



CITY OF WESTMINSTER

# MINUTES

## Climate Action, Housing and Regeneration Policy and Scrutiny Committee

### MINUTES OF PROCEEDINGS

Minutes of the Call-in meeting of the **Climate Action, Housing and Regeneration Policy and Scrutiny Committee** held on **8 February 2023**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

**Members Present:** Councillors Gillian Arrindell, Robert Eagleton, David Harvey, Elizabeth Hitchcock, Patricia McAllister (Chair), Alan Mendoza, and Cara Sanquest.

**Also Present:** Councillor Liza Begum (Cabinet Member for Housing Services), Councillor Matt Noble (Cabinet Member for Climate Action, Regeneration and Renters), Councillor David Boothroyd (Cabinet Member for Finance and Council Reform), Martin Crank (Communication and Engagement), Alex Deolinda Severino (Cabinet Portfolio Advisor to Councillor Matt Noble), James Green (Director of Development), Debbie Jackson (Executive Director of Growth, Planning and Housing, virtual), Gelina Menville (Head of Regeneration), Setareh Neshati (Head of Development) and Clare O’Keefe (Lead Policy and Scrutiny Advisor).

#### 1. MEMBESHIP

1.1 The Committee noted there were no changes to membership.

#### 2. WELCOME AND INTRODUCTIONS

2.1 The Chair welcomed the Members of the Committee and Cabinet Members Councillor Matt Noble (Cabinet Member for Climate Action, Regeneration, and Renters) and Councillor David Boothroyd (Cabinet Member for Finance and Council Reform) to the meeting.

#### 3. DECLARATIONS OF INTEREST

3.1 The Committee noted there were no declarations of interest.

#### 4. MINUTES

4.1 It was confirmed that the minutes of the meeting held on 7 December 2022 would be approved at the next meeting on 2 March 2023.

## **5. CALL-IN: CABINET MEMBER DECISION FOR THE EBURY ESTATE RENEWL: DELIVERY, SRATEGY AND VIABILITY POSITION**

- 5.1 The Committee convened to review a call-in brought by three of the Committee's Members - Councillors Elizabeth Hitchcock, David Harvey, and Alan Mendoza. The Members stated their reasons for the call-in, identifying two key areas:
1. Homes for intermediate rent
  2. Segregation of tenures
- 5.2 A report responding to the reasons for the decision was presented by the Cabinet Member for Climate Action, Regeneration and Renters, Councillor Matt Noble, and the Cabinet Member for Finance and Council Reform, Councillor David Boothroyd. Both addressed Members' questions arising from the report.
- 5.3 The Council cited that its overarching aim of the Ebury Bridge development is to address the acute deficit in social housing for residents, the long period of time residents spend on the waiting lists to be offered a social housing option, the number of residents on the waiting lists in Westminster, and the large demand in the immediate local area for social housing.
- 5.4 Following the reasons for the call-in by Members, Officers, and the Cabinet decision-makers responded and explained the reasons for the rearrangement and reprioritisation of intermediate and social homes. This included the priority to deliver the truly affordable housing strategy produced by the Cabinet and that a key priority of the new administration is to deliver social housing across all public land. It was noted that Ebury Bridge provides one of the largest opportunities to provide the social homes needed in Westminster.
- 5.5 Officers explained that the demand for intermediate housing is also a significant priority to the Council and the plans address this, and the needs for key worker accommodation over the next 10 years has also been addressed in the report. It was noted there is currently 4,000 residents on the waiting list for intermediate housing. This figure includes less than 100 residents that are key workers.
- 5.6 Officers explained that the Council and partners will be delivering 500 intermediate rental housing across developments such as the Churchill Gardens Estate, Balmoral Project, and Chelsea Barracks programme.
- 5.7 Officers responded to the call-in queries regarding the tenure distribution at Ebury Bridge and outlined that the plans have been to prioritise a mixed tenure estate. It was noted that the realities around affordability of housing over the last couple of years had caused a review and increase of the service charges for returning social tenants, making it unaffordable. Additionally, Officers on the project tried to mitigate this issue by consolidating tenures within individual buildings on the estate. This meant the only

difference in service would be the ability for social tenants and resident leaseholders in affordable blocks will be able to retain their relationship with Westminster City Council (WCC). As a result, there is therefore a far greater potential risk by a third party to increase service charges and this had been a priority of residents from the consultation.

