



City of Westminster

Council Follow On Agenda

Title: **Council Meeting**

Meeting Date: **Wednesday 4th March, 2015**

Time: **7.00 pm**

Venue: **Porchester Hall, Porchester Road, Bayswater, London, W2 5DU**

Members: **All Councillors are hereby summoned to attend the Meeting for the transaction of the business set out.**

Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm.

Please telephone if you are attending the meeting in a wheelchair or have difficulty walking up steps. There is wheelchair access by a side entrance.



An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Mick Steward, Head of Committee and Governance Services.

**Email: msteward@westminster.gov.uk Tel: 020 7641 3134
Corporate Website: www.westminster.gov.uk**

6. Item 4: Follow on Cabinet Report 23 February 2015

(Pages 1 - 10)

a) **Item 5: Follow On Item: General Purposes Report
25 February 2015**

(Pages 11 - 12)

**Westminster City Hall
64 Victoria Street
London SW1
27 February 2015**

Head of Legal & Democratic Services

REPORT OF THE CABINET MEETING HELD ON 23 FEBRUARY 2015

The following members of the Cabinet were present:

Councillor Philippa Roe	Leader of the Council
Councillor Heather Acton	Cabinet Member for Sustainability and Parking
Councillor Nickie Aiken	Cabinet Member for Public Protection
Councillor Daniel Astaire	Cabinet Member for Housing, Regeneration, Business and Economic Development
Councillor Richard Beddoe	Cabinet Member for City Management
Councillor Melvyn Caplan	Cabinet Member for Finance, Corporate and Customer Services
Councillor Danny Chalkley	Cabinet Member for Children and Young People
Councillor Rachael Robathan	Cabinet Member for Adults and Public Health
Councillor Steve Summers	Cabinet Member for Sports, Leisure and Open Spaces

Also Present: Councillor Tim Mitchell

1. Budget and Council Tax Report 2015/16 to 2017/18

- (a) Since 2010, the Local Government funding regime from Central Government has changed significantly and the City Council has faced substantial financial challenges as a result. We are pleased to report that the Council has, again, risen to these challenges and successfully delivered a series of transformation, investment and savings programmes to deliver a balanced budget to stay within the reduced levels of funding available. In order to meet these challenges the Council has had to meet a total savings requirement of £36m in 2015/16 which encompasses the original estimate of £33m increase by £3m to finance the net additional impact of service pressures and inflation. The proposals are set out in Schedule 5 to the report we received which is attached as Appendix A. The savings challenge arose from the December 2014 provisional Local Government Finance Settlement which indicated a further reduction of £25.2m for 2015/16 which was subsequently revised in the final settlement decision to £24.7m. The figures broadly aligned to the Council's assumptions.

- (b) Among the other changes announced the New Homes Bonus will increase which had been factored into projections but a top-slice is applied. A significant increase in funding came in the form of the Better Care Fund which increases from £9m to £18.2m. This additional money however comes with the burden of additional expenditure which will need to be managed. Other cuts announced of £0.3m on New Burdens funding and Council Tax Support/Housing Benefit Admin Subsidy, Local Welfare Provision and Funding. The Government has recently announced a reduction in the Council's funding for Discretionary Housing Payments. In view of the greater than anticipated reduction in 2015/16 we are recommending, as part of this budget, to part fund the impact from a one off draw down from balances in 2015/16.
- (c) The Council continues to deal with a large number of complex legislation, policy and financial initiatives which are outlined in Section 11 of the report we considered (Appendix A). The current year forecast has been improving and is expected to close slightly better than budget. The Council is rightly proud of the robust, comprehensive and active approach to budget management. Each Cabinet Member, overseen by the Cabinet Member for Finance, together with officers, adopts a very robust, comprehensive and active approach to budget management. The Council tracks and monitors performance monthly and throughout the financial year and any risks are reported through management reporting along with the progress being made against the savings targeted for the year.
- (d) Following much detailed work a balanced budget is proposed which includes a number of savings many as a result of a major organisational transformation programme exercise which is ongoing and further savings are planned. Risks have been mitigated and reserves strengthened and as a result the Council is well placed to deliver its future financial challenges. The report (Appendix A) also sets out the direction of travel for 2016/17 and 2017/18. Given the challenges facing Local Government over recent years and in future years, the funding reductions announced in the financial settlement, the Council is targeting savings of £100m over the next three years. The requirement to achieve a balanced budget in 2015/16 has been achieved and detailed planning commenced for future years. We considered a detailed paper elsewhere on our agenda which set out proposals for the early help service which had been formulated following significant consultation with residents, service users as well as key stakeholders and partners.
- (e) We confirm that the Council's consistent but evolving core offer remains as a direct response to our residents wishes and lies at the heart of everything we do. Our priority remains to give people, families and businesses the confidence and opportunities to thrive in our dynamic, creative and world-leading city. We also aim to strengthen connections amongst residents, businesses and visitors as everyone plays their part in, and benefits from, the City's success. The Leader will expand further on these as part of her Leader's Speech and also the new values and behaviours for the organisation which underpins how the Council delivers services to its communities and operates as an organisation. The budget has been produced with the impact

