



CITY OF WESTMINSTER

MINUTES

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a meeting of the **Cabinet** held on **Monday 4th December, 2017**, Room 3.1, 3rd Floor, 5 Strand, London, WC2 5HR.

Members Present: Councillors Nickie Aiken (Chairman), Heather Acton, Daniel Astaire, Danny Chalkley, Robert Davis MBE, DL, David Harvey, Tim Mitchell, Rachael Robathan and Richard Holloway.

Also Present: Councillors Richard Beddoe, Barbara Grahame, Aicha Less and Aziz Toki.

1 WELCOME

1.1 The Leader welcomed everyone to the meeting.

2 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest.

3 MINUTES (30.10.17)

3.1 The Leader, with the consent of the Members present, signed the minutes of the meeting held on 30 October 2017 as a true and correct record of the proceedings.

4 CHURCH STREET MASTERPLAN

4.1 Councillor Rachael Robathan, Cabinet Member for Housing, introduced the item and stated that there had been a re-consideration of how to deliver more housing, particularly affordable housing, improve the market including providing more market space, and to increase green space by 40% for Church Street. The Church Street Masterplan did not seek to provide detailed plans, but to set a framework for other plans that would require further, subsequent approvals. The Masterplan covered a 20 year period which set out an ambitious framework for Church Street. Councillor Robathan stated that the consultation on the Masterplan had been extended to 2 months following a request from Ward Councillors and there had been significant engagement with local residents and businesses, with a number of consultation events held. Furthermore, the Housing, Finance and Corporate

Services Policy and Scrutiny Committee had recognised that the consultation had gone well.

- 4.2 Councillor Robathan thanked the Church Street Futures Steering Group for its input during the consultation and commented on the Steering Group's broad representation which included residents, businesses, neighbourhood forums and Ward Councillors. The Steering Group played an important role as a partner to the Council in providing advice and challenging and testing ideas.
- 4.3 Councillor Aicha Less then addressed the Cabinet as a Ward Councillor. Councillor Less stated that Ward Councillors were generally supportive of the Church Street Masterplan which the area needed and which also had the support of local residents. Councillor Less stated that she knew the area well as she lives locally and that Church Street had a unique and vibrant community. She stated that the Residents Committee had worked tirelessly to ensure that the Masterplan had the right balance and had made a significant contribution to the consultation. However, Councillor Less felt that there had not been much reference to the Residents Committee in the report and some of their comments had not been taken on board and this needed to be addressed. Residents had particular concerns about proposals for a 16 storey building on the south side of Church Street and she suggested that this proposal be put on hold whilst a policy for tall buildings was established. Councillor Less stated that she awaited a response from CityWest Homes in respect of their assessment of the conditions of the existing blocks and that a thorough survey should be undertaken. She also was not aware of any proposals for an alternative sheltered housing after Lambourne House was to be demolished.
- 4.4 Councillor Barbara Grahame, a Ward Councillor, then addressed the Cabinet on behalf of residents, including Alan Stirling who had lived in the area for a number of years. Councillor Grahame began by stating that the original Masterplan's proposals would have provided insufficient housing, especially as Church Street was very densely populated and absorbing new homes would be difficult. The local community had been offered the opportunity to shape the Masterplan during the consultation and Councillor Grahame asked whether the views expressed in the consultation had made any changes to the Masterplan. Councillor Grahame stated that business and local residents wanted a guarantee that they would help shape the future of the area. Residents wanted the area regenerated, however it was not clear whether the Council appreciated the specific needs of the community and a detailed understanding of this was required. Councillor Grahame welcomed putting together a Masterplan, however she felt its vision was not as good as it could be. She also felt that the comments made in the consultation had not appeared to have made an impact on the Masterplan. In respect of the 16 storey tower proposed on the south side of Church Street, Councillor Grahame felt this would overshadow the market. Councillor Grahame stated that Alan Stirling was complimentary of the designs and thoughtfulness overall of the Masterplan, however there was a need to address the specific and complex needs of the local community and that the comments made in the consultation should be incorporated into the Masterplan.

