



City of Westminster

Housing, Finance and Customer Services Policy and Scrutiny Committee

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Portfolio: Cabinet Member For Finance, Property and
Regeneration

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1. Finance (City Treasurer's Department)

Budget 2019/20

Revenue

- 1.1 A set of revenue budget proposals for 2019/20 were presented to Cabinet in October 2018 and recommended for approval by Full Council in November 2018. By the time Full Council met, proposals had been scrutinised to check whether a consultation was needed and were accompanied by Equalities Impact Assessments.
- 1.2 The savings requirement for 2019/20 outline the report above was predicated on an estimated budget gap of £26.300m and unavoidable service pressures of £9.548m i.e.

Core Funding Changes:	Total £'000
Net Business Rates Change (loss from RSG Roll In)	8,500
Sub-Total Core Funding Changes	8,500

Non-Core Funding Changes:	
Inflation	6,200
Risks	3,000
Pension Fund Deficit Recovery	4,000
Pressures	1,200
Capital Programme	3,400
Sub-Total Non-Core Funding Changes	17,800
Total Budget Gap	26,300

Unavoidable Pressures in Services	9,548
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Total Savings Requirement	35,848
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- 1.3 The final position for the 2019/20 revenue budget will be presented to Cabinet again in February 2019 and Full Council in March 2019. This will take account of the 2019/20 finance settlement from Central Government, final Council Tax Base and other necessary changes.

Capital

- 1.4 A set of draft budgets for the Council's capital programme was also presented to Cabinet in October 2018 and then to Full Council in November 2018 for approval. These were presented in the Capital Strategy Report and detailed budgets and funding for General Fund capital schemes for 2019/20 to 2023/24 and forecasted positions to 2032/33. Full Council approved the following capital budget:

	Forecast	Five Year Plan					Future Years to 2032/33 £000	Total £000
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000		
Expenditure								
Adult's Services	291	1,068	200	200	-	-	-	1,759
Children's Services	9,094	11,956	12,958	585	330	-	-	34,923
City Management & Communities	84,687	66,752	74,688	26,697	22,686	18,491	1,200	295,200
City Treasurer	-	39,592	16,488	19,401	19,892	17,160	530,760	643,293
Corporate Services	3,910	1,465	310	390	3,070	1,050	10,083	20,278
Growth, Planning & Housing	176,151	205,589	165,292	216,748	156,081	92,184	302,255	1,314,300
FCR	31,327	3,250	675	400	-	-	-	35,652
Housing Subsidiary Companies	-	14,403	70,508	64,165	23,352	2,937	79	175,444
Total Expenditure	305,460	344,075	341,119	328,586	225,411	131,822	844,377	2,520,849
Funding								
External Funding	(133,937)	(71,025)	(54,542)	(20,262)	(16,942)	(11,607)	-	(308,315)
Capital Receipts	(96,147)	-	(47,645)	(43,205)	(8,900)	(193,886)	(36,613)	(426,396)
Total Funding	(230,084)	(71,025)	(102,187)	(63,467)	(25,842)	(205,493)	(36,613)	(734,711)
Net Funding Requirement	75,375	273,050	238,932	265,119	199,569	(73,671)	807,764	1,786,139

1.5 There will be a similar update for capital budgets in the final Capital Strategy Report for 2019/20 to 2023/24 and Housing Investment Strategy and Housing Revenue Account Business Plan 2019/20 presented at the same February 2019 Cabinet meeting and March 2019 Full Council meeting.

1.6 The final updates for capital will take account of positions and updated information as at period 9 of 2018/19.

2. Revenues and Benefits: Benefits Service

2.1 Council Tax & NNDR collection is on target to meet our year end collection targets, which would match the highest collection rates previously achieved by the City Council. The Council continues to lobby for improvements to the Business Rates Retention Scheme, including the removal of the risk of reduction in local authority funding due to successful rateable value appeals. The Council is represented on both of the central government working groups looking at the future of the Retention scheme.

The Transition from Housing Benefit to Universal Credit.

2.2 The transition of new claims for Universal Credit is being implemented to schedule, with the main Marylebone Job Centre having gone live in June and the Harlesden Job Centre on 21 November. The remaining Kensington Job Centre remains on schedule to implement new claims for Universal Credit for their associated postcodes in December 2018.

2.3 The City Council continues to meet with the Department for Work and Pensions (DWP) on a regular basis to ensure that the transition to Universal Credit is as smooth as possible for our residents. This has included the provision of a Housing Benefit officer and a Citizen's Advice Bureau representative on site at the Marylebone Job Centre to deal with resident queries.

- 2.4 The transition of existing Housing Benefit claimants is not due to start until 2020, although a potential test phase could commence in the summer of 2019.

Community Contribution

- 2.5 The Community Contribution has raised £400K so far. A further letter was recently sent to all Band H residents who have not yet made a contribution.
- 2.6 The Council has received a number of enquiries from other Local Authorities interested in the scheme, with the London Borough of Islington committing to a similar scheme in 2019/20.
- 2.7 The Council's Community Contribution scheme came second (Highly Commended) in a national "Innovation" award (IRRV – Institution of Rating, Revenues & Valuation).

