

LGA Corporate Peer Review

Kensington & Chelsea

March 2020



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

Foreword

This Council - its policies, its leadership, its senior people and its culture - has changed. These changes have been driven by a desire that the Grenfell tragedy should bring positive and lasting change and shape our organisation so that it is fit to serve its communities now and in the future. We welcome this Peer Challenge as an opportunity firstly to reflect on the progress we have made, and secondly and more importantly to learn from and be challenged by others as we set our future direction.

We are realistic about the scale of the challenge we face. The Council's over-riding priority is to support Grenfell recovery by helping those affected to rebuild their own lives in their own ways; and for the trust between the Council as an institution and the communities we serve to begin to be repaired. We know that rebuilding trust will take a very long time, but we are committed to achieving positive change by changing amongst other things how our staff work with our communities and how they work with each other, and how we invest in social housing.

In 2018 the Council signed up to the Hillsborough Charter. This explicitly places the interests of those who are bereaved in public tragedies above the institutional interests of public authorities. It demonstrates our commitment and informs our response to the Grenfell Tower Inquiry, the police investigation and all other forms of external scrutiny. We will act in an honest and openhearted way. We will always assist the search for truth.

We are sensitive to the profound impact the second phase of the Inquiry and the continuing investigation by the Metropolitan Police has on the survivors, the bereaved, the wider community and our staff. It is therefore essential that we operate with kindness, integrity and compassion in everything we do.

In these circumstances achieving lasting positive change not only requires robust corporate and management arrangements to keep us focused on our priorities in the Council Plan but it requires our staff to make fine judgements as they build relationships with the community. Another important step is the recruitment of senior management to new posts that we have created as we change our management structure.

Our vision and priorities in our Council Plan are a clear departure for this Council. We would welcome your view on whether we have the capacity, capability and culture; as well as the structures and processes in place to deliver it. This Council needs to have effective and well coordinated internal management arrangements if we are to achieve our aims, change the way we work with local communities, and to be outward looking and forward facing.

We look forward to welcoming you to our borough and we look forward to your insights.

Cllr Elizabeth Campbell
Leader

Barry Quirk
Chief Executive

Introduction

The events of 14 June 2017 at Grenfell Tower were a terrible tragedy. 72 people lost their lives, including 18 children. Three hundred and seventy-one residents lost their homes in the fire and hundreds of others were evacuated in the immediate aftermath.

At that time, the response of the Council was not good enough. From the earliest moments, hundreds of staff worked tirelessly to try to provide practical help and assistance. But as an organisation the Council did not have adequate capacity to meet the challenges it faced in trying to respond to a tragedy on this scale. The combination of capability and effort was simply not enough.

The sheer scale of the fire's consequences, and the limitations of our immediate response, brought to the surface the lack of trust the local community in North Kensington felt towards the Council. In the weeks that followed, the initial response was led not by the Council, but by a network of mutual aid from across London under the auspices of the London Resilience Network (London Gold). For the first three months, London Gold coordinated the response and were held accountable on a daily/weekly basis by the COBRA arrangements in Whitehall.

By September 2017 most of those response functions had been transitioned back to the Council, including the management of the Lancaster West Estate, where tenants refused to have the KCTMO manage their estate in mid-July 2017 (except for the Tower site itself, which was managed by the Met Police and is now under the ownership of MHCLG); the rehousing of survivors from the Tower and residents of the adjacent Grenfell Walk; the provision of humanitarian assistance and practical support to displaced families; and communications and community engagement. In assuming these responsibilities, the Council faced one of the most complex and far-reaching set of challenges in the history of UK local government.

At the same time, there was a remarkably spirited response by the community, with established and new groups dedicating themselves to help those affected. These diverse, inclusive and genuinely community-led interventions were inspiring and impressive. It was clear that the Council's own response had to be characterised by working alongside and with survivor groups and others. The Leader of the Council in turn said that her vision for the future of the organisation was to be based on compassion, competence and community focus.

The Council has worked intensely to meet the pressing needs of those affected by the tragedy. It has permanently rehoused 194 of the 201 households from Grenfell Tower and Walk (with another four preparing to move into their permanent home); established a dedicated service for the bereaved and survivors; and provided ongoing support to the local community and designed and implemented initiatives to help build community capacity.

It has also made major improvements to the Lancaster West estate where Grenfell Tower was situated, developing a new model for neighbourhood management and co-designing plans for a full refurbishment; and has made radical changes to housing management services across the borough in partnership with tenants and leaseholders.

Two and a half years have passed since the tragedy, and the depth and strength of community spirit, the force of claims for local investment and change, and the intensity of the continuing calls for justice have not dimmed. Recovery for individuals affected, particularly the bereaved, does not depend primarily on the support provided by agencies like local authorities; it depends on justice.

The Phase 1 report of the Grenfell Tower Inquiry provided detailed and forensic findings about how a small kitchen fire progressed to engulf an entire building. Phase 2 of the Inquiry, which started in early 2020, will look at why this was able to occur, by examining the details of the refurbishment of the Tower, the materials used and their construction, as well as considering the response of the public authorities to those living in the Tower before and after the fire. Alongside this, the Metropolitan Police Service is investigating the Council for possible offences of corporate manslaughter and breaches of its health and safety duties. This investigation by the Police is likely to continue for at least the next three years.

The Council has signed the Charter for Families Bereaved through Public Tragedy¹, committing itself to approaching these investigations with candour, in an open, honest and transparent way, prioritising the public interest and the search for truth over its own reputation. Where required, the Council has commissioned its own independent investigations, including (at the suggestion of Grenfell United) an independent forensic audit of historic property transactions in the north of the borough that is currently underway.

In the months after the tragedy, some observers spoke of a return to normalcy for the Council, of moving from the urgency of a 'Grenfell response' regime to a more 'business as usual' style of operating. This vastly underestimated the change the Council and community has undergone, and the scale of the challenges that still remain. Kensington and Chelsea will never return to its 'old normal', nor to business as was usual. It can only work over an extended period to develop a new normal and a revised style of operating.

Since 2017 the Council has changed its governance, its overall policy stance, its management arrangements and its overarching culture. There is a clear moral imperative to learn the lessons of this appalling tragedy. This statement recounts and assesses our efforts to shape an organisation fit for the future - all of them have been shaped by the events of 14 June 2017.

¹ Appendix 2: 'The patronising disposition of unaccountable power': A report to ensure the pain and suffering of the Hillsborough families is not repeated

The Borough²

Kensington and Chelsea is a unique place, at the heart of a global city which is fast approaching 10 million residents. It contains just 0.25% of the UK's population, but its businesses generate about 2.5% of the UK's economic output.

56,000 visitors travel here every day to enjoy culture, internationally renowned museums and galleries, to go to any of the 2,600 shops, eat at one of the 430 restaurants or stay in one of the borough's 155 hotels. Over 11.7 million people visited South Kensington's museums last year and 10,000 people are employed by the institutions around Exhibition Road. Up to one million people each year visit Notting Hill Carnival, the largest celebration of Caribbean and Carnival culture in Europe.

The borough is home to over 136,000 jobs and 15,000 businesses, the borough contributes to a central London economy that produces more than £1 in every £7 that the UK generates. It boasts an open business environment, a diverse and highly skilled workforce, and high-quality transport connections.

The borough is also an area of huge social and cultural diversity. Over half our residents were born outside of the UK. Our communities come from all over the world and include significant North American, European, Asian, African, Middle Eastern, South American and Caribbean populations, each of whom have profoundly shaped the character of the area.

While seven areas in the borough are among the most affluent nationally, 9 areas in Kensington and Chelsea rank in the 10 per cent most deprived areas in England. Over 6,000 children live in poverty, and nearly half of those live in just three wards in the north of the borough. 36% of households in the borough live in social housing.

Kensington and Chelsea has the highest life expectancy in the country overall, but this varies between the north and south of the borough and between home owners, private renters and those living in social housing. The Council's focus is increasingly on taking steps to narrow the gap between these different communities in Kensington and Chelsea, and to safeguard those in need.

