



CITY OF WESTMINSTER

MINUTES

Housing, Finance and Regeneration Policy and Scrutiny Committee

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Housing, Finance and Regeneration Policy and Scrutiny Committee** held on **Monday 18th March, 2019**, Room 18.01, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Melvyn Caplan (Chairman), Antonia Cox, Richard Elcho, Pancho Lewis, Guthrie McKie, 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), Gerald Almeroth (Executive Director of Finance Resources), Tom McGregor (Director of Housing and Regeneration), Fergus Coleman (Head of Affordable Housing), Ian Farrow (Westco Manager), Aaron Hardy (Policy and Scrutiny Manager) and Toby Howes (Senior Committee and Governance Officer).

1 MEMBERSHIP

- 1.1 It was noted that Councillor Guthrie McKie was replacing Councillor Adam Hug.

2 DECLARATIONS OF INTEREST

- 2.1 In respect of item 7, Councillor Melvyn Caplan declared that he had been a previous chairman of Westco.

3 MINUTES

3.1 RESOLVED:

That the minutes of the meeting held on Monday, 14 January 2019 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 Council was putting forward its case in respect of the Fair Funding Review and the Business

Rates Reform. Turning to regeneration, Councillor Robathan informed Members that the Church Street regeneration scheme was currently subject to a Section 105 options consultation, whilst plans were progressing well regarding phase 1 of the Ebury Bridge scheme which would double the number of homes.

- 4.2 During discussions, the Chairman sought details concerning the timescale for the Fair Funding Review and what would be the likely effects if the Council's funding was reduced as a result of this. He also asked if there would be further consultation on this.
- 4.3 Members raised their concerns about the possibility of reduced funding and the impact it would have in tackling deprivation and homelessness. It was asked whether Westminster could be treated differently in view of the unique circumstances it faced. Members also enquired whether a preferred option had been identified in respect of the Church Street scheme and what were the timescales for this scheme. Members asked if local authorities could appeal against the outcome of the Fair Funding Review.
- 4.4 A Member commented that a number of properties at Ebury Bridge had remained empty for up to three years and he suggested that these could have been used to provide temporary accommodation. He also stated that there did not seem to be much space for members of the public for committee meetings. Another Member asked how much the Council would keep after the business rates reforms and whether the Council's pension fund was in sound shape. A Member expressed concern that of the 2,000 affordable homes to be built, only 700 would be social housing and he sought details of how the sales of social housing would be re-invested. Members also requested cost details in respect of the Coroner's Court.
- 4.5 In reply to issues raised, Councillor Robathan advised that the Fair Funding Review was likely to be concluded at the end of 2019 and the special circumstances the Council faced, such as homelessness and deprivation, were being raised to strengthen the Council's case. Deprivation was one of a number of areas at risk and every avenue was being pursued to try to minimise the impact following the review. It was possible to appeal against the Funding Review outcome, but it would be too late to prevent the initial implications of this.
- 4.6 Councillor Robathan advised that a preferred option in respect of Church Street was yet to be identified whilst it was subject to consultation. With regard to Ebury Bridge, residents had indicated that they did not want the empty properties to be used for temporary accommodation and the clearing of this site was ideal for 'meanwhile' use which presented a number of opportunities. She also advised that money raised from the sales of social housing, which only related to studio units, was put back into the Housing Revenue Account and she emphasised the importance of needing to build more new homes and every effort was being made to move this forward.
- 4.7 Councillor Robathan advised that the Council was unlikely to retain more than 4% of the business rates and Members noted that the Pension Fund was 94%

funded and was due to undergo a triennial review. The Coroner's Court's costs were shared with the Royal Borough of Kensington and Chelsea and the London Boroughs of Merton and Wandsworth and Councillor Robathan agreed to provide Members with further costs details.