Corporate Services

- 2.8. The programme to replace the BT Managed Services with the IBC Solution from Hampshire County Council is progressing and is in the final stages of implementation. The primary activity at this stage is the final transfer of data from Agresso and the need to load it into the IBC solution.
- 2.9 Before going live on 3rd December 2018, final "confidence testing" will be completed on Saturday 1st December by volunteers from both Westminster City Council and the Royal Borough of Kensington and Chelsea. Following this testing a final decision to "go-live" will be taken on at 5pm on 1st December assuming no critical problems are reported.
- 2.10 An extensive programme of Business Deployment activity is continuing. This includes regular communications to all staff, the development of training materials including "how to" videos, roadshows to increase awareness in key council buildings and "Focus Sessions" to highlight key features of the system to particular groups of staff.

3 Reorganisation and Key Staff Changes

- 3.1 New Executive Director for Finance & Resources appointed. Cllr Robathan sat on the appointment panel. Sara Sutton has been appointed as the Executive Director of City Management and Communities (CMC). Carol Culley, will be joining us in spring 2019 as Executive Director of Finance and Resource.

4 Regeneration

- 4.1. The Growth, Planning and Housing team is responsible for delivering the Council's target of 1,850 affordable homes by 2023. This target will be met through the delivery of an estate regeneration programme, high-level estate reviews and an infill programme on the Council's own land.

5 Church Street

- 5.1 The regeneration of the Church Street area is a key priority for Westminster City Council. Building on the progress made so far, and working with the local community, we now have an ambitious masterplan for the Church Street area. This will be delivered over the next 15-20 years.
- 5.2 Hatch Regeneris has been appointed to carry out the Commercial Strategy commission for Church Street. Over the coming weeks and months, they will be working with the Council and local retailers and businesses to consider options for affected businesses and what the future commercial approach for Church Street will be.
- 5.3 PPCR has been appointed as the Residents' Independent Advisor. They are a well-established social housing consultancy.
- 5.4 The next stage of engagement with the Church Street community is underway, talking to people about how we will assess options for the development sites. This will last until 7 December, with an exhibition at the Regeneration Base and events targeted at directly affected residents and businesses.

		<i>Business Plan</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023 +</i>
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Church Street Phase 2	Capex	309,233	6,024	13,915	26,429	28,681	58,309	176,147
P7 Position	Funding and Receipts	-262,852	0	0	0	0	-35,000	-131,099
	Net Capex	46,381	6,024	13,915	26,429	28,681	23,309	45,048

6 Ebury Bridge

- 6.1 The plans for the comprehensive renewal of Ebury Bridge are gathering pace. The work to remove Edgson House has commenced and signals the start of preparing the wider Ebury Phase 1 site for the construction of 100 new affordable homes. The new Phase 1 homes will start on site in 2020 and will allow the households that have been temporarily rehoused off site to return to Ebury Bridge. All the secure tenant and leaseholder households that live in the extended areas for the creation of new homes have been visited and their rehousing preferences carefully recorded.

- 6.2** The Ebury Phase 1 site will also allow some temporary or meanwhile uses of the land for several years ahead allowing a flexible use community building as well as other creative meanwhile uses that will benefit the wider neighbourhood.
- 6.3** The housing renewal market will be invited in December to give their opinion on the best way to engage with Westminster Council to secure the key Ebury outcomes. Housing funders, developers, contractors and rented home managers will be asked to give their view of how best to secure both the quality of homes and environment as well as the range of affordable housing options that Westminster needs.
- 6.4** The Council is developing a Wholly Owned Company (WOC) to ensure that Ebury can secure a wide range of partnership and funding opportunities. The WOC will also secure the continuing Council requirement that it leads the Ebury regeneration and retains the long-term ownership of land.
- 6.5** Following consideration of the market feedback the detailed planning application for Phase 1 homes will commence in early 2019 and will entail continuing, detailed consultation with residents on Ebury and the surrounding neighbourhoods.

		<i>Business Plan</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023 +</i>
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Ebury Bridge	Capex	61,545	15,459	23,573	24,885	8,328	300	53,033
P7 Position	Funding and Receipts	-152,101	0	0	-12,035	-36,106	0	-86,276
	Net Capex	-90,556	15,459	23,573	12,850	-27,778	300	-33,243

7 Paddington Green (Parsons North)

- 7.1.** The scheme was granted planning consent last year and will consist of 60 new homes, of which 19 will be affordable. The project also includes associated landscaping, providing amenity space for residents and public realm works to enhance the local area.
- 7.2** Prior to the new affordable homes becoming available to occupy, a Local Lettings Plan will be developed; this plan will set out who will be prioritised for the new homes with the aim of helping to address local housing needs. The Council has recently appointed Osborne as the main contractor who will build the new development on the land adjacent to Parsons House. Establishment of the site set up will commence in December and Westminster Council branding designs are being finalised for the hoarding. Building work will last just over two years and is expected to be completed in early 2021.
- 7.3** A “Meet the Contractor Event” took place in September and an updated communications strategy for the duration of the project is being developed in draft for approval. A Public Liaison Officer is now in place to engage with the local community for the duration of the works.

