



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 10th February 2020**, Rooms 18.01 & 18.03, 18th Floor, 64 Victoria Street, London, SW1E 6QP.

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

1 WELCOME

- 1.1 The Leader welcomed everyone present.
- 1.2 The Leader of the Council placed on record her gratitude to Councillor Nickie Aiken for all that she achieved for the people of Westminster during her tenure as Leader.

2 DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest.

3 MINUTES

- 3.1 The Chairman, with the consent of the Members present, signed the minutes of the meeting held on 21 October 2019 as a true and correct record of the proceedings.

4 BUSINESS AND FINANCIAL PLANNING 2020-2021 TO 2022-2023

- 4.1 Councillor Melvyn Caplan, Cabinet Member for Finance, Property & , Regeneration, introduced the report which outlined how over the next three years the council will meet the key objectives under the refreshed City for All strategy, supported by a medium-term financial plan.
- 4.2 Councillor Caplan stated that the forecast for the medium term financial plan is important given the indicative assumptions of a negative outcome from the Government's pending fair-funding review.

- 4.3 Councillor Caplan summarised the proposals for a balanced budget for 2020/21 which included a continuation of the Westminster Community Contribution which had supported discretionary services for three Council priorities as well as earmarking £5m in reserves for investment in green initiatives to support the Climate Emergency declaration. He put on record his thanks to Councillor Nickie Aiken who had initiated the Community Contribution which had not only proved to be very successful but has been copied by other local authorities.
- 4.4 Gerald Almeroth, Executive Director, Finance and Resources, highlighted the summary change in the general fund budget which included details of the net core funding loss and growth for service specific pressures which will be balanced by proposed savings and a small increase in council tax.
- 4.5 Councillor Caplan and the Leader of the Council expressed their gratitude to Mr Almeroth and his team for their hard work in preparing the medium term financial plan.

RESOLVED:

That Cabinet recommends to full Council:

City for All

1. That the City for All plan priorities set out in Section 4 of the report be noted and approved.

Council Tax

2. That the council tax for a Band D property be agreed at £448.21 for 2020/21, an increase of £8.67 (2.00%) for the Adult Social Care precept and £6.20 (1.43%) for general purposes;
3. That, subject to 2) above, 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 2020, be as specified in the Council Tax Resolution in Appendix H. That the Precepts and Special Expenses be as also specified in Appendix H to the report for properties in Montpelier Square and the Queen's Park Community Council;
4. That the formal resolution for 2020/21 attached at appendix H to the report including the council tax requirement of £59.477m be agreed;
5. That the proposed Greater London Authority precept (Band D) of £332.07 comprising of an increase of £10.00 for the Police element and a further £1.56 for the non-Police element be noted;
6. That the Council continue the Westminster Community Contribution to allow the most expensive (Band H) properties in the City to voluntarily contribute towards supporting discretionary services that support the three priorities of

youth services, helping rough sleepers off the streets and helping people who are lonely and isolated;

Revenue Budget

7. That the views of the Budget and Performance Scrutiny Task Group as set out in Appendix J to the report be noted.
8. That the proposed General Fund net budget requirement of £179.977m summarised at Appendix C to the report and shown by service (Executive Leadership Team) in Appendix G to the report be agreed;
9. That the savings and growth proposals for 2020/21 to 2022/23 set out in appendix G to the report is approved;
10. That the Equality Impact Assessments included in appendix I to the report be received and noted to inform the consideration of the budget;
11. That the Housing Revenue Account Business Plan 2020/21 and 30-Year Housing Investment Plan also presented to Cabinet on 10 February 2020 and that recommends the HRA budget and rent levels for 2020/21 be noted.

Capital Programme

12. That the Capital Strategy 2020/21 to 2024/25, forecast position for 2019/20 and future years' forecasts summarised up to 2033/34 report also presented to Cabinet on 10 February 2020 that recommends the Council's capital programme and financing be noted.

