

# Housing, Finance and Customer Service Policy and Scrutiny Committee Briefing

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<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Portfolio Update of Cabinet Member for Housing, Regeneration, Business and Economic Development</b>
<b>Briefing of:</b>	<b>Head of Cabinet Secretariat</b>
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Please find below an update on key areas of activity from the Housing, Regeneration, Business and Economic Development portfolio since the committee last met.

## **1. Delivering Housing Renewal**

The Housing Renewal Strategy was first published in 2010 and contains five overarching priorities:

1. To increase the supply and quality of affordable homes to meet a variety of local needs, including housing for families
2. To improve the quality of the local environment with outstanding green and open spaces and housing that promotes low energy consumption and environmental sustainability
3. To promote a high quality of life for people of all ages and backgrounds, in safe, cohesive and healthy neighbourhoods, supported by a range of high quality housing and excellent community facilities
4. To enable people to maximise economic opportunity in Westminster with support for training, employment and enterprise, and housing tenures which help those in work to remain in the City
5. To create a more distinct sense of neighbourhood, ending the physical divide between Westminster's estates and surrounding local streets

Delivery of the Housing Renewal Strategy focuses on four areas of Westminster – Church Street, Paddington Green, Tollgate Gardens and Ebury Bridge. Following a no vote, Westbourne Green will now no longer be progressed.

As attention moves to the build phase, priorities will include to:

- Ensure the renewal works are of high quality and make a lasting positive impact on their areas
- Maximise the economic benefits and employment opportunities
- Realise Better City Better Lives objectives to create opportunities for people to achieve their potential and live happier, healthier lives.

Whilst these schemes will deliver more than 800 new homes for the city, Westminster's housing stock as a whole is not getting younger, and we will need shortly to consider new targets and priorities to deliver continuous improvement.

Below is a summary of key activity in the renewal areas:

## **Church Street**

### Overview

1. Church Street phase 1 gained a 'yes' vote in March 2013, with a voter turnout of 25% and a result that was 85% in favour of the phase 1 regeneration.
2. Planning has now been obtained for 3 sites
  - Lisson Arches – 55 residential units and 1,250sqm of Enterprise space
  - Penn & Lilestone Street – 2,500sqm Health Hub and 2,500sqm of community space, alongside 45 residential units
  - Tresham House – 900sqm of D1 space to re-house Childrens' and Adult services provision freeing up Luton Street for housing led development

### Project Milestones

1. I approved the Luton Street development appointment in December 2014. The Bouygues & Londonewcastle consortium are the preferred developer and are entering into contract negotiations at present. The site is capable of delivering around 150 new homes including around 90 new affordable homes. Their tender provided for a planning compliant bid of around 35% net new affordable. The tender designs also currently allows for approximately 1,000sqm of new community space, however the final use and detail of this large area remains to be confirmed. Community Benefit fund studies are now complete and a package of works and costs now agreed to pass over to Bouygues once they take occupation of the site. Market traders' relocation has selected Venables Street as their preferred location for temporary relocation and detailed design is currently being worked up on this site.
2. I have also signed a decision to deliver the Tresham House development. This new modular building will re-house the current Council Services on the Luton Street site namely London Early Years Foundation and Westminster Society for People with Learning Disabilities. The contract has been awarded to WACO modular construction. WACO will take occupation of the site in February 2015

and are due to complete the development by October 2015. The other Children Services provider (Newpin) are currently looking at relocating temporarily to the vacant space at 4 Lilestone Street whilst the original site they were due to be relocated to (Orange Park) is re-tendered on a traditional Design and Build framework, as the previous modular route made the project unviable.

