

Reason for urgency Residents are due to begin paying rent on Monday 5 February and the Council urgently need to inform them of what they will need to pay. This follows representation made by residents at the meeting of the Grenfell Recovery Scrutiny Committee on 18 January and subsequent consultation with residents of Lancaster West via the Lancaster West Residents' Association. It was not possible to give the 28-day statutory notification of the Key Decision nor to publish the report five working days in advance of the meeting so the decision is being taken under the urgency provisions as set out in the Council's Constitution. Notice of this key decision was added to the Forward Plan on Friday 2 February 2018.

A9

Executive Decision Report

Decision maker and date of Leadership Team meeting or (in the case of individual Lead Member decisions) the earliest date the decision will be taken	Leadership Team - 6 February 2018 Forward Plan reference: 05222/18/K/A Leadership Team Portfolio: Lead Member for Grenfell Recovery, Housing and Property	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Report title	COMPENSATION FOR WALKWAYS RESIDENTS AND RESIDENTS OF BRAMLEY HOUSE, TREADGOLD HOUSE AND VERITY CLOSE	
Reporting officer	Robyn Fairman / Doug Goldring	
Key decision	Yes	
Access to information classification	Public	

1. EXECUTIVE SUMMARY

- 1.1. Following concerns from residents about disruption to services on parts of the Lancaster West Estate, this report proposes the payment of compensation to residents of Barandon Walk, Hurstway Walk and Testerton Walk ('The Walkways') and residents of Bramley House, Treadgold House and Verity Close, in recognition of continued disruption to services.

2. RECOMMENDATIONS

- 2.1. This report recommends that:
- 2.2. A compensation payment equal to 50 per cent of rent and service charges (for tenants) and 50 per cent of service charges (for leaseholders) be agreed for Walkways residents who are living at home on the Walkways.
- 2.3. A compensation payment equal to 15 per cent of rent and service charges (for tenants) and 15 per cent of service charges (for leaseholders) be agreed for residents of Bramley and Treadgold House and Verity Close who are living at home.

2.4. This will be for a period of eight weeks, up to and including Sunday 1 April 2018.

3. REASONS FOR DECISION

3.1. This compensation is proposed in recognition of continued disruption to services for residents following the Grenfell Tower tragedy.

4. BACKGROUND

4.1. Walkways residents and residents of Bramley House, Treadgold House and Verity Close were granted a waiver for rent and/or service charges until Monday 29 January. This was subsequently extended until Monday 5 February so residents of these addresses are due to begin paying rent and/or service charges in full from this date onwards.

4.2. However, there is continued disruption to services on the Walkways. In particular, the following issues have been raised by residents and verified by the Lancaster West Neighbourhood Office:

- Intercom systems are not fully operational
- Gas supplies have been disrupted
- Additional fire safety works have not been completed
- Interruptions to the supply of heating and hot water
- Access to the estate is still limited
- Rubbish chutes are not working properly
- The Tower is not yet wrapped

4.3. Residents of Bramley House, Treadgold House and Verity Close continue to experience some disruption, but to a far lesser extent than residents of the Walkways.

4.4. While residents are experiencing these levels of disruption, it is unreasonable to expect them to pay the full amount of rent and service charges without compensation of some kind.

4.5. The compensation package outlined below is proposed while the Council works to restore these services.

5. PROPOSAL AND ISSUES

5.1. This paper proposes:

- A compensation payment equal to 50 per cent of rent and service charges (for tenants) and 50 per cent of service charges (for leaseholders) for Walkways residents who are living at home on the Walkways.
- A compensation payment equal to 15 per cent of rent and service charges (for tenants) and 15 per cent of service charges (for leaseholders) for residents of Bramley House, Treadgold House and Verity Close living at home.

- 5.2. This arrangement will be for a period of eight weeks, up to and including Sunday 1 April 2018, while the Council works to restore the services affected. It will then be reviewed.
- 5.3. These payments will be credited directly to rent accounts.
- 5.4. This offer of compensation will not prejudice any individuals who have a personal loss of service for extended periods.
- 5.5. This offer of compensation applies only to residents of the affected blocks who are living in their homes. Residents in emergency or temporary accommodation will not receive compensation since they are not experiencing disruption to services.

6. OPTIONS AND ANALYSIS

- 6.1. The alternative to offering compensation would be to expect residents of the affected blocks to pay the full amount of rent and service charges. This would not reflect the levels of disruption experienced by residents. The level of compensation proposed reflects the extent of this disruption.

7. CONSULTATION AND COMMUNITY ENGAGEMENT

- 7.1. The recommendations made by this report arise from representations made by affected residents at the Grenfell Recovery Scrutiny Committee on 18 January 2018. At this meeting and in other settings since, residents expressed concerns about continued interruption to services on Lancaster West.
- 7.2. The specific proposals made here have been discussed with representatives of the Lancaster West Estate, via the Lancaster West Residents' Association.

8. HUMAN RESOURCES AND EQUALITIES IMPLICATIONS

- 8.1. There is no equalities impact, as all residents that continue to experience disruption of services would be compensated. The report states that the offer of compensation will not prejudice any individuals who have a personal loss of service for extended periods.

9. LEGAL IMPLICATIONS

- 9.1. Section 24 of the Housing Act 1985 is the principal statutory provision governing the fixing of rent for Council properties. Sub-section (1) provides that authorities may "...make such reasonable charges as they may determine for the tenancy or occupation of their houses".
- 9.2. This is subject to the provisions of Pt 6 of the Local Government and Housing Act 1989, which governs housing finance and puts the Council under a duty to prevent a debit balance on the Housing Revenue Account. It is considered that the Council has the power to reduce rent and charges as set out in the report.
- 9.3. The charging of service charges exists by way of contract. In terms of meeting its end of the contract the Council will need to be prepared to accept by not charging

the full amount that they are still required to comply with the terms of the lease. It is presumed this will be the case. In general, the level of charges is subject to potential challenge as to reasonableness. If future challenges do arise regarding service charges for this period or for these areas the decision to reduce the charge for a period of time will go some way to showing reasonableness on behalf of the Council.

9.4 The report is justified and lawful as the Council has recognised that it is unreasonable for residents to pay full rent and service charges without compensation.

9.5 Further, it is reasonable to extend this compensation to residents who remained in their homes.

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. The estimated cost of this compensation to the Council's Housing Revenue Account is £134,000. The breakdown of these costs is set out in the table below

Walkways tenants* (50% of rent and service charges)	£103,000
Walkways leaseholders* (50% of service charges)	£11,000
Bramley, Treadgold and Verity tenants (15% of rent and service charges)	£19,000
Bramley, Treadgold and Verity leaseholders (15% of service charges)	£1,000
Total	£134,000

Robyn Fairman
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Local Government Act 1972 (as amended) – Background papers used in the preparation of this report: None

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Formal clearance requirements for all key decision reports

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Cleared by Finance (officer's initials)

[CB]

Cleared by Director of Legal Services (officer's initials)

[SM]

Cleared by Communications & Community Engagement (officer's initials)

[KT]