

Leaders' Committee

10 October 2017 – 10:30 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 9:30

Political Adviser: 07977 401955)

Conservative Group: Room 5 9:30

(Political Adviser: 07903 492195)

Contact Officer: Derek Gadd

Telephone and email: 020 7934 9505 derek.gadd@londoncouncils.gov.uk

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

Agenda item	Page
1. Apologies for absence and Announcement of Deputies	
2. Declarations of Interest*	
3. Minutes of the Leaders' Committee AGM held on 11 July	
4. Minutes of the Leaders' Committee held on 11 July	
5. Changes to Local Policing in London	
6. London Business Rates Pilot Pool	
7. Housing & Homelessness Update	
8. Children's Services financial pressures	
9. Annual Audit Report 2016-17	
10. Urgency Report	

11. Minutes and summaries :-

- GLEF – 13 June 2017
 - YPES – 6 July 2017
 - CAB – 11 July 2017
 - Pensions CIV Sectoral Joint Committee – 12 July 2017
 - Grants Committee AGM – 12 July 2017
 - Grants – Leadership in the Third Sector Sub Committee – 18 July 2017
 - TEC Executive Sub Committee – 20 July 2017
 - Executive – 12 September 2017
 - TEC Executive Sub Committee – 15 September 2017
-

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

Agenda item		Page
E1	Exempt Minutes of CAB on 11 th July 2017	1

London Councils

Minutes of the Annual General Meeting of the London Councils Leaders' Committee held on 11 July 2017

Cllr Claire Kober OBE chaired the meeting from item 3

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
LFEPa

Cllr Darren Rodwell
Cllr Richard Cornelius
Cllr Teresa O'Neill OBE
Cllr M. A. Butt
Cllr Stephen Carr
Cllr Georgia Gould
Cllr Tony Newman
Cllr Julian Bell
Cllr Doug Taylor
Cllr Denise Hyland
Mayor Philip Glanville
-
Cllr Claire Kober OBE
Cllr Sachin Shah
Cllr Roger Ramsey
Cllr Ray Puddifoot MBE
Cllr Steve Curran
Cllr Richard Watts
-
Cllr Kevin Davis
Cllr Lib Peck
Mayor Sir Steve Bullock
Cllr Stephen Alambritis
Cllr Ken Clark
Cllr Jas Athwal
Cllr Paul Hodgins
Cllr Peter John OBE
Cllr Ruth Dombey OBE
Mayor John Biggs
Cllr Clare Coghill
Cllr Ravi Govindia CBE
Cllr Nickie Aiken
Ms Catherine McGuinness
-

CO-PRESIDENT

Lord Toby Harris of Haringey

Apologies:

HAMMERSMITH & FULHAM
KENSINGTON & CHELSEA
NEWHAM

Cllr Stephen Cowan
Mayor Sir Robin Wales

Ex officio (under the provisions of Standing Order 2.2)

CAPITAL AMBITION
GRANTS

Mr Edward Lord OBE JP
Cllr Paul McGlone

Officers of London Councils were in attendance.

The Chief Executive introduced Lord Toby Harris to the meeting.

Lord Harris recollected that he had been the founding chair of the body that was now called London Councils and gave a brief explanation of the manner and purpose by which the boroughs had come together to form the organisation. He went on to argue for the continued and even heightened need for its existence given the challenges that London faced.

1. Declarations of interest

There were no declarations of interest.

2. Apologies for absence and notification of deputies

Apologies are listed above.

3. Election of Chair

Lord Harris called for nominations for the position of Chair of London Councils and Cllr Claire Kober OBE (Haringey, Labour) was nominated by Cllr Peter John OBE (Southwark, Labour) and seconded by Cllr Teresa O'Neill OBE (Bexley, Conservative). In the absence of any other nominations she was elected Chair and took over chairing the meeting.

The Chair thanked Lord Harris and his fellow Co-presidents, Baroness Hanham and Baroness Hamwee (neither of whom were able to attend the meeting) for their support and positive contribution they made to the work of London Councils from the House of Lords.