3. Lisson Arches has been put out to tender as a Design and Build project through the Greater London Authority (GLA)'s London Development Panel. The procurement responses are being evaluated and the tender is being created to go out to the shortlist once evaluated. The project team is seeking to start on site in November 2015 subject to service diversion works being complete; WSP Conways are instructed to carry these out.
4. Negotiations are ongoing with the NHS to take a long lease of 2,500sqm in the Penn and Lilestone project and officers are still marketing the enterprise space in Lisson Arches, seeking a suitable partner. Heads of Terms for the Enterprise Space are out to a company called Tech Shop to take the whole building, and waiting for final agreement on these before issuing a lease.
5. Construction work continues to build the three 3-bedroom flats at Orchardson Street with completion of the project is anticipated for March 2015.
6. The Secretary of State's consent has now been granted to dispose of the site on Cosway Street and had previously been granted to remove the educational use. Officers will be presenting options and a recommendation on the preferred disposal/development options at the end of this month to the lead member.
7. The Church Street PID was approved in December 2014.
8. Infrastructure & Public Realm Improvements will commence around the summer of 2015, including arts & culture initiatives, market events and community gardening projects.

## **Paddington Green**

### Overview

1. Following a vote in favour of the proposals announced in December 2013, the project team has been developing the procurement documentation to enable the selection of a development partner to take forward the works. The project is expected to deliver around 45 new homes, a new private garden for residents and upgrades to the public realm and common areas of Parsons House.

### Project Milestones

2. The GLA Developer framework Panel has been chosen as the best route to market, and 5 developers have expressed an interest in the project and attended a site visit in September 2014.
3. Internal governance documents have been prepared (e.g. Gate1 report) and sensitivity analysis has been carried out to ensure that the Council obtains best value.

4. An initial transport study has been undertaken to assess vehicle access and movement during construction. This has been shared with the working group of residents and stakeholders for their feedback.
5. The tender documents (EOI / ITT) are being prepared in order for the developer competition to commence in January 2015
6. Developers to return ITT's by the end of March 2015.
7. Preferred developer to be selected by April/ May 2015
8. Planning permission expected by October/ November 2015
9. Project on site by January 2016

## **Tollgate Gardens**

### Overview

1. Tollgate Gardens Estate residents voted in favour of redevelopment in 2010.
2. The Tollgate Gardens scheme was granted a planning permission for 195 replacement and new homes, 53 refurbished homes and brand new community facilities, built around a new central green space.

### Project Milestones

3. Tenant and leaseholder moves continue following resolution to grant planning approval for the scheme in November 2013.
4. The project team has been granted permission to apply to the Secretary of State for a Compulsory Purchase Order (CPO) to ensure vacant possession of the site and in the meantime negotiations to secure possession will continue. The Statement of Reason was submitted in mid-November and CPO notices served.
5. Contractors on the council's developer framework have tendered the project and a Cabinet Member Report has been issued to the Cabinet Member seeking an award of a contract to a preferred developer.

## **Ebury Bridge**

### Overview

1. Residents voted in favour of regeneration in May 2013.
2. Planning was approved for the estate in June 2014 to deliver the scheme which includes 271 new replacement and additional homes of mixed tenure, with flats and maisonettes providing larger homes with private balconies or gardens, better layouts and storage space.
3. Overall the Ebury Bridge scheme will create 99 additional homes across the estate.

4. It also includes a new enlarged community facility and non-residential uses at ground and basement level within the new block fronting Ebury Bridge Road, which will be subject to separate approval.

#### Project Milestones

5. The demolition notices have been issued and the Council is currently working with tenants and leaseholders to secure vacant possession in anticipation of the development.
6. Westminster Community Homes are working with the leaseholders to understand their needs and potentially purchase any properties in the area. A leaseholder pack has been issued to those leaseholders interested in equity loan homes so they can choose their homes in advance of a developer being appointed.
7. Independent support to leaseholders and tenants is offered to residents of the estate through First Call.
8. Negotiations with Soho House have reached a stage where both sides recognize the need to take the scheme forward to a CPO. Soho has agreed that WCC now formally visit their tenants to assess their needs (without prejudice to the outcome of the CPO).
9. Regular meetings with residents will continue over the next few months and a Residents Pack has been sent out to inform leaseholders and tenants about what they can expect in the lead up to and during the regeneration work.
10. I am currently awaiting a report for a Compulsory Purchase Order from council officers.
11. Draft mini tender documents for an ITT from the DFP are being drawn up.