of service changes or reductions on residents very much in mind. An Equalities Impact Assessment for all proposals are also included in the full report we considered.

- (f) The Capital Expenditure programme is set out in Schedule 11 of the report, attached as Appendix A. This programme is funded through grants, third party funding and the Council's own Capital Receipts. There is in place a robust process for the review of capital expenditure. There is a rolling programme of capital works reflected in Schedule 11. Each Capital Programme Scheme will be subject to separate approval as required by the Financial Regulations.
- (g) We heard from Councillor Tim Mitchell who reported on the detailed work undertaken by of the Budget Task Group. We noted the recommendations of the Task Group and for these to be taken into account as implementation of the budget progresses.
- (h) As in previous years, we received late updates on behalf of the precepting authorities. We noted that the only minor change was of a reduction of £15,000 from the Lee Valley Regional Park Authority and that the GLA precept was confirmed at £295. We authorised officers to vary the Council Tax resolution as necessary.
- (i) In conclusion, we are pleased to be able to present a robust, balanced budget to the Council, which for the eighth consecutive year contains a recommendation to freeze the Council Tax. We commend the budget to the Council including the related recommendations:

We recommend:

- (a) That the 2015/16 budget, as set out in the report, attached as Appendix A, that the Council Tax levels as set out in the Council Tax resolution as attached as Annex (1) be approved;
- (b) That the capital expenditure programme as set out in Schedule 11 of Appendix A be approved for the period to 2016/17 with years 2017/18 to 2019/20 only proceeding where projects costs can be afforded including the cost of financing;
- (c) That the capital financing costs be paid for from service budgets from 2017/18;
- (d) That the estimated level and use of Earmarked Reserves in Schedule 6 of Appendix A as at the budget monitoring position for month 10, 2014/15 be approved.
- (e) That the local element for Band D properties be confirmed at the same level as 2014/15 (ie £377.74) in 2015/16 and that Westminster accordingly take advantage of the 1% (£0.5m) Council Tax Freeze grant for 2015/16;

- (f) That the Council Tax for the City of Westminster, excluding the Montpelier Square area and Queen's Park Community Council, for the year ending 31 March 2016, be as specified in the Council Tax Resolution in Annex B and as summarised in Schedule 6 of Annex B. That the Precepts and Special Expenses be as also specified in Annex B for properties in the Montpelier Square and Queen's Park Community Council areas as summarised in paragraph 6 of Annex B.
- (g) That the views of the Budget and Performance Task Group set out in Annex A of the report (Appendix A) be noted.
- (h) That the cash limited budgets for each service with overall net expenditure for 2015/16 of £194,808k be approved;
- (i) That the members of the Executive Management Team be responsible for managing their respective budgets including ensuring the implementation of savings;
- (j) That the City Treasurer be required to submit regular reports as necessary to the Cabinet on the implementation of the savings proposals and on the realisation of pressures and mitigations as part of the regular budget monitoring reports;
- (k) That the City Treasurer be delegated responsibility for any technical adjustments required to be made to the budget;
- (l) That the cost of inflation be issued to service budget if and when it materialises to the limits as contained within schedule 5 of Appendix A, Corporate Pressures;
- (m) That the use of £1.1m one off reserves to part fund the gap in DHP funding be approved;
- (n) That the views of consultees and consultation approach, as set out in section 19 of Appendix A be considered and noted by the Council;
- (o) That the Equality Impact Statement as part of his report, Annex D to Appendix A be received and noted.
- (p) That Council be recommended to receive a speech by the Leader of the Council on Council priorities and financial aims.