4.8 ACTION:

Information to be provided on costs in respect of the Coroner's Court. **(Action for: Councillor Robathan and Gerald Almeroth (Executive Director of Finance Resources.)**

5 CABINET MEMBER FOR HOUSING SERVICES UPDATE

- 5.1 Councillor Andrew Smith (Cabinet Member for Housing Services) presented the report and commented that the Resident Listening Programme had been a useful exercise. The performance of the Contact Centre had continued to improve, whilst satisfaction with handling anti-social behaviour currently stood at 74%. Councillor Smith also advised that the Compliance Team for Estate Services had gone live with a new mobile working solution in November 2018 and this was working well.
- 5.2 The Chairman asked when ward councillors would be told of parking proposals in respect of implementing traffic management orders (TMOs). He commented that investigations into anti-social behaviour often involved the Noise Team as well as CityWest Homes and he asked whether there would be steps taken to integrate this when the housing management function went in-house.
- 5.3 In noting that around 2,000 new homes were planned, Members noted that this would affect market forces and asked what implications this may have on temporary accommodation and the budget for temporary accommodation. Views were also sought as to how many residents would exercise their 'right to return'. A Member noted that whilst Council Tax rates were low, the level of deprivation and housing should play an important role in addressing this. He added that housing assessments should take into consideration residents' income.
- 5.4 A Member commented that anti-social behaviour was likely to increase in the summer and residents were expressing an interest in streets becoming gated, which was a complex process in undertaking and he asked if this could be streamlined. Another Member welcomed the improved performance of the Contact Centre, however he queried what the nature of the complaints were that were still being received. Members asked what funds from the sale of social housing were used and what steps was the Council taking in respect of residents who were in rent arrears as a result of the bedroom tax and Universal Credit. It was also noted that there had been nine evictions this year due to rent arrears and it was queried if the Council could show more patience in such situations. Clarification was also sought in respect of the parking 'red notices'.
- 5.5 In reply to issues raised, Councillor Smith advised that there were detailed

plans being drawn up for implementing TMOs and he would get back to Members in respect of informing ward councillors on these. He stated that the move to bring the housing management function in –house would provide potential for integration across a number of areas, including working with teams such as the Noise Team to tackle anti-social behaviour. Councillor Smith acknowledged that housing played a vital role in tackling issues such as deprivation and the plans for new homes would help tackle this, along with the need to provide housing for public sector workers such as the police and teachers through an appropriate housing mix. In respect of gating, this could be difficult because of the architectural challenges involved, however this could be looked at further. Work was ongoing in respect of the implications of the bedroom tax. Councillor Smith advised that support was available for residents in rent arrears as a result of the introduction of Universal Credit and the Council was also working in partnership with the voluntary sector on this. He added that evictions were only used as a last resort. With regard to the Contact Centre, Councillor Smith advised that some of the complaints received were legacy ones, including a backlog of repairs that needed to be undertaken, and a process was in place to tackle this. Members also noted that the red parking notices do not have legal strength by themselves, but helped in prosecution cases. Councillor Smith agreed to circulate the timetable for Planned Preventative Maintenance to Members.

5.6 Tom McGregor (Director of Housing and Regeneration) added that there was a full timeline in respect of implementing TMOs and there was an indicative timetable. Whilst there was a need to build new homes, he acknowledged that this would place more pressure on the temporary homes budget and creative ways of delivering were being looked at. Tom McGregor anticipated that the proportion of residents taking up the ‘right to return’ would be large, however there would be a significant number who would not.

5.7 Fergus Coleman (Head of Affordable Housing) advised that money from property disposals was ring fenced primarily for two to three bedroom houses.

5.8 **ACTION:**

1. Members to receive further information in respect of implementing TMOs and to confirm when ward councillors would be advised of this. **(Action for: Councillor Smith and Tom McGregor.)**
2. Members to receive information on Planned Preventative Maintenance timetable. **(Action for: Councillor Smith and Tom McGregor.)**

6 UPDATE ON TRANSITION STREAMS ASSOCIATED WITH THE TRANSFER OF THE COUNCIL'S HOUSING MANAGEMENT PREVIOUSLY DELEGATED TO CITY WEST HOMES BACK TO THE COUNCIL

6.1 Fergus Coleman (Head of Affordable Housing) presented the report and advised that 861 survey forms had been received in the respect of the Resident Listening Programme. There had also been a number of listening events for residents to provide feedback. Key issues raised included the Repairs Service, the Contact Centre, security, anti-social behaviour on

estates and communications. Fergus Coleman also advised that Group consultations with CityWest Homes staff in respect of the transition back to the Council were taking place. Members heard that current contracts to carry out various services and works had been assessed.

