

Leaders' Committee

11 October 2016 – 11:30 am

At London Councils offices, 59½ Southwark St., London SE1 0AL

Refreshments will be provided

London Councils offices are wheelchair accessible

Labour Group: Room 2 and 3 10:00

Political Adviser: 07977 401955)

Conservative Group: Room 5 10:00

(Political Adviser: 07903 492195)

Contact Officer: Derek Gadd

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Lunch will be provided in Room 4 for members after the meeting

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- TEC Committee – 16 June 2016
- Audit Committee – 22 June 2016
- Capital Ambition Board – 11 July 2016
- Grants Committee AGM – 13 July 2016
- YPES – 14 July 2016
- TEC Exec Sub Committee – 21 July 2016
- Executive – 13 September 2016

*Declarations of Interests

If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

The Chairman to move the removal of the press and public since the following items are exempt from the Access to Information Regulations. Local Government Act 1972 Schedule 12(a) (as amended):

Item E1: Section 1 information relating to any individual

Item E2: Section 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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	<ul style="list-style-type: none"> • Exempt part of CAB 11 July 2016 • Exempt part of TEC Executive Sub Committee – 21st July 2016 	

London Councils

Minutes of the London Councils Leaders' Committee held on 12 July 2016
Mayor Jules Pipe chaired the meeting

Present:

BARKING AND DAGENHAM
BARNET
BEXLEY
BRENT
BROMLEY
CAMDEN
CROYDON
EALING
ENFIELD
GREENWICH
HACKNEY
HAMMERSMITH & FULHAM
HARINGEY
HARROW
HAVERING
HILLINGDON
HOUNSLOW
ISLINGTON
KENSINGTON & CHELSEA
KINGSTON
LAMBETH
LEWISHAM
MERTON
NEWHAM
REDBRIDGE
RICHMOND UPON THAMES
SOUTHWARK
SUTTON
TOWER HAMLETS
WALTHAM FOREST
WANDSWORTH
WESTMINSTER
CITY OF LONDON
LFEP

Cllr Darren Rodwell
Cllr Richard Cornelius
Cllr Teresa O'Neill OBE
Cllr M. A. Butt
Cllr Colin Smith
Cllr Sarah Hayward
Cllr Simon Hall
Cllr Julian Bell
Cllr Doug Taylor
Cllr Denise Hyland
Mayor Jules Pipe
Cllr M. Cartwright
Cllr Bernice Vanier
Cllr Sachin Shah
Cllr Roger Ramsey
Cllr Ray Puddifoot MBE
Cllr Steve Curran
Cllr Richard Watts
Cllr Nicholas Paget-Brown
Cllr Kevin Davis
Cllr Lib Peck
Mayor Sir Steve Bullock
Cllr Stephen Alambritis
Cllr Ken Clarke
-
Cllr Lord True
Cllr Peter John OBE
Cllr Ruth Dombey
-
Cllr Clyde Loakes
Cllr Ravi Govindia
Cllr Tim Mitchell
Ms Catherine McGuinness
-

Apologies:

BROMLEY
CROYDON
HAMMERSMITH & FULHAM
HARINGEY
NEWHAM
REDBRIDGE
TOWER HAMLETS
WALTHAM FOREST
WESTMINSTER
CITY OF LONDON
CAPITAL AMBITION

Cllr Stephen Carr
Cllr Tony Newman
Cllr Stephen Cowan
Cllr Claire Kober
Mayor Sir Robin Wales
Cllr Jas Athwal
Mayor John Biggs
Cllr Chris Robbins
Cllr Philippa Roe
Mr Mark Boleat
Mr Edward Lord JP OBE CC

Officers of London Councils were in attendance:

1. Election of Chair

Item deferred to the end of the meeting.

2. Apologies for absence and announcement of deputies

The deputies listed above were noted.

3. Declarations of interest

Cllr Julian Bell (Labour, TEC, Ealing) declared a non-pecuniary interest in item 7 *Housing Proposition: Update* as a tenant of a Housing Association

4. Minutes of Leaders' Committee AGM meeting held on 7 June 2016

Leaders' Committee agreed the minutes of the Leaders' Committee AGM meeting held on 7 June 2016.

5. Minutes of Leaders' Committee meeting held on 7 June 2016

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 7 June 2016.

6. Devolution and Public Service Reform – Progress report

The Chief Executive introduced the report saying:

- The item provided an update on key aspects of negotiations with Government on:
 - Work and Health Programme. Along with Greater Manchester, London was the other area negotiating to commission the new Work and Health

programme. Discussions with DWP were continuing, but there were delays and the procurement timetable would inevitably slip a little.

- Health Devolution. Progress on pilots established as part of the December 2015 Health and Care Agreement and the relationship to the STP process was discussed at a meeting of the London Health Board at the end of June. This was the first meeting chaired by the new Mayor.
- Business Rates As agreed in June a joint letter setting out a 'Statement of Principles' underpinning London's approach to Business Rates had been sent from the Chair and the Mayor of London to the Chancellor of the Exchequer and to the Secretary of State for Communities and Local Government. The Government had now issued the consultation paper on business rate localisation

Cllr Peter John OBE (Labour, Children, Skills and Employment, Southwark) pointed out that the Area Review of Further Education was underway and asked any leader who had concerns to let him know them.

Leaders' Committee agreed to note progress, particularly in relation to:

- Skills – including work to influence the Area Reviews of Further Education and the review of Adult and Community Learning.
- Health - including the work of the London health pilots, which were expected to lead to draft 'asks' of Government to support integration and reform.
- Criminal Justice
- Business Rates
- Employment support – including progress towards reaching an agreement with DWP on the Work and Health Programme
- Housing

7. Housing Proposition: Update

Mayor Sir Steve Bullock (Labour, Housing, Lewisham) introduced this report saying he, Cllr Ravi Govindia (Conservative, Wandsworth) and the Mayor of London had met with the Secretary of State for Communities and Local Government. It appeared as if progress was being made towards a tripartite endorsement of a set of high level principles. This, of course, could not commit individual boroughs to specific courses of action and there was much more to do to secure a more detailed agreement.

He then asked Cllr Govindia to contribute, he did as follows. The following points had been strongly made in negotiations with City Hall and Government

- That boroughs had the right to decide what type of Housing to create in their areas as well as their numbers
- The primacy of boroughs in place-making must be respected and the importance of securing appropriate infrastructure to support housing was vital.

Leaders' Committee agreed to note progress on joint discussions on Housing.

8. Meeting London's secondary school places need

Cllr Peter John OBE (Labour, Children, Skills and Employment, Southwark) introduced the report saying it was a short report seeking endorsement for the work that extended previous analysis on primary places into the issue of secondary places, as the shortfall had moved similarly.

Cllr Doug Taylor (Labour, Enfield) argued that in the next stages of the work, there should be more exploration of the issues of importing/exporting of pupils between outer London and non London authorities.

Cllr Govindia urged that Regional School Commissioners needed to be less directive and Cllr Teresa O'Neill OBE asked if there was an argument for finding a better way of predicting place numbers.

Cllr John took on board all the points made and Leaders' Committee agreed:

- To note the analysis of the scale of the challenge and the intention to provide targeted support to areas identified without confirmed plans in place
- That London local government considered developing local arrangements to ensure greater cross-borough collaboration on planning secondary places going forward.

9. Minutes and Summaries

Leaders' Committee agreed to note the minutes and summaries of:

- Grants Committee – 9 March
- Pensions CIV Sectoral Joint Committee – 14 June 2016
- Executive – 21 June 2016

At the close of business the Chair returned to item 1 and announced his resignation as Chair thanking members and officers for their support over the six years of his tenure. Both Cllr O'Neill and Cllr Dombey paid tribute to what the Chair had achieved in the role and the way he had gone about that work. The Chair asked for nominations for a replacement. Cllr Clyde Loakes (Labour, Waltham Forest) nominated Cllr Claire Kober (Labour, Haringey) and Cllr O'Neill seconded. In the absence of any other nominations Cllr Kober was elected Chair to take effect from 13th July 2016.

The meeting resolved to exclude the press and public.

The meeting ended at 12:20.

Action Points

Item		Action	Progress
8.	Meeting London's secondary school places need <ul style="list-style-type: none"> • Provide targeted support to areas identified without confirmed plans in place • Consider developing local arrangements to ensure greater cross-borough collaboration on planning secondary places going forward. 	PAPA Children and Young People	ALDCS and London Councils drafting project specification with a view to start targeted support from September The targeted support will consider and promote opportunities for greater cross-borough collaboration

Leaders' Committee

Local Government Finance update: Business Rates Devolution, London Finance Commission & Autumn Statement 2016

Item 5

Report by: Paul Honeyben **Job title:** Strategic Lead: Finance, Performance & Procurement
Date: 11 October 2016
Contact Officer: Paul Honeyben
Telephone: 0207 934 9748 **Email:** paul.honeyben@londoncouncils.gov.uk

Summary

This report provides an update to Leaders' Committee on a number of recent important developments relating to local government finance.

These include the Government's business rates devolution reforms – including London Government's joint response to the consultation on 100% business rates retention and the Fair Funding Review call for evidence.

At the same time, the Mayor of London has reformed the London Finance Commission which will set out the case for further fiscal devolution to the capital with the intention to influence the Chancellor's Autumn Statement, which will be delivered on 23 November. London Councils will be making a representation to the Autumn Statement by the 7 October deadline, and the report outlines a summary of the themes this will cover.

Recommendations Leaders are asked consider the contents of the update report and to comment on any of the specific items covered.

Local Government Finance update

Introduction

1. This report updates Leaders' Committee on the significant developments in the world of local government finance that have occurred over the summer and are on the near horizon. One way or another the changes will have a significant impact on the funding of London local government and the services it delivers from 2020 onwards if not before.

Business Rates Devolution

2. Over the past year, London Councils and the GLA have been working closely to develop a joint response to the Government's plans for 100 cent business rates retention by 2020, first announced in October 2015.
3. In December 2015 Leaders' Committee agreed a set of overarching ambitions for the potential devolution of business rates to London, and established a small member working group to oversee the development of proposals.
4. The Government committed in the March 2016 Budget to "explore with London options for moving to 100% business rates retention ahead of the full roll out of the business rates reforms." Officers from London Councils, the GLA and the Society of London Treasurers have been attending a series of technical working groups at DCLG since April.
5. In June, Leaders' Committee and the Mayor of London agreed a set of principles setting out a joint London Government response to the planned reforms that were formally submitted to the Chancellor of the Exchequer and the Secretary of State for Communities and Local Government on 1st July.

100% Business Rates Retention: Consultation response

6. In July, the Government published a detailed consultation on the proposed reforms, focussing on elements of the design of the scheme that will require primary legislation – likely to be in early 2017. This covered four main areas:
 - devolution of new responsibilities that local government will be required to deliver;
 - system design – finding the balance between incentivising growth and sharing risk;
 - local tax flexibilities – including the ability to reduce the multiplier and the proposed "infrastructure levy"; and
 - accounting and accountability considerations.

7. The joint London Government response was signed off by the Mayor and Group Leaders and submitted on 26 September, alongside a further letter to the Secretary of State. It develops the principles agreed in June and sets out a clear vision for a devolved London business rates retention system, including 14 specific asks of government. A draft summary of the response was considered by Executive on 13 September, and CELC and SLT at their respective meetings on 16 September. The full response and a shorter summary document were circulated to Leaders on 26 September.
8. The proposals are ambitious, and seek to address two fundamental issues with the current system: the negative impact of business rates appeals, which currently impedes growth and makes funding unstable; and the premise that revaluations should be to a fixed yield nationally – seeking for London’s business rates to be de-coupled from the rest of the country, to prevent economic growth in the capital artificially constraining business rates growth across the rest of the country.
9. London’s proposals, as set out in the fourteen “asks”, would help address these problems in ways that would not only help London manage its future sustainable economic growth, and the financial sustainability of its local public services, but would benefit local government in the country as a whole. It argues a more devolved approach could improve clarity and accountability.
10. The proposals include a commitment to work with Government collectively to build on the principles established in the 2013 London Finance Commission to define and establish appropriate governance arrangements to manage a devolved business rates system. The Leaders business rates working group met for the fourth time on 22 September, and, following initial discussions, began to identify the issues that will have to be addressed and discussed further with all Leaders and the Mayor in order to develop such governance arrangements.
11. Officers from London Councils, the GLA, and several individual London Treasurers and Chief Executives met with senior DCLG civil servants on 20 September to discuss the proposals set out in the response. DCLG welcomed the joint proposals and their level of ambition, while acknowledging that some of the arguments relating to the tax itself will require further detailed discussions with HM Treasury colleagues.

Fair Funding Review: Call for evidence response

12. Alongside the main consultation, the Government officially began its Fair Funding Review of needs and redistribution that will run until at least 2018, the outcome of which will

inform the setting of funding baselines at the start of the 100 per cent business rates retention scheme from 2020.

13. The response, circulated to Leaders on 26 September, set out high level principles that London Government has espoused, namely that the assessment of need and redistribution should become simpler, more transparent, fairer and more responsive under the new system than currently. In line with Ask 6 within the main consultation response, it proposed a two stage approach to the assessment of need, with a simplified formula determining a regional assessment for London, followed by a necessarily more technical local solution to the distribution of funding, to be designed and agreed by London Government.
14. A further detailed consultation is planned for the autumn, and a final detailed consultation has been earmarked for the summer of 2018. Figure 1 below sets out the likely timetable for the reforms required in order to set up the 100 per cent retention system from 2019-20 - the date the Government is provisionally aiming to start the new system.

Figure 1 - Likely timetable for reforms towards 100% Business Rates Retention

Date	Milestone
June 2016	London Business Rates Proposition submitted
July 2016	100% Business Rates Retention consultation
	Fair Funding Review call for evidence
September 2016	2017-18 LGF Settlement consultation
Autumn 2016	Fair Funding Review - consultation on principles of need assessment
	BRR - technical consultation on specific workings of the reformed system
	Autumn Statement to confirm details of pilots in 2017
January 2017	Legislation enters Parliament
April 2017	2017 Revaluation; Pilots begin; TfL grant transfer to the GLA
April 2018	Further roll-out of pilots
Summer 2018	Final Fair Funding Review consultation
April 2019	Earliest possible date for full roll out of 100% retention

London Finance Commission

15. The Mayor of London has re-formed the London Finance Commission (LFC), which originally reported in 2013 setting out bold proposals for fiscal devolution to London Government including full devolution of the 5 main property taxes (including 100% of business rates). Leaders' Committee and the Mayor of London endorsed the recommendations. The 2016 LFC aims to review, refresh and revise its original recommendations in light of the changed circumstances, following the UK's vote to leave the European Union. It will report by the end of 2016, with an interim report to government in early October designed to influence the Autumn Statement.

