

PRESENT

Members of the Committee

Councillor Quentin Marshall (Chairman)
Councillor Sam Mackover (Vice-Chairman)
Councillor Adrian Berrill-Cox
Councillor Judith Blakeman
Councillor Will Pascall
Councillor Matthew Palmer
Councillor Monica Press
Councillor Mrs Elizabeth Rutherford

Others in Attendance

Yvonne Birch (Executive Director of People and Performance – TMO)
Robert Black (Chief Executive – TMO)
Michael Clark (Director for Corporate Property)
Celia Caliskan (General Needs Housing Commissioning Manager)
Hitendra Godhanja (Group Accountant – Corporate Property)
Sacha Jevans (TMO Executive Director of Operations)
Amanda Johnson (Head of Housing Commissioning)
Laura Johnson (Director of Housing)
Peter Maddison (Director of Assets and Regeneration- TMO)
Barbara Matthews (Director of Finance - TMO)
Steve Mellor (Group Finance Manager)
Robert Shaw (Housing Options Manager)
Anne Wright (Governance Services)

A1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted from Councillors Mohammed Bakhtiar, Rock Feilding-Mellen and David Nicholls.

A2 MEMBERS' DECLARATIONS OF INTEREST

Councillor Blakeman declared that she was a Member of the TMO Board.
Councillor Press declared she was a TMO leaseholder.

A3 MINUTES OF THE MEETING ON 5 NOVEMBER 2015

The Minutes of the meeting on 5 November were confirmed as correct records and were signed by the Chairman subject to two amendments, namely:

- 1)** It was noted that Cllr Bakhtiar had declared at the November meeting that he was a TMO Tenant; and
- 2)** The wording in report A4, paragraph 2, be amended to read:

Disposals and Conversions Policy

Cllr Feilding-Mellen explained that in relation to the current properties that the Council was looking to dispose of or convert, they would only be disposed of or converted if they were voids, which most of them are, or they are currently occupied on a temporary basis.

Matters arising

Information regarding the Library Service's consultation to be sent when available.

Action: Mr Clark

In relation to paper A6 Ms Matthews explained that the issue with providing wifi in Community Rooms was not just in relation to security but was also related to managing the administrative side of the provision, such as re-charging. She confirmed that a fuller piece of work would be done in relation to this matter. The Chairman asked that the Committee be kept up to date.

Action: Mr Black

A4. GRENFELL TOWER – VERBAL ITEM

Ms Johnson set out a general summary of the scope of works that had been completed at Grenfell Tower. She confirmed the considerable £10.3 million spend and that the timetable had slipped so that the final completion of the works, including the playground, would be February 2016. She said that the TMO had worked closely with Rydon and the residents of Grenfell Tower and had representatives available onsite 5 days per week.

Ms Johnson confirmed that the works had been intrusive and would have undoubtedly been difficult for residents who would have faced considerable disturbance during the works, especially when access to individual homes was required. She explained the issues in relation to the positioning of the boilers which had originally been planned to have been installed in the kitchens of individual units but it had then been considered easier to place these boilers in the hallways which had been conveyed to residents.

Ms Johnson added that Grenfell Tower had been in desperate need of refurbishment and the heating system had been a big issue. She said that the new cladding improved the look of the building and the Boxing Club was excited about their new facilities. She confirmed the nursery was now on the ground floor and had greater visibility.

Mr Black agreed with Ms Johnson's assessment of the works and progress and said that the TMO Board had addressed every issue that had been put to them. He said that he recognised the difficulties faced by the residents but that the improvements had been delivered.

Mr Edward Daffarn, lead representative of the Grenfell Tower Residents Association, was given an opportunity to address the Committee. He thanked the Committee for the opportunity to speak to them about the problems that had been faced by residents over the past three years. He highlighted six main issues in his representation, namely:

1. The lack of consultation and residents engagement. He said the Residents Association was ignored and there was a failure to organise regular meetings.
2. The boilers being placed in hallways without consultation and warning. He explained that some boilers had been located in the original position in the kitchen whilst boilers in the hallways were a danger to small children.
3. The residents had experienced threats, harassment, lies and intimidation. He said that people with vulnerabilities had been targeted by the TMO and some were told that they would not have heating if they did not provide access to workmen.
4. The lack of response to legitimate complaints.
5. Poor workmanship and site management and gave examples of this to the Committee including residents that had not had access to hot water and one that had not had access to a functioning toilet for three days.
6. The issue of compensation which he said had been proposed as £50. He suggested a figure of £1500 would be more appropriate.

