

CITY OF WESTMINSTER

MINUTES OF PROCEEDINGS

At the Meeting of the Council of the City of Westminster held at 7.00 pm on Wednesday 1st March, 2017 at Porchester Hall, Porchester Road, Bayswater, London, W2 5DU

PRESENT

The Lord Mayor, Councillor Steve Summers

COUNCILLORS

Heather Acton	David Harvey
Ian Adams	Richard Holloway
Nickie Aiken	Adam Hug
Julia Alexander	Louise Hyams
Barbara Arzymanow	Aicha Less
Daniel Astaire	Patricia McAllister
Richard Beddoe	Guthrie McKie
Rita Begum	Tim Mitchell
David Boothroyd	Gotz Mohindra
Iain Bott	Jan Prendergast
Susie Burbridge	Papya Qureshi
Ruth Bush	Suhail Rahuja
Melvyn Caplan	Robert Rigby
Danny Chalkley	Rachael Robathan
Paul Church	Glenys Roberts
Brian Connell	Tim Roca
Antonia Cox	Ian Rowley
Peter Cuthbertson	Karen Scarborough
Robert Davis, MBE, DL	Andrew Smith
Tony Devenish	Shamim Talukder
Paul Dimoldenberg	Barrie Taylor
Christabel Flight	Cameron Thomson
Peter Freeman	Aziz Toki
Jonathan Glanz	Judith Warner
Barbara Grahame	Jacqui Wilkinson
Lindsey Hall	Jason Williams
Angela Harvey	

1 APPOINTMENT OF RELIEF CHAIRMAN

Moved by the Lord Mayor and seconded by Councillor Tim Mitchell that Councillor Jan Prendergast be elected Relief Chairman.

Motion put and on a show of hands declared **CARRIED.**

2 MINUTES

The minutes of the proceedings at the Council meeting held on Wednesday 25 January 2017 were, with the assent of the Members present, signed by the Chairman as a true record of the proceedings.

3 DECLARATIONS OF INTEREST

The Chairman advised that there was no requirement on Members to declare an interest on account of being a Council taxpayer and in the Members' Allowances item as these were noted on behalf of all Members. There were no other declarations.

4 CABINET REPORTS

The report of the Cabinet on 20 February 2017 was submitted. Paragraphs 1, 2, 3 and 4 of the report were considered together.

Councillor Nickie Aiken delivered the Leader's Speech and Councillor Adam Hug made the first Opposition Speech.

Councillor Adam Hug moved the amendment set out below which was seconded by Councillor David Boothroyd.

Prior to Councillor Hug moving the amendment tabled in his name the City Treasurer advised the Council that in respect of the amendment as it referred to the proposed alternative use of the £5.1m likely addition to the general fund balance that rather than being reduced or maintained, reserves ought over time to be further strengthened to optimise resilience. The Council holds reserves to insulate it from shocks to its expenditure or revenue streams. In 2007/2008 the level of general reserves carried forward stood at £69.930m. The impact of the recession saw a significant decline of £54.352m to stand at just £15.578m by the end of 2010-2011. The strengthening of reserves set out in the Council's proposed budget report would see reserves increase by £5.100m to stand at £46.676m at year end. Should the Council encounter another recession of similar magnitude as from 2008/09 all of these reserves would be consumed and in fact be in deficit by around £8m. The Council has a duty to maintain reserves at a sufficient level to deal with such adverse situations and reducing these as the amendment proposes is neither prudent nor appropriate.

Amendment:

That a new Cabinet Recommendation be added to (1.1) reading:

"That the £5.1m proposed addition to the general fund balance set out in Schedule 6 (Appendix A to the Cabinet report) be instead used to provide:

- An additional investment in the purchase of temporary accommodation of £2.5m
- An additional contribution to the Young Westminster Foundation of £600,000
- An additional investment of £2m in further Adult Social Care transformation.

And that the Cabinet Recommendations (1.1) be amended so that after “that the cash limited budgets for each service with overall net expenditure for 2017-2018 of £173,850k as set out in Schedule 3 of Appendix A to the Cabinet Report be approved the following is inserted: “with the changes as follows. An increase to the proposed figures for 2017-2018 for the Adult Social Care Budget of £645,000, an increase to the Children’s Early Help Budget of £500,000.