- 6.2 Tom McGregor added that meetings with CityWest Homes staff had been taking place and the responses overall were positive.
- 6.3 During discussions, the Chairman asked what the new management structure would be and how would this be communicated. He requested that these details be communicated clearly to Members and officers. The Chairman also emphasised the importance of engaging with residents more frequently than what was currently undertaken.
- 6.4 Members noted the number of contracts that were in place and queried whether this was an unnecessary surplus. It was noted that 17 contracts were currently rated 'red' and views were sought as to how confident officers were that these would be agreed. Another Member queried why some services had been contracted out. He suggested that the Council could engage more widely with residents on housing by using other Council facilities such as libraries and more opportunities should be explored. With regard to 'listening events', he felt that efforts should be made to reach out to a wider audience. Members expressed an interest in hearing more about the governance structure for housing and how Policy and Scrutiny Committees would monitor this.
- 6.5 In reply to the issues raised, Tom McGregor advised that TUPE restrictions meant that he could not elaborate in great detail on the management structure at this stage, however Members would be informed of communications relating to the transition once these were available as per the Committee's request.
- 6.6 Fergus Coleman advised that many contracts were not active and had been dormant for some time, whilst others were due to expire soon in any case. He updated Members on the contracts that were still rated as 'red' which was now down to nine and he was confident that this issue would be resolved by the end of the financial year. In respect of governance, structures were being tested and there would be a full structure in terms of governance relating to accountability to residents. There would also be improved feedback to Cabinet Members and the Policy and Scrutiny Committees.
- 6.7 Councillor Smith acknowledged that there was a need for a formal structure in respect of resident engagement and a more representative demographic/tenant/leaseholder mix was sought. In respect of the Resident Listening Programme, he stated that this had been a success and other residents as well as those who often communicated with the Council had attended. Other ways of engaging with residents were also being considered, such as digital services
- 6.8 The Chairman requested that all relevant communications in respect of the transfer of the housing management function to the Council be circulated to

councillors.

6.9 ACTION:

All relevant communications in respect of the transfer of the housing management function to the Council to be circulated to councillors. **(Action for: Tom McGregor and Fergus Coleman.)**

7 UPDATE ON WESTCO COMMUNICATIONS

7.1 Ian Farrow (Westco Manager) presented the report and advised that Westco was an independent trading arm of the Council which wholly owned it. Westco was forecast to exceed £4m turnover this year, with a net target profitability of £200,000. Westco had developed a number of initiatives, including developing a Westco Academy and Council Futures training programme that had trained around 60 communications professionals within the Council's own teams and also around 50 professionals from other councils, in partnership with Ogilvychange, a behaviour change specialist agency.

7.2 Members asked what the benchmark for profit margins were and what steps were being taken to reach out with residents, including young people. The Chairman suggested that offering work experience to young people would be a useful exercise. A Member also asked what local news exposure had Westco generated.

7.3 In reply to issues raised, Ian Farrow advised that Westco achieved profit margins of around 6%, although a more usual profit margin in this industry would be around 10%. However, he stressed that Westco's primary aim was not profitability but on improving communications and the income generated was more about cost recovery. He agreed to Members' request to provide benchmarking information against other comparable types of agencies in respect of profit margins and other objectives in future reports. Ian Farrow advised that steps were also being taken to reach out to local residents and steps were being taken to look at arranging apprenticeships.

7.4 ACTION:

Future Westco reports to show benchmarking against other comparable agencies **(Action for: Ian Farrow.)**

8 WORK PROGRAMME AND ACTION TRACKER

8.1 Aaron Hardy (Policy and Scrutiny Manager) referred to the Work Programme and welcomed further suggestions from Members. It was agreed to add an item on Finance and Regeneration for the September 2019 meeting.

9 ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT

9.1 There was no other business.

10 EXCLUSION OF PRESS AND PUBLIC

10.1 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.

11 MINUTES

11.1 RESOLVED:

That the confidential minutes of the meeting held on Monday, 14 January 2019 be signed by the Chairman as a correct record of proceedings.

The Meeting ended at 8.52 pm.

CHAIRMAN: _____

DATE _____