He concluded that there was a need for urgent scrutiny of the management of the works that had been carried out which needed to be conducted as an independent investigation. He said residents had been belittled, ignored or side-lined and their day-to-day concerns downplayed. He said that it was vital that lessons are learned for any future works and the problems experienced not replicated.

A copy of Mr Daffarn's full statement has been placed on the Minute Book.

Cllr Blakeman said that it was important that an examination of the project be conducted so that the Council could learn from the experiences of the residents of Grenfell Tower. She said that there had been a mismatch of information between what had been reported and what the residents were actually experiencing. She said that the newsletter sent to residents in relation to the boilers had been incomprehensible and the residents would not have understood the importance. Cllr Blakeman reported that there had been two babies born during the works that had special needs and no respite was provided for these families. She said that a number of individual complaints had been submitted but had not been responded to and this may lead to residents approaching the Housing Ombudsman. She said she could provide specific examples where required.

In relation to the positioning of the boilers, the residents were told at the consultation that if they were placed in the hallway they would be flush with the ledge but where they had been positioned stuck out approximately 8 inches and a child could easily bump their head on it. She added that residents who wanted them to be moved to the kitchen had been told this could happen if there was any surplus money.

Cllr Mackover thanked the residents for attending and presenting to the Committee. He said that he had noted down the main issues and the Scrutiny Committee was the correct forum to bring these issues. He confirmed he had visited Grenfell Tower and had seen the works in December 2015. Cllr Mackover suggested that a Working Group could have a look at the lessons learned for future regeneration projects and he would be happy to chair this Group. He stressed that the Group would not be set up to investigate individual complaints or issues but to look at how things could have been done better with the focus on an 'Outcome Review'.

Cllr Berrill-Cox agreed that a Working Group would be the best mechanism to conduct a review and look at the lessons learned. He said that it was important to look at what consultation proposals were in place for any future projects.

Mr Maddison reported on the consultation that had taken place in relation to Grenfell Tower. He said that at the outset there had been a number of public meetings. He explained that 65 households had indicated a preference for individual letters or drop-in sessions and they had acted on that basis. In relation to the location of the boilers, he explained that the TMO have said they would review the positioning and have listened to the residents concerns in this regard. He reported that there had been a number of meetings with the Compact and they were happy to continue that dialogue. Mr Black added that the TMO was willing to talk to the residents and he was committed to resolving all outstanding issues. He also said he would be happy to take part in a Working Group. He said that he had not agreed with a lot that had been said at the Committee and there was a complaints system in place to deal with any complaints. He explained the three stage process and he said that although there may still be some complaints that are in the process of being dealt with, to his knowledge the TMO had responded to all complaints raised. He said that if something had been missed he apologised and would be happy to pick up these issues. The Chairman said that it was important that people are properly informed of how to make complaints and Mr Black confirmed the TMO had a dedicated complaints team for this purpose.

Cllr Press said that Grenfell Tower was the first example of the regeneration of a Tower in the Borough and as good practice there should be a review of how the project went and she would support a recommendation for a Working Group on the matter. She said that Cllr

Blakeman's comments that the Group needed to be independent with the resources and skills necessary. She said an independent reviewer may be useful to give expertise.

The Chairman said that if a Working Group was established then it would decide on what resources it needed and its scope. He said however that he was reluctant to establish another Working Group until those in existence had reported. He suggested that a Group was not set up immediately and that urgent complaints should be dealt with through the TMO process.

Cllr Pascall said that it would be important for any Working Group to look at the novation of the landscaping works and how that work had been budgeted and spent separately. He added that it was also important that the liquidation of two sub-contractors be looked at and lessons learned from that in relation to the sub-contractor procurement process.

Ms Johnson reported that once the project had been completed the TMO Board would be conducting their own review and this could help any Scrutiny Working Group with their Terms of Reference and act as one source of information.

Cllr Blakeman said to the Committee that a number of people did not understand the complaints procedure and often things had been implemented before the complaint had been addressed. She explained that there was no mechanism for collective complaints, for example when a lift wasn't operational or lack of CCTV. The Chairman asked if there was a procedure for collective complaints or if each individual had to log a complaint separately. He suggested there may be a gap in governance in this respect as there should be a process to allow a group to complain and permit the aggregation of a complaint. He recommended that the TMO look at their procedures in this regard. Mr Black agreed to do this.

