



CITY OF WESTMINSTER

MINUTES

Housing, Finance and Customer Services Policy and Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Housing, Finance and Customer Services Policy and Scrutiny Committee** held on **Monday 14th January, 2019**, Room 3.1, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Melvyn Caplan (Chairman), Antonia Cox, Richard Elcho, Adam Hug, Pancho Lewis, Matt Noble, Mark Shearer and James Spencer.

Also Present: Councillor Rachael Robathan (Cabinet Member for Finance, Property and Regeneration), Councillor Andrew Smith (Cabinet Member for Housing and Customer Services), Councillor Murad Gassanly (Deputy Cabinet Member for Housing Services), Councillor Robert Rigby Chair of Westminster Housing Investments Limited and Deputy Cabinet Member for Finance, Property and Regeneration), Barbara Brownlee (Executive Director for Growth, Planning and Housing), James Green (Director of Development), Aaron Hardy (Policy and Scrutiny Manager), Joe Joseph (CityWest Homes), Tom McGregor (Director of Housing and Regeneration), Stephen Muldoon (Assistant City Treasurer – Commercial and Financial Management) and Toby Howes (Senior Committee and Governance Officer).

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3 MINUTES

3.1 RESOLVED:

That the minutes of the meeting held on Wednesday, 28 November 2018 be signed by the Chairman as a correct record of proceedings.

4 CABINET MEMBER FOR FINANCE, PROPERTY AND REGENERATION UPDATE

- 4.1 Councillor Rachael Robathan (Cabinet Member for Finance, Property and Regeneration) presented the report and advised that the provisional settlement of funding announced by the Ministry of Housing, Communities and Local Government was broadly what the Council had been expecting. The implementation of the IBC Solution for payroll services had gone smoothly, whilst in respect of regeneration schemes, consultation for the Church Street scheme was ongoing and planning permission had been approved for the Ebury Bridge scheme.
- 4.2 During Members' discussions, the Chairman asked whether pooling in respect of business rates was benefitting the Council. With regard to changes to facilities management, he queried whether this would be on a Council or bi-borough basis.
- 4.3 A Member asked whether Amey staff would be transferred to the new facilities management arrangement and he emphasised the importance of having a robust process in place going forward. He also asked if the Mandela Way waste depot site had been operating without the necessary planning permission. He queried whether 'meanwhile' use would be considered if floors at City Hall could not be leased to other organisations. Another Member asked whether staff under the new facilities management arrangements would receive the London Living Wage (LLW). A Member welcomed the news that there would be officer support with regard to implementing Universal Credit and asked if additional support would be required. Information was sought on how funds from the Community Contribution would be used. It was suggested that there be an online facility for ward councillors to find out more on how the Community Contributions were being used. A Member commented that some residents had expressed their displeasure in respect of the quality of refurbishments at Tollgate and asked that this be addressed. He also asked what lessons had been learnt in respect of delays at Beachcroft. Members also sought an update on 'meanwhile' use in respect of Ebury Bridge.
- 4.4 In reply, Councillor Robathan advised that the Council was benefitting from the pooling of business rates, although this would lessen in the second year due to changes in regulations. In respect of facilities management, it was recognised that there had been some shortcomings with the current service and the plan was to bring this back in-house, although some services would be outsourced. Councillor Robathan advised that initially facilities management would operate on a Council only basis, although joint council arrangements could be considered in future. Where services were to be outsourced, Councillor Robathan informed the Committee that the Council could express its desire that staff be paid the LLW, but could not specify this as a guarantee because of legal issues regarding the procurement process.
- 4.5 Councillor Robathan stated that the implementation of Universal Credit was just beginning and resource issues would need to be monitored as well as the process. The Community Contribution now stood at £592,000 and the Board of Trustees would make decisions as to how this would be spent, however areas that would be focused on included homelessness and promoting work with voluntary sector organisations. Consideration would also be given into providing ward councillors with information on how the Community

Contribution was being spent. With regard to Tollgate, Councillor Robathan acknowledged that there had been various issues to contend with and the Council was working with residents' groups to address these. The delays to Beachcroft had also been frustrating but were mainly attributable to the existence of an electricity sub-station that was outside the control of the Council. Councillor Robathan advised that a number of options had been considered in respect of 'meanwhile' use at Ebury Bridge and there would be progress on this soon. Councillor Robathan also informed Members that there had been interest from some third parties in respect of leasing floors at City Hall and the lack of office space in the area would benefit the Council. In the event of the floors not being able to be leased out, all options would be considered.

- 4.6 Barbara Brownlee (Executive Director for Growth, Planning and Housing) agreed to provide a briefing note in respect of the Council's legal right to use the Mandela Way site.

