



CITY OF WESTMINSTER

# MINUTES

## Cabinet

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held at 7.00pm on **Monday 11th July, 2016**, Rooms 5, 6 & 7 - 17th Floor, Westminster City Hall, 64 Victoria Street, London, SW1E 6 QP.

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

**Apologies for Absence:** Councillor Daniel Astaire and Councillor Danny Chalkley

#### 1 WELCOME

1.1 Councillor Philippa Roe welcomed those present.

#### 2 DECLARATIONS OF INTEREST

2.1 There were no Declarations of Interest.

#### 3 MINUTES (6 JUNE 2016)

3.1 The Leader, with the consent of the Members present, signed the Minutes of the meeting held on 6 June 2016 as a true and correct record of the proceedings.

#### 4 PROCUREMENT TRADED SERVICES (SEE REPORT OF THE CHIEF PROCUREMENT OFFICER)

4.1 Anthony Oliver, Chief Procurement Officer, introduced the report. He advised that the proposal would provide additional skills for the team as well as achieve the necessary savings targets and may be additional further income.

4.2 Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services, spoke in favour advising that the proposal gave an opportunity for income and for the team's experience to be used by other parts of the public sector. It would also develop the team's own skill base.

#### 4.3 **Resolved:**

- (i) That the report attached as Part B in Appendix 5, be exempt from public disclosure in that it contains commercially sensitive information pursuant to paragraph 3 to Schedule 12A of the Local Government Act 1972, as amended.
- (ii) That the establishment of a private limited company wholly owned by Westminster City Council, for the sole purpose of developing traded (“procurement consultancy services” as set out in the report, be approved.
- (iii) That the establishment of a joint venture trading company between Westminster Procurement Services Ltd and the preferred partner as detailed in the report, to provide “procurement consultancy services” to public sector organisations as set out in the report, be approved.
- (iv) That the naming of the joint venture trading company be agreed by the Chief Procurement Officer in consultation with the Cabinet Member for Finance and Corporate Services.
- (v) That the appointment of Directors as detailed in the report be approved.
- (vi) That the broad governance and funding arrangements for the trading company, as set out in the report, be approved and the Director of Law, be given delegated authority to settle the detailed arrangements for the establishment of both the procurement trading company and the joint venture trading company including detailed constitutional issues such as additional matters to be reserved to the Council as shareholder in both companies and any necessary agreements between the procurement trading company and the Council, and the procurement trading company and the joint venture trading company.

#### **Reasons for Decision**

- (i) The public sector continues to be challenged to deliver significant savings targets required by the Government in addressing the national budget deficit. In addition, there is a need to reduce our costs, increase our income or both as well as increase efficiency and best practice.
- (ii) Many local authorities have failed to grasp the need for professional procurement resources within the organisation to meet the increased demand to reduce costs and transform services.
- (iii) The niche procurement consultations have failed to address the opportunity within the public sector. This is due to insufficient experience in this market and the complexity of public sector governance and EU procurement regulations; whilst some of the larger consultancies eg IBM, PWC etc, are recognised to be an exception.

- (iv) Shortage of experienced procurement professionals has led to increased interim rates which have the potential of opening up the market to consultancies.
- (v) There is an opportunity for procurement consultancies, with expertise in the public sector, to target public sector bodies including but not limited to local and central government, agencies, housing associations, health and education establishments.
- (vi) A blended model that leverages the resources of both Westminster and a third party consultancy will be most effective in assuring that service delivery in the Council is maintained and strong commercial outcomes are delivered.
- (vii) Westminster is able to knowledge share and leverage expertise with a joint venture partner to provide joint benefits and allow the Council to leverage new knowledge and skills to its own benefit. This would help with retention of procurement resources as well as making Westminster a more attractive place to work for procurement professionals.

## **5 FEES AND CHARGES (SEE REPORT OF THE CITY TREASURER)**

- 5.1 Steve Mair, City Treasurer, introduced the report. He advised that it was important to review fees and charges on an annual basis. The report set out formal timelines for these, which had been supported by the Executive Management Team.
- 5.2 Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services, emphasised the importance of these being reviewed annually by Chief Officers in order to achieve full cost recovery.
- 5.3 Councillor Melvyn Caplan endorsed the proposal and stressed the importance of officers reacting as quickly as possible to changing legislation and opportunities.
- 5.4 **Resolved:**
  - 1. That the following be approved:
    - (a) the new timeline for 2017-2018 annual review of fees and charges, as set out in Section 64 which will include a review by Cabinet each June.
    - (b) the charging policy to guide the way fees and charges are set in the future, are set out in Appendix 1 of the report.
    - (c) That the charging policy be reviewed annually as part of the annual review of fees and charges.
    - (d) That all services currently operating at a loss work towards cost recovery – either through increased income, decreased costs or potentially looking at alternative opportunities.

- (e) Review areas of opportunity in relation to fees and charges for the Medium Term Plan in line with the timetable, expected to be completed in September 2016.
- 2. That Appendix 2 be exempt from public disclosure by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended – information relating to the financial and business affairs of the authority; and
- 3. That the information set out in Appendix 2 of the report be noted.

**Reasons for Decision**

To improve and revise the Council's fees and charges process.

The Meeting ended at 7.06 pm

**CHAIRMAN:** \_\_\_\_\_

**DATE** \_\_\_\_\_