

TITLE: WESTMINSTER CITY COUNCIL HOUSING COMMISSION – CONSULTATION WITH BUSINESSES - WORKSHOP
CLIENT WESTMINSTER CITY COUNCIL
RE: MEETING NOTE OF FACILITATED SESSION – 22ND FEBRUARY 2006
DATE: 24/02/06

1. INTRODUCTION

- 1.1 This Meeting Note has been prepared by Miffa Salter, the independent facilitator engaged by Westminster City Council to design, facilitate and report back on a half day workshop focusing on the experience and perceptions of businesses active in the Westminster area. The event, which took place on the morning of Wednesday 22nd February, formed part of the consultation programme orchestrated by Westminster's Housing Commission.
- 1.2 The objectives for the event were agreed as follows:
- To explore the impact of the inner London housing market on employers in Westminster;
 - To look in detail at issues of recruitment and retention and assess the impact of housing market conditions in this context; and,
 - To examine possible options to address the challenges presented by the current housing market.
- 1.3 A total of 12 delegates attended the event including: representatives from London's Strategic Health Authority; St Mary's Hospital; the Metropolitan Police; the local Mental Health Trust; Westminster City Council (Human Resources and Housing); and, Grosvenor Estates. (This latter representative was also a Commissioner.)
- 1.4 The session began with a group review of the main impacts of the housing market on business. Where ever possible participants were encouraged to specifically focus on the housing market in Westminster itself. Attendees then went on to consider the main challenges associated with current housing market conditions. The second half of the event concentrated on what participants felt needed to be done to address identified pressures.
- 1.5 This note provides an overview of the range of views expressed during the group discussions. It is not a transcript of the event but instead seeks to provide a summary, highlighting areas of consensus as well as focusing on avenues of further work.
- 1.6 Any queries in relation to this note should be addressed to Miffa Salter on 0207 736 7103 or email: miffasalter@urbancanda.co.uk. Queries in relation to the Housing Commission should be directed to Daniel McCarthy on 0207 641 1913 or email: dmccarthy@westminster.gov.uk

2. THE IMPACT OF THE CURRENT HOUSING MARKET ON BUSINESS

HEADLINE	DETIAL OF IMPACT OF HOUSING MARKET
<p>RETENTION OF TRAINED MID GRADE STAFF</p>	<ul style="list-style-type: none"> • The most significant impact for the Strategic Health Authority (SHA) and St Mary’s related to <u>problems in retaining fully trained mid- grade members of staff</u>. Specifically, difficulties in retaining staff aged 30 – 35 years, with a minimum of 3 yrs worth of training who are earning £28K - £38K. Typical examples included: ward managers; senior grade nurses; and, occupational therapists. • Evidence from exit surveys conducted in 2003/4 suggest that 59% of those leaving St Mary’s cited local housing market conditions as the main reason. • <u>Met Police are experiencing a similar impact in terms of the retention of trained junior officers</u>. In particular, difficulties in retaining officers who have upwards of 3 yrs of service, are aged 25 – 35 and are earning around £30K. However, unlike health service colleagues, older more experienced officers leaving the Met to transfer to outside London do not cite housing conditions as the main reason underpinning their choice. More often, relocation was explained by “<i>London conditions making it difficult for families to settle</i>”.
<p>RECRUITMENT OF UNTRAINED STAFF</p>	<ul style="list-style-type: none"> • Representatives from the NHS also identified <u>problems in recruiting untrained members of staff</u> including secretaries and security guards. This was seen as a “<i>life cycle issue</i>” - in so far as these individuals tend to be older and are more likely to have partners and families necessitating larger homes which would only be affordable in more suburban locations. <u>Similar problems were identified in the recruitment of “back room” / “civilian” staff within the Metropolitan Police</u>. It was estimated that over 80% of the civilian staff manning stations in Westminster are commuting into the City Council area from outside. • It should be noted that recruitment overall was not seen as a problem. “<i>We [St Mary’s] benefit from an excellent reputation – so people want to come and work here.</i>” Similarly, London – and Westminster in particular – was seen as a high profile preferred place of employment within the Police.
<p>RECRUITMENT OF SPECIALIST / TRAINED STAFF</p>	<ul style="list-style-type: none"> • Westminster City Council (WCC) identified particular <u>problems in recruiting and retaining social workers</u> particular for “<i>acute front line service</i>” with children and families. High turnover means that 43% of all social workers in this category have been in post for less than 2 yrs leading to associated problems with continuity and consistency of service. Anecdotal evidence suggests that those leaving the Council tend to cite travel costs as the most significant determinant and housing market conditions do not feature as highly. “<i>Broadly speaking employees expect to be commuting in from outer London</i>”.
<p>EQUALITIES</p>	<ul style="list-style-type: none"> • The representative from the Mental Health Trust identified a particular problem in terms of an imbalance of BME and white staff. “<i>Local housing market conditions mean that we have too few local white staff at a qualified level within Westminster to work with what is predominantly a white clientele</i>”.