- 4.5 Barbara Brownlee, Executive Director for Growth, Planning and Housing then addressed the Cabinet and in response to comments from Ward Councillors. She welcomed the helpful comments that had been submitted during the consultation. The Neighbourhood Forum played an important role in helping to develop the Masterplan and it was working jointly with Church Street Futures Steering Group. In respect of height of buildings, this would be subject to debate and consideration would be given to matters such as capacity and what constituted good growth. Barbara Brownlee emphasised that each site would be subject to detailed consultation and spatial needs and costs would be considered. Future plans would incorporate comments made during the consultations and residents would play a key role in this. In respect of Lambourne House, plans would be progressed very carefully and individual needs assessments would be carried out on a case by case basis.
- 4.6 Barbara Brownlee stated that Church Street was a unique community and no-one would be required to move away from the area. In respect of density, there was currently a lack of green space and there was a need to increase this, especially as the number of residents would increase and this was addressed in the Masterplan. Barbara Brownlee advised that the amendments made to the Masterplan following comments made in the consultation were set out and cross referenced on page 151 of the report. She stated that she would seek a response from CityWest Homes regarding undertaking condition assessments for each block. A decision on the 16 storey building on the south side of Church Street would be subject to the tall buildings consultation. Barbara Brownlee concluded by stating that the Masterplan was just the beginning of the process of regenerating Church Street and steps would continue to be made to develop the Futures Plan and the Church Street Futures Steering Group would play a key role in this.
- 4.7 Councillor Robert Davis MBE, DL, Deputy Leader and Cabinet Member for Business, Culture and Heritage, welcomed the initiatives outlined in the Masterplan, particularly in respect of the market and he looked forward to helping develop and support the proposals. Councillor Heather Acton, Cabinet Member for Adult Social Services and Public Health also expressed her support for the Masterplan, including the intention to increase green spaces and to provide more connectivity for the community. She also felt there was even more potential for the Masterplan to support health and wellbeing and she welcomed being given the opportunity to look at individual projects in more detail to promote this.
- 4.8 Councillor Daniel Astaire, Cabinet Member for Planning and Public Realm, acknowledged that the area had complex needs and the consultation had played an important role in identifying these. He welcomed residents' support for regeneration, however he emphasised the need to demonstrate to residents that the proposals in the Masterplan would be delivered. Councillor Robathan also welcomed residents' support for regeneration and consideration needed to be given as to how to build on local support. She added that consultation with residents would be ongoing and individual approval would be required for each site being developed.

4.9 The Leader stated that the Masterplan provided the overall framework for future plans for Church Street and she welcomed the opportunity to continue to work with residents to help shape and build the community they deserve.

4.10 **RESOLVED:**

1. That Appendix 3 be exempt from publication under Section 100 (A) (4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as it contains information which should be exempt from publication in that it contains information relating to the business and financial affairs of the authority.
2. That the Church Street Masterplan Consultation Report be noted and on the basis of the proposed amendments to that document as a result of the consultation approved the Church Street masterplan as the Council's delivery framework for the regeneration programme in Church Street.
3. That it be noted that further consultation will need to be undertaken on each area where a Compulsory Purchase Order may in the future be required on the full range of options to include the "do nothing" or maintenance only and refurbishment options as well as development options.
4. That authority be delegated to the City Treasurer to enter into a funding agreement with the Greater London Authority to formalize the terms of the second phase of the Edgware Road Housing Zone funding.
5. That authority be delegated to the Executive Director of Growth, Planning and Housing to approve acquisitions by the Council to acquire all leasehold interests in the blocks proposed for demolition (if a development option is approved in the future) situated within sites A, B and C, that are in addition to those identified in the Futures Plan where approval exists to offer the compensation policies within the Council's Policy on Leaseholders in Housing Renewal Area, designated as Church Street site 2, Blackwater House and Eden House, by agreement at market price.
6. That authority be delegated to the Executive Director of Growth, Planning and Housing to approve spending on feasibility activity in line with the Housing Revenue Account business plan.

