

PRESENT

Members of the Committee

Cllr. Marie-Therese Rossi (Chair)
Cllr. Tom Bennett
Cllr. Max Chauhan
Cllr. Janet Evans
Cllr. Laura Round
Cllr. Malcolm Spalding

Others present

Cllr. Elizabeth Campbell – Leader of the Council
Cllr. Kim Taylor-Smith – Deputy Leader
Cllr. Mary Weale – Lead Member for Finance
Cllr. Robert Atkinson
Cllr. Judith Blakeman
Taryn Eves – Director of Financial Management
Jacqui Hird - Scrutiny Manager
Steve Mellor – Head of Housing Finance
Barry Quirk – Chief Executive
Callum Wilson – Director of Grenfell Partnerships
Martyn Carver - Governance Manager

Public agenda

72 SECONDS SILENCE

At the invitation of the Chair, all present stood in silent remembrance of those who lost their lives in the Grenfell tragedy.

A1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Cllr. Berrill-Cox. Apologies for lateness were submitted on behalf of Cllr. Laura Round.

A2. DECLARATIONS OF INTEREST

No declarations of interest were made.

A3. MINUTES OF THE MEETING HELD ON 19 DECEMBER 2019

The minutes of the meeting held on 19 December 2019 were signed as a correct record by the Chair.

A4. 'STATE OF THE BOROUGH' PRESENTATION

Cllr. Rossi invited Cllr. Campbell, Leader of the Council, and Barry Quirk, Chief Executive, to the table.

Cllr. Campbell said she wanted to concentrate on the effects of the Grenfell tragedy and the Inquiry and how this was leading to change across all areas of the Council. She referred to the speech she had made at the Council meeting on 22 January and reiterated the Council's commitment to get to the truth. The Council could and should have done more. It was now working to put the community at the forefront of everything it did. She referred to the Grenfell Project Fund, which was an example of working with the local community.

Barry Quirk reflected on key issues across London as a whole and in the Borough in particular. He spoke of changing demographics, deprivation indices, patterns of tenure, types and rates of employment, crime figures, housing and numbers in temporary accommodation, comparing and contrasting figures for the Borough with those across London as a whole. He noted that the Council's role was to improve place, communities and services. He spoke of the effects of Grenfell in driving change across the Council.

Cllr. Rossi asked how the Leader would steer the Council through Phase 2 of the Grenfell Inquiry. Cllr. Campbell said that the aim was to assist the inquiry in seeking the truth, as well as taking responsibility for the Council's failures of the past. She noted the emphasis on staff development through the People Strategy, which would help to foster resilience in staff.

Cllr. Rossi said that high staff turnover since Grenfell had resulted in a loss of experience and that bringing in new staff was not the same as introducing a change of culture. She asked how cultural change could be achieved in the Council. Barry Quirk recognised that some corporate memory had been lost, but spoke of the advantage of having new staff with a strong purpose to change the organisation. He said culture change was achieved through being open about the past whilst also looking to improve the future for all residents.

Cllr. Evans asked of the Leader's leadership style, noting the emphasis on working together and embracing the community. Cllr. Campbell agreed that putting communities first was a priority. She referenced the Charter for Public Participation noting it was important to include the community in decision-making.

Cllr Bennett spoke of youth unemployment and its link with youth crime. He asked what the Council was doing to increase opportunities for the young. Cllr. Campbell referred to the role of the Lead Member for Skills and Enterprise in increasing opportunities and apprenticeships. She noted the Council had one of the highest numbers of apprenticeships in London and spoke of the importance of saving Wornington College. Cllr. Campbell added that it was important to work to reduce barriers to employment.

Cllr. Spalding referred the change of culture and asked whether the Grenfell Assembly provided a template for future models of co-design with the community or some form of devolution. Cllr. Campbell responded that the Assembly allowed people to ask questions of the relevant agencies. It was a public meeting not a Council meeting. She agreed that it was a good model for community involvement. In terms of devolution of power, she commented that the recent Borough and Area Governance Review had looked this matter and noted that there were no strong voices for such devolution. Local decision-making was taking place through Ward initiatives such as the Golborne Forum and the Chelsea Forum.

On the subject of integration, Cllr. Spalding asked whether there were any plans to improve North-South communications, perhaps by introducing a Council-run electric bus shuttle. Barry Quirk responded that people did not identify with Borough or Ward boundaries. Borough boundaries were a construct of the 1960s. Community cohesion at a more local level was important.

Cllr. Chauhan asked how good governance principles could be incorporated into the Council's future goals. Barry Quirk responded that he believed people stood for election to the Council to improve the life chances of people in the community. The Council had a vital role in this.

