

## **PRESENT**

### **MEMBERS OF THE COMMITTEE**

Cllr Elizabeth Campbell, Leader of the Council (Chair)  
Cllr Kim Taylor-Smith, Deputy Leader, Lead Member for Employment, Culture & Economy (Vice Chair)  
Cllr Sarah Addenbrooke, Lead Member for Communities & Community Safety  
Cllr Cem Kemahli, Lead Member for Planning & Public Realm  
Cllr Sof McVeigh, Lead Member for Housing Management, Housing Safety & Building New Homes  
Cllr Josh Rendall, Lead Member for Adult Social Care & Public Health  
Cllr Johnny Thalassites, Lead Member for Finance, Customer Services & Net Zero Council  
Cllr Emma Will, Lead Member for Property, Parks & Leisure

### **OTHERS PRESENT**

Cllr Will Pascall, (Vice-Chair, Family Services Select Committee)  
Cllr Mary Weale, Chair, Overview and Scrutiny Committee

### **Council Officers**

Douglas Campbell, Governance Manager  
Mike Curtis, Executive Director of Resources  
Joyce Golder, Principal Solicitor Deputy Monitoring Officer  
Maxine Holdsworth, Chief Executive  
David Hughes, Triborough Director of Audit Risk  
LeVerne Parker, Chief Solicitor and Monitoring Officer  
Lisa Taylor, Director of Financial Management

### **72 SECONDS' SILENCE**

The Leadership Team and all others present observed 72 seconds' silence to remember those who lost their lives in the Grenfell tragedy.

### **1 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Catherine Faulks.

### **2 DECLARATIONS OF INTEREST**

No declarations of interest were made.

### **3 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 17 January 2024 were confirmed as a correct record.

### **4 VCS DEVELOPMENT AND INVESTMENT PROGRAMME KD1007458**

Councillor Josh Rendall, Lead Member for Adult Social Care and Public Health, introduced report on behalf of Councillor Addenbrooke and himself, setting out the background to the proposed decision. He stated that the aim was to provide better

public health in the community, through a three-pronged approach, to build a healthy community network, to work with VCS, and to supply grants over next three years to improve outcomes.

In response to a question, Officers explained how this proposal was different from the community champions as it would use existing or new staff from the voluntary sector rather than from the communities. This community-led approach would help support those who do not trust the Council, NHS or other public bodies.

The proposal would use £2.3m over to build skills and capacity through a co-production approach so the work would continue. They emphasised that the good practice learnt through this scheme would be shared with other voluntary and community groups.

Officers explained there would be a dashboard to monitor outcomes and report back to the Adult Social Care and Health Select Committee on performance. The Select Committee had also contributed to the development of the proposal.

Councillor Mary Weale added that the Overview & Scrutiny Committee, which she chairs, had endorsed the approach and noted that there was good engagement given the size of the problems.

The Leadership Team RESOLVED, for the reasons set out in paragraphs 3.1- 3.7 and elsewhere within the report, that the recommendations at paragraphs 2.1.1 and 2.1.2 be adopted.

The Leadership Team:

- i. Endorsed the proposal for a Voluntary and Community Sector development and investment programme; and
- ii. Delegated the responsibility for distributing the grants to the Director of Public Health, following consultation with the Director for Communities.

**Action by:** Strategic Director for Grenfell Partnerships, Communities and Transformation

## **5 ADDITIONAL PAYMENT FOR LOW INCOME HOUSEHOLDS KD1007638**

Councillor Johnny Thalassites, Lead Member for Finance, Customer Services & Net Zero Council, introduced report, setting out the background to the proposed decision. He thanked officers for work on the report and summarised the support already provided to address the cost-of-living crisis. The new proposal would be more targeted, based on around 1400 responses to the consultation, of which 97% were in favour.

In response to a question, Officers explained that two thirds of those who qualify would receive the payments automatically and there would be outreach work, including through voluntary and community group channels, to encourage those who might qualify to apply. There would also be a longer application period to allow for this.

Officers confirmed information about the Council's support schemes would be provided with the Council Tax Bills and would encourage all those entitled to support applied.

Officers agreed to provide more details to Councillor Kemahli on the qualifying criteria.

Councillor Weale added that this report was a good example of a proposal benefiting from early presentation to Overview & Scrutiny Committee, which had endorsed the approach.

The Leadership Team RESOLVED, for the reasons set out in paragraphs 3.1- 3.2 and elsewhere within the report, that the recommendations at paragraph 2.1 be adopted.

The Leadership Team:

Agreed that a £100 payment be made in May 2024 to the following groups:

- i. All households in receipt of any Council Tax relief, up to and including 100 per cent relief.
- ii. All households in receipt of Housing Benefit but not in receipt of Council Tax relief.
- iii. All households in receipt of the housing costs element of Universal Credit but not in receipt of Council Tax relief.