Politically the Council has been a Conservative authority since its creation in 1965. There are 50 Councillors: 36 are Conservative, 13 are Labour, and 1 is a Liberal Democrat. Support for Labour is concentrated in the six wards in the north of the borough. At the General Election in December 2019, the Conservatives regained the Kensington constituency by a narrow majority from the former Labour MP (and a sitting local Councillor).

² Appendix 1: Key Data on RBKC

In the last two and a half years the Council has set out new strategies and plans that give shape to its new approach. The most important of these is the Council Plan, the first such corporate strategy for decades. It articulates new corporate goals and ambitions. It also incorporates the Grenfell Recovery Strategy, which sets out how the Council will live up to its commitment to support the bereaved, survivors and wider community affected by Grenfell.

The Council commissioned a searching review of its governance and decision-making processes that resulted in changes to its codes and constitution, its scrutiny procedures and structures, and to its attitude to hearing the voice of its communities. All of these changes in policy and process have been informed by, and in many cases led by, the ideas and insights of our residents, through the most extensive sets of consultation ever undertaken by the Council.

The Council's management arrangements have required significant changes to enable delivery of the Grenfell Recovery Strategy across the organisation and to ensure that the goals and ambitions in the Council Plan can be realised. More important than changing structures has been efforts to harness the individual and collective talents and energies of our people. For this reason we have also developed a People Strategy to signal a fresh approach to supporting and encouraging staff, and an Organisational Change Team to champion culture change from the ground up.

The coming years will be challenging for many reasons. Financial pressures to the Council's service budgets are real and palpable. Fast paced technical changes in information technologies and digital networks will enable many opportunities for the Council to change service design and delivery. And the uncertainties that face London's economy in the context of Brexit are daunting in their complexity, while also offering a range of fresh opportunities for business change and growth. The Grenfell Tower Inquiry and police investigation will place continuing pressure on the organisation as it gives faithful account of its past actions and manages the impact of the evidence and findings on the Council and those we continue to support.³

More needs to be done to respond to these challenges. The Council has real service functional strengths, but conventional areas of corporate strength in local government, such as performance management and programme delivery, are not strongly in evidence. The Council's relationships with its public sector, institutional and business partners are often strong bi-laterally, but the Council could play a bigger role in bringing them together to address shared priorities. This is most evidenced in the Grenfell Strategic Partnership that brings statutory agencies (including MHCLG) together to ensure proper information sharing and more effective coordination between all public authorities locally.

We welcome the LGA Corporate Peer Challenge as an opportunity to test whether the organisational changes we have already made are fit to deliver our ambitious plans and to advise us on what more needs to be done.

³ Appendix 27: Public Inquiry Manager's Toolkit

1 - Understanding of the local place and priority setting

The Council Plan and Grenfell Recovery Strategy

The Council Plan⁴, agreed in March 2019, sets out our priorities as a Council for the next four years. It is the first corporate strategy the Council has had for decades. It seeks both to express the shifting aims of the Council in the light of Grenfell; and also to place resident priorities truly at the heart of the Council's business. It blends a fundamental focus on engaging, involving and listening to our communities with a commitment to maintaining public amenity, enabling opportunity and responding to inequalities.

Three cross-cutting themes therefore run through the plan:

- *Community involvement* - engaging openly with our residents and service users to make better informed decisions, and using the talents and skills of residents to co-design and commission better services;
- *Narrowing the gap* - improving outcomes for our residents and ensuring that individuals have equal opportunity to fulfil their potential, promoting equal access to jobs, housing, education, employment, health and social care services;
- *Prevention and early intervention* - focusing on prevention and early intervention, particularly in adults' and children's services, ensuring the health and social care needs of the whole community are being addressed now and in the future.

The Plan identifies **five strategic priorities** to guide the work of the Council:

- Grenfell recovery - supporting the long-term recovery of all those affected, including survivors, the bereaved, and members of the wider community;
- A great place to live, work and learn - keeping the borough pleasant and attractive, building new homes, maintaining high school standards, and fostering a growing and inclusive economy
- Supporting and safeguarding vulnerable residents - giving young people the best start in life and supporting older and disabled residents;
- Healthy, clean and safe - promoting health and wellbeing, reducing health inequalities, keeping our streets clean, and tackling crime and antisocial behaviour;
- A place of culture to visit and explore - widening access to cultural institutions, promoting our high streets, and sustaining the Notting Hill Carnival.

⁴ Appendix 3: Our Council Plan

Equally as foundational is the ***Grenfell Recovery Strategy***, agreed in January 2019.⁵ This set out our plans to support long-term recovery for the bereaved, survivors and those affected by the Grenfell tragedy from the local community. £50m was committed from reserves to support the recovery programme over 5 years (2019-20 to 2023-24). This £50m is completely ring-fenced for Grenfell recovery and is not subject to corporate savings programmes.

The Grenfell Recovery Strategy features a range of targeted initiatives to support those affected. It includes ongoing rehousing and resettlement support for former residents of Grenfell Tower and Grenfell Walk; a Dedicated Service for the bereaved and survivors; ongoing school and community-based support for the wider community; and a programme to build leadership, social capital and community capacity in the local area.

These plans are supported by developing a suite of strategies to support the delivery of the corporate priorities and approaches that have been developed. These include an Economy Strategy⁶, a Housing Strategy⁷, and a People Strategy⁸.

Consultation, Co-design and Co-production

The development of our new strategies underline a new commitment to place the community at the heart of our policy making and service delivery. The centrepiece of the Grenfell Recovery Strategy is a dedicated support service, co-designed with bereaved and survivors to meet their needs, now and in the future.

Its establishment represents a significant achievement. Workers and management staff have built positive relationships with a group of residents who had little or no trust in the Council and many of whom did not engage with or value the previous key work service. The Dedicated Service Steering Group, made up of bereaved and survivors, represents a range of bereaved and survivors and we are working with them to shape the service, including making decisions on commissioned services.

Alongside work with bereaved and survivors, our *Creating Stronger Communities* conversations, launched in September 2018, engaged with residents and local community organisations in a wide variety of settings over a number of months to set priorities for the Grenfell Recovery Strategy. We also conducted the largest ever consultation⁹ undertaken in the borough called *Let's Talk Priorities*, gathering over 5,000 comments and ideas from over 2,000 residents. All of these informed the direction of the Council Plan.

⁵ Appendix 5: Grenfell Recovery Strategy

⁶ Appendix 6: Live, work and learn: Our plan for a successful local economy

⁷ Appendix 7: Housing Strategy 2019-2022

⁸ Appendix 8: Our People Strategy: Bringing our workforce closer to our communities

⁹ Appendix 4: Council Plan - Consultation and Engagement Results

Elsewhere, the Council has become ever more committed to not only consulting residents, but genuinely involving them in decision-making. This is a particular focus in housing management, where services were taken back in-house from the Tenant Management Organisation in March 2018. Since then, a Tenants Consultative Committee has been reinstated, a residents' charter has been developed alongside tenants and leaseholders, and members of the community have been involved in recruitment panels for senior management roles in housing. More than 200 people came to our first Residents Summit held in October 2019, with the goal of looking at how housing can continue to improve now that it is directly managed by the Council. The event was planned and designed jointly with residents.

Adult Social Care have adopted an innovative approach to designing, commissioning and delivering services alongside residents. A Local Account Group¹⁰ was established in 2018. The group is made up of residents and service users who not only evaluate how they feel social care services are working but also feed directly into the key decisions of the department. The group meet monthly, with the Executive Director of Adult Social Care and Public Health acting as chair. The meetings provide an opportunity to share concerns coming from the community, feedback on new initiatives and plan focused working groups aimed at improving the care delivered to the vulnerable people across the community.

In some cases, this more community-focussed approach has been essential to seek to repair trust and address issues of major importance to the local community in the north of the borough. We have worked hard to safeguard the future of North Kensington Library, and to guarantee continuing education at the Kensington and Chelsea College site on Wornington Road. Following representations from bereaved and survivors of the Grenfell tragedy, the Council also revised key elements of its Local Plan¹¹ so as to take fuller account of the implications of the impact of the fire.