Cllr. Round referred to air quality and asked about plans to introduce more cycle lanes and traffic calming measures. Cllr. Campbell said that it was a big priority. It was important to create a balance. Narrowing major roads to provide more cycle lanes would lead to more traffic congestion and pollution. Cycle improvements were focused on quieter roads. The Council was also encouraging people to walk and providing more electric charging points for vehicles.

Cllr. Bennett noted the difficulties in tree planting in the borough as there was often a conflict with existing underground facilities. He asked the Council to be more ambitious in considering where to plant.

Questions and views from the public gallery were then encouraged.

Cllr. Woodger asked about the Council's plans to provide care for the increasing number of elderly residents living alone. Barry Quirk said that the Council would learn from other councils about dealing with the pressures of the ageing population. He noted that an issue in the borough was the number of elderly people with high asset values. He said it was important to safeguard these vulnerable people. The Council's joint arrangements with Westminster would equip the Council to tackle these issues more effectively.

Cllr. Atkinson asked about funding of adult social care and in particular about people living alone. Barry Quirk acknowledged the problems, adding that a fundamental change in funding was required, most likely at CCG level or above. Cllr. Atkinson also expressed concern about the possible future relocation of elderly residents outside of their current communities.

A member of the public referred to the number of unoccupied homes in the south of the borough and suggested that this contributed to a lack of social housing.

Cllr. Rossi thanked the Leader and Barry Quirk for their contributions and added that she was in favour of holding a similar presentation next year.

A5. BUDGET PROPOSALS 2020/21

Cllr. Rossi invited Cllr. Weale, Lead Member for Finance, and Taryn Eves, Director of Financial Management, to discuss the report.

Cllr. Rossi welcomed the report and asked that arrangements be made so that the Committee could see the proposals earlier next year. She referred to page 13 where the gap in the budget for 2021/22 and 2022/23 was shown as £26m, not the £20m referred to in paragraph 5.10. Taryn Eves responded that £20m was an estimate made last July. The £20m gap had been closed this year, but £26m remained in the following years. Cllr. Weale added that the Fairer Funding regime could have an impact if funding was directed away from London.

Cllr. Rossi expressed concern over the amount of capital borrowing and queried if the Council would be able to pay off the loans. Cllr. Weale responded the amount of borrowing was within the Council's limits and all interest rates were fixed.

Cllr. Spalding referred to page 41 and queried the reduction in contributions to the parking reserve. Taryn Eves explained that income from parking was not lost. More areas on which parking income could be used had been identified.

Cllr. Spalding then referred to page 48 and queried if the vehicles procured would be electric. It was noted that such vehicles would be in line with current European standards – they would be cleaner but necessarily electric. The Committee supported the need for vehicles to be electric.

Following a question by Cllr. Evans about Grenfell Recovery Strategy process (page 11), Callum Wilson explained that the Council had a dedicated service for survivors and bereaved families which was supplementary to other services provided by the Council. Cllr. Evans queried if the service was provided in different languages. It was noted that the team had a variety of languages.

Cllr. Chauhan referred to the New Homes Programme (page 16, paragraph 6.9) and queried if the cost would remain neutral. Taryn Eves responded that the programme was still in its early stages and there was no negative impact on the HRA. Precise implications were still to be worked out.

Cllr. Chauhan expressed disappointment that only six responses had been received as part of the budget consultation. Cllr. Weale said that the aim in future was to conduct focus groups with service users, but she was open to suggestions about how to improve responses. It was noted that engagement with the wider community on next year's budget would begin immediately after this budget had been set.

Cllr. Bennett referred to page 25 and noted that the number of staff had risen. He commented that it was easier to reduce expenditure if employees were

contracted in, rather than taking on permanent employees. Cllr. Weale recognised that this issue needed to be addressed. Some previously contracted-out services had recently been brought back in house. Cllr. Atkinson noted the Council's history of outsourcing and spoke of problems this had brought. Cllr. Weale said that several services were successfully contracted-out, such as waste collection, which benefited from economies of scale. She added that improvements to procurement could be made.

Taryn Eves advised that Fees and Charges would include a section on Travellers, noting that increases to rents and service charges would increase by 2% in line with others.

A5(i) HRA BUSINESS PLAN 2020

A5(ii) HRA BUDGET 2020/21

Cllr. Rossi advised that items A5(i) and A5(ii) would be presented together and invited Cllr. Taylor-Smith, Deputy Leader, and Steve Mellor, Head of Housing Finance, to discuss the report.