- 5.8 Councillor Boothroyd explained to Members that if a successful ballot was achieved with the residents of Ebury Bridge, that would provide the Council the opportunity to receive a £38 million GLA (Greater London Authority) grant. This funding would not be available to WCC and its residents if the decision was reversed. It was further highlighted that the largest pressure on the Council General Fund budget comes from the cost of providing the legal duty that the Council must house temporary residents. This cost the Council £22 million in 2022/ 23 and is projected to be around £44 million for 2023 /24. This has significant repercussions for residents, as all Westminster residents will be paying over £230 in tax or services due to this need of temporary accommodation. A development like Ebury Bridge which provides additional Council housing stock will remove one household from the current waiting lists (figures at paragraph 4.3.4 of the report). It will also, in turn, have a positive impact on the intermediate housing register housing (figures at 4.1.4 of the report) like Ebury Bridge.
- 5.9 Officers advised the decision made for the change in tenure at Ebury Bridge, that resulted in the call-in by Members, is estimated at relieving the burden of temporary accommodation by creating 105 households. It will also provide savings in providing temporary accommodation to the Council General Fund in the region of £700,000, which could be used for services in other parts of the City.
- 5.10 Call-in Members raised questions about the accuracy of the number of residents on cited on intermediate housing waiting lists, including the number of key workers. The Council acknowledged that unlike the data that is available for social housing registers, due to the eligibility process involved and length of time to process, there may be inaccuracies in the figures cited in the report. This is because of some residents' choice to move from the borough while waiting to find intermediate housing elsewhere and the inability to capture this information. It was also noted that the number of intermediate properties that will be available at Ebury Bridge is 561, with further numbers becoming available at developments such as Churchill Gardens and Chelsea Barracks, therefore providing for this demand in the south of Westminster.
- 5.11 A question arose about the HRA (Housing Revenue Account). The Council explained that it is assumed the 105 properties created at Ebury Bridge will be part of the HRA, with the rental income from these properties going into the HRA and the income derived from rental properties being the primary source of income for the HRA. It was identified that the HRA budget had been a challenge for the Council in the last financial year due to the increased costs in maintenance, the Government's move to cap income from rent at 7%, and that the Government didn't replace the gap between this, and the inflation lift in outgoings. It was noted the income from the 105 properties will make a

significant contribution to the HRA budget. As maintenance is one of the primary uses of this and, as these units will be new, maintenance should be minimal for some years and therefore income will make the HRA considerably more sustainable.

- 5.12 A question arose regarding the Council's change in strategy at Ebury Bridge to reduce the number of intermediate housing stock and increase the number of social housing available, as part of the Council's Truly Affordable Housing Strategy. Concerns were raised about properties being discounted from the market rent, making them further reduced in rental price and therefore there would be a possibility that some residents would be able to be both on the intermediate and social housing registers. It was also noted that key workers would get additional points if they were on the social housing waiting list, through the housing allocation policy. The Council confirmed there is a list of occupations on the list for intermediate housing (namely key workers) that contribute to the community. This list would discount those that were in existing social housing and those on the waiting list for existing Council housing stock. These residents would also largely work in these professions, will have grown up in the City, and want to continue to contribute to the communities. The Council has a duty to alleviate homelessness and to provide secure housing for these people. It was noted it is not just the intermediate waiting list or higher that are considered as contributing to the fabric of Westminster and the Council plans to introduce more intermediate housing across the borough. The Council confirmed there is a local social housing provider in the Belgravia area that will be focussing on voids in the social housing stock, and that as these properties are available, they will be moved across as an intermediate housing source.
- 5.13 Call-in Members raised queries about the 561 homes that will be available for intermediate rent and whether they would, in time, be changed to leasehold or affordable rent, or intermediate to social housing. The Council confirmed the priority is to remove the private market sale where possible from smaller sites, such as Churchill Gardens, as part of the Truly Affordable Housing Strategy. They referred to the Cabinet report that was a review of the entire programme and the switching of tenures in line with affordability under the HRA and the General Fund Capital Budget that provides a framework. Officers explained, there are cost implications to the Council in changing the tenure under the HRA and General Fund capital budget implications. If an opportunity arose within the affordability criteria, the Council would have the option to switch tenures, on a scheme-by-scheme basis.
- 5.14 Discussion arose about the Council having a responsibility to provide housing across a range of economic needs. Call-in Members enquired how infrequently residents leave social housing accommodation and in turn create a void and noted that around 4,000 residents are currently on the waiting list for social housing. The Council advised that information obtained from case workers and ward surgeries has informed them in order to respond to the actual needs that exists. One of these was to increase the marketing for available intermediate rent homes and to look at ways to increase the intermediate rent offer.

