to the Cabinet for decision in September.

6.15 The Committee noted that the perceived barriers to success such as apathy, resistance to change and the ability to deliver the supporting mechanisms to facilitate the change can be overcome with strong organisational leadership. In response to questions, John Quinn explained that while support for aspects of the digital transformation both at member and officer level was not universal (such as the use of Amazon Alexa - a voice activated personal assistant that can answer phone queries) the Council was working to overcome this through education and developing the right level of skills and experience.

6.16 **RESOLVED:**

1. Members noted that there are raised expectations from residents and councillors for improved, enhanced and consistent digital end-to-end Council services, processes and platforms which are easy and quick to use and provide a more holistic customer service approach.
2. The committee acknowledged the importance of improving the 'Report It' function and delivering an enhanced use of automated web forms to support customers. It also highlighted the importance of residents receiving feedback on issues that they have reported.
3. The Committee welcomed the examples of new digital solutions being developed in conjunction with the Council's Noise, Planning and Licensing Services but stressed that these should be developed in consultation with councillors and residents.
4. The Committee considered that where there are references on the Council's website to services that are provided by partners rather than the Council, such as the NHS, police and Transport for London, the website should include signposts to these bodies.
5. It was recognised that there is an opportunity to develop further the Open Forum micro site to improve engagement with local people.
6. The Committee also recognised the need for strong organisational leadership and sponsorship at member and officer level to enable the successful delivery of the digital transformation.

6.17 **ACTIONS:**

1. Provide the committee with the plan for the delivery of the 'My Account' programme including key milestones. (**Action for: Maria Benbow, Commercial and Digital Transformation Director**)
2. Following the completion of the feasibility phase of the programme in August, the Committee would like to consider and provide feedback on the

outline business case and design solutions prior to these being considered by Cabinet in September. **(Action for: Maria Benbow, Commercial and Digital Transformation Director/Muge Dindjer, Scrutiny Manager)**

7 UPDATE ON CITYWEST HOMES TRANSFORMATION PROGRAMME

- 7.1 The committee received an update from Jonathan Cowie, Chief Executive Officer of CityWest Homes, and Martin Edgerton, Executive Director of Customer Services, on CityWest Homes (CWH) Transformation Programme.
- 7.2 The committee was asked for feedback on what they saw as the highest priority from residents; where they saw the most opportunity for greater joint working across CWH services and which aspects of the service was most in need of modernisation.
- 7.3 The committee asked questions and received responses on a range of issues including:
- 7.3.1 How performance and resident satisfaction with the new operating model and repairs and major works contracts will be assessed? Mr Cowie explained that this would be achieved through monitoring key performance indicators that are set by the Council. These are reviewed by various boards both within CWH and the Council. Resident satisfaction will also be captured through the independently run annual resident satisfaction survey.
- 7.3.2 Members were keen to ensure that there are more holistic approaches to addressing the needs of vulnerable residents with links between CWH and other Council services and partner organisations such as the NHS. Barbara Brownlee, Director of Housing and Regeneration, advised that one of the Council's top priorities is to ensure that CWH is closely integrated with the hubs programme which aims to make better use of the Council and partners assets to improve access to preventative services. In response to further questions Barbara Brownlee stated that the estate offices that were due to close could possibly be used as hub offices or alternatively CWH may be provided with space alongside other services in alternative hub spaces. Mr Cowie stated that he would welcome the development of coordinated plans to address residents' needs.
- 7.3.3 The Committee asked how CWH was engaging with the Council's emerging digital strategy. Mr Cowie reported that the chief executive had asked him to sit on the Council's Digital Board. He explained that in the future residents would be able to see the collective data held about them by the two organisations through their 'My Account' facility. He explained that in advance of this a significant amount of work would need to take place to clean up the current resident data held by CWH. Additionally the data held by each

organisation would need to be accessible from a single point. He believed that it would take approximately 2 years to implement this.

7.3.4 Members asked for an update on the CWH out of hours call centre which was currently being operated by the Council. Mr Edgerton acknowledged the challenges for CWH to provide this service. He stated that when CWH takes back the service from the Council it will look at the hours over which the service is provided. Mr Cowie advised that CWH's ambition is to be proactive and update residents on issues that they have reported so that they do not have to contact the out of hours call centre.

7.3.5 Officers were asked what mitigation CWH was taking to protect residents from noise, dust or fumes as a consequence of building works being undertaken underneath Kemp House on Berwick Street. The committee was informed that the development was being undertaken by a private sector developer rather than CWH. CWH and the Council were looking at how they could be more forceful in dealing with third parties impacting on CWH tenants. This included asking the CWH development team to look at opportunities to pursue party wall agreements to avoid leaks into residents' properties as well as asking a City Council structural development surveyor to look at opportunities to address issues caused by the developer.

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

7.5 **ACTIONS:**

1. The committee would like to receive regular updates on the performance of and resident satisfaction with the new operating model and new repairs/major works contracts. (**Action for: Jonathan Cowie/Martin Edgerton, CWH**)
2. Provide Councillor Church with a note on actions that CWH and the Council are undertaking to protect the residents of Kemp House on Berwick Street from the impact of building works being undertaken beneath the building by a private sector developer. (**Action for: Ed Watson, Executive Director of Growth Planning and Housing, in consultation with Jonathan Cowie, CWH**)

8 CITY HALL REFURBISHMENT TASK GROUP REPORT

8.1 The committee received a report that set out the role, responsibilities, scope and impact of the work of the City Hall Refurbishment Task Group since inception on 27th June 2016. The report highlighted the role of the Task Group as a critical friend and described the process and outcomes as a consequence of the insight of the group.

8.2 The committee noted the areas in which the task group had challenged proposals and provided useful insight.

8.3 **RESOLVED:**

The committee agreed that as the decant of the Council's operation and staff from City Hall to temporary locations has been successfully completed and the award for the construction contract for the refurbishment of City Hall is in its final stages the role of the task group has been completed and that it should now be closed down.

The Meeting ended at 9.25 pm

CHAIRMAN: _____

DATE _____