
**GRENFELL TOWER
PUBLIC INQUIRY**

Exhibit TC/12

PRESENT

Members of the Committee

Councillor Quentin Marshall (Chairman)
Councillor Carol Caruana
Councillor Emma Dent Coad, MA
Councillor Tony Holt (Vice-Chairman)
Councillor Sam Mackover
Councillor Robert Mingay
Councillor Matthew Palmer
Councillor Will Pascall
Councillor Jonathon Read
Councillor Marie-Therese Rossi

Others in Attendance

Councillor Timothy Coleridge (Cabinet Member for Housing and Property)
Robert Black (Chief Executive, TMO)
Michael Clark (Director of Corporate Property)
Jean Daintith (Executive Director for Housing, Health and Adult Social Care)
Hitendra Godhania (Group Accountant Financial Services)
Laura Johnson (Head of Housing)
Steve Mellor (Group Finance Manager)
Anthony Parkes (Director of Financial Services, TMO)
Rachel Wigley (Head of Resource Management)
Jerome Treherne (Governance Services)

A1 APOLOGIES FOR ABSENCE

None.

A2 MEMBERS' DECLARATIONS OF INTEREST

No declarations were made. Also there were no declarations under S.106 of the Local Government Finance Act 1992.

A3 MINUTES OF THE MEETING ON 10 NOVEMBER 2011

The Minutes of the Meeting of 10th November 2011 were confirmed as a correct record and signed by the Chairman.

Under A5 of the minutes, Councillor Dent Coad drew attention to the significant new power in the Localism Bill for local authorities to purchase property to improve specific locations.

A4. Report by the Cabinet Member for Housing and Property

In response to a query on housing development at Holmefield House, the Cabinet Member reported the Council was considering two or three residential units for social rent.

Mr Black responded to concerns over liability for fire protection of TMO flat entrance doors, to say that all doors deemed high risk had been replaced, and letters had been sent to all leaseholders pointing out their legal responsibility. The Cabinet Member said use of rebates from ground rent to meet the cost of replacing doors was inadvisable because so many (some 2,500) were still non compliant. Ms Daintith reassured the Committee that officers would get a response from the regulatory arm of the Fire Brigade for the next meeting including liability for fire proofing common parts.

Action: *Head of Housing*

Ms Johnson advised the Committee further on the consultation over the Right to Buy that the Government's preference was for local authorities to retain 25% of receipts from sales, the rest to be claimed back by central government. There followed a brief discussion on ways to maximise the provision of in-borough social housing. Councillor Mingay was opposed to the extension of the Right to Buy if this led to fewer in-borough social housing units.

The Chairman asked officers to ensure Members had an opportunity to contribute to the draft Tenancy Strategy before wider consultation.

Action: *Head of Housing*

Ms Johnson confirmed to Councillor Holt that officers had noted Members' view that long term residents should be a priority on the Housing Allocation Scheme. The Chairman asked for the Committee to be kept informed on changes to the allocation scheme.

Action: *Head of Housing*

Subject to the above, the report was received and noted.

A5. Key Decision Process and Scrutiny – verbal update

The Chairman updated the Committee on the Scrutiny Steering Group's discussion of the key decision process. Improvements were needed over email messages concerning key decisions and their timing so that Member input could be made more central to the process. The 'diamond' system which alerted Members to the potential impact and contentiousness of any decision was also to be reconsidered. Councillor Marshall believed there was insufficient focus on scrutinising key decisions which in effect represented significant executive actions. He would be reporting back to the Committee on Scrutiny Steering Group's suggestions. Mr Treherne was to circulate the diagram of the key decision process.

Action: *Committee Clerk*

A6. Housing Revenue Account (HRA) – Rent Report 2012/13

Mr Mellor explained the changes arising from the introduction of the self – financing regime. He indicated that financial modelling had been undertaken which, based on a number of assumptions, showed that surpluses in the region of £24m could arise over 5 years.

Mr Mellor advised Councillor Read that comments from the Committee and the Tenant Consultative Committee on the report formed part of

consultation. The Cabinet Member would then be asked to take a Key Decision regarding the rent increase.

Mr Mellor advised that there was an expectation by the Government that local authorities adhered to the rent restructuring regime which had been introduced to achieve some comparability of rents between providers.

Councillor Holt believed at a time of pay freezes and rising unemployment, 7.6% was a significant increase in rent levels. Councillor Dent Coad noted the combined rent increase of this and last year amounted to 16% and said this would increase the number of tenants in rent arrears and lead to more tenants becoming reliant on housing benefit. She suggested slower rent increases would be a more sensible approach.

The Cabinet Member responded saying rent increases were never popular but local authorities were expected to adhere to the rent restructuring regime which had been introduced in 2002. For many years rents in this borough had been lower than in Westminster and Wandsworth.

Mr Black confirmed the rent increase would not address the shortfall in resources highlighted in the recent stock condition survey.

The Chairman noted that the Committee would benefit from a clearer understanding of target rents which could be addressed by the new Sub-Group on self financing and the HRA. Issues to be examined included cover comparisons with neighbouring local authorities, intergenerational transfers, issues of rent arrears, consistency and relate to the context of business planning for the self financing regime.

Action: Group Finance Manager

Subject to the above, the report was received and noted.

A7. Draft Budget Proposals 2012/13

Ms Wigley introduced the report which was received and noted.

