



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 22nd February, 2016**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6QP.

Members Present: Councillors Robert Davis, MBE, DL (Chairman), Heather Acton, Nickie Aiken, Daniel Astaire, Melvyn Caplan, David Harvey, Tim Mitchell and Rachael Robathan

Also Present: Councillors Brian Connell and Gotz Mohindra

Apologies for Absence: Councillors Danny Chalkley and Philippa Roe

1 WELCOME

Councillor Robert Davis (Deputy Leader of the Council) welcomed those present, in particular Councillor David Harvey who was attending his first Cabinet meeting as Cabinet Member for Sports and Leisure. Councillor Davis also welcomed Ed Watson the recently appointed Executive Director of Growth, Planning and Housing to his first Cabinet meeting.

2 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3 MINUTES (11.1.16)

- 3.1 The Deputy Leader, with the consent of the Members present, signed the Public and Part II minutes of the meeting held on 11 January 2016 as true and correct records of the proceedings.

4 2016-2017 TO 2019-2020 BUDGET AND COUNCIL TAX REPORT (SEE REPORT OF THE CITY TREASURER)

- 4.1 Councillor Tim Mitchell explained that the proposed budget had been prepared following a long detailed consideration of all expenditure. The requirement to find savings had started in 2009-2010 and would continue until

at least 2019 to 2020. Whilst the Council still faced a number of uncertainties the proposed budget put the Council in a good place going forward. Accordingly, he thanked the Finance team for all their hard work.

4.2 Steve Mair, City Treasurer, advised that the supplementary report updated the Cabinet on levies from the precepting authorities and that an updated Schedule 8 had also been circulated. In particular, he referred to the proposal to make provision of £10m to capitalise transformation expenditure as set out in paragraph 13 of the additional report.

4.3 As part of the above, for 2016-2017 it is proposed that the ring-fenced public health grant money is directed to commission services from other directorates who can use the money to deliver public health outcomes through a variety of diversified means. It was noted that the Public Health grant is awarded with conditions that mean that it can only be spent on public activities.

4.4 Councillor Brian Connell spoke on behalf of the Budget and Performance Task Group. He thanked the Finance team for the detailed papers. The Task Group had examined the legal obligations and also the related Equality Impact Assessments. The formal findings of the Task Group were submitted for endorsement. Councillor Gotz Mohindra also spoke in support of the Task Group's findings.

4.5 Councillor Robert Davis recorded his thanks on behalf of the whole Cabinet to the City Treasurer and his team for all the work associated with the preparation of the budget papers.

4.6 **Resolved:**

1. That the Council be recommended to adopt the following:
 - (i) the 2016-2017 budget, as set out in the report and recommend to the Council the Tax levels as set out in the Council Tax resolution at Annex B of the report.
 - (ii) the estimated level and use of Earmarked Reserves in Schedule 5 of the report as at the budget monitoring position for month 9, 2015-2016.
 - (iii) that the local element of Council Tax is increased for Band D properties by 1.99%.
 - (iv) that the local element of Council Tax is increased by 2% in respect of Adult Social Care.
 - (v) that as a consequence of the general rise in Council Tax and Adult Social Care the local element for Band D properties be confirmed for 2016-2017 as £392.81.
 - (vi) 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 2017, be as specified in the Council Tax Resolution in Annex B and as summarised in Schedule 7 of Annex B of the report. That the Precepts and Special Expenses be also as summarised in paragraph 6 of Annex B of the report. That the Council Tax be levied accordingly and that officers be authorised to alter the Council Tax Resolution as necessary following the final announcement of the Greater London Authority precept.

- (vii) that the views of the Budget and Performance Task Group set out in Annex A of the report and presented by Councillor Brian Connell and Gotz Mohindra be noted, considered and incorporated into the Cabinet's report to Council in accordance with the Budget and Policy Framework Procedure Rules in the Constitution.
- (viii) that the cash limited budgets for each service with overall net expenditure for 2016-2017 of £183,804k (as set out in Schedule 3 of the report) be approved.
- (ix) that the members of Executive Management Team be responsible for managing their respective budgets including ensuring the implementation of savings.
- (x) that the City Treasurer be required to submit regular reports as necessary on the implementation of the savings proposals and on the realisation of pressures and mitigations as part of the regular budget monitoring reports.
- (xi) That the City Treasurer be delegated responsibility for any technical adjustments required to be made to the budget and any technical changes to this report before it is issued to Council.
- (xii) that the cost of inflation be issued to service budgets if and when it materialises, to the limits as contained within Schedule 4 of the report.
- (xiii) that the views of consultees and consultation approach, as set out in section 19 of the report be considered and noted by the Council.
- (xiv) the Council agrees to consider the offer of a four year settlement from Government in return for publishing an efficiency statement demonstrating how the spending certainty from a multi-year settlement will be of benefit to residents once any final guidance has been received.
- (xv) that the Council carries forward an unspent contribution from reserves balance originally agreed as £1.1m for 2015-2016 to 2016-2017 to support a forecast increased number of Discretionary Housing Benefit claims.

- (xvi) that in adopting the recommended budget the Equality Impact Assessments included in Annex C of the report be received and noted to inform the consideration and approval of this report.
 - (xvii) that the material changes to the Council's Financial Regulations as included in Annex 4 of the report are approved and the Constitution amended accordingly.
 - (xviii) that the Council sets aside £200k to support the Children's Directorate in transitioning towards external funding for the Youth Service.
 - (xiv) that the Council be recommended to approve a budget of up to £10m for potential capitalisation of transformation expenditure to be funded from transferring individual service transformation budgets as they are identified as being eligible for such capitalisation and actual expenditure incurred.
2. That the Cabinet recommend that this report be submitted to the meeting of the Council on 2 March 2016 and Council be recommended to receive a speech by the Leader of the Council on Council priorities and financial aims.