4.11 **Reasons for Decision**

The decisions requested in this report will enable the Church Street Regeneration Programme to move into the next stage of detailed due diligence on the Phase 2 schemes proposals. It will also ensure that the funding from the Greater London Authority is secured to enable further consultation on areas where we need to use compulsory purchase powers and if the development option is chosen, enable programmes to move into delivery. The Church Street masterplan provides a background to the Council's aspirations for the area. It is a formal non-statutory statement of

policy which can be taken into account in the preparation of any planning applications which may come forward in the Church Street ward.

5 AGREEMENT OF BI-BOROUGH SERVICES IN CHILDRENS SERVICES, ADULT SOCIAL CARE AND PUBLIC HEALTH

- 5.1 Charlie Parker, Chief Executive, introduced the item and stated that the report provided an update on bi-borough services discussions that had started in March following Cabinet's decision to serve notice on the London Borough of Hammersmith and Fulham (LBHF). A Members Steering Group had been set up and the report included a number of proposals in respect of bi-borough services.
- 5.2 Siobhan Coldwell, Chief of Staff, Chief Executive's Office, then addressed the Cabinet and stated that considerable time had been spent developing proposals for new structures over the last few months and these intended to deliver savings whilst not impacting on services. It was intended to continue to share a number of services with the Royal Borough of Kensington and Chelsea. Siobhan Coldwell referred to estimated costs to the Council as set out in section 14.2 of the report and stated that every effort had been made to mitigate costs where possible. The proposed integrated commissioning would also provide resilience and career structures.
- 5.3 Siobhan Coldwell advised that it was proposed that more IT related areas in respect of Adult Social Care would move back to the Council and RBKC on a bi-borough basis. A small number of services would remain tri-borough where they were operating well and where there would be little sense in scaling these down. Although there was potential upheaval for some staff, most would not be impacted by the changes. Where staff are to be affected, redeployment options would be explored. Siobhan Coldwell stated that there was a 12 month exit process in respect of terminating the Section 113 agreement with LBHF and it was expected that most of transition to bi-borough services would be completed by March 2018, however a longer time for completion to bi-borough arrangements would be given in areas where this made sense. However, it was anticipated that the bi-borough transition would be complete by the end of the 2018-19 financial year. Siobhan Coldwell added that the final costs of the changes would not be known until next year.
- 5.4 Councillor Davis, in acknowledging that this was Siobhan Coldwell's last Cabinet meeting before leaving the Council to take up another post, thanked her for all her work. Councillor Acton echoed Councillor Davis's comments and commented that it was important to maintain services in respect of Adult Social Care and Public Health.
- 5.5 The Leader stated that the Council had not initially wanted to withdraw from tri-borough arrangements, however it had little choice but to do so because of LBHF's situation. She thanked officers for the work that had been put into proposing bi-borough arrangements.

5.6 **RESOLVED:**

That Cabinet:

1. Approved the proposal to enter a shared service arrangement with the Royal Borough of Kensington and Chelsea (RBKC) for Children's, Adults and Public Health Services.
2. Approved the timetable for transition to the new service arrangements as outlined in the report and noted that some elements will be phased.
3. Approved the proposal to continue sharing a small number of services with both RBKC and London Borough of Hammersmith and Fulham (LBHF), where economies of scale and or quality of service indicate this is the best way forward.
4. Noted the proposal to establish a collaboration agreement with RBKC and LBHF in respect of the services covered in decision 3 above.
5. Delegated authority, following consultation with the Leader and relevant cabinet members, to sign Section 113 agreements in respect of Children's Services, Adult Social Care and Public Health with RBKC to relevant officers.
6. Delegated authority to the Chief Executives of RBKC and Westminster City Council to make minor changes to the proposed structures and operational frameworks following consultation with the relevant cabinet members and both leaders.

5.7 **Reasons for Decision**

1. In March 2017, Cabinet endorsed a recommendation to serve notice to London Borough of Hammersmith and Fulham (LBHF) to terminate the Section 113 agreements that have been in place since 2012 to share Children's, Adult Social Care and Public Health services. LBHF had signalled their intent to withdraw from these Tri-Borough arrangements but with no indication of when they would serve notice. In order to reduce the uncertainty for staff and the potential impact this might have on service delivery, Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) agreed to issue termination notices. Both Councils were keen to ensure that new arrangements were in place by April 2018.
2. Since that time, officers have worked to develop alternative structures which maintain the principles of the original tri-borough proposition of collaborative working and delivering efficiencies through scale whilst retaining sovereignty. New Section 113 agreements will be established with RBKC, setting out the new sharing arrangements. It is proposed that a small number of services in both Adult Social Care and Children's Services will continue to be shared with both RBKC and LBHF. Endorsement is sought to continue those arrangements.

3. It should be noted that Westminster City Council is committed to continuing its Tri-borough shared service arrangements in a number of other areas. A full list is outlined in appendix 1 of the report.

6 ESTABLISHMENT OF A WHOLLY OWNED HOUSING COMPANY

6.1 Councillor Robathan introduced the report and advised that the proposal to establish a housing company would help deliver more homes, including affordable homes, in Westminster. The new company would be able to deliver a range of activities to boost housing and funding would be accessed from the General Fund.

6.2 Barbara Brownlee stated that the proposal to set up a wholly owned housing company had been recommended by a review of strategic housing options undertaken by Deloitte in April 2017. Section 3.5 of the report set out the housing company's objectives and it would work with external finance and tax experts. Barbara Brownlee added that any site that the housing company was proposed to be involved in developing would require Cabinet approval.

6.3 RESOLVED:

1. That the establishment of a Wholly Owned Housing Company be approved for, initially, delivery of intermediate and market housing in the City and, if approved, that a long list of proposed development schemes include the Wholly Owned Housing Company as an option for delivery and development.
2. That arrangements to establish a second Wholly Owned Housing Company, where appropriate, be approved, in order to simplify the VAT accounting and reduce potential VAT leakage whilst at the same time helping the Council to meet its strategic objectives of having the flexibility to either sell, transfer or let residential properties.
3. That provision be made by means of a virement in the Council's General Fund capital programme for 2018/19 in respect of any scheme which is determined in due course to be delivered through the Wholly Owned Housing Company.
4. That Appendices C and D attached of this report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, paragraph 3 as amended, in that they contain information relating to the financial or business affairs of Westminster City Council and in the case of Appendix D legal advice.

6.4 Reasons for Decision

1. The supply of social/affordable housing in Westminster cannot keep pace with demand. The Greater London Authority predictions are for continuing increases in London's population from 8.2 million in 2011 to 9.2 million in 2021 and up to 10.1 million in 2036. Private rents are amongst the highest in the UK with only RBKC and the City of London above Westminster.

2. The risk of insufficient housing across the City, that is affordable by Westminster residents, is one of the Council's principle risks. It has a major impact on the General Fund where the costs of providing temporary accommodation are increasing.
3. The principle mitigation is to increase housing delivery through Council-led projects and the Council has made a commitment to provide at least 1,850 affordable homes by 2023. The aim is to ensure that, from the most vulnerable and low income households to those middle income households, all have access to the type and quality of accommodation to meet their needs.
4. However, whilst much activity is underway, the Council needs to do more. The report on Speeding Up Housing Delivery in April 2017 made clear that additional means of extending the Council's resources for new housing provision must be considered to achieve the Council's ambition to accelerate and deliver more and varied new housing provision. HRA activity is now set to use all the available resources of the HRA and the Affordable Housing Fund is at capacity utilisation. Expanding provision in the HRA is therefore at its limit and, particularly for tenures other than social and affordable rent, the Council must look to using other delivery vehicles. The Deloitte report on Strategic Housing Options recommended options such as Joint Ventures and a Wholly Owned Housing Company which can access alternative funding sources and provide intermediate tenures.
5. Against this background, the objectives for a Wholly Owned Housing Company are to help deliver the Council's ambition to increase the supply of housing affordable to those living and working in Westminster. The Wholly Owned Housing Company will be another vehicle which will:

