

PRESENT

Cabinet Members

Councillor Sir Merrick Cockell (Leader of the Council), Chairman
Councillor Nicholas Paget-Brown (Deputy Leader, Environment, Transport
and Leisure)
Councillor Tim Ahern (Planning Policy)
Councillor Fiona Buxton (Adult Social Care, Public Health and
Environmental Health)
Councillor Elizabeth Campbell (Family and Children's Services, Education
and Libraries)
Councillor Timothy Coleridge (Housing and Property)
Councillor Rock Feilding-Mellen (Civil Society)
Councillor Warwick Lightfoot (Finance and IT)

Other Members in attendance

Councillor Judith Blakeman (Notting Barns Ward)
Councillor Barbara Campbell (Lead Member)
Councillor Emma Dent Coad (Golborne Ward)
Councillor Gerard Hargreaves (Lead Member)
Councillor David Lindsay (Chairman of the Family and Children's Services
Scrutiny Committee)
Councillor Marie-Therese Rossi (Lead Member)
Councillor Elizabeth Rutherford (Lead Member)
Councillor Emma Will (Lead Member)

PART A (PUBLIC) MINUTES

A1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Pascall (Lead
Member).

A2. MEMBERS' DECLARATIONS OF INTEREST

There were none.

A3. MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2012

The minutes of the meeting held on 20 September 2012 were
confirmed as a correct record and signed by the Chairman.

A4. CHILDREN'S CENTRES STRATEGY - KD03867

This report proposed a strategy for children's centres in Kensington and Chelsea. Following a public consultation, it recommended that (a) all eight children's centres should be retained, with streamlined management and inspection arrangements and close alignment with other Early Help services; (b) services in centres should be reviewed to improve targeting and cost effectiveness; (c) options for provision of childcare by an external provider should be explored through a market testing exercise; and (d) places for children referred by Family Services (Children in Need) should be reduced to reflect current demand.

In addition to the main report (agenda item A4), Cabinet also considered a joint response of parents from various children's centres; a report summarising the comments of the Family and Children's Services Scrutiny Committee's Working Group on the report; and the comments of the Cabinet and Corporate Services Scrutiny Committee on the report, all circulated to members of the Cabinet prior to the meeting.

In introducing the report, Councillor Campbell congratulated officers for the extensive work that had been undertaken to reach this stage. She outlined the main proposals -

- To reconfigure the borough's eight children's centres into two clusters, with one lead centre in the north and one in the south
- To review the services being provided in the children's centres, in order to avoid duplication of provision; assessing what works and what doesn't and how it can be provided at a lower cost
- To test the market to see if an external provider can provide child care at a lower cost to the Council. The current service, though excellent, costs £18,800 per child per annum, with each child being subsidised to the sum of £7,000 per annum. In addition, these places represent only 5.9% of childcare places in the borough
- Reduce the number of 'children in need' places whilst ensuring that there is a place for every child that needs one - currently 30 places each year remain unused

She referred to the results of the thorough and wide ranging consultation, and acknowledged the parents' wish for high quality affordable provision, which would be at the heart of any proposed market testing of childcare. Services in children's centres are crucial to vulnerable families and the Council was seeking a delivery model that is robust enough to withstand further changes in local government finance. She referred to the outstanding service being

provided, and the excellent and caring staff employed in the children's centres. The proposals will strengthen the Council's early help services; target resources at the disadvantaged; offer a free childcare place for every child that needs one; offer access to children's centres for every family, all at better value for money for the Council.