Action: Mr Black

In conclusion the Chairman agreed that a Working Group would be commissioned at some point in the future but that this was dependant on a number of factors including the conclusion of existing Working Groups and the review work conducted by the TMO.

A5. REPORT BY THE DEPUTY LEADER AND CABINET MEMBER FOR HOUSING, PROPERTY AND REGENERATION

Purchasing Properties for TA

Cllr Mackover referred to paragraph 1.27 and asked if the Council was looking at properties dotted all London over rather than properties in blocks. Ms Johnson confirmed that they were looking for individual flats across London and were working with the agent (LSH) who would charge £3000/per property plus VAT. She said that they would of course prefer

the properties to be all in one area but it was a very competitive market. She confirmed that due diligence was done on all properties and the Council would investigate service charges, leasehold fees etc.

Fox Primary School

Cllr Palmer asked if there was any indication that Fox School would apply for Academy status. Mr Clark confirmed he had no indication that they would apply but could not be prevented from doing so.

BUDGET PAPERS

A6. COUNCIL'S 2016/17 BUDGET PROPOSALS

The Chairman directed Members' attention to the savings proposals that related to the two business areas covered by the HPSC. He referred to pages 46 and 47 of the report and asked Mr Mellor to explain the proposed savings.

Mr Mellor said that the biggest saving within Housing would arise from a reduction in expenditure on supporting people, arising from the re-procurement and re-provision of services. Over the last 10 years this budget had reduced by more than 40 per cent. He explained that there was currently an under-spend on this budget indicating that some of these savings had already been achieved.

He reported that the Home Improvement Agency work had been brought in-house which had provided a saving.

The key risk to the budget was identified as Temporary Accommodation.

When asked about any possible further future reductions in the budget, Ms Johnson explained that in theory any budget could be reduced to any amount but that it would naturally have an impact on the quality of service provided and Councillors would see a difference in the service that was given to them directly. She said that something radical would need to be done in order to reach any more savings and reminded Members about the large number of statutory duties that needed to be fulfilled by her department which required a lot of front office staff.

Cllr Blakeman asked about the impact that the proposed savings would have on the provision of housing advice and Ms Johnson assured Members that advice had not been reduced but demand had fallen. She confirmed that there was still a dedicated officer in private sector advice but the department were trying to expand their prevention work.

The Chairman said that it would be an interesting exercise to proactively look at what would happen to the service if more money was taken out of the budget, specifically taking into consideration the number of statutory responsibilities and duties that fall under the Housing Department.

Action: Ms Johnson and her team

The Chairman commented that the use of the term "savings" within the Corporate Services budget in relation to what was actually increased income was a falsity.

**A7. CORPORATE PROPERTY REVENUE BUDGET REPORT 2016-17
AND A8. CORPORATE PROPERTY CAPITAL PROGRAMME 2016-17
to 2018-19**

Mr Godhanian made a short presentation setting out Corporate Property's budget, some significant statistics about the budget and Corporate Property's Capital Programme. The Chairman asked about the departmental growth and increased staff costs. Mr Clark explained that there has been a significant increase in the number and type of projects being undertaken by the department in particular with the Capital Works Team and Investment and Development Teams, especially around major housing development and regeneration, which required more resources. A lot of the Capital Project work would be capitalised against each project and the development teams additional costs were more than covered from the extra increase in income.

The capital funding figures as set out on page 17 of report A8 were discussed and it was agreed that further detail on the capital funding streams and in particular the relationship to generating revenue versus an operation asset and capital receipts would be provided. In relation to running costs of property, Mr Clark reminded Members that although they were trying to bring running costs down across the board, property running costs are generally increasing year on year, for e.g. the rise in energy costs and rates.

Action: Mr Clark

The Chairman asked what would happen if further savings in the business group were required, excluding any increases in revenue. Mr Clark said that a reduction in staff would have an impact on generating additional income and redeveloping the housing estate. Mr Clark also confirmed that Facilities Management (FM) had already been restructured twice, with savings from both changes adding up to £1.8m pa and that the FM client-side team has gone from 70 down to 5 over the past four and a half years. Mr Clark also informed the committee that the department had probably made the most dramatic reduction in staff numbers of any major dept in the Council to date, going from 120 to 55 (including the new additional

staff). The Chairman requested that a paper be prepared that explored the consequences of any further cuts on service provision and income.