		<i>Business Plan</i>	2018/19	2019/20	2020/21	2021/22	2022/23	2023 +
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Parsons North	Capex	27,185	2,843	13,994	10,193	559	0	0
P7 Position	Funding and Receipts	-35,890	-2,375	0	-17,945	-15,570	0	0
	Net Capex	-8,705	468	13,994	-7,752	-15,011	0	0

8 Tollgate Gardens

- 8.1** On site construction of the new homes, community centre and landscaping continues. The developer, Clarion, is reporting a revised full completion date of late summer 2019, with some initial homes due over to be handed prior to this from May. .. Improvement works to Tollgate House is also progressing - work will shortly commence on a new communal entrance. As the installation of new glass balustrades draws to an end, scaffolding around Tollgate House is being brought down. The next meeting with all residents will be 6th December.

9. Tenant Policy for Housing Renewal Areas

- 9.1** The council will shortly be consulting on an updated Policy for tenants in housing renewal areas. It will apply to tenants of all tenures where the council wants to acquire their homes in order to enable regeneration to go ahead. The rehousing options for council tenants will not change in that they have a right to a new home in the regeneration area, but the update aims to make the Policy simpler to understand and to improve the overall offer to tenants.

		<i>Business Plan</i>	2018/19	2019/20	2020/21	2021/22	2022/23	2023 +
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Tollgate Gardens	Capex	10,005	504	9,688	0	0	0	0
P7 Position	Funding and Receipts	-24,380	0	-25,201	0	0	0	0
	Net Capex	-14,375	504	-15,512	0	0	0	0

10. Strategic Housing Options for Older People (SHSOP)

- 10.1** SHSOP is driving forward an ambitious programme in order to meet the anticipated demand for care provision for older people in Westminster and provide services to meet changing and often complex care needs.

11. Carlton Dene, Peebles House and Westmead

- 11.1** The consultation with residents at Carlton Dene, Westmead and Peebles House is now in its final stages. The response to date has been predominantly positive with many residents seeing the move to Beachcroft as a 'step up' in their care provision..
- 11.2** Five options for the sites were presented to residents of Carlton Dene, Westmead and Peebles. The current preferred way forward for the Council is for full redevelopment of all three sites (with Peebles and Carlton Dene becoming one site). Explanations have

been provided as to the Council's preferred way forward at consultation evenings held on the 6th, 7th and 13th November.

11.3 A report is currently being drafted which will collate and analyse responses and recommend a preferred way forward for cabinet members regarding the future of the 3 sites.

11.4 An OBC is being drafted for the delivery of all 3 sites which will be submitted in February 2018.

		<i>Business Plan</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023 +</i>
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Carlton Dene	Capex	48,803	216	902	14,747	19,490	13,800	331
P7 Position	Funding and Receipts	-43,160	0	0	-16,370	0	-3,900	-19,500
	Net Capex	5,644	216	902	-1,623	19,490	9,900	-19,169

12. Beachcroft

12.1 The Beachcroft House development in Maida Vale forms an integral part of the SHSOP programme. Once complete the development will provide 84 care bedrooms care home and 31 apartments for private sale.

12.2 Planning permission for the redevelopment was granted in March 2017 and following a competitive tender, Durkan Ltd, were appointed as the contractor.

12.3 The Contractor took possession of the site in November 2017, with the completion of the construction of the care home set for December 2019. This led onto the planned occupation of the development by spring of 2020.

12.4. The construction works have been delayed as a result of extended time required to decommission the existing substation, which sits on the footprint of the care home and commission a new substation elsewhere on the site. This has caused a fifteen week delay to the construction programme. As a result of this issue, the construction of the care home will now be complete at the beginning of April 2020 and ready for occupation by the end of June 2020.

		<i>Business Plan</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2023 +</i>
			<i>Actual + Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Beachcroft	Capex	27,564	13,000	15,076	2,309	0	151	0
P7 Position	Funding and Receipts	-25,933	-3,572	0	-12,085	-12,085	0	0
	Net Capex	1,631	9,427	15,076	-9,776	-12,085	151	0

13. The Infill Scheme

13.1 Ten new homes have now been completed as part of Phase 1 of the programme. Each site, comprising a mixture of basement and former office space conversions, presented their own construction challenges and required innovative design solutions. The quality

of finish that have been achieved on the new homes is being well received. The homes, which will be retained by the Council at social rent levels, have been let under local lettings plans. This has enabled the Council to address housing need in the local area, particularly cases of overcrowding. Start on site works will take place in November 18 on a set of additional Phase 1 schemes which will deliver a further 15 new homes on completion in mid-2019.

- 13.2** The programme has a rolling pipeline of sites that are being brought forward. These will be subject to detailed consultation with ward members and residents. Design teams have been appointed on the next phase of schemes that have the potential to achieve over 80 new homes across the City Council. The first of these identified sites, comprising six new homes, has been submitted for planning permission in November 18. Further planning submissions will take place in the coming months.