

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

TMO Board

Meeting held on 6 September 2007

Present: Ms J. Rawlings, Chelsea Area Board Member (Chair)
Mr M. Beverley, Borough wide Board Member
Mr B. Cann, Borough wide Board Member
Mrs S. Collet, Borough wide Board Member
Mr N. Dunne, Portobello Area Board Member
Mr A. Erickson, Borough wide Board Member
Mr S. Flood, North Kensington Area Board Member
Ms K. Harris, Brompton Area Board Member
Ms S. Murphy, OBE, Notting Hill Area Board Member
Councillor E. Campbell, Council appointed Board Member
Councillor M. Condon-Simmonds, Council appointed Board Member
Councillor J. Cox, Council appointed Board Member
Councillor M. Lasharie, Council appointed Board Member
Councillor D. Lindsay, Council appointed Board Member
Mr P. Okali, Appointed Board Member
Ms S. Parsons, Appointed Board Member

In Attendance: Mr G. Perry, Chief Executive
Ms S. Belgrave, Director of Policy and Development
Ms A. Dougall, Resident Involvement Manager
Mr J. Freeman, Leasehold Services Manager
Mr L. Good, Director of Technical Services
Mr R. Lee, Director of Financial Services
Mr N. Moore, Stock Options Project Co-ordinator
Mr G. Pashley, Company Secretary
Mrs J. Woods, Financial Controller
Ms J. Clifton, Secretary to the Board

Apologies: Mr R. Kerr-Bell, Kensal Area Board Member
Mr T. Rice, Chelsea West Area Board Member
Mr I. Doolittle, Appointed Board Member
Mr R. Bryans, Lancaster West EMB

1. Declarations of interest

There were no declarations of interest.

2. Minutes of meeting held on 5 July

These were agreed and signed as a correct record.

3. Matters Arising

3.1 Outturn 2006/07 - the discussion on the replacement of lifts at Wiltshire Close between Norman Dunne and Liam Good still had to take place.

4. Royal Borough Review of Leasehold Services

Jean Daintith, Executive Director, Housing, Health and Adult Social Care, was welcomed to the meeting by the Chair, and presented this report. The background to the review was that each year one or two service reviews were carried out to ensure best value was being achieved for residents. A scoping report had initially gone to the Cabinet, and then the review had been carried out, which had included the involvement of consultants. Jean Daintith thanked Board members who had been members of the project board for the review. Shelagh Murphy and Redmond Lee had been members of the project board, and Councillor Terence Buxton had also been very helpful as Chair of the Overview and Scrutiny Committee. The final report had been agreed by the project team, and then the project board. Detailed comments had been given by both Shelagh Murphy and Redmond Lee, and there was now some consensus of agreement on the report. Jean Daintith's role had been to act as project executive. A summary of the recommendations had been provided by Redmond Lee, and the final report had been to Cabinet, which had been attended by both Shelagh Murphy and Redmond Lee. The report had been endorsed by the Cabinet, and the action plan was attached as Appendix 1. Implementation of the action plan would be monitored, and signed off when completed.

A question was asked about comments from the Cabinet meeting. Confirmation was given that they had been specifically concerned about the level of leaseholder debt, and how this could be addressed so tenants were not subsidising the leaseholder service through their rents. Assurances had been given by Redmond Lee that the debt level would be addressed. Sue Beauchamp, Executive Director for Finance, Information Systems and Property, would be leading a small group on debt collection. Overall the Cabinet had been satisfied that the leasehold service was a good service, which had been demonstrated by benchmarking with other authorities. Recognition had also been given to the fact that the service was difficult to run, and had improved in recent years. Comparisons with services provided in the private sector had been difficult to obtain. During the period that the review was carried out, the TMO had made great progress in responding to leaseholders' criticisms of the service, and overall the review had given the service new energy.

The report was welcomed by Board members, and that an independent review had been carried out of the service. A question was asked about the low level

of response (18%) to the leaseholder survey in para 4.1.6, and whether these represented those dissatisfied with the service. The satisfaction survey had been carried out before the review, but had been considered as part of the review. Confirmation was given that the return rate of 18% was below the level of the tenant survey with a greater percentage of those who were dissatisfied responding. Clarification was also given that collection rates of over 100% were due to money being collected from previous years.

