

## **PRESENT**

### **Cabinet Members**

Councillor Nicholas Paget-Brown (Leader of the Council), Chairman  
Councillor Rock Feilding-Mellen (Deputy Leader, Housing, Property and  
Regeneration)  
Councillor Tim Ahern (Environment, Environmental Services and Leisure)  
Councillor Elizabeth Campbell (Family and Children's Services)  
Councillor Timothy Coleridge (Planning Policy, Transport and Arts)  
Councillor Joanna Gardner (Community Safety, IT and Corporate Services)  
Councillor Gerard Hargreaves (Voluntary Organisations and Resident  
Engagement)  
Councillor Warwick Lightfoot (Finance and Strategy)  
Councillor Mary Weale (Adult Social Care and Public Health)

### **Other Members in attendance**

Councillor Barbara Campbell (Lead Member)  
Councillor Dent Coad (Chairman of Cabinet and Corporate Services Scrutiny  
Committee)  
Councillor Marie-Therese Rossi (Chairman of Public Realm Scrutiny Committee)

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

### **A1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Emma Will and Will  
Pascall (Lead Member).

### **A2. MEMBERS' DECLARATIONS OF INTEREST**

There were none.

### **A3. MINUTES OF THE MEETING HELD ON 9 JANUARY 2014**

The minutes of the meeting held on 9 January 2014 were confirmed as a  
correct record and signed by the Chairman.

### **A4. REVENUE BUDGET AND COUNCIL TAX 2014-15 - KD04156**

This report sought Cabinet's agreement to recommend to Council -

- a Council Tax freeze for the Royal Borough for 2014-15 at the rate  
first set in 2009-10;
- net budget savings totalling £11 million meeting net funding  
reductions of over £8 million, inflation and cost pressures of £3

million. A pension fund contribution reduction of £2 million delivers a contribution to future savings targets; and

- for 2014-15 only, a dividend payment of £100 per eligible household paying Council Tax. At an estimated cost of £7.5 million, this dividend is funded from the surplus generated by the Council exceeding its savings targets in 2013-14.

RESOLVED – Cabinet agreed

- (i) to approve the estimates for submission to Council as summarised in appendix 4 of the report and agree the Council Tax resolution as set out in appendix 8;
- (ii) to recommend to Council:
  - (a) a Council Tax requirement for 2014-15 of £71.702 million,
  - (b) a basic amount of Council Tax for 2014-15 at Band D of £767.79 excluding Garden Square special expenses as set out in table 3. The headline figure including Garden Square special expenses is the same as last year at £782.58;
  - (c) Garden Square special expenses of £1.355 million as set out in appendix 9;
  - (d) Royal Borough Council Taxes for all Bands in all areas for 2014-15 as set out in table 3 and appendix 10;
  - (e) total Council Tax including the Greater London Authority precept for all Bands in all areas for 2014-15 as set out in appendix 11;
  - (f) the Council's medium term financial strategy as set out in appendix 1;
  - (g) the Council's reserves policy as set out in appendix 2 including a minimum £10 million in working balances and a minimum total reserve balance of not substantially below £100 million in ear-marked reserves or 30 per cent of gross spending at the end of 2016-17; and
  - (h) a £100 efficiency dividend for all households paying Council Tax who are eligible. Details are set out in appendix 3.

### **Reasons for the decision**

The Council is legally required to set a balanced budget and Council Tax each financial year.

***Action by: TCEDF***

## **A5. CAPITAL PROGRAMME 2014-15 to 2016-17 - KD04155**

This report set out the Council's £160 million capital investment programme for 2014-15 onwards, which will deliver key projects including:

- the new Kensington Aldridge Academy and Kensington Leisure Centre (£57 million);
- a rebuilt Middle Row Primary School (£13 million);
- a rebuilt Marlborough Primary School and redevelopment of the remainder of the site;
- redevelopment of Fox Primary School;
- replacement plant and electrical equipment at the Central Library; and
- refurbishment of Grenfell Tower.