Community Engagement

More broadly, we have developed and strengthened the Council's approach to, and capacity for, community engagement. In the aftermath of Grenfell, community engagement was, for a time, led and managed by London Gold, alongside its communication function. In early 2019 these two functions were once more separated, with community engagement led by specialised interim senior managers. There is now, for the first time, a Lead Member for Communities to take on political leadership of this area. We have resourced our community engagement team to enable a specific focus on North Kensington and a new Community Engagement strategy is also in development. Internally, we have established a Community Engagement Network to improve the skills of all staff in working with communities.

¹⁰ Appendix 30: Local Account Group Annual Report 2019

¹¹ Appendix 9: Local Plan, September 2019

Communications

Alongside this, we have changed our approach to corporate communications. The circumstances are unique, with the Council being subject to intense local and national scrutiny. The ever-present need to produce credible, reliable and trustworthy information for the public persists, alongside the challenge of handling a bewildering array of communication demands both externally and internally. The team has been restructured, established new communications standards, and focussed on increasing the quality and consistency of their digital communication, printed publications and communications to staff, all of which required drastic improvement to meet this test. The tone has changed, with the new *Our Borough* newsletter, for example, featuring community-led stories. A recent LGA Communications Peer Review recognised that the Council communications team is "making the journey from being a reactive, traditional service-led department to a modern, strategic, campaign-focused function".¹²

¹² Appendix 31: Communications Peer Review

2 - Organisational leadership and governance

Management Arrangements

In the aftermath of the fire it was clear that the Council was unable to respond properly to the intensity of the challenge by continuing with its then fragmented and service-based ways of working. The organisation as a whole was clearly less than the sum of its parts. Lots of things had to change so as to ensure dramatic improvements were generated in the organisation's overall health and effectiveness. To this end we learnt from the coherence, coordination and corporacy of the best functioning Councils nationally, drawing service strengths together into a more cohesive organisational approach to working in partnership with others so as to generate positive outcomes for people locally. Since then the Council has completely changed its management arrangements to equip itself for these new purposes.

Responsibility for the Grenfell response effort was handed back from London Gold in September 2017. At the time the Council established a Grenfell directorate to oversee the rehousing effort, the keywork service and humanitarian assistance centres, and the community-based health and wellbeing support which was put in place. This directorate also included mainstream housing services and (from March 2018 onwards) housing management services, which were handed back from the Tenant Management Organisation.

From Autumn 2018, we began to transition services from the Grenfell directorate to other areas of the Council. The various work streams of the Recovery Strategy are now being delivered by teams across the Council, including in housing, housing management, family and children's services, public health, and community engagement, whilst remaining overseen corporately.

Since 2017, the Council has iteratively reorganised and carefully shaped its senior team. Over two-thirds of the Council's most senior managers have been appointed since late 2017. Senior management posts were restructured to provide greater strategic coherence. This meant that the management arrangements moved from service leadership being dissipated across thirteen director posts reporting to the chief executive, to five new executive directorates each responsible for a clear portfolio of connected services¹³. The five Executive Directors form the Executive Management Team with the Chief Executive, and meet weekly to apply their collective leadership to corporate issues. A Senior Management Forum, made up of the next tier of the directors in the organisation, meets monthly.

The most recent review of management arrangements, "Forward 2020"¹⁴, is focused on creating an organisational design that will provide more corporate capability and coordination, more creative ways of generating more social and affordable housing and maximising social and public benefit for its communities.

¹³ Appendix 14: Fit For New Purposes

¹⁴ Appendix 15: Forward 2020: organisational change at the Council

Under the new design, the housing service will be reshaped under a Housing and Social Investment directorate, effectively replacing the Grenfell directorate. This will also focus on increasing the supply of social housing and develop a new ground-breaking approach to investment which is based on delivering social and community benefit alongside investing resources locally in the public interest.

The remaining Grenfell-specific functions, especially in respect of delivering the £50m recovery programme, will be delivered under a new Director of Grenfell Partnerships. They will be responsible for overseeing the Dedicated Service for bereaved and survivors, managing internal and external partnerships linked to recovery, and monitoring the delivery of the Recovery Strategy, ensuring that key outcomes are met and that the strategy responds to changing needs. A new Director of Communities has been appointed, bringing more senior management attention to this important area and driving a community focus throughout the organisation.

The Council's corporate centre lacks capacity, especially relative to other local authorities. Over the past two years this has been partly addressed by hiring additional senior staff on temporary contracts or on secondment. Forward 2020 proposed the appointment of a Director of Corporate Strategy with responsibility for programme management, corporate performance and monitoring the delivery of the Council Plan. The post was advertised in the autumn, but market conditions precluded making an appointment.

Bi-Borough Services

Between 2011 and 2017, Kensington and Chelsea was part of the 'Tri-borough', a partnership with Westminster City Council and with Hammersmith & Fulham Council, by which the three boroughs shared significant service functions. This enabled management capacity, service specialties and professional expertise to be maintained despite a long period of fiscal tightening for London local government. It also enabled many services to be managed across the three authorities with lower overhead costs.

From 2017 this arrangement changed. Service management shared with Hammersmith & Fulham has been mostly disaggregated, with each authority retaining responsibility for the majority of their respective service functions (aside from a few service areas such as audit and treasury management). Nonetheless, the core functions of adult social care, public health, children's social care and the educational relationship with schools, and library services have remained shared across both Westminster and Kensington and Chelsea as Bi-Borough services since April 2018.

Our Adult Social Care and Health, and our Children's Services directorates are Bi-Borough in their entirety. Their two directorate management teams work across both Westminster and Kensington and Chelsea and the operational teams working within each local authority function with joint and several responsibilities. Legal services and Information Technology

are two other services that function under shared management across the two local authorities.

Performance

As we have engaged with residents in new ways and consulted extensively on a range of issues, we have also been reviewing how we improve our understanding of the borough and how we monitor the progress of delivering the aims of our Council Plan. Individual directorates and services have robust performance monitoring processes, but there has been an absence of a corporate framework. We also want our approach to performance management to have a whole-place perspective, rather than focus solely on our own internal professional standards.

To help achieve this, we have developed a Strategic Management Information dashboard¹⁵ (SMI). The Council operates within a complex system where responsibilities and control are distributed. There are opportunities to improve outcomes for people living in, working in and visiting Kensington and Chelsea that involve looking beyond Council boundaries and embracing the complexity of the wider locality and the partners we work alongside.

The dashboard seeks to provide an understanding of the outcomes for residents and the things that affect them, whether they be the actions of the Council or other factors within that wider system. In doing so it aims to give members and officers an informed, multi-dimensional view, to inspire collaboration within and outside the organisation, and to encourage all to put the needs of the place and its communities first.

The SMI dashboard was developed late last year and is being rolled out across the Executive Management Team this spring, with plans to automate as far as possible the collection of data. Over the coming months, its effectiveness will be monitored by the Chief Executive's Office alongside feedback from members and officers.

Our work in this area has also helped us think about how we gain community insight, survey residents and use the information they give us, with a view to undertaking a more structured exercise in gathering views over the summer.

Strategic approach to risk

The Council's approach to risk and its strategic risk register¹⁶ is a key part of the Council's decision-making arrangements and culture. As well as ensuring that we are delivering against priorities and requirements, managing our processes effectively and making the best use of our resources (money, assets, people), we have a duty to improve outcomes for communities and citizens and make the most of opportunities that add value locally. The risks that the public face are not the same as risks that public organisations face in delivering public services. This requires us to look both inwardly (to ensure we have effective

¹⁵ Appendix 17: SMI Dashboard Examples

¹⁶ Appendix 18: Strategic Risk Register

governance and controls) but also more importantly outwardly at risk (e.g. to the risk to citizens, to protect citizens and build resilience). This is particularly acute in Kensington and Chelsea.

The Chief Executive chairs the Risk and Control Board to oversee and develop the Council's risk strategy and strategic risk register. The Risk and Control Board is responsible for providing sufficient assurance against risks and opportunities that affect the Council and its citizens and communities. It sets the standards and ensures the Council has the right policies, practices and behaviours in place for effective assurance and risk management. It is also responsible for ensuring that new and emerging risks are identified and captured, and appropriate mitigations are put in place.

