



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Special Cabinet** held on **Monday 27th March, 2017**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP.

Members Present: Councillors Nickie Aiken (Chairman), Heather Acton, Daniel Astaire, Danny Chalkley, Antonia Cox, Robert Davis, MBE, DL, David Harvey, Richard Holloway, Tim Mitchell and Rachael Robathan.

Apologies for Absence: Councillors Richard Beddoe and Angela Harvey.

Councillor Gotz Mohindra was also in attendance.

1 WELCOME

1.1 The Leader welcomed everyone to the meeting.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations.

3 TRI-BOROUGH REVIEW OF SECTION 113 AGREEMENTS

3.1 Charlie Parker, Chief Executive, presented the report which summarised the discussions that had taken place between Westminster City Council, the Royal Borough of Kensington and Chelsea (RBKC) and the London Borough of Hammersmith (LBHF) and the challenges that were faced. LBHF had indicated on several occasions, including the last meeting to take place between the respective tri-borough Council Leaders on 23 March 2017, of their intention to withdraw from tri-borough services for Adult Social Care, Children Services and Public Health. This would have significant impact in terms of services to residents, uncertainties for staff and financial considerations.

3.2 Charlie Parker advised that in order to provide greater certainty, the Council and RBKC were proposing to serve notice to LBHF to terminate the Section 113 agreements in respect of tri-borough Adult Social Care, Children's Services and Public Health. Members were informed that 12 months' notice to terminate these agreements was required and it was desirable to give notice

to terminate within the next two days so as not to impact any further upon the 2017-18 financial year, and ensure a new Bi-borough arrangement was in place for 2018-19. Charlie Parker stated that the recommendations were proposed to safeguard services and staff and that if agreed, the Cabinet would receive regular updates on progress alongside the relevant Cabinet Members. There would also be additional costs incurred for the Council, however there were some resources available to cover the transition of costs. Further ongoing financial updates would be reported to Members regarding the impact on revenue budgets.

- 3.3 The Leader referred to the meeting of 23 March 2017 between the Council Leaders of the tri-boroughs, where the Leader of LBHF had made it clear of his intention to withdraw from the tri-borough services partnership within the next 12 months. The Leader felt that the tri-borough arrangements had been a success to date and a strong future was in prospect, however with LBHF due to withdraw, it was important for the Council and RKBC to take control of the situation and safeguard services for residents and provide clarity to staff.
- 3.4 Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services stated that the purpose of the tri-borough services to improve services and make savings had been achieved and savings had been made in the region of £14 million each year. As a result of the tri-borough arrangements, there had not been the need to cut back on services as severely when compared to other councils. Councillor Mitchell acknowledged that the costs incurred in terminating the Section 113 agreements with LBHF were not desirable and it was important to keep a record of these. He stated that every effort would be made to consider working with other London boroughs and possibly even councils outside London in future and discussions were underway, for example with regard to the possibility of sharing Building Control Services with the London Borough of Camden.
- 3.5 Councillor Robert Davis MBE, DL, Deputy Leader and Cabinet Member for Business, Culture and Heritage stated that the Council was left with little choice in giving notice in order to protect staff and services for residents. Councillor Richard Holloway, Cabinet Member for Children, Families and Young People felt that tri-borough Children's Services had been a success and it was regretful that this would no longer be possible to maintain. Councillor Rachael Robathan, Cabinet Member for Housing, referred to the five years she had held the portfolio for Adults and Public Health where tri-borough services in this area had proven to be successful both in terms of improving services and making savings, and the respective Cabinet Members had also worked well together. However, regrettably LBHF were certain of their intentions to withdraw from tri-borough services in these areas and so it was right to seek clarity and stability for residents. Councillor Robathan also stated that the Council would be willing to work with any other boroughs in the interests of residents.
- 3.6 Councillor Daniel Astaire, Cabinet Member for Planning and Public Realm, echoed the views of Cabinet Members in expressing regret that LBHF wished to withdraw from some of the tri-borough services and in supporting the recommendations in the report. He sought views as to whether the Councils

could be in material breach of their legal responsibilities with the intention to withdraw. Councillor Heather Acton, Cabinet Member for Adult Social Services and Public Health, stated that tri-borough Adult Social Services and Public Health had proven to be effective and it was regretful that this would not continue. However, there were opportunities to further develop partnership working with the North West London boroughs. Councillor David Harvey, Cabinet Member for Environment, Sports and Community, expressed concerns about the future of tri-borough Library Services and asked whether the risk of losing tri-borough arrangements in this area was now greater.