Action: Mr Clark

Cllr Blakeman asked about the Capital Programme figures as set out on page 3 of report A8 and requested information on Building Schools for the Future funding which she believed to be £17.5million.

Action: Mr Godhania

Cllr Mackover, referring to the table on page 3 of A8, asked about the repairs to the Belvedere Restaurant and the money budgeted for the railings of St Mary Abbots Church. Mr Clark said that the repairs on the Belvedere Restaurant had been long overdue and the building was Grade II listed. He confirmed that the railings of St Mary Abbots Church were the Council's property and therefore the £800,000 was assigned to carry out the Council's responsibility. Cllr Mackover expressed some concerns that other establishments may claim that their boundaries were also the Council's responsibility. Mr Clark agreed to provide a note on this matter.

Action: Mr Clark

The Chairman asked about the process that had led to the award of the lease for North Kensington Library and asked if Corporate Property were certain it had provided best value. Mr Clark explained the process taken which had been agreed by the Cabinet. The Chairman queried why the same open tender process that had been used for the Isaac Newton Centre had not been used in this case. Mr Clark said that the issues raised on the deal with Alpha Plus was different to the issue now being raised on dealing with NHP.

The process undertaken with the Library was approved by Cabinet and so that process was implemented by the Property Department. The Committee expressed concerns that an open, competitive process had not been followed in this case. Cllr Mackover said that when looking at the process through the eyes of a tax payer the test for best value would hinge on an open tender process that showed the highest bidder or offer received. He said that there had not been a test in this instance that could be evaluated. Mr Clark explained that a significant premium had been agreed with NHP and that the base value and the premium was supported by an independent valuer and local agent.

The Committee expressed dissatisfaction of the process that had been followed in this instance and the Chairman asked that the Key Decision stage be investigated and called-in if possible.

Action: The Clerk

Cllr Press raised concerns about the impact a changed use of the North Kensington Library could have on the local neighbourhood, for example causing parking and traffic problems. The Chairman acknowledged these concerns but suggested they were best brought to the attention of the Public Realm Scrutiny Committee as they were planning issues. Cllr Press also raised concerns that she had been led to believe the 2nd floor of the library was unsound but was assured by Mr Clark that any such issues would be dealt with by the Council.

A9. HOUSING GENERAL FUND REVENUE REPORT 2016-17

Mr Mellor introduced the report and highlighted some key points regarding the savings proposals. The Chairman asked about the £2 million additional budget that had been included to meet the increased cost pressures on the Temporary Accommodation budget. Ms Johnson said that a paper had been prepared for Leader's Group that set out the scale of the problem which could be circulated to the Committee.

Action: Ms Johnson

A10. HOUSING SERVICES CAPITAL PROGRAMME 2016-17 TO 2018-19

Mr Mellor confirmed that there was now budget provision for purchasing Temporary Accommodation properties. The report was noted.

A11. TOTAL HOUSING REVENUE ACCOUNT RENT REPORT 2016/17

Mr Mellor highlighted the key change in the rent-setting methodology and said that the Council was required to reduce rent for current tenants by 1% and there would only be a real opportunity to amend the rent if a property became vacant. The Chairman commented that the reduction in rents would actually lead to less funds being available to spend on improving estates. Ms Johnson confirmed that the Housing Department were protecting capital spend on properties over the next three years.

Cllr Mackover referred to pages 10 and 11 of Appendix 3 and said that the liquidity of contractors was definitely an issue that needed to be looked at. Cllr Pascall added that it was a question of control and often it can be difficult to keep a sub-contractor on board. The Chairman said that the TMO Board would be looking at this and could report back to the Committee.

Action: TMO (Mr Black)

Cllr Press referred to page 8 and asked for further details to be sent to her in relation to HRA budget and expenditure. She also asked for the details of the revised management fee being introduced for major works.

Action: Mr Mellor

Cllr Press also raised a query about the Digital TV budget and queried what this actually related to. Mr Mellor explained that this related to a 10 year leasing arrangement. It was noted that the 10 year leasing arrangement had been preferred over a large upfront charge.

A12. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2016/17 TO 2020/2021

Cllr Blakeman referred to paragraph 4.4 of page 7 and asked for an explanation regarding the Assured Shorthold tenancies the proposals that there is no differentiation on property size/number of bedrooms. Ms A. Johnson explained that the proposed income brackets had not changed and rent would be charged the same and not allocated on the size of the property. Ms Johnson added that a proportion of different size properties were rented at different income levels.

