

CITY OF WESTMINSTER
URGENCY COMMITTEE OF THE CABINET
MINUTES OF PROCEEDINGS

At a meeting of an Urgency Committee of the Cabinet held on Monday 18 August 2003 at 6.06pm at City Hall, Victoria, SW1.

Present: Councillors: Kit Malthouse (Chairman), Colin Barrow, Michael Brahams

1. DECLARATIONS OF INTERESTS

- 1.1 There were no declarations of interest.

2. MINUTES

- 2.1 **RESOLVED:** That the Minutes of the meeting held on 21 July 2003 be signed by the Chairman as a correct record of the proceedings.

3. EXEMPT REPORT UNDER THE LOCAL GOVERNMENT ACT 1972

- 3.1 **RESOLVED:** That under Part 1 of Schedule 12A of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business as it involves the likely disclosure of exempt information on the grounds shown below:

Agenda Item No	Grounds	Paragraph of Part 1 of Schedule 12A of the Act
5	Legal Advice	12

4. DESIGNATED SALES: RECOVERY OF "SURCHARGE" (Item 5 - Report of Director of Legal and Administrative Services)

- 4.1 The report updated Members on the legal proceedings seeking recovery of the "surcharge" the House of Lords had determined was due from Dame Shirley Porter and David Weeks as a result of their wilful misconduct in relation to the City Council's former designated sales policy and contained recommendations

for further action. The report focused on the strategy agreed when the Urgency Committee had last considered this matter on 6 November 2002, progress made since then and proposed next steps. The Director of Legal & Administrative Services introduced the report and a supplemental note by Stephenson Harwood on developments since 12 August and a revised proposed public statement were tabled.

- 4.2 The contents of the report and attachments and the supplementary note were strictly confidential, with the exception of the proposed public statement referred to in resolution (d) below.
- 4.3 Members of the Committee and Councillor Simon Stockill discussed the issues and asked questions of the Director of Legal and Administrative Services and the representatives of Stephenson Harwood, John Fordham and Julia Broome.
- 4.4 Certain revisions were discussed and agreed in respect of the public statement and these will be taken into account prior to it being issued.
- 4.5 **RESOLVED:**
 - (a) That the action taken to date be noted and endorsed, and the proposed courses of action set out in the reports from Stephenson Harwood attached as Appendices 6 and 7 to the report and contained in their tabled supplemental note and in paragraph 4.17 of the report, be approved.
 - (b) That the Director of Legal and Administrative Services report back to the Cabinet or the Cabinet Urgency Committee on developments by the end of September.
 - (c) That, in the meantime, the Director of Legal and Administrative Services be delegated authority to take whatever action he considers appropriate to protect the City Council's interests.
 - (d) That the revised public statement, as tabled at the meeting, be approved for release to the press and public and authority be given to make a more detailed statement on the steps taken and the progress made as soon as circumstances permit as referred to in paragraphs 8.2 and 8.3 of the report.
 - (e) That the action set out in paragraph 4.12 of the report be approved.
 - (f) That a supplementary revenue estimate of £200,000 be approved.

REASONS FOR DECISIONS

It is considered that the current Court proceedings should continue to be pursued and action should be taken to attach and/or enforce the judgment against any suitable asset that is disclosed. It is also considered that the steps proposed in relation to David Weeks should be taken in order to bring about a rapid settlement in relation to his liability, which would compare favourably with that which might be achieved if enforcement action were taken against him. It is important that the Director of Legal and Administrative Services has sufficient delegated authority to respond flexibly to circumstances as they arise in order to protect the City Council's interests in pursuing the surcharge. Given that the City Council is pursuing the surcharge for the benefit of the Council taxpayers of Westminster, it is also appropriate that a public statement of progress and next steps should be made as soon as possible. In general the steps are designed to maximise the prospects of recovery of the surcharge on behalf of the Council taxpayers of Westminster and accord with legal and other professional advice, as well as being fully supported by the Audit Commission. Further financial provision is made for additional expenditure required.

5. CLOSE OF MEETING

- 5.1 The meeting ended at 7.39 pm.

.....
Chairman

.....
Date