16. Professor Tony Travers of the London School of Economics is once again chairing the Commission. It met for the first time in August, and has met twice in September. London Councils is represented on the Commission by Cllr Kober, Cllr O'Neill, with John O'Brien and Guy Ware acting as official observers, and among those supporting Professor Travers in his work.
17. It is likely that the recommendations of the Commission will be more ambitious than in 2013, recognising the changing macro-economic and political circumstances in light of June's EU referendum result. This may provide an opportunity for London Government to make some significant asks of the new Chancellor in his first Autumn Statement. London Councils and GLA officers will support the Commission specifically on its business rates recommendations, and more broadly on further proposals around wider fiscal devolution.

Autumn Statement Submission

18. The Autumn Statement will be on 23 November. With the uncertainty caused by the vote to leave the EU referendum, there are indications that the Chancellor will consider a "reset" of the public finances, which could mean changes to the Government's overarching fiscal rules and, in particular, the aim to deliver a budget surplus by the end of the decade. Whether there will be any change to the planned public spending reductions set out in Spending Review 2015 is not yet known, however it is unlikely to mean changes to the four year "offer" to local government that was set out in the 2016-17 Local Government Finance Settlement.
19. By the time Leaders' Committee meets, London Councils will have submitted its representation to HM Treasury by the deadline of 7 October. The submission will again set out the economic case for the Autumn Statement to continue to invest in London's public services, and will specifically cover the following three areas:
- the latest funding outlook for London local government;
 - the specific demand pressures London local government is facing – including but not limited to updated projections relating to adult social care, housing, and school places, and the new or unfunded burdens London local government is facing; and
 - the case for further fiscal and functional devolution drawing on the work mentioned above on business rates devolution, the work of the London Finance Commission, and broader devolution negotiations London government is undertaking with government.

Recommendations

20. Leaders are asked consider the contents of the update report and to comment on any of the specific items covered.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Leaders' Committee

Police and Crime Plan: 2017-20

Item No 6

Report by: Doug Flight **Job title:** Head of Strategic Policy
Date: 11 October 2016
Contact Officer: Doug Flight
Telephone: 020 7934 9805 **Email:** doug.flight@londoncouncils.gov.uk

Summary: The Mayor's Office for Policing and Crime is at the early stages of developing the statutory 2017-2020 Police and Crime Plan for London. This report outlines the process and sets out some of the emerging themes.

Recommendations: Leaders Committee is asked to:

1. Note the emerging themes which are expected to feature in the draft Police and Crime Plan.
 2. Note the opportunities available to influence the Plan .
-

Police and Crime Plan: 2017-20

Introduction

1. This report sets out the process for developing the next Police and Crime Plan; the emerging themes which are expected to run through the plan; and the opportunities that are available for boroughs to influence the outcome.

Background

2. The Deputy Mayor for Policing and Crime, Sophie Linden, has begun early engagement with partners on a framework for the Plan, which will be followed by more formal consultation later in the year.
3. The London Councils' members on the London Crime Reduction Board, Cllr. Claire Kober, Cllr. Lib Peck and Cllr. Richard Cornelius have been consulted as part of this early engagement.
4. The Deputy Mayor has indicated an interest in attending Leaders' Committee in December 2016 to discuss the draft Police and Crime Plan which should, by then, have been formally issued for consultation.
5. The statutory Police and Crime Plan sets out what the Mayor is seeking to achieve in the area of policing and crime and explains to Londoners what they can expect from the Metropolitan Police Service (MPS) and the Mayor's Office for Policing and Crime (MOPAC).
6. The first Police and Crime Plan ran from 2013 to 2016. The second plan will cover the period up to 2020 and is due to be published in March 2017.

The Emerging Police and Crime Plan – Early Indications

7. London Councils' organised a roundtable for borough Community Safety portfolio leads at the beginning of this month. During this session, the Deputy Mayor indicated that the plan was likely to focus on the following key themes:
 - neighbourhood and local policing
 - keeping children and young people safe

- tackling violence against women and girls
- tackling violent extremism, terrorism and hate crime
- ensuring an effective Criminal Justice System (which may extend to seeking devolution and reform in relation to youth justice and community rehabilitation).

8. Underpinning themes are expected to include:

- vulnerability
- meeting the needs of victims
- social integration and tackling inequalities, with an aspiration that *‘the **place** that you live in, the **communities** you belong to and the **individual** that you are should not disproportionately impact your exposure to crime’*

9. The Deputy Mayor’s approach to delivering the plan will include both:

- **universal services**, providing a common level of service to all; and
- **targeted services** tailored to address the specific needs and vulnerabilities of the various individuals, communities and locations in London that are disproportionately affected by crime.

Development and consultation on the second Police and Crime Plan

10. The time-table for the development Police and Crime Plan is:

August – October 2016:

Early engagement and Police and Crime Plan development

November 2016 – January 2017:

12 week consultation period on formal draft.

March 2017:

Police and Crime Plan published

11. London Councils is supporting borough engagement with the Deputy Mayor for Policing and Crime and MOPAC, to help ensure boroughs have a voice in the development of the new Police and Crime Plan. To date, this has included:

- The first two of a series of regular bilaterals between Cllr. Lib Peck and the Deputy Mayor for Policing and Crime.
- A roundtable discussion for borough crime lead-members on the emerging plan.

- A session for members of the London Crime Reduction Board (LCRB) to discuss the future operation of the partnership.
 - The LCRB is chaired by the Mayor and is comprised of the Deputy Mayor for Policing and Crime, three borough leaders nominated by London Councils (at present: Cllr. Claire Kober, Cllr. Lib Peck and Cllr. Richard Cornelius), the MPS Deputy Commissioner and senior officials from Criminal Justice agencies.
 - Discussion centred on plans for streamlining the operation of the Board and seeking to align its work with partnership objectives which will be negotiated as part of the development of the Police and Crime Plan.

Borough Crime Prevention Funding

12. Discussions with the Deputy Mayor for Policing and Crime have also included an early exploration of options for extending MOPAC's programme of funding for borough crime prevention projects:

- The Deputy Mayor was positive about the case for continuing the programme beyond March 2017.
- Consideration was being given to revisiting the existing allocations to ensure that the programme would be able to take account of any significant changes in need, or demand, over recent years.
- Consideration was also being given to a top-sliced fund to promote more innovative 'devolution and reform' projects, under the guidance of the London Crime Reduction Board, with commissioning potentially operating at a pan-London level.

13. London Councils' members on the London Crime Reduction Board raised the following points in discussion with the Deputy Mayor:

- Members welcomed the Deputy Mayor's in-principle support for continuation of the programme of crime prevention funding at a broadly similar overall level.
- Members sought assurances that more work and consultation will be undertaken, before any top-slicing is introduced. Members argued for the current allocations to be maintained for 2017/18, pending agreement on a new model.

- Members highlighted the importance of ensuring the continuity of valuable local projects through the period of change.
- Members emphasised the need to support and extend innovative projects that have emerged at a local level, rather than simply to commission innovative work at a pan-London level.

Criminal Justice System Reform

14. As noted above, the Police and Crime Plan is likely to include the objective of ensuring an effective Criminal Justice System. This may range from realising opportunities to influence the system within the boundaries of existing legislation, through to exploring opportunities for greater devolution. The Deputy Mayor indicated an interest in a conversation with partners, including London Councils and boroughs, about the potential for greater devolution, including a potential London model for youth justice and options for oversight of community rehabilitation.

Operational Policing

15. London Councils' engagement with the process of developing the Police and Crime Plan has been complemented by long term engagement with the Metropolitan Police Service, which included a series of meetings over the last year between the senior London Councils' members and the MPS Management Board. This has, in turn, been supported by engagement that London Councils has facilitated between borough chief executives and senior MPS Officers. These discussions have encompassed consideration of MPS proposals around potential changes to the local policing model and bringing together services to focus on vulnerability.

16. In parallel with the development of the Police and Crime Plan, some consideration is being given to the potential of trialling elements of the operational plan which the MPS is developing to strengthen local policing, which is known as 'One Met Model 2020'. The mooted trials are expected to involve the testing of a model for emergency response teams that operate across borough boundaries.

17. The MPS presented the proposals as part of a continuing dialogue with London Councils and borough chief executives and sought to respond the "Headline Principles" developed in discussions with London Councils. These principles were designed to capture a shared understanding around:

- Consultation with and engagement with boroughs during the change process.
- Maintaining a visible and effective senior-level interface with each borough.
- Building an improved interface at borough level to allow collaboration in relation to safeguarding and vulnerability.
- Visible neighbourhood policing.
- Contribution to leadership of place and responsiveness to local circumstances;
- Continuity in post of Commanders (at Basic Command Unit level).

18. The proposals also include measures to align resources to meet savings targets and to target resources on priority areas. The model includes the decentralisation of a range of services to hubs which will operate closer to borough level. New approaches to protecting vulnerable people and protecting young people are also proposed. The following principles have been proposed for any tests:

- Testing needs to be a partnership and not imposed on local authorities.
- The tests are intended to build the evidence base to support the proposals. At the conclusion, the Mayor would take a view as to whether to support implementation across London.
- The pilots will be reversible.
- The governance of the tests would be joint, to ensure transparency in decision making, evaluation and all aspects of governance of the tests.
- The tests will be evaluated both in relation to service delivery for the overall BCU and for individual boroughs engaged in the test. Evaluation criteria would be agreed with the local authorities engaged in the tests.

Conclusion

19. Cllr. Lib Peck has led a series of meetings with the Deputy Mayor for Policing and Crime, working alongside the Chair and Cllr Richard Cornelius, as London Councils' representatives on the London Crime Reduction Board. Members have used these discussions to emphasise the following points:

- The importance of clarity of the process of engagement around the Police and Crime Plan and the full involvement of boroughs.
- The importance of principles that had been developed as part of earlier discussions between the MPS and London Councils. These principles (set out

above) included consultation with boroughs around proposed changes and the need for clarity about who from the MPS would contribute to the overall leadership of public services in a borough.

- The importance of clarity of process in relation to any voluntary trialling of elements of the 'One Met Model 2020'.
- The importance of further work and consultation being undertaken during the course of 2017 on proposals for changes to MOPAC's programme of crime prevention funding.

20. It may be appropriate to invite the Deputy Mayor for Policing and Crime to address Leaders' Committee in December 2016, to discuss the draft Police and Crime Plan.

Recommendations

21. Leaders' Committee is asked to:

1. Note the emerging themes which are expected to feature in the draft Police and Crime Plan.
 2. Note the opportunities available to influence the Plan.
-

Financial implications for London Councils:

None

Legal implications for London Councils:

None

Equalities implications for London Councils:

Consideration of equality and social inclusion are expected to be included in the process of developing the Plan, which will encompass a focus on victims and vulnerability.

There are no direct equalities implications for London Councils as a result of this paper.

Attachments:

None

Leaders' Committee

Annual Audit Report 2015/16

Item no: 7

Report by: David Sanni **Job title:** Head of Financial Accounting
Date: 11 October 2016
Contact Officer: David Sanni
Telephone: 020 7934 9704 **Email:** david.sanni@londoncouncils.gov.uk

- Summary** This report presents the annual audit report issued by KPMG, London Councils' external auditor, following the completion of its audit of London Councils accounts for the year ended 31 March 2016.
- The audit report was presented to the Audit Committee at its meeting on 22 September 2016. The Audit Committee considered the contents of the report and agreed the management response to the recommendations detailed on page 24 and 25 of the report.
- Recommendations** The Leaders' Committee is asked to note the contents of the Annual Audit Report for 2015/16 which can be found at Appendix A.
-

Annual Audit Report 2015/16

Background

1. At its meeting on 22 September 2016, London Councils' Audit Committee considered the annual audit report issued by KPMG following the completion of its audit of London Councils 2015/16 accounts. The audit report, which can be found at Appendix A, contained details of internal control recommendations in relation to invoicing arrangements and pension submission reconciliations. The Audit Committee agreed the proposed management response to the recommendations detailed on page 24 and 25 of the audit report.
2. The audit report as approved by the Audit Committee will be posted on London Councils' Website (www.londoncouncils.gov.uk under the "About us" sub-category) and a link to the document sent to all members of the Leaders' Committee, the Transport and Environment, the Grants Committee and borough Chief Executives.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A – KPMG External Audit Report 2015/16

Background Papers

Draft Annual Audit Report 2015/16 – Report to London Councils Audit Committee 22 September 2016; and

Final accounts working files 2015/16.



External Audit Report 2015/16

London Councils

September 2016



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This report is addressed to London Councils and has been prepared for the sole use of London Councils. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



Section one: Introduction



This document summarises:

The key issues identified during our audit of the financial statements for the year ended 31 March 2016 for the Joint Committee, Transport and Environment Committee and Grants Committee

Scope of this report

This report summarises the key findings arising from our audit work at London Councils in relation to the 2015/16 financial statements relating to the Joint Committee, Transport and Environment Committee and Grants Committee.

Financial statements

Our *External Audit Plan 2015/16*, presented to you in March 2016, set out the four stages of our financial statements audit process.



This report focuses on the second and third stages of the process: control evaluation and substantive procedures. Our on site work for this took place during March and July 2016.

We are now in the final phase of the audit, the completion stage. Some aspects of this stage are also included in this report.

Structure of this report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 sets out our key findings from our audit work in relation to the 2015/16 financial statements of the three Committees.

Our recommendations are included in Appendix 1. We have also reviewed your progress in implementing prior recommendations made by your previous auditor PriceWaterhouseCoopers.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.