Reason for Decision

The preparation of the budget is the final stage of the annual business planning cycle leading to the approval of the Council Tax for the forthcoming financial year. There is a statutory requirement to set a balanced budget and submit budget returns to the Department of Communities and Local Government. Approval of the revenue estimates constitutes authority for incurring of expenditure in accordance with approved policies.

5 2015-2016 TO 2020-2021 CAPITAL STRATEGY AND CAPITAL PROGRAMME (SEE REPORT OF THE CITY TREASURER)

5.1 Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services, advised that the report set out a 4 year capital programme of major schemes. It also included a fund of £50m for property investment. He asked the Cabinet to support the programme. Councillor Daniel Astaire also referred to Housing aspects of the Capital Programme.

5.2 Resolved:

1. That the Council be recommended to approve the following:
 - (i) the capital strategy as set out in the report.
 - (ii) the capital expenditure for the general fund as set out in Appendix A for 2016-2017 to 2020-2021.

- (iii) the capital expenditure for the HRA as set out in Appendix E of the report for 2016-2017 to 2020-2021.
- (iv) in the event that any additional expenditure is required by a capital scheme over and above this approved programme the revenue consequences of this will be financed by revenue savings or income generation from relevant service areas.
- (v) from 2017-2018 the revenue costs of schemes in the programme will be financed by revenue savings or income generation from relevant service areas.
- (vi) that all development and investment projects follow the business case methodology as set out in Section 11 of this paper, including the approval process as set out in paragraph 11.7 of the report.
- (vii) the Terms of Reference of the Capital Review Group as set out in Appendix C of the report.
- (viii) a facility of up to £50m for the investment and diversification of the property portfolio to be created with an initial allocation of £25m to be drawn down from 2016-2017, as outlined in paragraph 6.3.4 of the report.
- (ix) that no financing sources unless stipulated in regulations or necessary agreements are ring-fenced.
- (x) the process of improvement as per paragraph 11.8 of the report that will be undertaken during 2016-2017.

Reason for Decision

The Council is required to set a balanced budget and the capital strategy and subsequent capital programme form part of this process, along with the governance process to monitor and manage the programme.

6 TREASURY MANAGEMENT STRATEGY FOR 2016-17 TO 2020-2021 (SEE REPORT OF THE CITY TREASURER)

6.1 Steve Mair, City Treasurer, introduced the report. He explained that the Council is required to operate a balanced budget and in doing so operates a Treasury Management function as required by statute which manages the Council's cashflows, lending and borrowing activities and the controls and mitigation of the risks associated with these. The borrowing facilities were used to fund of the Council's Capital Programme.

6.2 Resolved:

That the Council be recommended to approve:

- (i) the prudential indicators;

- (ii) the Minimum Revenue Provision Policy set out in paragraph 8.7 of the report;
- (iii) the treasury limits for 2016-2017 to 2020-2021 as detailed in paragraph 9.6 of the report;
- (iv) the borrowing strategy set out in Section 10 of the report;
- (v) limits to interest rate exposures and upper and lower limits on borrowing set out in paragraph 10.10 (table 10) of the report;
- (vi) investment strategy set out in Section 11 of the report; and
- (vii) the Investments Schedule (Appendix 1 of the report).

Reasons for Decisions

In order to comply with the Local Government Act 2003, other regulations and guidance and to enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

7 COUNCIL'S PAY POLICY 2016-2017 (SEE REPORT OF THE DIRECTOR OF HUMAN RESOURCES)

7.1 Carolyn Beech, Acting Director of Human Resources, introduced the report and advised that it was necessary for full Council to adopt a Pay Policy Statement for publication by 31 March each year.

7.2 Resolved:

That the Pay Policy for 2016 to 2017, as set out in Appendix 1 to the report, be approved and recommended to full Council for publication.

Reason for Decision:

The Pay Policy Statement must be approved formally by full Council before publication.

8 EXPANSION OF SECONDARY SCHOOLS - PROGRESS REPORT (SEE REPORT OF THE DIRECTOR OF SCHOOLS)

8.1 Andrew Christie, Executive Director Children's Services, introduced the report. He advised that a further report would be submitted to Cabinet on 25 April 2016.

Resolved:

- (i) That the progress in the programme to expand four secondary schools in Westminster be noted.

- (ii) That the proposal to proceed with the expansion of Westminster City School and St George's RC School from September 2017 and the deferral of the expansion of Pimlico Academy to September 2018 and King Solomon Academy to a later date be noted.
- (iii) That delegated authority to the Director of Schools, the Director of Growth, Housing and Property and the Tri-borough Director of Law in consultation with the Cabinet Member for Children and Young People, to take such measures as necessary to give effect to the proposals set out in the report to Cabinet on 29 June 2015 be confirmed.

Reasons for Decision

The decision is required to endorse the authority delegated to the Cabinet Member for Children and Young People to progress the expansion of secondary schools.

9 ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT

None.

10 BUDGET AND COUNCIL TAX: RELATED EQUALITY IMPACT ASSESSMENT

The Meeting ended at 7.19 pm

CHAIRMAN: _____

DATE _____