There was concern that the review had promoted setting up a sinking fund when previous advice had been that there were legal difficulties associated with this type of fund. There had been a full discussion about the feasibility of setting up a sinking fund by the project board, and a separate review had been commissioned. The conclusion had been that although sinking funds would not be a total solution, they were used by other authorities, and the conclusion had been that they merited further exploration because of their success in the private sector. However, previous advice had been that they would be illegal within the HRA, and the Council's leases did not allow them to be set up. In order to go ahead, contributions would have to be voluntary, or leases would have to be amended. The review had acknowledged that there would be a considerable amount of work required in setting them up, but that it would be worthwhile looking at them again. The issue could also be addressed in any new leases.

It was queried whether the correct interpretation had been made on the LAPN LVT. A report had previously come to Board on the revised approach for leaseholders. Only five comments had been received from leaseholders during the consultation on the changes. The associated risk would be assessed for each scheme. It was queried whether legal advice had been obtained on the issue. It was confirmed that a considerable amount of legal advice had been obtained by LAPN on the issue, and the continued drive towards efficiency was included as section 16 in the action plan. The previous Board report and the letter to leaseholders would be re-issued to Board members on request. A special session for Board members on the consultation process and the TMO's approach could be set up as part of Board member training if this was thought helpful.

The leasehold service review report would be presented to the leaseholder conference on 16 October. Jean Daintith was asked about the timescale for Board comments, and these were requested by ten days/a week before the conference.

With reference to the criticism on the level of debt, and collection rates, it was commented that some debt was historical pre-dating the TMO's responsibility. With reference to debt collection, it was also proposed that the appointment of an independent chartered surveyor would assist in disputes by providing a mediation process. It was proposed that the Board consider this as one of their recommendations.

The Chief Executive thanked the Council for the work done on the review, and noted that it would be a difficult report to present to the leaseholder

conference as it did not contain many recommendations on how the service would be changed. This was in contrast to the bad press that the service often received about lost LVTs i.e. Cremorne. Assurances were given by Jean Daintith that as part of the preparations for the conference every effort would be made to ensure that the Council and TMO spoke as one. It would also be explained that the review was part of an ongoing process to improve the service. Jean Daintith's view was that the report provided a way forward, and would be a working tool for continuous improvement. Jean Daintith left the meeting at this point. **The Board noted the contents of the report.**

5. Appointed Board Members

The Board ratified the appointment of Peter Chapman and Abdul Karim Kubica as Appointed Board Members for a period of three years with a majority of 13, 1 vote against, and 1 abstention.

6. Budget Monitoring 2007/08

The budget monitoring report for the period ending 31 July was presented to the Board. Confirmation was given that budgets were on track as forecast, and there was forecast profit of £124,000 before adjustments. Para 3.1.4 referred to the Chief Executive's savings' pot, and savings still had to be transferred from other budgets to this.

The increase in forecast expenditure for Wiltshire Close lifts reported in para 5.5 was raised by Norman Dunne, and he requested that details be made available immediately to the Board. The Chairman refused this request so Mr Dunne proposed a vote of no confidence in the Chair. Liam Good, Director of Technical Services, offered to meet him to discuss his concerns. The Chair proposed that if the matter continued to be of concern that it be brought back to the Board or the Property Services Committee. It was agreed that Steven Flood as Chair of Property Services Committee join the meeting between Liam Good and Norman Dunne to consider whether a full investigation of the project was required by either the Property Services Committee or the Board. A request was made for the vote of no confidence to be withdrawn, but as there was no seconder for the motion, it was not taken forward. Attention was also drawn to para 5.10 on the increased budget for Portobello Court heating and decent homes in para 5.10. **The Board noted the contents of the report.**

7. 2007 Annual General Meeting

The Annual General Meeting would be held on Monday, 12 November. The Board's attention was drawn to the preparations outlined in para 3, and the agenda in para 4.2. Councillor Cockell, Leader of the Council, would be the guest speaker, and would speak on the stock options' review. The Board were also asked whether they would like a theme, which could be the stock options' review. This was agreed.

