

## **PRESENT**

### **Members of the Committee**

### **Members of the Cabinet**

Councillor Merrick Cockell - Leader (Chairman)

Councillor Daniel Moylan, Deputy Leader, Planning Policy, Housing Policy and  
Transportation

Councillor Fiona Buxton - Housing Services, Adult Social Care, Public Health and  
Environmental Health

Councillor David Campion, B.A. (Arch.), Dip.T.P., F.R.I.B.A., M.B.C.S. -  
Corporate Services

Councillor Thomas Fairhead - Finance and Property

Councillor James Husband - Education and Libraries

Councillor Warwick Lightfoot - Community Safety

Councillor Nicholas Paget-Brown - Regeneration, Environmental  
Management and Leisure

Councillor Shireen Ritchie - Family and Children's Services

Councillor Paul Warrick - Service Improvement

### **Others in Attendance**

Councillor Christopher Buckmaster, Chairman of the OSC on Health

Councillor Terence Buxton, Chairman of the OSC on Housing, Environmental  
Health and Adult Social Care

Councillor Miss Barbara Campbell, Lead Member

Councillor Corbet-Singleton, Lead Member

Councillor John Cox, Chairman of the OSC on Family and Children's Services

Councillor Keith Cunningham, Chairman of the OSC on Cabinet and Corporate  
Services

Councillor Dr Iain Hanham, Lead Member

## **PART A (PUBLIC) MINUTES**

### **A1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mrs Frances Taylor.

### **A2 MEMBERS' DECLARATIONS OF INTEREST AND DECLARATIONS PURSUANT TO SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992**

There were none.

### **A3 MINUTES OF THE MEETING HELD ON 15 JANUARY 2007**

The Minutes of the meeting held on 15 January 2007 were confirmed as a correct record and signed by the Chairman.

### **A4 ANNUAL AUDIT AND INSPECTION LETTER 2005/06**

This report set out the results of the annual audit and inspection of the Council. Miss Barry-Pursell of the Audit Commission and Mr Flamank of PricewaterhouseCoopers attended and referred to the final version of the annual audit and inspection letter which included the scorecard, tabled at the meeting.

Miss Barry-Pursell congratulated the Council on its assessment and highlighted the key messages from the letter, in particular the Council's clear leadership, its partnership working and success in delivering on key services. She referred to the Corporate Assessment report and stated that the Audit Commission would be monitoring progress made in addressing the areas for improvement.

Mr Flamank stated that the findings of the auditor reflected well on the Royal Borough and referred to the issues raised in the ISA 260 report. The key elements related to the use of resources, the Council's notable practice regarding fraud awareness and the strengthening of the medium term financial strategy.

Mr Flamank undertook to provide Councillor Lightfoot with the background data used to formulate the view that high costs were not yet commensurate with performance in relation to the library service.

RESOLVED -

That the Annual Audit and Inspection Letter be noted.

***Action by: DSSI***

### **A5 CPA CORPORATE ASSESSMENT RESULTS**

This report presented the outcome of the recent CPA Corporate Assessment.

Miss Barry-Pursell of the Audit Commission and Mr Flamank of PricewaterhouseCoopers congratulated the Council on receiving the highest possible rating for the fifth year running, particularly after having undergone the new "Harder Test". The Council demonstrated clear prioritisation, performance management, was ambitious and focussed. As with the Annual Audit and Inspection Letter, the Audit Commission would be monitoring progress made against the areas identified for improvement.

The Chairman responded that the results were exceptional and credited Council staff with consistently performing to a high standard.

RESOLVED -

That the Corporate Assessment be noted.

*Action by: DSSI*

## **A6 JOINT AREA REVIEW AND ENHANCED YOUTH INSPECTION**

This report informed the Cabinet of the outcome of the recent Joint Area Review of Children's Services and the related youth service inspection.

Councillor Ritchie paid tribute to staff within the Business Group and in particular those in the Youth Service for achieving this outstanding result. The Town Clerk and Chief Executive added that this was the best inspection report that he seen.

RESOLVED -

That the Joint Area Review and enhanced youth inspection be noted.

*Action by: EDFCS*

## **A7 BUDGET MONITORING 2006/07 - QUARTER 3 OVERVIEW**

This report sought approval to budget virements and transfers from reserves.

RESOLVED -

Cabinet agreed reserve transfers and budget virements as follows:-

- (i) On Family and Children's Services to agree to underwrite the higher costs of the Special Needs Transport contract from the CPR in the event that it cannot be set against other underspendings;
- (ii) On Housing, Health and Adult Social Care to agree a virement of £320k from the Area Revenue Works/Controlled Repairs Reserve to the Area Revenue Works budget;
- (iii) On Planning and Conservation, a virement of £50,000 from Planning Applications fee income to business process improvements, Crossrail costs and street tree planting;
- (iv) On Transport, Environment and Leisure Services, a rephasing of the capital budget for Holland Park Theatre of £200,000 from 2007/08 to 2006/07;
- (v) On Corporate Services, a virement of £200,000 from Land Charges income to administrative buildings maintenance;

- (vi) To agree to transfer £8.0 million to the Capital Expenditure Reserve and partially offset this by a virement of £7 million from the following budgets:
- £1.0 million from Corporate Services underspending on Benefits
  - £0.051 million from savings in Planning and Conservation budgets
  - £3.2 million from additional interest on balances
  - £2.581 million from unused contingencies
  - £0.168 million from other non-departmental budgets;
- (vii) To agree in principle to transfer the LABGI grant received into an earmarked reserve for strategic regeneration; and
- (viii) To agree a transfer of £1.6 million (net underspending) from the On Street Parking service to the car parking reserve.

**Action by: EDFISP**

## **A8 REVENUE BUDGET AND COUNCIL TAX 2007/08**

This report set out proposals for the Council's Revenue Budget and Council Tax, to be recommended to Council on 7 March 2007. It also outlined the medium term financial plan for the Council to 2009/10.

Cabinet considered a submission from the Cabinet and Corporate Overview and Scrutiny Committee relating to proposed variations for Civic Ceremonial (Business Unit P2501) and was assured that the quality of service provided to the Mayor and Deputy Mayor would not be affected. Should this change, consideration would be given at a later stage to restoring the post. The Overview and Scrutiny Committee was welcome to keep this area under review.

RESOLVED -

- (i) That the estimates be approved for submission to Council as summarised in Appendix A:
- (a) The Business Group Revenue Estimates for 2007/08 amounting to £148.676 million as summarised in Appendices B and C;
  - (b) Contingency and central budgets of £3.245 million, as detailed in paragraph 6.1 (Table 8);
  - (c) Financing budgets of £1.337 million (Asset Management Revenue Account, Pension Fund liabilities, Investment Income and Capital Financing Account);
  - (d) Levies of £3.501 million, as set out in paragraph 4.12 (Table 7)

- (e) Transfers to General Fund Reserves of £5.981 million (Revenue) and £5.500 million (Capital) as set out in paragraph 6.8 (Table 9);
- (ii) That Council be recommended to agree:
  - (a) The revised Band D equivalent tax bases in respect of:
    - Collingham Gardens (190)
    - Iverna Court (240)
    - Nevern Square (334)
    - Stanley Crescent (193)
  - (b) A revenue budget requirement for 2007/08 general expenses of £168.240 million;
  - (c) A Council Tax requirement for general expenses of £71.970 million for 2007/08;
  - (d) A basic amount of Council Tax for 2007/08 at Band D of £727.27 and for other Bands as set out in Table 14;
  - (e) A requirement for Garden Square Levies for 2007/08 as its special expenses of £1.186 million as set out in Appendix G;
  - (f) Royal Borough Council Taxes including Greater London Authority requirements, for all Bands in all areas for 2007/08 as set out in Appendix I;
  - (g) The basis for Medium Term Financial Planning as set out in Appendix J; and
  - (h) That the General Fund Working Balance should not be reduced below £10 million in 2007/08 within the budgetary framework.