2. Treasury Management – Annual Strategy for 2015 – 2016 including Prudential Indicators and Statutory Borrowing Determinations

- (a) The Council is required under the Local Government Act 2003 (as amended) and other regulations to approve an Annual Treasury Management Strategy to cover: Borrowing Strategy, Investment Strategy and set Prudential Indicators together with borrowing limits for the next three years. In addition,

the Council must approve an annual Minimum Revenue Provision Statement. These strategies and statements have been prepared in accordance with the CIPFA Treasury Management in Public Services Code of Practice, Cross Sectoral Guidance Notes.

- (b) The Council's Investment Strategy remains to invest cash balance with highly rates bodies and external funds.
- (c) The Council's medium term business plan includes revenue budget provision to meet the capital financing costs based on the Capital Financial Strategy and the recommended option for the Minimum Revenue Provision.
- (d) The report we considered is attached as Appendix B.

We recommend:

- (i) That the proposed Treasury Management Strategy, the Annual Investment Strategy, the Borrowing Strategy and the Minimum Revenue Provision Statement for 2015/16 as set out in Appendix B to this report be approved;
- (ii) That the Minimum Revenue Provision proposal for 2015/16 as set out in the report, attached as Appendix B, be approved;
- (iii) That the Prudential Indicators set out in the report as attached as Appendix B, be approved;
- (iv) That the Treasury Management Policy Statement attached to the report be approved;
- (v) That the City Treasurer be authorised in consultation with the Cabinet Member for Finance, Corporate and Customer Services to make any technical adjustments required during the year.

3. The Council's Pay Policy 2015/16

- (a) The Council is required by virtue of the Localism Act to produce a Pay Policy Statement for 2015/16 and for each financial year thereafter. The Pay policy must include details of:
 - The level and elements of remuneration of its Chief Officers.
 - Other aspects of Chief Officer's remuneration; remuneration on recruitment, increases and additions to remuneration, pay progression, termination payments and transparency.
 - Remuneration of its lowest paid employees;
 - The relationship between the remuneration of the Chief Executive and the Council's lowest paid employees.

- (b) The Pay Policy we are recommending be adopted, brings together in one statement the Council's approach to pay and reward as approved by Cabinet on 27 August 2008 and which is detailed in various Council policies. For 2015/16 the Pay Policy has been amended to include current senior salary figures and the pay multiple is based on total pay received to reflect new requirements set out in the Local Government Transparency Code.
- (c) The report we considered which includes the proposed pay policy is attached as Appendix C.

We recommend: That the Pay Policy attached to the report, as Appendix C, be approved for publication.

Philippa Roe, Leader of the Council

Local Government (Access to Information) Act 1972 – Background Papers
The minutes and Agenda for the Cabinet held on 24 February 2015

Council Tax Resolution

That the Council be recommended to resolve as follows:

1. It be noted that on the 21st of January 2015, the Council calculated the Council Tax Base 2015/16
 - a) For the whole Council area as **121,890.83** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”); and
 - b) For dwellings in the Montpelier Square area as **94.16**
 - c) For dwellings in the Queen’s Park Community Council area as **3,156.38**
2. Calculate that the Council Tax Requirement for the Council’s own purposes for 2015/16 (excluding Special Expenses) is **£46,043,042**
3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
 - a) **£1,279,394,591** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it
 - b) **£1,233,319,049** being the aggregate amounts which the Council estimates for items set out in Section 31A(3) of the Act
 - c) **£46,075,542** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year (*Item R in the formula in Section 31B of the Act*)
 - d) **£378.01** being the amount at 3(c) above (Item R) all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the Basic Amount of its Council Tax for the year (including Special Amounts)
 - e) **£32,500** being the amount of the Montpelier Square Garden Committee special item referred to in Section 34(1) of the Act
 - f) **£377.74** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of the Council Tax for the year for those dwellings in those parts of the area to which no special item relates.

4. To note that the Greater London Authority have issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below:

Band	Greater London Authority
A	£196.67
B	£229.44
C	£262.22
D	£295.00
E	£360.56
F	£426.11
G	£491.67
H	£590.00

5. To note that the Queen's Park Community Council have issued a precept to the Council in accordance with Section 41 of the Local Government Finance Act 1992 for each category of dwellings in the relevant part of the Council's area as indicated in the table below

Band	Queen's Park Community Council
A	£29.60
B	£34.53
C	£39.47
D	£44.40
E	£54.27
F	£64.13
G	£74.00
H	£88.80

6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2015/16 for each part of its area and for each category of dwellings:

Westminster Council Requirement & Special Items

Band	Montpelier Square	Queen's Park Community Council	All Other Parts of The City
A	£481.94	£281.43	£251.83
B	£562.26	£328.33	£293.80
C	£642.58	£375.24	£335.77
D	£722.90	£422.14	£377.74
E	£883.54	£515.95	£461.68
F	£1,044.18	£609.75	£545.62
G	£1,204.84	£703.57	£629.57
H	£1,445.80	£844.28	£755.48

Westminster Council Requirement, Special Items and Precepts

Band	Montpelier Square	Queen's Park Community Council	All Other Parts of The City
A	£678.61	£478.10	£448.50
B	£791.70	£557.77	£523.24
C	£904.80	£637.46	£597.99
D	£1,017.90	£717.14	£672.74
E	£1,244.10	£876.51	£822.24
F	£1,470.29	£1,035.86	£971.73
G	£1,696.51	£1,195.24	£1,121.24
H	£2,035.80	£1,434.28	£1,345.48

7. That the City Treasurer be authorised to collect (and disperse from the relevant accounts) the Council Tax and the National Non-Domestic Rate and that whenever the office of the City Treasurer is vacant or the holder thereof is for any reason unable to act, the Chief Executive or such other authorised postholder be authorised to act as beforesaid in his stead.
8. That notice of amounts of Council Tax be published.
9. That the Council does not adopt a special instalment scheme for Council tenants.
10. That the Council offers as standard the following patterns for Council Tax and National Non-Domestic Rate: payment by 1, 2, 4, 10 or 12 instalments and that delegated officers have discretion to enter into other agreements that facilitate the collection of Council Tax and National Non-Domestic Rate.

11. That the Council does not offer payment discounts to Council Taxpayers
12. That the Council resolve to charge owners for Council Tax in all classes of chargeable dwellings prescribed for the purposes of Section 8 of the Act.

REPORT OF THE GENERAL PURPOSES COMMITTEE ON 25 FEBRUARY 2015

Present: Councillor Melvyn Caplan (Chairman), David Boothroyd, Robert Davis and Tim Mitchell

1. **Members' Allowances Scheme 2015/16**

- (a) We have agreed, for recommendation to the full Council, the Members' Allowances Scheme with effect from 1 April 2014. The scheme is broadly similar to the current scheme in that it is weighted towards duties actually undertaken. We have had regard to the views of the Independent Remuneration Panel in making our recommendation. We deleted the paragraph relating to pensions as this is no longer relevant.
- (b) The report we considered is attached as Appendix D.

We recommend: That the Members Allowances Scheme attached to the report at Appendix D be approved, subject to the deletion of paragraph 13 (pensions) with effect from 1 April 2015.

Melvyn Caplan, Chairman

Background Documents

Reports and Minutes: General Purposes Committee: 25.2.2015

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