## **2. Housing Strategy 2015 – 2020**

The City Council's current Housing Strategy was prepared in 2006, for the period 2007-12. Key changes to our statutory housing responsibilities and powers, potential changes to the make-up of Westminster's housing market, and the Council's broader role in promoting the health and economic well-being of residents, have made it necessary that we review our housing strategy and debate the policy options available to us.

We have been working on a new Housing Strategy, in consultation with Members and officers within the Council, as well as with external partners. This will be launched in the summer for consultation.

## **3. Reorganisation**

The new department Growth, Planning and Housing will come into full operation at the start of April. Restructuring and recruiting is currently taking place.

## **4. BIDs**

The Government published Regulations on 1 December 2014 to allow for the formal establishment of Property Owner BIDs. These can only be established where there is also an occupier BID (the boundaries have to be precisely the same) and in areas subject to a Supplementary Business Rate. This means that at the moment they can only be established in London where the Mayor levies a Supplementary rate to help fund CrossRail. I have received formal notification that the Heart of London Business Association intends to formally submit two property owner BID proposals in February – one for each of its two BIDs that cover Piccadilly Circus/Leicester Square and Piccadilly/St James's. As with occupier BIDs, the City Council is not required to formally approve them, instead it has a power of veto if they include proposals that are contrary to City Council adopted policy. I expect to make a formal decision on the proposals in March and will then instruct the Chief Executive to hold a ballot on their behalf. HOLBA has requested a ballot in May/June so that if successful the two new property owner BIDs can start on 1 July 2015.

The Bayswater BID closed on 31st December 2014. The Council will not pass any further levy onto the BID. The BID now will wind up, submit final accounts and pass any surplus to the Council and if there is sufficient surplus the Council will then return it to the businesses. There are no current plans to create a new BID in this area but we will work collaboratively with businesses and local groups to support initiatives in the area.

I held a summit with all of the BIDs with some of my cabinet colleagues to discuss ways of more productive joint working and coordination between them and the City Council. I will hold another meeting with them later in the year.

## **5. Employment**

### **Church Street ESA pilot/Local Employment Action Project**

A service manager was recruited into post in December 2015 and is currently engaging with relevant internal and external colleagues so delivery of the pilot can start in early 2015.

### **Working Capital Pilot**

CLF held a successful supplier information event in December attended by approximately 100 individuals from organisations and businesses ranging in size and sector. CLF will make a press announcement 20 January 2015 and begin the tendering process for a supplier shortly afterwards. It is anticipated that contracts will be awarded in May 2015.

### **JSA Work Programme Leavers (funded via DWP FSF)**

Recruitment for the two caseworkers is in progress.

### **Supporting 1,000 residents from renewal areas into work**

Following the successful funding application to the Public Health Investment fund, outcomes for the Westminster works extension programme and the delivery agreement have been agreed. The extension will enable the Westminster Works programme to continue to deliver employment outcomes for residents from the renewal areas with a new focus on those with health barriers to employment.

### **Tri-borough Employability passport**

Tri-borough provision delivered in partnership with business and schools with the aim of advising and training secondary school children in employability skills and general careers awareness. Activities include “employability experiences” which include employer talks, workshops and mini-employability based projects. Six participating schools across tri-borough; two participating Westminster Schools - St Augustine’s and Quintin Kynaston:

- Total number of Westminster pupils engaged from years 8-11 between April and July 2014 : 894
- Total number of Westminster pupils who have had an “employability experience” between April and July 2014: 725

## **6. West End Partnership**

Following the report of the independent West End Commission in 2013, the City Council convened a new West End Partnership. The Partnership brings together the key organisations with responsibilities in the West End of London, including senior public sector figures alongside business, landowner and resident voices, in order to provide stronger leadership, greater coordination and a more influential voice for this economic and cultural heart of the capital. Working through the Partnership Board and a number of working groups, the West End Partnership is taking on the critical challenges and opportunities facing the West End. The Partnership’s work includes developing a vision for the area, coordinating an implementation plan for key projects and influencing national decision-makers to recognise the need for policy that supports the West End’s unique role.

