

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
TENANT MANAGEMENT ORGANISATION**

**TMO Board**

**Meeting held on 7 September 2006**

Present: Ms J. Rawlings, Chelsea Area Board Member (Chair)  
Mr M. Beverley, Borough wide Board Member  
Mrs A. Braithwaite, Kensal Area Board Member  
Mrs S. Collet, Borough wide Board Member  
Mr A. Erickson, Borough wide Board Member  
Mr F. Flemming, Portobello Area Board Member  
Ms S. Murphy, OBE, Notting Hill Area Board Member  
Mr T. Rice, Chelsea West Area Board Member  
Councillor E. Campbell, Council appointed Board Member  
Councillor J. Cox, Council appointed Board Member  
Councillor M. Daley, Council appointed Board Member  
Councillor M. Lasharie, Council appointed Board Member  
Councillor D. Lindsay, Council appointed Board Member  
Mr I. Doolittle, Appointed Board Member  
Mr P. Okali, Appointed Board Member  
Ms S. Parsons, Appointed Board Member  
Mr R. Bryans, Lancaster West EMB (Observer)

In Attendance: Mr G. Perry, Chief Executive  
Mr L. Good, Director of Technical Services  
Mr R. Lee, Director of Finance and Leasehold  
Mr G. Pashley, Company Secretary  
Mr I. Twyford, Director of Housing Management  
Ms J. Clifton, Secretary to the Board

Apologies: Mr S. Flood, North Kensington Area Board Member  
Mrs J. Lamb, Brompton Area Board Member

1. Minutes of meeting held on 20 July

The minutes were agreed and signed as a correct record.

2. Budget monitoring 2006/07

For the period ending 31 July, on the company budgets, a surplus of £67,000 had been budgeted for, and there was currently an overall deficit of £87,000. One of the main causes was the current deficit on staffing costs due to the costs of interim staff. However, because of the inspection and the holiday period, it was thought that these figures were not as robust as usual, and that next month's figures would be nearer the budget. On managed budgets, two Key Decision Reports (KDRs) were attached from the Council giving details of the increases

to heating and hot water charges, and water and sewerage charges. The increases in charges would achieve a 100% collection of the actual costs, and the implications would be considered under the next report.

Re-phasing of the capital programme would also have a significant impact on leaseholder income, as payments would be deferred.

With reference to the £55,000 deficit on staffing costs, further information was requested on employment of temporary staff. Qualified staff were brought in to cover vacancies, and additional people had been employed during the inspection period. Further clarification was asked on the £26,000 deficit on computer supplies (para 3.3). This deficit was due to previous confusion over whether items should be regarded as supplies or assets which were subject to depreciation, and the budget had now been adjusted.

With reference to the report on regeneration funding that went to the Board on 20 July, the refurbishment of doors at Danvers Street was raised, which would be discussed further outside the meeting.

Further explanation was requested on highlighted variances in the managed budgets, heating and hot water charges, and the capital programme. Confirmation was given that it would not be possible to recover the whole shortfall on heating and hot water charges as the increase was only due from 1 October.

Board members asked that the staff recover any shortfalls on the company budgets by the end of the financial year. The Chief Executive acknowledged the necessity to achieve this, and reminded the Board that a surplus had been achieved every year since he joined the company. However, this year, the TMO was saving £500,000 on the management fee, so a large profit was not anticipated, or budgeted for, but a break even would be aimed for. Assurances were given that staff costs would be closely monitored from now on, but it had not been possible to make savings in this area in the period up to inspection.

An explanation was requested on the reference in para 5.2, Decent Homes' internal refurbishment, to assumptions about the level of non-access to properties. The Board had previously decided that those who did not want Decent Homes' works would not be forced to accept them unless the works affected the fabric, or there were health and safety implications. The estimate had been based on the refusal rate for the first two years of the programme, but acceptance rates had since risen. With reference to para 5.3, external repairs at Elm Park Gardens had been delayed due to more extensive repairs being needed when the works had exposed these. Confirmation was given that slippage on the works at Elm Park Gardens was anticipated to continue throughout the year. **The Board noted the contents of the report.**

3. 2006/07 update - Heating and Hot Water Charges and Water and Sewage Charges

The Board's attention was drawn to the consequences of the increases, particularly the stress that people would experience in meeting these bills who were on fixed/low incomes. There was also the possibility that targets on payments would not be achieved. It was proposed that the TMO's risk map reflect both of these factors. Discussions were being held with the Council on setting up a hardship fund which would be channelled through the TMO

Charity, and the Board were asked to authorise match funding of approximately £10,000. Details of the fund had yet to be finalised.

It was asked whether the hardship fund would be able to provide ongoing support, as utility increases were anticipated to continue in the future. This could result in people being hit even more by future increases if the impact was lessened now. The Chief Executive confirmed that there was no ongoing commitment by the TMO or Council to continue the hardship fund, but fuel poverty would become a campaigning issue. Work could be done with voluntary agencies on mounting a campaign, and providing debt management and advice. Currently the Council did not have a fuel poverty strategy, and it was proposed that the TMO lead on the development of this as the situation was predicted to worsen. It was proposed that the TMO, in conjunction with other organisations, campaign on this as it was a national problem. The Council and ALG were already lobbying.

Clarification was asked on how the increase would be applied, and it was confirmed that residents with individual heating systems would not have to pay increased heating costs for central systems in spite of the link to increases for water and sewage which applied to everyone. It was asked whether assistance would be available for everyone with large increases. However, residents with communal heating, who had no flexibility over how much fuel they used, would be targeted, including leaseholders. The criteria for applications to the hardship fund still had to be agreed with the Council, and the Board's comments would be taken into account.

Councillor Board members acknowledged the stress and tension that their constituents would experience with the increase in charges, particularly the elderly. A further increase of 50% was anticipated next year, so a strategy to deal with the situation was urgently needed. The Board were reminded that the TMO was only passing on price increases from the utility companies, and a danger from setting up a hardship fund was that the TMO could be blamed for any perceived unfairness in the administration of funds. It was proposed that information be produced quickly explaining that the increases were not the TMO's fault, particularly as the initial letter sent out did not make it clear that the TMO was just passing on increases from the utilities. Another letter would be sent to residents about the level of increases, which would mention assistance with any hardship caused by the increases.

Leaflets would be produced on how to maximise benefits, which would also distance the TMO from responsibility for the increases. Agencies such as Senior Citizens Advice Bureau and Sixty Plus would be advertised. However, no benefits were available to assist with heating and hot water charges. Susie Parsons offered her experience of being involved with the London Energy Network, and also her expertise on plain English. A warning was made about too great a reliance on promoting benefit advice as this could be counter-productive with residents. It was recognised that the long term solution was addressing the level of pensions and benefits. **The Board agreed the recommendations contained in the report.**

4. 2006 Annual General Meeting

The Board noted the preparations being made for the Annual General Meeting due to be held on Monday, 13 November. The theme would be 'celebrating 10 years of the TMO'. **The Board approved the draft minutes of the 2005 AGM, and the arrangements for this year's AGM.**

5. Board Forward Plan 2006/07 - an update

**The Board noted an update of the forward plan for agenda items for Board meetings from October 2006 to July 2007.**

6. Any other business

6.1 Lancaster West leaflet - the leaflet celebrating 30 years of Lancaster West Estate was commended.

6.2 Board agendas - Board members welcomed the new style for agenda papers with a spiral binding.

7. Date of the next meeting

The next meeting would be held on Thursday, 12 October. The Board noted that the business planning weekend would be Friday, 6 October, to Saturday, 7 October at Ashridge.

CE/JDC  
8.9.06