Reserves, Balances and Budget Estimates

13. That the reserves policy as set out in section 10 of the report be noted.
14. That the views of the Section 151 Officer with regards to estimates underpinning the proposed budget changes and reserves levels in paragraph 10.21 of the report be noted.
15. That £5m is earmarked in reserves for investment in green initiatives to support the Climate Emergency declaration;

Treasury Management and Investment Framework

16. That the Treasury Management Strategy report for 2020/21 including the annual investment strategy, borrowing limits and prudential indicators as set out in appendix H of the report be noted.
17. That the 2020/21 Integrated Investment Framework report also presented to Cabinet on 10 February 2020 which sets out future investment decisions be noted.

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 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.

5 CAPITAL STRATEGY REPORT 2020-2021 TO 2024-2025

- 5.1 Councillor Melvyn Caplan, introduced the report which set out the proposed capital strategy over the next 15 years with a plan to invest up to £2.5bn in a range of assets including much needed new homes across a range of tenures throughout the city. He stated that this was the most ambitious programme that the Council had ever put forward.
- 5.2 Gerald Almeroth highlighted that the programme also included investment in major strategic acquisitions and operations. The ambition will be delivered through prudential funding.
- 5.3 Councillor Tim Mitchell, Cabinet Member for Adult Social Care and Public Health, commended the investment programme which will deliver the highest quality care homes that will meet the needs of a range of elderly and vulnerable people in Westminster.
- 5.4 Councillor Matthew Green, Cabinet Member for Business and Planning, made reference to the delivery of major place shaping and public realm projects and the importance placed on engagement with local businesses and stakeholders when developing proposals.

RESOLVED:

That Cabinet recommended that full Council:

1. Approve the capital strategy as set out in the report
2. Approve the capital expenditure for the General Fund as set out in Appendix A to the report for 2020/21 to 2024/25 and future years to 2033/34.
3. Approve that all development and investment projects, along with all significant projects follow the previously approved business case governance process as set out in section 8 of the report.
4. Approve that no financing sources, unless stipulated in regulations or necessary agreements, are ring fenced.
5. Approve the council plans to continue its use of capital receipts to fund the revenue costs of eligible proposals (subject to full business cases for each project). This comes under the MHCLG Guidance on the Flexible Use of Capital Receipts (FCR).

6. Approve the financing of the capital programme and revenue implications as set out in section 13 of the report.
7. Approve the financing of the capital programme being delegated to the Executive Director of Finance and Resources to provide sufficient flexibility to allow for the most effective use of Council resources.

Reason for Decision

1. The Council is required to set a revenue and capital budget. The revenue budget is set as part of the Medium Term Financial Plan (MTFP), where the capital budget is set as part of this strategy document.
2. Capital expenditure is defined as expenditure that is predominantly incurred on buying, constructing or improving physical assets such as land, buildings, infrastructure and equipment.
3. The Council is required to set a balanced revenue budget, and the capital programme forms part of this process.

6 HOUSING INVESTMENT STRATEGY AND HRA BUSINESS PLAN

- 6.1 Councillor David Harvey, Cabinet Member for Housing introduced the report which outlined the council's Housing Investment Plan and 30 year Housing Revenue Account (HRA) Business Plan.
- 6.2 Councillor Harvey paid tribute to his predecessors, Councillors Smith and Robathan for their work in managing the portfolio. He commended the ambitious programme which would not only deliver a range of much needed additional homes in the city but would also ensure that the current housing stock is maintained through a significant investment in major works.
- 6.3 Barbara Brownlee, Executive Director, Growth, Planning and Housing, highlighted that over the next 12 months, the Housing department, along with its support services, will be looking at reorganising the services and resources to ensure that it is best placed to support the Council's tenants and leaseholders through generating operational efficiencies. This will lead to savings that will provide additional funding to support front line services.

RESOLVED:

That Cabinet recommended that full Council:

1. Approve the HRA revenue budget for 2020-21 (Table 2 and Appendix 3 to the report).
2. Note the HRA 5-year revenue budgets for 2020-21 to 2024-25 (Table 2 and Appendix 2 to the report).
3. Note the HRA 30-year revenue budgets for 2020-21 to 2049-50 (Appendix 3 to the report).