**Action by:** Executive Director of Resources

## **6 ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT 2024-25 KD06578**

Councillor Johnny Thalassites, Lead Member for Finance, Customer Services & Net Zero Council, invited the Executive Director for Resources and Tri-Borough Director of Treasury and Pensions to set out the background to the proposed decision.

Officers summarised the report and drew Members' attention to both the high interest rates and inflation and the geo-political factors affecting the interest rate forecasts, where the benchmark 5-year borrowing rate was still above 4%, and to the different sections of the report.

In response to a question, Officers advised the treasury management adviser Arlingclose was appointed two years ago for an annual cost of £30,000.

Officers clarified that the difference between gross debt and capital financing requirement indicated the total funding that would be required and not that the Council might be under delivering and the gap may be funded by internal sources rather than borrowing. They emphasised the Council only invested in funds with triple-A credit ratings and that if it had a more substantial portfolio, it would place funds with banks and other local authorities.

Officers were confident that the Council's strategy was unlike those authorities that were reporting difficulties because their invest-to-change strategies had not delivered.

The Leadership Team RESOLVED, for the reasons set out in paragraphs 3.1- 3.7 and elsewhere within the report, that the recommendations at paragraph 2.1 adopted.

The Leadership Team:

Recommended to Full Council that the Council, having regard to the revised CIPFA Treasury Management in the Public Services Code of Practice:

- (1) Adopt the four clauses as part of the Council's Financial Procedure Rules as outlined in paragraph 1.1 of Appendix 1;
- (2) Approve the Treasury Management Policy Statement as set out in Appendix 1;
- (3) Approve the annual Treasury Management Strategy Statement, incorporating the Annual Investment Strategy for 2024/25, specifically:

- a) the proposed Prudential Indicators which set maximum limits on treasury management activity as set out in Appendix 2 of the report;
- b) the Minimum Revenue Provision (MRP) Policy 2024/25 as set out in Appendix 3;
- c) the proposed use of investment instruments as set out in Section 6;
- d) the use of specified and non-specified investments as set out in Appendix 4;
- e) the governance arrangements as set out in Appendix 6

**Action by:** Executive Director of Resources

## **7 REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX 2024-25 KD06575**

Councillor Johnny Thalassites, Lead Member for Finance, Customer Services & Net Zero Council, introduced report, setting out the background to the proposed decision. He thanked all those who had worked on the budget and summarised the progress since last year on new parks, 'blitzes' to remove litter and tackle antisocial behaviour, new social-rent homes completed and the £100 Council Tax rebates.

Councillor Thalassites noted that while future funding was uncertain, the budget still supported the Council Plan through the Cremorne Walk park - greener, Notting Hill police station acquisition - safer, new social homes – fairer and that the budget would protect twice weekly bin collections and other reforms. He noted the line-by-line review by the Overview & Scrutiny Committee. To support children the budget would provide £3.5m to install hybrid heating systems at schools and the Council was investigating how to support young people from disadvantaged backgrounds attending university. He noted how the Council was making progress with its supported living at Lots Road and providing £10m new funding in capital for two new residences for those with learning difficulties.

In response to a question, Officers confirmed the Council had a contingency fund to manage the growing costs needing temporary accommodation. The budget pressure was coming from the rising costs of private accommodation not a significant increase in numbers needing assistance. There had also been a reduction in supply as some landlords had left the private rented sector.

Councillor Weale, Chair of the Overview & Scrutiny Committee, noted the increased response rate from residents, and suggested that the working group should be provided with greater detail about growth items or reductions, so that it might engage with the public more.

The Executive Director of Resources highlighted the changes since the budget papers were produced, namely the Council had been allocated an additional £1.805m for Adult Social Care, which it would hold in ring-fenced reserve for cost pressures in that area. There was also an additional £32k services grant.

The Leadership Team noted that there would be updated versions of the Treasury Management, the General Fund Budget, and the Housing Revenue Account reports to be submitted to Full Council.

The Leadership Team RESOLVED, for the reasons set out in paragraph 3.1 and elsewhere within the report, that the recommendations at paragraphs 2.1 and 2.2 be adopted.