This will be funded in the following ways:

- New income from additional investment funding at a net figure for 2017-2018 of £24,000.
- Savings from closing the senior staff private health care scheme to new entrants to generate in 2017-2018 £31,000.
- The introduction of a cap on temporary and agency staff expenditure at an initial level of £13m over a 12 month rolling year, facilitated through the introduction of a Vacancy Board to vet all temporary staffing requests. Introduced by start Q2 2017-2018 this would generate savings of £828,000.
- Savings from non-revenue generating expenditure by the Policy, Performance and Communications Directorate of £207,000. This should include:
 - Further Lord Mayor’s office reforms of £25,000.
 - Ending the catering budget for members events £20,000.
 - Scrapping payments to Deputy Cabinet Members 48,000 and the Members Allowances Scheme be amended accordingly.
 - An additional reduction in staffing or running costs of the department in addition to those listed above £40,000.
 - Utilising the £5.1m proposed addition to general fund balances will reduce the total funds available to the capital programme therefore the savings above will also fund increased borrowing costs of £78,000.

Following debate to which the Leader of the Council, Councillor Nickie Aiken replied.

The Lord Mayor put the amendment, moved by Councillor Adam Hug and seconded by Councillor David Boothroyd and on a recorded vote, there voted:

For amendment: Councillors Begum, Boothroyd, Bush, Dimoldenberg, Grahame, Hug, Less, McAllister, McKie, Roca, Talukder, Taylor, Toki and Williams.

Against amendment: Councillors Acton, Adams, Aiken, Alexander, Arzymanow, Astaire, Beddoe, Bott, Burbridge, Caplan, Chalkley, Church, Connell, Cox, Cuthbertson, Davis, Devenish, Flight, Freeman, Glanz, Hall, Angela Harvey, David Harvey, Holloway, Hyams, Mitchell, Mohindra, Prendergast, Rahuja, Rigby, Robathan, Rowley, Scarborough, Smith, Thomson, Warner and Wilkinson.

Absence or not voting: The Lord Mayor, Councillors Baroness Coultie, Crockett, Evans, Floru, Mohammed, Qureshi and Roberts.

The Lord Mayor declared the amendment to be **LOST**.

The Lord Mayor advised that the voting was on the unamended recommendations of the Cabinet in paragraph 1. The Lord Mayor put the recommendations to the vote and on a roll call vote undertaken by the Chief Executive there voted:

For the recommendations: Councillors Acton, Aiken, Adams, Alexander, Arzymanow, Astaire, Beddoe, Bott, Burbridge, Caplan, Chalkley, Church, Connell, Cox, Cuthbertson, Devenish, Flight, Freeman, Glanz, Hall, Angela Harvey, David Harvey, Holloway, Hyams, Mitchell, Mohindra, Prendergast, Rahuja, Rigby, Robathan, Rowley, Prendergast, Scarborough, Smith, Thomson, Wilkinson and Warner.

Against the recommendations: Councillors Begum, Boothroyd, Bush, Dimoldenberg, Hug, Less, McAllister, McKie, Roca, Talukder, Taylor, Toki and Williams.

Absence or not voting: The Lord Mayor, Councillors Baroness Coultie, Crockett, Evans, Gassanly, Floru, Mohammed, Qureshi and Roberts.

The Chairman declared the recommendations to be agreed. It was therefore:

RESOLVED

1. That the Council approve the following:
 - (i) The 2017-2018 budget, as set out at Appendix A to the Cabinet report and the Council the tax levels as set out in the Council Tax resolution at Annex B of the report (Annex 1 to the Cabinet report).
 - (ii) That local element of Council tax be increased by 2% in respect of the Adult Social Care Precept as permitted by Government and anticipated in their Core Spending Power assumptions.
 - (iii) That as a consequence of the general rise in Council Tax and the Adult Social Care precept the local element for Band D properties be confirmed for 2017-2018 as £408.12.
 - (iv) That 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 2018, be as specified in the Council Tax Resolution in Annex 1 of this report. That the Precepts and Special Expenses be as also specified in Annex 1 of the report for properties in the Montpelier Square and Queen's Park Community Council areas as summarised in paragraph 5 and 6 which have been updated as Annex 1 of the Cabinet report and the Council Tax be levied accordingly.