4. Approve the HRA 5-year Capital Programme for a total of £895.99m (Table 3 to the report).
5. Note the 30-year Capital Programme for 2020-21 to 2049-50 (Appendix 4 to the report).
6. Note a rent increase of 2.7% from April 2020 as applicable under the Welfare Reform and Work Act 2016.
7. Noted the HRA reserves and balances for the 5-year Business Plan (Table 6 to the report).

Reason for Decision

1. The Local Government and Housing Act 1989 Section 76 requires Local Authorities with a Housing Revenue Account (HRA) to set a budget for the account, which is based on best assumptions, that avoids a deficit and keeps the HRA under review.
2. The budget has developed from a review of the baseline budget, current expenditure on Housing services and capital investment to maintain, improve and expand the Housing Stock.
3. The report outlines how the HRA is facilitating the City Council's commitment to provide 1850 affordable homes through various HRA resources, including the use of the AHF, Capital Receipts, GLA Grant Funding and HRA Borrowing as well as ensuring that the Council maintains safe homes and neighbourhoods by investing over £1.754bn in existing Council homes over the next 30 years.

7 TREASURY MANAGEMENT STRATEGY STATEMENT 2020-2021

- 7.1 Councillor Caplan introduced the report that set out the council's proposed Treasury Management Strategy Statement for the period 2020/21 to 2024/25 and the Annual Investment Strategy for the year ending 31 March 2021 which form part of the council's overall budget setting and financial framework.
- 7.2 Councillor Caplan explained that the Council's strategic vision, elements of which had been referred to previously, could only be delivered if the Council's finances are prudently and efficiently managed. He stated that the Council continually monitors and adjusts its investments and borrowing in response to changing circumstances.

RESOLVED:

That Cabinet recommended that full Council:

1. Approve the Treasury Management Strategy Statement; the borrowing strategy and borrowing limits for 2020/21 to 2024/25 set out in sections 5 to 7 to the report;
2. Approve the prudential Indicators set out in section 8 to the report;
3. Approve the Annual Investment Strategy and approved investments set out in Appendix 1 to the report;
4. Approve the Minimum Revenue Provision Policy set out in Appendix 2 to the report.

Reason for Decision:

To comply with the Local Government Act 2003, other regulations and guidance and to ensure that the Council's borrowing and investment plans are prudent, affordable and sustainable and comply with statutory requirements.

8 INTEGRATED INVESTMENT FRAMEWORK 2020-2021

- 8.1 Councillor Caplan introduced the report which outlined proposals for the Integrated Investment Framework for 2020/2021.
- 8.2 Councillor Caplan stated that the integrated investment framework sets out the strategic approach for bringing together and managing all of the Council's investments in a prudent manner.

RESOLVED:

That Cabinet recommended that full Council:

1. Approve and implemented the Integrated Investment Framework set out in the report;
2. Approve that the target for the overall return on Council investments should aspire to match inflation;
3. Approve that the benefits of investing in the Pension Fund should be used as a benchmark when evaluating other investments;
4. Adopt the asset allocation percentages set out in the Framework and work towards achieving these;
5. Agree that the overarching objective of this Framework is to achieve an overall return on Council investments aspiring to match inflation and to reduce costs and liabilities, whilst maintaining adequate cash balances for

operational purposes, and not exposing the capital value of investments to unnecessary risk;

6. Approve that investments allocated to out-of-borough property developments should be considered individually and should outweigh the benefits of investing in-borough (which can have a number of non-commercial benefits, e.g., place making) and in a diversified property portfolio (acquisitions will be made out of borough only on an exceptional basis). Individual decisions should be subject to Cabinet Member approval;
7. Approve that the property and alternative asset allocation should focus on in-borough, with out of borough options being explored on an exceptional basis and subject to Cabinet Member approval;
8. Approve the Investment Executive to implement, monitor and report on the investment strategy.

