



**The Royal Borough of Kensington and Chelsea
Tenant Management Organisation Limited
(the "Company")**

AGENDA

Meeting of the Board of Directors ("Board") of the Company
to be held on Thursday 30 March 2017 at **6.15pm**
at Board Room, 346 Kensington High Street, London W14 8NS

Agenda Item	Report Name	Presenter	Action	Enclosure
PART A - OPEN				
1.	Notice, Apologies ¹ and Quorum	Company Secretary	-	-
2.	Board Membership Matters	Yvonne Birch Executive Director of People, Performance and Governance	Decision	✓
3.	Risk Management Session	Janet Seward Policy Advisor/ Matthew Hillyer (Zurich)	Information	
4.	Declarations of Interest ²	Company Secretary	-	-
5.	Minutes of the meeting held on 10 January 2017	Chair	Approval	✓
6.	Matters Arising	Sinéad McQuillan Company Secretary	-	-
7.	Chair's Report	Chair	Information	-
8.	Chief Executive's Report	Robert Black Chief Executive	Discussion	✓
9.	Performance Report Q3 and KPIs 17/18	Yvonne Birch Executive Director of People, Performance and Governance	Discussion/ Approval	✓
PART B – CONFIDENTIAL				
10.	Minutes of Confidential Meeting held on 10 January 2017	Chair	Approval	✓
11.	Matters Arising	Chair	Discussion	✓
12.	Albourne Housing Association	Robert Black Chief Executive	Decision	✓

13.	Budget Monitoring Report	Rupa Bhola Assistant Director Finance	Information	✓
14.	Capital Programme Update	Peter Maddison Director of Assets and	Information	✓
15.	Corporate Risk Map	Janet Seward Policy Advisor	Decision	✓
16.	Committee Update <ul style="list-style-type: none"> Finance, Audit and Risk Committee 26 January and 16 March 2017 Operations Committee 2 February 2017 Resident Engagement Panel 	Company Secretary	Information	✓
17.	Subsidiary Update <ul style="list-style-type: none"> Repairs Direct Ltd 8 March 2016 	Company Secretary	Information	✓
18.	Forward Agenda	Company Secretary	Information	✓
19	AOB	Chair	-	-
20	Date of the next meeting: 25 May 2017			

Notes:

- (1) Board Members can send their apologies to the Company Secretary by email or by calling on 020 7605 6399
- (2) Every member of the Board has a duty under Section 182 of the Companies Act 2006 to declare any interest in any transactions or arrangements with the Company under consideration, or section 177 of the Companies Act 2006 to declare any interest in any proposed transactions or arrangements with the Company under consideration in accordance with the Company's Articles of Association. Any interests should be declared to the Company Secretary at, or before the meeting. A person who has declared an interest will neither attend the discussion leading to a decision on the conflicted matter nor vote on it.

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('The Company')			
Agenda item 2: Board Membership Matters			
Status: Open/ For Decision			
Date: 30 March 2017			
Location: 346 High St Kensington		Time: 6:15pm	
Author(s)	Name Yvonne Birch	Title: Executive Director People, Performance and Governance Ext 6478	
Date produced	23 March 2017		
Synopsis	Following the resignation of Jeff Zitron with effect from 27 May 2016 the Board is invited to consider the nomination of the Royal Borough and to appoint Ian Roberts to fill the current casual vacancy		
Requested outcome (s)	It is recommended: (a) to appoint Ian Roberts for a term of three years, as a Director of the Company according to 30.3 of the Constitution, subject to his signing the Terms of Appointment; (b) that the Company Secretary updates the register of directors and files the appointment at Companies House. (c) to note the proposed membership of the committees.		
Financial Implications/Resource Implications/VFM	The Recruitment process was funded from the budget set by the Company.		
Link to business plan	Not Applicable		
Risk analysis	Vacancies on the Board may result in a skills/experience gap which could impact the effectiveness of the Board. Undertaking the recruitment of Board Members is according to the provisions of the Constitution of the Company and results in no risk to the Company..		
Resident consultation	n/a		
Equality Impact Assessment	The provisions of the Equality Act 2010 have been complied with in the recruitment process		
Regulatory/Legal requirements	The Modular Management Agreement (MMA) grants RBKC the right to nominate up to four members of the Board		
Authority for decision =	The Board is responsible for ensuring compliance with the Constitution of the Company..		
Appendices	1		
Total number of pages including appendices.	3		

1 BOARD VACANCIES

- 1.1 According to Article 30.1 of the Constitution, RBKC may nominate up to four Board Members. The Company received written notice of resignation from Jeff Zitron with effect from 27 May 2016 who was a Council-Nominated Board Member.

2 FILLING THE VACANCIES

- 2.1 **Council-Nominated Board Member** - under the powers in its Terms of Reference, as delegated by the Board (Article 35), the Appointments and Remuneration Committee undertook a recruitment exercise using Gatenby Sanderson as the retained consultant. As a result of this exercise the Committee was able to provide RBKC with a shortlist of candidates to interview for their nomination to the Board. These interviews were conducted and Ian Roberts has been nominated for appointment

4. IAN ROBERTS

- 4.1 Ian Roberts is an experienced lawyer and a recognised legal expert in social housing finance. He has over 25 years' experience as a partner of two international law firms (Dentons LLP and Pinsent Masons LLP), including responsibility for business planning and development. According to Chamber UK Legal Directory (2015): "notable practitioner Ian Roberts leads the social housing finance team.
- 4.2 RBKC believe that Ian is well equipped to undertake the key tasks identified in the role description. It is considered that Ian has the ability to give sufficient time to the KCTMO and to undertake the responsibilities to contribute effectively as an Independent Board member.
- 4.3 Ian lives in Muswell Hill and is a member of the Muswell Hill PCC of St James Church and became Secretary of the PCC in 2015. Ian enjoys cycling, motor biking and watching sport. He also serves in a soup kitchen monthly.

5 Committee Membership

A schedule of the proposed committee membership is attached at appendix 1. It recommends that Ian and Richard's skills are most suited to the Finance, Audit and Risk (FAR) Committee. Maria has asked to rejoin the FAR Committee and she attended the 16 March meeting with the committee chair's approval.

The Board is requested to formally note the proposed membership of the committees.

6 CONCLUSION

- 6.1 The Board is invited to pass the following resolution:

"It is **RESOLVED**:

- (a) to appoint Ian Roberts for a term until the morning of the AGM in 2017, as a Director of the Company according to Article 30.1-30.4 of the Constitution, subject to his signing the Terms of Appointment; and
- (b) that the Company Secretary updates the register of directors and files the appointment at Companies House."
- (c) To note the proposed membership of the committees.

Appendix 1

BOARD/ COMMITTEE	DATES	MEMBERS
BOARD	6.30pm Tuesday 10 January 2017 Thursday 30 March 2017 Thursday 25 May 2017 <u>Awayday</u> 9&10 June 2017 Thursday 20 July 2017 <u>AGM</u> Saturday 16 September 2017 Thursday 28 September 2017 <u>Awayday</u> Friday 10 November 2017 Thursday 30 November 2017	Fay Edwards Chair Alan Barnett Mary Benjamin Simon Brissenden Cllr Judith Blakeman Cllr Maighread Condon-Simmonds Anne Duru Maria Escudero-Barbaza Paula Fance Minna Korjonen Anthony Preiskel Sharon Price Derek White
OPERATIONS COMMITTEE	6.30pm Thursday 2 February 2017 Thursday 8 June 2017 Thursday 7 September 2017 Thursday 9 November 2017	Mary Benjamin Chair Alan Barnett Simon Brissenden Cllr Judith Blakeman Maria Escudero-Barbaza Paula Fance Minna Korjonen Sharon Price Derek White
FINANCE, AUDIT AND RISK COMMITTEE	6.30pm Thurs 26 January 2017 (additional) Thursday 16 March 2017 Thursday 6 July 2017 Thursday 19 October 2017 Thursday 7 December 2017	Anne Duru Chair Alan Barnett Maria Escudero-Barbaza (Maria left the Committee in x and has asked to rejoin) Richard Keenan Minna Korjonen Anthony Preiskel Ian Roberts
APPOINTMENTS AND REMUNERATION COMMITTEE	2.30pm Thursday 18 May 2017 Thursday 16 November 2017	Fay Edwards Chair Cllr Maighread Condon-Simmonds Anthony Preiskel
REPAIRS DIRECT LTD BOARD	4.30pm Wednesday 8 March 2017 Thursday 13 July 2017 Thursday 7 September 2017 Thursday 14 December 2017	Paul Mains Chair Sacha Jevans Barbara Matthews Graham Webb Eman Yosry

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED**
(the 'Company')

Minutes of a meeting of the Board of Directors ('Board') of the Company held on the 10
January 2017 at 6.30pm
at 346 Kensington High Street, London W14 8NS

PRESENT:

Resident Board Members	Fay Edwards (Chair) Alan Barnett Mary Benjamin (from item x) Anne Duru Minna Korjonen Sharon Price Derek White
Council-Nominated Board Members	Judith Blakeman Paula Fance
Independent Board Members	Simon Brissenden Richard Keenan Anthony Preiskel (from item 6.4)

APOLOGIES: Maighread Condon-Simmonds and
Maria Escudero-Barbaza
Sacha Jevans

IN ATTENDANCE:	Robert Black	Chief Executive
	Yvonne Birch	Executive Director of People, Performance & Governance
	Barbara Matthews	Executive Director of Financial Services & ICT
	Rupa Bhola	Assistant Director, Financial Services
	Steve Mellor	RBKC Finance Manager (Housing and Adult Social Care)
	Sinéad McQuillan	Interim Head of Governance and Company Secretary
	Gill Petford	Executive Manager (minutes)

1 NOTICE, APOLOGIES AND QUORUM

- 1.1 Notice of the meeting had been issued to the members of the Board entitled to receive notice and attend board meetings.
- 1.2 Apologies had been received from Maighread Condon-Simmonds, Maria Escudero-Barbaza and Sacha Jevans, Executive Director of Operations. Mary Benjamin had been unavoidably delayed and would join the meeting later.
- 1.3 The Chair welcomed Richard Keenan to his first meeting as a member of the Board. The Chair welcomed Sinéad McQuillan to the meeting. The CEO informed the Board that Truda Scriven had left the Company on 29 December 2016 to take up another position. As an Interim, Truda

was only obliged to provide one week's notice. Sinead had been appointed on an interim basis and the role was being advertised that week on a permanent basis.

- 1.3 The meeting was quorate according to the provisions of the constitution of the Company.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest in conflict with the items on the agenda. All declarations of interest were noted as being held on the Register of Director Interests.

3 APPOINTMENT OF COUNCIL-NOMINATES AND INDEPENDENT BOARD MEMBERS

- 3.1 The Executive Director of People, Performance & Governance, introduced the report on Board Membership Matters which had been produced by the outgoing Interim Company Secretary. Since the report had been written, the interviews for the Council Nominated vacancies, planned for 5 January 2017 had been postponed due to illness and would be rearranged. The Board noted that the results of the interviews would be reported to the Board for approval in due course.

- 3.2 The Board noted that in accordance with 31.2 of the Constitution independent members should be appointed for three years at the end of which he or she may be appointed for a further period. Anthony Preiskel had now reached the end of his second three year term and it was recommended by the Appointments and Remuneration Committee that he be appointed for a further three year term. Anthony had absented himself from the meeting for this item to allow the Board to formally consider the recommendation.

- 3.3 The Board discussed the recommendation and **RESOLVED** to reappoint Anthony Preiskel for a term of three years as a Director of the Company according to 31.4 of the Constitution.

Anthony Preiskel joined the meeting at the conclusion of this item.

4 MINUTES OF THE MEETING HELD ON 24 NOVEMBER 2016

- 4.1 The minutes of the meeting held on 24 November 2016 were **APPROVED** as a true and accurate record of the meeting.

5 MATTERS ARISING

- 5.1 There were no matters arising from the meeting held on 29 September 2016.

6 CHIEF EXECUTIVE'S REPORT

- 6.1 The position of the Chief Executive's Report and the Chair's Report on the agenda were reversed. The report to the Board from the Chief Executive had been circulated

- 6.2 The report set out information particularly relevant to the sector in order to inform the Board about how the business would be shaped by the latest developments in social housing. The report covered the housing market, market confidence, the Chancellor's Autumn statement and the National Housing Federation's response, Housing Association Voluntary Right to Buy (RTB) and the sale of High Value Voids; the Mayor and the Greater London Authority; Residents' concerns around the disposal of rubbish; Hidden Homes; National Grid and Gas Supplies; KCTMO Personal Development Academy; TMO Live – 2017; Successful "Up Your Game" Projects and Youth Engagement Projects.

6.3 The Chief Executive highlighted the following:

6.3.1 There was uncertainty in the sector around a number of key areas which had the potential to impact the housing sector. Whilst the Social Housing Magazine had reported that Housing Association leaders were more confident about the future since the formation of Theresa May's government, major concerns remained around the impact of welfare reform. There were concerns that the government was looking to extend Local Authorities' statutory duties to cover street homelessness without adequate additional funding. The Chancellor's announcement in the Autumn Statement of £200m funding for a regional pilot of the VRTB scheme would focus on replacement and portability, i.e. the ability of a tenant who was unable to buy their home to port their discount to an alternative property. It would appear that the Government's aspiration to introduce a VRTB scheme had become a medium to long-term objective.

6.3.2 The Chief Executive highlighted a number of operational issues which were in the main the result of actions of third parties, but given the impact on residents were areas where the Company's efforts to make improvements would be valued. These included the blocking of rubbish chutes with bulky items and the impact of the National Grid's works over the Christmas period. The Company had put together a working party to look at solutions for waste disposal on estates. The Company had made a £120 contribution available to residents in Grenfell Tower, Chesterton Square, Berenger Tower and Wiltshire Close to make alternative cooking arrangements over Christmas. In the Executive's view, whilst the responsibility lay with British Gas, the inconvenience for residents over Christmas meant that the gesture from the Company, which could be met from the existing budget would be very much appreciated and generate goodwill. A member commented that on this occasion the move was sensible, but should not set a precedent.

Members queried whether there was the potential to receive compensation from British Gas. The Chief Executive stated that this was very unlikely. In some instances the Company had a good working relationship with the British Gas project managers, however it was inconsistent and the Company was not in a position of strength in negotiations.

6.3.3 The Chief Executive was pleased to report the continued success of the Hidden Homes project with the successful development of a one bedroomed flat at Holmefield House which had been converted from an underused space.

6.3.4 The Chief Executive reported on a number of successful youth engagement projects. These had been well received by the participants, their parents and other residents. This work was an important strand of Prevent in safeguarding young people from radicalisation. Cllr Blakeman was pleased to confirm that funding had been made available for the girls' football project

6.4 A member queried whether the London Fire Brigade's (LFB) investigation into the fire at Adair had been concluded. The Executive Director of Financial Services & ICT informed the Board that the LFB had not yet closed the investigation. The solicitors at RBKC had been briefed in the event of a prosecution. The Company had carried out the works as specified in the enforcement notices. The Executive Team had visited the both Adair and Hazelwood buildings to see the completed works. A strategy is being developed to install self-closers to all flat entry doors across all the properties managed.

6.5 In response to a question from a Board member, the Executive Director of Financial Services & ICT confirmed that a Fire Risk Assessment had been completed after the works had been carried out which showed the improvements from the management actions and remedial works. There were a number of lessons learned from the incident which would be taken into account.

6.4 Mary Benjamin joined the meeting during the discussion of this item.

6.5 The Chief Executive's Report was **NOTED**.

7 **CHAIR'S REPORT**

7.1 The Chair provided an update on the events and meetings she had attended on behalf of KCTMO since the previous meeting.

7.2 The Board noted the update.

Chair

.....
Date

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('The Company')		
Agenda item 8: Chief Executive's Report		
Status: Open/ For Information		
Date: 30 March 2017		
Location: 346 High St Kensington		Time: 6:15pm
Author(s)	Robert Black	Chief Executive Ext 6311
Date produced	23 March 2017	
Synopsis	<p>An update on</p> <ol style="list-style-type: none"> 1. Chief Executive's diary 2. People Strategy & Best Companies 3. RBKC Regeneration 4. Major Works Final Accounts 5. Health & Safety (including Fire Safety) 6. HRA Commercial Portfolio Growth 7. KCTMO Live Road Show 8. Training 	
Requested outcome (s)	It is recommended that the Board note the contents of the report.	
Financial Implications/Resource Implications/VFM	Keeping up to date on the latest developments in social housing is important for shaping the business. Improved performance will help the Company to achieve its VFM objectives.	
Link to business plan	Keeping abreast of performance initiatives within the organisation, and external development affecting social housing	
Risk analysis	Failure to engage with the external housing sector could have an adverse effect on the Company in keeping abreast of developments within the sector. There is also reputational risk if performance fails to improve across the Company.	
Resident consultation	n/a	
Equality Impact Assessment	Equality and diversity issues are taken into consideration	
Regulatory/Legal requirements	None	
Authority for decision =	The Board has ultimate responsibility for monitoring the performance of the Company.	
Appendices	0	
Total number of pages including appendices.	10	

CHIEF EXECUTIVE'S DIARY

1. SENIOR CITIZENS ANNUAL PARTY

We held the Senior Citizens' Annual Party on Friday 20 January, which was at the Holiday Inn Kensington Forum Hotel in Kensington. There were 161 attendees including the Worshipful the Mayor of the Royal Borough of Kensington & Chelsea, Cllr Mrs Elizabeth Rutherford and Fay Edwards, the chair of the TMO. They all sat down to a three course lunch and there was a band and dancing afterwards. A great time was had by all. This event is linked in to our investing in our Communities Strategy in the Business Plan and our resident engagement plan. It aims to target our more elderly and vulnerable residents and is led by Janet Edwards and her Community Investment and Membership Team and Hash Chamchoun our Head of Support Services.

2. PEOPLE STRATEGY & BEST COMPANIES

As part of the Business Plan we have a People Strategy which aims to increase staff participation and make them feel positive about working for the company. To check this, we work with Best Companies who carry out staff surveys across the TMO and Repairs Direct. With 82% of staff taking part in last autumn's Best Companies survey, we have finally reached a landmark milestone by making it onto the *Sunday Times* Best Companies list and achieving an 89th position in the 100 Not for Profit Organisations category: Chrome). We are really pleased of this achievement, as it's proof that the TMO Group is certainly a great place to work and research shows this has an impact on how we deliver our services to our residents. It is worth noting that in the 100 there are 36 housing organisations but only 5 are based in London.

On the 22 February I along with ET, and some members of the Senior Management Team attended the Best Companies to Work For 2017 Awards Celebration. This took place at Evolution in Battersea and I had the pleasure of collecting our award, which will be on the table at the March Board Meeting. Jen Lester our Head of HR and Organisational Development who leads on this part of the strategy will be working with the management teams to continue to develop this further.

3. RBKC REGENERATION UPDATE

RBKC continues the work on the regeneration of the schemes and the report below was reported to the Scrutiny committee which I thought you might find interesting and bring you up to date.

Edenham Way progress over the last 6 months:

- Project delivery and funding options appraisal has been undertaken to determine the preferred delivery strategy for the Edenham Way site.
- In November 2016, the Cabinet authorised officers to initiate procurement of a development partner using the GLA Developer Framework to deliver the project.

- The tender brief was issued to the panel members in December 2016 and responses were due in late February 2017.
- The Council is being advised by CBRE (commercial), Grant Thornton (tax) and Ashford (legal) in this tender exercise.

Next Steps:

- Following evaluation of the initial expressions of interest, it is intended that there will be a shortlist of five bidders who will be issued with the full Invitation to Tender documents in late March 2017.
- The selection of a development partner is programmed for decision by the Cabinet in July 2017 and appointment concluded in mid-September 2017.
- Upon appointment the development partner will progress a planning application for the site (target submission date: February 2018) in accordance with a development agreement with the Council

Warwick Road Estate & Pembroke Road progress over the last 6 months:

- The appointed architects KPF and CBRE were introduced to residents and the community in July 2016, with consultation events showing emerging options and Council objectives being undertaken in October and December. At the request of the residents' association a 'drop in' event was held on site on 11 February 2017 which proved popular and was attended predominantly by estate tenants and older residents. The next events were held on 20 and 22 February at which a reduced number of refined options were presented.
- Additional Communications support and advice has been secured through London Communications Agency (LCA).
- Further detailed work has been undertaken with specialist depot consultants Proun on the alternative options and meetings held with the Service providers to obtain feedback on the emerging replacement facility alternatives.
- Work on 'Continued Maintenance Strategy' report was concluded by the end of February 2017.
- There will be ongoing resident engagement.
- Alternative site that could potentially accommodate vehicle maintenance facility and other service requirements has been acquired in Park Royal.
- Position in relation to planning policy progressed. Pre-app meetings with RBKC planning team are under way. Proposals will be presented to Architects Appraisal Panel (AAP) on 8 March 2017.

Next Steps:

- Final consultation/exhibition to be held on 30 March 2017 to obtain residents comments on preferred Option before recommendations to Cabinet.
- Acquisitions of leasehold residential properties continues – 9 acquired thus far.
- Alternative options to be refined taking on board resident feedback and assessment of viability and ability to meet stated Council objectives.

- Finalise preferred scheme following assessment and viability testing for decision on preferred option by Cabinet in May 2017.
- Tenant decant strategy and Shared Equity Offer (SEO) to resident leaseholders needs to be finalised and agreed by Cabinet in Summer 2017. Borough wide consultation on the SEO commenced late February/early March 2017

Barlby & Treverton Progress over the last 6 months:

- The options under consideration are: Continued Maintenance; Refurbishment / Infill and Partial / Full Redevelopment.
- ADAM Architects were appointed (from the RBKC Architects Framework) in September 2016 to lead on the partial (retaining the towers) and full redevelopment options appraisal and progress design to RIBA Stage 2.
- The design team were introduced to the community at a consultation event in November 2016, during which residents were also shown the options under consideration. 31 residents attended and provided feedback.
- Baily Garner (BG) have been appointed to assess the refurbishment and infill development options. A refurbishment focused consultation event was held in early January 2017 to seek resident input on priorities for estate improvements. 32 residents attended.
- BG have completed their site surveys and were due to report to the Council in late February 2017 with proposals for next stage of resident consultation.
- In late January 2017, a further consultation event was held over two days when residents were shown the latest position in relation to all for options under consideration. 68 residents attended and provided feedback.
- KCTMO have been undertaking the review of the Continued Maintenance option.
- To date two pre-app meetings have been held with the Planning Authority and also the Architecture Appraisal Panel.
- Community First (CF) have also been appointed to provide residents with independent tenant and leaseholder advice. CF has since commenced engagement with residents through door knocking, sending newsletters and attending consultation events.

Next Steps:

- A fourth round of resident consultation will take place in March 2017, by when it will be possible to present the emerging conclusions and recommended preferred option (and the rationale for it).
- Acquisitions of leasehold residential properties continues –negotiating with 19, terms agreed 4, acquired 2.
- Finalise recommendations following assessment and viability testing for decision on preferred option to go to Cabinet in May 2017

Silchester East and West progress over the last 6 months:

- The options under consideration are: Continued Maintenance; Refurbishment / Infill; and Redevelopment (four sub-options with or without third party land and different development density).
- Porphyrios Architects were appointed (from the RBKC Architects Framework) in September 2016 to lead on the redevelopment options appraisal and to progress design to RIBA Stage 1. An

architect meet and greet session was organised for residents in October 2017.