Wholly Owned Housing Company Objectives	
1.	Extend the Council's resources by working with the Council (where the Council's view is that other delivery partners are neither available nor appropriate) to deliver the regeneration, and new build or acquisition opportunities being identified by the Council.
2.	Operate on a commercial basis but offering new tenures and, in particular, intermediate tenures to extend the range of provision available for Westminster residents
3.	Work to the scale and pace set by the Council.
4.	Work to the Council's quality standards to help ensure quality housing is provided for all income ranges

6. This report considers how a Wholly Owned Housing Company might be used and recommends that such a company is established to assist the Council in increasing housing delivery for all those living and working in Westminster. It should be noted that other vehicles/providers may have the same or similar objectives and setting up a Wholly Owned Housing Company will not, and should not, preclude the Council from working with others. However, there may be factors which indicate that a Wholly Owned Housing Company will be the best route for a particular development opportunity.

7 COUNCIL TAX BASE 2018-2019

- 7.1 Steven Mair, City Treasurer, introduced the report that was a statutory requirement for local authorities to provide and would be required to subsequently be approved by Full Council following Cabinet approval. There were no changes proposed to the Council Tax Reduction Scheme and Council Tax discounts, apart from the recent Cabinet Member for Children Services approval of the granting of a 100% Council Tax discount for care leavers for a period of 3 years. It was also proposed that the Long Term Empty Property Premium be introduced at the maximum percentage allowed for by the relevant legislation.
- 7.2 Councillor Tim Mitchell, Cabinet Member for Finance, Property and Corporate Services, added that under the Government's current proposals, the Council would be able to charge an additional 100% on Council Tax for long term empty properties, however this was subject to legislative implementation.
- 7.3 The Leader welcomed the initiatives in respect of long term empty homes and care leavers, the latter demonstrating the Council's commitment as a corporate parent.
- 7.4 **RESOLVED:**
1. That the Cabinet recommended that the Council approve the following recommendations for the financial year 2018/19:
 - (i) that the Council Tax discount for second homes remains at 0%
 - (ii) the Council Tax discounts for empty properties, including the discounts that replaced the previous Class A and C Council Tax exemptions, remain at 0%
 - (iii) that a Long Term Empty Property Premium is introduced at the maximum percentage allowed for by the relevant legislation
 - (iv) that the Head of Revenues & Benefits be given delegated authority to determine any individual local discount applications received from Council Taxpayers during the course of the 2018/19 financial year under section 13A(1)(c) of the Local Government Finance Act 1992.

2. That the Cabinet recommended that the Council approve the same Council Tax Reduction Scheme for 2018/19 which has operated successfully since 2013/14 and noted that the scheme is based on the Default Scheme Regulations, updated to reflect changes made via the Prescribed Requirements Amendment Regulations and with War Disabled Pensions, War Widow, Pensions and Armed Forces Compensation scheme payments disregarded in full when calculating a claimant's income.
3. That the Cabinet recommended to the Council to resolve that the Council Tax Base for 2018/19 for the Whole City is 128,833.30 equivalent Band D properties, for Montpelier Square alone 95.68 equivalent Band D properties and for Queen's Park 3,406.61 equivalent Band D properties.
4. That the Cabinet recommended to the Council to resolve that the figures as set out in decision 3 above for the Council Tax Base for 2018/19 be used by the Council to make a determination pursuant to the requirements of the Local Government Finance Act 1992.

7.5 Reasons for Decision

1. The taxbase decision is sought in order that the Council complies with the requirements of the Local Government Finance Act 1992.
2. The retention of the same levels of Council Tax discount, for empty properties and second homes will continue to deliver additional Council Tax income for the Council without disadvantaging any vulnerable members of the community.
3. The recommendation to allow the Head of Revenues and Benefits to continue to determine any individual local discount claims will enable assistance to be given to individual Council Taxpayers if required, especially as there is no longer the ability for taxpayers to claim Discretionary Housing Payments (DHP) in relation to their Council Tax liability. This will also provide the mechanism for granting the new Council Tax discount for Care Leavers.
4. The Council's proposed Council Tax Reduction Scheme will ensure that the government's 10% funding cut is not passed on to the borough's working age claimants.
5. The recommendation to introduce the Long Term Empty Property Premium is proposed on the basis that it aligns with the Council's City for All agenda and helps meet the Council's aim of a fairer Council Tax system for all residents.