RESOLVED – Cabinet agreed to

- (i) approve the Capital Programme, including the associated expenditure and funding, subject to confirmation of any external resources, as summarised in table 2 and set out in detail in annex 1 including:
  - revisions to the 2013-14 Capital Programme where not previously approved;
  - the 2014-15 Capital Programme subject to further specific approval being required for schemes not yet approved; and
  - inclusion of schemes starting in 2015-16 and 2016-17 for planning purposes only unless the schemes have already been approved.
- (ii) 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 differs from that assumed in the programme;
- (iii) note the pipeline schemes not yet included in the programme;
- (iv) determine that capital receipts in respect of non-dwelling HRA sales be treated as reduced in accordance with the Local Authorities (Capital Finance and Accounting) (England) Regulation 2003 up to the value of the available capital allowance;
- (v) note the balances of £4.5 million in the Capital Expenditure Reserve and £12.7 million in the Car Parking Reserve at the end of 2016-17. The total remaining reserves are forecast to be just below 30 per cent of forecast gross spending at the end of 2017;
- (vi) note that the Council uses the Capital Financing Requirement Method (Option 2) to calculate a prudent level of Minimum Revenue Provision (MRP) for capital spending prior to 1 April 2008 and the Asset Life Method (Option 3) for capital spending after the 1 April 2008;

- (vii) agree the Capital Financing Requirement as a result of the proposed Capital Programme, in accordance with the requirements of the Prudential Code, as set out in paragraph 5.20 and appendix 4, table 1;
- (viii) recommend to Council the calculation of the General Fund Minimum Revenue Provision for debt repayment in 2014-15 and to make no provision in respect of the HRA in 2014-15 as set out in paragraph 6.4 and paragraph 6.6;
- (ix) agree the affordability and sustainability of the revenue impact of the Capital Programme on the Council Tax, in accordance with the requirements of the Prudential Code, as set out in paragraph 6.5, and appendix 4 (table 2, paragraph 1.5 and paragraph 1.6);
- (x) agree that the HRA capital investment is limited to the surplus funds it can generate to ensure sustainability, unless opportunities to build additional dwellings can be realised when borrowing up to the Government's debt ceiling will be permitted, as set out in paragraph 5.5 and paragraph 6.6; and
- (xi) submit the programme to the Council for approval.

### **Reasons for the decision**

Under the Council's constitution, Cabinet and full Council are required to approve the Capital Programme each year.

***Action by: TCEDF***

## **A6. BUDGET PROPOSALS – KD04157**

This report set out the final Budget Proposals following consultation with residents, businesses and the Council's partners. A summary of changes made to the plan since the 9 January meeting were attached in appendix B.

Councillor Lightfoot drew Members' attention to the significant cash reductions in the budget, achieved whilst maintaining and in many cases improving service delivery. They referred to the unit costs set out in the document, which compared well with neighbouring boroughs.

**RESOLVED – Cabinet**

- (i) noted both the suggestions and comments from Scrutiny Committees in appendix A;
- (ii) agreed the amendments to the draft Budget Proposals set out in appendix B;
- (iii) commended the Budget Proposals to Council for consideration at its meeting on 5 March; and

- (iv) authorised the Town Clerk and Executive Director of Finance, and the Director of Strategy and Local Services to finalise the document prior to submission to Council.

### **Reasons for the decision**

The final document will be debated by Council at its 5 March meeting with publication shortly thereafter.

**Action by: TCEDF/DSLS**

## **A7. BUDGET MONITORING 2013-14 QUARTER 3 OVERVIEW - KD04161**

This report set out the quarterly budget position and recommendations to approve virements and transfers to/from reserves.

RESOLVED – Cabinet noted the financial position as set out for the whole authority in paragraph 5 and annex I and for the individual services in appendices 1-10 and agreed the following –

### **Adult Social Care**

- (i) an overall virement of £620,000 between income and expenditure budgets within placements and home care services. This is required to realign budgets with current levels of income;
- (ii) any underspend against the 2013-14 health allocation to fund social care activities that also benefit health (see appendix 1 paragraph 1.9) is carried forward to 2014-15 to fund some older people's accommodation improvements;

### **Children's Services**

- (iii) the capital underspend of £8.853 million for the projects managed by Property Services should slip into 2014-15;