The Audit and Transparency Committee provides member oversight for the management of risks and regularly considers the Strategic Risk Register and requests deep dive reports from relevant Executive Directors on specific risks. It also considers the Council's overall arrangements for governance, risk and the control environment through the Annual Governance Statement.

Particular effort and resources have been directed towards ensuring the Council's approach to safety goes beyond legal compliance with statutory health and safety duties in order to safeguard our residents, the users of our services, and our workforce to the highest degree possible. To that end, a new Corporate Health and Safety Policy¹⁷ was agreed in December 2019.

Governance

One facet of the generalised deficit of trust in the Council has been a lack of faith in the capacity of its decision-making structures and processes to be representative and reflective of all strains of community opinion and interest. A solidly Conservative authority was perceived to be more responsive to the views and preferences of voters in the south of the borough and less so to the views and preferences of voters in the north.

In response, the Council commissioned the Centre for Public Scrutiny and the Democratic Society to conduct a detailed review of its governance. The resulting report, *Change At The Council*¹⁸, set out twelve principles of good governance for the Council to adopt and seven practical recommendations for it to implement. It urged the Council to become more outward-facing in its decision making. Finally, it suggested a borough-wide conversation to decide future governance arrangements for the Council.

The Council's own ensuing *Borough and Area Governance Review*¹⁹ committed to making it easier for residents to find out what is going on and get involved, to focus on the things that

¹⁷ Appendix 19: Consolidated Corporate Health and Safety Policy

¹⁸ Appendix 10: Change at the Council: Independent Review of Governance for the Royal Borough of Kensington and Chelsea

¹⁹ Appendix 11: Borough and Area Governance Review

matter most by clarifying and refining key decision making, improving the Council's scrutiny committees, and strengthening the ways people can be involved in activity at ward-level, for example through the *City Living Local Life* ward budgets.

We have subsequently introduced new ways for Councillors to listen to people and for residents to be genuinely involved in local governance. Listening Forum meetings across the borough enable Lead Members to hear directly from local people about their concerns. Health and Wellbeing Board meetings take place in a variety of community venues. Full Council meetings now provide for an hour of contributions from residents, allowing anyone who registers to speak on any local issues they choose, and to receive a response from the relevant Lead Member. All Leadership Team meetings and scrutiny committees allow time for public comments and questions, and Leadership Team will very often listen directly to the views of the public before making decisions.

The Council's Leadership Team is committed to nurturing a collective approach to decision making, and to ensuring the way decisions are made is as clear to the public as possible. The Leadership Team jointly meets every fortnight with the Executive Management Team to ensure a collective understanding of priorities and that forthcoming business is properly managed. The previous custom and practice of Lead Members chairing of informal, internal, private "Policy Boards" has ended, and there is absolute clarity that decisions by elected politicians must be made in a transparent way. New cross-departmental arrangements have been put in place to ensure Key Decisions are advertised through the Council's Forward Plan at an early stage, allowing residents to see what the Council is doing and giving them the opportunity to contribute and give their views.

Changes have also been made to the Council constitution and the member codes of conduct to seek to guarantee the highest ethical standards. An Independent Ethics Panel has been established to advise the Monitoring Officer on conduct issues and to challenge the Council more broadly on ethical matters. Most recently a new *Charter for Public Participation*²⁰ has been agreed by the Council that enshrines its commitment to transparency and openness and to involving people in decision making and designing services.

Scrutiny

A further outcome from this review of governance is a change to the way scrutiny operates within the Council, designed to enable it to focus on what matters most and to secure greater public involvement in the whole process. Agreed in the summer of 2019²¹, this involved restructuring the existing standing committees that broadly shadowed particular service areas. An Overview and Scrutiny Committee has been created to prioritise the Council's scrutiny work, to be delivered by it and four new select committees - Adult Social Care and Health, Environment, Family Services, and Housing and Communities.

²⁰ Appendix 12: Charter for Public Participation

²¹ Appendix 13 - Scrutiny Arrangements - Report of the Scrutiny Panel

The intention has been to ensure a wider range of people contributing, not just Lead Members and senior officers, but also experts on relevant subjects. Residents are proactively invited to contribute to scrutiny reviews through a public 'call for evidence'. And there will be more meetings in the community – not formal committee style meetings but more informal meetings with more resident participation.

These changes have proved controversial. The Grenfell Scrutiny Committee, established in the aftermath of the fire, rightly became a focus for the community in scrutinising and challenging the Council. Meetings were often emotional and highly charged. The new proposals sought to reflect the organisation's move from a focussed response phase to broader recovery, where issues relating to Grenfell touch on all areas of the Council's business.

Responsibility for the scrutiny of Grenfell recovery as a whole now sits with the Overview and Scrutiny Committee, while service and policy specific scrutiny is the responsibility of the relevant select committee. All select committees have been asked to include Grenfell-related items in their workplans.

In order to retain a public forum where the Grenfell community might come together and discuss the issues that matter to them, the Council has established the Grenfell Community Assembly. Meetings are held in North Kensington, with themes chosen by local residents. It offers a chance for residents to take part in real conversations and honest exchanges of views with everyone, including the Council and other public services.

Some are unhappy with this new model and Labour Councillors in particular have chosen to boycott the new scrutiny committees in protest at what they see as the downgrading of scrutiny and a desire on the part of the Council to evade scrutiny on Grenfell issues.

3 - Financial planning and viability

Overview - Looking back

The Grenfell Tower tragedy changed the Council's financial landscape. Historically the Council has been exceptionally well-resourced. Prior to June 2017, local income sources and Government funding levels were high and the level of usable reserves stood at £283m.

Following the fire, the Council's response required the rapid acquisition of up to 250 properties for the re-housing of people who formerly lived in the Tower. An acquisition programme of this scale was unaffordable to the Housing Revenue Account. Dispensation from the Government was granted to allow these could be funded and held within the General Fund. The Council's capital programme was also reviewed to pause any schemes not critical and to re-align the programme to support housing acquisition.

Beyond that acquisition programme (£235m), to the period 31 March 2019, the Council spent £135m on supporting the bereaved, survivors and the wider community and the management of the Tower site itself. Some of this was funded by the Government but it also required a further £65m of Council resources.

Grenfell is not the only reason for the change in the Council's financial position. Government funding has been reducing since 2010 and in 2020/21 will be just £10m, although the Council's collects some £360m in business rates (about the same as Manchester City Council). The Council has spending and income pressures and its financial position is affected by changing economic conditions. This predicament is not unique to Kensington and Chelsea, but the Council can no longer rely on the use of reserves as it might have done in the past to balance the budget. A more strategic, long term and sustainable approach is required.

Current Position

In July 2019, the Council published its Medium Term Financial Strategy²² which plans the Council's finances over the next three years, taking account of both the local and national context; provides the financial framework for the Council's priorities and seeks to ensure that these priorities drive the financial strategy and the allocation of financial resources; and manage and mitigates future budget risks by forward planning and holding reserves as appropriate.

Risks and Pressures

Demography and demand: the Council faces direct pressures on both spending and income budgets. There are significant demographic and demand-led pressures, particularly in housing and homelessness and supporting children and adults with high complex needs. The Council has some 6,500 properties available for rent amongst its own stock (it also has

²² Appendix 20: Medium Term Financial Strategy 2020/21 to 2023/24

some 3,500 leaseholders). Only about 250 of these properties become available for re-letting each year. It currently has some 2,400 households accepted as homeless and in priority need. In short, it has just three properties in its management for every homeless household it has accepted responsibility for. In addition, there are currently almost 3,000 households on the Housing Register. The Council is in receipt of £4.2m Government grant to contribute towards such pressures but at this stage it remains unknown whether it will continue beyond 2020/21.