Key issues which the Partnership is addressing include:

- Meeting the challenges and opportunities afforded by Crossrail to improve the West End’s transport and public realm, particularly in key areas such as Oxford Street, including looking at how to work together to identify, prioritise and take forward key schemes
- Encouraging the right development to help the West End continue to thrive as the economic heart of the capital and retain its diverse mix of businesses, whilst harnessing the proceeds of development to promote prosperity and enhance amenity for residents and visitors
- Influencing Government on issues such as planning policy changes which affect the West End

The Partnership Board is continuing work on its vision and implementation plan whilst working with four task groups on specific issues: transport, public realm, the evening and night time experience and marketing and promotion. I sit on the West End Partnership Marketing and Promotion Group which has so far met four times to scope and begin work on a marketing strategy for the West End.

## **7. Business Hub**

Under Better City Better Lives the City Council committed to identify the location and commence work to establish a new enterprise hub in the north of the city to support start ups and micro businesses. There has been a range of activity in paving the way for new enterprise hubs in the north of the city, as detailed below:

### **London Enterprise Partnership Funding**

The Economic Development Unit has gained approval from the London Enterprise Panel (LEP) £1.8m funding contribution to:

- Support the delivery of new business support programmes at existing enterprise spaces (e.g. Maida Hill Place, Hub Westminster).
- Support the delivery of new enterprise space projects in north Westminster (e.g. TechShop / Lisson Grove Enterprise Space).
- Support initiatives to encourage local residents to receive support from existing and planned enterprise space projects.
- Monitor and research the economic impact of the programme.

Delivery of the programme will begin in the fourth quarter of 2014/15.

### **Venture #382**

The Economic Development Unit is working with Vital Regeneration who have been offered a short-term license to occupy 382 Edgware Road, on the corner of Church Street. The space will open later this month as a pop-up enterprise space until at least May 2015, in one of the early private redevelopments in the heart of the Church Street regeneration area.

Enterprise is an instrumental ingredient for regeneration and growth in Westminster—piloting an enterprise space at 382 will enable us to:

- Demonstrate the potential for enterprise spaces in north Westminster
- Pilot space configuration proposals that will inform local developments
- Enable existing entrepreneurs on the HELP Enterprise initiative who are looking for space to grow their businesses - proving the efficiency of an enterprise programme linked to an enterprise space.
- Act as a feeder to other enterprise space projects e.g. Hub Westminster
- Test ways to engage local residents who want support to start or grow a business
- Consult with residents on enterprise needs during phase 2 of the Church Street regeneration plans.

We risk developing a successful space that then leaves businesses homeless after 6 months. In order to mitigate risks and provide positive progression opportunities, Vital Regeneration will:

- Strengthen the cohort to benefit from mainstream space provision and provide visits to other spaces.
- Signpost businesses to other locations including Vitals' existing community space provision.
- Act as a feeder for other enterprise spaces (eg Hub Westminster) Our obligation and duty of care will persist for those who have been accepted at #Venture382. Progression routes will be identified with each individual in one to one and group sessions with Vital's enterprise team.

### **Venables Street**

The Economic Development Unit is working with Housing to bring forward 17-20 'container' enterprise units above proposed new storage space for Church Street market traders. The opportunity for potential operators to manage these spaces has been



circulated widely and expressions of interest will be considered at the end of January 2014. The units, subject to planning permission, would be similar to the successful 'Trinity Buoy Wharf' enterprise container unit scheme in east London. Incentives would encourage local people to take up these new affordable workspace opportunities.

### **Maida Hill Place**

Maida Hill Place support aspiring food entrepreneurs from all backgrounds to start and establish their food businesses. They provide commercial kitchen space, pop-up restaurant space, café space. They will be providing training, workshops, mentoring and supply chain opportunities support (the 'IncubEAT' programme) for early stage food businesses as part of the Places of Work programme.

Throughout 2014, Maida Hill Place strengthened their staff team and have supported over 60 food entrepreneurs, exceeding business support targets of 33 per annum. However, Maida Hill Place requires better capitalisation and officers are supporting Maida Hill Place to develop proposals for match funding. In January 2015, Maida Hill Place is delivering a month of themed food business events on the topic of vegetarian food in partnership with Kei's Kitchen, Raw Happy and Funky Gourmet.

### **Soho Create**

Preparations for the second festival are going well and Sir John Hegarty has joined as the new Chairman of Soho Create. Tom Harvey, Chief Executive of Soho Create, has been working very well with the EDU and Policy and Communications around the 'Soho Gentrification' debate.

### **Lisson Grove Enterprise Space / TechShop**

PQQs are being evaluated and the full tender brief is being worked up for the construction of the Lisson Arches development which will be issued within the next 2 months. On-site date is expected to be November 2015 with a 2 year build programme projected, subject to successful diversion of services infrastructure in April and June.

As a result of the delays to the construction of the Lisson Arches development, the EDU is now beginning to work with TechShop to try and identify a pop-up space opportunity that would enable TechShop to get established and progress key sponsor conversations in relation to the long term ambition to take on the enterprise space at Lisson Grove. The EDU has had an initial meeting with University of Westminster about potential spaces, and will look at options within their portfolio and elsewhere in Q4 2014/15.

### **Other Civic Enterprise Fund project updates**

#### **HELP Enterprise**

HELP Enterprise is a 3-year pilot project assisting 100 residents in temporary accommodation to become self-employed. The primary methods of support include training, intensive coaching, volunteer business mentoring, equity finance and housing with fixed tenure for some of the participants. HELP Enterprise is led by Vital Regeneration and is co-funded between Westminster City Council, BNP Paribas and Dolphin Square Foundation.

The project started in January 2014 and in its first 9 months has assisted 76 residents in temporary accommodation, resulting thus far with 7 starting a business (a good portion of which are long-term unemployed). 31 volunteer businesses mentors are active (mainly from BNP Paribas). The project's next step is for the Council to support Vital Regeneration take on a 3,600 sq ft temporary enterprise space (see 'Venture #382' update above) for some of the participants to run their business from, and to form a

subsidiary trading company that can make small commercial investments in the participant's businesses, with the support of BNP Paribas.

Below is a template example of the type of case studies that will be seen:

### **Case Study – HELP Enterprise**



Person: Nofel Tahir  
Company: Market stall trader

Before - Nofel Tahir, his wife and three children are in temporary accommodation and are at risk of homelessness.

Support - HELP Enterprise have met with Nofel Tahir, providing coaching, mentoring and training services.

Result - Nofel Tahir has developed a business plan, gained a food Hygiene Certificate and has an understanding of the regulations relating to his business.

Going Forward - HELP Enterprise will support Nofel Tahir to complete his business planning, award him a small test trading grant then support him to build his business. If things go well, he'll have the opportunity to gain equity finance from HELP Enterprise, to enable his business to grow to a level in which he can earn a decent wage and move out of temporary accommodation.

### **Broadband**

I have commissioned a review of the poor provision of superfast broadband services for small firms and residents in the city. This is being considered at the Environment Policy & Scrutiny Committee on 19<sup>th</sup> January. The Economic Development Unit is working with business groups and providers to find solutions to this problem.

### **Ready Westminster**

OneEBP and Ready Unlimited are working together to fulfil the Better City Better Lives commitment to integrate enterprise into the curriculum at Westminster's primary schools. Initial feedback on the concept from schools has been very positive. They will apply a successful methodology developed by Ready Unlimited in multiple areas across the UK.