### **Housing General Fund**

- (iv) the gross and income budgets within the Temporary Accommodation service are both increased by £3.2 million in 2013-14 (see appendix 4i paragraph 1.8);

### **Planning and Borough Development**

- (v) that £573,000 of the forecast over recovery of income is put aside to help strengthen resources over the next two years as detailed in appendix 6, paragraph 1.5;

### **Corporate Services**

- (vi) approve a drawdown of £96,000 from the Repairs and Renewals Reserve. This is to fund the proposed work to improve mobile phone coverage at Kensington Town Hall (see appendix 9, paragraph 1.3); and

## **Whole Authority**

- (vii) note the forecast outturn position as set out (which is a combination of under and over spends within the service areas).

### **Reasons for the decision**

Services report quarterly on the budgeted versus forecast actual financial position to Cabinet. Though mainly for information, the report may also set out requests for in-year budget and funding changes.

*Action by: TCEDF*

## **A8. ANNUAL TREASURY STRATEGY 2014-15 – KD04203**

This report set out the Council's proposed strategy for managing its borrowing and investing its cash in order to meet the recommendations of the CIPFA Treasury Management Code of Practice, the Prudential Code and Government Guidelines on Local Authority investments. The full Council has to agree the strategy and in doing so, it also sets the Prudential Indicators for treasury management activity during 2014-15.

RESOLVED – Cabinet agreed to recommend that the Council approve the Annual Treasury Strategy, incorporating the Annual Investment Strategy for 2014-15. This includes:

- (i) the proposed Prudential Indicators which limit treasury management activity as set out in appendix 1 of the report;
- (ii) the proposed use of investment instruments as set out in section 9;
- (iii) the use of specified and non-specified investments as set out in appendix 2; and
- (iv) the governance arrangements as set out in appendix 4.

### **Reasons for the decision**

The Council is required under the Local Government Act 2003 (as amended) and other regulations to approve an Annual Treasury Strategy to cover the Borrowing Strategy, Investment Strategy and set Prudential Indicators together with borrowing limits for the next three years.

*Action by: TCEDF*

## **A9. CHILDCARE PROCUREMENT DECISION – KD04044**

The Cabinet meeting on 31 October 2012 agreed that options for the provision of childcare by an external provider should be explored through a market testing exercise. This was in relation to the four Council-run childcare provisions on children's centre sites. This report outlined the key findings of the market testing exercise and officer recommendations on the next steps.

Members noted that comments made by parents during the consultation had been explored in the market testing exercise. In addition to the four

key areas of concern highlighted by the market testing exercise, members felt that this should also include maintaining the quality of the service.

It is intended that the tender process will encourage providers to come forward with creative business solutions. Members discussed the level of subsidy that may be provided, noting that this would be a decision for Cabinet – in principle this could be reduced for working parents, and some continuing subsidy could be agreed for those on benefits. However, there is a range of financial assistance currently available that parents could access should the Council decide to reduce the subsidy.

RESOLVED – Cabinet agreed

- (i) to authorise officers to implement the proposed approaches to the key issues of pensions, staff costs, property issues and corporate recharges to ensure that savings on a contract, if awarded, are soundly based and deliverable; and
- (ii) to approve commencement of a tender process subject to the agreement on the approach to the issues above.

### **Reasons for the decision**

The market testing process showed there is a viable potential market for a procurement exercise, across a range of private, voluntary and social enterprise organisations at a local and national level.

**Action by: EDFCS**

## **A10. DEVELOPMENT OF A DEMENTIA RESOURCE CENTRE – KD04180**

This joint report and the exempt appendix sought permission to enter into a lease agreement with Central North West London NHS Trust (CNWL) for the ground floor of Chamberlain House, located on the St Charles Centre for Health and Wellbeing site. This space would subsequently be developed into a specialist dementia resource centre, from which day services currently delivered at the Miranda Barry Centre would be re-provided amongst other specialist services.

Members noted the unsuitability of the current provision at Miranda Barry due to the location and layout of the space and were pleased with the opportunities that the new centre will give to provide a one-stop service for this client group. It will offer a more rounded ability to run services for those with dementia, their families and carers.