Cllr Blakeman asked about Silchester East and West Estates regeneration and queried why further appointments would be made if no decisions had been taken. Ms Johnson said that if the proposals were approved then the Council would make further appointments of consultants.

Cllr Press highlighted the good news of 8 new homes that could be delivered at the former hostel in Tavistock Crescent but queried if more couldn't be accommodated. Ms Johnson explained that Tavistock Crescent was quite quirky and there were a few issues on the upstairs level. She added that the Council's preference was for 2/3 bedroom units rather than cramming in more one bed units or studios.

Cllr Press asked about improvement works to estates and said that for example a number of leaseholders would prefer to carry out their own double-glazing than wait for the Council to do this on an estate level. Mr Black said that the TMO was doing some work around these sorts of issues and would be happy to pick this issue up with the leaseholder's group.

Cllr Mrs Rutherford asked about the high cost of maintaining Trellick Tower and whether the level of maintenance required was sustainable. Ms Johnson said that long term future would need to be looked at as the maintenance and upkeep of a Grade II listed building of that size could lead to issues of affordability within the HRA.

HOUSING

A13. LIVE ISSUES REPORT BY THE DIRECTOR OF HOUSING

Fire at Adair Tower

The TMO provided an update of the fire that had occurred on 31 October 2015. Mr Black reported that the TMO had received an enforcement notice from the London Fire Brigade regarding Adair Tower and expected a similar one for Hazelwood Tower. The notice for Adair Tower covered six points and one of the main issues to be addressed was the fixture of self closers on individual flat doors. Mr Black confirmed that this would be done for Adair Tower and Hazelwood Tower but the notice related to all estates which would need to be looked at in conjunction with the Council.

A14. ALLOCATION POLICY REVIEW

Mr Shaw introduced the report and said that there had been some revisions to the scheme, mainly clarifying some points and also responding to new strategy guidance.

The Chairman asked about the allocation scheme for lifetime homes and the preference system. Ms Johnson explained the housing register's categorisation system of lettering between A – F with stringent criteria. In relation to those needing accessible homes, she explained that the Council's Housing Occupational Therapy Team had comprehensive knowledge of the most deserving cases and played a role in the allocation of accessible homes.

A15. UPDATE ON JOINT WORKING WITH ADULT SOCIAL CARE

Cllr Blakeman referred to paragraph 4 and asked about Domestic Violence Services and if there would be a reduction in the number of refuge places and Ms A Johnson confirmed that there would not be a reduction.

Cllr Blakeman raised the issue of people with mental health difficulties being placed in sheltered housing and the difficulties this can cause some of the other sheltered housing residents. She mentioned two specific cases that she said had been ongoing and no help had been provided. Ms A Johnson said that a survey of regular providers and residents of sheltered housing and there had been no evictions and she added that the TMO were very good at engaging with vulnerable people but there were of course some that would not engage with them or the Council. Mr Shaw added that a risk assessment was conducted for every allocation and where the Council could, the information would be passed on to the TMO or another provider. He said that they were in the process of producing a new authorisation form that if residents signed would mean that information could be requested to assist providers and healthcare professionals.

Cllr Pascall asked about the impact different systems and data had on work being done across departments and Councils. Mr Shaw said that Housing

staff were given a great deal of training to help them with the various systems and they also worked very closely with Adult Social Care. He added that some work still needed to be done to improve engagement with the health sector, for example GPs.

A16. MISCELLANEOUS MATTERS

Rota visits

It was noted that the clerk had reminded officers to contact Members to arrange site visits.

Working Groups

The Chairman confirmed that a joint meeting of the HPSC and PRSC would take place on Tuesday 2 February at 6.30pm in Committee Room 2. This meeting is to discuss/comment on housing matters in the Local Plan Partial Review Issues and Options consultation paper.

Forward Plan

The Forward Plan was noted

It was noted that the next ordinary meeting of the Committee was on 9 March 2016.

A17. OTHER URGENT ORAL OR WRITTEN ITEMS WHICH THE CHAIRMAN

There were none.

EXCLUSION OF THE PRESS AND PUBLIC

The Committee 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. KENSINGTON TOWN HALL

Public summary of the decision:

Members noted options and requested further information on proposals.

The meeting ended at 9.30pm

Chairman