- 5.15 Call-in Members queried the segregation of the tenure plans at Ebury Bridge and what percentage difference or value the private tenure would be marketed for to make up funds. The Council responded that there are operational savings in the way the blocks at Ebury Bridge are planned, however, the difference in the private tenure was in the region of £170 per square foot. The Council will sell the private properties at a value the market can sustain, to recoup the money that has been invested by the Council for the homes that have been built. There is an opportunity for the Council to obtain more revenue for the private market sale of homes, but that will not directly incur an increase in service charges.
- 5.16 Discussion arose by call-in Members around the mixed tenure plans and the costs incurred to the changes in tenure at Ebury Bridge at a later stage in the development. The Council reported they have a commitment to increase the plans of mixed communities and that there will be no visual identification whether someone is a social renter or a private market owner from the outside of the buildings at Ebury Bridge. This is unlike earlier developments where different communities were segregated. The community at Ebury Bridge will also be mixed by the provision of mixed services and communal spaces. The Council highlighted, the plan across the borough, is a distribution of broadly 70% social and 30% intermediate housing, across the schemes, as part of its manifesto. On Council land and other schemes, the distribution is a minimum of 50% affordable housing. Infill schemes are broadly 50% intermediate and 50% social housing, with some smaller estates being entirely social housing.
- 5.17 Call-in Members queried the reasons for changing the mixture of the tenure at Ebury Bridge from the original plans, given that the specifications and cost implications were the same in making the variations on the estate. The Council responded that as none of the architectural plans needed to change, there were cost savings by having a horizontal mixed tenure in the estate buildings, as opposed to individual blocks of tenures. This was because of inflation and rising costs and small specific specification changes between tenures. These changes in cost per individual unit have been previously shared with Ward Councillors. The changes in market sales and rental value have provided the Council with an idea of what income will be generated in addition and it is hoped the Council will be awarded £38 million after a successful ballot. The savings to the Council were cited as two-fold, to the residents in the cost-of-service charges and an increase in the receipt of sale of the properties. It was further noted, that within each building the only noticeable differences in the different tenures will be inside the individual properties.
- 5.18 Questions were further raised by call-in Members regarding the balance of the property mix for the social housing element of the development, given the length of the Council's waiting lists for larger properties. The Council responded that as this stage in the development, they would be unable to make any changes to property sizes and the plans never included any five bed properties and only 2 four bed properties in the plans. Further, the Council sees the benefit of introducing homes of all sizes into the social housing pipeline, as this also allows people to downsize, and Ebury Bridge is

not the only scheme presently being developed. It was noted the largest number of people on waiting lists are for two-bedroom properties and that Phase 2 at Ebury is still possible to be reviewed in terms of tenure mix, based on demand and where possible, the Councils plans forward will be considering the waiting lists.

- 5.19 A question arose as to whether the Council were keeping abreast of what Housing Associations were offering in intermediate housing options. The Council responded this was considered in the figures presented and was represented as part of the 561-figure cited in the report.

## **6. VOTING**

- 6.1 4 – For: to note the report and take no further action.  
3 – Against: to proceed with referral back to the decision-maker.

**RESOLVED:** That the Committee note the report and no further action to be taken.

## **7. ANY OTHER BUSINESS**

- 7.1 The Committee agreed there were no other business items to be discussed.  
7.2 It was noted the next meeting for this committee is 2 March 2023.

## **8. TERMINATION OF MEETING**

- 8.1 The meeting ended at 19.21.

CHAIR \_\_\_\_\_

DATE \_\_\_\_\_