A full Equalities Impact Assessment has been undertaken, and members noted that there will be some short term disruption whilst the work was being undertaken. There will be full liaison with carers and it is intended that the work will be completed by the end of May. Officers are reviewing the use of the Ellesmere House site with partners and will bring a report to a future meeting of Cabinet on options for its future use.

RESOLVED – Cabinet agreed

- (i) to approve the Principal Heads of Terms detailed in the exempt appendix and includes financial and business details;
- (ii) to approve the development of a new dementia resource centre in Chamberlain House; and
- (iii) to approve the re-provision of day services currently delivered from the Miranda Barry Centre in Ellesmere House to a new dementia resource centre in Chamberlain House

### **Reasons for the decision**

The aim of the new resource centre will be to create a one-stop service that will enable people with dementia and their carers to access sources of practical help, to acquire knowledge and increase their skills to maintain their health and wellbeing.

**Action by: EDASC**

## **A11. CONTRACT TO PURCHASE AN ADDITIONAL POLICE PRESENCE – KD04158**

The Council's current contract with the Mayor's Office for Policing and Crime (MOPAC) is for Police Community Support Officers (PCSO) and this contract is due to expire on 31 March 2014. This report sought approval for the allocation of Council funding to purchase 41 additional police officers in the Royal Borough of Kensington and Chelsea and the establishment of a new approach to tasking of police presence by the Council.

Members noted the timetable for the commencement of the new contract, and the extension of the current contract to support the transition. Members discussed the details of the Memorandum of Understanding and that Councillor Gardner would approve the final terms. Negotiations were continuing – the details of the contract could be published once they were complete.

**RESOLVED – Cabinet agreed**

- (i) to commit up to £1.4 million per year from 1 April 2014 for the purchase of additional uniformed officers for Kensington and Chelsea for four years;
- (ii) to transfer Council funding for the purchase of PCSOs to police officers in accordance with the 'buy-one-get-one-free scheme';
- (iii) to approve the extension of the current Police Community Support Officers (PCSO) contract for one year (2014-15) to support the transition arrangements;
- (iv) to approve a new contract to purchase 41 police officers under the buy-one-get-one-free scheme;
- (v) to approve the Council entering into an agreement with MOPAC regarding the total expenditure during the extension period (April



2014 – March 2015) for the two contracts together not to exceed £1.4 million; and

- (vi) That the Cabinet Member for Community Safety, IT and Corporate Services be delegated the authority to approve the terms of the contracts above with MOPAC and the contents of the Memorandum of Understanding between the Council and the borough police with the MPS.

### **Reasons for the decision**

The Council's contract with MOPAC expires on 31 March 2014. The allocation of the funding will facilitate the creation of a new team and the establishment of a new approach to tasking of police purchased by the Council.

***Action by: CCSO***

### **A12. YOUNG STREET, W8 AND HORTENSIA ROAD, SW10 REDEVELOPMENT – SECTION 106 UNILATERAL UNDERTAKING – KD04136**

This report sought approval to allow the Council as landowner to enter into a Section 106 Unilateral Undertaking in relation to the planning applications for Young Street (PP/13/04726 and CC/13/04727) and Hortensia Road (PP13/04728 and LB/13/06543). The applications were granted planning permission, subject to entering into the Unilateral Undertaking, at the 21 January 2014 Planning Committee.

RESOLVED – Cabinet granted authority for the Council as landowner to enter into a Section 106 Unilateral Undertaking in relation to the planning applications for Young Street (PP/13/04726 and CC/13/04727) and Hortensia Road (PP13/04728 and LB/13/06543).

### **Reasons for the decision**

Authority is required to enter into the Section 106 Unilateral Undertaking alongside the developer as this will create a legal charge which will bind the land.

***Action by: DCPCS***

### **A13. CHELSEA CREEK STREET SWEEPER DEPOT AND SALT STORE: APPOINTMENT OF CONTRACTOR – KD04147**

This report and the exempt appendix sought approval to the Council appointing ARJ Construction Limited for Phase 2 of the works at Chelsea Creek Depot, provision of a replacement winter maintenance depot and street sweepers depot for the contract sum of £946,350.40.