**Action by: EDFISP**

## **A9 CAPITAL PROGRAMME 2007/08 - 2009/10**

This report set out the proposals for a £215 million capital programme for the next three years together with funding proposals. Further schemes at feasibility stage could also imply substantial future resource requirements.

RESOLVED -

Cabinet agreed:

- (i) To approve the capital programme of expenditure and its funding, subject to confirmation of any external resources where relevant, as summarised in Appendices 2, 3 and 4 and set out in detail in Appendix 6, including:

- Revisions to the 2006/07 capital budget
  - Approval to schemes starting in 2007/08 of £68 million subject to further specific approval being required for schemes as not yet agreed for budget release
  - Approval to schemes starting in 2008/09 and 2009/10 for planning purposes only.
- (ii) To note that where external funding is not yet certain, any scheme approved will be subject to review, in the event that the confirmed external funding is not forthcoming to the extent assumed in the budget;
  - (iii) The principle that exceptional exploratory funding for feasibility should be managed by the Property Strategy Group and Computer and Communications Advisory Group, drawing down resources from the Capital Expenditure Reserve, up to a reviewable limit of £500k and £100k for 2007/08 and subject to agreement with the Cabinet Member for Finance and Property;
  - (iv) That in commissioning work, from feasibility onwards, operational, financial, environmental sustainability and whole-life costs should be considered as a priority, and that long-term social benefits should be identified before schemes are approved for inclusion in the capital programme;
  - (v) To note the grading applied to the accessibility to buildings;
  - (vi) To note the potential and pipeline schemes currently excluded for the programme, as set out in tables 4 and 5, and to agree any that should not be progressed for now, or any that are the highest priority to progress quickly;
  - (vii) To determine that non Right-to Buy housing receipts (if any) be set against eligible expenditure of £22 million in the HRA capital programme;
  - (viii) To retain a minimum of £15 million in the Capital Reserve and £20 million in the Car Parking Reserve at the end of 2009/10;
  - (ix) The Capital Financing Requirement as a result of the proposed capital programme;
  - (x) The affordability of the revenue impact of the programme on the Council Tax and for the Housing Revenue Account; and
  - (xi) To submit the programme to the Council for approval.

**Action by: EDFISP**

## **A10 DRAFT CABINET BUSINESS PLAN 2007/08 - 2009/10 RESPONSES FROM THE OVERVIEW AND SCRUTINY COMMITTEES, RESIDENTS, BUSINESSES AND PARTNERS - AMENDMENTS MADE TO THE PLAN**

This report and the tabled appendices set out suggested amendments and comments from the Overview and Scrutiny Committees to the draft Cabinet Business Plan.

RESOLVED -

- (i) That the suggestions and comments be noted;
- (ii) That amendments be made to the draft Cabinet Business Plan where indicated and officers from the Service Improvement Team be authorised to provide detailed replies to responses where appropriate;
- (iii) That the final version of the Plan be agreed and submitted to Council for approval; and
- (iv) That individual Cabinet Members be authorised to approve further changes to the Plan where they fall within their remits.

*Action by: DSSI*

## **A11 ANNUAL TREASURY STRATEGY 2007/08**

The proposed Treasury Strategy set out how the Council manages its borrowing requirement and daily cash flow, and through its Investment Strategy how surplus cash will be invested. In agreeing the Strategy the Council also sets the Prudential Indicators for treasury management activity which will be carried out during 2007/08.

RESOLVED -

That Council be recommended to approve the Annual Treasury Strategy, incorporating the Annual Investment Strategy for 2007/08. This includes:

- The proposed Prudential Indicators which limit treasury management activity as shown in tables 5 to 8 of the report);
- The proposed allocation of core fund investments
- The use of specified and non-specified investments shown in Appendix 1

*Action by: EDFISP*

## **A12 SIGNING OF THE FUNDING AGREEMENT FOR CHELSEA ACADEMY**

This report sought approval to the signing of the funding agreement for Chelsea Academy, funding towards the current projected capital overspend and the granting of a lease to the Chelsea Academy Trust for a term of 99 years at a peppercorn rent.