### **Business Information Points**

Business Information Points continue to provide business support services for over 10,000 people each year. Led by Westminster Libraries, their primary methods of support include the provision of high quality business information (trade journals, books and business databases), business events and research services. In the most recently reported quarter (Q2 2014-15), they exceeded their targets, having 2,837 in-library participations, 9,210 online business database usages and 11 business events which had 258 attendances. The current delivery agreement finishes in March 2015. The EDU has met with the Business Information Points team to identify and prioritise ways in which BIPs could be improved from April 2015 onwards. The next stage is to work with the operational team to design and support a 2015-17 programme.

## **Neighbourhood Enterprise**

The Neighbourhood Enterprise project at Westminster Enterprise Centre led by Paddington Development Trust has just completed a targeted project we funded that has supported 39 people move from unemployment into self-employment. Their primary support services include training and mentoring. This has been at a cost of approximately £1.5K per job, which compares favourably with other employment support projects. The next stage is to hold a strategy workshop session with the team in January 2015 to explore their plans and how the Council might be able to support their specialist area of work going forward.

## **Youth Enterprise**

The Cut Magazine youth enterprise project helps young people from disadvantaged backgrounds gain valuable work experience in an entrepreneurial environment and support to gain jobs and further training. It is a highly regarded initiative delivered from Stowe Centre that is no longer in receipt of core funding from the Council, but we plan provide a small grant to the project in order to support the team develop new income streams that will help the secure the project's ongoing financial sustainability.

## **Great Western Studios**

Great Western Studios repaid their loan from the Civic Enterprise Fund in full, having recently found new private sector financial backers who will be supporting the expansion of GWS to provide another floor of studio spaces.

## **Hub Westminster**

An independent evaluation of Hub Westminster completed by Adroit Economics has identified a very strong economic return on investment. Since October 2011, Hub Westminster members have created 224 jobs (net attributable to support they have received at the Hub), at a cost to the state of £1.6K per job (comparing with typical past RDA performance of £10K-£20K per job, generating £5M net additional GVA, and is forecast to generate 1,339 new jobs over the next 10 years.

## **Church Street Enterprise Programme Design**

As part of the wider Church Street Renewal Programme, officers are in the process of designing an enterprise programme to inspire, engage and support local residents engage in entrepreneurship. So far we've tested and refined some of the initial most promising features of the programme through four events, as follows:

- "Food Enterprise Fair" event on 24 October 2014 attended by many people, of which 64 were surveyed. This event included 8 Westminster based food entrepreneurs having food stalls and 9 speakers (who are engaged in the London food start up sector). This identified the most significant barriers to successful food focused self-employment to be lack of access to advisers, kitchen space and finance. Emerging findings indicated the desire for a weekly hot food market on the Church Street triangle space, having featured stalls at the market for early stage entrepreneurs to sell and the value of a signposting service for other relevant business support organisations and suppliers.
- "Hands-On Maker Faire" event on 1 November 2014 was very popular with local residents and attended by a wide range of age groups, with 57 attendees surveyed. This identified that 88% of participants would be interested in making use of a maker space if there was one available in North Westminster, which highlighted the local appetite for a local maker space as well as the opportunity for make focused meet-up groups.
- "Youth Enterprise Weekend" event from 14-16 November 2014 attended by 35 north Westminster young people aged 16-24 years, who pitched their business ideas, formed

groups around successful ideas, developed the ideas in cohorts with experts then pitched the refined business idea to industry experts. It was held in collaboration with Google 4 Entrepreneurs and Startup Weekend. One of the winning teams was given complementary membership at Hub Westminster for 2 months.

- “Be Your Own Boss” event on 3 December 2014 attended by 25 residents who met with industry experts, brainstormed marketing strategies and networked amongst themselves. Emerging findings indicated the importance of strengthening interagency communications, trailing a co-working space in Church Street and exploring adjunct self-employment modules and/or improvements to existing / emerging enterprise programmes.