- The first phase of the redevelopment option appraisal has so far focused on assessing the design and viability impacts of including / excluding various third party land.
- Baily Garner have been appointed to assess the refurbishment and infill development options. A refurbishment focused consultation event was held in November 2016 to seek resident input on priorities for estate improvements that would be taken into account in developing this option. 102 people attended over 2 days.
- KCTMO have been undertaking the review of the Continued Maintenance option.
- A pre-app meeting was held with the Local Planning Authority in November 2016.
- Public Participation and Consultation and Research (PPCR) have been appointed to provide residents with independent tenant and leaseholder advice. PPCR have since commenced engagement with residents through newsletters, resident meetings and attending consultation events.
- Two resident consultation events were held in January 17 on the redevelopment options which were attended by around 200 people across the two days.
- Feedback was facilitated by the London Communications Agency and the deadline for return of feedback forms was 17th February.
- A resident engagement panel is being set-up which will be done through the Independent Advisor, PPCR. The first meeting is due first week of March 2017.
- Weekly drop-ins for residents started from 24 February 2017 from 2.30-5.30pm.
- As part of the options appraisal work to date officers have been engaging with the third party land owners within the red line to inform them of the work to date and seek their input. Officers attended a London and Quadrant (L&Q) residents meeting held in December 16.

Next Steps:

- In April 2017, the next consultation event will be held where residents will be shown the latest position in relation to all options under consideration.
- Final consultation events on all options, with recommendations on preferred option is scheduled for July 2017 with Cabinet decision due in September 2017.

As you can see there is considerable work to be completed over the next few months and the TMO led by Peter Maddison our Director of Asset & Investment has worked with RBKC to provide Asset and Investment Information on all the regeneration schemes and to make sure we are contributing to this area

4. MAJOR WORKS FINAL ACCOUNTS

Homeowner's major works charges are identified as one of the TMO's key systems; its failure would have a material effect on the organisation.

In 2009 it was identified that over 350 major works final accounts had not been completed, dating back to 1999, thus resulting in a large number of homeowners' properties not receiving their final balancing sum.

During this time the major works process was audited, due to the significant issues, audit gave a rating of 'limited assurance' bordering on no assurance, which left a high risk to the organisation.

Led by Dan Wood our Head of Homeownership has over the last eight years worked in conjunction with RBKC to resolve these issues and I am now pleased to confirm that there are now no outstanding major works final accounts and, homeowners have been billed their balancing sums and the accounts have been settled. This has had a major impact on the HRA debt position which had been at over £9M but now having collected this income is around the £3M mark

There has also been a further internal audit of the major works process and this now has gained the highest level possible, 'substantial assurance' which I believe provides assurance for the Board on this key area.

5. HEALTH AND SAFETY UPDATE

FIRE SAFETY

Adair & Hazlewood Towers Enforcement Notices

"Broadly Compliant" letters have now been received from the London Fire Brigade (LFB) for both Adair and Hazlewood Tower following the LFB's post-Enforcement Notice audits of each block. These confirm that –

"the works specified in the Enforcement Notice have been satisfactorily completed within the specified time limit. The Enforcement Notice has been complied with and at the time of the inspection the premises were deemed to comply with the above Order." (The "Order" is the Regulatory Reform (Fire Safety) Order.)

Adair Tower – LFB's "ongoing investigation"

The LFB's Fire Safety Team Leader advised at the regular LFB / TMO Liaison Meeting in January that the LFB had held a further case conference on this issue in the first week in January and their conclusion had been that there was enough evidence to prove offences but also a lot of mitigating circumstances. The question of whether a prosecution would be in the public interest is apparently still to be addressed. It was also confirmed that no further witness statements were to be taken and no further documentation was required from the TMO at present. The Fire Safety Team have been asked by the LFB's Legal Team to review all information and produce a summary file for their consideration by the end of January. There is currently no information available on the LFB Legal Team's timeframe for reaching a firm decision on this.

In discussion with RBKC it was agreed that legal Counsel be appointed to advise both RBKC and the TMO of any action we could / should take to prepare for potential prosecution and to mitigate any risks. Further to an initial meeting with Counsel in November a draft detailed chronology was prepared with supporting documentation. This was submitted to Counsel and the draft is currently being amended to reflect Counsel's comments. Once this chronology is finalised Counsel's advice is that we should wait until we receive formal communication from the LFB before any further action is taken.

LFB Notices of Fire Safety Deficiencies

If, whilst undertaking an audit, the LFB consider there are deficiencies which require attention but which are not significant enough to warrant an Enforcement Notice, they will issue a Deficiency Notice. These documents have no legal standing but the LFB do include a timeframe within which they expect landlords to comply. Further, in the event of non-compliance there is the possibility that these could be escalated and an Enforcement Notice served.

Since the fire at Adair Tower in October 2015 the TMO have received nine Deficiency Notices in relation to the following blocks –

- **Balfour House, Balfour Burleigh Estate, W10** - Five Notices were issued in November 2015 (one for each of the following sub-blocks – flats 3-6, 15-18, 25-30, 31-36, 37-42) largely raising concern about communal storage
- **Barandon Walk, Lancaster West Estate** - concern raised in relation to the design of the block which was enclosed with a glazed roof in the 1990s. (This has never been highlighted on any previous LFB audit of the block.)
- **9 Colville Square** – LFB are challenging whether there is currently enough evidence to allow a “stay put” strategy to be adopted at this converted block. (There have been no material alterations at this block since the previous audit in 2014 which resulted in a “broadly compliant” outcome.)
- **Lonsdale House, Portobello Court Estate** – the Notice states that “it was found that no system was in place to monitor the condition of the self-closing devices on flat front doors”
- **Grenfell Tower, Lancaster West Estate** - Notice raises various issues including maintenance of flat entrance door self-closer.

Self-closing devices on flat entrance doors

The need to adopt a more proactive approach towards the retrofitting of self-closing devices on flat entrance doors throughout the housing stock was recognised as part of the thorough review of our Fire Policy & Strategy. This is necessary to satisfy the LFB's requirements as they have confirmed that they consider our previous policy would take too long to ensure 100% of tenanted doors are fitted with these devices. A change should also reduce the likelihood of further LFB Deficiency Notices being issued on the basis of absent self-closers. The TMO is, therefore, currently in discussion with RBKC about the possibility of introducing a 3 or 5-year programme to install self-closing devices across the stock.

Fire Action Notices

These notices are currently present in the communal areas of our sheltered schemes, temporary accommodation blocks, resource centres, workplaces, Adair Tower, Hazlewood Tower and Grenfell Tower. As of April the Estate Staff will be installing these notices across the entire stock. This will be done on a risk basis with all high rise blocks (those of 6 or more

floors) making up the initial phase. The intention is to install one notice per floor within the high rise blocks and one inside each entrance in all other blocks.

Fires in the Stock within last quarter

There have been two fires – both relatively minor - within the housing stock in this period. Specifically –

- On the 24th November LFB were alerted by a resident to a smoke alert which had been activated in the neighbouring flat. LFB forced entry and found an unharmed vulnerable resident and detection activated due to “misuse of cooking in a microwave oven”.
- On the 12th January the LFB were called to a sheltered scheme where the fire alarm had been activated. The LFB investigation confirmed that a resident had lit a candle and placed it at a low level which had caused her clothing to catch light as she passed. The resident suffered burns to several parts of her body but was released from hospital later the same day.

Fire Safety Training for staff

An e-learning fire safety course has now been rolled out for all staff to complete. For fire marshals and frontline staff such as Estate Staff and Sheltered Housing Officers, this is supplemented with annual refresher training in the practical use of extinguishers. This year's practical training was completed in January.

HEALTH & SAFETY

Accidents

Two accidents were reported by non-employees on communal areas of estates – one a resident and one a visitor. The visitor fell on a staircase where a stair nosing was missing and injured her back. She has confirmed her intention to make a claim for compensation. The resident fell on external estate paving, sustained some bruising and has yet to indicate whether she will submit a claim.

National Grid works within TMO Blocks

Currently National Grid are undertaking works to fit a new gas riser at Grenfell Tower to provide 20 flats which have been without a gas supply for some months with a new supply. They have also advised of their intention to undertake similar works at several other TMO blocks – Whitstable, Dixon and Frinstead Houses on the Silchester Estate - within the coming months.

National Grid as a utility company and statutory body are able to undertake works on our estates and liaise directly with our residents without necessarily liaising closely with the TMO or RBKC. Further, as they are not required to enter into a contractual relationship with the TMO and have advised us that they are not required to apply to Building Control for Building Regulations approvals for many of their projects, we have encountered difficulties in controlling the works that they undertake and the way these are carried out in our blocks and within our dwellings. National Grid have requested and we have provided information in relation to known risks such as the locations of known asbestos containing materials within Grenfell Tower. Further, we have sought advice from our Fire Safety Consultant in relation to all information provided by National Grid and we have instructed this consultant to attend the block, inspect the works and report on any issues or concerns. This report was forwarded to National Grid and confirmation received that these concerns would be satisfactorily addressed. Discussions are ongoing and currently confirmation is being sought

that it is their intention to construct fire-rated “boxing” around the gas riser pipe which is located within the staircase. Further, a timescale for completion of this work is awaited.

TMO staff will continue to work with National Grid with the aim of controlling all risks to residents and will investigate whether there are other measures we can introduce to better control their work and mitigate risks.

Mobile telephone aerial sites on rooftops

RBKC have now appointed a specialist consultant to oversee the work of mobile phone companies and their contractors who have been granted leases to install their equipment on top of some of our high-rise blocks. We are confident that this consultant should be able to alleviate concerns of staff and our contractors in relation to identifying exclusion zones on rooftops to ensure safe working in the vicinity of this equipment. Further, TMO Officers have for some considerable time been requesting regular independent testing of this equipment so that we can reassure staff, contractors and residents that the equipment is operating within safety limits and specifically that levels of microwave radiation are being maintained within safe limits set by the international body (ICNIRP).

6. HRA COMMERCIAL PORTFOLIO GROWTH

While we manage the RBKC homes I thought it worthwhile reminding the Board we also have the responsibility for the HRA Commercial Portfolio. This is reported to the Board twice a year.

By 2020, we forecast that rental income from the HRA Commercial Portfolio will have increased by 77% (£2.3m) from that achieved in 2014/15, when we introduced the SLA with Corporate Property.

Prior to 2014/15, income had been static around £2.9m for several years and had not kept up with inflation.

However, since then the performance of the team has improved with income already increasing by 13% since the SLA came into effect, primarily through Corporate Property's improved administration of lease renewal and review processes on existing premises (for example, rents on the Fulham Road shops leased to Stella McCartney increased by £207k). Income is forecast to rise substantively in 2017/18, 2018/19 and 2019/20 as a result of:

1. 'Transfer rent' payments from the General Fund to the HRA on properties occupied by RBKC operational departments for purposes unrelated to housing provision (e.g. social services and youth services) moving to a full market rental
2. Income from new commercial lettings on former parking sites, achieved via the TMO-led Parking Review project to scope underutilised areas, market sites, agree lease terms with developers and manage these to completion
3. Income from new lettings of telecommunications sites, achieved via a Corporate Property-led project (note that Hannah O'Donnell, Project Officer, whose role is funded by RBKC on an annual basis, is a key part of the project team) to scope opportunities, market sites and agree terms with telecommunications providers

This is a key piece of work Led by Nick Rendell and having reviewed this we will now build into the Business Plan under the Growth Strategy so that the Board can measure the delivery of the increased income into the HRA over the next three years

7. KCTMO Live Road Show

This was the second of our 'Live Road Shows' and was held on Saturday 18 March and followed the same format as the one we held at Lancaster West. The objective was for the TMO to be seen and open to our residents and on the day we had representation from all aspects of our service with the objective of sorting out any problems on the day. This included having some of our repairs operatives to address any repairs issues which were raised. We also had representation from lots of our partners in RBKC including the Credit Union, Keepmoat, Wates, OCS and other Services relevant to our Residents. From my perspective we had a really good staff turnout, which I feel reflects their commitment to our company and the feedback overall was very positive.

8. FREE DOMESTIC ABUSE TRAINING

I am pleased to confirm that a bid by Kiran Singh, Head of Neighbourhood Management North was successful for the KCTMO to receive 50 free Domestic Abuse training places. This will be funded by the Rights, Equality and Citizenship Programme of the European Union, Safe at Home which is a pan-European partnership between Standing Together, Peabody, Kadera and FEANTSA determined to share their combined expertise to support Housing Providers to improve identification and protection of victims of domestic abuse.

They were only able to offer ten Housing Providers (five in Greater London and five across the UK) five free days of domestic abuse training each for 50 frontline staff across the organisation to achieve increased competence and confidence of staff to deal with incidences of domestic abuse, increase in domestic abuse cases reported and referred appropriately and increase in satisfaction of service, feelings of safety and reported violence by victims.

This training will be aimed at our front line staff and managers will enhance all the positive work that is being done locally to address and raise the awareness of Domestic Abuse. This project is for two years so that is a real benefit to us. To be picked for this training we have to meet the following criteria, senior staff to be available for meetings with Safe at Home project team; arrange logistics needed for the training (e.g. training room, staff invites); be responsible for the return of surveys and evaluation forms before and after the training; implement at least three tools from our awareness package; provide statistics about housing and domestic violence and commit communication teams to admit at least one article in a relevant media channel.

Overall this is a great step in enhancing and investing in our staff which will improve our service and experience to our residents in this area



Kensington
& Chelsea TMO

**BOARD KPI REPORT
QUARTER 3: 2016-17**

BOARD KPI REPORT - QUARTER 3: 2016-17



Repairs & Maintenance

	2015-16	Q1	Q2	Q3	Q4	2016-17	Status	Target	Target for Qtr	Upper quartile
Responsive repairs										
Emergency repairs completed in target	97.86%	99.54%	99.84%	99.85%		99.72%		>=99%		NC
Void repairs completed in target	97.76%	100.00%	98.77%	97.87%		99.03%		>=90%		NC
Recalls as a % jobs completed	0.95%	0.67%	0.63%	0.67%		0.66%		<=5%		NC
Post inspection pass rate (Quality)	92.25%	93.75%	94.62%	95.78%		95.08%		>=90%		NC
Customer satisfaction	97.14%	95.88%	100.00%	93.69%		96.40%		>=95%		93.7%
Average days to complete a responsive repair	New PI	9.5	10.8	10.9		10.2		<=12		
Voids & lettings										
No. General needs lettings (minor and major)	199	45	58	45		148	Info			
Average number of days to re-let a general needs home where minor works have been undertaken (calendar days)	18.69	22.00	20.31	21.58		21.13		<=23.0		21.10
Void rent loss as % of rent roll (YTD)	0.73%	0.87%	0.75%	0.69%		0.69%		<=0.75%		0.84%
Available voids at month end	50	58	51	39		39		<=40		40
Compliance										
% properties with valid Landlords Gas Safety Certificate (LGSR)	100.00%	99.98%	100.00%	100.00%		100.00%		100%		100%
Number of homes without a valid LGSR	0	1	0	0		0		0		NC
Number without LGSR for >3 months	0	0	0	0		0		0		NC
Customer satisfaction	98.9%	99.3%	100.0%	98.1%		99.1%		>=95%		NC
Capital programme										
Number of homes brought up to the KCTMO standard internally (annual PI)	933	-	-	-		-		1400		NC
Number of homes brought up to the KCTMO standard externally (annual PI)	120	-	-	-		-		1950		NC
Number of homes where SAP rating has increased through planned works (annual PI)	120	-	-	-		-		300		NC
Actual capital spend	11.878m	£ 1,887,356	£ 2,904,503	£ 4,975,114		£ 9,766,973		11.5m		NC
Actual capital spend as a % total annual budget	103.3%	17.2%	36.9%	75.1%		75.1%		>=99%	75.8%	NC

23/03/2017 18:03

BOARD KPI REPORT - QUARTER 3: 2016-17

Income Collection

	2015-16	Q1	Q2	Q3	Q4	2016-17	Status	Target	Target for Qtr	Upper quartile
Current tenant arrears										
Rent collected as a % rent due (excl arrears b/f)	101.07%	97.37%	98.12%	98.80%		98.80%		>=100%	-	99.49%
Gross current tenant rent arrears (£millions)	1.035	1.018	1.054	1.061		1.061		<=1.035	<=1.035	NC
Gross arrears as a % rent roll	2.02%	2.00%	2.07%	2.08%		2.08%		<=2.02%	-	2.06%
Percentage of tenancies with arrears of more than seven weeks	4.38%	4.38%	4.30%	4.10%		4.10%		<=4.5%	-	NC
Arrears - social sector size criteria households	£ 76,318	£ 63,912	£ 76,279	£ 74,171		£ 74,171		Info		
Arrears - Universal Credit	New PI	£ 14,357	£ 41,369	£ 53,692		£ 53,692		Info		
Former tenant arrears										
FTA cash collection	£81,487	£19,621	£21,551	£22,685		£63,857		£85,000	£63,747	NC
FTA write off	£696	£0	£0	£0		£0	Info	-	-	
FTA housing benefit collection	£14,521	-£1,127	£1,388	£3,876		£4,137	Info	-	-	
Homeownership										
Arrears - service charges	£ 141,705	£ 144,320	£ 122,124	£ 202,895		£ 202,895		£ 120,449	£ 125,763	NC
Arrears - major works	£ 1,151,217	£ 1,215,265	£ 1,305,438	£ 1,239,199		£ 1,239,199		£ 1,715,516	£ 1,574,442	NC

23/03/2017 18:03

Page 2

BOARD KPI REPORT - QUARTER 3: 2016-17



Neighbourhoods & Community

	2015-16	Q1	Q2	Q3	Q4	2016-17	Status	Target	Upper quartile
Grounds maintenance & cleaning									
% grounds maintenance inspections achieving required standard	98.52%	98.91%	98.8%	98.7%		98.80%		>=97%	NC
No. cleaning callbacks	281	53	46	48		147		<=30 p/m	NC
No. quality assurance failures	0	0	0	0		0	Info	-	
Anti-social behaviour (ASB)									
No. new ASB cases reported	301	85	81	188		354	Info	-	
No. live cases at end of period	125	137	170	241		241	Info	-	
% complainants satisfied with handling of case	64.94%	68.75%	52.9%	63.2%		62.22%		>=81%	68.7%
% complainants satisfied with outcome of case	64.94%	62.50%	70.6%	63.2%		64.44%		>=81%	79.9%
Resident engagement									
No. new members joining Childrens' TMO	139	56	24	29		109		35	NC
No. new members joining Youth TMO	60	22	9	6		37		45	NC
No. new Residents Associations or Compacts	10	4	1	0		5		10	NC
Attendance at residents' conference	405	-	467	-		467		425	NC
No. attending training & employment road-shows	329	287	0	0		287		180	NC
Community Alarms Service (CAS)									
Total calls handled	104276	21911	22973	25875		70759	Info	-	
% answered within 60 seconds	96.87%	98.04%	96.5%	97.3%		97.27%		95.0%	NC
% emergency visits attended within 45 mins	96.90%	98.50%	97.4%	99.3%		98.40%		95.0%	NC
Customer satisfaction	98.44%	99.66%	99.4%	99.3%		99.50%		95.0%	NC

23/03/2017 18:03

BOARD KPI REPORT - QUARTER 3: 2016-17



Customer Contact

	2015-16	Q1	Q2	Q3	Q4	2016-17	Status	Target	Upper quartile
Customer Service Centre									
No. incoming calls received by Contact Centre	87955	22618	22152	23305		68082	Info		
% answered	93.69%	95.15%	95.19%	92.05%		94.10%		>=90%	93.58%
% calls answered within 30 seconds	71.6%	70.72%	74.26%	61.97%		70.05%		>=70%	NC
Customer satisfaction	-	66.31%	65.40%	80.12%		70.12%	Info		

BOARD KPI REPORT - QUARTER 3: 2016-17



Corporate

	2015-16	Q1	Q2	Q3	Q4	2016-17	Status	Target	Target for period	Upper quartile
Complaints										
No. new complaints	427	109	145	147		401	Info			
No. Stage One responses	382	97	154	147		402	Info			
% answered in target	92.41%	87.63%	69.48%	100.00%		85.57%		> =90%		NC
No. Stage Two responses	34	2	10	7		19	Info			
% answered in target	85.3%	100.0%	50.0%	57.1%		60.0%		> =90%		NC
No. Appeals	5	0	1	1		2	Info			
% undertaken in target	60.0%	-	100.0%	100.0%		100.0%		> =90%		NC
Governance										
Percentage Board attendance at meetings	78.2%	73.3%	85.2%	72.7%		77.3%	Info			
No. new members signed up	500	134	75	98		307		> =500	412	NC
No. members voting in AGM	724	-	1217	-		1217		> =800	800	NC
Human Resources										
Total staff (headcount)	205	217	218	218		218	Info			
Average number of days for sickness absence per FTE (rolling 12 months)	6.44	5.30	5.68	5.00		5.00		< =5.5		6.17

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('The Company')		
Agenda item 9: Board Performance Report – Quarter 3 2016/17		
Status: Open/ For Information		
Date: 30 March 2017		
Location: 346 High St Kensington		Time: 6:15pm
Author(s)	Yvonne Birch	ED of People, Performance & Governance Ext 6478
Date produced	23 March 2017	
Synopsis	The report provides an overview of the performance of the TMO in key business areas during the period April to December 2016, and sets out the proposals for the 2017-18 set of headline key performance indicators and targets	
Requested outcome (s)	It is recommended that the Board note the contents of the report.	
Financial Implications/Resource Implications/VFM	We are committed to achieving top quartile performance with value for money	
Link to business plan	Delivering organisation competence	
Risk analysis	A decline in organisational performance could result in reputational risk and action from RBKC	
Resident consultation	n/a	
Equality Impact Assessment	There are no equality implications	
Regulatory/Legal requirements	The Board has a duty to promote the success of the Company by monitoring its performance against agreed KPIs	
Authority for decision =	The Board has ultimate responsibility for monitoring the performance of the Company.	
Appendices	2	
Total number of pages including appendices.	22	

Performance Report – Q3 2016/17

Purpose

This report presents the performance against a range of indicators for the period April to December 2016.

1 Introduction

- 1.1 The attached report gives an overview of the performance of the TMO in key business areas during the period April to December 2016, and sets out our proposals for the 2017-18 set of headline key performance indicators (KPI) and targets.

2 Strategic performance indicators

- 2.1 The traffic light indicators use the usual colours to indicate the status of the year to date performance against target.
- 2.2 All the performance data is validated by an accountable manager and enables staff to monitor trends and make improvements, where necessary.
- 2.3 Where benchmarking information is shown, unless otherwise indicated this will be for our HouseMark peer group, the London ALMOs and local authorities club.

3 Repairs Direct

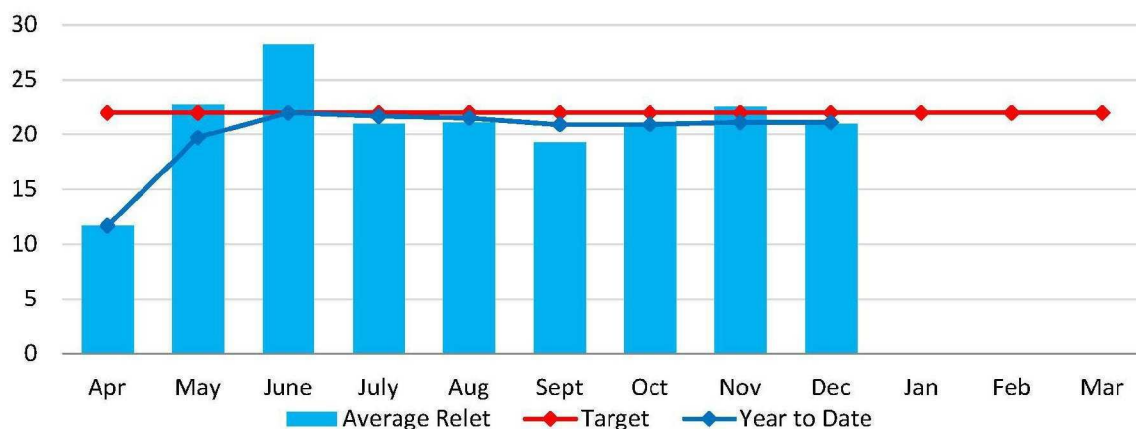
- 3.1 It has been another positive quarter for Repairs Direct, with all targets achieved for the period aside from resident satisfaction which fell just short of target at 93.69%; however, the year to date position for this PI remains above target.
- 3.2 Analysis of satisfaction feedback indicates that the drop in satisfaction is linked to issues with follow on appointments. There have also been changes in survey methods with the introduction of text surveys in addition to the existing telephone surveys undertaken.
- 3.3 There have been steady improvements through the year for the percentage of post inspections being passed and an increase in the number of inspections being undertaken.