At the invitation of the Chairman, Kelly Webb addressed the meeting, on behalf of parents from various children's centres. In the course of her submission, she made the following points -

- The effects of the excellent service were already in evidence in terms of better outcomes for vulnerable families - state schools with outstanding ratings; lower crime rates and lesser dependence on benefits. The proposals will fundamentally alter the structure of children's services in the borough
- The evidence did not support the proposal to move to a hub and spoke model, which should not be pursued if market testing was being proposed. External evidence suggests that this model would not maintain standards for vulnerable families as intended and further information on how the financial savings would be made was necessary before Cabinet could make the decision
- There was no evidence to support the proposal for outsourcing and she questioned the financial analysis. An increase in capacity in the centres and increasing fees together with means testing for parents would achieve the required savings, and it was likely that market testing would result in the same proposal
- She argued that the parents' proposal was a long term option, and there were no guarantees with outsourcing as proposed by the Council
- She questioned the arguments around Ofsted inspection, as there was no information on the costs of inspection and on the burden of inspection, particularly if there was to be a new Ofsted inspection regime
- If a decision was taken on market testing in the absence of a threshold/standard of what is required, a reduction in standards was inevitable
- There was no contingency plan should outsourcing fail
- The timeframe for implementing these proposals was too rapid
- Cabinet should agree to set up a Working Group, to report in March 2013 on a workable, long term solution

Councillors Coleridge and Feilding-Mellen commented on the suggestion made by Kelly Webb to pursue means testing. They were of the view that none of the options presented by the parents would come near to making up the subsidy and it would be difficult to pitch any means testing threshold in order to provide the required savings. Councillors Paget-Brown and Buxton referred to a number of examples of services within their portfolios that had been successfully outsourced, and where standards had remained high or even improved. Councillor Buxton also commented on non-stigmatising front door access to services for young children and how this would be achieved under these proposals. She was advised that the review and refocus of services would result in a more efficient delivery, with the mix of services as outlined in paragraph 6.4 of the report.

The Executive Director of Children's Services referred to the placement of some children in care as an example where services are already outsourced. There, the Council only places with providers that already had either a good or outstanding Ofsted rating.

Officers confirmed that in the event of outsourcing, the transfer of staff would be covered by TUPE.

The Executive Director of Children's Services referred to the hub and spoke model operating successfully in neighbouring boroughs and elsewhere. It was not intended to remove any children's centre services currently being delivered, and there would be modest reduction in spend (much by changing the way the service was being delivered) with regard to the children's centres. There was no reason to expect that the voluntary sector or external providers could not maintain the current excellent quality of provision. Should market testing prove to be unsuccessful, there was no commitment to continue with outsourcing. The Cabinet would be asked to take any decision to invite tenders from external providers and to approve the specification.

Officers advised that any future cost of places in the day nurseries would depend on the cohort mix of children in place at that time, noting that the level of fees being charged in Westminster was in some cases not dissimilar to that being charged in the Royal Borough. The caveat with this comparison was that the initial cost of taking on the liabilities of the Council's service were substantial. The external provider would need options for reducing costs over time.

In summarising the discussion, the Chairman referred to the Council's belief in high quality provision, together with the need to consider different models for providing the service in the context of

reduced funding. He did not believe that means testing was, in most cases, a good basis for providing services. He took the meeting through the various recommendations, reminding members of the need for long term sustainability. The Council would look with care at all models and options presented by other providers and Cabinet would consider the outcome of those deliberations at a future meeting. He thanked the parents for their constructive response to the proposals and reminded all that this was the start of the process, and the Council would wish to work with parents and staff on the future of the service.

RESOLVED - Cabinet agreed

- (i) to reconfigure the registration and management of children's centres with one lead centre and three satellites in each area, north and south (paragraph 5.3 option 2);
- (ii) to undertake a review of children's centre services to achieve further savings and to ensure that services are targeted at those who are most in need (paragraph 6.3 option 2);
- (iii) to confirm that the above proposals will enable the Council to continue to meet its sufficiency duty in relation to children's centres provision;
- (iv) to test the market for delivery of childcare in the four Council run day nurseries by the private, voluntary or independent sector (paragraph 7.3 option 2);
- (v) to reduce Children in Need places from 111 to 70 (paragraph 8.3 option);
- (vi) to respond to the lead petitioner (paragraph 3.8) outlining the relevant decisions; and
- (vii) to delegate the Executive Director of Children's Services the authority to agree detailed arrangements to give effect to this policy direction.

