

Cabinet

MINUTES OF PROCEEDINGS

Minutes of a virtual meeting of the Cabinet held on Monday 12 July 2021

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

1 MEMBERSHIP

- 1.1 It was noted that there were no changes to the membership. Cllr Tim Barnes joined remotely and was unable to vote at this meeting.

2 DECLARATIONS OF INTEREST

- 2.1 There were no Declarations of Interest.

3 FLOODING UPDATE

- 3.1 The Leader asked the Chief Executive, Stuart Love, to provide an update to Cabinet on the flooding in the north of the Borough. He advised that emergency services were on the ground and city inspectors had been deployed to the area to support residents. Contractors Veolia and FM Conway were also in the area to support the response and the clean-up. Councillor Robathan noted thanks to the agencies supporting the response and advised that the website would be updated as the situation unfolded. Councillor Caplan advised that the contact centre is aware of the situation and ready to respond to resident queries.

4 MINUTES

- 4.1 **RESOLVED:** The Leader, with the consent of the Members present, signed the minutes of the meeting held on 19 April 2021 as a true and correct record of the proceedings.

5 FINANCIAL PLANNING: MEDIUM TERM FINANCIAL PLAN

- 5.1 Councillor Paul Swaddle, Cabinet Member for Finance and Smart City, introduced the item which was intended to provide an update on the medium term financial plan, which ensures that resources are in the right place to meet the council's City for All objectives. The plan has been updated to include 2024/25 to maintain the per year horizon. Councillor Swaddle advised that delivery on existing savings commitments is a key priority to ensure that the budget does not become a greater challenge; however, the leadership team will continue to work to identify medium term deficiencies and longer term transformation to meet the budget gap.

- 5.2 Gerald Almeroth, Executive Director of Finance and Resources, noted that there are still is still considerable uncertainty around local government finances and funding and that the government's Spending Review in the autumn will indicate what the council might expect to receive. He also noted that a prudent framework is important for the council's medium-term financial planning.
- 5.3 Councillor Caplan highlighted that members are all acutely aware of the uncertain climate and the challenges of the pandemic, but that the council has adopted better ways of collaborative working to take forward into the future.
- 5.4 Councillor Swaddle agreed that the pandemic forced new ways of working that might have taken longer to implement, and the council now needs to see how it can apply that rate of change to other transformations to bring forward savings and create greater efficiencies to deliver results for residents.
- 5.5 Councillor Robathan agreed that it was a very helpful paper and having a longer focus time was important in identifying savings with the least impact that will improve the restructure and reshaping of services.
- 5.6 **RESOLVED:** Cabinet noted the revised medium-term financial planning forecast for 2024/25 and agreed the budget process as set out in the report.

6 FINANCIAL OUTTURN REPORT

- 6.1 Councillor Swaddle introduced the report, which was reflective of the pandemic's impact on the council's finances. He noted that in gross terms, the General Fund had a variance of £60 million due to a drop in income, however with government funding taken into account, the net variance was £3.8m. He advised the council has £59.5m in reserves, which illustrates council resilience. Councillor Swaddle noted thanks to all officers who have worked hard throughout the pandemic to help manage the council's overall financial position.
- 6.2 Gerald Almeroth agreed with Councillor Swaddle's summary and noted that given the challenges the Council faced in the past year and the reserves, there was still justification to hold approximately £1m in the General Fund to hold the position going forward.
- 6.3 Councillor Harvey highlighted the strong position of the Housing Revenue Account with thanks to prudent planning by officers in Housing Services, and also to residents who have paid their rent and leaseholders paid their service charger, or communicated when they have had issues doing so. He noted that the priority remains to help residents who have financial problems maintain good levels of trust with the Council.
- 6.4 Councillor Caplan highlighted that it was a fantastic financial result but also noted the creativity and speed at which Finance and Business officers operated in dealing with unforeseen events, which helped to protect

vulnerable residents and others who had not previously approached the Council.

6.5 Councillor Robathan noted thanks to Gerald Almeroth and his team, and all council officers including the Executive Leadership team and Chief Executive, who ensured that the Council delivered a remarkable financial outturn despite significant challenges, while maintaining a first class service for residents, compared to other councils who have not ended in as good a position. She noted that this is testament to the years of sound financial management by the Council.