Appendix 1 to the report was exempt under Section 100 and category 3 of Schedule 12A of the Local Government Act 1972. Under category 3 the appendix was exempt as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Executive Director for Family and Children's Services left the meeting and took no part in the discussion on the funding agreement, because of her position as director of the Chelsea Academy Trust.

RESOLVED -

- (i) That authority be delegated to Anne Marie Carrie, Executive Director for Family and Children's Services, to sign the Chelsea Academy Funding Agreement on behalf of the Royal Borough of Kensington and Chelsea in its capacity as a co sponsor as set out in paragraph 4.2 (and appendix 1);
- (ii) That the current expected additional contributions to overspend as set out in paragraph 4.3 be approved and authority be delegated to Councillor Merrick Cockell, Leader of the Council to authorise additional expenditure accordingly as set out in appendix 1; and
- (iii) That a 99 year lease be granted, contracted out of the Landlord and Tenant Act 1954, at a peppercorn rent, to the Chelsea Academy Trust.

*Action by: EDFISP and EDFCS*

### **A13 CABINET RESPONSE TO REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE ON HOUSING, ENVIRONMENTAL HEALTH AND ADULT CARE SERVICES SUBGROUP ON ACCESS TO SERVICES FOR DISABLED PEOPLE**

Further to the discussion at the last Cabinet meeting of the Overview and Scrutiny Committee's report, this report invited the Cabinet to consider and approve a formal response. This would then be conveyed to the OSC on Housing, Environmental Health and Adult Social Care.

Councillors Buckmaster and T Buxton and Ms Menghi Mulchandani of ADKC addressed the meeting. Councillors Buckmaster and T Buxton welcomed this prompt and comprehensive response, which broadly accepted thirty eight of the seventy nine recommendations. The Chairman confirmed that a more detailed response addressing all the recommendations, would be submitted to the Overview and Scrutiny Committee on Housing, Environmental Health and Adult Social Care.

RESOLVED -

That a detailed response addressing all the recommendations, be submitted to the Overview and Scrutiny Committee on Housing, Environmental Health and Adult Social Care.

**A14 ANY OTHER ORAL OR WRITTEN PUBLIC ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT**

There were no such items.

**A15 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED-

That the press and public be excluded from the remainder of the proceedings by virtue of the private nature of the business to be transacted, as follows:

**B1 EXEMPT MINUTES OF THE MEETING HELD ON**

**Public summary of decision:**

The exempt minutes of the meeting held on 23 November 2006 were confirmed as a correct record and signed by the Chairman.

**B2 CHELSEA ACADEMY**

**Public summary of decision:**

This appendix to agenda item A12 was exempt under Section 100 and category 3 of Schedule 12A of the Local Government Act 1972. Under category 3 the appendix was exempt as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

See minute A12 above for the decision.

**B3 ELLESMERE HOUSE CARE SERVICES - APPOINTMENT OF PROVIDER**

**Public summary of decision:**

This report was exempt under Section 100 and category 3 of Schedule 12A of the Local Government Act 1972. Under category 3 the report was exempt as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Cabinet agreed to:

- (i) Approve the appointment of Care UK plc as care provider for Ellesmere House; and

(ii) Authorise the Council to enter into the contract and leases.

**B4 ST THOMAS' CHURCH OF ENGLAND PRIMARY SCHOOL W10 -  
CALCULATION OF DEVELOPMENT VALUE**

**Public summary of decision:**

Appendix 1 to the report was exempt under Section 100 and category 3 of Schedule 12A of the Local Government Act 1972. Under category 3 the appendix was exempt as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Cabinet agreed to the London Diocesan Board of Schools' scheme and to the grant of a 125 year lease of the flats upon completion of the new school.

The meeting ended at 8.44pm

**CHAIRMAN**