4.7 **ACTION:**

Briefing note in respect of the Council's legal right to use the Mandela Way site for dustcarts to be provided to Members. **(Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing).**

5 **CABINET MEMBER FOR HOUSING SERVICES UPDATE**

- 5.1 Councillor Andrew Smith (Cabinet Member for Housing Services) presented the report and advised that the performance of the contact centre continued to improve and the preventative maintenance programme was also progressing well. There had also been a number of actions undertaken in relation to fire safety.
- 5.2 Members welcomed the improvements in respect of the contact centre and sought reasons as to how this had been achieved. The Chairman asked whether there would be an opportunity to undertake an overall review of the contact centre once housing management services were brought back in-house. He also sought information on how satisfaction in performance was measured in respect of anti-social behaviour.
- 5.3 In respect of implementing flexible tenancies, Members asked whether the intention was to free up housing for those in greater need and could this mean tenants being moved from properties where their incomes had since increased significantly. Another Member asked what the anticipated number of residents who would be moved under the flexible tenancies initiative would be. He also queried whether those 75% residents in receipt of Universal Credit were in arrears due to the delay in initial payment or because they had gone into arrears over a period of time. A Member asked why leaseholders faced such high costs in respect of the new central heating option at Torridon House. He also asked whether residents were now finding it easier to locate the Family Centre in Bruckner Street and were there any dates in place with regard to progress on the homelessness strategy. Another Member asked whether a more robust approach would be taken in respect of anti-social

behaviour. The issue of tenants sub-letting was raised and it was asked whether prosecutions had been carried out where this had occurred. A Member asked why the implementation of Traffic Management Orders (TMOs) on CityWest Homes (CWH) had still not been undertaken in Churchill Gardens and he sought the reasons for this.

- 5.4 In reply to the issues raised, Councillor Smith advised that the performance improvements from the Contact Centre were attributable to changes made within the Contact Centre and joint working with Housing and Estate management. He advised that the initial focus would be to ensure that the transfer of housing management services to in-house was undertaken smoothly, although a review of the overall contact centre services could be undertaken at a later stage. In respect of flexible housing, Councillor Smith advised that the aim was to ensure that residents had homes that were appropriately sized for their circumstances and any movement of residents would be gradual. He acknowledged that moving could be unsettling for residents and further information on this could be provided as the initiative progressed.
- 5.5 Turning to Torridon House, Councillor Smith that it was not possible to simply change the boiler and tenants had been assured that the option put forward represented value for money. Cheaper options had been considered and an explanation of the option pursued could be provided. Further information was also to follow in respect of the homeless strategy. Councillor Smith stated that he felt reassured that there was an improvement in respect of occurrences of anti-social behaviour and all legal measures available would be used to tackle this issue. More information on measuring the satisfaction rate in tackling anti-social behaviour would be provided to the Committee.
- 5.6 Councillor Smith stated that implementing TMOs was a complex process and there was a statutory consultation period and legal complexities to contend with, however every effort was made to implement these more quickly. Churchill Gardens faced particular parking pressures that had exacerbated the situation. With regard to Universal Credit, Councillor Smith welcomed the greater flexibility recently afforded by the Government and a note would be provided in respect of the reasons why some residents were in arrears.
- 5.7 Barbara Brownlee confirmed that there had been no prosecutions in respect of residents sub-letting Council housing, however enforcement action had been undertaken.
- 5.8 **ACTION:**
1. Information on the reasons why the central heating option for Torridon House was pursued to be provided to Members. (**Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing.**)
 2. Clarification to be provided on whether the 75% of the 400 residents on Universal Credit who are in arrears was due to the delay initial payment or went into arrears over a period of time. (**Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing.**)

3. Provide the number of leaseholders who have leases which have a no short let clause. **(Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing.)**
4. Details to be circulated on the number of residents on flexible tenancies that will be offered different accommodation. **(Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing.)**
5. Provide a briefing on the reasons for delaying rollout of TMOs on CWH property. **(Action for: Kevin Goad, Director of City Highways.)**

6 RESPONSE BY THE CABINET MEMBER FOR HOUSING SERVICES TO THE RECOMMENDATIONS OF THE SPRINKLERS TASK GROUP

- 6.1 The Committee agreed that this item be discussed confidentially as there were matters to be discussed that were confidential in nature.