9 PAY POLICY 2020-2021

- 9.1 Lee Witham, Director of People Services, introduced the report which set out details of the Council's annual pay policy for 2020-2021. He advised that there was no material change to the policy that was agreed in the previous year.

RESOLVED:

That Cabinet recommended that full Council:

Approve the Pay Policy for 2020 – 2021 attached as Appendix 1 to the report.

Reason for Decision

1. The Council is required to publish its Pay Policy by 31st March every year.
2. The Pay Policy brings together all the Council's existing policies on pay and must include details in relation to: all aspects of Chief Officer's remuneration, increases and additions to remuneration, bonuses, termination payments and remuneration on recruitment.
3. It must also include information about the relationship between the remuneration of its highest paid officer (the Chief Executive) and the median salary of all employees (the "pay multiple").
4. Government's reforms to public sector exit payments (i.e. to cap exit payments at £95,000 and recover exit payments for employees earning £80,000 plus) were due to come into effect from Autumn 2016. However, they were delayed and are now expected to be implemented sometime in 2020. The Pay Policy for 2020-2021 will be amended if this takes place.
5. All pay data in the Pay Policy will use the snapshot date of 31st March 2019.

10 CUSTOMER EXPERIENCE AND DIGITAL STRATEGY

- 10.1 Councillor Paul Swaddle, Cabinet Member for Community Services and Digital, introduced the report on the Strategy which sets the vision and ambition of the council to design new digital services that better respond to customer's needs. He stated that whilst the Council will meet the needs of those who wish to use digital tools to transact with the authority Westminster will also ensure that it continues to provide other mechanisms for those individuals who cannot or choose not to use digital services.
- 10.2 Gerald Almeroth highlighted that the strategy had Council wide implications and in addition to supporting the City for All agenda of delivering a Smart City it would also deliver savings through reduced costs.

RESOLVED:

That Cabinet:

1. Approve the Customer Experience and Digital strategy attached at Appendix 1 to the report.
2. Agreed that the strategy be adopted as a core cross-cutting Council strategy, as a key enabler for the City for All agenda.

Reason for Decision

1. The Council has recognised that there is a need to improve the experience customers have when they contact us.
2. There is also a need to better understand how we can use digital tools and technologies, including data, to improve the way we offer services to customers.
3. We also want to improve how we engage with our customers and understand their needs when developing services – so that we design digital services which are so good people choose to use them.
4. This strategy is cross-council and will be delivered through the Customer Experience and Digital programme. It is a key enabler for City for All, particularly the Smart City theme but it will also support the ambitions of the Thriving Communities and Cleaner, Greener, Safer themes.

11 SAFEGUARDING ANNUAL REPORT 2019-2020

- 11.1 Councillor Tim Mitchell, Cabinet Member for Adult Social Care and Public Health, thanked his predecessor, Councillor Heather Acton, for her work in previously managing the portfolio. He recommended the Safeguarding Adults Executive Board Annual report which he hoped people had found accessible.

- 11.2 Visna Sathavisam, Director of Adult Social Care, explained that this was the first bi-borough Safeguarding Adults Executive Board Annual report.
- 11.3 Aileen Buckton, Independent Chair, Safeguarding Adults Executive Board, introduced the Annual report for 2018-2019. She reported that during the previous year the partnership had reviewed its governance structure and developed and agreed a practical business plan to deliver shared objectives. This included introducing a new range of working groups that reflect the board's priorities. She highlighted some of the key safeguarding issues that had been identified during the year and the lessons learned. She stated that she had hoped to report back to Cabinet next year on what had been achieved this year.
- 11.4 Councillor Heather Acton placed on record her thanks to Ms Buckton and the Interim Independent Chair, Adi Cooper and the Board for their work as well as the Council's Safeguarding team and the Local Account Group. Councillor Acton believed the Annual report to be easy to read and accessible to all members of the community.

RESOLVED:

That Cabinet:

1. Noted the report and endorsed the strategy and the emerging themes informing the Safeguarding Adult Education Board's current work.

The Meeting ended at 7.50 pm

CHAIRMAN: _____

DATE _____