The Leadership Team:

- (1) Approved the revenue budget estimates for submission to Council as summarised in Appendix 1 of this report;
- (2) Noted the findings of the budget consultation with residents, local businesses, the voluntary sector, the Select Committees and Overview and Scrutiny Committee as set out in Appendix 6 and Appendix 7;
- (3) Noted the risks and uncertainties relating to the 2024/25 budget as set out in Section 28;
- (4) Approved the increase in fees and charges as set out in Section 22 and Appendix 15, with the full schedule available on the council website;
- (5) Approved the revised Capital Programme for the period 2023/24 to 2026/27. Full details are set out in Appendix 12 and Appendix 13;
- (6) Delegated the decision for the funding of the Capital Programme to the Section 151 Officer so to fund the programme in the most cost-effective way for 2024/25 and all future years. The indicative assumed funding is set out in Table 10a and Table 10b.
- (7) Noted the allocation of the Dedicated Schools Grant to the schools, High Needs and Early Years Budget as set out in Section 32;
- (8) Agreed the planned use of reserves as set out in Section 29.
- (9) Noted the advice of the Executive Director of Resources, who is the Council's Section 151 Officer on the level of reserves and robustness of estimates in setting the budget as required by Section 25 of the Local Government Act 2003 (Section 37 of the report).
- (10) Agreed that the Executive Director of Resources continue to be given delegated authority to make transfers to and from earmarked reserves up to £100,000.
- (11) Agreed that the Executive Director of Resources continue to be given delegated authority, following consultation with the Lead Member for Finance, Customer Services and Net Zero, to make transfers to and from earmarked reserves from £101,000 up to £250,000 in each instance.
- (12) Retained the current discount for second homes (zero) for 2024/25.
- (13) Agreed that the Council extend its current empty homes Council Tax premium to include properties that have been empty for more than one year to take effect from 1 April 2024
- (14) Agreed the Council Tax resolution as set out in Appendix 8.
- (15) Agreed that delegated authority be given to the Executive Director of Resources to make any necessary amendments to the budget, following consultation with the Leader and the Lead Member for Finance, Customer Services and Net Zero. This will take account of final levies and precepts including Garden Square special expenses, and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and for these amendments to be submitted and therefore recommended to Council at its meeting on 28 February 2024.
- (16) Agreed to pay an additional payment for low-income households of £100 for the financial year 2024/25 to all households who are:

- a. in receipt of any Council Tax relief, up to and including 100 per cent relief (approximately 13,000 households);
- b. in receipt of Housing Benefit but not in receipt of Council Tax relief (approximately 2,200 households);
- c. in receipt of the housing costs element of Universal Credit but not in receipt of Council Tax relief (approximately 1,400 households).

That will cost an estimated £1.65m and will be funded from the COVID-19 Recovery/Cost of Living Reserve.

The Leadership Team recommended to Full Council to approve:

- (1) A Council Tax requirement for 2024/25 of £104.657 million including Garden Squares special expenses.
- (2) A basic amount of Council Tax for 2024/25 at Band D of £1,037.58 excluding Garden Square special expenses as set out in Appendix 10. The headline figure including Garden Square special expenses is £1,058.45.
- (3) Garden Square special expenses of £2.174m as set out in Appendix 9.
- (4) Council Taxes for all Bands in all areas for 2024/25 as set out in Tables 4A & B of this report and Appendix 10.
- (5) Total Council Tax including the Greater London Authority precept for all Bands in all areas for 2024/25 as set out in Appendix 11.
- (6) The Council's medium term financial position for the next four years as set out in Appendix 1, noting that there is an estimated budget gap of around £32m for the period 2024/25 to 2027/28.
- (7) The Capital Programme as set out in Appendix 12 and Appendix 13.
- (8) The continuation of the use of flexible capital receipts strategy detailed in paragraphs 27.15 and 27.16.
- (9) The extension of the current three-year Council Tax Exemption policy to care leavers from 18-25 years old.

**Action by:** Executive Director of Resources

## **8 2024/25 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT AND BUSINESS PLANNING KD1004474**

Councillor Campbell introduced the supplementary paper, which contained the recommendations from the Housing and Communities Select Committee on the Housing Revenue Account Budget and Business Planning. She noted the Committee's requests that the timing of information be brought into line with the budget scrutiny process. Councillor Campbell also noted that support for the Grenfell Community remained a priority.

Councillor Sof McVeigh, Lead Member for Housing Management, Housing Safety & Building New Homes, introduced report, setting out the background to the proposed decision. She informed Members that the Government's rent settlement was not known until 4 January 2024 while inflation pressures had increased the capital programme costs from £400m to £600m. While she welcomed the new social housing legislation,

she noted that this would raise management costs. Councillor McVeigh stated that that no decision to raise rents was taken lightly, although the Council had a £500k tenancy support fund.

In response to a question, Officers confirmed that although the energy market was volatile, it was hoped that heating charges would be 10 to 15% lower than 2023-2024. They explained how the reduction in management costs had come from a reassessment of the pension provision, with the surplus being redirected into supporting the capital programme.

Councillor Weale, chair of Overview & Scrutiny Committee, noted the problems with bringing this paper to the Select Committee and added that there would be a meeting with relevant officers to improve the process next year.

The Leadership Team RESOLVED, for the reasons set out in paragraph 3.1- 3.5 and elsewhere within the report, that the recommendations at paragraph 2.1 and paragraphs 2.1 and 2.2 of the supplementary papers be adopted.