The question in last year's minutes on the cost of the Fun Day was raised, as this had recently been raised in the press. An analysis was being made of the

costs, and would be passed on to Board members for information. Legal advice had been taken on spending TMO budgets on events such as the Fun Day, and the auditors had also be asked whether this expenditure was appropriate. This had been confirmed as acceptable and appropriate. It was reported that there was some concern about the expenditure amongst residents, particularly as expenditure on boarding up for Carnival had been cut this year. Further consideration could be given to this when discussing the HRA at Ashridge. It was noted that other ALMOs and TMOs provided similar activities, and the Fun Day had an important role in involving new people with the TMO. **The Board agreed the minutes for last year's AGM, the general arrangements for the AGM, and that the theme should be the stock options' review.**

8. Honorary President of the TMO

A report was requested on whether it would be possible to have more than one person as Honorary President, and a report would be brought back clarifying the role, and the criteria for becoming the Honorary President. To date, the post of Honorary President had been restricted to former TMO Chairs, and there was an expectation that Rashid Nasir would be appointed as Honorary President at some point. **The Board agreed the re-appointment of Mrs Doris Besant, MBE, as Honorary President for a further three years.**

9. Review of the Area Review Board representation and structure

The Chief Executive gave Ian Twyford's apologies for being unable to attend the meeting, and presented this report. A summary of the discussions at the ARB meetings held during August was circulated to the meeting. The paper had also focused on the constitutional issues of a restructure, as well as the number of ARBs. The ARBs had focussed their discussions on the proposed merger of ARBs rather than the constitutional shift from Area Board representatives to borough-wide representatives. As the ARBs were almost unanimous in opposing a reduction in the number of ARBs, it was proposed that the Board consider the constitutional issues separately.

Board members reported back on the discussions at individual ARB meetings. Brompton ARB had not been quorate, but the general consensus had been against a merger of ARBs. Board members agreed to respect the wishes of the ARBs, and not vote on a merger, but to consider the constitutional changes to Board member representation. Consideration would also be given to the costs of servicing ARB meetings. The background to reviewing the number of Board members was the proposal from the former governance review that there be a reduction.

The Chief Executive reminded members that although seven of the elected members were ARB representatives, they were on the Board to represent the TMO as a whole rather than their ARB. He proposed that the Board still vote on all the recommendations. **The Board voted against a merger of the ARBs with 1 in favour, 13 against, and 2 abstentions. On the constitutional changes which would be voted on at the AGM, the Board**

voted in favour with 11 votes, 3 against, and 1 abstention. It was pointed out the in the revised terms of reference in Appendix 3, item 3 should say that the election of chairs should be by secret ballot as at present. **The Board voted in favour of the revised terms of reference with 14 votes in favour, and 2 against.**

Further consideration was given to the question of costs, and it was proposed that the number of meetings be reduced from 4 to 3 per year. It was acknowledged that too many staff attended meetings, but the proposal to reduce the number of meetings was welcomed by the Chief Executive, and it was proposed that the ARB meetings in August be deleted. The level of attendance by TMO staff would also be looked at, plus the dispatch, and quality of reports presented to the ARBs. It was also asked that timing of meetings be looked at, in particular to avoid more than one meeting per evening. **The Board agreed that the number of ARB meetings be reduced from 4 to 3 per year with 1 abstention.**

10. Board forward plan 2007/08

The Board noted the 2007/08 forward plan for meetings.

11. Any other business

11.1 Timing of Board meetings - it was noted that meetings would continue to commence at 6.30 p.m. although this meeting had started earlier at 6.00 p.m. to allow additional time for discussion.

11.2 CRB checks - a query was made whether the requirement for Board members to have a CRB check was legally necessary. A decision had been made by the Audit and Performance Review Committee on 15 February, and ratified by the Board on 8 March 2007 that all Board members would undergo this check, and a refusal would be regarded as a breach of the Board member code of conduct. It was queried what happened to the information when a Board member stood down, and confirmation was given that it was not retained under the CRB procedure. The Company Secretary would further clarify the procedure, and the position of any Board member who refused a check to be made.

12. Date of next meeting

The next Board meeting would be held on Thursday, 4 October.

CE/JDC
24.9.07

Agreed a correct record.....

Chair of the Board

The Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd