



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 13th July, 2020**, This is a virtual meeting through Teams.

Members Present: Councillors Rachael Robathan (Chairman), Heather Acton, Timothy Barnes, Melvyn Caplan, Matthew Green, David Harvey, Tim Mitchell, Andrew Smith and Paul Swaddle

1 MEMBERSHIP

1.1 There were no changes to the membership.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3 MINUTES

3.1 RESOLVED:

That the minutes of the meeting held on 11 May 2020 be signed by the Chairman as a correct record of the meeting.

4 2019-20 OUTTURN AND ANNUAL ACCOUNTS

4.1 The Leader of the Council invited Councillor Melvyn Caplan, Cabinet Member for Finance, Property and Regeneration to present the report.

4.2 Councillor Caplan then introduced the report and outlined the Council's 2019/20 outturn position for revenue and capital for the General Fund (GF) and Housing Revenue Account (HRA) before providing a summary of the position in respect of the pension fund and the Council's treasury management for the year.

4.3 Gerald Almeroth, Executive Director for Finance and Resources, further details on these matters as set out in the report. He then addressed Cabinet in respect of the draft 2019/20 statement of accounts where he advised that

these have been submitted to the Audit & Performance Committee which had considered them in detail and raised a number of queries. He explained that the audit of the draft accounts was underway and that he was hopeful for a clean set of accounts to be referred back to committee for approval at the end of July.

- 4.4 In response to questions from Cabinet colleagues regarding slippage in respect of the acquisition of property investments, Councillor Caplan advised that despite carefully monitoring the property market no suitable properties having been identified during the year for purchase that would provide a requisite return. He believed that due to a recent softening in the property market there would be opportunities to acquire such assets and temporary accommodation acquisitions at appropriate price levels.
- 4.5 Councillor Robathan thanked the Executive Leadership Team of the council for their work to ensure that the General Fund revenue budget had been brought in broadly on target at year end despite the challenging impact on service provision arising from Covid-19.

RESOLVED:

That Cabinet:

1. Noted the summary of the draft 2019/20 statement of accounts subject to the public inspection period and the audit currently underway.
2. Noted the Council's outturn position for 2019/20.
3. Approved slippage from the 2019/29 capital programme into future years as per section 8.

5 FINANCIAL PLANNING 2021/22 TO 2023/24

- 5.1 The Leader invited Councillor Caplan to introduce the report.
- 5.2 Councillor Caplan then presented the report which provided an update on the Council's medium-term financial position in order to inform the business and financial planning round for 2021/22. The report assessed the current financial impact result of Covid-19 and reviewed other key financial assumptions together with national and local policy issues that the Council needs to consider in making its plans for the period. The report set out an approach for the budget process that takes account of these and the requirement to identify savings options that fit within the overall policy and financial framework aligning resources to the Council's key policy objectives set out in the City for All. The report also updated the medium-term financial strategy reported to Full Council in March 2020. Assumptions had been reviewed and revised in the report and the planning horizon had been extended a further year to 2023/24.

- 5.3 Councillor Caplan stated that it was timely to update the medium-term financial strategy over the next three years. He was of the view that identifying savings early was the correct approach as the more savings that can be identified and made over the coming months the greater the in full year effect. He went on to state that the council had successfully adapted many of its working practices to respond to the challenges posed by Covid-19 and that service transformation would play a key part in delivering future savings. He advised that the council had faced and successfully managed similar significant financial challenges in 2008 following the global economic crisis and that he was confident that the council would do so again.
- 5.4 Councillor Robathan supported Councillor Caplan's comments and thanked the Executive Leadership Team for their work on aligning the financial challenges with delivering the council's City for All objectives.

RESOLVED:

That Cabinet noted the revised medium-term financial forecast to 2023/24 and to agreed the budget process approach as set out in the report.

REASON FOR DECISION

The preparation of the budget and three-year medium-term financial plan is the first stage of the annual business planning cycle for the forthcoming financial year 2021/22. There is a statutory requirement to set a balanced budget and submit budget returns to the Ministry of Housing, Communities and Local Government (MHCLG). Approval of the revenue estimates constitutes authority for the incurring of expenditure in accordance with approved policies.

6 EBURY BRIDGE ESTATE RENEWAL – "IN PRINCIPLE" COMPULSORY PURCHASE ORDER RESOLUTION

- 6.1 The Leader invited Councillor Caplan to present the report.
- 6.2 Councillor Caplan then introduced the report. He explained that he was willing to support in principle compulsory purchase of land and property required as part of the Ebury Bridge Estate renewal on the grounds of the significant benefits that the regeneration will bring which include the provision of 750 new homes. However, he stated that this should be progressed as a matter of last resort once the council had taken every measure possible to contact, engage and negotiate with residents and landlords.
- 6.3 Councillor Mitchell stated that he felt reassured that the powers would be exercised with caution as a last resort. This was echoed by Councillor Harvey.
- 6.4 The Leader of the Council thanked officers including Barbara Brownlee and James Green and their teams for their work on the renewal project including the excellent community engagement.

RESOLVED:

That Cabinet:

1. Approved the progress of all work necessary to establish a case for compulsory purchase of the Order Land.
2. Approved, in principle, the use of compulsory purchase powers for the acquisition of the land required for development phases of the Ebury Bridge Estate Renewal redevelopment beyond the first phase. The extent of the land required is shown indicatively in hatched blue and orange on the attached plan at Appendix 1 of the report (referred to as **the Order Land**) and note that the making of any CPO will be subject to Cabinet being satisfied in all respects that the criteria in paragraph 3.7 of the report have been met.
3. Noted that Officers will need to seek a future resolution to grant authority, in accordance with section 122 of the Local Government Act 1972, to declare that any land acquired or held by the Council and required for the delivery of the Ebury Bridge Estate Renewal redevelopment may, where they conclude that it is no longer needed for its present purpose, appropriate the land for such statutory purpose as necessary to deliver the Ebury Bridge Estate Renewal redevelopment, and to authorise the overriding of such easements, rights, or other adverse matters burdening the land, where that is needed to deliver the scheme, in reliance on section 203 of the Housing and Planning Act 2016. Such appropriation may take place as a whole or in phases.

Reasons for Decision

1. The Ebury Bridge Estate is one of the five priority estates identified in the Council's Housing Renewal Strategy (2010) as needing significant improvement and investment. In line with the Council's City for All objectives, the overarching objective of regenerating Ebury Bridge Estate is to create a comprehensive renewal that brings about physical, economic and sustainable change that creates additional homes and improves the lives of residents, businesses and visitors alike.
2. Whilst progress with property owners has been made in discussing acquisitions that will be necessary to deliver the proposals beyond the first phase of the Ebury Bridge Estate redevelopment, land assembly remains a critical issue for the delivery of this part of the scheme. Clearly the estate renewal cannot be delivered across properties that are not wholly in the ownership or under the control of the Council and without this, certainty cannot be gained to the likely programme for delivery of the complete estate renewal.
3. To enable the comprehensive redevelopment of the Ebury Bridge estate renewal all relevant land interests will need to be brought in, in a timely way. Whilst it is anticipated that further progress can be made on the negotiated approach for some property interests it is good practice and appropriate to consider the use of compulsory purchase powers.

4. The government recognises in its "Guidance on Compulsory Purchase Process and The Crichel Down Rules" dated July 2019, (the **CPO Guidance**), that if acquiring authorities wait for negotiations to break down, this can have detrimental impacts on the timing of delivery of projects. Therefore, depending on when the land is required, the guidance considers it sensible for an acquiring authority to:
 - plan a compulsory purchase as a contingency measure; and
 - initiate formal procedures.
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5. Importantly, the CPO Guidance expressly recognises that such steps "*...help to make the seriousness of the authority's intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations*".
6. The CPO Guidance requires acquiring authorities to attempt to acquire land by agreement before embarking on the CPO process, although it is recognised that for schemes involving the acquisition of the number of interests, it is sensible to run the CPO process in parallel with ongoing negotiations.
7. The use of compulsory purchase powers to assemble the Ebury Bridge Estate Renewal scheme site for phases beyond the first phase will be used should all reasonable attempts to acquire the necessary land and interests fail. As the CPO Guidance makes clear, use of compulsory purchase powers is intended as a 'last resort'. Officers acknowledge that if any CPO was to be made the Cabinet would require further updating and justification.
8. In this event. a detailed report setting out the justification for the making of a CPO together with the proposed Statement of Reasons would be submitted to Members.
9. The main benefit of the use of compulsory purchase is the certainty of being able to obtain vacant possession to a planned programme. This is vital in order give the Council confidence that the whole Ebury Bridge estate renewal will be delivered. The use of compulsory purchase also provides a level of certainty on project programming which in turn would allow the Council to enter into commercially sound construction contracts. This is because, once the CPO is confirmed and the legal challenge period has passed, the CPO can be implemented and a date for vacant possession fixed in accordance with the project programme which can immediately follow or coincide with the programme for the first phase of redevelopment.

The Meeting ended at 7.14 pm

CHAIRMAN: _____

DATE _____