Section two: Headlines



We anticipate issuing unqualified audit opinions on the Joint Committee, Transport and Environment Committee and Grants Committee financial statements by 30 September 2016.

We will also report that the Annual Governance Statements complies with guidance issued by CIPFA/SOLACE in June 2007.

This table summarises the headline messages. Sections three and four of this report provide further details on each area.

Proposed audit opinion	We anticipate issuing an unqualified audit opinion on the Joint Committee, Transport and Environment Committee and Grants Committee financial statements by 30 September 2016. We will also report that the Annual Governance Statements complies with guidance issued by CIPFA/SOLACE in June 2007.
Audit adjustments	<p>Our audit has identified one audit adjustments with a total value of £15,738.</p> <p>This relates to the assignment of the Q4 administration costs for the ESF grant, which had been misallocated and as such, the creditor and debtor amount for the ESF grant is over-stated.</p> <p>The impact of these adjustments is to decrease the debtors and creditors on the balance sheet of the Joint Committee by £15,570 each.</p> <p>We identified a number of minor narrative and presentational adjustments required, throughout the accounts and accompanying notes. All of these were agreed with officers and adjusted.</p>
Key financial statements audit risks	<p>We review risks to the financial statements on an ongoing basis and tailor our audit procedures accordingly. In addition to the rebuttable presumption of the fraud risk from revenue recognition, we identified the following key financial statement audit risks in our 2015/16 External audit plan.</p> <ul style="list-style-type: none"> — Management override of controls; and — Pension Liability assumptions. <p>We have worked with officers throughout the year to discuss these audit risks. Our detailed findings are reported in section 3 of this report. We have agreed a recommendation on the evidenced review of information received from the actuary and reconciliation of figures provided to the actuary.</p>

Section two

Headlines (cont.)



We have noted the high quality of the accounts and the supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.

At the date of this report our audit of the financial statements is substantially complete.

You are required to provide us with representations on specific matters such as your going concern assertion and whether the transactions in the accounts are legal and unaffected by fraud.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of London Councils.

Accounts production and audit process

We received complete sets of draft accounts for each of the three committees in line with the agreed timetable. The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of the Code.

We have noted the high quality of the accounts and the supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.

We will debrief with the Finance team to share views on the final accounts audit. Our objective is for this discussion to lead to further efficiencies in the 2016/17 audit process. In particular, we would like to thank those officers who were available throughout the audit visit and responded quickly to answer our queries.

Completion

At the date of this report our audit of the financial statements is substantially complete subject to completion of the following areas:

- Clearance of final review points
- Receipt of signed letter of representation
- Final Director closing procedures review.

You are required to provide us with representations on specific matters such as your going concern assertion and whether the transactions in the accounts are legal and unaffected by fraud. We provided a draft of this representation letter to the Director of Corporate resources on 5 September 2016. We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us. We are not asking management to provide specific representations on any balances.

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of London Councils.



Section three: Financial Statements

Proposed opinion and audit differences



Our audit has identified one audit adjustment of £15k which reduces both debtors and creditors by this amount on the Joint Committee financial statements.

Proposed audit opinion

Subject to all outstanding queries being resolved to our satisfaction, we anticipate issuing an unqualified audit opinion on the Joint Committee, Transport and Environment Committee and Grants Committee financial statements following approval of the Statement of Accounts by the Audit Committee on 22 September 2016.

Audit differences

In accordance with ISA 260 we are required to report uncorrected audit differences to you. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

The materiality (see Appendix two for more information on materiality) level was set at differing levels for each Committee

Committee	Materiality	Trivial
Joint Committee - consolidated	£1,480k	£74k
Joint Committee core	£270k	£13k
Grants Committee	£220k	£11k
Transport and Environment Committee	£980k	£45k

Our audit identified an audit difference, which we set out in Appendix two. It is our understanding that this will be adjusted in the final version of the financial statements.

The table on the below illustrates the total impact of audit differences on the London Council's Joint Committee balance sheet as at 31 March 2016. Further details are included in Appendix three.

There is £nil net impact on the Reserves as a result of audit adjustments; however, the Current Assets and Current Liabilities balance at 31 March 2016 decrease by £15k each. This is the result of the following amendments:

- Overstatement of Debtor - £15k
- Overstatement of Creditor - £15k

Balance sheet as at 31 March 2016

£m	Pre-audit	Post-audit
Property, plant and equipment	1,722	1,722
Other long term assets	1	1
Current assets	21,736	21,721
Current liabilities	(10,590)	(10,575)
Long term liabilities	(23,380)	(23,380)
Net liabilities	(10,511)	(10,511)
Usable reserves	12,641	12,641
Unusable reserves	(23,152)	(23,152)
Total reserves	(10,511)	(10,511)

Proposed opinion and audit differences (cont.)



The wording of your Annual Governance Statement complies with guidance issued by CIPFA/SOLACE in June 2007.

In addition, we identified a small number of presentational adjustments required to ensure that the accounts are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ('the Code'). We understand that London Councils will be addressing these where significant.

Annual governance statement

We have reviewed the Annual Governance Statements and confirmed that:

- It complies with *Delivering Good Governance in Local Government: A Framework* published by CIPFA/SOLACE; and
- It is not misleading or inconsistent with other information we are aware of from our audit of the financial statements.

Narrative report

We have reviewed the Narrative Statements and not identified any inconsistencies with the Statement of Accounts.

Significant audit risks



We have worked with London Councils throughout the year to discuss significant risks and key areas of audit focus.

Pension Assets and Liabilities - No issues were noted that impacted on the financial statements although we have made a recommendation to strengthen controls

In our *External Audit Plan 2015/16*, presented to you in March 2016, we identified the significant risks affecting the 2015/16 financial statements. We have now completed our testing of these areas and set out our evaluation following our substantive work.

The table below sets out our detailed findings for each of the risks that are specific to London Councils.

Pensions Assets and Liabilities

Risk: London Councils' staff are eligible to participate in the Local Government Pension Scheme (LGPS), administered by the London Pension Fund Authority. There is an inherent valuation estimate in respect of London Councils' defined benefit liability. Pension valuations require a significant level of expertise, judgement and estimation and are therefore more susceptible to error. This is also a very complex accounting area increasing the risk of misstatement.

Findings: As part of our 2015/16 audit, we have checked the information provided to the actuary from London Councils, reviewed the actuarial valuation while considering the disclosure implications, considered assumptions made by your actuaries to benchmarks, which are collated by our KPMG actuaries, and to the assumptions used for 2014/15 for consistency. We also reviewed management's assessment of the accounting requirements to satisfy ourselves that they comply with the requirements of the Local Government SORP for 2015/16. There are no issues impacting on the financial statements that we need to report to the Audit Committee.

Significant audit risks



We have worked with London Councils throughout the year to discuss significant risks and key areas of audit focus.

Fraud risk of revenue recognition - We do not consider this to be a significant risk for London Councils as there is unlikely to be an incentive to fraudulently recognise revenue.

Management override of controls - There are no matters arising from this work that we need to bring to your attention.

In our *External Audit Plan 2015/16* we reported that we would consider two risk areas that are specifically required by professional standards and report our findings to you. These risk areas were Management override of controls and the Fraud risk of revenue recognition.

The table below sets out the outcome of our audit procedures and assessment on these risk areas.

Fraud risk of revenue recognition

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

In our External Audit Plan 2015/16 we reported that we do not consider this to be a significant risk for London Councils as there is unlikely to be an incentive to fraudulently recognise revenue.

This is still the case. Since we have rebutted this presumed risk, there has been no impact on our audit work.

Management override of controls

Risk: Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our audit methodology incorporates the risk of management override as a default significant risk. We have not identified any specific additional risks of management override relating to this audit.

Findings: In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

There are no matters arising from this work that we need to bring to your attention.

Other areas of audit focus



We have now completed our testing. The table sets out our detailed findings for the area of audit focus.

No issues were noted as a result of these procedures.

In our *External Audit Plan 2015/16* we reported that we would review opening balances as an additional area of audit focus as it was our first year as auditors.

The table below sets out the outcome of our audit procedures and assessment on these risk areas.

Opening Balances

- Area of Audit Focus: The balances reported as the opening position and comparators in the 2015/16 financial statements comprise an integral part of your financial statements and are included within the assurance opinion we provide to you. As this is our first year of your audit, we have to conduct further work over these balances to be able to assure those charged with governance that they are free from material misstatement due to fraud or error.
- Findings; We completed the handover process with the previous auditor (PricewaterhouseCoopers) and determined that there were no material issues that we should consider. We performed analysis over the opening balances recorded and agreed them to the audited 2014/15 financial statements.. No issues were noted as a result of these procedures.

Judgements



We always consider the level of prudence within key judgements in your financial statements. We have summarised our view below using the following range of judgement:



Assessment of subjective areas			
Asset/liability class	15/16	Joint Committee Balance (£m)	KPMG comment
Accruals	3	£2.94 million (PY: £3.51 million)	<p>We have agreed a sample of the accruals recorded in your financial statements to supporting documentation, including confirmation of post-year end payment. We have reviewed a sample of post-year end payments to check the cut-off of expenditure recorded in the period and ensured there are no unrecorded liabilities at the year end.</p> <p>Based on the above work, we believe London Council's assessment to represent a balanced view of future payables and within the acceptable range of estimates</p>
Grants	3	£8.97 million (PY: £9.78 million)	<p>We selected items with high value or fluctuations from prior year and agreed these back to supporting documentation, including grant receipts to bank statements. For grants, we agreed a sample of grants back to supporting documentation and confirmed that conditions have been met to release income. We have performed additional procedures over the European Social Fund income, agreeing the budget and award to notification and sample of expenditure items to remittance advice.</p> <p>Based on the above work, we believe London Council's assessment to represent a balanced view of grant income recognised in the period.</p>
Property, Plant and Equipment (valuations / asset lives)	3	£1.72 million (PY: £1.15 million)	<p>We have reviewed management's assessment of property valuations and impairment calculations; confirmed that the asset life assessments were appropriate.</p> <p>Overall, we have concluded London Councils has made a balanced estimate and that the judgements represent a balanced assessment of asset usage.</p>
Pensions	3	£64.18 million (PY: £66.63 million)	<p>We have reviewed the actuarial valuation for pensions and considered the assumptions made by your actuaries in comparison to benchmarks, which are collated by our KPMG actuaries, and to the assumptions used in 2014/15.</p> <p>Our view is that London Councils and its actuaries are balanced in determining the net pension liability and well within the acceptable range of estimates.</p>

Accounts production and audit process



We have noted the high quality of the accounts and the supporting working papers.

Officers dealt efficiently with audit queries and the audit process will be completed within the planned timescales.

Accounts production and audit process

ISA 260 requires us to communicate to you our views about the significant qualitative aspects of London Councils' accounting practices and financial reporting. We also assessed your process for preparing the accounts and its support for an efficient audit.

We considered the following criteria:

Element	Commentary
Accounting practices and financial reporting	We reviewed the methods of financial reporting and various accounting practices throughout our audit. Our review of the financial statements and the method through which they are prepared deemed that accounting practices are appropriate.
Completeness of draft accounts	We received a complete set of draft accounts for each of the committees in line with the agreed deadline.
Quality of supporting working papers	Our <i>Accounts Audit Protocol</i> , which we issued on 6 June 2016 and discussed with the Head of Finance, set out our working paper requirements for the audit. The quality of working papers provided met the standards specified in our <i>Accounts Audit Protocol</i> .
Response to audit queries	Officers resolved the majority of audit queries in a reasonable time. In some cases, however, we experienced small delays, specifically around working papers for payroll and pension data that needed to be provided by the City of London.

Findings in respect of the control environment for key financial systems

We have completed our testing of controls operated during the closedown process and noted some improvements to strengthen the control environment on;

- invoicing of income to be received; and
- Review of information provided by experts for inclusion in the financial statements.

Appendix One provides further details.



We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the financial statements.

Before we can issue our opinion we require a signed management representation letter.

Declaration of independence and objectivity

As part of the finalisation process we are required to provide you with representations concerning our independence.

In relation to the audit of the financial statements of Joint Committee, Transport and Environment Committee and Grants Committee for the year ending 31 March 2016, we confirm that there were no relationships between KPMG LLP and London Councils, its members and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards in relation to independence and objectivity.

We have provided a detailed declaration in Appendix four in accordance with ISA 260.

Management representations

You are required to provide us with representations on specific matters such as your financial standing and whether the transactions within the accounts are legal and unaffected by fraud. We have provided a template to the Director of Corporate Resources for presentation to the Audit Committee. We require a signed copy of your management representations before we issue our audit opinion.

We are not seeking any specific management representations beyond those considered as standard.

Other matters

ISA 260 requires us to communicate to you by exception 'audit matters of governance interest that arise from the audit of the financial statements' which include:

- Significant difficulties encountered during the audit;
- Significant matters arising from the audit that were discussed, or subject to correspondence with management;
- Other matters, if arising from the audit that, in the auditor's professional judgment, are significant to the oversight of the financial reporting process; and
- Matters specifically required by other auditing standards to be communicated to those charged with governance (e.g. significant deficiencies in internal control; issues relating to fraud, compliance with laws and regulations, subsequent events, non disclosure, related party, opening balances etc.).

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report.



Appendices

Appendix 1: Key issues and recommendations

Appendix 2: Audit differences

Appendix 3: Materiality and reporting of audit differences

Appendix 4: Independence and objectivity

Key issues and recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

London Councils should closely monitor progress in addressing specific risks and implementing our recommendations.

We will formally follow up these recommendations next year.

Priority rating for recommendations

①	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	②	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	③	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.
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No.	Risk	Issue and recommendation	Management response/responsible officer/due date
1	②	<p>Invoicing of Income receivable</p> <p>Where income is due to be collected an income request form should be prepared in order to generate an invoice.</p> <p>During our substantive testing of the income, we found that four out of 20 sampled income transactions did not have an income request form raised and one item had been incorrectly invoiced to the wrong customer but this had subsequently been corrected.</p> <p>Of the remaining 15 items tested, six out of 15 were not authorised in line with the expected procedures..</p> <p>Recommendation</p> <p>All income due should be supported by an income request form that is fully completed in line with the expected procedures..</p>	<p>This recommendation is accepted and the relevant finance officers have been reminded that official invoices should only be raised on receipt of an appropriately completed invoice request form. Periodic spot checks will be carried out to ensure compliance with the instruction.</p> <p>Recommendation implemented by the Head of Financial Accounting in September 2016.</p>

Key issues and recommendations

We have given each recommendation a risk rating and agreed what action management will need to take.