By 2035 there is expected to be a 88% increase in the number of people aged 80 years and over living in Kensington and Chelsea. This is the highest percentage increase in London. The borough also has one of the highest levels of elderly people living alone – approximately 45% of those aged over 75 by 2020. Social care funding commitments are one-year grant allocations and the Government’s long-term plans for funding remains unknown which adds to the uncertainty and risk faced by the Council. The latest exemplifications we have seen for funding for age 65+ adult social care are worrying in that they show a reduction in funding share despite these demographic pressures.

Risks and opportunities facing the London economy: the potential impact on London’s international trade and migration rates, of the nation’s exit from the European Union cannot be forecast with great certainty. London is, after all, the most global of cities with the most extensive global reach (in finance, professional services, arts and culture, etc). Moreover, the terms under which the UK will leave the EU will have a number of potential impacts on the London city-regional economy. This is bound to impact on the public sector across London, as well as in the local government sector specifically. This may include the ability for Councils to borrow and generate revenue, as well as their relative attractiveness to talented staff all levels. Asset and consumer prices may be affected by a range of external and domestic factors; and this may have a particular impact on the central and west London economy (in particular the impact on the so-called prime housing market).

The Bank of England’s recent monetary policy decisions were based on their analysis that UK GDP growth slowed last year, reflecting weaker global growth and elevated Brexit uncertainties. However, they state that,

“the most recent indicators suggest that global growth has stabilised, reflecting the partial easing of trade tensions and the significant loosening of monetary policy by many central banks over the past year. Global business confidence and other manufacturing indicators have generally picked up. Domestically, near-term uncertainties facing businesses and households have receded. Surveys of business activity have picked up, quite markedly in some cases, and investment intentions appear to have recovered. Housing market indicators have strengthened and consumer confidence has increased slightly. The Committee will monitor closely the extent to which these early indications of an improved

outlook are sustained and follow through to the hard data on domestic activity in coming months.”²³

The extent to which upside factors in the London business economy, through new market opportunities, will outweigh any downside factors is yet to unfold.

Institutional risks facing the Council: most authorities face uncertainties in medium term financial planning through anticipated governmental changes to the allocative approach to funding of local government. This affects Kensington and Chelsea in similar ways that it does to other authorities. More specifically, the Council’s financial plans include £50m over the next five years to deliver the Grenfell Recovery Strategy. This is a key and central spending priority for the Council. The Public Inquiry is unlikely to be completed and the second phase report published before the middle of 2022, and the outcome and long-term potential liabilities for the Council could result in significant financial implications for the Council.

Risks and uncertainties make medium to long term planning very difficult. It is therefore important that the Council takes a prudent approach to assumptions in financial plans and to holding sufficient levels of contingency funding within the budget for dealing with unforeseen circumstances. In 2020/21, the Council’s corporate contingency provision will be over £5 million.

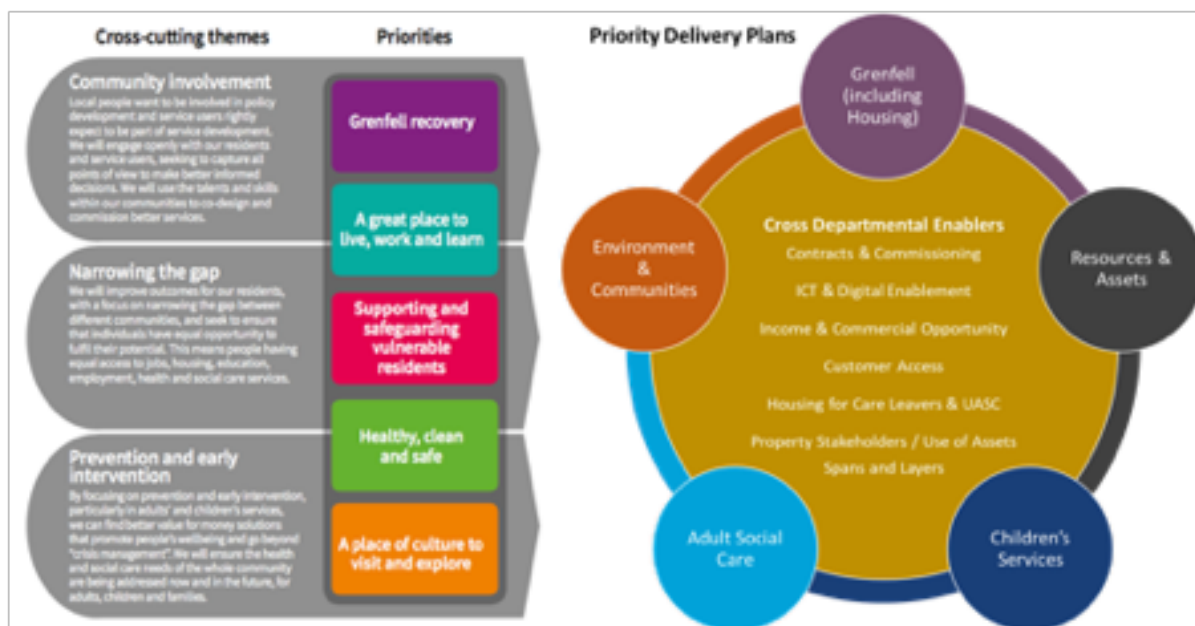
The Council’s up to date and more generalised risk register (that identifies the full range of risks faced by the authority) is appended to this summary for the Peer Review Team’s information.²⁴

Tackling the Financial Challenge

In July 2019 the Council was facing a budget gap of £40m over the next three years. It was clear that the kind of small-scale changes made in previous years would not be sufficient and a much more fundamental review of the services the Council provides and how they are provided was required. The process for identifying budget reductions has therefore been brought together with aligning spending plans with Council Plan priorities as part of a cross-Council programme, called ‘The Futures Programme’.

²³ [Bank of England \(2020\) Bank Rate maintained at 0.75% - January 2020](#)

²⁴ Appendix 18: Strategic Risk Register



The programme challenges and supports departments to use evidence-based approaches to identify transformation opportunities and develop sustainable plans that will direct resources to delivering the Council Plan. It seeks to ensure outcomes are maintained or improved whilst also balancing the books and building financial resilience and sustainability. Where appropriate the Council will invest now in areas of service delivery such as prevention and supported self-help systems to improve lives of residents in the longer term and reduce the need for high cost reactive services in the future.

External benchmarking carried out by IMPOWER consulting²⁵ shows that the Council is a relatively high spending authority. Across some services, including children's, spend is high compared to others but outcomes are also very high. As a result, the Futures Programme will identify the scope to reduce spend and yet maintain high service outcomes for children and families. In other areas, such as adult social care, spend is relatively low and outcomes are good. Here the focus will be on driving continued improvement in a sustainable way. Some services however, have outcomes which not commensurate with their relatively high spending. The most significant service area is housing and homelessness; where numbers on the housing register are very high. Another example is waste and recycling, where twice-