4 Voids & lettings

- 4.1 During quarter three there were 58 lettings, of which 45 were for general needs homes.

- 4.2 The average number of days to re-let a general needs home undergoing minor works in the period was 21.58 days, bringing the year to date position to 21.13 days against the annual target of ≤ 22.0 days.

Average days to relet a minor works void (general needs)



- 4.3 Void rent loss currently stands at 0.69%, within the set target of $\leq 0.75\%$ for the year, and continues to steadily reduce as a number of long term voids have been re-let and the number of empty homes continues to decrease.

- 4.4 The number of available voids ended the period at 39, within the target of ≤ 40 .

5 Gas servicing

- 5.1 Gas safety compliance ended December at 100%.
- 5.2 Warrants continue to be sought where access is unreasonably withheld and the No Access procedure continues to operate successfully.

6 Rent collection

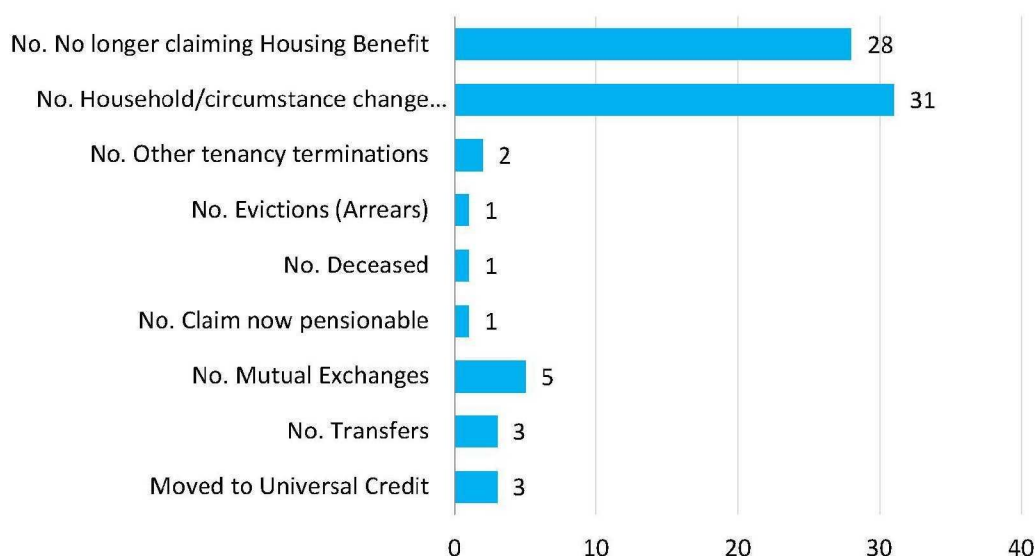
- 6.1 Current tenant rent arrears ended the calendar year at £1,061,649, an increase of £73k on the previous month.
- 6.2 This increase in arrears follows the seasonal trend of increases over the Christmas period. It should be noted that the increase this year was £67k lower than in 2015/16. Recovery from the seasonal increase has been swift and at the time of writing (21st March) arrears have reduced to £938,345.
- 6.3 The number of households confirmed as receiving Universal Credit has increased to 59, compared to 41 at the end of September. The combined arrears of this group is £53,692, an average of £910 per household. The team continues to monitor closely the impact of welfare reforms on the overall arrears position.

- 6.4 The quarter three target for collection of former tenant arrears has been met, with £63,857 collected so far this financial year.

Social Sector Size Criteria

- 6.5 There are currently 284 households impacted by the social sector size criteria housing benefit deductions, a net decrease of five since the end of September. The average deduction applied is £23.35 per week.
- 6.6 Overall, the combined arrears of the affected group have increased by £3,727 since April 2016. Of the 284 households, 73 (25.70%) have seen their rent arrears increase in the period, at an average of £325.65 per household. Since September there has been a reduction in the number of households with high level arrears (>£2000).
- 6.7 Of the affected households, 16.9% are receiving financial assistance via discretionary housing payments (DHP).
- 6.8 A total of 75 households have ceased to have the deductions applied since 31st March 2016, with the reasons shown on the chart below.

No. moving out of social sector size criteria - YTD



7 Homeownership

- 7.1 Service charge arrears ended December higher than target which was anticipated as the 2015/16 service charge final accounts have now been applied, resulting in an additional debit of £141,000.
- 7.2 This has resulted payments being spread over two quarters. It is worth noting that although arrears are below target by £77,132, £77,139 is covered under payment plans which is expected to be recovered within Quarter 4.

- 7.3 The target for major works arrears has been successfully met and exceeded which is an excellent position at this time of year; however, it is also worth noting that some major works projects have been cancelled.

8 Anti-social behaviour

- 8.1 For the period October to December a total of 188 new ASB cases were reported to the TMO.
- 8.2 This is a significant increase in comparison to the previous two quarters; however, it should be noted that a number of these Q3 cases were cases created by the CSC in earlier months and raised under a general CRM case type of 'Initial ASB Enquiry'. This case type is separate from the CRM ASB module and so these cases were not included in previous reports.
- 8.3 It was identified that we needed to make system changes and carry out training with the CSC to allow advisors to raise these initial ASB reports as ASB cases with ownership transferred immediately to the Neighbourhood Teams.
- 8.4 Towards the end of the quarter there has been an improvement in the percentage of complainants satisfied with the outcome of the case; at 81.25% this is just above our target and exceeds upper quartile performance.
- 8.5 In December further training was provided to the team in relation to ASB case management and further CRM training to ensure the system is fully utilised. Case reviews will be held in January and February to ensure officers are confident and maximising the use of CRM for ASB case management.

9 Resident engagement

- 9.1 Information on some of our key Resident Engagement activities from the quarter are summarised below.

Youth Engagement Project

- 9.2 The Youth Engagement project engaged with a total of 35 new young people during the quarter.
- 9.3 To date, 395 young people have engaged with the project since its launch in 2012.

New Partnerships

- 9.4 Four new youth partnership were established during Q3 - Lloyds of London (work experience contact); Golborne Ward Community Police Officer

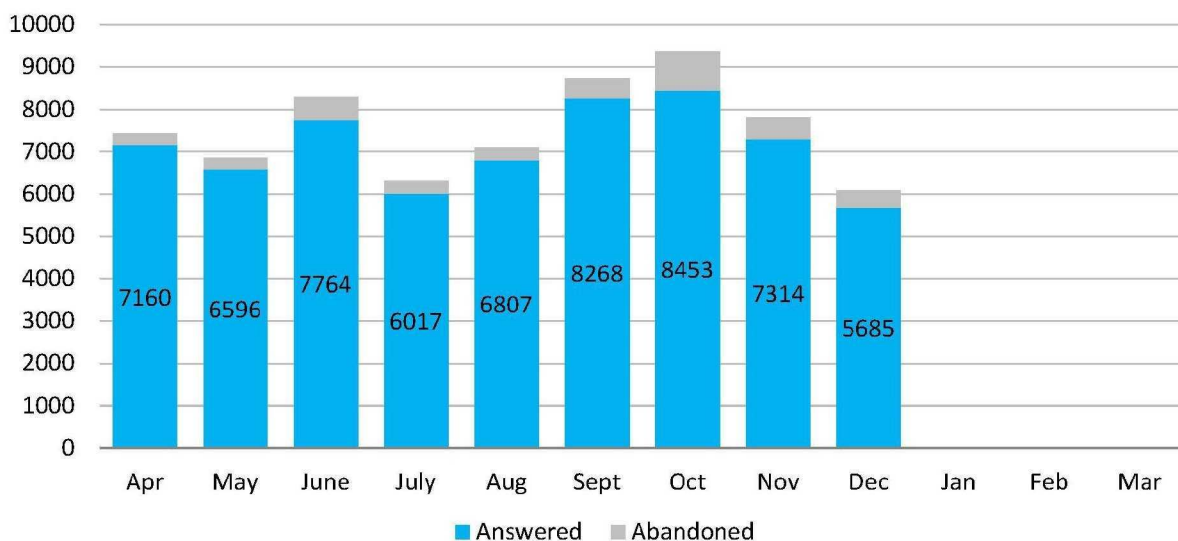
(football project and work experience contact for local businesses); Westminster Council (work experience contacts); QPR Community Trust CEO (reduced price football tickets for deprived households in the local area).

Training Opportunities

- 9.5 Three resident training sessions took place between October and December, covering committee skills, and equality and diversity training.

10 Customer Service Centre (CSC)

- 10.1 Between October and December, the Customer Service Centre received 23,305 calls, with call levels decreasing in December, a pattern that is typical for this time of year due to the Christmas holiday season.

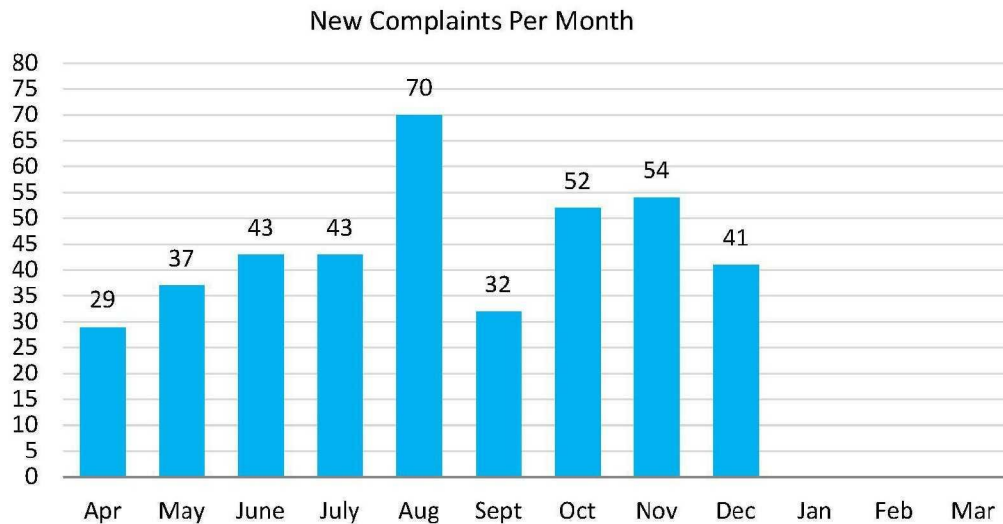


- 10.2 The percentage of calls answered exceeded target for the quarter at 92.05%; however, the percentage of calls answered within 30 seconds fell below target at 61.97%.
- 10.3 Although the number of calls handled was less for December, the longer call waiting times seem to be a seasonal trend where there are less advisors answering calls due to higher levels of annual leave. Our average call lengths also increased from 5.5 minutes to 6 minutes between November and December.
- 10.4 Customer satisfaction increased in November and December, resulting in a quarterly outturn of 80.12%. This follows technical improvements to the system for transferring callers to the survey – previously some callers were being transferred before the call had been fully resolved, resulting in low satisfaction levels.
- 10.5 The team will continue to focus on increasing the number of surveys being offered at the end of each resolved call.

11 Complaints

11.1 During the third quarter the TMO received 147 new complaints, an increase of just two when compared with the previous quarter.

11.2 To date this year, 67.08% of complaints have related to repairs and maintenance, both Repairs Direct and the Asset & Regeneration teams, reflecting general trends across the sector.



11.3 Following a number of process improvements and the continuing embedding in of the new CRM complaints system, performance has improved for the number of complaints responded to within target.

11.4 During the reporting period 100% of Stage One complaints were responded to within target, bringing the year to date position to 85.57%.

11.5 The number of active complaints is currently 346 and the team will be focusing on reviewing all cases to ensure that follow on actions and works have been addressed and completed in order to close down complaints and reduce this number during quarter 4.

12 2017-18 Key Performance Indicators (KPI)

12.1 Headline KPIs and targets for 2017-18 have recently been reviewed, and where appropriate, benchmarked against our peer groups to ensure continuous improvement and development.

12.2 A list of the proposed KPIs is included in Appendix B.

12.3 The majority of our existing PIs will remain for the year, with targets amended where appropriate. Notable changes are detailed below.

Rent Income

- 12.4 In December 2016 the TMO entered Phase 2 of the Universal Credit (UC) rollout. Going forward all new claimants will now be on Universal Credit, and all existing Housing Benefit claimants reporting a change in circumstance will have their claim renewed under UC.
- 12.5 It is anticipated that approximately 2919 TMO households will transfer from Housing Benefit to Universal Credit during 2017-18. This figure is based on movement during 2016-17, as confirmed by RBKC's Housing Benefit team. Due to the high numbers moving to UC in the same period we will be unable to achieve one to one contact with all new UC recipients.
- 12.6 The National Federation of Housing published analysis of the impact of UC in January 2017, based on findings from September 2016. At this point 86% of UC households were in arrears, with average arrears at £615.00 (including pre-existing arrears).
- 12.7 Based on these figures our current tenant rent arrears have the potential to increase by up to £1,251,099 in 2017-18.
- 12.8 We aim to reduce arrears for non-HB households by £25,000 which will offset a small part, bringing the estimated increase to no more than £1,226,099.
- 12.9 Our targets for 2017-18 will be based on this projection, with final targets to be confirmed in April following confirmation of our year end arrears.
- 12.10 During the year we will continue to benchmark our position against other providers also in Phase 2.
- 12.11 Additional targets have been set at a lower level in order to closely monitor the impact of UC and to reduce its impact. This includes targets for increasing Direct Debit payers, ensuring we claim APAs for eligible households (Alternative Payment Agreements – payments made directly from DWP to the landlord), and increasing the number of households with prepayments on their rent accounts in advance of moving to UC.

Anti-Social Behaviour

- 12.12 The PI for 'Percentage of ASB cases resolved' has been removed from the Operations Committee dashboard.
- 12.13 Detailed information on closure reasons will instead be provided in the Neighbourhood Management update report to Operations Committee. This reflects changes to the PI definition by HouseMark, which breaks down resolution status into a number of closure categories.

Contact Service Centre

- 12.14 An additional indicator has been added to monitor the level of work entering the Customer Service Centre CRM work queue. Previously performance monitoring for the CSC has focused just on call handling. The addition of this new PI will reflect the levels of non-telephony work that is undertaken by the team.

Community Investment & CAS

- 12.15 Performance indicators for the Community Investment and CAS service areas have been removed from the quarterly Operations Committee and Board dashboards. They will be replaced by annual updates to the Operations Committee.
- 12.16 Reporting will continue internally to the Executive and Senior Management teams.

CRM

- 12.17 The TMO's CRM system was launched in late May. As of April 2017 we will report on key headline indicators for general enquiries received and resolved.
- 12.18 Other processes such as ASB and Complaints are already being monitored via CRM and reporting has continued as standard.

13 Recommendations

- 13.1 The Board is invited to comment on the contents of this report.

YVONNE BIRCH
DIRECTOR OF PEOPLE & PERFORMANCE

Appendix B

Proposed Board Key Performance Indicators & Targets 2017/18

Performance Indicator	Board and/or Operations Committee	2016-17 Target	2017-18 Target	Comments
Responsive Repairs: Repairs Direct				
Emergency repairs completed in target	Board/Ops	>=99%	>=99%	
Average days to complete a responsive repair	Board/Ops	<=12	<=11	
Void repairs completed in target	Ops	>=90%	>=90%	
Satisfaction with repairs	Board/Ops	>=95%	>=95%	
Number of post inspections completed	Ops	Info	Info	
Post inspection pass rate	Ops	>=90%	>=90%	
Recalls as a % jobs completed	Ops	<=5%	<=5%	
Voids & Lettings				
No. Terminations	Ops	Info	Info	
No. general needs lettings	Board/Ops	Info	Info	
No. other lettings	Board/Ops	Info	Info	
Average days to re-let general needs property (minor works voids)	Board/Ops	<=22 days	<=21 days	HouseMark PI
Rent loss as a % rent roll (general needs)	Board/Ops	<=0.75%	<=0.75%	HouseMark PI
No. available voids at month end	Board/Ops	<=40	<=40	
No. unavailable voids at month end	Ops	Info	info	
Mechanical & Engineering				
Communal heating - % of calls completed within target	Ops	98%	98%	A paper is due to be presented to ET and Operations Committee setting out proposed changes to these indicators following changes to facilities management contracts
No. blocks without heating for more than 48 hours	Ops	0	0	
Door entry systems - % of calls completed within target	Ops	98%	98%	
Estate lighting - % of calls completed within target	Ops	98%	98%	
Lifts - % of calls completed within target	Ops	100%	100%	
No. blocks without service for more than 48 hours	Ops	0	0	
Gas repairs - % of calls completed within target	Ops	98%	98%	

Compliance				
% Properties with valid Landlords Gas Safety Certificate (LGSC)	Board/Ops	100%	100%	HouseMark PI
No. of properties without valid certificate	Ops	0	0	
Number without valid certificate for more than 3 months	Ops	0	0	
Satisfaction with gas service	Ops	>=95%	>=95%	
Water quality – compliancy rate (inspection & sampling)	Ops	100%	100%	
Lifts – compliancy rate (statutory inspections)	Ops	100%	100%	
Electrical testing – compliancy rate (homes with valid test cert)	Ops	100%	>=95%	Reduced to reflect the limitations in gaining injunctions as is non-statutory requirement
Stock Condition				
Number of homes brought up to TMO standard - internally	Board/Ops	1400	TBC	To be confirmed following confirmation of end of year position and 2017-18 programme of works. Reported annually.
Number of homes brought up to TMO standard - externally	Board/Ops	696	TBC	
Number of homes where SAP rating improved through planned works	Board/Ops	0	TBC	
Capital Programme				
Actual monthly capital spend £	Board/Ops	£	£	
Actual capital programme delivery spend as a % total annual budget	Board/Ops	>=99%	>=99%	
Satisfaction with capital programme works	Ops	Various	Various	Results to split by contracts
Current Tenant Rent Arrears				
Rent collected as a % rent due (excluding arrears brought forward)	Board/Ops	>=100%	Set at week 1	See commentary in main report
Current tenant arrears as a % rent roll	Board/Ops	<=2.02%	Set at week 1	

Gross current tenant rent arrears £	Board/Ops	<=£1.035 m	Set at week 1	
Of which, non-Universal Credit households	Ops	New PI	Reduce by £25k	
Of which, Universal Credit households	Ops	New PI	Info	
No. households receiving Universal Credit	Ops	Info	Info	
Percentage of tenancies with arrears >=7 weeks rent (non-Universal Credit households)	Board/Ops	<=4.5%	<=4.5%	
Percentage of tenancies with arrears >=10 weeks (Universal Credit households)	Board/Ops	New PI	Info	Reflecting turnaround time of first payment
Evictions (arrears)	Ops	New PI	Info	
NOSPs issued	Ops	New PI	Info	
Possession orders granted	Ops	New PI	Info	
Former Tenant Rent Arrears (FTA)				
FTA cash collection	Board/Ops	£85,000	£85,000	
FTA write off	Ops	Info	Info	
FTA housing benefit collection	Ops	info	Info	
FTA as % rent due	Board/Ops	Info	Info	HouseMark PI
Write off as % rent due	Board/Ops	Info	Info	HouseMark PI
Home Ownership				
Arrears – service charges	Board/Ops	<=120,449	TBC	Targets for 2017-18 to be confirmed in April, following closure of end of year accounts.
Arrears – major works	Board/Ops	<=1,715,516	TBC	
Corporate Property				
No. properties in portfolio	Ops	Info	Info	As per Service Level Agreement (SLA)
Total value of rent roll	Ops	Info	Info	
Total aged debt (>=60 days) £	Ops	Info	Info	
As % portfolio rent roll	Ops	<=5%	<=5%	
No voids	Ops	Info	Info	
No outstanding lease renewals	Ops	0	0	
No outstanding rent reviews	Ops	0	0	
Capital spend	Ops	New PI	Info	
As % allocated budget	Ops	New PI	Info	
Revenue spend	Ops	New PI	Info	
As % allocated budget	Ops	New PI	Info	
KC Places				
No. paid bookings	Ops	Info	Info	
No. free of charge booking	Ops	Info	Info	
Invoiced amount	Ops	Info	Info	
No. enquiries received	Ops	New PI	Info	

Environmental Services				
% Grounds maintenance inspections achieving required standards	Board/Ops	>=97%	>=97%	Amended definition of bulk refuse PI from 3 days to remove, to 2 days.
No. cleaning call-backs	Board/Ops	<30 p/m	<30 p/m	
No. Quality Assurance inspections undertaken	Board/Ops	Info	Info	
No. Quality Assurance failures	Ops	Info	Info	
No. customer satisfaction surveys completed	Ops	New PI	Info	
Customer satisfaction with cleaning service	Board/Ops	>=90%	>=90%	
Customer satisfaction with grounds maintenance service	Board/Ops	>=90%	>=90%	
Percentage of bulk refuse removed within 2 days	Ops	>=95%	>=95%	
Estate Services Team				
Number of scheduled quarterly estate inspections carried out, as a percentage of those due	Board/Ops	>=90%	>=90%	
Estate inspection: average score (0-5)	Board/Ops	Info	Info	
% H&S weekly/monthly scheduled tasks completed	Ops	>=90%	>=90%	
Number of communal repairs reported by ESAs	Ops	Info	info	
Anti-Social Behaviour (ASB)				
No. new ASB cases reported	Board/Ops	Info	Info	
No. closed ASB cases	Board/Ops	Info	Info	
No. live ASB cases at end of period	Board/Ops	Info	Info	
% Complainants satisfied with handling of case (gross)	Board/Ops	>=81%	Improve by 5% on year end	
% Complainants satisfied with outcome of case (gross)	Board/Ops	>=81%	Improve by 5% on year end	
No. satisfaction surveys attempted	Ops	Info	Info	
No. satisfaction surveys completed	Ops	Info	Info	
% closed cases with survey completed	Ops	>=29.8%	>=29.8%	HouseMark PI (currently top quartile performance)
Enforcement actions – evictions	Ops	New PI	Info	