London Councils should closely monitor progress in addressing specific risks and implementing our recommendations.

We will formally follow up these recommendations next year.

No.	Risk	Issue and recommendation	Management response/responsible officer/due date
2	3	<p>Pension submission reconciliation</p> <p>During our testing on the transactions relating to pensions, we found that there was no evidence to support whether the information provided by the actuary and included within the accounts had been reviewed for reasonableness and reconciled to figures provided to the actuary.</p> <p>Recommendation</p> <p>Evidence of a review of information provided by the actuary, and comparison with data provided should be retained in line with good practice.</p>	<p>This recommendation is accepted and a reconciliation of the information received from the actuary to the payroll data held by London Councils will be performed, documented and retained on an annual basis commencing from the closure of the 2016/17 accounts.</p> <p>Recommendation will be implemented by the Head of Financial Accounting in April 2017</p>

Appendix two

Audit differences

This appendix sets out the audit differences we identified.

The financial statements have been amended for all of the errors identified through the audit process.

There is no net impact on the revenue account.

We are required by ISA 260 to report all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance (which in your case is the Audit Committee). We are also required to report all material misstatements that have been corrected but that we believe should be communicated to you to assist you in fulfilling your governance responsibilities.

Uncorrected audit differences

We are pleased to report that there are no uncorrected factual audit differences (see below for explanation of projected misstatement).

Corrected audit differences

During our debtor and creditor testing, we noted several instances where Q4 admin costs had not been assigned correctly for the European Social Fund grant. This misallocation of costing's lead to both debtors and creditors being overstated.

Officers agreed with the audit adjustments and have adjusted the Joint Committee accounts

Dr Current Creditors	£15,738
Cr Current Debtors	£15,738

Presentational improvements

There were a number of narrative adjustments throughout the accounts and accompanying notes. There was nothing specific to bring to the Audit Committees attention

Materiality and reporting of audit differences

For 2015/16 our materiality for the consolidated Joint Committee was £1.4 million. The materiality levels for the individual Committee's were as follows;

- Joint Committee core - £270k
- Grants Committee - £220k
- Transport and Environment Committee - £980k

We have reported all audit differences over each committee's triviality level, which is as follows;

- Consolidated Joint Committee - £70k
- Joint Committee core - £13k
- Grants Committee - £11k
- Transport and Environment Committee - £45k

Materiality

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of significant numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.

We used the same planning materiality reported in our External Audit Plan 2015/16, presented to you in March 2016.

Materiality for the Joint Committee accounts was set at £1.48 million which equates to around 2% percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision. For the Joint Committee core statements we have used £270k for materiality.

Materiality for the Transport and Environment Committee accounts was set at £986k which equates to around 2% percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

Materiality for the Grants Committee accounts was set at £220k which equates to around 2% percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision.

Reporting to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260, we are obliged to report omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

ISA 450 requires us to request that uncorrected misstatements are corrected.

In the context of London Councils, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £70,000 for the Joint Committee overall with £13,000 for its core activities, £11,000 for the Grants Committee and £45,000 for the Transport and Environment Committee.

Where management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

Declaration of independence and objectivity

We confirm that we have complied with requirements on objectivity and independence in relation to this year's audit of the financial statements of the Joint Committee, Transport and Environment Committee and Grants Committee.

General procedures to safeguard independence and objectivity

KPMG's reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the *Ethics and Independence Manual* ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of these principles. To facilitate this, a hard copy of the Manual is provided to everyone annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff are required to follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual ethics and independence confirmation. Failure to follow these policies can result in disciplinary action.

Auditor declaration

In relation to the audit of the financial statements of London Councils for the financial year ending 31 March 2016, we confirm that there were no relationships between KPMG LLP and London Councils, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards requirements in relation to independence and objectivity.

Audit Fees

Our fee for the audit was £35,100 plus for the audit of the financial statements of Joint Committee, Transport and Environment Committee and Grants Committee and £900 plus VAT for the audit of London Councils Limited. This fee was in line with that included within our audit plan agreed by the Audit Committee in March 2016.

Non-audit services

We have not been engaged to provide any non-audit services in the year.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Leaders' Committee

Report of decision taken under Urgency Procedure

Item no: 8

Report by:	Derek Gadd	Job title:	Head of Governance
Date:	11 October 2016		
Contact Officer:	Derek Gadd		
Telephone:	020 7934 9505	Email:	Derek.gadd@londoncouncils.gov.uk

Summary	London Councils' urgency procedure was used to secure a decision on changes to the Capital Ambition Board Terms of Reference
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Recommendations	Leaders' Committee is recommended to note the decision taken under the urgency procedure.
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Changes to the Capital Ambition Board Terms of Reference

1. Standing Order 19.5 requires that all decisions taken under the Urgency Procedure are reported to the next meeting of London Councils.
2. London Councils Elected Officers were asked to approve changes to CAB ToR by the Urgency Procedure attached as an appendix to this report. The Urgency was agreed.

Recommendation

3. Leaders' Committee is recommended to note the decision taken under the urgency procedure as set out in the appendix to this report.

Financial Implications for London Councils

There are no direct financial implications for London Councils as a result of this report.

Legal Implications for London Councils

There are no direct legal implications for London Councils as a result of this report.

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this report.

Consultation with Elected Officers under the Urgency Procedure

Changes to the Capital Ambition Board Terms of Reference

Contact officer: Thomas Man **Date:** 25 August 2016

Telephone: 020 7934 9551 **Email:** thomas.man@londoncouncils.gov.uk

The Elected Officers of London Councils' Leaders' Committee are requested to deal with the details set out below under the urgency procedure.

Paragraph 19 of London Councils' Standing Orders deals with the procedure for urgent decisions:

- 19.1 If at any time the Chief Executive of London Councils considers that any matter is urgent and should be decided on prior to the next meeting of London Councils, then he/she shall consult the Elected Officers of London Councils [i.e. Leaders' Committee]. If at least two of the Elected Officers, of whom one will be the Chairman, if available, and the other will be from another political party or no party, agree that the matter is urgent and agree on the Chief Executive's recommendation, then the decision shall be taken by the Chief Executive in accordance with such recommendation, subject to the decision being recorded in writing and signed by the Elected Officers agreeing the recommendation and the Chief Executive.

Item under Urgency Procedure

This urgency seeks London Councils' Leaders' Committee approval to amendments to the Capital Ambition Board (CAB) terms of reference (ToR).

Reason for Urgency

The current terms of reference for the CAB, as agreed by Leaders' Committee on 8 December 2015, do not provide for the Board to manage London Council's new contract with EY to provide consultancy for London Ventures support services which was awarded on 11 July 2016 with the services commencing on 23 August 2016 at the expiry of the previous contract. It is also desirable to confirm the delegation to the CAB to continue to fund projects that meet the funding criteria agreed by Leaders' Committee on 14th December 2010. Amendments are therefore required to ensure that the CAB's ToR reflect the functions it is expected to undertake.

Context

1. In December 2010 Leaders' Committee approved revised ToR and funding priorities for the CAB, a sub-committee of Leaders' Committee. The CAB ToR have evolved over time to take into account the evolution of CAB's activities particularly in relation to the London Ventures programme.
2. Leaders' Committee at their meeting on the 8 December 2015 amended CAB's ToR and separately gave CAB additional delegated authority to award the new London Ventures support services and consultancy contract. The CAB ToR approved on 8 December 2015 were again approved by Leaders' Committee at their Annual General Meeting on the 7 June 2016 as required under Standing Orders.
3. It has been clarified with London Councils' legal advisers that under Leaders' Committee's current delegations to the CAB, CAB's functions do not include management of that new London Ventures contract, such responsibility remains with Leaders' Committee.
4. It has also been identified that the delegation to the CAB to continue to fund projects that meet the funding criteria agreed by Leaders' Committee on 14 December 2010 was omitted from the ToR presented to Leaders' Committee when the CAB's ToR were amended on 8 December 2015 (and subsequently approved at their AGM on 7 June 2016). It is desirable to address this oversight by confirming this delegation.

Proposed changes to the terms of reference

5. In order to clarify the CAB's functions relating to the on-going management of that contract and to confirm the delegation to the CAB to continue to fund projects that meet the funding criteria agreed by Leaders' Committee on 14 December 2010, amendments to the ToR are proposed as shown in the Appendix to this report by way of marked changes to the current ToR of CAB.

Recommendation

6. It is recommended that Leaders' Committee approves the changes to CAB ToR detailed in the Appendix to this report.

If you are content, please could you email your agreement and complete and post the slip, or scan and email by **midday, Monday 5th September 2016** to the address below.

I hereby agree that resolution of the above matter is urgent and that I agree to the Chief Executive's recommendations as set out above.

Name _____

Signature _____

Date _____

If content, please return to Lisa Dominic, Senior Governance Officer, London Councils, Corporate Strategy & Performance, Fourth Floor, 59½ Southwark Street, London, SE1 0AL, or lisa.dominic@londoncouncils.gov.uk

Appendix: Capital Ambition Board Terms of Reference as agreed December 2015 – marked with proposed changes

Capital Ambition Board

Terms of Reference and Membership

Capital Ambition was London's Regional Improvement and Efficiency Partnership and a part of London Councils. It was formed in April 2008 by bringing together the London Centre of Excellence, London Connects, the Improvement and Employment Division of London Councils and London's Improvement Partnership.

With the end of central government funding, the Leaders' Committee meeting of 14 December 2010 agreed to continue with the programme overseen by a Member-led board. The board is a sub-committee of the Leaders' Committee and will oversee the legacy investments of the previous portfolio and invest in new projects that address the strategic priorities. At their meeting on the 14 December 2010 Leaders' Committee set funding criteria for the projects which will be funded through the Capital Ambition Board and these are in the appendix.

Priorities for investment are:

- Encouraging the use of innovation to support public sector service delivery and improvement.
- Enhancing collaborative procurement.
- Developing shared services.
- Supporting service redesign or significantly improving productivity.
- Addressing workforce planning & productivity.
- Supporting major policy programmes.

The Capital Ambition Board operates within London Councils' governance framework, including its Standing Orders and Financial Regulations, and only matters specific to the remit and functions of the Board, operating within that governance framework, are set out below.

Purpose

The Capital Ambition Board will, operating within the policy and governance framework of the Leaders' Committee, be responsible for:

1. Strategic direction and support for improvement, efficiency, transformation and innovation in London local government including by –
 - a. Encouraging participation in, and garnering support for, shared and collaborative solutions in commissioning and service delivery within local government; and
 - b. Engaging with key stakeholders to promote this ethos, products and outcomes; and
 - c. Continuing to fund projects that meet the funding criteria agreed by Leaders' Committee on 14th December 2010.
2. Strategic oversight and operational responsibility for the London Ventures programme including by –

- a. Managing and monitoring the London Ventures support services and consultancy contract; and
 - b. In accordance with funding criteria agreed by Leaders' Committee on 14 December 2010:
 - i. reviewing business cases and selecting projects under that programme ~~in accordance with funding criteria agreed by Leaders' Committee on 14 December 2010;~~ and
 - ii. commissioning and/or funding activity ~~commercial contracts~~ in line with those funding priorities;
 - c. Undertaking any other functions to support the successful delivery of the London Ventures programme.
3. Oversight and monitoring of the ~~existing~~ portfolio of projects funded by the Board, or its predecessor organisations, and of the efficiency savings that these projects will deliver.
 4. Reporting regularly to the London Councils Leaders' Committee on the work of the Board including the status of the investment fund, the London Ventures programme, project performance, and efficiency savings achieved.

Membership

The board will be Member-led and only by majority of members elected to the board will authority be granted to fund projects that meet the criteria stated above. The board will consist of five Members expressing the political balance across London Councils. The Chair and Board members will be appointed by London Councils Leaders' Committee.

Each of the political parties will nominate a substitute representative to act in the event of the unavoidable absence of the usual representative.

The board will be supported by a number of non-voting advisers:

- Three representatives of Chief Executives' London Committee
- One representative from the Society of London Treasurers
- One representative from the Local Government Association
- One officer from the Greater London Authority Group
- The Chair of the London Procurement Strategy Board

The quorum shall be three members or their substitutes.

Appendix: Funding criteria agreed by Leaders' Committee on 14 December 2010

The bids for funding should demonstrate that they could deliver significant cashable efficiency or productivity gains and are of a collaborative nature i.e. there is a general expectation that they involve at least two boroughs with proposals that involve a larger number of boroughs strongly encouraged. There may need to be some exceptions; for example where a clear wider benefit is expected from work that a single borough proposes to undertake and where a number of other boroughs have indicated they would wish to use the results.

1. The programme will focus on the following priorities:
2. Enhancing collaborative procurement through more concerted management of the process of buying particular types of goods and services – the procurement strategy set out in more detail elsewhere on the agenda identifies the steps that now need to be taken. Better procurement remains the clearest and most significant means of generating savings in the short and medium term. The Board would envisage inviting bids from sub-regions and other clusters which meet the principles in the strategy and which would focus on the preparation and use of mechanisms like e-auctions, more common specifications and managing the relationship with common suppliers to reduce costs.
3. Developing the use of shared approaches to service delivery. This will include major inter-borough collaboration and merger of services. It could also include sharing of professionals, platforms, transactional services, property and delivery in addition to the collaboration on data and procurement that are already well established parts of the programme. A number of proposals for collaboration on major areas of service activity are already in preparation
4. Supporting major policy programmes that advance localism. Specifically, these are likely to include innovation in implementing new Health and Well Being Boards and the implementation of the Health White Papers at a local level and the implementation of Community Budgeting which will require organisations to change the way in which they work together. The report on next steps for London local government in respect of the follow up to the Health and Public Health White Papers – which is elsewhere on this agenda – sets out the context for this nationally.
5. Service redesign and innovation to improve the productivity of services through blue printing and supporting the role of design and client/citizen led innovation as a stimulus to change. There is an existing programme of work but an expectation of further proposals from groups of boroughs to extend it further. This may also entail the development of new models for delivery, including social enterprises.
6. Workforce planning and productivity, including terms and conditions and reducing the costs of agency staff. Some of this will be given effect through the collaborative activity that is undertaken via the regional employers function which is part of London Councils.