4. Election of Deputy Chair and up to three Vice-Chairs

The Chair then invited nominations for the Deputy Chair and up to three Vice-chairs and she nominated the following who were seconded by Cllr Ravi Govindia CBE (Wandsworth, Conservative) and in the absence of any other nominations were returned unopposed:

Deputy Chair	Cllr Peter John OBE (Labour, Southwark)
Vice-Chair	Cllr Teresa O'Neill OBE (Conservative, Bexley)
Vice-Chair	Cllr Ruth Dombey OBE (Lib Dem, Sutton)
Vice-Chair	Ms Catherine McGuinness (Ind, City of London)

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

Leaders' Committee agreed to note the minutes of the meeting of the AGM of Leaders' Committee on 7 June 2016 already agreed by Leaders' Committee on 11 October 2016.

6. Appointment of London Councils Co-Presidents for 2017/18

The Chair asked for nominations for the posts of Co-Presidents and the following: Baroness Sally Hamwee, Baroness Joan Hanham and Lord Toby Harris were put forward and Leaders' Committee agreed to appoint them as London Councils' Co-Presidents. Cllr Govindia CBE mentioned that Lord Nick True had just recently resigned as leader of the London Borough of Richmond and London Councils should consider ways in which its association with him could be sustained for the benefit of local government in London.

7.-14. Composition of London Councils' member bodies and appointment of office-holders

The Chair proposed to take items 7-14 *en bloc*; items 7-9 (a) were the noting of the members of Leaders' Committee, the Transport and Environment Committee (TEC) the Grants Committee, the Pensions CIV Sectoral Joint Committee and the Greater London Employment Forum on the nomination of boroughs. Items 9 (b) – 14 were the appointment of the employers side of the Greater London Provincial Council, London Councils Executive (including Portfolios), the appointment of party group lead members, the lead member for Equalities, the Group Whips, the appointment of the Audit Committee and election of its Chair and the appointment of the Capital Ambition Board and the election of its Chair and Deputy Chair and the YPES board members. These are listed on the pages that follow and all were agreed by Leaders' Committee.

In the tables on the following pages all those listed are councillors unless otherwise specified

LEADERS'						
Borough	Rep	Party	Deputy 1	Party	Deputy 2	Party
Barking & Dagenham	Darren Rodwell	Lab	Saima Ashraf	Lab	Dominic Twomey	Lab
Barnet	Richard Cornelius	Con	Daniel Thomas	Con	Barry Rawlings	Con
Bexley	Teresa O'Neill	Con	Don Massey	Con		
Brent	Muhammed Butt	Lab	Margaret McLennan	Lab	Krupesh Hirani	Lab
Bromley	Stephen Carr	Con	Colin Smith	Con		
Camden	Georgia Gould	Lab	Pat Callaghan	Lab		
Croydon	Tony Newman	Lab	Alison Butler	Lab	Stuart Collins	Lab
Ealing	Julian Bell	Lab	Ranjit Dheer	Lab	Yvonne Johnson	Lab
Enfield	Doug Taylor	Lab	Achilleas Georgiou	Lab	Bambos Charalambous	Lab
Greenwich	Denise Hyland	Lab	Maureen O'Mara	Lab	Danny Thorpe	Lab
Hackney	Philip Glanville	Lab	Anntoinette Bramble	Lab		
Hammersmith & Fulham	Stephen Cowan	Lab	Sue Fennimore	Lab	Max Schmid	Lab
Haringey	Claire Kober	Lab	Joseph Ejiofor	Lab	Alan Strickland	Lab
Harrow	Sachin Shah	Lab	Keith Ferry	Lab	Kiran Ramchandani	Lab
Havering	Roger Ramsey	Con	Damian White	Con		
Hillingdon	Ray Puddifoot	Con	Philip Corthorne	Con	David Simmonds	Con
Hounslow	Steve Curran	Lab	Theo Dennison	Lab	Amrit Mann	Lab
Islington	Richard Watts	Lab	Janet Burgess	Lab	Paul Smith	Lab
Kensington & Chelsea	Nicholas Paget-Brown	Con	Rock Feilding-Mellen	Con	Tim Ahern	Con
Kingston upon Thames	Kevin Davis	Con	Terry Paton	Con	Andrea Craig	Con
Lambeth	Lib Peck	Lab	Imogen Walker	Lab		
Lewisham	Mayor Sir Steve Bullock	Lab	Alan Smith	Lab		
Merton	Stephen Alambritis	Lab	Mark Allison	Lab		
Newham	Mayor Sir Robin Wales	Lab	Ken Clark	Lab	Lester Hudson	Lab
Redbridge	Jas Athwal	Lab	Cllr. Norman	Lab	Paul Canal	Con
Richmond upon Thames	Nicholas True	Con	Geoffrey Samual	Con		
Southwark	Peter John	Lab	Stephanie Cryan	Lab	Fiona Colley	Lab
Sutton	Ruth Dombey	LD	Simon Wales	LD		
Tower Hamlets	John Biggs	Lab	Sirajul Islam	Lab		
Waltham Forest	Clare Goghill	Lab	Clyde Loakes	Lab	Liaquat Ali	Lab
Wandsworth	Ravi Govindia	Con	Jonathan Cook	Con	Guy Senior	Con
Westminster	Nickie Aiken	Con	Robert Davis	Con	Tim Mitchell	Con
City of London	Catherine McGuinness	Ind	Mark Boleat	Ind		
LFEPa	Gareth Bacon	Con				