- (v) That the views of the Budget and Performance Task Group set out in Annex A to the report Appendix A be noted, considered in accordance with the Budget and Policy Framework Procedure Rules in the Constitution.
 - (vi) That the cash limited budgets for each service with overall net expenditure for 2017-2018 of £173.850m (as set out in Schedule 3 of Appendix A of the report) be approved.
 - (vii) That the City Treasurer be required to submit regular reports as necessary on the implementation of the savings proposals and on the realisation of pressures and mitigations as part of the regular budget monitoring reports.
 - (viii) That the City Treasurer be delegated responsibility, consulting where appropriate relevant Cabinet Members, for any technical adjustments required to be made to the budget.
 - (ix) That the cost of inflation, pressures and contingency be issued to service budgets if and when the need materialises, to the limits as contained within Schedule 4 of Appendix A of the report.
 - (x) The changes in pension fund deficit contributions as set out in paragraph 5.34 of the report at Appendix A of the report be approved.
 - (xi) That the views of consultees and consultation approach, as set out in Section 21 of Appendix A, be noted by the Council.
 - (xii) That the Council carries forward an unspent contribution from reserves balance of £1.0m into 2017-2018 to support payments while options to absorb the expected reduction in Discretionary Housing Benefit payment from Government be approved.
 - (xiii) That the proposed use of new capital receipts be used under the freedoms of the Flexible Capital Receipts regulations be used to fund revenue spend on City Hall, Digital Programme and Pension Deficit Recovery and leading to future ongoing savings (and subject to review at year end to determine the actual costs, savings and financing by the City Treasurer) be approved.
 - (xiv) That the Equality Impact Assessments included in Annex C of the report at Appendix A be received and noted to inform the consideration and approval of these recommendations; and
 - (xv) Council be recommended to receive a speech by the Leader of the Council on Council priorities and financial aims.
2. That the Council approve that the local element of Council Tax be increased for Band D properties by 1.90%

Paragraph 2 – Capital Strategy 2017-2018 to 2021-2022 Forecast Position for 2016-2017 and Future Years Forecasts summarised up to 2030-31

The Lord Mayor put the Cabinet's recommendations to the vote and on a recorded vote there voted:

For the recommendations: Councillors Acton, Adams, Aiken, Alexander, Arzymanow, Astaire, Beddoe, Begum, Boothroyd, Bott, Burbridge, Bush, Caplan, Chalkley, Church, Connell, Cox, Cuthbertson, Davis, Devenish, Dimoldenberg, Flight, Freeman, Glanz, Grahame, Hall, Angela Harvey, David Harvey, Holloway, Hug, Hyams, Less, McAllister, McKie, Mitchell, Mohindra, Prendergast, Rahuja, Rigby, Robathan, Roca, Rowley, Scarborough, Smith, Talukder, Taylor, Thomson, Toki, Warner, Wilkinson and Williams.

Against the recommendation: No Councillors voted against.

Absence or not Voting: The Lord Mayor, Councillors Baroness Couttie, Crockett, Evans, Floru, Gassanly, Mohammed, Qureshi and Roberts.

Resolved:

That the Council agreed:

- (i) The capital strategy as set out in the report attached as Appendix B;
- (ii) As follows:
 - (a) The capital expenditure for the General Fund as set out in Appendix A1 and A2 of the report (Appendix B) for 2017-2018 to 2021-2022;
 - (b) The capital expenditure for the General Fund as set out in Appendix A1 and A2 (Appendix B) of the report for Future Years;
 - (c) The revised capital expenditure budgets for the General Fund as set out in Appendix A1 and A2 of the report (Appendix B) for 2016-2017 forecasts; and:
 - (d) The expenditure forecast for 2016-2017 for the HRA as set out in paragraph 10.6.5 of the report (Appendix B).
- (iii) The capital expenditure for the HRA for 2017-2018 to 2021-2022 as approved in the 30 year HRA Business Plan and as included in paragraph 10.6.5 of the report.
- (iv) To note the financial implications of the HRA capital programme including the references to the debt cap and the level of reserves as detailed in paragraph 10.6 of the report.
- (v) That in the event that any additional expenditure is required by a capital scheme over and above this approved programme the revenue consequences of this will be financed by revenue savings or income generation from relevant service areas.