Enforcement actions - injunctions	Ops	New PI	Info	
Enforcement actions – NOSP	Ops	New PI	Info	
Preventative actions – mediation referrals	Ops	New PI	Info	
Preventative actions – other referrals	Ops	New PI	Info	
Preventative actions – ABAs	Ops	New PI	Info	
Preventative actions – warning letters	Ops	New PI	Info	
Neighbourhood Management				
No. mutual exchange applications completed	Ops	New PI	Info	Pis to be reviewed later in year when process moves to CRM system
% decision letters sent in target	Ops	New PI	100%	
Flexible tenancies – number of 6 week and 9 month visits undertaken	Ops	New PI	100%	Pis to be reviewed later in year when process moves to CRM system
Neighbourhood support officers (NSO) – new cases	Ops	New PI	Info	Information on outcomes to be provided in Neighbourhoods report at Operations Committee
NSO - Closed cases	Ops	New PI	Info	
NSO - Active cases	Ops	New PI	Info	
NSO - Satisfaction with service	Ops	New PI	info	
Community Alarms Service				
Total calls handled	Ops	Info	info	Current targets set above industry standard.
% Answered within 60 seconds	Ops	95%	95%	
% Emergency visits attended within 45 minutes	Ops	95%	95%	
Customer satisfaction	Ops	95%	95%	
Customer Service Centre (CSC)				
No. incoming calls received by CSC	Board/Ops	Info	Info	
% of incoming calls answered	Board/Ops	>=90%	>=90%	
% of incoming calls answered within 30 seconds	Board/Ops	>=70%	>=70%	
No. Reporting Repairs emails actioned by the Contact Centre	Board/Ops	Info	Info	
No. items received into CSC CRM queue	Ops	Info	Info	Split by type: enquiry cases, action requests, repairs & emails

% customers satisfied with service overall	Board/Ops	New PI	>=90%	
No. call-back requests	Ops	Info	Info	
No. call-back requests actioned	Ops	Info	Info	
No Non-CSC incoming calls received	Ops	Info	Info	
% incoming calls answered	Ops	>=90%	>=90%	
Complaints				
No. complaints received in month	Board/Ops	Info	Info	
No. complaints closed in month	Ops	Info	Info	
No. live complaints at month end	Ops	info	info	
No. Stage 1 responses	Board/Ops	Info	Info	
% answered in target	Board/Ops	>=90%	>=90%	
No. Stage 2 responses	Board/Ops	Info	Info	
% answered in target	Board/Ops	>=90%	>=90%	
No. Appeals	Board/Ops	Info	Info	
% undertaken in target	Board/Ops	>=90%	>=90%	
% complaints upheld	Ops	<=70.6	<=70.6	HouseMark PI
% complaints closed at Stage 1	Ops	>=95%	>=95%	HouseMark PI
Satisfaction with complaint handling	Ops	Info	Info	
Human Resources				
Total Staff (headcount)	Ops	Info	info	
Average number of days lost due to sickness per FTE (rolling 12 months)	Board/Ops	<=5.5	<=5.5	HouseMark PI
% year end PDRs completed and returned to HR in target	Ops	90%	90%	
% mid year PDRs completed and returns to HR in target	Ops	80%	80%	
Percentage of staff participating in survey	Ops	>=67%	>=77%	Best Companies average
Best Companies accreditation level	Ops	1	1	
Best Companies accreditation score	Ops	659.5	659.5	
Governance				
No. New TMO Members signed up	Board/Ops	>=550	>=550	
No. Members voting in AGM	Board/Ops	>=800	>=1000	
% Board attendance	Board/Ops	Info	>=80%	
CRM				
No. enquiry cases resolved	Ops	New PI	Info	

% resolved on initial contact	Ops	New PI	Info	
Average working days to resolve	Ops	New PI	Info	
% resolved within 10 working days	Ops	New PI	>=90%	

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED**
(the 'Company')

Minutes of a meeting of the Board of Directors ('Board') of the Company held on the
10 January 2017 at 6.30pm
at 346 Kensington High Street, London W14 8NS

PRESENT:

Resident Board Members

Fay Edwards (Chair)
Alan Barnett
Mary Benjamin (from item x)
Anne Duru
Minna Korjonen
Sharon Price
Derek White

Council-Nominated Board Members

Judith Blakeman
Paula Fance

Independent Board Members

Simon Brissenden
Richard Keenan
Anthony Preiskel (from item 6.4)

APOLOGIES:

Maighread Condon-Simmonds and
Maria Escudero-Barbaza
Sacha Jevans

IN ATTENDANCE:	Robert Black	Chief Executive
	Yvonne Birch	Executive Director of People, Performance & Governance
	Barbara Matthews	Executive Director of Financial Services & ICT
	Rupa Bhola	Assistant Director, Financial Services
	Steve Mellor	RBKC Finance Manager (Housing and Adult Social Care)
	Sinéad McQuillan	Interim Head of Governance and Company Secretary
	Gill Petford	Executive Manager (minutes)

1 NOTICE, APOLOGIES AND QUORUM

- 1.1 Notice of the meeting had been issued to the members of the Board entitled to receive notice and attend board meetings.
- 1.2 Apologies had been received from Maighread Condon-Simmonds, Maria Escudero-Barbaza and Sacha Jevans, Executive Director of Operations. Mary Benjamin had been unavoidably delayed and would join the meeting later.
- 1.3 The Chair welcomed Richard Keenan to his first meeting as a member of the Board. The Chair welcomed Sinéad McQuillan to the meeting. The CEO informed the Board that Truda Scriven

had left the Company on 29 December 2016 to take up another position. As an Interim, Truda was only obliged to provide one week's notice. Sinead had been appointed on an interim basis and the role was being advertised that week on a permanent basis.

- 1.3 The meeting was quorate according to the provisions of the constitution of the Company.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest in conflict with the items on the agenda. All declarations of interest were noted as being held on the Register of Director Interests.

3 APPOINTMENT OF COUNCIL-NOMINATES AND INDEPENDENT BOARD MEMBERS

- 3.1 The Executive Director of People, Performance & Governance, introduced the report on Board Membership Matters which had been produced by the outgoing Interim Company Secretary. Since the report had been written, the interviews for the Council Nominated vacancies, planned for 5 January 2017 had been postponed due to illness and would be rearranged. The Board noted that the results of the interviews would be reported to the Board for approval in due course.
- 3.2 The Board noted that in accordance with 31.2 of the Constitution independent members should be appointed for three years at the end of which he or she may be appointed for a further period. Anthony Preiskel had now reached the end of his second three year term and it was recommended by the Appointments and Remuneration Committee that he be appointed for a further three year term. Anthony had absented himself from the meeting for this item to allow the Board to formally consider the recommendation.
- 3.3 The Board discussed the recommendation and **RESOLVED** to **reappoint** Anthony Preiskel for a term of three years as a Director of the Company according to 31.4 of the Constitution.

Anthony Preiskel joined the meeting at the conclusion of this item.

4 MINUTES OF THE MEETING HELD ON 24 NOVEMBER 2016

- 4.1 The minutes of the meeting held on 24 November 2016 were **APPROVED** as a true and accurate record of the meeting.

5 MATTERS ARISING

- 5.1 There were no matters arising from the meeting held on 29 September 2016.

6 CHIEF EXECUTIVE'S REPORT

- 6.1 The position of the Chief Executive's Report and the Chair's Report on the agenda were reversed. The report to the Board from the Chief Executive had been circulated
- 6.2 The report set out information particularly relevant to the sector in order to inform the Board about how the business would be shaped by the latest developments in social housing. The report covered the housing market, market confidence, the Chancellor's Autumn statement and the National Housing Federation's response, Housing Association Voluntary Right to Buy (RTB) and the sale of High Value Voids; the Mayor and the Greater London Authority; Residents' concerns around the disposal of rubbish; Hidden Homes; National Grid and Gas Supplies; KCTMO

Personal Development Academy; TMO Live – 2017; Successful “Up Your Game” Projects and Youth Engagement Projects.

- 6.3 The Chief Executive highlighted the following:
- 6.3.1 There was uncertainty in the sector around a number of key areas which had the potential to impact the housing sector. Whilst the Social Housing Magazine had reported that Housing Association leaders were more confident about the future since the formation of Theresa May’s government, major concerns remained around the impact of welfare reform. There were concerns that the government was looking to extend Local Authorities’ statutory duties to cover street homelessness without adequate additional funding. The Chancellor’s announcement in the Autumn Statement of £200m funding for a regional pilot of the VRTB scheme would focus on replacement and portability, i.e. the ability of a tenant who was unable to buy their home to port their discount to an alternative property. It would appear that the Government’s aspiration to introduce a VRTB scheme had become a medium to long-term objective.
- 6.3.2 The Chief Executive highlighted a number of operational issues which were in the main the result of actions of third parties, but given the impact on residents were areas where the Company’s efforts to make improvements would be valued. These included the blocking of rubbish chutes with bulky items and the impact of the National Grid’s works over the Christmas period. The Company had put together a working party to look at solutions for waste disposal on estates. The Company had made a £120 contribution available to residents in Grenfell Tower, Chesterton Square, Berenger Tower and Wiltshire Close to make alternative cooking arrangements over Christmas. In the Executive’s view, whilst the responsibility lay with British Gas, the inconvenience for residents over Christmas meant that the gesture from the Company, which could be met from the existing budget would be very much appreciated and generate goodwill. A member commented that on this occasion the move was sensible, but should not set a precedent.
- Members queried whether there was the potential to receive compensation from British Gas. The Chief Executive stated that this was very unlikely. In some instances the Company had a good working relationship with the British Gas project managers, however it was inconsistent and the Company was not in a position of strength in negotiations.
- 6.3.3 The Chief Executive was pleased to report the continued success of the Hidden Homes project with the successful development of a one bedroomed flat at Holmefield House which had been converted from an underused space.
- 6.3.4 The Chief Executive reported on a number of successful youth engagement projects. These had been well received by the participants, their parents and other residents. This work was an important strand of Prevent in safeguarding young people from radicalisation. Cllr Blakeman was pleased to confirm that funding had been made available for the girls’ football project
- 6.4 A member queried whether the London Fire Brigade’s (LFB) investigation into the fire at Adair had been concluded. The Executive Director of Financial Services & ICT informed the Board that the LFB had not yet closed the investigation. The solicitors at RBKC had been briefed in the event of a prosecution. The Company had carried out the works as specified in the enforcement notices. The Executive Team had visited the both Adair and Hazelwood buildings to see the completed works. A strategy is being developed to install self-closers to all flat entry doors across all the properties managed.
- 6.5 In response to a question from a Board member, the Executive Director of Financial Services & ICT confirmed that a Fire Risk Assessment had been completed after the works had been carried

out which showed the improvements from the management actions and remedial works. There were a number of lessons learned from the incident which would be taken into account.

6.4 Mary Benjamin joined the meeting during the discussion of this item.

6.5 The Chief Executive's Report was **NOTED**.

7 CHAIR'S REPORT

7.1 The Chair provided an update on the events and meetings she had attended on behalf of KCTMO since the previous meeting.

7.2 The Board **noted** the update.

Chair

.....
Date

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA
TENANT MANAGEMENT ORGANISATION LIMITED**
(the 'Company')

Minutes of a **Confidential** meeting of the Board of Directors ('**Board**') of the
Company held on the 10 January 2017 at 6.30pm
at 346 Kensington High Street, London W14 8NS

PRESENT:

Resident Board Members

Fay Edwards (Chair)
Alan Barnett
Mary Benjamin
Anne Duru
Minna Korjonen
Sharon Price
Derek White

Council-Nominated Board Members

Judith Blakeman
Paula Fance

Independent Board Members

Simon Brissenden
Richard Keenan
Anthony Preiskel

APOLOGIES:

Maighread Condon-Simmonds,
Maria Escudero-Barbaza and
Sacha Jevans

IN ATTENDANCE:	Robert Black	Chief Executive
	Yvonne Birch	Executive Director of People, Performance & Governance
	Barbara Matthews	Executive Director of Financial Services & ICT
	Rupa Bhola	Assistant Director, Financial Services
	Steve Mellor	RBKC Finance Manager (Housing and Adult Social Care) (to item 11)
	Sinéad McQuillan	Interim Head of Governance and Company Secretary
	Gill Petford	Executive Manager (minutes)

8 MINUTES OF THE CONFIDENTIAL MEETING HELD ON 24 NOVEMBER 2016

8.1 The minutes of the Confidential meeting held on 24 November 2016 were **APPROVED** as a true and accurate record of the meeting.

9 MATTERS ARISING

9.1 Minute 16.4 (November 2016). It was confirmed that the workshop on risk management for the Board would be held by March 2017

9.2 Minute 14 – Member queried start date for works on Trellick Tower. It was confirmed that the Section 20 Notices of Intention to Carry Out Works had been sent to leaseholders in December, and the 30 day consultation period had been triggered. It was envisaged that the works would commence in February/March 2017.

10 TMO GROUP BUDGET 2017/18

10.1 The Executive Director of Financial Services & ICT and Assistant Director of Finance presented the TMO Group Budget for 2017/18. The budget had been discussed in detail at the Finance, Audit and Risk Committee held on 7 December and the Repairs Direct Board on 15 December 2016 and recommended for approval. It was noted that the basis of assumptions used in preparing the budget were as follows:

- A 2% reduction to the management fee before inflation of 1%;
- Capital Programme fee inflation of 1% with an additional £100k p.a. for two posts from August 2016-July 2018;
- Staffing: 1% cost of living increase on salaries in 2017/18; maternity leave cover as 2016/17, Employer Pension Contribution 20.5% for the final salary scheme; vacant posts included as mid-point of band;
- Customer First Project depreciation and software; New website project manager costs only
- All utility and other costs had been budgeted at the contracted or forecasted amounts
- the Corporate Services recharge to Repairs Direct had been recalculated to reflect the actual service costs.

10.2 The following points were highlighted.

- the Group surplus was £156k;
- the Group income was budgeted at £20.9m with a total expenditure of £20.7m giving the Group a surplus of approximately £230k before project costs. The overall Group surplus would reduce by £74k due to the estimated CRM/Website project management costs

10.3 It was noted that the basis of assumptions used in preparing the Repairs Direct Ltd budget were as follows

- 1% inflation increase on salaries 2017/18
- £278k Paid for Services (PFS) Income
- £194k surplus includes £25k from PFS
- 6% Employer's pension contribution rate
- TMO Corporate Recharge recalculated
- 1% increase on RBKC income (responsive repairs and voids)

10.3 The key risks to the budget were

- Limited capacity to absorb further Management Fee reduction
- Costs for website and intranet project are not included beyond the cost of a project manager
- Success of paid services.

The view of the Executive was that the Management Fee reduction had been absorbed and other additional income had been secured. It had been made clear to RBKC that ongoing cuts to the Management Fee of this magnitude could not be absorbed without reduced services.

10.4 The Board discussed the proposed Group budget in detail

10.4.1 A member queried what elements made up the Other Costs of £814k (Budget 2017/18). It was noted that depreciation charges would be a large proportion, and it was as **agreed** that a more

detailed breakdown would be circulated outside of the meeting. **Action Executive Director of Financial Services & ICT January 2017**

- 10.4.2 A member queried how the CRM and website project costs had been estimated. The Chief Executive commented that the Board had previously approved the release of £250k from reserves to be used for the Customer First, website and intranet projects. The estimated budget was within this envelope and would allow the CRM system to be better integrated with website and intranet to deliver the Customer strategy.
- 10.4.3 A member queried how the Board would receive assurance that the risks to the budget were being mitigated. The Executive Director of Financial Services & ICT confirmed that the robust conversations with RBKC on the impact of further reduction to the Management Fee would continue and the costs would be monitored through the management accounts. The costs of the website project would be closely managed and the phased approach would mitigate cost overruns. The PFS income would be closely managed by the Repairs Direct Board.
- 10.5 The Board **RESOLVED** to
- (i) **APPROVE** the TMO budget as presented for the 2017/18 financial year
 - (ii) **APPROVE** the revised budget for Kensington & Chelsea TMO Repairs Direct Limited for the 2016/17 financial year
 - (iii) **APPROVE** the budget Kensington & Chelsea TMO Repairs Direct Limited for the 2017/18 financial year
- 11 Revised RBKC Housing Revenue Account (HRA) and Proposed Budget 2017/18**
- 11.1 The Executive Director of Financial Services & ICT and the RBKC Finance Manager (Housing and Adult Social Care) presented the proposed HRA budget for 2017/18.
- 11.2 It was noted that approval of the budget started with the HRA budget being presented to the TMO Board (10 January), and then the RBKC Housing and Property Scrutiny Committee on 11 January before final approval by the Cabinet member. The RBKC Finance Manager (Housing and Adult Social Care) explained how key national policy changes such as: the 1% reduction in social rents; Sale of High Value Voids and Pay to Stay could impact the HRA. Given the uncertainty around these areas with the exception of the 4 year rent reduction imposed by the government, no modelling of assumptions had been carried out and this was reflected in the risks identified to the budget.
- 11.3 The gross HRA budget of £47.1m comprised the TMO Management Fee; TMO managed budgets and the Council managed HRA budgets. The following assumptions were highlighted
- TMO Management Fee**
- 2% efficiency savings
 - Two Neighbourhood Support Officers included in the base fee
 - Two Welfare Reform Officer (funded to March 2019)
 - Project Officer on parking facilities (funded annually)
 - Finance Energy Officer £40k (cost neutral)
 - 1% inflationary provision
 - Management Fee £10.761m (2016/17: £10.825m)
 - TMO to maintain operating surplus within the financial framework of the RBKC management fee (which now included Lancaster West)

- 11.4 The Board noted the TMO managed budgets summary which had increased by £699m. Savings had been made in a number of areas by retendering the contracts including planned maintenance and more efficient usage and pricing of electricity, heating and hot water. The cost of the cleaning contract had increased as it had been re-tendered on the basis that employees received the London Living Wage (LLW). In reply to a question from a Board member, the Assistant Director of Finance confirmed that if the LLW increased over the lifetime of the contract the higher rate would be met by the contractor.

The reduction in income from the rent decrease had been offset by increases to commercial property rents to market rents, and increased service charges to tenants to reflect the new cleaning contract.

Leaseholder contributions to major works were £780k lower than budgeted as a result of the actual level of works and the amounts recoverable.

- 11.5 The Council Managed Budgets comprised
- Capital Charges £9.2m
 - Depreciation £3.1m
 - Insurance £1.1m
 - Recharge for Council Services £1.3m
 - Other £0.1m
- 11.6 The proscribed rent setting methodology of an annual reduction of 1% over four years was a significant change to the previous local policy and as discussed previously the government's approach for the future was not yet known. The average rent in 2017/18 was £121.78 p.w. It was reiterated that rents for vacant properties could be set at Target Rent less the annual reduction of 1%
- 11.7 The RBKC Finance Manager (Housing and Adult Social Care) summarised the budget as less certain given the risks outlined earlier but overall the HRA was in a healthy financial position.
- HRA working balance estimated to be £18.6m at 31/3/2018
 - Over five years' revenue contribution to Capital Programme totalled £63.2m
 - Medium Term Forecast suggested working balance of £42m at 31/3/2022
- 11.8 For the benefit of newer members, he provided a brief explanation of the history of the government's rent setting policy which had moved from Social Housing providers using a rent restructuring process to move rents towards higher target rents to the requirement to a 1% reduction. Under the current process vacant properties could be re-let on a higher target rent which impacted favourably on the HRA. The Corporate Services team determined the market rent. It was noted that there had been delays with a commercial property at Holmefield House and it was agreed that the reasons for this would be clarified outside of the meeting. **Action RBKC Finance Manager (Housing and Adult Social Care)**
- 11.9 A member queried whether Regeneration projects had been excluded from the budget. The RBKC Finance Manager (Housing and Adult Social Care) clarified that the HRA budget included initial project costs
- 11.10 The Chief Executive commended the work of the team in producing the budget in a cost-effective difficult financial climate.

The Board **RESOLVED TO:**

- (i) **AGREE** the revisions to the 2016/17 HRA budgets;
- (ii) **AGREE** the proposed HRA budgets for the 2017/18 financial year;
- (iii) **AGREE** to recommend the revisions to the 2016/17 HRA budgets to RBKC

- (iv) **AGREE** to recommend the proposed HRA budgets for 2017/18 to RBKC

12 GROUP PROCUREMENT POLICY

- 12.1 Executive Director of Financial Services & ICT presented the report in the absence of Sacha Jevans, Executive Director of Operations.

The Procurement Policy set out the rules and regulations that would govern the process of the procurement of goods, services or works undertaken by the Company or its subsidiaries. The policy would be supported by detailed operational procurement guides. The General Principles were noted

- Procurement activities were opportunities to assist in the delivery of, and furtherance of the Group's objectives
- The Policy should be read in conjunction with Business Plans; Financial Regulations; Contract Regulations and the Anti-Corruption Policy

- 12.2 A member queried whether the Policy stipulated the ratio of Price and Quality that should be applied. The Executive Director of Financial Services & ICT clarified that the actual ratio would be determined on a project by project basis.

- 12.2.1 A member commented that the Policy acted as a control document which would meet the OJU procurement compliance framework.

- 12.3 It was noted that whilst Board members were not required to approve the detailed operational procurement guides, they wanted the ability to view the full set of documentation once this was finalised. It was noted the website project could afford the opportunity to develop a secure Board portal to access key documents.

- 12.4 The Board **RESOLVED** to approve the KCTMO Group Procurement Policy

13 APPOINTMENT OF EXTERNAL AUDITORS

- 13.1 The Executive Director of Financial Services & ICT presented the report which outlined the proposals for the appointment of the Group's External Auditors. The Group's current auditors, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) had undertaken the audit of the Company for nine years. Current best practice recommended that an audit firm should serve a maximum of seven years. An open tender exercise commenced on 25 October 2016. Expressions of Interest were received from seven firms, and three formal bid were received by the deadline (12 noon 5 November 2016). The Evaluation Panel identified two compliant bids and both firms were invited to a presentation and interview session on 23 November 2016. The Interview panel comprised the Executive Director of Financial Services & ICT, Assistant Director of Finance, the Chair of the Finance, Audit & Risk Committee and Anthony Preiskel (Independent Board Member). It was agreed that the preferred bidder was BDO LLP. The Panel's recommendation was discussed by the Finance, Audit & Risk Committee. The Committee recommended to the Board that BDO LLP be appointed.

- 13.2 The Board discussed the recommendation and **RESOLVED** to **approve** the appointment of BDO LLP to provide external audit services to the TMO Group for three years with a provision to extend for up to a further two years.

14 COMMITTEE MEMBERSHIP UPDATE

This item was deferred to the following meeting

15 DRAFT MINUTES

The Board noted the draft minutes of the meeting of the Finance, Audit & Risk Committee held on 7 December 2016 and the Repairs Direct Ltd Board meeting on 15 December 2016

16 AOB

There was no other business to be discussed

17 DATE OF THE NEXT MEETING

The Board noted that the next scheduled Board meeting would be held on Thursday 30 March 2017

MATTERS ARISING (Confidential Meeting)

NO.	MEETING DATE	MINUTE NUMBER	ACTION	BY WHOM	BY WHEN	UPDATE
1.	24/11/2016	16.4	It was AGREED that a workshop would be provided on risk management for the Board . This would look at whether all corporate risks had been captured and adequately mitigated.	Barbara Matthews	March 2017	A workshop will be delivered at the meeting on 30 March 2017
2	10/01/2017	10.4.1	Other Costs £814k (Budget 2017/18). It was noted that depreciation charges would be a large proportion, and it was as agreed that a more detailed breakdown would be circulated outside of the meeting.	Barbara Matthews	January 2017	The information was circulated
3	10/01/2017	11.8	It was noted that there had been delays with a commercial property at Holmefield House and it was agreed that the reasons for this would be clarified outside of the meeting.	RBKC Finance Manager (Housing and Adult Social Care	March 2017	An update on the status will be provided at the meeting

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('TMO')		
Agenda item 12: Albourne Housing Association		
Status: Closed/ Decision		
Date: 30 March 2017		
Location: Boardroom 346 High St Kensington		Time: 6:15pm
Author(s)	Daniel Wood	Assistant Director Home Ownership Ext [REDACTED] dwood@kctmo.org.uk
Date produced	23 March 2017	
Synopsis	This report is to inform the Board of the status of the proposal presented to the TMO by Albourne Housing Association (AHA) and to consider the next steps	
Requested outcome (s)	<ul style="list-style-type: none"> It is recommended that the Board agrees to pursue the opportunity with AHA in accordance with the principles agreed for the Growth Strategy. Any further developments would return to the KCTMO Board for consideration. That the Board agrees to develop a structure to include capacity requirements, governance models and financial modelling for growth opportunities with third party organisations 	
Financial Implications /Resource Implications /VFM	Outlined in the paper.	
Link to business plan	Growth Strategy – grow the scope and scale of the work currently undertaken by the TMO and our subsidiary Repairs Direct	
Risk analysis	Failure to engage with the external housing sector could have an adverse effect on the Company in keeping abreast of developments within the sector. There is also reputational risk if performance fails to improve across the Company.	
Resident consultation	n/a	
Equality Impact Assessment	Equality and diversity issues are taken into consideration	
Regulatory/Legal requirements	Will form part of any due diligence	
Authority for decision =	The Board has ultimate responsibility for the overall business and commercial strategy; All matters representing a major change of policy or involvement of a material nature in a new area of business and Corporate governance arrangements	
Appendices/ Total number of pages including appendices.	2 22	

1.0 Purpose

This report is to inform the Board of the status of the proposal presented to the TMO by Albourne Housing Association (AHA) and to consider the possible next steps.