8 MANAGED SERVICES FOR HR, PAYROLL AND FINANCE

- 8.1 John Quinn, Director of Corporate Services, presented the report and stated that the current contract with BT expires in May 2019. There were no intentions to extend this contract and the proposal to join Hampshire Partnership offered the opportunity to work with an organisation that had extensive experience working with other local authorities. John Quinn advised that the Hampshire Partnership currently worked with Hampshire County Council, Hampshire Constabulary, Hampshire Fire and Rescue Services and Oxfordshire County Council. Organisations had commented positively on their experiences of the Partnership. John Quinn advised that the agreement would be on a partner basis and not a contract and the Council could withdraw from the partnership with 12 months' notice. He added that Deloitte would facilitate the implementation of joining the partnership.
- 8.2 Councillor Mitchell stated that there had been considerable work involved in identifying an alternative partner and he thanked John Quinn and Jeremy Beresford, ICF Manager, for their efforts. In respect of governance, as the Council was to be a partner and not a client, Councillor Mitchell emphasised the need to ensure that this was a true partnership and to work jointly with partners.
- 8.3 The Leader welcomed the proposals and thanked John Quinn and officers for their efforts.
- 8.4 **RESOLVED:**
- a. That approval be given for Westminster City Council to accept the offer to join the Hampshire Partnership as an Operational Partner through a sovereign deed of accession.
 - b. That the Bi-borough Director of Corporate Services, in consultation with the City Treasurer, Director of People Services and the Cabinet Member for Finance, Property & Corporate Services, be delegated authority to approve and enter into the agreements and to take such other actions as are necessary to implement the decision recommended as set out in a. above and to terminate the contract with BT.
 - c. That the procurement of additional services and systems to supplement the Hampshire solution be delegated to the Bi-Borough Director of Corporate Services, in consultation with the City Treasurer and the Director of People Services, for their respective areas and the Cabinet Member for Finance, Property and Corporate Services, subject to this being achieved within the cost envelope as specified in the confidential Part B report.
 - d. That Deloitte be appointed as the primary implementation partner.
 - e. That the Bi-borough Director of Corporate Services, in consultation with the City Treasurer, the Director of People Services and the Cabinet Member for Finance, Property and Corporate Services, be delegated authority to procure additional implementation support from Deloitte

and/or others for a total cost not exceeding that as specified in the confidential Part B report.

8.5 Reasons for Decision

Westminster City Council and the Royal Borough of Kensington and Chelsea have agreed that they will not seek to extend the managed services contract beyond its end date of May 2019.

9 ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT

9.1 The Leader, in acknowledging that this was Charlie Parker's last Cabinet meeting before he leaves the Council to take up another post, thanked him for all his work and achievements as Chief Executive. She stated that the Council was in a strong position as a result of his actions and she referred to his initiatives regarding the Staff Conference and changes to People Services as examples of his achievements. The Leader then wished Charlie Parker well in his new role.

9.2 The Leader similarly thanked Siobhan Coldwell for her service to the Council and wished her well in her new role.

10 EXCLUSION OF PRESS AND PUBLIC

10.1 That under Section 100 (A) (4) and Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following item of business below because they involve the likely disclosure of exempt information on the grounds shown below and it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11 MANAGED SERVICES FOR HR, PAYROLL AND FINANCE - FINANCIAL/CONTRACTUAL MATTERS

11.1 The Cabinet considered and agreed a confidential report on Managed Services for HR, Payroll and Finance - Financial/Contractual Matters.

The Meeting ended at 7.54 pm.

CHAIRMAN: _____

DATE _____