- (vi) The revised terms of reference of the Capital Review Group (CRG) as included in Appendix B of the report. The changes are outlined in paragraph 4.2 of the report.
- (vii) That the General Fund projects follow the business case governance process as set out in section 4 of this report and in Appendix C of the report (Appendix B).
- (viii) To approve the roll forward of the unspent balance of £12.5m for investment schemes into 2017-2018 and the drawdown of the second £25m tranche of funding for investment schemes. This will be available subject to a full assessment of all proposed investments to ensure they have a business case and provide value for money for the Council and approval by the City Treasurer and CRG.
- (ix) To approve that no financing resources unless stipulated in regulations or necessary agreements are ring fenced.
- (x) To approve that a sum of £12m is held for schemes not yet identified which are fully funded by external grants and/or contributions by a minimum of £10m leaving the Council to potentially fund a net £12m, as described further in paragraphs 8.2.50 – 8.2.51 of the report (Appendix B).
- (xi) To approve that contingency is held corporately, with projects required to bid for them in the event they are required to fund capital project costs. Bids would be reviewed and approved or rejected by the Capital Review Group. The value of these contingencies is £105.1m.
- (xii) To note the proposed use of new capital receipts under the freedoms of the Flexible Capital Receipts regulations to fund revenue spend on City Hall, Digital Programme and Pension Deficit Recovery and leading to future ongoing savings. This proposal is being recommended for approval in the Budget Setting and Council Tax Report.
- (xiii) To approve that the financing of the capital programme be delegated to the City Treasurer as part of routine quarterly closure of accounts process.

Paragraph 3 of the Cabinet Report: Treasury Management Strategy for 2016 to 2017 to 2020 to 2021

The Lord Mayor put the recommendations to the vote and on a show of hands declared the recommendations to be adopted.

Resolved:

That the Council approve:

- (i) The Treasury Management Strategy Statement set out in sections 5 to 7 of the report (Appendix C).
- (ii) The Prudential Indicators set out in section 8 of Appendix C of the Cabinet Report.

- (iii) The overall borrowing strategy and borrowing limits for 2017-2018 to 2021-2022 as detailed in section 6 of the report Appendix C of the Cabinet Report.
- (iv) Investment strategy and approved investments set out in Appendix 1 of Appendix C of the Cabinet Report.
- (v) The Minimum Revenue Provision Policy set out in Appendix 2 of Appendix C of the Cabinet Report.

Paragraph 4 of the Cabinet Report: The Council's Pay Policy 2017-2018

The Lord Mayor put the recommendation to the vote and on a show of hands declared the recommendations to be adopted.

Resolved: That the Pay Policy attached to the report and Appendix D be approved for publication.

5 REPORT OF THE GENERAL PURPOSES COMMITTEE

The report of the General Purposes Committee was submitted.

Paragraph 1: Appointment of External Auditors

The Lord Mayor put the recommendation in paragraph 1 of the report of the General Purposes Committee to the vote and on a show of hands declared it to be **ADOPTED.**

Resolved: That the Council agree to appoint Public Sector Audit Appointments as an "appointing person" to appoint the Council's external auditor from 2018-2019 onwards.

Paragraph 2: Members Allowances Scheme 2017-2018

The Lord Mayor put the recommendation in paragraph 2 of the report of the General Purposes Committee to the vote and on a show of hands declared it to be **ADOPTED.**

Resolved: That the Members Allowances Scheme attached to the report (Appendix F) be agreed.

The Meeting ended at 9.27 pm

CHAIRMAN: _____

DATE _____