Action by: EDCS

A5. KENSINGTON ACADEMY AND LEISURE CENTRE SECTION 106 AGREEMENT - KD03863

This report sought Cabinet approval for the Council as land owner to enter into a unilateral planning obligation pursuant to Section 106 of the Town and Country Planning Act 1990 (as amended) in relation to the resolution of the Major Planning Development Committee on 26 September 2012 to grant planning permission (PP/12/01833) for the Kensington Academy and Leisure Centre Project (subject to such an obligation).

RESOLVED - Cabinet agreed that the Royal Borough of Kensington and Chelsea enter into a Section 106 obligation pursuant to the Town and Country Planning Act 1990 (as amended) on the terms set out in the report in relation to the resolution to grant planning permission for the Kensington Academy and Leisure Centre project.

Action by: DCPCS

A6. ESTABLISHMENT OF A TRI-BOROUGH PUBLIC HEALTH SERVICE - KD03865

This report requested Cabinet to note the progress with the statutory transfer of public health functions to local authorities from 1 April 2013 and to agree to the establishment of a single tri-borough public health service with Westminster City Council as lead authority.

In introducing the report, Councillor Buxton referred to the new responsibilities that local authorities would assume, together with the development over time of a public health structure. She drew Members' attention to the risk register, which identifies the major outstanding risks around the transition, particularly the lack of certainty on the financial allocation. She referred to the areas that would be new to the Council, such as sexual health services and NHS health checks, and the current lack of expertise in these areas. The new functions would be managed with the clinical commissioning groups, and discussions would continue on transition planning.

Members were enthusiastic to see these functions coming back to local government, noting that many of the public health challenges would impact on health and wellbeing.

Members considered the comments of the Cabinet and Corporate Services Scrutiny Committee (ie the lack of mention of worsening health inequalities in the Borough), noting that the development of the Health and Wellbeing strategy would see greater focus on dealing with identified priorities.

The Joint Chief Executive referred to the ring-fenced grant that the Council would receive in order to discharge these new responsibilities and the decision-making structure that would be in place, with a single Director of Public Health for the Inner North West London area.

RESOLVED - Cabinet

- (i) agreed to note the statutory transfer of public health functions to local authorities from 1 April 2013 and agree to the establishment of a single tri-borough public health service with Westminster City Council as lead authority;

- (ii) agreed, subject to the PCT engagement process, the organisational structure for the tri-borough public health service;
- (iii) authorised officers to continue discussions with NHS bodies on the details of transition arrangements, particularly with respect to finance, staffing and contracts, and to report back to Cabinet later this year after the formal notification of funding allocation from the Department of Health; and
- (iv) authorised officers to begin discussions on the terms of a Section 113 Agreement between the three authorities relating to the new tri-borough service.

Action by: DPH

A7. NEW ECOLOGY CENTRE, HOLLAND PARK, W8 - APPOINTMENT OF MAIN CONTRACTOR - KD03794

This report and the exempt appendix sought Cabinet approval to the Council appointing Gowlain Building Group as the main contractor for the Holland Park Ecology Centre project, for the contract sum of £411,275 within a total project budget of £530,000, of which £310,000 is funded by a contribution from Kensington and Chelsea Environmental Limited (KCEL).

Councillor Paget-Brown was pleased to endorse this report, which would lead to the demolition of the existing play hut building and adjacent sheltered seating area in Holland Park and construction of a new Ecology Centre. This would be a marvellous addition to the facilities in Holland Park, for which the Friends of Holland Park were very supportive.

RESOLVED - Cabinet approved the appointment of GB Group as the main contractor for the Holland Park Ecology Centre building works, for the contract sum of £411,275.

Action by: DCPCS

A8. ECO HOUSE, HOLLAND PARK, W8 - OUTLINE BUDGET - KD03852

This report was withdrawn.