2.0 BACKGROUND

2.1 AHA is a not for profit housing association, not registered with the HCA (Homes and Communities Agency), established in 2013 to develop or redevelop affordable housing schemes with a mix of social and private tenants. Their lack of housing management experience or a partner with such experience has compromised their success in bidding for sites and schemes. An introduction by a recently departed KCTMO employee prompted their initial discussion with KCTMO in November 2016.

2.2 In January 2017, a further meeting involving the Executive Director of Financial Services & ICT established the following:

- AHA has significant funding available, up to £200m from investors such as Aviva, M&G Investments and Local Authority pension funds;
- AHA do not own any stock (properties are developed and lease back over 25/30 years);
- AHA's business model is focused on the Private Rented Sector (PRS) and believe London is saturated and would not deliver the required returns;
- AHA are looking to acquire an existing older person's housing estate in Highbury, north London;
- AHA intend to grow their business by c. 500 units per annum.

2.3 AHA expressed the desire for KCTMO to become their managing agent, working in partnership with them on future bids, and would be interested in setting up the proposed partnership fairly quickly to enable delivery of their Business Plan

2.4 In February, a further meeting with AHA took place with the AHA and their fund manager from Carter Jonas.

Discussions centred on an opportunity to acquire and manage an estate in Highbury, North London. Other bid options were discussed, including acquiring a number of units in Hertfordshire currently owned by Moat Homes. KCTMO expressed interest in the Highbury bid only.

A Mutual Non-Disclosure Agreement (NDA) was signed by both parties, ensuring confidentiality between the two parties when assessing commercially sensitive information in relation to prospective bids.

2.5 In accordance with the Business Plan's Growth Strategy, as agreed by the Board, the Executive Team agreed, in principle, to join AHA's bid in relation to the estate in Highbury.

- 2.6** No legal or financial commitments have been made. KCTMO will only consider working with AHA if it is financially beneficial to the group and will not compromise core business.
- 2.7** This is a major opportunity for growth and is a developing market which has opened up in the last year. Managing others housing has always been part of the growth strategy but until recently few opportunities arose. This is because we have a number of investors wanting to get into the housing market but lack the day to day management experience which is the core strength of KCTMO.
- 2.8** In addition, this proposal is small scale and will enable KCTMO to develop the partnership with AHA. Managing properties outside the borough are not an issue as it would have staff on site, which is a strand of their business plan.

3.0 HIGHBURY TERRACE BID

- 3.1** AHA are interested in acquiring an estate in Highbury, consisting of a Grade II listed Georgian Terrace built in 1790, a modern block of purpose built flats and two bungalows, a total of 41 units. The estate is within the Highbury Fields Conservation area. Further details can be found in **Appendix 1**.
- 3.2** The estate is mixed tenure, with both General Needs and Older Persons, with 3 tenancy types;
- Assured rents
 - Fair rents
 - Starter to assured

The unit types are as follows:

	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed Bungalow	Total
General Needs	6	1	0	0	7
Older Persons	6	15	11	1	33
Other – ex warden property	0	0	0	1	1
Total Assets	12	16	11	2	41

- 3.3** A stock condition survey of the estate states the following:

- Kitchens and bathrooms - replaced from 2010 onwards;
- All properties are heated by means of individual gas fired boilers;
- Cracks within the render to the rear of the listed building;
- Some of the windows require refurbishment;
- Many of the consumer electrical units - replaced in the last 5-6 years;
- Roofs require inspection

Further details can be found in **Appendix 2**.

- 3.4** The estate is currently owned by Crown Simmons Housing (CSH), who are looking to consolidate their stock. In this case, there are a number of logistical challenges stemming from CSH being based in Esher, Surrey.
- 3.5** There is a Social Housing Grant of £1,604,739 attached to the properties. AHA proposes to pay back this grant, thus ensuring that there are no regulatory issues arising from the Home & Communities Agency (HCA).
- 3.6** AHA considers the Highbury site to provide the opportunity for further development within its footprint, and have indicated that there is scope to build a further 40 units. Their intention is to complete this development within two years of acquiring the site.

Development of the site will impact on the existing residents and would require careful management. Further discussions with AHA will need to take place to establish the management roles and expectations.

- 3.7** The 33 older person's bed spaces are subject to a Supporting People contract, wherein 50% of nominations are offered to the London Borough of Islington. It is anticipated that this arrangement will continue, although it is recognised that future funding could be at risk.
- 3.8** In support of AHA's bid to Crown Simmonds, KCTMO were required to complete a Quality Evaluation Questionnaire (QEQ) which focused on the following key themes:
 - Customer Care and Satisfaction
 - Management and Maintenance
 - Performance Management
 - Resident Involvement
 - Anti-social Behaviour
 - Repairs
 - Service Improvement and VFM
 - Communities and Neighbourhoods and;
 - Company Accounts

These are strong areas for KCTMO and AHA is confident that with our expertise underpinning their bid, their chances of being successful are greatly increased.

- 3.9** AHA submitted their full bid on **3rd** March 2017.
- 3.10** AHA has been advised that whilst we have supported the bid, our position is subject to formal approval by the KCTMO Board of the legal partnership agreement, in accordance with KCTMO's corporate governance.
- 3.11** Fees and remuneration will not be full determined until a detailed financial analysis of the accounts, associated funding/grants and a more detailed

understanding of the condition of the stock have been completed. We will minimise the risk expose to KCTMO.

- 3.12** AHA has confirmed that decision on the bid is not anticipated before Crown Simmonds Board next meets on 20th April 2017.

4.0 PARTNERSHIP PROPOSAL

- 4.1** AHA is looking for a complete management package whether this relates to PRS, Social Housing or other tenures such as leasehold, which would include and is not limited to:

4.2 Lettings

- 4.2.1** AHA are very keen for KCTMO to provide a lettings service. This is something that we could deliver ourselves or through a third party.

- 4.2.2** Voids could represent a risk to KCTMO. If AHA acquire stock that has not been properly researched in terms of market, demand, location and demographics, it follows that flats may be difficult to let resulting in significant voids and loss of rental income. We would therefore ensure that any management contract explicitly states that void risk sits with AHA. Having said that Islington has a high demand for all types of housing and the demand for PRS product is high across London and has been highlighted by the Government in its white paper

4.3 Repairs

- 4.3.1** Day to day repairs would be one of the core functions and it's anticipated that this function would be provided by Repairs Direct (RD) or delivered through a sub- contracting partner

4.4 Rent and/or Service Charge Collection

- 4.4.1** Our existing Capita Housing system can manage the housing tenancies, block structures and accounts, keeping them separate from RBKC properties. It is not anticipated that the maintenance of any additional structures in Capita would be particularly onerous.

- 4.4.2** The administrative side of any legal process to recover arrears should attract fees that would be passed onto the tenant, providing a further income stream.

4.5 Tenancy agreements

- 4.5.1** KCTMO will be expected to provide and manage the tenancy agreements for any tenancy type. This is beneficial as the tenancy agreement can be drafted to include all clauses KCTMO deem relevant, subject to agreement with AHA.

- 4.5.2** KCMTO has a draft Assured Shorthold Tenancy (AST). This could be specifically adapted for the PRS tenancies. In having control of the clauses

within the AST, or leases where appropriate, KCTMO can ensure that all clauses and covenants have provisions that allow for the recovery of all reasonable costs and expenditure.

4.6 Health & Safety

4.6.1 KCTMO would be responsible for undertaking fire risk assessments and ensuring that the buildings are fully compliant with all health & safety legislation.

4.7 Contract Cleaning and Grounds Maintenance

4.7.1 Whilst there will be a need for a cleaning service, grounds maintenance is dependent upon the makeup of specific sites.

4.7.2 The existing cleaning contractor, OCS, could be considered and maybe viable due to the strength of the existing relationship.

4.7.3 The incumbent garden maintenance contractors could also be considered.

4.8 Buildings Insurance

4.8.1 KCTMO would be required to insure any buildings managed on behalf of AHA.

4.8.2 It is standard practice in the private sector for the managing agent to apply commission to the procurement of buildings insurance, thus an additional income stream. Income streams of this nature have been under a high level of scrutiny, with a particular focus on 'unreasonable' levels of commission.

4.9 Major Works

4.9.1 AHA was interested in KCTMO potentially becoming a partner for redevelopment and major works, the quantum of which is not currently definable.

5.0 GOVERNANCE

5.1 The exact governance arrangement for this new business growth opportunity has yet to be agreed. Although the activities can be delivered within KCTMO the creation of a management subsidiary which would reduce costs, make us more commercial and ring-fence the risks as we did with Repairs Direct. The subsidiary could be designed to deliver other contracts over time.

5.2 Other options for operating with organisations such as AHA include Special Purpose Vehicles; Joint Ventures and Limited Liability Partnerships.

6.0 FINANCIALS

6.1 Further detailed financial modelling is required for specific projects such as the AHA opportunity, including the running and start-up costs.

7.0 RISK

- 7.1** The primary objective, when assessing any proposal, from AHA or any other organisation, is to ensure that it is financially advantageous for the KCTMO Group and does not add risk to KCTMO core business.

8.0 RECOMMENDATIONS

- 8.1** That the Board agrees to pursue the opportunity with AHA in accordance with the principles agreed for the Growth Strategy.
- 8.2** Any further developments would return to KCTMO Board for consideration.
- 8.3** That the Board agrees to develop a structure to include capacity requirements, governance models and financial modelling for growth opportunities with third party organisations.

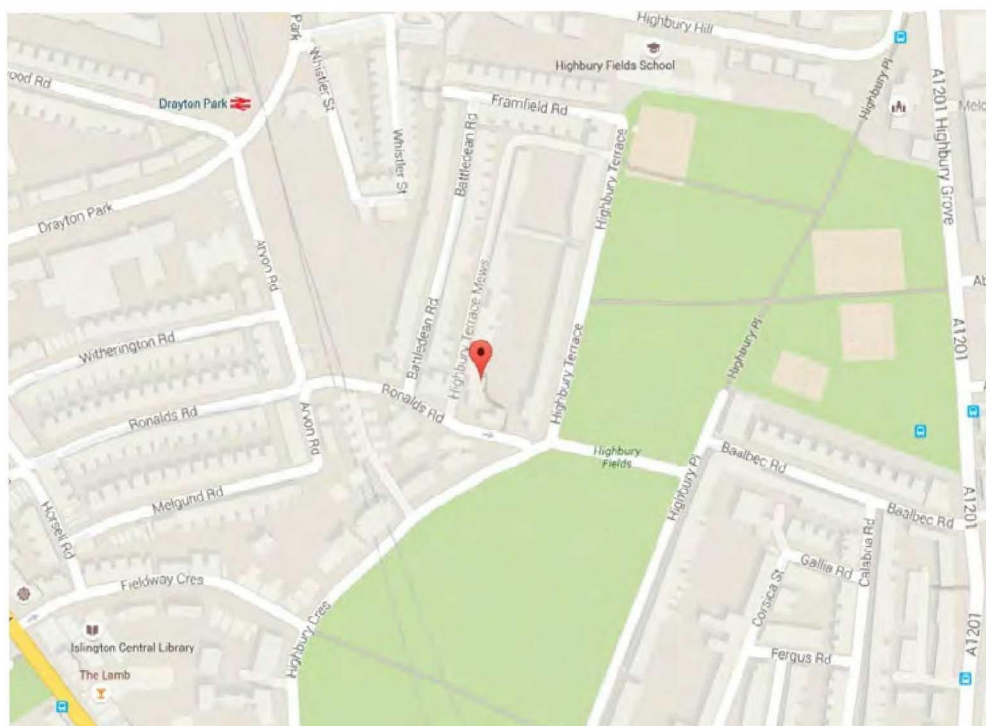


Stock Rationalisation Scheme Overview

1-3 Highbury Terrace, London N5 1UP &
85, 87 & 89 Ronalds Road, London N5 1XQ

Location & Aerial View

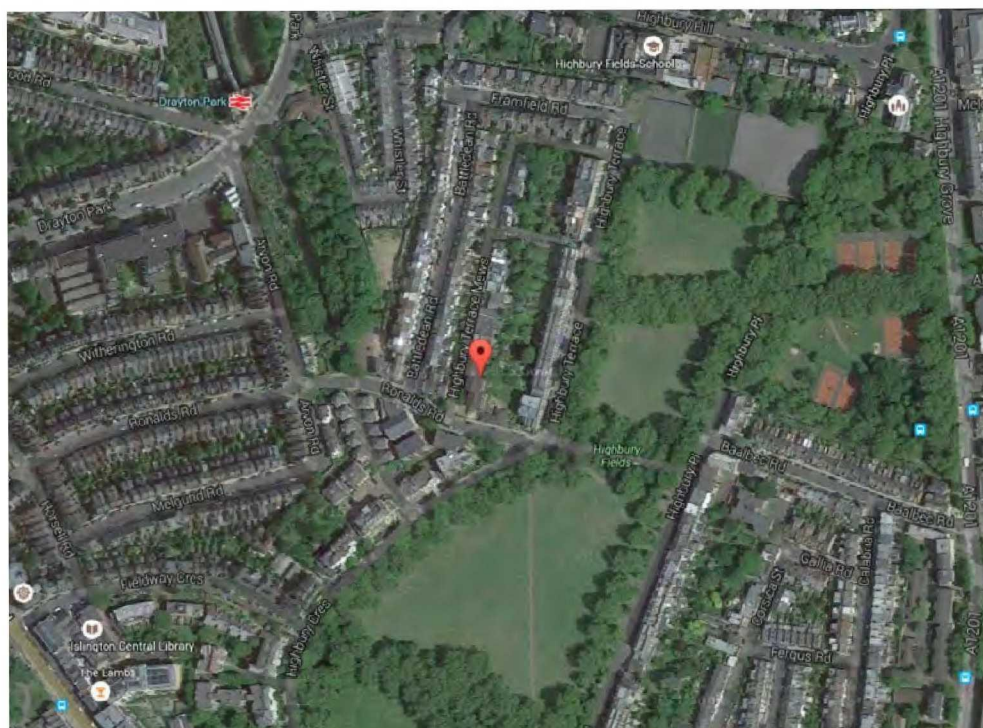
Indicative, not to scale



Faithorn Farrell Timms
on behalf of Crown Simmons

Faithorn Farrell Timms LLP
Central Court
1 Knoll Rise
Orpington
Kent
BR6 0JA

T [REDACTED]
E stuartmay@effefftee.co.uk
E robertpratt@effefftee.co.uk



Location

Highbury Terrace is located in the London Borough of Islington, overlooking Highbury Fields. The scheme is a 5-minute walk (0.2 miles) from Drayton Park overland station (6 trains per hour to London Moorgate, journey time 11 mins), and an 8-minute walk (0.4 miles) from Highbury & Islington tube station. The amenities of the Holloway Rd are a 6-minute walk away.

Imagery ©2016 Bluesky, DigitalGlobe, Getmapping plc, Infoterra Ltd & Bluesky, The GeoInformation Group
Map data ©2016 Google

Photographs

Indicative



Title Plan

Indicative, not to scale



© Crown copyright and database rights 2016
 Ordnance Survey 100026316

Archetype & Tenure Profile

Tenure	Tenancy	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed Bungalow	Total
General Needs	Assured Rented	5	1	0	0	6
	Fair Rents	1	0	0	0	1
Older Persons	Assured Rented	5	12	9	1	27
	Fair Rents	0	3	0	0	3
	Starter to Assured	1	0	2	0	3
Residential Assets		12	16	11	1	40
Other	N/A	0	0	0	1*	1*
Total Assets		12	16	11	2*	41

* Former warden's accommodation converted into guest accommodation, office and residents lounge

Overview/Description

1-3 Highbury Terrace are the first 3 houses in a Georgian terrace, originally constructed in the early 1790's. They have been converted into a number of self-contained flats and studios, with communal lounges, laundry room and common parts. Numbers 1 & 2 have been connected, whilst number 3 retains separate entrances (although all 3 share communal grounds).

Flats 1-18, 87 Ronalds Road are purpose built flats to the west of Highbury Terrace with rear access onto Highbury Terrace Mews. The 3 joined blocks were constructed in 1985 and comprise 18 flats over 3 storeys. In addition there are two bungalows at 85 and 89 Ronalds Road. 89 is a disabled adapted 2 bed unit and 89 is currently arranged as a residents lounge with guest bedroom and shower room. There are 2 unallocated parking spaces located alongside the blocks.

Tenure & Tenancies

The property is held by Rosemary Simmons Memorial Housing Association Ltd with freehold title absolute under title number NGL 37919 (see Legal information in the Sales Prospectus for further details). The flats are all let as General Needs and Older Persons rented accommodation on a mixture of Fair Rent, Assured and Assured shorthold tenancies (see table above for details).

Occupancy

The properties are currently occupied.

TUPE

There is one affected permanent post of Scheme Manager, based at the scheme. The current employee has been in post since August 2014 and has a continuous service date of 9th June 2008. Further details are available in the TUPE folder of the Sales Prospectus.

Financials

- 2016/2017 net rental income £202,014.60
- Average monthly net rent £420.86
- Rents are reviewed annually on the first Monday of April; one fair rent was due for re-registration on 14th January 2016, one is due on 17th December 2017 and the other two are due on 25th April 2018
- Social Housing Grant of £1,604,739.43 attached to the properties
- Guest accommodation is charged at £25 per night and the income is set off against the variable service charge, so residents benefit from the income
- Total floor area (flat internals and common parts) in 1-3 Highbury Terrace of almost 13,000 square feet (1,198m²)
- Total floor area (flat internals and common parts) in 85-89 Ronalds Road of over 11,500 square feet (1,073m²)

Nominations

There is a referral process as part of the Supporting People contract for the 33 Older Persons bedspaces, a copy of which is available in the Sales Prospectus. Crown Simmons offer 50% of nominations to the London Borough of Islington and ring fence the remaining vacancies for public sector/civil servants/ key workers, in line with founding origins of Crown Housing Association.

Supporting People

There is a Supporting People contract in place with London Borough of Islington. However, this is due to expire in 31st March 2017 and LBI have confirmed this will not be renewed.

Planning

1-3 Highbury Terrace is Grade II listed and the whole scheme is within the Highbury Fields Conservation Area. Further information is available in the Legal and Planning folders of the Sales Prospectus.

Stock Condition Survey Report

for

1-3 Highbury Terrace N5 1UP

85, 87 & 89 Ronalds Road London N5 1XQ

on behalf of

Crown Simmons Housing
First Floor
Aissela
46 High Street
Esher
Surrey
KT10 9QY

prepared by

Faithorn Farrell Timms LLP
Central Court
1 Knoll Rise
Orpington
Kent
BR6 0JA

Tel: [REDACTED]
Email: mattmeehan@effefftee.co.uk
Date: March 2016
Ref: T1-3582/Crown Simmons/Reports/FFT Highbury and Ronalds SCS Report
May 2016 Rev 1.docx

Contents

1 Introduction	3
2 Project Scope	4
3 Survey Sample	4
4 Main Component Condition	5
5 Energy Efficiency Profile	7
6 Financial Reporting	8

Appendices

A Limitations of Survey
B Asset List
C Condition Data Export
D Schedule of Rates
E Cost Summary Forecasts

1 Introduction

Faithorn Farrell Timms (FFT) was appointed by Crown Simmons Housing (CHS) in February 2016 to act in a consultancy capacity to support CHS in the disposal of 40 assets located within the Highbury and Ronalds Roads scheme in Islington, North London. The stock comprises of 18 x 1 bedroom flats and a 1 bedroom bungalow in Ronalds Road and 9 x 1 bedroom flats and 12 x bedsits/studios in Highbury Terrace.

The properties are all located on one corner plot bounded by Highbury Terrace and Ronalds Road. There are six blocks (three in Highbury Terrace and three in Ronalds Road) together with a communal lounge/bungalow facility. The scheme currently provides accommodation for residents over the age of 60.

The Highbury Terrace properties were constructed circa 1789 and are Grade II Listed. The Ronalds Road properties were constructed in 1985 to the rear of the site. The scheme is situated within the Highbury Fields Conservation area and enjoys an enviable position opposite the park.

Part of the brief included for the undertaking of a comprehensive survey sufficient to establish the condition of the portfolio offered for disposal. Furthermore, the survey was to estimate the likely financial liability of backlog and planned preventative (lifecycle) maintenance. This information was to be utilised to develop a robust valuation of the stock using EUV-SH methodology and to aid prospective purchasers of the stock in their development of their financial appraisal models and ultimately bids for the stock acquisition.

The scope of the stock condition survey part of the commission is summarised in section 2.0 below. The survey inspections were undertaken in April 2016.

This report is produced for the benefit of CHS. It is also provided for information purposes to bidders for the proposed stock disposal with which the survey report is associated. Subject to contract, the terms of our brief and the limitations included at **Appendix A**, we shall extend our duty of care to the named preferred bidder (housing association) acquiring the stock, but not to any funders or future successors in title.

2 Project Scope

In summary, the primary objectives of this survey commission were as follows:

- To project manage and deliver a comprehensive condition survey of the properties contained within the asset list (**Appendix B**).
- To programme, make arrangements for and resource the physical inspection of 100% of the blocks plus to target all dwellings for survey. It was recognised that not all residents would provide access; however, a representative sample of properties was required to provide a high degree of certainty of results.
- To design a survey form to:
 - Capture attribute and condition data in a standardised format sufficient to report on the extent of the estimated cost of backlog and planned preventative (life cycle) maintenance over the next 30 years.
 - Facilitate the assessment of the energy efficiency of the stock using RdSAP methodology and to produce Energy Performance Certificates (EPCs) for properties which did not already have an EPC.
- To utilise an electronic database to store all site collected data to facilitate interrogation, analysis and the production of reports in a range of output formats and in particular, spreadsheet based financial predictions for use by prospective bidders for the stock.

3 Survey Sample

This survey comprises a stock condition survey provided principally to give prospective bidders an overview of the profile of the portfolio and an appreciation of the condition of the properties. The survey was planned to maximise as far as possible (given limitations with access to occupied dwellings) the extent of inspection and representation within property groups.

Table 1: Survey Representation

Street	Asset Type	Survey Clo ne	Survey FFT	Grand tal To	% Physical ly Inspecte d
Highbury Terrace	Block		3	3	100%
Highbury Terrace	Flat	1	20	21	95%

Ronald's Road	Block		3	3	100%
Ronald's Road	Bungalow		1	1	100%
Ronald's Road	Flat	3	15	18	83%
Ronald's Road	Communal Lounge		1	1	100%
Totals		4	43	47	91%

As a result of close liaison with the residents by our Client, the scheme manager and the surveyor on site, we achieved a very high rate of access to dwellings. In order to provide a comprehensive overview of the condition and future maintenance liabilities for the disposal portfolio, we have provided 'cloned' information for properties not physically inspected based on the best match available from the inspected sample.