8. Note of borough nominations to the Transport and Environment Committee, Grants Committee and Pensions CIV Sectoral Joint Committee

TEC										
Borough	Rep	Party	Deputy 1	Party	Deputy 2	Party	Deputy 3	Party	Deputy 4	Party
Barking & Dagenham	Lynda Rice	Lab	Cameron Geddes	Lab						
Barnet	Dean Cohen	Con	Richard Cornelius	Con	Alan Schneiderman	Con	Geof Cooke	Con	Arjun Mittra	Con
Bexley	Alex Sawyer	Con	Peter Craske	Con	Colin Tandy	Con				
Brent	Ellie Southwood	Lab	Tom Miller	Lab	Shama Tatler	Lab	Krupesh Hirani	Lab		
Bromley	Colin Smith	Con	William Huntingdon-Thresher	Con	Tim Stevens	Con	Angela Page	Con	Ian Dunn	Con
Camden	Phil Jones	Lab	Meric Apak	Lab						
Croydon	Stuart King	Lab	Robert Canning	Lab	Stuart Collins	Lab	Pat Ryan	Lab		
Ealing	Julian Bell	Lab								
Enfield	Daniel Anderson	Lab	Derek Levy	Lab	Guney Dogan	Lab	Vicki Pite	Lab		
Greenwich	Sizwe James	Lab	Jackie Smith	Lab						
Hackney	Feryal Demirci	Lab	Jonathan McShane	Lab	Guy Nicholson	Lab				
Hammersmith & Fulham	Wesley Harcourt	Lab								
Haringey	Cllr. Peray Ahmet	Lab	Joanna Christophides	Lab	Toni Mallett	Lab				
Harrow	Graham Henson	Lab								
Havering	Jason Frost	Con	Osman Dervish	Con	Melvin Wallace	Con				
Hillingdon	Keith Burrows	Con								
Hounslow	Amrit Mann	Lab	Manjit Buttar	Lab	Bob Whatley	Lab				
Islington	Claudia Webbe	Lab	Rowena Champion	Lab	Troy Gallagher	Lab				
Kensington & Chelsea	Tim Coleridge	Con	Deborah Collinson	Con	Malcolm Spalding	Con				
Kingston upon Thames	Phil Doyle	Con	Terry Paton	Con	Paul Bedford	Con				
Lambeth	Jennifer Braithwaite	Lab	Nigel Haselden	Lab						
Lewisham	Alan Smith	Lab	Rachael Onikosi	Lab						
Merton	Martin Whelton	Lab	Nick Draper	Lab	Ross Garrod	Lab	Edith Macauley	Lab		
Newham	Patrick Murphy	Lab	David Christie	Lab	Frances Clarke	Lab	Rachel Tripp	Lab	Lakmini Shah	Lab
Redbridge	John Howard	Lab	Sheila Bain	Lab	Ross Hatfull	Lab	Jas Athwal	Lab	Paul Canal	Con
Richmond upon Thames	Peter Buckwell	Con	Pamela Fleming	Con						
Southwark	Ian Wingfield	Lab	Mark Williams	Lab						
Sutton	Jill Whitehead	LD	Manuel Abellan	LD	Nighat Piracha	LD				
Tower Hamlets	Amina Ali	Lab	Rachel Blake	Lab						
Waltham Forest	Clyde Loakes	Lab	Gerry Lyons	Lab	Grace Williams	Lab				
Wandsworth	Caroline Usher	Con	Jonathan Cook	Con	Guy Humphries	Con				
Westminster	Danny Chalkely	Con	David Harvey	Con	Tim Mitchell	Con				
City of London	Christopher Hayward	Ind	Alastair Moss	Ind	Jeremy Simons	Ind	Keith Bottomley	Ind		
TfL	Alex Williams		Colin Mann							