Leaders' Committee

Summaries and Minutes

Item no: 9

Report by: Derek Gadd **Job title:** Head of Governance
Date: 11th October 2016
Contact Officer: Derek Gadd
Telephone: 020 7934 9505 **Email:** Derek.gadd@londoncouncils.gov.uk

Summary Summaries of the minutes of London Councils

Recommendations Leader's Committee is recommended to note the attached minutes:

- TEC Committee – 16 June 2016
- Audit Committee – 22 June 2016
- Capital Ambition Board – 11 July 2016
- Grants Committee AGM – 13 July 2016
- YPES – 14 July 2016
- TEC Executive Sub Committee – 21 July 2016
- Executive – 13 September 2016

Leaders' Committee

Report from the Transport & Environment Committee AGM – 16 June 2016

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 11 October 2016
Contact Officer: Alan Edwards
Telephone: 020 7934 9911 **Email:** Alan.e@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' Transport & Environment Committee AGM held on 16 June 2016

Recommendations: For information.

1. Attendance: Cllr Dean Cohen (LB Barnet), Cllr Ellie Southwood (LB Brent), B Cllr Phil Jones (LB Camden), Cllr Stuart King (LB Croydon), Cllr Julian Bell (LB Ealing, Chair), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Jason Frost (LB Havering), Cllr Claudia Webbe (LB Islington), Cllr Tim Coleridge (RB Kensington & Chelsea), Cllr Phil Doyle (RB Kingston-upon-Thames), Cllr Jenny Brathwaite (LB Lambeth), Cllr Martin Whelton (LB Merton), Cllr John Howard (LB Redbridge), Cllr Peter Buckwell (LB Richmond-upon-Thames), Cllr Jill Whitehead (LB Sutton), Cllr Clyde Loakes (LB Tower Hamlets), Cllr Caroline Usher (LB Wandsworth), Cllr Robert Rigby (City of Westminster - Deputy), and Alex Williams (Transport for London).

2. Apologies for Absence: Cllr Lynda Rice (LB Barking & Dagenham), Cllr Alex Sawyer (LB Bexley), Cllr Colin Smith (LB Bromley), Cllr Sizwe James (RB Greenwich), Cllr Peray Ahmet (LB Haringey), Cllr Amrit Mann (LB Hounslow), Cllr Alan Smith (LB Lewisham), Cllr Ian Wingfield (LB Southwark), Cllr Heather Acton (City of Westminster) and Christopher Hayward (City of London).

3. Election of Chair for 2016/17

Councillor Julian Bell was elected as Chair of TEC for 2016/17.

The Chair informed members that this was the last TEC meeting that Nick Lester-Davis would be attending, as Spencer Palmer would now be the lead officer for TEC. The Chair thanked Nick Lester-Davis for all his work on TEC over the years.

4. Election of Vice Chairs of TEC 2016/17

Councillor Feryal Demirci (LB Hackney) was elected as the Labour Vice Chair of TEC. Councillor Tim Coleridge (RB Kensington and Chelsea) was elected as the Conservative Vice Chair of TEC. Councillor Jill Whitehead (LB Sutton) was elected as the Liberal Democrat Vice Chair of TEC.

5. Membership of the London Councils' Transport & Environment Committee for 2016/17

The Committee received and noted a report that presented members with the Committee's membership for 2016/17.

6. Appointment of the TEC Executive Sub Committee for 2016/17

The Committee received a report that set out the appointments to the TEC Executive Sub Committee for 2016/17. The Committee elected the following members to the TEC Executive Sub Committee for 2016/17:

Labour

Cllr Julian Bell (LB Ealing – Chair)
Cllr Feryal Demirci (LB Hackney)
Cllr Daniel Anderson (LB Enfield)
Cllr Clyde Loakes (LB Waltham Forest)
Cllr Claudia Webbe (LB Islington)
Cllr Alan Smith (LB Lewisham)

Conservative

Cllr Tim Coleridge (RB Kensington & Chelsea)
Cllr Caroline Usher (LB Wandsworth)
Cllr Phil Doyle (RB Kingston-upon-Thames) – *was previously Cllr Alex Sawyer (LB Bexley)*
Cllr Heather Acton (City of Westminster)

Liberal Democrat

Cllr Jill Whitehead (LB Sutton)

City of London

Christopher Hayward

7. Nominations to TEC Outside Bodies & Appointment of Committee Advisers for 2016/17

The Committee received a report that sought nominations to the various outside bodies that related to the work of TEC for 2016/17. The Committee nominated the following members to the outside bodies:

Heathrow Airport Consultative Committee (HACC)

Cllr Steve Curran (LB Hounslow)
Deputy - Cllr Tim Coleridge (RB Kensington & Chelsea)

Thames Regional Flood & Coastal Committee (RFCC)

West – Cllr Dean Cohen (LB Barnet)
South West – *To follow*
South East – Cllr Alan Smith (LB Lewisham)
North East – *To follow*
Central North – Cllr Tim Coleridge (RB Kensington & Chelsea)
Central South – Cllr Jenny Brathwaite (LB Lambeth)
North – Cllr Daniel Anderson (LB Enfield)

London Sustainable Development Commission

Cllr Claudia Webbe (LB Islington)

London Electric Vehicle Partnership (LEVP)

No nominations are needed as this partnership no longer convenes.

Urban Design London (UDL)

Cllr Daniel Moylan (RB Kensington & Chelsea)
Cllr Nigel Haselden (LB Lambeth)

London Waterways Commission

1 Labour nomination – *To follow*
Cllr Lynda Rice (LB Barking & Dagenham)
Cllr Terry Paton (RB Kingston)

Thames River Basin District Liaison Panel (Thames LP)

Cllr Alan Smith (LB Lewisham)

London City Airport Consultative Committee (LCACC)

1 Labour vacancy – *To follow*

London Waste & Recycling Board

Cllr Bassam Mahfouz (LB Ealing – Labour)

Cllr Nicholas Paget-Brown (RB Kensington & Chelsea – Conservative)

2 x Labour representatives to be advised before August 2016

London Cycling Campaign (LCC)

Cllr Feryal Demirci (LB Hackney)

Appointment of Committee Advisers

It was noted that Katharina Winbeck would be looking revising the TEC Committee Advisers, where appropriate

The Committee: **(i)** agreed to pass the above names on to the Chief Executive of London Councils, for appointment to outside bodies, once they were all confirmed, **(ii)** agreed that Alan Edwards would write to the outside bodies to inform them of the TEC nominations; and **(iii)** agreed to appoint the advisers to the Committee, as listed in the report, subject to Katharina Winbeck reviewing the advisers.

8. TEC AGM Minutes of 18 June 2015

The minutes of the TEC AGM held on 18 June 2015 were noted, as they had already previously been agreed.

9. Chair's Report

The Committee received a Chair's report that updated members on transport and environment policy since the last TEC on 23 March 2016, and provided a forward look until the next TEC meeting on 13 October 2016.

Alex Williams (TfL) made a number of comments to address members' concerns, including: (a) TfL was not aware of any specifics yet with regards to 20mph zones in London and no clarity on where they would be (although the desire was to include parts of the TLRN), (b) a bus "hopper" fare would be starting in September 2016. A step change needed to take place regarding improving the air quality of the bus fleet, (c) the Mayor was currently in discussion with the Secretary of State with regard to rail franchises and delivery, and (d) the night tube would commence in August 2016 and Val Shawcross was aware of the issues regarding noise at night.

The Committee: **(i)** noted the Chair's report, and **(ii)** noted a decision on TEC membership of the Defra litter strategy advisory group would be made through the Groups structure and ratified at the next TEC Executive Sub Committee on 21 July 2016.

10. Constitutional Matters

The Committee received and noted a report that summarised the key changes to constitutional documents recommended to Leaders' Committee AGM on 7 June 2016.

11. Fixed Penalty Notices (FPNs) for Flytipping

The Committee received a report that informed members that from 9 May 2016, councils had been able to introduce Fixed Penalty Notices (FPNs) for flytipping. This report asked members whether they wanted to propose a pan-London penalty for consistency.

The Committee: **(i)** noted and discussed the report, **(ii)** noted that TEC recommended a pan-London steer of a maximum FPN of £400 for flytipping, and **(iii)** noted that it was up to individual boroughs to set a discount for early payment.

12. Reducing Air Pollution in London

The Committee received a paper that set out more background on the Mayor's air quality proposals and gave information to members about the process for establishing a London Councils' position on air quality.

Alex Williams made a number of comments on air pollution, including: (a) there were various phases and consultation taking place regarding the LEZ and ULEZ. The new Mayor was planning to bring a toxicity

charge in by 2017 for the most polluting cars, (b) there were no specific proposals regarding the ULEZ extension. TfL was also working on alternative boundaries to the North/South circular divide, (c) getting information across to the public and instigating changes in behaviour did not appear to be working at the moment as sales of diesel vehicles were increasing, and (d) there were no proposals to change the regulations regarding Euro 6 diesel. TfL monitoring showed that diesel 6 buses were cleaner.

13. OLEV Go Ultra-Low City Scheme

The Committee considered a report on the Office of Low Emission Vehicles "Go Ultra Low City Scheme". London had been awarded £13,000,000 in capital funding, as one of the four winning cities from the Scheme, and £240,000 in revenue funding, over the 2016-2020 period. A steering group that consisted of representatives from TfL, the Mayor's office and London Councils (including the Chair and Conservative and Labour vice-chairs of TEC) had been established to guide the implementation of the projects proposed in London's bid.

The Committee noted and discussed the OLEV Go Ultra Low City Scheme.

14. Freedom Pass Progress Report

The Committee received and noted a report that provided members with a general progress update on the Freedom Pass scheme, including the 2016 re-issue and the new customer service improvements.

15. TEC Committee Dates 2016/17

The Committee noted and agreed the dates for the TEC and the TEC Executive Sub Committee for 2016/17

16. Minutes of the TEC Main Meeting held on 23 March 2016 (for agreeing)

The Committee agreed the minutes of the TEC Main meeting held on 23 March 2016.

The meeting finished at 15:40pm

Minutes of the Meeting of the Audit Committee

22 June 2016

Cllr Roger Ramsey was in the Chair

Members Present:

Cllr Roger Ramsey (LB Havering)
Cllr Stephen Alambritis (LB Merton)
Cllr Simon Wales (LB Sutton)

In Attendance:

Eugene O'Driscoll, Agilisys
Ellen Murphy, Agilisys
Darryl Ungerer, Agilisys
Jeremy Mullins, City of London
Pat Stothard, City of London
Philip Johnstone, KPMG

London Councils' officers were in attendance.

1. Declarations of Interest

There were no declarations of interest.

2. Apologies for Absence

Apologies for absence were received from Councillor Jas Athwal (LB Redbridge) and Roger Chadwick (City of London).

3. Minutes of the Audit Committee meeting held on 24 March 2016

The minutes of the Audit Committee meeting held on 24 March 2016 were agreed as being an accurate record.

4. Internal Audit Reviews

The Audit Committee received a report that provided members with an update of the internal audit reviews completed by the City of London's Internal Audit section since the last meeting held in March 2016

David Sanni, Head of Financial Accounting, London Councils, introduced the Internal Audit report. He informed members that there were two reviews: (i) ICT Strategy (page 7), and (ii) Risk Management and Business Continuity Planning 2015/16 (page 19 of the report). David Sanni said that there had been considerable improvements since 2014. All the recommendations had been accepted.

The Chair asked what the "limited visibility in this respect" (paragraph 2, page 10) referred to. Frank Smith said that Agilisys had been very pro-active, in assessing risks. He said that it was

unclear why the auditor had come to this conclusion in the review and it should have been queried with the auditor.

Eugene O'Driscoll, Agilisys, gave a brief presentation on the London Councils LAN refresh and 2FA project update. The following comments were made:

- There were two main workstreams: (i) Network Refresh and (ii) 2 Factor Authentication
- There had been a delay in implementation – now on schedule for 31 August 2016
- Agilisys was working with London Councils' IT department to implement projects (delivery dates and framework were in place)
- Target completion date was 30 August 2016

Cllr Simon Wales asked if disaster recovery tests were being carried out. Roy Stanley, ICT and Facilities Manager, confirmed that a disaster recovery testing regime had already started.

The Audit Committee:

- Considered and commented on the contents of the internal audit reports attached at Appendix A and B;
- Noted the position on outstanding internal audit recommendations detailed in the log attached at Appendix C; and
- Noted that there were no significant control weaknesses identified in the reviews completed during the period.

5. Review of the Annual Governance Statement

The Audit Committee considered a report that reviewed each element of the current Annual Governance Statement (AGS). The report also highlighted any continuing and potentially new areas for development (and those from previous years that had been addressed). Finally, the report made recommendations for revisions that would be contained in the AGS to be included in the audited accounts for 2015/16.

David Sanni introduced the AGS report. He informed members that the AGS had been prepared and published in accordance with CIPFA/SOLACE Framework, which was due to be reviewed in 2016. The report reflected the outcome of the officer review of governance arrangements in place during the year and the Head of Internal Audit and Risk Management's opinion on the system of internal controls. It also draws on the feedback provided by London Councils' external auditors, KPMG, following the conclusion of their interim audit in March 2016.

David Sanni said that Appendix A of the report (page 60) showed the recommended changes to the current AGS in red. It was agreed that the section regarding the "Discharge of the Monitoring Officer function" (page 62, last paragraph) be replaced with the following:

"Monitoring Officer: This is a statutory post under s.5 of the Local Government and Housing Act 1989 and as such is not applicable to London Councils which is a joint committee. However, legal advice is provided to London Councils by the City of London Corporation including governance advice and support which in a local authority would generally be provided by the borough solicitor and monitoring officer."