²⁵ Appendix 23: IMPOWER Benchmarking Data

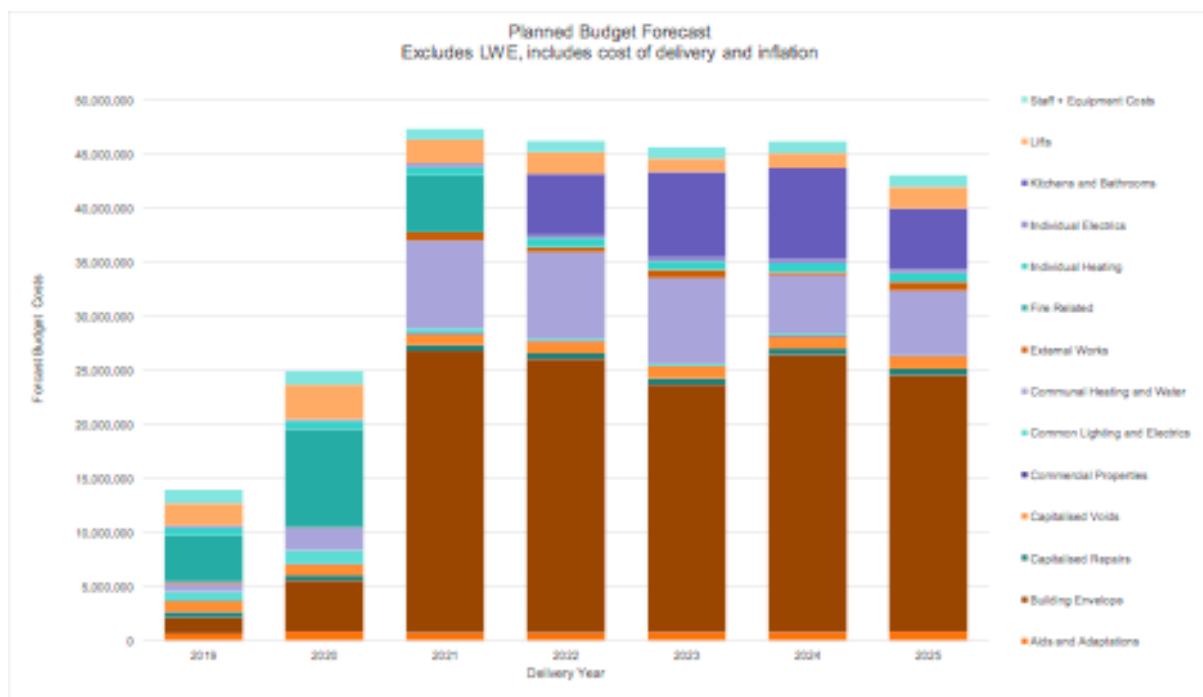
weekly waste collections are highly valued by residents, but the volume of general waste collected is high and recycling rates are correspondingly low.

There is still scope for efficiencies and a value for money exercise is carried out each year. £9.2m of savings are planned for 2020/21 and the Council is confident that the £25m of additional savings that are required from 2021 can be delivered.

Housing Revenue Account

The financial outlook for the HRA has significantly deteriorated. This reflects the current and future levels of expenditure needing to be incurred, which became apparent following the transfer of functions from the TMO to the Council. The HRA Business Plan therefore assumes an even greater level of importance.

The latest HRA Business Plan will be presented to full Council on 4 March for approval. Over the next seven years, the Council will invest £267m into the borough’s social housing stock (some 6,500 homes) following the results of the stock condition survey in 2019 and £57.9m investment into the Lancaster West estate. The profile of the £267m over a 7 year period is:



After a period of rent reductions nationally, the latest Rent Standard permits local authorities to increase rents above CPI from April 2020. This is the first rent increase in 4 years and significantly improves the financial outlook for the HRA.

There are a number of risks facing the Council's HRA – the impact of Brexit, the roll out of universal credit, and such a high level of capital investment.

Schools and school funding

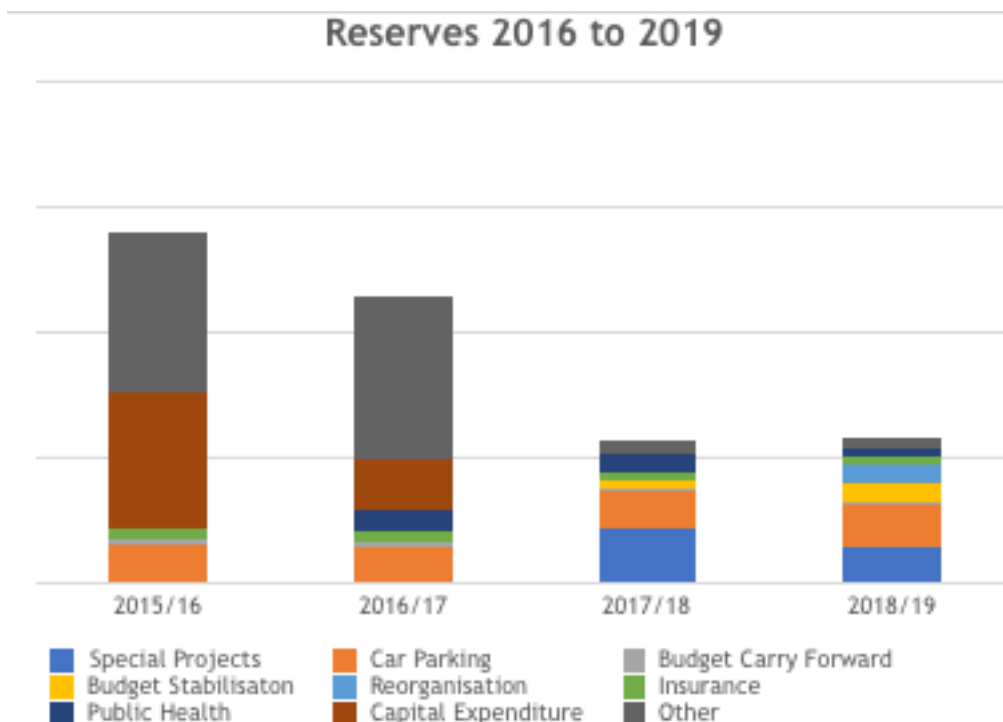
The authority has 28 primary schools (with some 6,800 pupils) and six secondary schools (with some 4,700 pupils). The declining birth rate in central London has meant that the primary schools have experienced falling rolls over the past few years - at present there is some 5% spare capacity in the south of the borough and 11% in the north. Unlike other authorities in London (where some 22% of pupils at secondary school attend schools in other boroughs), Kensington and Chelsea is a significant net importer of secondary school pupils - with 46% of secondary school pupils being resident in other boroughs.

The total budget delegated to schools in 2020/21 budgets is showing an average 2.5% per pupil increase. Every school has an increase of at least 1.84% per pupil compared to 2019/20 funding. Four primary schools have a reduction in pupil numbers of more than 5% and they are eligible to apply for additional falling rolls funding from the Dedicated Schools Grant (DSG) in accordance with criteria agreed by the Schools' Forum.

The Dedicated Schools Grant (DSG) is forecast to have a cumulative overspend of £3.6m at the end of 2019/20, mainly due to overspends in 2018/19 and 2017/18 on expenditure related to pupils with Special Educational Needs and Disabilities (SEND). A high needs review group has reviewed all related expenditure and is expecting to have an in-year DSG underspend of £0.74m in 2019/20. Under additional requirements introduced by the Department for Education (DfE) the Council has submitted a recovery plan as a result of having a cumulative DSG deficit of more than 1%.

Reserves

At March 2019, the Council's level of earmarked reserves, an indicator of the financial health of the organisation, was £144m. Although there is no plan to use these reserves to balance the budget going forward, the Council's financial planning process has estimated that over the next three years, some £75m of the reserves will be used to fund a range of one-off costs, be used on an invest to save basis to deliver £40m of sustainable budget reductions and part fund the capital programme. Details are set out in the budget report to Leadership Team in its meeting of 12 February 2020.



Capital

The capital strategy which was refreshed and approved by the Council in July 2019, provides a framework for the allocation of resources to fund capital projects. The Council’s ability to prudentially borrow to fund future capital schemes is limited by the budgetary pressures which the Council continues to face.

The capital programme and its governance and processes is an area for improvement at Kensington and Chelsea. The last two years has seen slippage in excess of £100m per year. In 2019, the Council commissioned an external review by PWC²⁶. The recommendations from the review emphasise the importance of improved governance arrangements and improvements to the Council’s processes for developing new investment proposals and managing project and programme level progress.

Officers are currently developing an action plan that will be implemented during the course of 2020/21. Progress will be reported regularly to Audit and Transparency Committee.

External Review of the Council’s Financial Position

External Audit

²⁶ Appendix 24: PWC Capital Programme Financial Management Review

The Council's external auditors were KPMG until 2017/18, and are now Grant Thornton. The accounts²⁷ have been unqualified in both of the last two years and recommendations for improvements to processes and systems are being addressed. The Council has not, however, been given a value for money opinion in either year as a result of the ongoing Public Inquiry and it is unlikely that this will change until Phase 2 of the Public Inquiry is complete.