Action by: DCPCS

A9. NEW AMENITY BUILDING, AVONDALE PARK, WALMER ROAD, W11 - APPOINTMENT OF MAIN CONTRACTOR - KD03793

This report and the exempt appendix sought Cabinet approval to the Council appointing HA Marks as the main contractor for the Avondale Park amenity building project, for the contract sum of £625,906.

Councillor Paget-Brown commended this report which would lead to the demolition of existing buildings in Avondale Park and the construction of a new amenity building, to be funded from underspend within the existing capital programme for ELRS.

RESOLVED - Cabinet approved the appointment of HA Marks as the main contractor for the Avondale Park amenity building works, for the contract sum of £625,906.

Action by: DCPCS

A10. 427 KINGS ROAD, SW10 - LEASE RENEWAL - KD03833

This report and the exempt appendix sought Cabinet approval to the Council granting a lease renewal. This was originally reported to Cabinet on 5 January 2012, however for various reasons it was necessary to renegotiate these terms.

RESOLVED - Cabinet approved the grant of a lease on the terms contained in the exempt appendix.

Action by: DCPCS

A11. BUDGET MONITORING 2012-13 QUARTER 2 - KD03835

This report advised Cabinet that aside from the contingency, the Council is forecast to underspend by £10.5 million in 2012-13.

RESOLVED - Cabinet agreed the following:

Housing Services

- (i) The gross and income budgets within the Temporary Accommodation service are both increased by £1.6 million in 2012-13 (see paragraph 2.7 of the Housing Services report);

Planning and Borough Development

- (ii) That the ownership of the Public Art capital project is transferred to the Arts Service, within Environment, Leisure and Residents' Services, as part of the forthcoming Capital Budget Planning Process

Corporate Services

- (iii) To approve the bringing forward of budgets on the Middle Row and Kensington Academy and Leisure Centre schemes as set out in paragraphs 2.4 and 2.5 in the Corporate Services report.

Action by: TCEDF

A12. REFERENCE FROM THE INVESTMENT COMMITTEE

This report advised Cabinet of concerns expressed at the meeting of the Investment Committee (10 September 2012) regarding the terms on which 'new admission body employers' are admitted to the Local Government Pension Scheme Fund which is managed and administered by the Royal Borough of Kensington and Chelsea, in the particular context of the pending admission of three such bodies to the Pension Fund.

Members discussed the risk to the Council acting as guarantor for the three new admission bodies referred to in paragraph 2.3.1, noting that in the event of them entering into administration, the winding up process would free the Council from that guarantee.

The Chairman referred to the need to keep careful watch on the situation regarding the new admission bodies, and on the need to be mindful of any change in their legal status.

Action by: TCEDF

**A13. REPORT OF THE CABINET AND CORPORATE SERVICES
SCRUTINY COMMITTEE**

Please see minute A4 and A6 above.

A14. EXCLUSION OF THE PRESS AND PUBLIC

**Local Government Act 1972, as amended by the Local
Government (Access to Information) Act 1985**

Cabinet resolved that the press and public be excluded from the meeting for the following specific items of business on the grounds that they may involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended:

**B1. EXEMPT MINUTES OF THE MEETING HELD ON 20 SEPTEMBER
2012**

Public summary of the decision:

The exempt minutes of the meeting held on 20 September 2012 were confirmed as a correct record and signed by the Chairman.

**B2. NEW ECOLOGY CENTRE, HOLLAND PARK - APPOINTMENT OF
MAIN CONTRACTOR - KD03794**

Public summary of the decision:

See minute A7 above.

**B3. ECO HOUSE, HOLLAND PARK, W8 - OUTLINE BUDGET -
KD03852**

Public summary of the decision:

This report was withdrawn.

B4. NEW AMENITY BUILDING, AVONDALE PARK, WALMER ROAD, W11 - APPOINTMENT OF MAIN CONTRACTOR - KD03793

Public summary of the decision:

See minute A9 above.

B5. 427 KINGS ROAD, SW10 - LEASE RENEWAL - KD03833

Public summary of the decision:

See minute A10 above.

The meeting ended at 8.25 pm

Chairman