The Audit Committee:

- Noted the summary of the internal audit reviews undertaken during 2015/16 and the opinion of the Head of Audit and Risk Management at the City of London on the overall control environment, as detailed in Appendix B; and
- Approved the recommended changes to the AGS for 2014/15, as detailed in Appendix A (including the changes previously outlined to the "Monitoring Officer" paragraph on page

62 of the report), to produce the AGS for 2015/16 for inclusion in London Councils' accounts for 2015/16, as detailed in Appendix C

6. Risk Management: Chief Executive's Directorate Risk Register

The Audit Committee received a report that provided members with the current Chief Executive's Directorate Risk Register.

Christiane Jenkins, Director of Corporate Governance, London Councils, introduced the Chief Executive's Risk Register report, which was last reviewed in February 2016. She informed Committee that CG 5 was a new risk (non-compliance with London Councils information Governance policies). Christiane Jenkins said that two new Corporate Resources Risks had been introduced: CR17 – lack of IT strategy and CR18 – data security. She informed members that Frank Smith was the London Councils' Senior Information Risk Officer (SIRO). Frank Smith was working with Emily Salinger, Corporate Governance Manager, London Councils, to ensure that London Councils' officers were trained on data security issues.

The Chair asked whether London Councils' data was stored in the cloud. Roy Stanley confirmed that London Councils email archive was stored in the cloud, but not workfiles, and the model was similar to that used by a number of local authorities. Frank Smith said that a great deal of personal information was held in respect of Taxicard holders, like proof of residency and medical documentation to confirm eligibility and that sufficient data security needs to be in place before these risks can be potentially downgraded by 2017.

Councillor Alambritis queried CG8 – unplanned absence of regional employers' secretary for extended period. Christiane Jenkins said that there were only two members of staff that worked for the Regional Employers' organisation and contingencies had been put in place in case they were indisposed or on planned leave.

The Audit Committee noted the Chief Executive's Directorate Risk Register.

The meeting finished at 10.55am

Action Points

	Action	Progress
5. Review of Annual Governance Statement – Appendix A)	To replace the section on "Discharge of the monitoring officer function" (page 62) with the following: <i>Monitoring Officer: This is a statutory post under s.5 of the Local Government and Housing Act 1989 and as such is not applicable to London Councils which is a joint committee. However, legal advice is provided to London Councils by the City of London Corporation including governance advice and support which in a local authority would generally be provided by the borough solicitor and monitoring officer.</i>	

Meeting of the Capital Ambition Board

Monday 11 July 2016, 10.30am

London Councils, Conference Suite, 59½ Southwark Street, London SE1 0AL

Members

Edward Lord OBE JP
Cllr Stephen Alambritis
Cllr Paul McGlone
Cllr Nicholas Paget-Brown

Borough

City of London (Chair)
LB Merton
LB Lambeth
RB Kensington and Chelsea

London Councils

Nick Lester-Davis
Frank Smith
Thomas Man
Lisa Henry
Jen Kimber
Andy Pitcairn
Mehboob Khan

Corporate Director, Services
Director of Corporate Resources
Head of Capital Ambition
Capital Ambition Programme Manager
Capital Ambition Project Officer
Head of Budgetary Control and Procurement
Political Advisor to the Labour Group

Advisers

Paul Najsarek
Mike O'Donnell
Fiona Fletcher-Smith

LB Ealing
LB Camden
GLA

Board Secretariat

David Dent
Derek Gadd

Principal Corporate Governance Officer
Head of Governance

EY

Victoria Evans
Louise Warman

Manager, Local Public Services
Manager, Local Public Services

1. Declarations of Interest

1.2 There were no declarations of interest.

2. Apologies for absence

2.1 Apologies were received from Cllr Jas Athwal (LB Redbridge) and Cllr David Simmonds CBE (LB Hillingdon). Apologies were also received from Rob Leak (LB Enfield) and John Comber (RB Greenwich).

2.2 The Chair welcomed Paul Najsarek from LB Ealing to his first Capital Ambition Board.

3. Minutes of the meeting held on 18 February 2016

3.1 The minutes of the non-exempt part of the meeting held on 18 February 2016 were agreed as an accurate record.

3.2 In response to a question from Cllr McGlone regarding the Croydon Behavioural Insights project (item 5) Lisa Henry from the Capital Ambition team confirmed that she had made contact with LB Lambeth, who had carried out similar work using behavioural insights to increase Council Tax collection.

4. Capital Ambition – Operational matters and accounts 2015/16

- 4.1 Members noted the report, which provided an update on the Capital Ambition Board membership, relevant changes to London Councils' governance, the financial position, work programme and news items.
- 4.2 In relation to the section of the report concerning Board appointments (2.3), Lisa Henry confirmed that Cllr Govindia was no longer a Conservative substitute member, only Cllr Davis. The Chair wished to record his thanks to Cllr Govindia for his work on Capital Ambition Board.

5. Visbuzz Change request

- 5.1 Members noted and approved the change requests in the report.

6. London Ventures Programme Summary

- 6.1 Victoria Evans from EY introduced their report, provided a brief summary and asked for any questions. She reported that because of the procurement process the report was briefer than usual, but that some progress had been made in terms of organisations and boroughs seeking to join the programme. She also commented that EY remain committed to participating in the programme, and learning lessons from previous projects.
- 6.2 Cllr McGlone asked about a project from the previous Capital Ambition programme of projects – Programme Athena - which had failed to deliver a shared service platform and asked what lessons had been learned from this. Nick Lester-Davis responded that a lot of the difficulties with the project were associated with the boroughs all having different contract periods with the providers and being on different versions of the software. Mike O'Donnell added that the project had made some progress and some shared services were operating albeit in a limited way, although he felt that the original project had been overambitious.
- 6.3 The Chair added that the inflexibility of software providers had been an issue with this project. He also confirmed that some projects in the London Ventures programme had also failed to deliver, for example the shared platform for football pitches, and the Board had acknowledged this.
- 6.4 The Chair asked about the position regarding the London Counter Fraud Hub and the commitment of boroughs. Ms Evans reported that all local authorities had signed a Memorandum of Understanding to indicate their interest. The procurement process to find a delivery partner was almost concluded and a contract would be awarded this month, following which a pilot would be put together with six boroughs, which would run for six months. Mr Lester-Davis added that although boroughs may have signed up that does not require them to commit to the hub, and that further work would be needed here.

7. Any other business

- 7.1 There was no other business.

Members resolved to exclude the press and public from the meeting for the exempt part of the meeting.

The meeting finished at 11.00am.

LONDON COUNCILS GRANTS COMMITTEE - AGM
13 July 2016

Minutes of the Grants Committee AGM held at London Councils, 59½ Southwark Street, London SE1 0AL on Wednesday 13 July 2016

London Borough & Royal Borough:

Representative:

Barking and Dagenham	Cllr Saima Ashraf
Bexley	Cllr Don Massey
Brent	Cllr Margaret McLennan
Bromley	Cllr Stephen Carr
City of London	Cllr Alison Gowman
Ealing	Cllr Ranjit Dheer
Enfield	Cllr Yasemin Brett
Greenwich	Cllr David Gardner (sub)
Hackney	Cllr Jonathan McShane
Haringey	Cllr Eugene Ayisi
Harrow	Cllr Sue Anderson
Havering	Cllr Osman Dervish (sub)
Hillingdon	Cllr Douglas Mills
Hounslow	Cllr Richard Foote
Islington	Cllr Kaya Comer-Schwartz
Kensington & Chelsea	Cllr Gerard Hargreaves
Kingston upon Thames	Cllr Julie Pickering
Lambeth	Cllr Paul McGlone (Chair)
Lewisham	Cllr Joan Millbank
Merton	Cllr Edith Macauley
Newham	Cllr Forhad Hussain
Redbridge	Cllr Bob Littlewood
Richmond	Cllr David Marlow (sub)
Southwark	Cllr Barrie Hargrove
Sutton	Cllr Simon Wales
Waltham Forest	Cllr Liaquat Ali
Westminster	Cllr David Harvey

London Councils officers were in attendance.

Nick Lester, Director, Services at London Councils chaired items 1-4.

1. Apologies for Absence and Announcement of Deputies

- 1.1 Apologies were received from Cllr Richard Cornelius (Barnet), Cllr Hamida Ali (Croydon), Cllr Denise Scott-McDonald (Greenwich), Cllr Sue Fennimore (Hammersmith & Fulham), Cllr Melvin Wallace (Havering), Cllr Meena Bond (Richmond), Cllr James Madden (Wandsworth), Cllr Nicki Aiken (Westminster)

2. Declarations of Interest

- 2.1 There were no declarations of interest made under this item but Cllr Joan Millbank (Lewisham) declared a pecuniary interest in item 12. *Leadership in the Third Sector : The Role of London Boroughs and London Councils* when the committee arrived at that item - as an employee of City Bridge Trust. She took no part in the decision.

3. Acknowledgement of new members of the Grants Committee

- 3.1 New members were welcomed to the Grants Committee.

4. Election of Chair of the Grants Committee for the 2016/17 Municipal Year

4.1 Cllr Paul McGlone was re-elected as Chair of the Grants Committee – nominated by Cllr Stephen Carr (Bromley) and seconded by Councillor Hargreaves (RB Kensington & Chelsea).

4.2 The Chair apologised to members for the size of today's agenda – he would devote as much time as possible to the key items – 13 and 14.

5. Election of Vice-Chairs for the Grants Committee for the 2016/17 Municipal Year

5.1 Cllr Forhad Hussain was elected as the Labour Vice-Chair. Nominated by Cllr Millbank

5.2 Cllr Stephen Carr was elected as the Conservative Vice-Chair. Nominated by Cllr Hargreaves

5.3 Cllr Simon Wales was elected as the Liberal Democrat Vice-Chair. Nominated by Cllr Gowman.

6. Election of the Grants Executive for the 2016/17 Municipal Year

6.1 The following members were appointed to the Grants Executive:

- Cllr Paul McGlone
- Cllr Joan Millbank
- Cllr Forhad Hussain
- Cllr Stephen Carr
- Cllr Simon Wales
- Cllr James Maddan
- Cllr Gerard Hargreaves
- Cllr Komer-Schwartz

6.2 The Chair recognised that a wider Executive membership may need to be considered, as that group may need to meet on several occasions throughout the year.

7. Minutes of the Grants Committee AGM held on 15th July 2015 (for noting – previously agreed)

7.1 Members noted the minutes of the July 2015 Grants AGM.

8. Minutes of the Grants Committee held on 9th March 2016

8.1 The minutes were agreed as an accurate record of the meeting which took place on 9th March 2016, subject to the removal of the reference to 'AGM' in the first line of the minutes.

9. Draft Minutes of the Grants Executive on 22 June 2016 (for noting)

9.1 Members noted the draft minutes of the Grants Executive which took place on 22 June 2016.

10. Operation of the Grants Committee

10.1 The Chair introduced the report.

10.2 Cllr Pickering felt that that the Terms of Reference for Grants Executive (item 9 of the report - page 20 of the paper) should be reviewed, in that their delegated powers from the Grants Committee seemed to conflict with the powers of delegation in Leaders' Committee to the Executive. Cllr McGlone asked officers to provide clarity on this issue.

Action: Officers to review wording of the Terms of Reference in respect of delegation to the Grants Executive.

10.3 Cllr Pickering asked if Officers could do more ‘intelligent reporting’ via Grants Executive to reduce the amount of paperwork being sent to Grants Committee, and that this be reflected in a review of the ToR. Cllr McGlone agreed that this approach could be explored. Cllr Carr agreed with the moves to rationalize paperwork and suggested that there may need to be extra Executive meetings as a result.

Action: Officers to prepare a discussion paper on this issues and report back.

The following dates of future meetings were agreed.

Grants Main Meeting		
Date	Time	Main Business
23 November 2016	11.00 am	
15 February 2017	11.00 am	
12 July 2017 (AGM)	11.00am	AGM
Grants Executive		
Date	Time	Main Business
13 September 2016	2:00 pm	Grants Executive
7 June 2017	2:00 pm	Grants Executive

10.4 The Committee noted the remainder of the report.

11. Constitutional Matters

11.1 London Councils’ officers introduced this report which covered:

- Minor variations to London Councils Governing Agreement
- Amendments to London Councils Standing Orders
- Approval of and amendment to London Councils Scheme of Delegation to Officers
- Terms of reference to Sub Committees

11.2 Members noted the changes to London Councils’ constitutional documents.

12. Leadership in the Third Sector : The Role of London Boroughs and London Councils

12.1 The Chair welcomed David Farnsworth from City Bridge Trust to the meeting. Mr Farnsworth addressed the Committee and made the following points:

- The City Bridge Trust's Grants budget was £20 million for about 600 organisations – an important theme was the support of the voluntary sector
- CBT had funded London Funders to produce ‘The Way Ahead’ report in collaboration with local communities
- Funding had been set for the next three years with an additional £1million a year – it was strategically important that boroughs have a role in co-design and CBT saw London Councils as vital in making this happen

12.2 Cllr Gowman (who was also Chair of CBT) added that she wanted to work collaboratively across London to ensure that the programme provided value for money.

12.3 In response to a question from Cllr Pickering about the role of Grants Committee in linking to the community, Mr Farnsworth confirmed that while the Committee is crucially important in giving strategic oversight, day to day work would be with officers and borough grants teams and London Councils would need to have some officer resource dedicated to this to be able to deliver this in a meaningful way.

12.4 Cllr Hargreaves asked about the resources required. The Corporate Director, Services confirmed that an additional full time resource would need to be recruited at some point, but the costs of this post and an indicative figure was included in the report for which provision could be included in the budget proposals considered by members in the autumn..

12.5 Cllr Carr was concerned that London Councils should look at options for funding the post, including looking at existing resources and underspends, and that the funding decision should be transparent. Also, in response to Cllr Carr's question, it was confirmed that a borough expert subgroup to co-ordinate ideas could be put together, led by the chair of the borough grants officer network (a borough officer from LB Southwark)

12.6 Members agreed that officers make provision in the 2017-18 budget proposals to be considered by the November meeting of the Grants Committee for resources to cover London Councils officer time in this role as set out in section three of the report. Mr Farnsworth was thanked for his presentation, and then left the meeting.

