



CITY OF WESTMINSTER

# MINUTES

## Cabinet

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 15th July, 2019**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

**Members Present:** Councillors Nickie Aiken (Chairman), Timothy Barnes, Richard Beddoe, Iain Bott, Heather Acton, Tim Mitchell, Rachael Robathan, Andrew Smith and Paul Swaddle

**Apologies for Absence:** Councillor Ian Adams

#### 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:** The Chairman, with the consent of the Members present, signed the minutes of the meeting held on 8<sup>th</sup> April 2019 as a true and correct copy of the proceedings.

#### 4 OUTTURN AND ANNUAL ACCOUNTS 2018/19

4.1 Gerald Almeroth, Executive Director, Finance and Resources, introduced a report that presented the Statement of Accounts for the Council and its Pension Fund for 2018/19 and provided a narrative as to the outturn position for the financial year ending 31<sup>st</sup> of March 2019.

4.2 Mr Almeroth advised that in line with legislation the accounts are required to be signed off by the Council's Audit and Performance Committee and published by 31<sup>st</sup> July 2019. Officers presented the accounts to the Audit & Performance Committee on 17<sup>th</sup> June 2019 and this included a late change in the accounts as a result of the McCloud Court of Appeal Judgement which could impact the LGPS Pension Scheme. As a result of this the Council

included another note in its accounts and pension fund accounts for a contingent liability in relation to this judgement which it has agreed with the Council's Auditors, Grant Thornton, who are expected to issue the Council with a final audit certificate by the end of the week.

- 4.3 Councillor Rachael Robathan, Cabinet Member for Finance, Property and Regeneration, congratulated the Executive Director for Finance and Resources and his team for the successful delivery of the closure of accounts process. This was supported by the Leader of the Council who asked Mr Almeroth to extend his thanks to his team.

**RESOLVED:**

1. That the 2018/19 Annual Accounts be noted.
2. That slippage on the Council's 2018/19 capital programme as outlined in section 6 of the report be approved.

**5 TREASURY MANAGEMENT OUTTURN 2018/19**

- 5.1 Mr Almeroth introduced the Council's Annual Treasury Management Outturn Report for 2018/19 in accordance with the Council's treasury management practices. It is a regulatory requirement for this outturn report to be presented to Council by the 30 September each year.
- 5.2 Mr Almeroth advised Cabinet that the Council had complied with all elements of the Treasury Management Strategy Statement (TMSS) apart from two instances (already reported in the 2018/19 mid-year review) which arose because of exceptional banking receipts which were received too late in the day to be moved from the bank until the following day. This resulted in funds in excess of the strategy limit set for the Council's current bank account on two occasions:

**RESOLVED:**

That the annual treasury strategy final outturn 2018/19 be noted including the cases of non-compliance.

**6 FEES AND CHARGES REPORT**

- 6.1 Gerald Almeroth introduced the report which set out the outcome of an annual review of fees and charges for 2019/20. He explained that fees and charges contribute a number of benefits to the Council. They help manage demand and cover the costs of providing services whilst contributing to the Council's medium term planning (MTP) savings.
- 6.2 Councillor Rachael Robathan commended the report and its recommendations. She stressed that although an annual report on the review of Fees and Charges is submitted to Cabinet, fees and charges are monitored

and reviewed by all directorates throughout the year and can be changed as necessary.

## **RESOLVED:**

1. That Appendix 2 and 3 of the report 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
2. That Cabinet:
  - a) Approved changes to fees and charges as outlined in Appendix 2 and 3 of the report.
  - b) Noted the changes already approved by other committees/members for 2019/20 highlighted in Appendix 2 of the report.
  - c) Noted the fees for which no increase is proposed for 2019/20. Details of these fees are included in Appendix 2 of the report.
  - d) Noted the overall proposed contribution from fees and charges to the Medium Term Plan (MTP) for 2019/20 and 2020/21 as highlighted in table 2 of section 7 of the report
  - e) Noted the fees and charges policy at Appendix 1

## **REASON FOR DECISION**

To agree the Council's fees and charges position and changes for the coming year.