6.2 RESOLVED:

That under Section 100 (A) (4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following items of business because they involve the likely disclosure of exempt information on the grounds shown below and it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7 RESPONSE BY THE CABINET MEMBER FOR HOUSING SERVICES TO THE RECOMMENDATIONS FOLLOWING THE TASK GROUP REVIEW OF CITYWEST HOMES

- 7.1 Councillor Smith introduced the report and stated that the Task Group's work had been very useful in helping to shape the future of housing management services. There would now be a focus on cultural change and ownership as services were moved in-house, as well as providing more value for money.
- 7.2 Members then made queries and suggestions with regard to the following Task Group recommendations and Cabinet Member responses to them in the report:
 - Recommendation 1: Request that the annual councillor survey be done more frequently.
 - Recommendation 2: Were residents also surveyed.
 - Recommendation 4: Have clear points of contact for councillors been provided.
 - Recommendation 6: How will councillors be informed of mass resident communications
 - Recommendation 8: Clarification sought on the frequency of block inspections

- Recommendation 11: Who will scrutinise the Housing Management function
- Recommendation 12: What steps are being taken to encourage officers to take direct responsibility.
- Recommendation 16: How will customer contact points be integrated with repair contractors
- Recommendation 23: What information was provided to residents on what was allowed in respect of short term lettings
- Recommendation 25: An update on progress was sought
- Recommendation 32: How likely was it that management and professional fees would drop below 12%
- Recommendation 36: It was noted that some major works were removed from the Major Works Programme and never placed back and so it was emphasised that there needed to be transparency and openness on this.

- 7.3 In reply to Members comments, Barbara Brownlee advised that in respect of recommendation 2, resident surveys would still be undertaken as part of resident engagement and this would be also be highlighted, whilst performance would be monitored in respect of recommendation 12, however individual officers performance would be more difficult to monitor, particularly when, for example, officers went on annual leave. The Chairman added that it was important that officers attended events such as residents' associations meetings and estate inspections and Barbara Brownlee agreed to re-word the response to recommendation 12 accordingly. Barbara Brownlee also agreed to update Members when or if management and professional fees dropped below 12% in respect of recommendation 32.
- 7.4 Joe Joseph (CityWest Homes) advised that creating clear points of contact for councillors was in progress in respect of recommendation 4. He also agreed to provide information on the powers of the Council and the rights of tenants for the various leases that exist and what information was circulated to residents regarding short term sub-letting in respect of recommendation 23.
- 7.5 Councillor Smith advised that consideration of how councillors would be informed of mass resident communications prior to its issue was being undertaken. A mapping process with regard to scrutiny of the housing management function would be undertaken in respect of recommendation 11, whilst there would be eventual full integration in respect of the contact centre. The Chairman added that it was important that this area be joined up appropriately. Councillor Smith advised that consideration was ongoing in respect of recommendation 25 concerning the strategy for resident engagement.
- 7.6 The Chairman welcomed the progress made to date and requested that an update on the Task Group's recommendations be provided at the November 2019 meeting.
- 7.7 **ACTION:**

1. Provide details of the information regarding short term sub-letting that has been circulated to residents. **(Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing.)**
2. Information to be provided on the powers of the Council and the rights of tenants for the various leases that exist. **(Action for: Barbara Brownlee, Executive Director for Growth, Planning and Housing and Joe Jordan, CityWest Homes.)**

8 UPDATE ON WHOLLY OWNED HOUSING COMPANY

- 8.1 Councillor Robert Rigby (Chair of Westminster Housing Investments Limited and Deputy Cabinet Member for Finance, Property and Regeneration) introduced the report and advised that following the establishment of the Wholly Owned Housing Company (WOC), Westminster Housing Investments Limited was subsequently formed as profit making company wholly owned by the Council, along with its subsidiary, Westminster Housing Developments Limited. The WOC would provide a key role in helping to deliver more affordable housing.
- 8.2 Members queried whether using the WOC could affect access to other avenues of funding. Whilst homes for rent was welcomed, it was queried whether market rents could be put through some mechanisms that would help residents. Members emphasised the importance of ensuring that all schemes were financially viable. With regard to the equity element, Members asked what measures were in place if there was a significant reduction in the value of property assets.
- 8.3 The Chairman commented that conceptually the WOC was a good idea and he sought details with regard to timescales in identifying schemes and bringing them forward. He also enquired if there were sufficient resources in place that can be used by the WOC for schemes that would shortly commence.
- 8.4 In reply to the issues raised, Barbara Brownlee advised that there was nothing to prevent the Council accessing Government funding in respect of intermediate rents providing these were business viable, even whilst utilising WOC funding. Every scheme would be under the control of the Capital Review Group and subject to extensive scrutiny and potential changes to market conditions were factored in accordingly.
- 8.5 James Green (Director of Development) advised that resources would come from the Capital Programme and the WOC would be used as a delivery vehicle for schemes. Processes were in place to set timescales and housing units had already been identified under the WOC.
- 8.6 The Chairman requested that an update on the progress of the WOC be provided at the appropriate time at a future meeting.

9 WORK PROGRAMME AND ACTION TRACKER

The Committee noted the Work Programme and Action Tracker. The Chairman added that any requests for additional items to be added to the Work Programme be sent to Aaron Hardy (Policy and Scrutiny Manager).

10 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

10.1 There was no other business.

The Meeting ended at 9.20 pm.

CHAIRMAN: _____

DATE _____