Accordingly, the database is a 100% populated dataset containing a mix of actual data from inspections and best approximation data from cloning. The source of data is identified in the asset list in **Appendix B** and furthermore within the data export at **Appendix C**.

Whilst every care has been taken to ensure the appropriateness of cloned data, it is inevitable that some variation may occur in the condition of properties, in particular internally, and the reader and prospective bidders should satisfy themselves as to the suitability of our assumptions.

Comprehensive records containing attribute and condition data at a component level are contained in the supplied stock condition survey data exports included at **Appendix C**.

4 Main Component Condition

Roof Coverings

The roof coverings to the Highbury Terrace properties are hidden from view behind the parapets and we could not gain access to inspect them. We have made the assumption that these coverings would have last had a major overhaul around the time of the redevelopment of the site when the Ronalds Road properties were constructed. The Ronalds Road properties have pitched roofs covered in artificial slate.

We have made financial allowances for the renewal of all roof coverings within the 30 year period.

External Walls

The external walls to the Highbury Terrace properties are constructed of solid brickwork with a mixture of fairfaced and smooth render finishes. We have noted cracks within the render to the rear of the buildings and we have therefore made an allowance for re-rendering. The nature of the cracking would need to be investigated once the render had been removed.

The external walls to the Ronalds Road properties are formed in brick cavity construction with a fair faced pointed finish. The external walls appeared in fair condition

commensurate with age but we have made a prudent allowance for repointing the elevations within the 30 year period.

Windows

The windows in the Highbury Terrace properties are single glazed timber sashes. These were last overhauled some 20 years ago and are in need of a further refurbishment in the short term. Due to the Listed status of the properties and the location within a conservation area, full replacement of the windows is unlikely to be approved. We have therefore made allowances for a conservation overhaul to preserve the character of the buildings.

The original timber frames to the windows in the Ronalds Road scheme remain but these have been retrospectively fitted with small air gap double glazed units. We understand from scheme representatives that this work was only carried out within the last few years.

This work and the additional weight of glazing have had a detrimental effect on some of the windows. Some casements are sagging and are twisted and in some cases the opening of windows is difficult. This is due to the distortion meaning the frames are now obstructed. We have made allowance for the replacement of the windows in their entirety with new double glazed units in the short term.

Kitchens

It is estimated that 33 of the 40 kitchens within dwellings have been replaced from 2010 onwards. There are 3 kitchens which are estimated to date to 1985 and then the remainder were replaced in 2005. There are also two communal kitchens which were replaced approximately two years ago.

Bathrooms

Similar to kitchens, a very high proportion of the bathrooms have been replaced in 2010 onwards and therefore, there is very little in the way of bathroom replacement works predicted for the short to medium term.

Heating

All properties are heated by means of individual gas fired boilers within each dwelling. With the exception of flat 12 in 2 Highbury Terrace which has a regular boiler, combination boilers are installed. Approximately 50% of the boilers are judged to be approaching the end of their life and we have made financial allowance for their replacement in the short term. The central heating radiators are generally estimated to date back to the scheme redevelopment in 1985 although there have been some isolated individual radiators replacements. We have therefore, made financial provision for the central heating distribution within each flat in the short to medium term.

Electrical Installations

The electrical installations are generally thought to date back to 1985 when the scheme underwent major refurbishment. However, many of the consumer units have been replaced within the last 5 to 6 years; most likely along with kitchen and bathroom upgrades. Whilst we have not performed any testing of the electrical installations, due to

the recent upgrades, we have no reason to suspect there will be a backlog of repairs. We have nevertheless, made allowance for a rewire in each flat within the 30 year period.

5 Energy Efficiency Profile

As part of the commission we have produced Energy Performance Certificates (EPCs) for the dwellings which did not already have one in place. EPCs for properties not physically inspected have been created by means of sampling/cloning in accordance with DCLG guidance. A record of the SAP Ratings and the source of data is included within the asset list at **Appendix B**. Whilst we are unable to take any liability for EPCs we have not prepared, we have included all ratings within the asset list and a copy of all certificates will be made available via our asset portal for download.

EPC ratings correspond to the Government's Standard Assessment Procedure (SAP) scale which assesses energy performance on a scale of 0 – 100 (with 100 being the most efficient). The ratings are also classified into bands A to G with band A being the most efficient.

Further analysis reveals:

- The average SAP rating for the Highbury Terrace properties is 65 which equates to Band 'D' efficiency.
- The average SAP rating for the Ronalds Road properties is 75 which equates to Band 'C' efficiency.
- The average SAP rating for the scheme as a whole is 70 which equates to Band 'C' efficiency.
- The lowest SAP rating returned was 52 which was for a top floor property located within Highbury Terrace. This property has a number of factors which will influence the low rating – solid brickwork external walls, single glazing and a gas central heating boiler which is not of the condensing variety. Also access could not be gained to loft space above the flat. Therefore, the Assessor would have to record 'As Built' and RdSAP software would have defaulted to the insulation levels prevalent at the time of construction i.e. no insulation would be assumed.
- It is important to clarify the financial allowances made in our summary costs in respect of the energy efficiency improvement recommendations contained with the EPCs:
 - Where the replacement of non-condensing central heating boilers is recommended, we have naturally made allowance for replacement with units of a condensing variety. However, we have not allowed for immediate replacement unless the current boiler was deemed to be at the end of its life on the basis of a condition assessment.
 - We have also made allowances for loft insulation top ups where appropriate.

- We have not made allowance for external or internal wall insulation for the Highbury Terrace properties. This would need to be subject to a more detailed feasibility due to the Listed status of the buildings.
- We have not made allowance for the installation of double glazing to the Highbury Terrace properties. This would need to be subject to a more detailed feasibility due to the Listed status of the buildings. However, we have made a significant allowance for an overhaul to the windows.
- We have not made allowance for the introduction of floor insulation as this is seldom practical with residents in occupation with fitted floor coverings in place.
- No low energy lighting fitting improvements are allowed for.

6 Financial Reporting

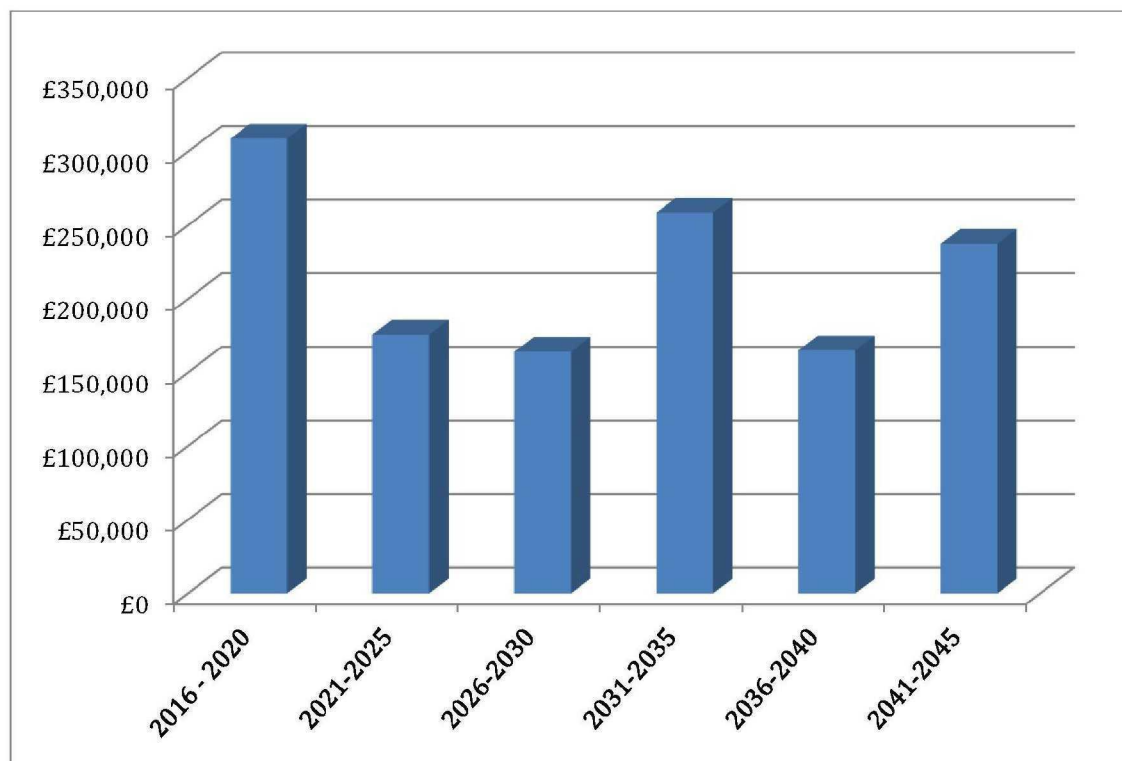
A copy of the condition data and schedule of rates and lifecycles used in the computation of our costs are included in **Appendices C and D** respectively.

The results of the survey indicate an estimated liability of **£1,310,169** over 30 years (2016-2045) for planned preventative maintenance to the rented flats (excluding Additional Contingent Major Works Allowances, Responsive Maintenance and Servicing, Procurement and on-costs). Our summary cost report is provided within **Appendix E**.

Over the 30 year forecast period the corresponding costs equate to a mean average of **£32,754 per property** (30 years) and **£1,092 per property per annum**.

Cost forecasts are calculated from the application of surveyed quantities to base costs rates and by using standard assumptions as to component life expectancies (lifecycles). Details of our assumptions are included at **Appendix D**. Actual costs will vary according to the procurement arrangements in place and the method of project delivery adopted by different organisations. Bidders should therefore review our stated assumptions to determine the suitability in comparison to their own established costs for planned lifecycle maintenance works.

Chart 1: 30 year expenditure profile



The chart illustrates that it is estimated that there shall be a reasonably high level of short term maintenance required when compared to year bands 6 to 10 and 11 to 15. Reference is made to section 4 above which identifies the main areas of component replacement that contribute to the short term work requirements.

For overall budgetary forecast purposes, we have also assessed the total future liability of the stock by extrapolation of benchmark level costs for Responsive and Cyclical Maintenance and Servicing, and Procurement / on-costs. Once again, bidders are reminded that they should assess the allowances made in line with their own in house arrangements.

With reference to **Appendix E**, the total forecasted future liability including these allowances and **inclusive of VAT at 20.0% equates to £2,619,249** and in turn this equates to a mean average cost of **£65,481 per dwelling** over 30 years, or **£2,183 per unit per annum**, inclusive of VAT at 20.0%.

We consider that these costs realistically represent both the current condition and the future maintenance liability of the scheme, based upon our recent experience of appropriate cost rates for component renewal in a planned maintenance procurement environment, and adopting industry standard component life-cycle assumptions.

With the application of asset management techniques it would, in our view, be possible to drive further efficiencies and reduce these costs by taking advantage of any competitive framework arrangements that may exist and also by taking more robust decisions on the timing of component renewals to achieve maximum value from components.

Please note all of the references to costs contained herein, unless specifically stated otherwise, are based on 2Q16 cost rates and are exclusive of any allowance for inflation.

Faithorn Farrell Timms LLP
May 2016

MEETING OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ("TMO") BOARD	
Agenda item 13: Budget Monitoring 2016/17 for period 11 ended 28th February 2017	
Status: Confidential/For Information	
Date: 30 March 2017	
Location: Boardroom 346 High Street Kensington	Time: 6:15pm

Author(s)	Name: Rupa Bhola	Assistant Director Finance
Date produced		
Synopsis	The purpose of this report is to update the Board on the financial position to the end of February 2017 of the Company, its subsidiary and the HRA against the budgets set for the 2016/17 financial year	
Requested outcome (s)	It is recommended that the Board note the report.	
Financial Implications/Resource Implications/VFM	This is the subject of the report.	
Link to business plan	Being competitive and increasing our income.	
Risk analysis		
Resident consultation	None required	
Equality Impact Assessment	None required	
Regulatory/ Legal requirements	The Board have legal responsibility of ensuring the organisation resources are used in accordance with the budget and business plan.	
Authority for decision	The Board has overall responsibility of monitoring the outturns against the annual budget.	
Appendices	7	
Total number of pages including appendices.	16	

BUDGET MONITORING 2016/17 - PERIOD 11 – February 2017

1. Purpose of Report

The purpose of this report is to update the Board on the financial position to the end of February 2017 of the Company, its subsidiary and the HRA against the budgets set for the 2016/17 financial year.

2. Summary

The Company budget reported in this paper is based on the 2016/17 annual budget.

The year to date result (shown in **Appendix 1**) as at the end of February 2017 was a £47k surplus compared to the budget of £1k.

The current forecast for the year shows a £62k surplus for the company, which is £61k above the original budgeted surplus set at the start of the year. However this is before consideration of Project Management costs. The forecast for Project Management costs for 2016/17 is £39k and therefore the overall position inclusive of this cost a £23k surplus.

There are a number of key items included in the forecast position. The TMO has received additional income from RBKC for two extra posts in the Capital Programme and an additional finance resource in finance. This additional income is entirely offset by the cost of the additional resources.

A further £60k recharges have been received from Repairs Direct. This was the result of an exercise undertaken at budget setting to identify more robustly the resource allocated to Repairs Direct within TMO departments.

The forecast carries an element of estimated costs in Other Costs where we have still not received full year breakdowns for some £75k of budgeted recharges from RBKC - this is currently forecast as per budget. While these are unlikely to be above budget or forecast, they may be lower resulting in an increased TMO surplus position.

Surplus/(Deficit)	Original Budget 16/17 £000's	Forecast 16/17 £000's
TMO Revenue Position	1	2
Project Management	-	39
RD Recharge (additional)	-	(60)
Overall Total	1	23

3. Income

Total forecast income for the year is £14,420k, £222k better than budget.

For the year to February total income was £221k better than budget. The full year forecast includes additional Capital Programme fee of £67k for two new posts. This income is offset by the cost of the additional staff. There is approximately £35k additional income for Community Alarm equipment rechargeable to RBKC and a further £25k from the new Supported Housing contract. Furthermore £30k funding from RBKC for ongoing issues with Agresso agreed till the end of March 2017. Other Income also includes £60k from Repairs Direct based on a process undertaken at budget setting to establish the true cost of staff time throughout TMO's department spent on Repairs Direct.

4. Expenditure

4.1 Staff Costs

Total Staff Costs for the year are forecast to be £10,133k, £20k above budget.

For the year to February, total salary and agency staff costs were £9,255k compared to the budget of £8,248k. This is £8k above budget to date. The additional costs arise from covering maternity and some additional staff costs that are offset by funding from RBKC of £67k and Capital Programme fee (mentioned above). Agency costs arise from the need to cover vacant posts, maternity and long term sickness.

4.2 Other Costs

The full year forecast for Other Costs is £4,249k, a forecast overspend of £140k compared to the budget. This variance arises mainly from the additional legal expenditure incurred outside the Service Level Agreement (SLA) with RBKC. We have now also been able to establish that spend with Tri-Borough Legal Services has been slightly lower than budget as we have now received a breakdown of legal services provided up to the end of January 2017. Overall legal costs are forecast to be £87k above budget.

Accommodation costs have been forecast higher reflecting a substantial increase in rent for two units at Network Hub. The TMO was only notified of these in January and these take effect from 1 January 2017. Options are currently being considered to challenge the increase however the cost of the increase for Q4, £20k has been included in the forecast and is expected to be covered from savings identified within the current years budgets.

CAS service costs are £29k higher due to additional equipment purchases. However this is rechargeable and this has been recovered through the additional income. Communication and Publication costs are higher with the increase in costs of Link magazine and costs for printing and mailing of tenant and leasehold statements and notifications. We will look to control these through a change in supplier for the Link magazine next year and

some work to combine and minimise print and mailing task to take better advantage of bulk discounts.

Service delivery costs are higher due to the costs of the Annual Residents conference. A higher turnout than all previous years a higher associated cost is to be expected. The appointment of new auditors in 2016/17 there is also expected to be a small increase the annual cost for the statutory audit and this has been forecast for the current year. Further additional expenditure has been incurred in cleaning costs for cleaning of community rooms and this has been built into the forecast.

Savings are being realised in depreciation and this along with the additional income generated have offset the additional commitments mentioned above.

Actual spend on Other Costs to February were £3,933k, £167k above budget as a number of annual SLAs have been paid in full to RBKC at the start of Q4 Action have also been taken to ensure costs remain within forecast to the end of the year.

5 Balance Sheet as at 28th February 2017 (Appendix 2)

- 5.1 Current Assets- trade debtors** – A decrease of £59k from the yearend balance.
- 5.2 Cash at bank and in hand** – An increase of £987k from the yearend balance. We are awaiting a number of charges for the final quarter of the year; these charges have been accrued for and will likely be charged in Q4. With a new treasury policy in place we are also making some interest income from from short term deposits utilising the cash balance.
- 5.3 Trade creditors** – A change of £244k since 31st March 2016. This increase is due to the timing of February's month end payment run which takes place in the first week of March.
- 5.4 Defined benefit pension scheme liability** – The value is based on the FRS17 report dated 31st March 2016.

6. Kensington & Chelsea TMO Repairs Direct

6.1 Summary

The Company's budget reported in this paper is based on the 2016/17 annual budget.

The year to date result (shown in **Appendix 3**) as at the end of February 2017 was a £142k surplus compared to the budget of £139k.

The current forecast for the year shows a £154k surplus for the company, which is £3k above the original budgeted surplus set at the start of the year.

Income to date is £33k below budget and this reflects the reduced income from the Paid for Services (PFS) pilot initiated in November 2016. The forecast has now been revised to £1k for the year from £56k that was originally set.

Staff costs remain below budget due to the vacancies in the earlier part of the financial year.

Subcontractor costs are forecast to be £158k over budget. This can be attributed to not having a full complement of operatives with the required trade mix and to continue relying on subcontractors for specialised works. It is the intention to bring more trades in house with the collaborative work of the Operations Manager and Commercial Manager. This is expected to create efficiency savings and a more consistent level of service to customers.

6.2 Profit and Loss (Appendix 3)

The year to date surplus is £142k which is in line with the budget and the projection of full year profit of £154k is expected to be delivered.

6.3 Income

Total income for the year to date is £5,422k, £33k below budget.

The income for responsive repairs is £39k ahead of the budget to date but is expected to fall back in line with the full year forecast.

The income for voids work is £29k ahead of budget due to a high number of recent completions and higher value of works.

Aids and Adaptations works are £98k below budget for the year to February 2017. The work has been commissioned and is expected to be

completed by year end. The delays in this work are due to the highly specialised nature and Repairs Direct has now agreed a specification with RBKC. The works are currently underway and once complete it will bring our overall income in line with budget for the year.

Paid for Services income is £242 and the forecast has now been reduced to £1k to reflect the minimal income expected for the current financial year.

6.4 Expenditure

6.4.1 Actual total People costs to date are £1,540k, £111k below budget.

Reliance on subcontractors has been more than expected due to the nature of works undertaken throughout the year. The management team have filled vacancies with permanent staff with the required skill sets and to achieve the right trade mix to maximise productivity of the operatives. This has started to reduce the burden on the agency budget.

6.4.2 Other costs are £3,741k, £75k above budget.

The majority of the adverse variance is caused due to subcontractor's costs which are £152k above budget. The variance arises from the reliance on subcontractors used to supplement operatives in areas where there was an urgency to complete outstanding jobs or where the nature of works required a specialist such as painting and decorating.

Material costs are £10k below budget. This is due to the higher than budgeted use of subcontractors which is inclusive of material costs for the works they carry out.

However, some of these adverse variances were off-set by savings in other areas such as ICT Service costs (£53k below budget) and vehicle costs (£19k below budget). Vehicle, fuel and services costs are below budget and have contributed to offset the adverse variances in this period.

6.5 Balance Sheet as at 28th February 2017 (Appendix 4)

Trade Debtors – An increase of £71k from the yearend balance. This is mainly due to the value of invoices for the month.

Cash at bank and in hand – A decrease of £160k from the yearend balance. The current balance stands at £11k.

Trade creditors – A decrease of £187k since year-end. Weekly payment runs ensure the creditors are paid in line with credit terms.

Loan from KCTMO – A decrease of £192k reflecting repayments made each month.

Appendix 5 attached shows a summary of the actual cash flow month by month for the period up to February 2017, and forecast for the full year. The Company is able to maintain a monthly cash balance of circa £100k. This assumes a total loan repayment to the TMO of £210k by the year end.

7. HRA Managed Budgets (Revenue) (Appendix 5)

7.1 Summary

The revised budget for 2016/17 is a net income of £39,282k, split between budgeted expenditure of £19,686k and budgeted income of £58,968k. The overall forecast is a net income of £39,428k, a £145k positive variance.

7.2 Expenditure

Forecasted expenditure has dropped by £726k, with the material variances explained below:

7.2.1 Responsive Maintenance has an underspend of £266k arising from:

Fire Risk Assessments – Savings of £110k achieved due to a proportion of the expected expenditure being identified as of a capital nature and therefore has been included in the Capital programme.

Building Repairs – Underspend of £214k mainly due to the following factors. Repairs Direct has renegotiated and re-procured specialist contractors thereby achieving higher than anticipated discounts for the works undertaken during the year. Also there has been a concerted effort to reduce subcontracted works and undertake more work by Repairs Direct's in house operatives which is included as part of the fixed overhead.

Voids – Higher spend of £28k reflecting the increased level of works required per void.

Door Entry & CCTV – Spend is forecasted higher by 30k due to increased repairs and callouts throughout the year

7.2.2 Planned Maintenance has an underspend of £100k due to the below variances:

Elderly Persons Decorations – Underspend of £30k due to the strict adherence to the guidelines and policies on allowable decorations within elderly resident properties.

Health & Safety – Underspend of £30k due to works undertaken during the year being of capital nature and as such being included within the Capital programme.

Drainage Works – Underspend of 30k due to the majority of works were a part of the responsive repairs undertaken. It is anticipated that this budget will be merged with responsive repairs from 2017/18 to allow better management of coding in Agresso.

7.2.3 Electricity, Heating & Hot Water - Expenditure on energy is predicted to be £201k less than was assumed in the revised budget. This relates to the continued lower consumption in the 10 months of billing received in this financial year and quantifies variations in energy billing compared to previous years after taking into account the effects of this year's price changes. This budget will be impacted further when the final 2 months of billing is received.

7.2.4 Provision for Bad and Doubtful debts – The forecast has been reduced by £177k to reflect the steady level of overall debt and the collection rates have remained consistent.

7.3 Income

Income will see a drop of £581k. The variances compared to revised budget are explained below:

7.3.1 Garage Leases Income – This income has been revised down to zero from £71k due to an ongoing dispute relating to works required prior to the commencement of the lease. This dispute may result in a small amount of income in 2016-17 which cannot be quantified at this stage and will be commented on further in the Outturn report.

7.3.2 Major Works – Income has been revised down by £521k. The variance is twofold; the first being due to works not proceeding at a number of properties for this year which in turn has meant cancellation of charges billed to homeowners. The second is due to historic final accounts being completed and applied to accounts which has reduced the level of income for the year.

8. HRA Managed Budgets (Capital) (Appendix 6)

8.1 Capital Programme

The Capital Programme is forecasted at £13m which remains unchanged from the revised budget. The programme requires a split between External Decorations and Capital Works to reflect revenue and capital spend, which

will be completed during year end and may result in variances on the actual spend. However overall outturn will be within the RBKC approved budgets.