The Leadership Team accepted the Housing and Communities Select Committee recommendations:

- (i) That the timing of scrutiny of the HRA budget be brought in line with other business areas of the Council, taking place in early December annually.
- (ii) •That support for the local community affected by the Grenfell Tragedy in addition to the Grenfell survivors and bereaved be listed as a priority in the updated Housing Strategy.
- (iii) That the Committee's serious concerns regarding the effects of the rent and service charge increases on vulnerable tenants and leaseholders be noted.

The Leadership Team recommended that Full Council:

- i. Approve a rent increase of 7.7% effective from Monday 1 April 2024. This equates to an average weekly rent of £151.10 (set out in section 5 of the report).
- ii. Agree to maintain the Tenant Support fund and increase the budget to £0.5 million for 2024/25 as set out in section 5 of this report.
- iii. Approve the HRA revenue budget for 2024/25 as set out in Appendix A.
- iv. Approve the 2024/25 Fees & Charges as set out in Appendix B.
- v. Approve the five-year Capital Programme (2024/25-2028/29) as detailed in Appendix C.
- vi. Consider and approve the updated Medium-Term Financial Plan for the HRA.
- vii. Agree to develop a new Non-Estate Property Disposal Policy and authorise the Executive Director of Housing and Social Investment, following consultation with the Lead Member for Housing Management, Housing Safety & Building New Homes to implement the new policy in-line with the constitution (set out in section 8 of this report).
- viii. Note the key assumptions in the business plan and the inherent risks and uncertainties as set out in sections 9 to 17 of this report.

**Action by:** Executive Director of Housing and Social Investment

## **9 ADOPTION OF LOCAL FLOOD RISK MANAGEMENT STRATEGY 2024-2030 KD1007175**

Councillor Cem Kemahli, Lead Member for Planning & Public Realm introduced report, setting out the background to the proposed decision. He emphasised that it was important that residents were of the risks in their area and that the Council would publish a guide on flood resilience. The Council must be ready to respond. He added that there was a need for the partner organisations to install more modern infrastructure, for example, the 2021 would have needed eight of the new super sewers of which only one was being provided.

Officers noted the work of the Environment Select Committee working group and added that this strategy was a statutory document based on four themes: awareness, adaptive place to cope with future rains, working together – with neighbouring local authorities as well as with the Council and monitoring and review. They added that the report contained 12 objectives and an action plan, which would be reviewed annually by Environment Select Committee

The Leadership Team welcomed the promotion of Sustainable Drainage Systems (SUDs) and resident-led schemes such as at Napier Road.

Officers emphasised the importance of communication so that those moving into a flood-risk area were aware of what they might need to do to protect themselves. They advised that large scale developments might have measures to improve the area's flood resilience, which would be identified through the planning process.

Councillor Weale, Chair of the Overview & Scrutiny Committee, noted that this was a good example of early scrutiny involvement in a policy development.

The Leadership Team RESOLVED, for the reasons set out in paragraph 3.1 and elsewhere within the report, that the recommendations at paragraph 2.1 be adopted.

The Leadership Team adopted the Local Flood Risk Management Strategy 2024-2030 as set out in Appendix 1 and implement the Action Plan to that Strategy as set out in Appendix 2.

**Action by:** Executive Director of Environment and Neighbourhoods

## **10 OVERVIEW SCRUTINY COMMITTEE - BUDGET WORKING GROUP COVER REPORT 2024**

Councillor Elizabeth Campbell brought this item forward so that Leadership Team could consider the Working Group's findings before deliberating on the Revenue Budget, Capital Programme and Council Tax proposals. She welcomed Councillor Will Pascall, chair of the Overview & Scrutiny Committee Budget working group, who drew the Leadership Team's attention to the recommendations. He emphasised the first of these, namely that the transformation strategy should be in place by March 2024 to feed into next budget cycle. Hopes all recommendations will be accepted.

Councillor Campbell thanked the working group and undertook to provide detailed response to the Overview & Scrutiny Committee as well as progress reports to the relevant Select Committees.

**Action by:** Statutory Scrutiny Manager

The Leadership Team RESOLVED, for the reasons set out in paragraphs 3.1- 3.3 and elsewhere within the report, that the recommendations at paragraph 2.5 be adopted.

**Action by:** Executive Director of Resources

**11 EXPANDED RETAIL DISCOUNT SCHEME FOR 2024/25 KD1008916**

The Leader stated that the item had been withdrawn from this meeting.

**12 ANY OTHER ORAL OR WRITTEN PUBLIC ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT**

There were no items considered urgent.

**13 EXCLUSION OF THE PRESS AND PUBLIC**

The Leadership Team did not consider any items without the press and public.

The meeting ended at 7.52 pm

Chair