6.6 **RESOLVED:** Cabinet noted the draft statement of accounts for 2020/21 and the Council's outturn position for 2020/21, and approved the slippage from the capital programme for 2020/21 into future years.

7 WHOLLY OWNED COMPANIES GOVERNANCE

7.1 Councillor Swaddle, Cabinet Member for Finance and Smart City, introduced the report and noted that the Council is committed to strong governance arrangements for all its decision-making, and ensuring we have best practice to deliver statutory arrangements, and City for All objectives for the community. He highlighted that the Council has a number of company interests in place and that given the recent expansion of its Housing agenda through Westminster Builds, it was timely to arrange an overall review of the governance arrangements. He advised the report carries improvements to the Council's oversight of those companies, and that everyone knows how those companies are run.

7.2 Gerald Almeroth noted that there were some recommendations which came from internal audit reports in the last year and that Westminster Builds has already picked up and implemented those recommendations. He advised that he had shared the report with Councillors who are nominated Directors of Council companies and that they were happy to support this as a good way forward in terms of the Council's overall governance.

7.3 Councillor Robathan asked for clarification on 1.3 which referenced three internal audits – Westco Trading Limited (WTL), Westminster Housing Investments Limited (WHIL) and Westminster Housing Developments Limited (WHDL) – and asked whether Westminster Community Homes (WCH) was not part of an internal audit. Mr Almeroth advised that these internal audits were undertaken where the Council has complete, 100% ownership of those companies, and as WCH is under different arrangements, it is going through a separate process.

7.4 Councillor Robathan agreed that the report is important in ensuring we have the correct governance processes in place, as well as transparency and control processes. She highlighted the significant activity going through Westminster Housing and that the Council's governance procedures must be

fully competent and as robust as it needs to be. Councillor Robathan noted that the remit of the Shareholder committees, in particular its Terms of Reference, scope and membership appear to be entirely appropriate.

- 7.5 **RESOLVED:** Cabinet endorsed the report and approved the creation of a Shareholder Committee as set out in the report as well as the delegation of some powers to Executive Directors.

8 WESTMINSTER BUILDS BUSINESS PLAN

- 8.1 Councillor Heather Acton, Cabinet Member for Communities and Regeneration, introduced the report and noted that Westminster Builds is a wholly owned company (WOC) covered by the governance arrangements in the previous report. She noted that an independent review was commissioned of the business plan which makes some key recommendations which are being followed up. Councillor Acton highlighted that the Westminster Builds Board was meeting in the coming week and that it would be the last board attended by the outgoing chair, Barbara Brownlee, and noted her thanks to Ms Brownlee for her contributions to Westminster Builds and to the council. Councillor Acton advised that a key recommendation in the business plan, subject to approval, was the removal of the out of the borough pipeline will be removed for the time being but recommended the business plan for approval.
- 8.2 Debbie Jackson, Executive Director for Growth, Planning, and Housing highlighted that this is not the first approval of the business plan but that it is an important one as the council is about to consider whether Westminster Builds should take on direct delivery of some of the council's major regeneration schemes. She noted that the council is looking to get into a better rhythm of improving the business plan by reviewing it annually through the governance mechanisms referred to in the previous report.
- 8.3 Councillor Swaddle noted that he was pleased to see that out of borough pipeline had been put hold so the focus could remain on what the council is doing in borough.
- 8.4 Councillor Robathan noted that Westminster Builds is making an enormous effort to deliver affordable and intermediate housing in Westminster which is also a key commitment of the council, and that it is a key vehicle in delivering that commitment. She noted that it is important to have the governance in place and to be as robust as it possibly can be, with a clear reporting structure between the business plan and the shareholder committee. Councillor Robathan welcomed that the out of borough pipeline has been taken out at this point in time, and that it will ensure a sharper focus on delivery in Westminster and will be the vehicle to help the council deliver targets. She echoed Councillor Acton's comments regarding Barbara Brownlee and noted that the set up of Westminster Builds was largely driven by Ms Brownlee who recognised what was needed.
- 8.5 **RESOLVED:** Cabinet approved the Business Plan as set out in Appendix 1 with the exclusion of the out of borough pipeline and noted that the Plan

would be revisited to consider the implications of said exclusion to feed into forthcoming budget processes.

The meeting concluded at 7.05pm.