Actual spend to February 2017, presented as £10.66m.

8.2 Regeneration and Hidden Homes

The total project budgeted and current forecast expenditure for the schemes listed is £969k. Actual total project expenditure to end of February was 239k.

9 HRA Debt (Appendix 7)

9.1 Tenant Debt – There is a decrease in the tenant debt balance of £35k. This is generally due to a timing difference between the posting of the rent debit and the posting of the Housing Benefit payment from RBKC being carried forward from the end of January 17 position.

9.2 Leaseholder Service Charges and Major Works – The overall debt has decreased by £324k (Service Charges a decrease of £249k, Major Works a decrease of £75k). This is due to the continued collection of debt prior to the next cyclical posting of debits on 25th March 2017.

10. Recommendation

The TMO Board is asked to note the contents of this report.

KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED

Appendix 1

Income and Expenditure Report for the month ended 28th February 2017

All figures in £000s					TOTAL YEAR				YEAR TO DATE			
DESCRIPTION	Budget (2016-17) £k	Forecast (Current Month) £k	Variance £k	% Variance	Budget (2016-17) £k	Actual £k	Variance from Budget £k	% Variance				
Management Fees	10,900	10,920	20	0%	9,992	10,011	20	0%				
Capital Programme Fee	849	916	67	8%	779	837	58	7%				
CAS Income	486	522	35	7%	446	474	29	6%				
Legal Costs Recovered	275	275	(0)	-0%	252	270	18	7%				
Other Income	1,208	1,317	109	9%	1,107	1,203	96	9%				
Digital TV Income	480	471	(9)	-2%	440	441	1	0%				
TOTAL INCOME	14,198	14,420	222	2%	13,015	13,236	221	2%				
Staff Salaries	(9,828)	(9,191)	636	6%	(9,009)	(7,981)	1,028	11%				
Agency costs	0	(603)	(603)	-100%	0	(984)	(984)	-100%				
Staff Related Costs	(261)	(315)	(54)	-21%	(239)	(290)	(51)	-21%				
TOTAL PEOPLE COSTS	(10,089)	(10,109)	(20)	-0%	(9,248)	(9,255)	(7)	-0%				
Accommodation	(775)	(804)	(29)	-4%	(710)	(745)	(35)	-5%				
CAS Service Costs	(85)	(114)	(29)	-35%	(77)	(108)	(30)	-39%				
Communication & Publication	(122)	(150)	(27)	-22%	(112)	(130)	(18)	-16%				
Consultants	(139)	(112)	27	19%	(127)	(108)	20	15%				
Depreciation	(383)	(301)	82	22%	(351)	(281)	70	20%				
Digital TV	(480)	(470)	10	2%	(440)	(440)	0	0%				
Facilities Costs	(135)	(134)	1	1%	(124)	(111)	12	10%				
ICT Service Costs	(720)	(750)	(30)	-4%	(660)	(679)	(18)	-3%				
Legal Costs (Non SLA)	(320)	(427)	(107)	-33%	(293)	(390)	(96)	-33%				
Legal Costs (SLA)	(260)	(240)	20	8%	(238)	(225)	13	6%				
Service Delivery	(403)	(461)	(58)	-14%	(370)	(424)	(55)	-15%				
SLA Costs (excluding Legal)	(287)	(288)	(1)	-0%	(263)	(293)	(30)	-12%				
TOTAL OTHER COSTS	(4,109)	(4,249)	(140)	-3%	(3,766)	(3,933)	(167)	-4%				
Surplus/(Deficit) before Tax and Project Management	1	62	61	6073%	1	47	47	5916%				
Project Management Costs (Reserves)	0	(39)	(39)	-100%	0	(33)	(33)	-100%				
Surplus/(Deficit) before Tax inc Project Management	1	23	22	-100%	1	14	14	-100%				

KENSINGTON & CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED

Appendix 2

BALANCE SHEET as at 28th February 2017

	As at 28th Feb 2017 £k	As at 31st Mar 2016 £k	Movement £k
BALANCE SHEET			
FIXED ASSETS			
Tangible & Intangible Assets	671	853	(182)
Investment In Repairs Direct	432	623	(192)
	<u>1,102</u>	<u>1,476</u>	<u>(374)</u>
CURRENT ASSETS:			
Trade debtors	19	77	(59)
Other debtors	1,300	1,283	17
Corporation Tax Debtor	-	22	(22)
Prepayments and accrued income	301	581	(280)
Cash at bank and in hand	2,666	1,679	987
	<u>4,286</u>	<u>3,642</u>	<u>643</u>
LIABILITIES:			
Trade creditors	643	399	244
Corporation Tax Creditor	0	-	0
Other taxes and social security	30	172	(142)
Other creditors	0	182	(183)
Accruals and deferred income	1,192	855	337
	<u>1,864</u>	<u>1,609</u>	<u>255</u>
NET CURRENT ASSETS	2,422	2,034	388
NET ASSETS	3,524	3,510	14
Defined benefit pension scheme liability	(6,408)	(6,408)	-
TOTAL NET LIABILITIES	<u>(2,884)</u>	<u>(2,898)</u>	<u>14</u>
CAPITAL AND RESERVES:			
Reserves brought forward	3,510	3,510	-
Surplus/(deficit) for the year	14	-	14
	<u>3,524</u>	<u>3,510</u>	<u>14</u>
Defined benefit pension scheme liability	(6,408)	(6,408)	-
Members' funds	<u>(2,884)</u>	<u>(2,898)</u>	<u>14</u>

KENSINGTON & CHELSEA TMO REPAIRS DIRECT LIMITED
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 28th February 2017

APPENDIX 3

Amounts in £'000s	TOTAL YEAR				YEAR TO DATE			
DESCRIPTION	Budget 2016-17 £k	Forecast £k	Variance £k	% Variance	Budget to date 2016-17 £k	Actual YTD £k	Variance from Budget £k	% Variance
	A	C	D (C-A)	E(D/A)	I	J	K(J-I)	E(K/I)
Responsive Repairs (DTD) Income	3,500	3,505	4	0%	3,208	3,248	39	1%
Capital Income	1,400	1,400	(0)	-0%	1,283	1,283	(0)	-0%
Voids Income	650	700	50	8%	596	625	29	5%
FRA Works	220	250	30	100%	202	246	44	100%
Aid & Adaptations Income	125	125	(0)	-0%	115	17	(98)	-85%
Leasehold Income	56	1	(55)	-98%	51	0	(51)	-100%
Other Income	0	3	3	0%	0	3	3	100%
TOTAL INCOME	5,951	5,984	32	1%	5,455	5,422	(33)	-1%
Staff Salaries	(1,448)	(1,409)	38	3%	(1,327)	(1,238)	89	7%
Agency costs	(300)	(260)	40	13%	(275)	(236)	39	14%
Staff Related Costs	(53)	(65)	(11)	-21%	(48)	(66)	(17)	-35%
TOTAL PEOPLE COSTS	(1,800)	(1,734)	68	4%	(1,650)	(1,540)	111	7%
Accommodation	(20)	(20)	0	0%	(19)	(19)	0	0%
Communication & Publication	(23)	(7)	16	68%	(21)	(0)	21	100%
Consultants	(10)	0	10	100%	(9)	0	9	100%
Depreciation	(92)	(75)	17	18%	(84)	(69)	15	18%
Corporate Insurance	(12)	(12)	(0)	-3%	(11)	(11)	(0)	-3%
ICT Service Costs	(172)	(112)	60	35%	(157)	(104)	53	34%
Legal Costs (Non SLA)	(14)	(8)	6	41%	(13)	(4)	9	66%
Service Delivery	(17)	(19)	(2)	-14%	(16)	(19)	(3)	-21%
Salary Recharges from TMO	(411)	(471)	(60)	-15%	(377)	(432)	(55)	-15%
Subcontractor Costs	(2,542)	(2,700)	(158)	-6%	(2,330)	(2,482)	(152)	-7%
Materials Costs	(478)	(467)	11	2%	(438)	(428)	10	2%
Vehicles Costs	(209)	(204)	5	2%	(191)	(172)	19	10%
TOTAL OTHER COSTS	(3,999)	(4,096)	(97)	-2%	(3,666)	(3,741)	(75)	-2%
Surplus/(Deficit) before Tax	151	154	3	2%	139	142	3	2%

KENSINGTON & CHELSEA TMO REPAIRS DIRECT LIMITED
BALANCE SHEET as at 28th FEBRUARY 2017

Appendix 4

Description	As at 28th Feb 2017 £k	As at 31st Mar 2016 £k	Movement £k
FIXED ASSETS			
Tangible assets	125	180	(55)
CURRENT ASSETS			
Trade debtors	593	522	71
Other debtors	0	0	(0)
Prepayments and accrued income	19	51	(33)
Stock	7	7	0
Cash at bank and in hand	11	170	(160)
	629	750	(121)
LIABILITIES			
Trade creditors	50	237	(187)
Other taxes and social security	158	90	67
Corporation Tax	-	41	(41)
Other creditors	-	-	0
Accruals and deferred income	65	24	40
	273	393	(121)
NET CURRENT ASSETS	356	357	(1)
NET ASSETS	481	537	(56)
Loan from KCTMO	284	476	(192)
Deferred Tax Liability		6	(6)
TOTAL NET LIABILITIES	197	55	142
CAPITAL AND RESERVES			
Reserves brought forward	55	55	0
Surplus / (deficit) for the year	142	-	142
	197	55	142

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED

HRA - EXPENDITURE MONITORING REPORT
FOR THE PERIOD ENDING 28th February 2017

Appendix 5

Amounts in £000's	TOTAL YEAR				YEAR TO DATE			
HRA MANAGED BUDGETS	Budget 2016/17 (Revised) £k	Forecast (Current Month) £k	Variance From Budget £k	% Variance	Budget 2016/17 (Revised) £k	Actual £k	Variance From Budget £k	% Variance
	A	B	E (B-A)	F (C/B)	A	C	E (B-A)	F (C/B)
Dwelling Rents	43,514	43,514	0	0%	39,888	39,632	(256)	-1%
Tenant Service Charges	4,555	4,555	0	0%	4,175	4,175	(0)	-0%
Leaseholder Service Charges	5,149	4,628	(521)	-10%	4,720	4,369	(351)	-7%
Heating & Hot Water Charges	1,634	1,634	0	0%	1,498	1,526	28	2%
Commercial Properties Rent Income	3,262	3,191	(71)	-2%	2,990	2,589	(402)	-13%
Garage Rent Income	850	850	0	0%	779	775	(4)	-1%
Other Charges for Services & Facilities	4	15	11	275%	4	14	10	276%
Supporting People Contract Income	0	0	0	0%	0	0	0	0%
Total Income	58,968	58,388	(581)	-1%	54,054	53,078	(976)	-2%
Rents, Rates, Taxes & Other Charges	(171)	(171)	0	0%	(157)	(242)	(86)	-55%
Planned Maintenance	(5,449)	(5,349)	100	2%	(4,995)	(2,513)	2,482	50%
Responsive Maintenance	(5,832)	(5,566)	266	5%	(5,346)	(4,729)	617	12%
Planned Responsive Repairs	(100)	(112)	(12)	-12%	(92)	(26)	66	71%
Electricity, Heating & Hot Water	(2,783)	(2,582)	201	7%	(2,551)	(1,123)	1,428	56%
Provision for Bad and Doubtful Debts	(500)	(323)	177	35%	(458)	0	458	100%
Legal Costs	(220)	(220)	0	0%	(202)	0	202	100%
Contract Cleaning	(2,667)	(2,667)	0	0%	(2,444)	(2,266)	178	7%
Pest Control	(252)	(252)	0	0%	(231)	(191)	40	17%
Refuse Collection	(160)	(160)	0	0%	(147)	(154)	(7)	-5%
General Management	(637)	(643)	(6)	-1%	(584)	(615)	(32)	-5%
Supporting People Expenditure	(252)	(252)	0	0%	(231)	(210)	21	9%
Digital TV Costs	(465)	(465)	0	0%	(426)	(148)	278	65%
Area Revenue Works	(199)	(199)	0	0%	(183)	(252)	(69)	-38%
Total Expenditure	(19,686)	(18,960)	726	4%	(18,045)	(12,470)	5,575	31%
Transfer To/From Reserves (HRA)	0	0	0	0%	0	0	0	0%
Net Income/(Expenditure)	39,282	39,428	145	0%	36,009	40,608	4,599	13%

KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED
HRA - CAPITAL PROGRAMME MONITORING
Capital Programme 2016/17

APPENDIX 6

Amounts in '000s		TOTAL YEAR		YEAR TO DATE
PROJECT NAME		Revised Budget 2016-17 £	Forecast (Current Month) £	Actual to 28th Feb £
Internals (Kitchens, Bathrooms, Electrics)		4,534,125	5,312,910	4,589,504
Externals (Roofs, Windows)		2,958,085	2,725,896	2,079,049
(FR) Major Aids And Adaptations		200,000	-	-
(FR) Walnut Tree House - Waterproofing		220,928	247,108	158,018
(FR) Holmefield House - Pipework Renewal		150,000	11,359	11,359
(FR) Trellick Tower - Phase 7 - External Fabric		1,326,326	211,447	281,814
Aids And Adaptations (Non Framework) - PM		300,000	1,128,432	1,029,763
18 Pembridge Square - Structural Works		-	18,654	3,654
Communal Electrics Upgrades		250,000	75,000	65,376
Lift Renewal Programme		100,000	90,000	7,777
Environmental Improvements		500,000	250,000	32,688
Lowerwood Court Boiler Renewal		400,000	360,000	358,373
Capitalised Repairs & Major Voids		1,404,536	1,404,536	1,368,321
Commercial Properties		100,000	18,823	18,823
Professional Fees		350,000	668,238	268,272
Communal Plant Renewal		-	-	-
Adair & Hazelwood (Flat Entry And Communal Areas)		206,000	206,000	209,634
Door Entry Systems			17,450	17,450
Fire Risk Assessments			38,236	35,050
Individual Boiler Replacements			100,558	77,558
Lancaster West Garage Doors			- 91,469	- 91,469
Adair Tower - Fire Reinstatement Works			150,392	150,392
Community Room Refurbishments			- 13,519	- 13,519
GRAND TOTAL		13,000,000	12,930,051	10,657,887

Amounts in '000s		TOTAL PROJECT		
REGENERATION AND HIDDEN HOMES		TOTAL PROJECT BUDGET 16/17 £	TOTAL PROJECT FORECAST £	TOTAL PROJECT TO DATE £
Regeneration - Grenfell Tower		449,000	449,000	154,285
Hidden Homes - Homefield House		41,000	41,000	3,591
Conversion - 91 Tavistock Crescent		146,000	479,000	81,207
TOTAL		636,000	969,000	239,083

THE ROYAL BOROUGH KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED
HRA DEBT POSITION

APPENDIX 7

	Description		Last 3 Years			CURRENT YEAR				
			End Mar	End Mar	End Mar	End July	End Sep	End Oct	End Jan	End Feb
			2014	2015	2016	2016	2016	2016	2017	2017
			£	£	£	£	£	£	£	£
	Tenant		1,641,700	1,130,088	944,430	1,129,040	1,430,147	1,411,617	1,660,081	1,635,381
	Leasehold - Service Charges		1,344,666	1,397,316	1,293,623	902,486	1,449,903	911,516	794,738	545,987
	Leasehold - Major Works		1,478,768	986,688	1,527,959	1,468,454	1,703,614	1,584,668	1,408,689	1,333,840
	Total Debt		4,465,134	3,514,091	3,766,012	3,499,980	4,583,663	3,907,801	3,863,508	3,515,208

Current Payment Plans At 28th February 2017

Leasehold - Service Charges	170,219
Leasehold - Major Works	796,791
Total	£967,010

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('The Company')		
Agenda item 14: Capital Programme Update		
Status: Confidential/Decision		
Date: 30 March 2017		
Location: Boardroom 346 High St Kensington		Time: 6:15pm
Author(s)	Peter Maddison	Director of Assets and Regeneration
Date produced	23 March 2017	
Synopsis	<p>An update on the</p> <ul style="list-style-type: none"> • Capital Programme 2016/17 • External Repairs and Redecoration Programme (South) 2016-17 • Capital Programme 2017-18 • Capital Programme 2018-19 and beyond 	
Requested outcome (s)	<p>It is recommended that the Board consider the report and pass the following resolution.</p> <p>"THAT the Board RESOLVED TO note the contents of the report.</p>	
Financial Implications/Resource Implications/VFM	<p>The cost in relation to the Framework Agreement is within the budget of the Company. There are no costs on the Company arising from the entry into the Framework Agreement..</p>	
Link to business plan	<p>In line with the 2014 -2017 business plan, the effective procurement and delivery of the Capital and Planned Maintenance programmes respond to the Business Plan priorities to:</p> <ul style="list-style-type: none"> • Invest to make great homes and communities • Deliver excellent, good value services 	
Risk analysis	<p>There is a risk in the recovery of leaseholder charges where costs vary significantly from the estimate detailed in the formal Section 20 consultation.</p>	
Resident consultation	<p>Leaseholders are required to be issued with Section 20 notices before the entry into the Framework Agreement pursuant the Landlord and Tenant Act 1985.</p>	
Equality Impact Assessment	n/a	
Regulatory/Legal requirements	<p>The Companies Act 2006 provides that the Board of Directors has the duty of to promote the success of the Company including managing the relationship with its stakeholder, RBKC</p>	
Authority for decision	<p>The Board is required to authorize the grant of contracts above the value of £1m</p>	
Appendices	2	
Total number of pages including appendices.	5	

1. **Capital Programme 2016-17**
 - 1.1 The approved capital budget for 2016-17 is £13m.
 - 1.2 Spend to the end of February was £10,520,731. Full spend of the £13m budget is anticipated by the end of March 17.
 - 1.3 Appendix 1 gives a detailed breakdown of the current commitments against the capital programme. This breakdown is now presented at each Operations Committee to track progress on the programme.
2. **External Repairs and Redecoration Programme (South) 2016-17**
 - 2.1 On 31st March 2016, KCTMO Board resolved to agree and approve works orders with Keepmoat Regeneration Limited in respect of external works to be undertaken in the South Area of the Borough in the sum of £5,646,430 (inclusive of fees).
 - 2.2 Board also agreed to “authorise any two Executive Directors, or an Executive Director and the Company Secretary to execute all and any task orders in respect of external works to be entered further to the contract of works by and between the Company, Keepmoat Regeneration Limited, [and Wates Living Space Limited respectively], for and on behalf of the Company.”
 - 2.3 To date Executive Team has approved Task Orders for the South Area External Repair and Redecoration Programme within the level of the approval agreed with Board. Spend to the end of February 2017 against these task orders was £1,437,222 and the projected outturn based on current commitments is £4,479,283.
 - 2.4 One of the task orders authorised as part of this programme is for the Thomas More Estate which was approved in August 2016 with a value of £1,117,626 (inclusive of fees). Work started on site in September 2016 and spend to the end of February 2017 was £308,281.
 - 2.5 When scaffold was erected on the estate it became clear that the condition of the windows meant that the scope of repair work required was much greater than the “ease and adjust” that had been specified in the initial scope. A full overhaul was required on most windows e.g. sash cord renewal, reglazing, repair of rotten wood, renewal of ironmongery. This increase in scope of work will increase the cost of work significantly and the task order value has been revised to £1,904,412 (as detailed in Appendix 1). This change presents some risk relating to the recovery of leasehold charges in relation to the increased value. Options for mitigating this risk are currently being considered.
 - 2.6 Under the terms of the contract regulations (14.01b) the Executive Team is authorised to agree variations to the contract. In light of the increased work specified, the Executive Team has reviewed and approved the variation to the original Task Order.

3. **Capital Programme 2017-18**

- 3.1 The capital budget for 2017-18 is £16m. In addition to the capital budget there is an approved revenue budget of £3m for External Repair and Redecoration.
- 3.2 The schedule in Appendix 1 of this report shows that a considerable proportion of the budget is already committed with £14.7m already committed against the £19m capital and revenue totals.
- 3.3 The table in Appendix 2 gives a summary breakdown of projected capital spend against the budget.

4. **Capital Programme 2018-19 and beyond**

- 4.1 The indicative planning figure for the capital budget is currently £10m per annum. RBKC have asked KCTMO to consider options for an increased level of expenditure that might be funded from HRA reserves.
- 4.2 We are currently considering options for an increased programme with a view to building this into the business planning and budget setting process in Autumn 2017. We are currently reviewing and considering options with likely priorities being:
- The continuation of the External Repair & Renewal Programme (including window renewals)
 - Continuation of the lift renewal programme.
 - The upgrade of Communal Plant to a modern standard.
- 4.3 Further details of the proposals and options will be presented to Board Members over the summer.