13. Tackling Poverty through Employment (ESF Match Funded)

13.1 The Chair introduced the report, based on priorities agreed in March 2016 which cannot now be changed – the commissioning process began in May.

13.2 The Director, Services confirmed that there were still a small number of administrative issues to be sorted out with the GLA but was hopeful for these to be resolved soon so the agreement can be signed.

13.3 The Head of Grants and Community Services confirmed that bid funding was outcome related, and for the first time there are specific borough based targets for bidders to meet, based on population, unemployment and homelessness rates, which should lead to greater accountability. This has meant greater focus on boroughs with high unemployment and homelessness levels.

13.3 In answer to a question from the Chair on how the clusters had been arrived at, it was explained that the groupings were determined by the allocation of grant. There was a discussion around the issues of clustering, and the following points were made:

- Cllr Ashraf commented that Barking and Dagenham's allocation seemed low compared to its unemployment and homelessness levels, although it was pointed out that the borough had a relatively small population
- In response to a question from Cllr Anderson as to how much consultation had been carried out with local communities, the Head of Grants and Community Services replied that because of the short timescale and limited discussions with the boroughs, this hadn't been factored in to the process.
- Cllr Millbank expressed concern about potential pressure being placed on the voluntary sector because of the spread of resources to the boroughs. The Head of Grants and Community Services explained that a network of voluntary organisations had been involved with the main bidding partners.
- Cllrs Hargrove, Pickering and Dheer all felt that the clusters should be reviewed, as the correct grouping of boroughs was extremely important, and there seemed to be some unusual groupings e.g. Lambeth being grouped with south west London boroughs

- Cllr Littlewood felt that because there was no limit on the amount of bids that organisations could make, this may lead to capacity issues
- Cllr Anderson asked whether people on the autistic spectrum, who find it difficult to obtain work, were specifically targeted in the guidance. It was confirmed they were not.
- Cllr Gardner raised the issue of the London Living Wage, and asked whether bidders were required to be accredited. It was confirmed that this wasn't part of the ESF bidding requirements, and that it would be difficult to enforce because employers paid wages to their staff direct
- Cllr Pickering also felt that business rates need to be taken into account, as this had an effect of business being willing to offer employment opportunities

13.4 Cllr Carr expressed the opinion that the delay in signing the agreement with the GLA had made little difference to the target group, and that the Committee should postpone moving ahead until there was a full review of clusters and other issues. He also expressed concern that although no movement had been made on this target group, overall the programme was claiming success in resolving unemployment. The Head of Grants and Community Services confirmed that of the £44million for the programme (£22million match funded), only £6million related to the resources targeted at the long term unemployed. The Director, Services also confirmed that other complementary services for the long term unemployed were in operation outside of this grant allocation.

13.5 The Head of Grants and Community Services confirmed that there was a fixed end point for funding, and any delays in signing would reduce the 'window of opportunity' for committing the money, and place more pressure on organisations to deliver. Cllr Carr responded to ask whether any money allocated for the first year would be repaid if not spent? The Chair confirmed that payment of the grant was in arrears and paid based on delivery.

13.6 The Chair recognized the concerns of the Committee and felt that the delivery of the programme was all-important, and that robust tools were needed to keep the delivery under review. The Chair moved to a vote for approval of the recommendations of the report:

For: 19
Against: 7
Abstentions: 0

13.7 The recommendations 1 – 3 in the report were agreed.

Action: the Head of Grants and Community Services agreed to look at the clusters again based on the comments from the Committee.

14. Grants Programme 2017-21

14.1 The Chair introduced the report, and confirmed that the budget to be considered by members in autumn would be in the region of £8.7 million available (because the future programme did not have a fourth priority) but that there was flexibility to move money around. The Principal Programme Manager explained the options for indicative funding.

14.2 Cllr Comer-Schwartz asked whether there was a move away from 'family' homelessness to youth homelessness? The Principal Programme Manager confirmed that there had been a large rise in youth homelessness and that a statistic from a Homeless Link report was included in the report which stated that around 50% of people in homelessness accommodation were now from the 16 – 24 year age group, which boroughs were keen to see targeted, as it is important that

the Grants Programme complements local duties and delivery. Cllr Comer-Schwartz also felt that Government policy of requiring Councils to sell high value stock would also have an impact.

14.3 The Committee noted recommendations 1 and 4 and agreed

- the specifications in **Appendix One**, for services to be delivered from April 2017 to March 2021.
- Option Two from the potential indicative funding levels set out in **Appendix Two**,

15. Commissioning Monitoring Arrangements Framework – Review

15.1 The Chair introduced the report.

15.2 The following comments were made about the report:

- Cllr Millbank queried whether the leveraging in of resources on page 273 of the papers referred to additional resources for the project or the organisation?
- Cllr Hargreaves thought that the borough reports provided with the July – October 2016 Grants Review consultation were preferable to those provided in this one
- Cllr Pickering felt that there were now more sophisticated commissioning tools which should be utilised

15.3 In response to Cllr Millbank's question, The Principle Programme Manager confirmed this related to the organization. In response to Cllr Hargreaves' question about when the borough specific dashboards would be produced, The Head of Grants and Community Services confirmed that a full set would be ready by the next Grants Committee meeting in November.

15.4 The Committee noted the report.

16. Performance of Grants Programme 2015/16

16.1 The Chair introduced the report, commenting that progress was good excepting Priority 4, which had been covered elsewhere on the agenda. The Head of Grants and Community Services felt it would be more useful because of time to concentrate on areas of poor performance.

16.2 Cllr Anderson commented that some of the case studies seemed not to have changed. The Head of Grants and Community Services responded that case studies in Section 3.3. were updated on a rolling basis

16.3 Cllr Millbank noted on page 436 of the papers that some borough events with London Funders were not well attended by all boroughs, and encouraged all boroughs to take up the opportunity as the events were useful and were paid for by the boroughs.

16.4 The Committee noted all recommendations in the report and agreed that in relation to Women in Prison (2.2) that officers bring an update of this to the Grants Chair.

17. Grants Committee – Pre Audited Financial results 2015/16

17.1 The Director of Corporate Resources introduced the report, and confirmed that he provided the information three times a year. He commented that the indicative surplus of £1,167million had increased from £1,041million in the previous report at the 9 month stage. This was a positive sign of the stability of the financial arrangements.

17.3 The Committee noted the report.

18. Report of Decision Taken under Urgency procedure

18.1 The Committee noted the decision.

Cllr Macauley wished to record her congratulations to Theresa May on her appointment as Prime Minister.

The meeting finished at 12:45pm

Young People's Education and Skills Board

Date 14 July 2016 **Venue** London Councils

Meeting Chair Gail Tolley

Contact Officer: Neeraj Sharma

Telephone: 020 7934 9524 **Email:** Neeraj.sharma@londoncouncils.gov.uk

Present

Gail Tolley	Association of London Directors of Children's Services (ALDCS) (Chair)
Caroline Boswell	Greater London Authority (GLA)
Yolande Burgess	London Councils Young People's Education and Skills
Derek Harvey	Department for Work and Pensions
Tim Shields	Chief Executives London Committee
Zeena Cala	Skills Funding Agency
Ben Anderson	LEP Skills Employment Working Group (SEWG)

Guests and Observers

Michael Heanue	LEP officer
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Officer(s)

Peter O'Brien	London Councils Young People's Education and Skills
Neeraj Sharma	London Councils Young People's Education and Skills

Apologies

Cllr Peter John OBE	Executive member for children, skills and employment
Jack Morris OBE	London Enterprise Panel (LEP)
Cllr David Simmonds	Shadow Executive member for children, skills and employment
Philip Barron	LEP Skills and Employment Working Group
Vic Farlie	London Work Based Learning Alliance
David Jeffrey	Education Funding Agency
Nick Lester-Davis	London Councils
Jill Lowery	Skills Funding Agency
Pat Reynolds	ALDCS
Dr Caroline Allen	Association of Colleges (AoC)/Association of National Specialist Colleges
Dr Graeme Atherton	AccessHE - Higher Education representative
Mary Vine-Morris	Association of Colleges London Region
Sir Frank McLoughlin CBE	AoC Further Education Colleges Representative

1 Welcome and introductions

- 1.1 Gail Tolley welcomed attendees to the Board meeting and apologies were noted.
- 1.2 Attendees were informed that a number of existing Board members had recently announced their retirement and/or were moving on from their current employed position. Those organisations represented by individuals leaving/or who had already left would be putting forward replacements in due course in accordance with the Young People's Education and Skills Board constitution.

2 Declarations of Interest

- 2.1 No interests were declared.

3 Notes and Matters Arising from the last meeting

- 3.1 Notes of the last meeting were formally approved.
- 3.2 The Board was informed that the next development stage of Skills Match had been put on hold until the new Mayor had formed the London Enterprise Partnership. Additionally, work continued through the ALDCS to improve the tracking of young people NEET and whose activity was not known.

4 Technical Education

- 4.1 The Board received a presentation about *Reforming Technical Education: The Skills Plan* that covered the *Technical Education Panel Report* and *The Skills Plan*. It was explained that productivity and skills in England lagged behind international standards and there continued to be a skills shortage.
- 4.2 Board members discussed the presentation and findings, it was agreed that the Department for Education (DfE) should be contacted to explore potential joint working with London to develop pathfinder routes for construction and digital.

5 Vision 2020

- 5.1 The Board received a paper that provided an update on the vision for Young People's Education and Skills 2020. Board members welcomed the update and stated that while it was important to reflect the London Area Based Review Steering Group Vision, it should not be the only focus. For instance, reforms to technical education and apprenticeships needed to be considered as part of Vision 2020. Additionally, the Young People's Education and Skills Vision 2020 should complement the Mayor's manifesto in relation to post-16 education.
- 5.2 Fulfilling the Young People's Education and Skills Board vision would be dependent on hard work and leadership from members as well as having sufficient resources. Insufficient funding levels from the government for education could prevent London realising the Vision 2020 ambitions. A detailed statement regarding the current funding envelope should be included in the Vision. It was agreed that the draft Vision 2020 should be presented to the Young People's Education and Skills Board at the meeting in November 2016.

6 Policy update

- 6.1 The YPES Board received a report that highlighted some of the key policy changes/updates since the last YPES Board meeting in February 2016
- 6.2 The results of the procurement of the London ESF Youth Programme had recently been announced by the Skills Funding Agency. London Councils is bidding for Technical Assistance funding to provide support to the London ESF Youth Programme.
- 6.3 The Board noted the contents of the paper.

7 Raising the Participation Age

- 7.1 The Board received information on London's position to Raising the Participation Age. Attention was drawn to changes the DfE would be implementing from September 2016 that meant local authorities will no longer be required to report on young people beyond the end of the academic year in which they had reached their 18th birthday. Young people aged 18 or 19 will continue to be entitled to support from their local authority to find work or reengage with learning.
- 7.2 DfE will also introduce a new headline measure in the NEET Scorecard to complement the prioritisation of 16 and 17 year-olds that combines the NEET and not known figures.
- 7.3 The Board noted the contents of the paper.

8 AOB

- 8.1 The Board was informed that the National Audit Office had begun an inquiry into school capital funding. London Councils would be encouraging boroughs to respond.

Leaders' Committee

Report from the TEC Executive Sub Committee – 21 July 2016

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 11 October 2016
Contact Officer: Alan Edwards
Telephone: 020 7934 9911 **Email:** Alan.e@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' TEC Executive Sub Committee held on 21 July 2016

Recommendations: For information.

1. Attendance: Cllr Julian Bell (LB Ealing – Chair), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Tim Coleridge (RB Kensington & Chelsea), Cllr Alan Smith (LB Lewisham), Cllr Jill Whitehead, Cllr Caroline Usher (LB Wandsworth). Cllr Heather Acton (City of Westminster), and Christopher Hayward (City of London). Others Present: Val Shawcross, Deputy Mayor for Transport and Cllr Ian Wingfield (LB Southwark)

2. Apologies for Absence

Cllr Phil Doyle (RB Kingston-upon-Thames), who had replaced Cllr Alex Sawyer (LB Bexley) as a Conservative member on the TEC Executive Sub Committee.

3. Talk by Val Shawcross, Deputy Mayor for Transport

Val Shawcross, Deputy Mayor for Transport, made some of the following comments: (a) the Mayor was looking forward to working closely with London Councils, (b) Mayor's Transport Strategy (MTS) was being developed and would start in 2017, (c) there were three key themes to the Mayor's vision for transport – delivering a good public transport system, delivering pleasant places (public realm) and supporting the economy, homes and jobs, (d) agreed that the Local Implementation Plan (LIP funding scheme would be rolled over for the coming year, (e) continuing to fund cycling and (f) looking at the devolution of some rail services.

A "Q and A" session then took place, where members outlined various concerns that they had, including the Silvertown Tunnel, Crossrail 2, poor air quality in London, Cycle Superhighways and the safety of cyclists and pedestrians and the continuing problems customers were experiencing with Southern Rail.

.4. Borough Transport Funding

The TEC Executive Sub Committee considered and noted a report that provided members with background information on Local Implementation Plan (LIP) funding and engagement London Councils had undertaken with TfL on the development of a new Mayor's Transport Strategy and LIP implementation funding.

5. Reducing Air Pollution in London

The TEC Executive Sub Committee received a report that informed members of the large scale public consultation that the Mayor of London had launched, on measures to tackle air pollution in London, and

the associated public health and inequality impacts. The consultation had been split into three stages, with the first stage launched on 5th July and running to the 29th July 2016.

Val Shawcross informed members that this was the Mayor's number one priority. TfL would be cleaning-up the bus fleet. Polluting buses would be replaced with hybrids, along with 300 single decker electric buses being rolled out. Issues regarding the north and south circulars were also being looked into. Entry standards were being raised for mini cabs from autumn 2016.

The TEC Executive Sub Committee; **(i)** agreed that the Chair and vice chairs of TEC would sign off the first phase of the consultation on air quality at Appendix 1 of the report; and **(ii)** agreed that officers would email boroughs to encourage them to make their submissions.

6. Social Needs Transport Progress Report

The TEC Executive Sub Committee received a report that provided members with an update on the progress with TfL's Social Needs Transport Review and implications for the Taxicard scheme.