3.7 In reply to the issues raised by Members, Tasnim Shawkat, Director of Law, advised that there is unlikely to be any material breach as no action has been taken that cannot be remedied. In this case, matters were at a planning stage, and so pursuing material breach was not relevant. Tasnim Shawkat added that the Section 113 Agreements providing that any of the Councils can give 12 months' notice of its intention to terminate an agreement and giving such notice also removed the risk of a material breach.

3.8 Charlie Parker advised that other tri-borough services, including Library Services, may well be impacted upon in future and the Council should be mindful for this. He added that there would be a wider discussion with Members on the future of the other tri-borough services over the next few months, subject to LBHF's intentions. However, at present the termination only affected the three named services.

3.9 The Leader emphasised that the Council was willing to work with any other boroughs where this was in the interest of residents and noted the partnership working that was already taking place with the North West London boroughs, whilst the Council also enjoyed a positive relationship with the Mayor of London. This was not a party political issue. She advised that a Cabinet Working Group would be put together as a result of the proposals and more information would be provided to Members.

3.10 **RESOLVED:**

That Cabinet:

1. Noted that the London Borough of Hammersmith and Fulham (LBHF) has given informal notice that they wish to withdraw from a number of Tri-borough services including Adult Social Care, Children Services and Public Health.
2. Noted that significant monetary savings have been achieved as a result of the Tri-borough project and that the financial implications of the decision to terminate the arrangements are likely to be considerable for all three Councils and this financial impact is being assessed.
3. Noted that in addition to the financial savings there have been non-cashable benefits through efficiencies, transformation and improvements in the quality of services, recognised nationally, as set out in this report.

4. Noted that a year's notice is required under the Shared Services Agreements to terminate any tri and bi borough services but that no formal notice has yet been issued by LBHF.
5. Noted that once notice is served it may be withdrawn only if all parties agree.
6. Delegated authority to the Chief Executive to serve notice to terminate the s113 agreements for Adult Social Care, Children Services and Public Health.
7. Delegated further authority to the Chief Executive to serve notice to terminate any other s113 agreements as necessary or prudent in conjunction with the Leader of the Council and relevant Cabinet Members.
8. Delegated authority to the Chief Executive to take all such actions and all such decisions as may be necessary or prudent to manage the transition of services and any other matters arising whether directly or indirectly as a consequence of serving termination notices in respect of the s113 agreements in respect of Adult Social Care, Children Services and Public Health or any other similar agreements.
9. Noted that efforts will be made to continue the sharing arrangements wherever possible, subject to the views of our partners, in order to preserve the benefits to the residents, and that the priority will be to maintain the high quality of services and provide staff with employment protection.

Reasons for Decision

1. Cabinet Members for Adult Social Care, Public Health and Children Services have recently become aware that LBHF is intending to terminate the current shared service arrangements for these services and is making alternative plans to create mono borough People Services in LBHF. This is evident from Mrs Redmond's review of Adult Social Care Services and her conversations with Cabinet Members as outlined in her recent report. In a meeting with the Leaders of the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC) on 23 March 2017, the Leader of LBHF said that it was his intention to serve notice within the next few months to bring to an end the shared service arrangements for these three services.
2. However, as it is not clear exactly when the formal notice that is required will be served by LBHF, this is causing uncertainty and has the potential to have an adverse impact on service delivery. Therefore, RBKC and WCC wish to serve the necessary notice to terminate the arrangements so that there is sufficient time to make alternative plans and implement them by April 2018.

3. Terminating the shared arrangements following the service of the notice will have significant financial implications and therefore it is a key decision, which can only be taken by the Leader or Cabinet. The reason for this urgent decision is that a decision needs to be made to fit in with the financial year end or as close to it as possible; and to confirm to staff that a process of transition with a deadline has begun.

3.11 The Leader advised that as there was no confidential report to consider, it would not be necessary to proceed to the originally proposed exempt report item.

4 ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT

4.1 There was no additional business for the Cabinet to consider.

The Meeting ended at 7.21 pm.

CHAIRMAN: _____

DATE _____