## **7 ADOPTION OF THE LONDON LIVING WAGE**

- 7.1 Mr Almeroth introduced the report which set out considerations relating to the adoption of London Living Wage/National Living Wage Policy (LLW/NLW) for Westminster City Council and its application to third parties who provide goods and services under contract.
- 7.2 Mr Almeroth explained that to support the Council in its policy implementation the Council will seek Living Wage Foundation accreditation which will provide public recognition of the Council's commitment aligned to the City for All priorities. He further explained that, excluding apprentices, the Council already pays its directly employed London staff at least the LLW. The proposal before Cabinet was for the Council to work with its supply chain so that directly contracted staff are also able to benefit from the London living wage. The report outlined the expected benefits from adopting this policy.
- 7.3 Councillor Robathan supported the recommendations and stated that the adoption of the LLW/NLW will reflect the Council's commitment to contractors working on the Council's behalf through commissioned providers. It will also support the Leader's commitment to tackle gender and BME pay inequality. She further commented that the Council cannot continue delivering services to current standards without ensuring that all staff are paid fairly.

- 7.4 Councillor Mitchell highlighted that a number of contractors that had already agreed to pay their staff the LLW had not all passed on the extra costs to the Council. This is because many of the Council's contracts are output based. He anticipated that in some areas there may still be savings even though the contractor will move to paying the LLW, this will be through new innovative practice or reconfiguration of services.
- 7.5 Councillor Barnes asked about the average contract length and financial modelling undertaken by the Council to date. Mr Almeroth advised that the Council had undertaken research on the Council's key, higher value contracts in order to provide an indicative assessment of the future impacts, however, if members agreed the recommended policy then a more detailed review of contracts would be carried out as part of the phased implementation process.

**RESOLVED:** That Cabinet recommends that:

1. The Council takes steps to adopt a Living Wage policy whereby staff working for contractors delivering services on behalf of the Council are paid at least the London Living Wage or the National Living Wage outside of London.
2. The Council continues to pay its own London based staff LLW and to broaden this to apply to its apprentices.
3. The Council seeks Living Wage Foundation accreditation as a public pledge of its commitment.
4. A phased approach to implementation is adopted which means that the Living Wage will be incorporated as contracts are retendered with appropriate legal advice taken on a case by case basis.

### **Reasons for Decision**

The resolutions directly supports the City for All priorities, specifically:

- Caring fairer City and
- City of opportunity

## **8 LUTON STREET PROJECT**

- 8.1 Barbara Brownlee, Executive Director for Growth, Planning and Housing, presented the report. She explained that the Luton Street development is the first major housing development scheme forming part of the Church Street Regeneration Programme. It proposes to deliver 168 residential units of which 59 will be affordable housing.
- 8.2 Barbara Brownlee then outlined the scheme background including the vehicle for its delivery. She explained that in December 2014 the Council awarded the Developer Bouygues Development UK (BYUK) preferred bidder status as

developer for the development of the Luton Street site. An Agreement for Lease (AfL) was exchanged with the developer in August 2016. The AfL states that the Council will grant a long lease to a residential investor who will contract with the developer to deliver the development. In December 2018 the developer approached the Council stating that they had been unsuccessful in agreeing terms with a residential investor to provide funding for the development of the private sale homes. To safeguard the delivery of the project and ensure a start on site in 2019, a number of delivery scenarios between the Council and developer were considered in which they would jointly participate as residential investor.

- 8.3 The Executive Director for Growth, Planning & Housing advised that Council Officers are seeking Cabinet approval for the Council's wholly owned housing company to enter into a Limited Liability Partnership (LLP) with the appointed developer at a future date. Further to third party professional advice, the LLP is deemed to be the most effective and transparent corporate entity to ensure the delivery of the scheme, whilst offering the Council a robust and efficient governance and commercial structure in which to operate with potential for generating tax efficiencies of up to £2.3m.
- 8.4 Councillor Robathan stated that it is important that the Council progresses the scheme without delay and that residents see this to be the case. She noted the third party professional advice that entering into a LLP is the best arrangement for delivering the regeneration in a challenging development environment.
- 8.5 **RESOLVED:**
1. That the financial details of the transaction contained in Appendix 4 to this report be exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, as amended, in that they contain information relating to information relating to the financial or business affairs of any particular person (including the authority).
  2. Cabinet approved the principle of the Council's wholly owned housing company, Westminster Housing Investments Limited entering into a Limited Liability Partnership for the delivery of the Luton Street scheme only.
  3. Cabinet to delegate approval of all final commercial terms and legal agreements to the Cabinet Member of for Finance, Property and Regeneration.

#### **Reasons for Decision**

1. The decision will create an efficient vehicle for the successful delivery of the Luton Street Scheme.
2. The vehicle structure will provide the best value for money for the Council.

3. Approval of the entity is required under the Council's Financial Regulations.

The Meeting ended at 6.51 pm

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

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