CIPFA Review of Adequacy of Reserves

In December 2017, the Council commissioned a review of the Council's reserves which concluded "based on the information presented and the interviews conducted, that the levels of earmarked reserves planned for in the Medium-Term Financial Plan at 31st March 2018, to be neither excessive nor unnecessary in the light of the particular circumstances, risks and responses facing the Council arising from the Grenfell tragedy."

MCHLG Review of Financial Review

In March 2019, MCHLG commissioned a review of the Council's financial stability to inform any future decisions around Government funding. The review found:

"The Council's reserve levels have reduced significantly since the Grenfell Tragedy and will reduce further over the next five years with no prospect of increasing them. Levels are neither excessive nor unnecessary in the light of the particular circumstances, risks and responses the Council may need to make over the next few years but are at the lower end of that held by other London boroughs.

From a position in 2016/17 as one of the most financially secure Councils in the country the costs of funding the impact of support to the bereaved, survivors and community for those affected by the Grenfell Tower tragedy has threatened its future financial sustainability, particularly if it has to meet significant costs above those planned."

CIPFA 2019 Financial Reliance

CIPFA's Financial Resilience Index is a comparative analytical tool that may be used by chief financial officers to support good financial management, providing a common understanding within a Council of their financial position. The index shows a Council's position on a range of measures associated with financial risk. Details for Kensington and Chelsea can be found [here](#).

Financial Management - Officers

There are pockets of good financial management across the organisation but also areas for improvement. The Council is less practiced in the need to make significant reductions to cost and budgets than other Councils. The impact of Grenfell, as well as continuing austerity and the effects of fair funding mean this is now an essential skill.

²⁷ Appendix 22: Statement of Accounts 2018-19

Over the next 12 months there will be a review of the finance department's ways of working and an embedding a new business partnering culture for working with services to support improved practice.

Financial Management - Members

Lead Members

Lead Members are actively involved in the Council's financial planning process. They shape the direction of travel for the MTFs and direct spending in accordance with priorities. This planning takes place through Joint Leadership Team/EMT Away Day planning sessions, through the fortnightly Joint Leadership Team/EMT meetings and then more formally through Leadership Team. Regular update meetings take place between Lead Members and Officers and 'finance' is a regular agenda item.

The in-year financial position is reported to Leadership Team quarterly. Leadership Team will consider areas of variation and challenge the need for mitigating action.

Overview and Scrutiny Committees

The role of Overview and Scrutiny Committee in the financial management process is developing in light of the new governance arrangements and the creation of the Overview and Scrutiny Committee and Select Committees. Responsibility for financial management sits with the Overview and Scrutiny Committee.

As part of this year's budget process, a Budget Working Group was established and a smaller group of Overview and Scrutiny Members scrutinised the budget proposals. Their final report was agreed at Overview and Scrutiny Committee on 28 January and was considered by Lead Members in preparing the budget.

From April 2020, Overview and Scrutiny Committee will receive quarterly updates on financial matters, including the in-year financial position and performance information.

Opposition Group

In terms of financial planning and the budget process, officers work closely with the Opposition Group to provide the necessary information for them to challenge the financial position, budget proposals and financial plans generally and the support to develop their own alternative budget as required.

4 - Partnerships and leadership of place

Local partnerships

In responding to the Grenfell tragedy the Council has worked closely with the emergency services, the health sector, the local community and voluntary sector, schools, national Government, and the emerging self-organised groups of bereaved and survivors. As part of the Grenfell Recovery Strategy, the Grenfell Strategic Partnership Board, chaired by the Leader of the Council, brings together a range of local agencies with colleagues from the Ministry of Housing, Communities and Local Government (MHCLG) to ensure strategic alignment across the partnership, share intelligence and monitor jointly agreed outcomes for those affected and the wider community.

The Council maintains relationships with the various organisations who represent the bereaved and survivors of the fire, the most prominent of which is Grenfell United, whom the Council meets on a fortnightly basis to discuss rehousing, provision of support services and wider issues of accountability and culture change. Whilst fragile, these relationships have been enormously beneficial to informing the way the Council delivers supports to these residents and drives change in the organisation more generally.

Conversely, the lack of trust in the local authority has meant that it has simply not been possible to imagine it as a credible vehicle for convening a ‘whole place’ approach to local public services. Relationships are strong at a bilateral or service-based level. We work in partnership with the Central London Clinical Commissioning Group and the West London Clinical Commissioning Group to join-up health and care services, so that people can manage their own health and wellbeing and live independently in their communities for as long as possible. Residents associations and amenity societies have a strong voice in housing management and in planning. A new Interfaith Forum brings together faith groups from across the borough.

There is however, no mature corporate strategy nor forum to explore how the collective priorities, resources and capacity of our partners in the borough might be combined to make life better for our residents. This also makes it harder to identify gaps in our relationships. We have already recognised through the Economy Strategy a need to develop better relationships with our businesses. More focussed effort is needed if our wider ambitions for the place are to be realised.

Regional

Similarly, the challenges of the past two years have meant that political and managerial energy has been necessarily directed internally and at achieving highly specific goals. That noted, the Council plays an active part as a member of the sub-regional Central London Forward, and of London Councils, but we acknowledge that there can be benefits to the borough of more sustained engagement in this regional work.

National

At national level, Kensington and Chelsea have been subject to perhaps the most heightened and sustained process of accountability to Government there has ever been in local government. For some considerable time after the fire, the Secretary of State chaired COBRA meetings and then regular Ministerial Recovery Group meetings to monitor rehousing and other key issues, as well as ensuring that Ministers engaged with periodic 'deep dives' into key issues (half day sessions on detailed operational issues). The scope and intensity of this direct accountability of the Council's leadership to leading central government politicians is difficult to over-estimate. Even now, the Council still files weekly reports on rehousing progress to MHCLG and provides information on a range of issues to central government on a regular basis.

Shortly after the fire in 2017, the Government appointed an Independent Grenfell Recovery Taskforce, chaired by Baroness Jane Scott. This is a non-statutory intervention designed to make sure that the Council is able to deal with the long-term recovery from the Grenfell Tower fire. It acts as an assurance board for the Secretary of State. It has produced four reports, the most recent of which was published in the summer of 2019.²⁸

²⁸ Appendix 28: Independent Grenfell Recovery Taskforce, Fourth Report

5 - Capacity to deliver

Organisational change and development

Delivering our Council Plan requires a radical change to the culture of the Council, equipping our staff to build relationships, work collaboratively and to work in service to the community with respect, kindness and integrity.

To that end our new values and behaviours framework was launched in October 2018. Our four new values are: *putting communities first; integrity; respect; and working together*. These values underpin our performance appraisal scheme (including performance related pay), our recruitment processes, our corporate induction, and our communications with staff.

The Council has invested in a series of management development and leadership programmes to support this change. The first of these supported broad involvement in shaping our core values and set a renewed basis for a fresh style of working. Secondly, we invested in a leadership programme for service managers that focussed on breaking down silo working and encouraging a more system-based approach to service management. Both programmes made sure that the emphasis was on how people need to work with each other and less on what they actually did.

Thirdly, we have conducted a number of large-scale learning events for staff to encourage different and creative ways of working. These have focussed on innovation and team working as well as specific sessions on community diversity and the need for us, as public servants, to be inclusive and culturally competent. Much more work has to be done to eliminate silo working and bring down barriers between staff groups. The 2019 staff survey²⁹ showed that while 69% of staff feel that, “there is a great sense of collaboration in my team”, only 46% feel that, “different teams work really well together”.

The People Strategy sets out how the organisation will continue to support and encourage staff, increase the diversity of our staff, and promote the Council as a workplace to those who live locally, to ensure the Council’s workforce reflects, as far as is possible, the communities it serves.

In the autumn of 2020, the chief executive established an Organisational Change Team³⁰, drawing together a small team of senior managers to lead culture change in an embedded and whole Council way. This group has recruited a wider set of staff as “ChangeMakers” helping to set and settle this change widely across the organisation.