Cllr. Taylor-Smith referred to the transfer of housing management from the TMO back to the Council. He spoke of the provision of funding towards refurbishment and the new homes programme. He drew attention to the new rent standard which allowed rents to increase by up to CPI +1%. It was proposed to set rent increases at this level. He said that spending on capitalised repairs and improvements had increased from approx. £10m a year under the TMO to £40m a year. Cllr. Rossi drew attention to points 13.7 and 13.14 on page 15 regarding disposal policy and suggested they were contradictory. Steve Mellor responded that the Council currently had a commitment not to sell off homes but reviewing the disposals policy would be an option for the future if further capital resources were required.

Cllr. Bennett queried if the Council's commitment to reduce emissions meant that it would be moving away from gas boilers. Cllr. Taylor-Smith said he was reluctant to do this. There was the option of having efficient low output gas boilers. The Council was trialling systems on the Lancaster West estate.

Cllr. Chauhan referred to page 16 and queried how risk mitigation was carried out. Steve Mellor said that modelling had been carried out to show the effects of higher interest rates or higher inflationary increases. Other cost pressures may come to light at a later date so close monitoring was important. He added that there was a risk log within Housing Management which was regularly reviewed.

Cllr. Evans questioned the efficiency of communal heating. Cllr. Taylor-Smith replied that the Council would undertake evaluations before deciding to repair or replace. There was a variety of heating systems that could be considered. A TCC working group was investigating this.

Cllr. Bennett supported the new homes policy and queried if the Council was confident in managing large scale building projects as it had not done so before. Cllr. Taylor-Smith responded that the Council had recruited to a specialist team

but he acknowledged that this was not on a scale the Council had done previously.

The Chair then welcomed questions from the public gallery.

A member of the public referred to page 13 of A5(i) about leaseholder contributions and expressed scepticism about recouping the costs. He also drew attention to the rent policy on page 4 of A5(ii) and queried if it would increase by 2.7% in future years. Steve Mellor responded that a 2.7% increase was being proposed owing to the financial position of the HRA. It would be first increase in five years. Cllr. Taylor-Smith added that the Council had to set a balanced HRA. He undertook to discuss the recovery of money from leaseholders with the Director of Housing Management.

The Committee noted the reports.

A6. FINAL REPORT OF THE BUDGET SCRUTINY WORKING PROGRAMME

In Cllr. Berrill-Cox's absence, Cllr. Rossi thanked the members of the working group and the officers involved in undertaking scrutiny of the budget. She expressed concern about future funding of Adult Social Care. Taryn Eves said that the Council was working through to develop a 3 to 5-year strategy for Adult Social Care which would build a resilient and sustainable service for the future, including future funding needs.

Cllr. Bennett agreed that Budget Scrutiny had been a thorough process and said it would be useful in the future to gain suggestions from Select Committees regarding the areas they would like scrutinised.

Cllr. Rossi also expressed concern about the expansion of secondary schools given the number of under-occupied primary schools in the borough. Cllr. Weale agreed that this needed to be kept under review by the Family Services Select Committee.

The Committee then:

RESOLVED –

- (i) To support recommendations four, five and six of the Working Group and refer them to the Leadership Team to consider and provide a formal response;
- (ii) To support recommendations one, two, three, and seven of the Working Group in respect of further scrutiny; and
- (iii) To agree that the budget scrutiny process would start earlier in future and that the Budget Scrutiny Working Group be reconvened to carry out this work.

Action by: Scrutiny Manager

A7. OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME

Cllr. Rossi noted there would be an update on the work programme for all Select Committees at the next meeting.

Action by: Scrutiny Manager

The following Decision was noted as being of interest to the Overview and Scrutiny Committee:

- 05526/19/K/A - Procurement and contract management strategy

The following Decisions were referred to the Environment Select Committee for scrutiny:

- 05529/K/A - Adoption of Statement of Community Involvement (SCI)
- 05543/20/K/A - Culture Plan for Kensington and Chelsea
- 05560/20/K/AB - Stage 2 Grenfell soil and environmental checks contract award

The following Decisions were referred to the Housing and Communities Select Committee

- 05534/19/K/AB - Construction works for the Housing Capital Investment Programme-Award of Contracts Framework
- 05567/20/K/A - The Curve Community Centre

The following Decision was referred to the Adult Social Care and Health Select Committee:

- 05492/19/K/A – Dementia Strategy

No other matters were discussed.

A8. EXCLUSION OF THE PRESS AND PUBLIC

There were no matters requiring the exclusion of the press and public from the meeting.

The meeting ended at 9pm.

Chair