Capital Programme 2017-18	
Project Name	Projected Spend 17-18
Internals (Kitchens, Bathrooms, Electrics)	400,000
Externals (Roofs, Windows)	5,247,079
Trellick Tower - External Fabric	6,167,421
Aids And Adaptations	500,000
Lift Renewal Programme	2,000,000
Environmental Improvements	250,000
Capitalised Repairs & Major Voids	1,135,500
Commercial Properties	100,000
Professional Fees	200,000
Total:	16,000,000

		PERIOD: TO END Febuary 2017		GOVERNANCE		PROGRAMME		FINANCIALS					
	PROJECT DESCRIPTION	Task Order - approval	Task Order - Approved Value "A"	Start	Finish	Actual Spend For 2015-16 "B"	Spend To Date - 2016-17 [As At End Feb'17]	Projected Spend To Go For 2016-17	Forecast Year Outturn 2016-17	Projected Carryover Spend For 2017-18 "D"	Projected Total Programme Cost "X" (B+C+D)	Adverse Variance - Projected Spend Vs Approval "(A) vs X"	
Framework			£			£	£	£	£	£	£	£	
Budget Line FR FR Internals						£6,950,467	£4,589,504	£723,406	£5,312,910				
Sub Budget Lines	South Keepmoat - INTERNAL WORKS (Kitchens, Bathrooms, Electrics, Heating)	July 2015	£4,700,000	July 15	Jan 17	£2,956,524	£1,580,735	£162,741	£1,743,476	£0	£4,700,000		
Sub Budget Lines	North Wates - INTERNAL WORKS (Kitchens, Bathrooms, Electrics, Heating)	July 2015	£7,180,000	July 15	Mar 17	£3,765,658	£2,644,472	£560,665	£3,205,137	£0	£6,970,795		
Sub Budget Lines	Internals Staff Salary Recharges		£0			£228,285	£364,297	£0	£364,297	£0	£592,582		
Budget Line FR FR External Repairs And Redecoration						£198,877	£2,079,046	£1,372,643	£4,691,760				
Sub Budget Lines	South Keepmoat - CAPITALISED EXTERNAL REPAIRS AND REDECORATION	March 2016	£5,646,000			£77,144	£1,493,034	£391,282	£3,140,139	£1,000,414	£4,217,697	£1,428,303	
FR South Task Order	Sub total of task orders		£4,543,036			£0	£817,125	£2,190,119	£3,140,139	£1,000,414	£4,140,553		
FR South Task Order	TO 1 - FRA Works At Cremorne Estate	June 2016	£377,626	Aug 16	Jan 17	£0	£0	£377,626	£377,626	£0	£377,626		
FR South Task Order	TO 1 - Cremorne Estate: External Works	March 2016	£1,374,492										
FR South Task Order	TO 1a - Cremorne Estate Commnals Decorations	August 2016	£157,040	Sept 16	Nov 16	£0	£95,396	£31,604	£127,000	£0	£127,000		
FR South Task Order	TO 1b - Cremorne Estate Pipework Investigation, Report And Drawings	October 2016	£19,487	Nov 16	Nov 16	£0	£13,993	£6,007	£20,000	£0	£20,000		
FR South Task Order	TO 2 - Adair Tower & Notting Hill Library	TBA	£354,951	Jun 16	Nov 16	£0	£0	£300,000	£300,000	£0	£300,000		
FR South Task Order	TO 3a - CCTV Survey To CMC RWGs	July 2016	£802	Aug 16	Sept 16	£0	£0	£1,000	£1,000	£0	£1,000		
FR South Task Order	TO 3b - Sample Decorations	August 2016	£2,182	Sept 16	Oct 16	£0	£0	£2,000	£2,000	£0	£2,000		
FR South Task Order	TO 4 - Thomas Moore Estate External And Communal Cyclical Works	August 2016	£1,117,626	Sept 16	Mar 17	£0	£308,281	£1,101,717	£1,409,998	£494,414	£1,904,412	-£786,786	
FR South Task Order	TO 5 - Lucan Estate Externals And Communal Cyclical Works	August 2016	£725,876	Oct 16	Feb 17	£0	£399,455	£253,545	£653,000	£72,000	£725,000		
FR South Task Order	TO 6 - Lots Road External And Communal Cyclical Works	January 2017	£104,477	Mar 17	Apr 17	£0	£0	£69,000	£69,000	£35,000	£104,000		
FR South Task Order	TO 9 - Holland Road External And Communal Cyclical Works	December 2016	£234,620	Feb 16	Apr 17	£0	£0	£47,620	£47,620	£187,000	£234,620		
FR South Task Order	TO 11 - 61 Christchurch Street/35 Edith Grove		£73,857			£0	£0	£0	£0	£212,000	£212,000		
Sub Budget Lines	South Externals PROFESSIONAL FEES						£543,014						
Sub Budget Lines	South Externals Staff Salary Recharges		£0			£0	£132,895	£0	£132,895	£0	£132,895		
Sub Budget Lines	North Wates - CAPITALISED EXTERNAL REPAIRS AND REDECORATION	March 2016	£5,260,430			£121,733	£586,012	£981,361	£1,551,621	£1,286,000	£2,959,354		
FR North Task order	Sub total of task orders		£3,098,000			£0	£469,503	£981,361	£1,551,621	£1,286,000	£2,736,864		
FR North Task order	TO 1 - Clare Gardens, St Quintin, Clydesdale, Kelfield, Dalgarno	June 2016	£803,000	Sept 16	Dec16	£0	£469,503	£225,361	£694,864	£25,000	£719,864		
FR North Task order	TO 2A - Remaining Properties On Oakworth And Methwold Road	December 2016	£732,000	Jan 17	Apr 17	£0	£0	£332,000	£332,000	£200,000	£532,000		
FR North Task order	TO 2B - Remaining Properties On Oakworth And Methwold Road	Awaiting	£287,000	Mar 17	Apr 17	£0	£0	£84,000	£84,000	£203,000	£287,000		
FR North Task order	TO 3 - St Marks, Hill Farm Road, Penzance, Elgin, Holmefield, Portland	Awaiting	£629,000	Mar 17	Apr 17	£0	£0	£51,000	£51,000	£499,000	£550,000		
FR North Task order	TO 4 - 2015-6 Programme Not Given to FWA: 29 Chepstow, 1, Clydesdale Road, 9 11-12 Colville, Gaisworthy House, 91 Oxford, 375 Portobello, 83 Princeadale, 69 St Quintin	December 2016	£647,000	Jan 17	Apr 17	£0	£0	£289,000	£289,000	£359,000	£648,000		
Sub Budget Lines	North Externals PROFESSIONAL FEES						£15,752						
Sub Budget Lines	North Externals Staff Salary Recharges		£0			£0	£100,757	£0	£100,757		£100,757		
Budget Line FR Wates - TRELICK TOWER		TBC	£7,500,000			£79,364	£175,250	£36,197	£211,447	£6,111,543	£6,402,353		
Sub Budget Lines	Trellick Staff Salary Recharges					£0	£106,564	£0	£106,564				
Budget Line FR TBC - FAIRHURST WARD ABBOT - ADAIR TOWER (FIRE REINSTATEMENT WORKS)		March 2014	£3,048,542	-	-	£154,876	£150,392	£0	£150,392	£800,000	£1,105,268		
Budget Line FR Keepmoat - COMMERCIAL GARAGES - WALNUT TREE HOUSE - WATERPROOFING		August 2016	£221,000	Aug 16	Mar 17	£8,400	£158,018	£89,090	£247,108	£0	£255,508		
Budget Line FR (TBC) COMMERCIAL GARAGES - HOLMEFIELD HOUSE - PIPEWORK RENEWAL		TBC	TBC	TBC	TBC	£12,000	£11,359	£0	£11,359	£150,000	£173,359		
Budget Line FR CREMORNE ESTATE - FIRE STOPPING		TBC	TBC	TBC	TBC	£3,000	£0	£0	£0	£0	£3,000		
Budget Line FR FRINSTEAD HOUSE		na	na	TBC	TBC	£0	£0	£20,000	£20,000	£0	£20,000		
Budget Line FR (TBC) 18 PEMBRIDGE SQUARE - STRUCTURAL WORKS		na	na	TBC	TBC	£7,965	£3,654	£15,000	£18,654	£0	£26,619		
Budget Line FR PROFESSIONAL FEES		na	na			£158,176	£268,272	£399,966	£668,238	£600,000	£1,426,414		
Non Framework													
Budget Line Invicta Building Services - LOWERWOOD COURT BOILER RENEWAL		March 2016	£404,000	Jun 16	Nov 16	£952	£358,373	£1,627	£360,000	£0	£360,952		
Budget Line Guideline Lifts - LIFT RENEWAL PROGRAMME		October 2016	£4,108,687	Dec15	Mar 19	£100,466	£7,777	£82,223	£90,000	£2,000,000	£2,190,466		
Budget Line RMA Stewart - COMMUNAL ELECTRICS UPGRADES		na				£47,821	£65,376	£9,624	£75,000	£0	£122,821		
Budget Line DOMESTIC ELECTRICS						£121,419	£0	£0	£0				
Budget Line COMMUNAL HEATING UPGRADES						£52,845	£0	£0	£0				
Budget Line Repairs Direct - ADAIR & HAZELWOOD - COMMUNAL AREAS & FLAT ENTRY DOORS		na				£0	£209,634	£0	£209,634	£0	£209,634		
Budget Line Repairs Direct - CAPITALISED REPAIRS & MAJOR VOIDS		na				£1,055,089	£1,368,321	£36,215	£1,404,536	£1,404,536	£3,864,161		
Budget Line Repairs Direct & Framework - AIDS & ADAPTATIONS		na				£857,651	£1,029,763	£98,669	£1,128,432	£500,000	£2,486,083		
Budget Line Various - ENVIRONMENTAL IMPROVEMENTS		na				£643,367	£32,688	£217,312	£250,000	£500,000	£1,393,367		
Budget Line Various - COMMERCIAL PROPERTIES		na				£60,645	£18,823	£0	£18,823	£100,000	£179,468		
Budget Line COMMUNITY ROOM REFURBISHMENTS						£160,459	-£13,519	£0	-£13,519				
Budget Line DOOR ENTRY SYSTEMS - UPGRADE						£74,919	£17,450	£0	£17,450				
Budget Line 155 Notting Hill Boundary Wall						£695	£0	£0	£0				
Budget Line FIRE RISK ASSESSMENTS						£119,419	£35,050	£3,186	£38,236				
Budget Line INDIVIDUAL BOILER REPLACEMENTS						£100,747	£77,558	£23,000	£100,558				
Budget Line LANCASTER WEST - GARAGE DOORS						£93,057	-£91,469	£0	-£91,469				
Budget Line LANCASTER WEST - REPLACEMENT OF BOILER CHIMNEY						£180,364	£0	£0	£0				
Budget Line 70 TAVISTOCK CRESCENT			£8,985			£0	£0	£0	£0				
Budget Line CAPITALISED EXTERNAL REDECORATION PROGRAMME 2013/14 (North)						£69,672	£0	£0	£0				
Budget Line PROJECTS COMPLETE/IN DLP						£56,884	£0	£0	£0				
Budget Line Miscellaneous Further Commitments						£0	£0	£200,000	£200,000	£0	£200,000		
TOTAL PROJECT SPEND	Total Project Spend					£11,141,313	£10,657,884	£4,203,932	£14,861,816	£14,452,493			
Revenue Contribution	Revenue contribution to externals program						-£137,153		£2,000,000				
TOTAL CAPITAL SPEND	Total Capital Spend						£10,520,731		£12,861,816				
Hidden Homes & Regeneration													
Budget Line 91 TAVISTOCK CRESCENT (Conversion Works)			£718,479			£4,000	£81,207						
Budget Line GRENELL TOWER						£6,004,000	£154,285						
Budget Line HIDDEN HOMES - HOLMEFIELD HOUSE						£6,000	£3,591						
Budget Line HIDDEN HOMES - WHISTLER WALK						£506,000	£0						
Budget Line Miscellaneous Further Commitments		TBC	TBC	TBC	TBC	£0	£0			£0	£0		
TOTAL PROJECT SPEND	Total Project Spend					£6,520,000	£239,083	£0	£0	£0	£0		

MEETING OF THE BOARD OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION LIMITED ('The Company')		
Agenda item 15: KCTMO Corporate Risk Map 2017/2018		
Status: Closed/ For Decision		
Date: 30 March 2017		
Location: 346 High St Kensington		Time: 6:15pm
Author(s)	Janet Seward	Policy Adviser 020 7605 6350
Date produced	20 March 2017	
Synopsis	The report is to present the Corporate Risk Map for 2017/2018 as recommended by the Finance, Audit and Risk Committee	
Requested outcome (s)	It is recommended that the Board pass the following resolution: "The Board RESOLVED TO adopt the Corporate Risk Map proposed to it by the Finance, Audit & Risk Committee."	
Financial Implications/Resource Implications/VFM	Existing resources.	
Link to business plan	All parts of the Business Plan apply.	
Risk analysis	The monitoring of the risks and the risk management functions in the Company is essential to the existence of the Company.	
Resident consultation	n/a	
Equality Impact Assessment	No adverse effect to any group	
Regulatory/Legal requirements	A corporate risk map is an internal audit requirement	
Authority for decision =	The Board of Directors has the overall responsibility to monitor the scope and effectiveness of the internal controls and systems established to identify and assess all material risks to the company	
Appendices	1	
Total number of pages including appendices.	4	

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA TENANT MANAGEMENT ORGANISATION

Corporate Risk Map 2017/2018

PURPOSE

The purpose of this report is to present the Corporate Risk Map for 2017/2018

1 INTRODUCTION

- 1.1 As part of its risk management strategy, the KCMTO Board regularly reviews the company's Corporate Risk Map. The Corporate Risk Map is intended to identify the most important strategic risks to the business. Operational risks are managed in service level risk maps held by managers within the business.
- 1.2 The Finance, Audit & Risk Committee agreed the Corporate Risk Map for 2017-2018 (attached) at its meeting on 16 March and recommend it to the Board for approval.

2 PREPARING THE RISK MAP

- 2.1 Preparation on the 2017/2018 risk map began with the Senior Management Team (SMT) (staff line-managed directly by the Executive Directors). On 30 January they attended a risk session facilitated by Zurich Municipal to review the risk map 2016/2017 and to consider any potential new strategic risks for the coming year. Their proposed changes and comments were reviewed and agreed by the Executive Team (ET). The updated risk map comprises the views of both SMT & ET.

3 CORPORATE RISK MAP 2017/2018

- 3.1 The Corporate Risk Map 2017/2018 comprises the majority of the strategic risks from 2016/2017 but there are a few significant changes as well as some minor up-dating.
- 3.2 **Risk 2: Failure to deliver MMA obligations.** (The MMA is the Modular Management Agreement which is the agreement between the borough and the TMO.) The initial Impact has been increased from 4 to 5 to reflect the importance of the agreement with RBKC.
- 3.3 **Risk 6: The Test of Opinion and the AGM vote falls.** The risk is basically the same as 2016/2017 but more emphasis has been given to the Test of Opinion due in 2018.
- 3.4 **Former Risk: Poor implementation of Agresso by RBKC.** This was an example of an operational risk being so important to the business that it became a corporate risk. The risk is now much reduced and has been deleted from the Corporate Risk Map.

- 3.5 **Risk 8: Further reduction in the Management Fee.** RBKC reduced the 2017/2018 Management Fee by 2%. The TMO has no indication whether or not there will be any further reduction in years to come. As RBKC is our sole partner, it is necessary that the organisation consider this as a corporate strategic risk.
- 3.6 **Risk 9: Vulnerability to cyber attack.** This is a risk resulting from the increasingly sophisticated ways now available to exploit computer systems and the enforcement of the General Data Protection Regulation in May 2018.

4 RECOMMENDATION

- 4.1 The Board is asked to agree to the adoption of the Corporate Risk Map proposed by the Finance, Audit & Risk Committee.

Janet Seward
Policy Adviser
[REDACTED]

Date: 18 March 2017
Owner: Yvonne Birch

Level	Description	Degree
1	Negligible	Low
2	Minor	Low
3	Significant	Medium
4	Serious	High
5	Critical	Very High

Level	Description	Degree
1	Minor	Low
2	Disruptive	Low
3	Significant	Medium
4	Serious	High
5	Major	Very High

Risk Rating (RR)						
Level	1	2	3	4	5	6
1	1	2	3	4	5	6
2	2	4	6	8	10	12
3	3	6	9	12	15	18
4	4	8	12	16	20	24
5	5	10	15	20	25	30

Low Risks
Medium Risks
High Risks

CEO	Chief Executive Officer
MD	Managing Director
COO	Chief Operating Officer
CSO	Chief Security Officer
CSA	Chief Security Advisor
CSM	Chief Security Manager
CSA/CSM	Chief Security Advisor/Manager

Risk no	Risk	Strategic Theme	Risk Identified & Explanation	Probability	Impact	Risk Rating	Existing Control Measures (mitigation or elimination)	Confidence in controls	Residual Risk	Probability	Impact	Risk Rating	Owner	Action
1	Failure to comply with statute & regulation; procurement legislation data protection equality and diversity financial & internal controls safeguarding probity bribery & fraud	legal obligations	Poor organisational governance leads to failings in the areas of: - substantial or sustained breach of statutory or regulatory obligations - failure to appoint the right contractors: limits ability to deliver programmes; risk of contractor challenge with financial penalties; risk of under recovery of leaseholder service charges - legal challenges can result from poor financial controls and poor safeguarding issues - reputational damage can arise from mismanagement of any of these issues.	2	4	8	Company Secretary managing good governance arrangements for Board and committees including standing orders and financial regulations. Training programme for Board Members. Contract Regulations and Standing Orders define authority levels and ensure financial probity. Procurement Manager has reviewed contract regulations. Consultants and solicitors advise on procurement. Specialist advisors comment on matters of procurement, tax, insurance and legal matters. Board, Operations Committee and Project Board receive approval reports and monitor progress. Robust internal audit programme and external audits. Assistant Director Policy & Performance is managing and up-dating policies.	High	Poor performance management. Not keeping up-to-date with legislation and advice. Not reviewing policies and procedures. Lack of awareness of data protection and freedom of information legislation, policies and procedures.	1	4	4	CE	Contract Regulations have been reviewed. Regular training on data protection and freedom of information legislation, policies and procedures.
2	Failure to deliver MMA (Modular Management Agreement) obligations: regulatory compliance gas repair water safety electrical compliance capital programme responsive repairs income collection.	deliver excellent value services	Failure to meet agreed service standards could result in: - increased pressure on responsive repairs budget and contractor - threat to reputation - threat to viability.	2	5	10	Know our targets Contract monitoring and review process in place. Strong partnership with RBKC. Monitor KPIs and put actions in place to improve performance. Performance monitoring regularly reviewed by relevant committees and Board. Satisfactory Annual Review 15/16 from RBKC.	High	Poor performance management.	1	4	4	CE	Ensure good performance management.
3	Failure of Repairs Direct (RD) to be viable.	deliver excellent value services	Failure of RD to provide a quality and cost-effective/vm service.	2	4	8	Separate RD Board. New Board Chair with relevant skills and expertise. RD Business Plan and accounts regularly monitored by RD management, ET and RD Board. RD Board have stress-tested the business plan. Commercial delivery team & MD now in place.	Medium	Repairs Direct may not deliver its objectives in spite of support from peers and Board.	1	4	4	CE	Robust management at RD Executive Team and RD Board level.
4	Failure to recruit and retain the staff who buy into TMO values.	fantastic people work here	Failure to recruit staff whose behaviour represents our values. Failure to retain staff and to performance manage them to buy into our values.	2	3	6	Recruitment package being developed by ADHR&OD. Future training programme. Established corporate induction. Close monitoring of probation periods.	Medium	Untrained managers involved in recruiting. Fail to invest in the future of staff by not giving training or career opportunities.	1	3	3	DP&P	Achieved 89th position in The Sunday Times Best Companies list 2017. Develop succession planning in high risk areas.
5	Failure of health and safety in relation to the services that we deliver to residents, staff in the work environment and contractors in the delivery of works.	customers at the heart	Serious injury or death of a resident, staff member, contractor, customer or member of the public. Potential prosecution by Health & Safety Executive (including terrorist activity).	2	4	8	Health & Safety committee meetings every 2 months involving ET & SMT members where Fire Risk Assessments (FRAs) and associated actions, water quality and asbestos reviews are monitored. Resulting actions are monitored and audited. Internal audit also monitor and report. Emergency planning tested in real events and has been reviewed as a consequence.	Medium	Actions arising out of assessments and inspections not done in a timely manner.	1	4	4	DFS	Health and Safety guidance and training to all staff, actions monitored at ET & SMT level who will continue to have high level involvement in driving performance.
6	The Test of Opinion and the AGM vote falls	Grow our scale and scope	Membership drops away and new members are not recruited especially to replace those leaving. Members fail to support the continuation of the TMO. A loss of confidence in the TMO by its residents and customers because of repeated, regular failures to deliver a variety of services (see Item 2) or in its staff, leadership or Board. This could result in insufficient support at the AGM or the five yearly Test of Opinion in 2018. (This links in with RBKC's strategic investment).	1	5	5	Membership campaign launched and all staff will join recruitment drive. Outreach work regularly carried out with road shows and estate days and through day-to-day tenant engagement. Effective management of core business to ensure that MMA requirements are met (see item 2). Strong vote in TMO's favour at the Test of Opinion (2013). At AGM (2016), 1200 voted and 88% in favour.	High	Membership levels still do not rise. Poor performance management.	1	5	5	CO SEC	Active membership campaign involving all staff teams. Regular monitoring to ensure good performance management. Liaise with RBKC to seek as far as possible to influence investment decisions to secure adequate capital programme funding. Devise Test of Opinion action plan to include a customer satisfaction survey.
7	Change of Board Membership	Governance	Resident Board members are elected by residents from members who stand for election. Experience is not necessary to stand, nor be elected. RBKC nominates 4 Board members. Independent members are appointed by the Appointments and Remuneration Committee, which is made up of Board members and the CE. This all means that the makeup of the Board cannot be controlled by the business, which could mean that Board members are appointed who are not experienced in being a Board member and the duties and responsibilities that are incumbent on the role.	3	4	12	Capacity training and the new TMO Academy will provide training for prospective resident Board members.		Board members will remain inexperienced even with training.	3	3	8	CO SEC	Provide all Board members with robust induction and ongoing training, plus annual appraisal by the Chair. Provide training in chairing skills for the Board Chair and all committee chairs. Develop succession planning for the Board Chair and all committee chairs. Board have regular 121s.

8	Further reduction in the Management Fee	Customers at the Heart/deliver excellent value services/legal obligations	RBKC TMO sole partner so depending on the scale of the reduction, various services would have to be terminated or curtailed. An extreme reduction could mean that the TMO was unable to operate.	3	5	15	RBKC gave the TMO a good Annual Report 2015/16. Performance management in place to ensure that targets are met 2016/17. Increase in HRA commercial income. Procurement savings for next year will reduce HRA costs by £1m.	High	Unexpected change in RBKC's financial management.	2	5	10	CE	Outline the impact of a reduction in the Management Fee to RBKC.
9	Vulnerability to cyber attack	Legal obligations	Increasingly sophisticated ways to exploit computer systems could jeopardise the IT security of the TMO. Addressing this risk is particularly important as the General Data Protection Regulation comes into force in May 2018.	2	5	10	Review the TMO's culture of information management. Clarify data owners and data controller issues. Produce and implement a data strategy.	High	Remedies not implemented in a timely manner.	1	5	5	CE	Ensure that systems for protection are robust and monitored. Enable training to all staff.

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited

BOARD MEETINGS					
Date of Meeting	Agenda Items	Confidential/Open	Type of Paper	Presenter	Status
25 May 2017					
	Routine/Standard items				
	End of Year Performance 2015/16	Confidential	Discuss	Yvonne Birch	
	Chief Executive's Report	Open	Discuss	CEO	
	Budget Monitoring Report	Confidential	For Information	Rupa Bhola	
	Business Plan 2014 – 2017 Delivery Plan Update	Confidential	For Information	Stuart Hill	
	Corporate Risk Map	Confidential	Discuss	Janet Seward	
	Non-routine/Special Items				
	Internal Audit Plan Update	Confidential	For information	John Barnett	
	RBKC Nominated Board Member (update)	Confidential	Decision	Yvonne Birch	
	Revised Terms of Reference (if applicable)	Open	Decision	Company Secretary	
	RBKC End of Year Review	Confidential	For Information	RBKC	
	RBKC regeneration Leaseholder and Freeholder Options Policy			RBKC	
9-10 June 2017	Board Away Day				
20 July 2017	Routine/Standard items				

	Performance Report	Confidential	Discuss	Yvonne Birch	
	Committees Update	Confidential	Information	Company Secretary	
	Chief Executive's Report	Open	Discuss	Robert Black	
	Non-routine/Special Items				
	Draft Financial Statements to 31 March 20	Confidential	Decision	Barbara Matthews	
16 September 2017	AGM				
28 September 2017	Routine/Standard items				
	Subsidiary Update	Open	Information	Graham Webb	
	Performance Report - Q1 2017	Confidential	Information	Yvonne Birch	
	Budget Monitoring Report	Confidential	Information	Rupa Bhola	
	Committees Update	Confidential	Information	Company Secretary	
	Chief Executive's Report	Open	Discuss	Robert Black	
	Capital Programme Update	Confidential	Information	Peter Maddison	

	Retirement and Appointment of Board Members	Open	Approval	Company Secretary	
	Re-appointment of Council-Nominated Board Members	Open	For Approval	Company Secretary	
	Non-routine/Special Items				
	Committee memberships		Decision	Company Secretary	
	Chair/Vice-Chair Elections		Decision	Company Secretary	
	Board and Committee 2018 Calendar		Information	Company Secretary	
	Board Forward Plan 2018		Information	Company Secretary	
10 November 2017	Board Away Day				
30 November 2017	Routine/Standard items				
	Business Plan 2017 – 2020 Delivery Plan Update	Confidential	Information	Stuart Hill	
	Chief Executive's Report	Open	Information	Robert Black	
	Performance Report Q2 2017	Confidential	Information	Yvonne Birch	
	Non-routine/Special Items				
	RBKC Mid-Year Review	Confidential	Information	RBKC	
	Implications of RBKC and National Policies on 2017-2018 and 2018-2019 Capital Programme				

	Corporate Risk Map and Risk Managemen	Confidential	Discuss	Janet Seward	