²⁹ Appendix 25: Staff Survey Results 2019

³⁰ Appendix 16: Forward 2020: managing change in Kensington and Chelsea

Learning from outstanding practice

It is essential that the Council as a whole learns from outstanding practice within the organisation. The exemplary work that has been done by the Executive Director for Grenfell, her senior team, and the staff working directly on the response and recovery phases is one such example and it is vital that the Council builds on that approach. There is extensive work underway to archive the Grenfell response and to capture and embed some of the lessons for the Council and for the wider sector. There are also several work streams under a *Learning from Grenfell Programme* designed to capture and embed lessons from the Grenfell tragedy itself (including around safety, community engagement, and equality and diversity). All this work is connected to the Council-wide Leadership Programme.

Of the 150 Councils that are responsible for children's social care, Kensington and Chelsea (alongside Westminster) are independently judged as among the very best in their field³¹. The Executive Management Team are examining how the systemic practice model used to great effect in children's services might be adapted for wider use by other work groups across the Council. Systemic Practice fosters a relational approach with social workers building quality relationships with children, carers and the wider family, allowing them to explore challenges in the context of the family system and develop plans of support alongside the families themselves. We want to adapt this practice in ways that are relevant and appropriate across some of the Council's other service areas.

Learning from others

At all times the Council has sought to deploy expert views and support from outside the authority to reinforce our learning and development. The leadership development programme for our senior managers has been commissioned from the Leadership Centre. We have engaged international experts in disaster response and recovery, including Dr Lucy Easthope, a Senior Fellow at the Cabinet Office Emergency Planning College, and Dr Grady Bray, a disaster psychologist and COO of Disaster Management International; and visited communities who have faced similar or comparable recovery challenges such as Enschede, in the Netherlands; and also in Rotherham. The Council has also commissioned external peer challenges in a number of service areas, including communications and planning³².

Learning from staff

Shaping effective organisational change requires the widest involvement and engagement of the Council's staff. Staff are at the forefront of delivery alongside the public, and they are at the forefront of redesigning services with service users and citizens generally. Ensuring that staff are genuinely engaged with change is therefore a critical feature of organisational improvement. In the most recent staff survey (2019), the combined employee engagement score had risen by 5 percentage points, from the previous survey in 2018, to 65 per cent.

³¹ Appendix 29: Ofsted inspection of children's social care services September 2019

³² Appendix 32: Planning Service Peer Challenge

Indeed, in the 2019 staff survey, all six components of the combined employee engagement score demonstrate an improved buy-in by the Council’s staff into the overall agenda of the Council.

Six components of overall employee engagement

“I am committed to helping the Council meet its goal and objectives.”
90% positive. Up 3 percentage points from previous survey



“I am proud to work for the Council.”
65% positive. Up 8 percentage points from previous survey

“I would recommend the Council as a great place to work.”
56% positive. Up 8 percentage points from previous survey

“Working here makes me want to do the best work I can.”
78% positive. Up 5 percentage points from previous survey

If I were a member of the public contacting the Council, I would be confident of a good service.”
55% positive. Up 2 percentage points from previous survey

“I feel a strong sense of belonging to the Council.”
47% positive. Up 2 percentage points from previous survey

The focus of management attention throughout the 2020 is to improve staff satisfaction, motivation and alignment to organisational goals. This follows on from an analysis of what factors are most correlated with positive employee engagement scores. This is commonly referred to as a “key driver analysis” - it is based on different forms of statistical analyses.

The five factors that are most associated with high employee engagement scores in the Kensington and Chelsea staff survey, are as follows (in rank order).

1. "In my opinion, the Council is committed to delivering the best we can for our service users" - baseline 64% positive
2. "I trust and respect senior managers in the Council" - baseline 50% positive
3. "I have confidence in the leadership of the Council" - baseline 39% positive
4. "My role gives me a feeling of personal accomplishment" - baseline 75% positive
5. "I believe I am valued by the Council" - baseline 43% positive

This means that to drive up levels of employee engagement to higher levels than at present, we need to: (1) demonstrate to staff how the Council is committed to delivering the best services possible; (2) improve the levels of trusts and respect that staff have in senior managers; (3) improve the staff confidence in the Council's leadership; (4) ensure that staff have opportunities to develop positive feelings about their personal accomplishments at work; and (5) re-affirm to staff individually and in teams how much they are valued by the Council. In respect of staff working within the Council's new values framework, there have been significant improvements in staff response levels. We continue to be concerned about the effectiveness of collaborative working, both within and between service teams, as the response levels are beneath benchmark scores (albeit that they are complicated method issues in relation to the benchmarking of reported collaboration between different organisations).

Key facts and figures relating to the profile of the organisation's staff can be found in the draft People Profile for 2019.³³

³³ Appendix 26: People Profile 2018-19

Conclusion

The challenges facing Kensington and Chelsea remain significant. The management challenge of accounting for the actions of the Council as it was, managing the productivity and performance of the Council as it is, and shaping the future of the Council as it is becoming is and has been enormously complex.

Fundamentally the Council must move from an organisation that was arguably too self-regarding, focussed predominantly on professional standards and service excellence; to one that is community regarding, where the needs and desires of our communities are placed at the heart of how we shape our policies, deliver our services and measure our success.

The character of our relationships with our community are an essential aspect of recovery from the Grenfell Tower tragedy. The Independent Grenfell Recovery Taskforce have spent over two and a half years monitoring and advising our efforts in this area. A Corporate Peer Challenge may find it difficult to capture and reflect the full dynamics of these relationships.

We therefore want the Peer Challenge to take a view of how well-equipped the Council is to fulfil the ambitious plans that are in place, and to advise us on how we can best ensure the cultural and organisational changes that have begun can be truly embedded, sustained, and amplified.

Our organisation needs to improve further and with greater pace. Here's what Edward Daffarn, a Grenfell survivor said in his evidence to the House of Commons Select Committee on Housing, Communities and Local Government, at its meeting on 8 July 2019:

“What we recognise, as survivors and bereaved, is: we don't want to be remembered for how we were treated before. We want to be remembered for the changes that come afterwards. What we want RBKC to become is a really progressive, listening, the best borough in the country. That's what we want it to become as a result of Grenfell ... We want RBKC to be somewhere where other boroughs come and say 'we need to rejig our housing policy, where can we go?'...to be a borough where people can come and say ... this borough is really doing the right thing.”³⁴

This is our aim, to reach a place where the Council is so transformed that it is acknowledged as a leading authority that acts with the full confidence of its communities, and which does the right thing. We are enthusiastic to hear the Peer Team's view of how we might best continue our work towards this goal.

³⁴ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/housing-communities-and-local-government-committee/news/grenfell-united-support-evidence-17-19/>

Appendices:

Background

1. Key Data on K&C
2. ‘The patronising disposition of unaccountable power’: A report to ensure the pain and suffering of the Hillsborough families is not repeated

Key Strategies

3. Our Council Plan
4. Council Plan - Consultation and Engagement Results
5. Grenfell Recovery Strategy
6. Live, work and learn: Our plan for a successful local economy
7. Housing Strategy 2019-2022
8. Our People Strategy: Bringing our workforce closer to our communities
9. Local Plan, September 2019

Governance

10. Change at the Council: Independent Review of Governance for the Royal Borough of Kensington and Chelsea
11. Borough and Area Governance Review
12. Charter for Public Participation
13. Scrutiny Arrangements - report of the Scrutiny Panel

Management Papers

14. Fit For New Purposes
15. Forward 2020: organisational change at the Council
16. Forward 2020: managing change in Kensington and Chelsea
17. SMI Dashboard Examples
18. Strategic Risk Register
19. Consolidated Corporate Health and Safety Policy

Finance

20. Medium Term Financial Strategy 2020/21 to 2023/24

21. Revenue Budget, Capital Programme and Council Tax 2020/21
22. Statement of Accounts 2018-19
23. IMPOWER Benchmarking Data
24. PWC Capital Programme Financial Management Review

Staff

25. Staff Survey Results 2019
26. People Profile 2018-19
27. Public Inquiry Manager Toolkit

Other

28. Independent Grenfell Recovery Taskforce, Fourth Report
29. Ofsted inspection of children's social care services September 2019
30. Local Account Group Annual Report 2019
31. Communications Peer Review
32. Planning Service Peer Challenge