The TEC Executive Sub Committee: **(i)** agreed that officers would ask TfL to agree to extend the Taxicard contract by one more year and to agree to this funding, **(ii)** noted the update on the progress with TfL Social Needs Transport Roadmap to integrate and improve social needs transport for elderly and/or mobility impaired Londoners, and **(iii)** agreed that a further report would go to the full TEC meeting on 13 October 2016, once proposals had been developed further.

7. Green Infrastructure Partnerships

The TEC Executive Sub Committee considered a report that provided members with the recommendation made as part of the Mayor's Green Infrastructure Taskforce that affected boroughs and TEC, and set out suggestions on how they could be achieved.

The TEC Executive Sub Committee: **(i)** agreed to lobby on the new London Plan for locally set planning fees, and **(ii)** agreed to survey boroughs and ask the GLA for an annual assessment of green infrastructure.

8. Defra Litter Strategy Update

Katharina Winbeck gave a verbal update on the Defra Litter Strategy.

The TEC Executive Sub Committee: **(i)** noted Councillor Clyde Loakes had agreed to represent London Councils on this litter steering group (an appropriate officer or Councillor Jennifer Brathwaite to provide back-up), and **(ii)** officers to look into the possibility of sharing and best practice

9. Transport and Mobility Services Performance Information

The TEC Executive Sub Committee received a report that provided members with the London Councils' Transport and Mobility Services performance information for Quarter 4 2015/16 and Quarter 1 2016/17.

The TEC Executive Sub Committee: **(i)** noted that the spike in Taxicard overspend would continue to be monitored, **(ii)** noted that a more detailed breaking down of the data on the London Lorry Control Scheme would be available from October 2016. Officers would look at how to represent this data to TEC in the future, and **(iii)** noted the performance information report.

10. Road User Charging Appeals (RUCA) – Potential Continuation of Service

The TEC Executive Sub Committee received a report that explained to members the re-tender process for the Road User Charging Appeals (RUCA) service that London Councils operated under contract with TfL. The current contract will end on 31 December 2016 and TfL has commenced a competitive re-tender exercise.

The TEC Executive Sub Committee: **(i)** noted the re-tender process and programme for the RUCA service and agreed to submit a bid proposal to continue to provide the service on a full cost recovery basis under a new contract with the GLA, and **(ii)** agreed to grant delegated authority to London Councils' Chief Executive, John O'Brien, to sign the contract to undertake these services, should London Councils win the tendering exercise

11. Transport & Environment Committee Pre-Audited Financial Results 2015/16

The TEC Executive Sub Committee received a report that detailed the provisional pre-audited final accounts for the Transport and Environment Committee for 2015/16.

The TEC Executive Sub Committee: **(i)** agreed to defer a decision regarding the provisional general reserves that exceeded the 10% to 15% yardstick until the budget setting process for 2017/18 in November 2016. A decision could then be made on whether to repatriate funds to boroughs or to transfer further funds to the specific reserve to fund the 2020 Freedom Pass reissue, and **(ii)** noted the provisional pre-audited final accounts for 2015/16, which showed an indicative surplus of £1.03 million for the year.

12. Minutes of the TEC AGM held on 16 June 2016 (for noting)

The minutes of the TEC AGM held on 16 June 2016 were noted.

13. Minutes of the TEC Executive Sub Committee held on 11 February 2016 (for agreeing)

The minutes of the TEC Executive Sub Committee held on 11 February 2016 were agreed.

The Chair asked any members of the public if they could leave the room in order for the Exempt part of the agenda to be considered.

The meeting finished at 11.55am.

**Minutes of the Meeting of the Executive
Tuesday 13 September 2016 9:30am**

Cllr Claire Kober was in the chair

Present

Member	Position
Cllr Claire Kober OBE	Chair
Cllr Teresa O'Neill OBE	Vice chair
Mr Mark Boleat	Vice chair
Mayor Sir Steve Bullock	
Cllr Ray Puddifoot MBE	
Cllr Julian Bell	
Cllr Baroness Couttie	
Cllr Lib Peck	
Cllr Peter John OBE	
Cllr Ravi Govindia	In attendance

London Councils officers were in attendance.

Cllr Claire Kober OBE opened the meeting by pointing out that it was her first as Chair of London Councils and that it was intended to fill both the vacancy on the Executive and the position of Deputy Chair at the Leaders' Committee meeting on 11 October.

1. Apologies for absence and announcement of deputies

Apologies for absence were received from Cllr Ruth Dombey OBE.

2. Declaration of interest

No interests were declared.

3. Minutes of the Executive Meeting held on 21 June 2016

The minutes of the Executive meeting held on 21 June 2016 were agreed.

4. Business Rates Devolution and London Finance Commission

The Director, Finance, Performance and Procurement introduced the report saying:

- The report represented a 'work-in-progress' summarising the set of asks developed over the summer following the joint submission to the Government by London Councils and the GLA in July
- The number of 'asks' had been increased to fourteen and it was hoped that these could gain joint sign-off ready for submission to government in the following week so this meeting represented a last opportunity for the Executive to comment on them
- There were two issues that needed to be taken forward:
 - That the burden of appeals disproportionately hit London
 - On revaluation, the proportion of the national Business Rates 'take' that came from London was likely to increase as would always happen if one part of the property market rose and another fell when there was a fixed yield. This presented both a problem and an opportunity for London.
- The London Finance Commission had reconvened and was working towards making a submission before the Autumn Statement.

Cllr Ravi Govindia and Cllr Baroness Couttie raised questions around whether, given the changes over the summer, it was thought that the Government's position on this topic was likely to have remained the same. The Director, Finance, Performance and Procurement replied that although these points were yet to be tested nothing had happened to indicate any change to the essential policy intent of devolving business rates to the sector. The Chair pointed out that the LGA group working on the issue was thinking on similar lines.

Cllr Ray Puddifoot MBE argued that we needed to look at developing a broader base of local funding to balance the national economy.

Cllr Teresa O'Neill OBE called for the issues around Needs Assessment, a consultation on which was just beginning, to be reflected in our submission.

Cllr Peter John OBE argued that the voice of business needed to be heard, possibly through the LEP.

The Executive agreed to note the report.

5. Devolution and Public Service Reform – Next Steps

The Chief Executive introduced the report saying the Mayor of London had convened a meeting of stakeholders in July 2016 to consider further devolution for London. The Mayor had subsequently met with the Chancellor to discuss the impact of the European referendum result on London's economy and a submission was now being prepared setting out options for further devolution to London, with a view to this informing the Autumn Statement. In addition, officers from across London had been working with DWP, CLG and the Treasury to seek devolution of actual funding in respect of the Work and Health Programme in London. Senior official meetings had taken place, but it was not yet clear whether these negotiations would secure a better outcome for the boroughs.

The Chair pointed out that she had spoken to the Mayor about broadening political oversight of the work on devolution by London Councils and to inform discussions with the Mayor on this topic.

The Chair proposed that a Member Devolution Group (MDG) be established with the following composition:

- Chair
- Conservative Group Leader
- Lead portfolio holder for Skills and Employment
- Lead portfolio holder for Housing
- Conservative Group Lead on Devolution and Public Service Reform
- 4 Sub-Regional Lead representatives (to be nominated by relevant sub-regions respectively)

Supported by:

- officers
- the Chair of the officer level Devolution and Public Service Reform Group
- the Chair of CELC

with theme lead chief executives from the wider supporting infrastructure as required.

It would report to the Executive and Leaders' Committee.

Cllr Ravi Govindia argued that the Crime Reduction Partnership would provide a key test in our relationship with the new Mayor and Cllr Peter John OBE felt that members needed to do more to provide officers with clear guidance on devolution.

The Chair responded to Cllr John's point by saying an Executive awayday was proposed for the latter part of November to discuss what came out of the London Councils Challenge report (discussed elsewhere on the agenda) but it would be sensible to take stock of the overall devolution position as well.

The Executive agreed to:

- Note the progress reported, including the emerging joint initiative championed by the Mayor of London
- Note the position achieved in discussions with the DWP on the Work and Health Programme
- The establishment of a Member Devolution Group (MDG).

6. Health and care devolution – emerging asks

Cllr O'Neill introduced the report saying:

- Boroughs have reacted differently to the STP process. It was important to address the issues that some devolution pilots were experiencing as this would

impact on both reputation for London local government and the substance of the devolution asks beyond December

- She did not propose bringing a report to the October Leaders' Committee but, instead, to bring a fuller report on the whole process to the December meeting.

Cllr John agreed and asked whether anything needed to be done before the Autumn Statement and went on to express his view that the Health Service was facing the strain of the cuts to its and the councils' adult social care budgets. Mayor Sir Steve Bullock agreed arguing that the seriousness of the situation was in was not as widely appreciated as it needed to be.

Cllr Puddifoot argued that it would be worth putting to Government that some efficiency savings may be able to be made but after that there was no capacity for local government to be responsible for securing large health savings. Cllr Julian Bell pointed out that the major reorganisation of health services underway in north-west London had left some unable to sign up to the STP process.

7. Developing the 2017-20 Police and Crime Plan

Cllr Lib Peck introduced the report saying:

- She had had several meetings with Ms Sophie Linden, the Deputy Mayor for Policing and Crime about the evolution of the Police and Crime Plan, the underpinning themes of which were:
 - Neighbourhood and local policing
 - Keeping children and young people safe
 - Tackling violence against women and girls
 - Tackling violent extremism, terrorism and hate crime
 - Ensuring an effective Criminal Justice System.
- London Councils had organised a roundtable session for Community Safety lead councillors, two thirds of whom had attended.
- The time table for the development Police and Crime Plan was:

- July – October 2016: Early engagement and Police and Crime Plan development
 - November 2016 – January 2017: Twelve week consultation period on formal draft
 - March 2017: Police and Crime Plan published
- It may be appropriate to provide a report to Leaders' Committee in October and to invite the deputy Mayor to the Leaders' Committee meeting in December 2016, covering the development of the Police and Crime Plan and the future of MOPAC's borough funding.

The Executive agreed to note the report.

8. London Councils Challenge

The Chief Executive introduced the report saying that it set out a number of themes flowing from the Challenge Team's report.

Members debated various approaches to next steps.

The Executive agreed to alert Leaders to the contents of the report and to hold a discussion at the end of Leaders' Committee on 11 October. The Executive would hold an awayday to discuss the findings in greater detail at the end of November.

The Executive agreed to note the report.

9. Month 3 Revenue Forecast 2016/17

The Director of Corporate Resources introduced the report saying that it analysed actual income and expenditure after three months of the current financial year and highlighted any significant variances emerging against the approved budget. After excluding the £639,000 projected underspend on taxicard, the projected surplus of £999,000 included:

- A projected net underspend of £141,000 in respect of officer employee costs due to the policy on filling vacancies
- A projected net deficit of £182,000 in respect of TEC traded services

- A projected net underspend of £46,000 relating to commissions in respect of the S.48 grants scheme
- A net projected underspend of £235,000 relating to slippage in the start of the new 2016+ joint borough/ESF funded programme

He pointed to the discussion of the position of the reserves set out in the report and concluded by saying that the external audit report had been received in draft was positive.

Cllr Puddifoot expressed his satisfaction with the report which he said reflected a sound financial position and the Executive agreed to note the overall forecast surplus as at 30 June 2016 (Month 3) of £999,000 and note the position on reserves as detailed in the report.

10. Debtors Update Report

The Director of Corporate Resources also introduced this report saying that he could update the figures - since the report had been circulated the figure for outstanding debt had fallen from £4,530,000 to £1,004,000.

In response to a question from Cllr Puddifoot the Chief Executive pointed out that the mediation provisions in the contract with the BPA were due to come into play in the next few weeks.

Cllr Puddifoot went on to explore the option of a surcharge on late payers of debts and the Director of Corporate Resources cautioned that to be able to do that may require the variation of governing agreements with boroughs. A warning that such a step was discussed could be useful.

The Executive agreed:

- To note the level of outstanding debt of £52.50 in relation to borough, TfL and GLA invoices raised up until 31 December 2015, a reduction on the outstanding figure of £1.352 million reported to the Executive at its meeting on 1 March 2016
- To note the level of outstanding debt of £4.064 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2016

- The total level of debt had now been reduced to £1,004,000
- To note the level of outstanding debt of £466,364.58 in relation to other debtors invoices raised up until 31 July 2016;
- To approve the write-off of £1,517.93 in respect of the invoice to the Mosaada Centre for Single Women to recover unused European Social Fund (ESF) community grant funding and
- To note the specific action being taken in respect of significant debtors, as detailed in the report.

	Item	Action	Progress
4.	Business Rates Devolution and London Finance Commission	Fair Funding	
	<ul style="list-style-type: none"> • Issues around Needs Assessment, a consultation on which was just beginning, to be reflected in our submission. 		In hand
5.	Devolution and Public Service Reform – Next Steps	CG and CX's office	
	<ul style="list-style-type: none"> • Establish a Member Devolution Group (MDG) comprising: <ul style="list-style-type: none"> ○ Chair ○ Conservative Group Leader ○ Key portfolio holder for Skills and Employment ○ Key portfolio holder for Housing ○ Conservative Group Lead on Devolution and Public Service Reform ○ 4 Sub-Regional Lead representatives (to be nominated by relevant sub-regions respectively). 		On going
			The first meeting has been organised for 6 th October at 2:00pm
6.	Health and care devolution – emerging asks	PAPA Health	
	<ul style="list-style-type: none"> • London Councils to clearly define its position, to drive that agenda and to bring a report to the December Leaders' Committee meeting while reporting any developments that 		In hand

happened in that time

- Firm proposals to be brought to the November meeting of the Executive.

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| 7. | Developing the 2017-20 Police and Crime Plan | PAPA C&PP | In hand |
| | <ul style="list-style-type: none">• A report may be brought to Leaders' Committee in October or December 2016, covering the development of the Police and Crime Plan and the future of MOPAC's borough funding. | | |
| 8. | London Councils Challenge | CX's office/CG | In hand |
| | <ul style="list-style-type: none">• Alert leaders to the contents of the report and hold to a discussion at the end of Leaders' Committee on 11 October. The Executive to hold an awayday to discuss the findings in greater detail at the end of November. | | |

The meeting ended at 10:50