RESOLVED – Cabinet agreed to approve ARJ Construction Limited to carry out Phase 2 works at Chelsea Creek Depot (provision of a replacement winter maintenance depot and street sweepers) for the contract sum of £946,350.40.

## **Reasons for the decision**

The decision is required in order that the Council may:

- continue to provide statutory street sweeping to the south of the borough;
- maintain provision of winter road maintenance (salt spreading) across the whole borough;
- receive a capital receipt from the Clearings development site;
- receive the revenue income from a new office building at the Marlborough School development site, leading to the benefit of a replacement Denyer Street Depot and new Marlborough Primary School
- receive a revenue income from the Cremorne Wharf site
- safeguard the potential for a future capital receipt for the Cremorne Wharf site

*Action by: DCPCS*

### **A14. ISAAC NEWTON CENTRE, 108 LANCASTER ROAD, W11 – NEW LEASE – KD04164**

Report deferred.

### **A15. NEW LETTING OF TMO BASEMENT GARAGE, WALNUT TREE HOUSE, TREGUNTER ROAD, SW10 – KD04202**

This report and the exempt appendix sought approval for the Council to approve terms for the commercial letting of the underutilised garage at the subject premises above to the self storage Walnut Tree Self Storage Limited previously known as Fortbox Limited.

RESOLVED – Cabinet approved the letting of the site at TMO Basement Garage, Walnut Tree House, Tregunter Road, SW10 under the terms listed in the exempt appendix.

## **Reasons for the decision**

The new letting will fulfil the Council's aim in reducing voids in the property portfolio and increasing income for the Housing Revenue Account.

*Action by: DCPCS*

### **A16. DIXON HOUSE, DARFIELD WAY, LATIMER ROAD, W10 6TU – NEW TELECOMMUNICATIONS LETTING – KD04201**

This report and the exempt appendix sought approval to the Council granting a new lease to Cornerstone Telecommunications Infrastructure Limited at Dixon House under the terms set out in the report.

RESOLVED – Cabinet agreed to approve the telecommunications letting at Dixon House, Darfield Way, Latimer Road under the terms set out in the exempt appendix.

### **Reasons for the decision**

The new letting will increase communications signal strength in the area and also fulfil the Council's aim in increasing income for the property portfolio and in particular the Housing Revenue Account.

***Action by: DCPS***

## **A17. VITAL IMPROVEMENTS**

This was the second of two reports for 2013-14 on the progress of initiatives that make up the Royal Borough's Vital Improvements.

Cabinet noted the dashboard at appendix A indicating the status of each Vital Improvement.

RESOLVED – Cabinet

- (i) noted the progress of Vital Improvements since the July report; and
- (ii) noted the recommendations to sign off four Vital Improvements deemed complete.

***Action by: DSLS***

## **A18. EXCLUSION OF THE PRESS AND PUBLIC**

Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985

Cabinet 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. EXEMPT MINUTES OF THE MEETING HELD ON 9 JANUARY 2014**

Public summary of the decision:

The exempt minutes of the meeting held on 9 January 2014 were confirmed as a correct record and signed by the Chairman.

### **B2. CAPITAL PROGRAMME 2014-15 TO 2016-17**

Public summary of the decision:

Cabinet agreed to consider the appendix as a part A document in the public part of the meeting. See minute A5 above.

### **B3. DEVELOPMENT OF A DEMENTIA RESOURCE CENTRE**

Public summary of the decision:

See minute A10 above.

**B4. CHELSEA CREEK STREET SWEEPER DEPOT AND SALT STORE:  
APPOINTMENT OF CONTRACTOR**

Public summary of the decision:

See minute A13 above.

**B5. LEASE OF ISAAC NEWTON CENTRE, 108 LANCASTER ROAD, W11**

Public summary of the decision:

See minute A14 above.

**B6. NEW LETTING AT TMO BASEMENT GARAGE, WALNUT TREE HOUSE,  
SW10**

Public summary of the decision:

See minute A15 above.

**B7. NEW TELECOMMUNICATIONS LETTING AT DIXON HOUSE, W10 TO  
CORNERSTONE TELECOMMUNICATIONS INFRASTRUCTURE LIMITED**

Public summary of the decision:

See minute A16 above.

The meeting ended at 7.40pm

Chairman