2.1 Participants identified a number of specific challenges associated with the local Westminster housing market in particular which help to explain the impacts identified above:

- **Cost of home ownership.** Not surprisingly the above average house / flat prices were identified by all participants as the most significant underlying factor in explaining the impacts outlined above.
- **High cost of private renting** was also identified as a factor which deterred more junior employees from being able to access housing within the City Council area.
- **Availability of affordable family sized dwellings** was identified as a particular problem by both representatives from the police and from the NHS.

2.2 Participants also identified a number of other factors which compound with current housing market conditions:

- **Staff expectation to live close to work.** Those representing the hospital in particular highlighted the fact that the vast majority of staff expect to live within relatively close proximity to work (within a 30 minute commute) irrespective of whether or not they are shift workers. Since they are more likely to be able to do that outside of inner London, employees are either relocating after the first 3 years of employment and/or selecting out-of-London hospitals as preferential first time employers to St Mary's. The importance of retaining near-by studio / single room accommodation was highlighted by the SHA as key in recruiting certain cohorts of staff such as on short / medium term stays those from overseas. (It is worth noting that this situation contrasts markedly with that experienced within the police, where officers do not wish to live "on the patch" which they police. The same is true of social workers.)
- **Variations in travel subsidy.** Most of those represented did not provide any form of travel subsidy. While police officers benefit from free travel across the Capital, civilian staff are not subsidised in this way.
- **Variations in "London Weighting" allowances.** There were variations in the extent and definition of London income supplements available to staff. For the police the inner London supplement equates to £3K and the outer London equivalent equates to £1K.
- **Aspiration for choice and freedom associated with open market home purchase.** There remains a clear preference for home purchase which is seen to afford an individual more choice, status and security than renting and/or shared ownership.
- **Complexity of intermediate market.** Huge range of products (and associated lack of clarity) in terms of intermediate market makes it difficult for employers; employees; funders; local planning authorities etc to understand potential of what is on offer.

3. ADDRESSING THE CHALLENGES

3.1 The second half of the event focused on debate about what could be done differently to alleviate the pressures on businesses caused by local housing market conditions.

(i) Employer based solutions

- **Offer travel subsidies** – Offer travel subsidies and/or interest free loans as part of employment packages.
- **Continue to provide on-site accommodation** – Retain existing bed-sit / single room / studio accommodation on-site and/or nearby for those who will continue to select this form of option. This is seen as particularly relevant for the NHS.
- **Up grade current stock** – Where possible seek to modernise and up-grade stock within portfolio in line with current market requirements. *“The danger for us [NHS] in doing this is that it becomes unaffordable”...“It is not our core business”.*
- **Interest free loans on proportion of property purchase** – Employers could follow example of Grosvenor Estates and offer interest free loans on proportion of a property purchase.
- **Discounted rent** – Where relevant employers could discount rents of properties within their own portfolios.
- **Direct support for employees’ families** – Specific support could be given to help families settle and build up local networks.
- **Cross sector estate agency services** – Potential for much more joined up work between different sectors to market properties on behalf of “key workers”. Examples already exist of Met offering NHS accommodation to police officers (“Property Zone”) BUT more could be done. *“At the moment this is a very reactive system. We wait for them to tell us what they have”.*
- **Manage expectations** - As employers, *“We also need to do more to manage expectations down”.*
- **Explain intermediate product to staff** – Provide workshops for staff (as hosted by SHA) explaining intermediate products.
- **Increase London Weighting for staff.**
- **Do more to recruit locally** – Employers to work more closely with local labour initiatives including those provided by Paddington First and City West Homes to increase proportion of locally based staff.

(ii) **Council, GLA and Government based solutions**

- **Need for appropriate localised investment subsidy for Westminster** – Central Government needs to acknowledge and respond to specific market conditions in Westminster and provide an appropriate local investment subsidy to support additional affordable housing provision in the area.
- **Recognise and address the potentially negative impact of the Thames Gateway** – Additional affordable housing provision in the Thames Gateway is unlikely to help those working in Westminster. Rather, it may result in a further drain of trained employees particularly across the public sector.
- **Improve north south travel networks** – Need to improve travel networks particularly from Westminster to the north of London. This is important because Westminster forms part of a “north sub-regional” housing area which means that options on socially funded accommodation for Westminster residents will be identified within this particular sub-regional boundary.
- **Build positive experience of / perceptions of shared ownership** – More work needs to be done to explain what shared ownership (and other forms of intermediate product) is and how it works. Real need for clarification in terms of what is on offer.
- **More affordable shared ownership options** – Shared ownership in Westminster still remains outside the reach of many employees across the public sector as a whole. *“Even with a key worker equity loan police officers still can’t afford what is on offer”.*
- **More larger affordable units** – Need to provide more family sized dwellings and more generally increase the number of affordable “*own front door*” properties.
- **Use Planning Policy more effectively to specify and increase proportions of intermediate products within a development** – Need to increase percentages within new developments.
- **Use conditions within planning** – Re-development of police section houses should include proportion of new accommodation for police and/or other key workers.
- **Revise definitions of key worker** - Salary level should be used as basic definition of “key worker” – below £35K.