A8. Housing Services Revenue Budget 2012/13

Mr Mellor clarified that third party payments listed in appendix 3 referred to external providers of services. Ms Johnson said it was more difficult to obtain temporary accommodation and more families were now placed in B&B accommodation for longer. Councillor Dent Coad noted that research demonstrated the reluctance of landlords to allow rising rents to be negotiated down and that capping of housing benefit levels discouraged private landlords from offering flats for local authority provision of temporary housing.

Councillor Dent Coad said the Labour Group was reserving its position on the Housing Services Revenue Budget 2012/13.

Subject to the above, the report was received and noted.

A9. Environmental Health Revenue Budget 2012/13

The report was received and noted.

A10. Capital Programme 2012/13 to 2014/15 Housing Services

Mr Mellor advised Councillor Rossi that a lower level of spending in the capital programme in 2013/14 was due to the Housing Revenue Account reserves being used up in 2012/13. ■■■ Wigley pointed out the shortfall in capital resources but the need for investment in the HRA was one of the reasons why the projected HRA surplus set out in paper A6 was required.

Subject to the above, the report was received and noted.

A11. Corporate Property Capital Programme 2012/13 to 2014/15

Mr Clark confirmed the Council's responsibility for the building that accommodated the Belvedere Restaurant and the need for structural repairs to its roof. For Phase 2 of the Marlborough Primary School Expansion, officers were to seek approval from the Cabinet to approve the design team. £6 million had been secured from the developer for the Warwick Road Primary School. The Committee noted that future levels of investment after 2013/14 were lower as the school's programme at that stage would have been completed.

Regarding the key decision to appoint a consultant for the Kensington Academy and Leisure Centre, the report was to be re-sent to the Cabinet Member and Councillor Palmer.

Action: *Director Corporate Property*

Councillor Pascall drew the Committee's attention to the successful completion of the third floor of Kensington Town Hall's SPACE programme which was on time and under budget. It was anticipated that the quotation for SPACE refurbishment to the second floor would also be below budget and the work would be within contract cost.

Subject to the above, the report was received and noted.

A12. Corporate Property Service Strategic Plan 2012/13

Mr Clark advised that recharges for use of Kensington Town Hall (KHT) under tri-borough arrangements were passed on to the relevant business group for each borough. He noted that compared to WCC and H&F, this borough had the most expensive rent rates per square foot. However, Councillor Pascall said overhead costs per officer in KHT were lower and needed to be included in the overhead cost calculations which were yet to be finalised. Mr Clark advised that analysis on identifying which staff needed to work from in-borough offices had not started and would be service led.

Mr Clark reported a good response to the marketing exercise over the use of Young Street offices and he anticipated completion of works and new use of the site to start within four years.

In summary, Mr Clark said many details had yet to be added to the vision and business cases would be reported to Cabinet. He highlighted two

important projects: the refurbishment of the central library's second floor and provision of new offices in the Westway for frontline service delivery.

Subject to the above, the report was received and noted.

A13. Corporate Property Revenue Budget 2012/13

Mr Clark confirmed that running the Conference and Events department was currently cost neutral. The Chairman reminded the Committee that the issue of using recharges to incentivise more cost effective use of office space had been raised in the final report from the Property Sub Group and was an outstanding issue. In reply Mr Clark said so far services had co-operated in reductions in use of office space. The Committee asked for another paper at the next meeting further explaining re-charging figures.

Action: *Director Corporate Property*

In response to Councillor Read's query on the cost of installing solar cells at KHT, the Cabinet Member recalled that the Cabinet decision to support this expenditure was in part based on a report that showed it represented a positive outcome for the tax payer.

Mr Clark noted Councillor Mingay's concerns that reductions in planned maintenance work could lead to greater problems in later years.

Subject to the above, the report was received and noted.

A14. Miscellaneous Matters

Rota Visits

Councillors Caruana and Mackover had visited the TMO repairs contractor. Councillor Pascall was due to visit the TMO hub shortly.

The paragraph was received and noted.

In-depth Reviews

The Committee noted that Councillor Read would join the Chairman for discussion of the final report from the Sub-Group on Allocation, Use and Management of Property Resources by Cabinet on 22 February.

Councillor Mackover reported that it had been agreed that officers analyse data from the 2011 census to be published later in the year before the Housing Occupancy Sub-Group met again in the autumn.

The Committee noted that a new Sub-Group chaired by Councillor Palmer with Councillors Caruana, Mackover and Pascall would review the cost of using external consultants by the Corporate Property Department.

The Committee noted a new Sub-Group would be set up to look into self financing and the HRA, chaired by Councillor Mingay with Councillors Holt, Read and Rossi. Mr Mellor had commented on draft terms of reference.

The Chairman drew attention to a 'deep dive' scrutiny exercise to be held at the next scrutiny committee meeting on Section 106 agreements. The paragraph was received and noted.

Vital Signs

Mr Treherne was to send key performance statistics to Councillors Caruana and Mackover on TMO repairs. **Action:** *Clerk*

The paragraph was received and noted.

A15. Any Other Oral or Written Items which the Chairman Considers Urgent

The Chairman noted that this would be the last time Ms Daintith would attend the Committee and, on behalf of the Committee thanked her for her work for the Committee over the last seven years. The Chairman also thanked Ms Wigley for her work in support of the Committee as this was the last time she would be attending it.

The meeting finished at 8.45pm.

Chairman