GRANTS										
Borough	Rep	Party	Deputy 1	Party	Deputy 2	Party	Deputy 3	Party	Deputy 4	Party
Barking & Dagenham	Saima Ashraf	Lab	Sade Bright	Lab						
Barnet	Richard Cornelius	Con	Daniel Thomas	Con	Reema Patel	Con	Sury Khatri	Con		
Bexley	Don Massey	Con								
Brent	Magaret McLennan	Lab	Krupesh Hirani	Lab						
Bromley	Stephen Carr	Con	Diane Smith	Con	Colin Smith	Con				
Camden	Jonathan Simpson	Lab	Angela Mason	Lab						
Croydon	Hamida Ali	Lab	Louisa Woodley	Lab	Timothy Godfrey	Lab	Alison Butler	Lab	Stuart Collins	Lab
Ealing	Ranjit Dheer	Lab	Julian Bell	Lab	Yvonne Johnson	Lab				
Enfield	Yasemin Brett	Lab	Krystle Fonyonga	Lab	Dino Lemonides	Lab				
Greenwich	Denise Scott-McDonald	Lab	Jackie Smith	Lab						
Hackney	Jonathan McShane	Lab	Guy Nicholson	Lab	Jon Burke	Lab	Anntoinette Bramble			
Hammersmith & Fulham	Sue Fennimore	Lab	Sue Macmillan	Lab						
Haringey	Eugene Ayisi	Lab	Zena Brabazon	Lab	Bernice Vanier	Lab				
Harrow	Sue Anderson	Lab	Sachin Shah	Lab	Kiran Ramchandani	Lab	Graham Henson	Lab		
Havering	Melvin Wallace	Con	Osman Dervish	Con	Damian White	Con				
Hillingdon	Douglas Mills	Con	J Bianco	Con						
Hounslow	Theo Dennison	Lab	Ajmer Grewal	Lab	Sachin Gupta	Lab				
Islington	Kaya Comer-Swartz	Lab	Janet Burgess	Lab	Andy Hull	Lab	Asima Shaikh	Lab	Claudia Webbe	Lab
Kensington & Chelsea	Gerard Hargreaves	Con	Catherine Faulks	Con	Emma Will	Con				
Kingston upon Thames	Hugh Scantlebury	Con	Julie Pickering	Con	Kevin Davis	Con	Andrea Craig	Con		
Lambeth	Paul McGlone	Lab	Imogen Walker	Lab						
Lewisham	Joan Millbank	Lab	Chris Best	Lab						
Merton	Edith Macauley	Lab	Katy Neep	Lab	Tobin Byers	Lab	Caroline Cooper-Marbiah	Lab		
Newham	Forhad Hussain	Lab	Rachel Tripp	Lab						
Redbridge	Bob Littlewood	Lab	Kam Rai	Lab						
Richmond upon Thames	Meena Bond	Con	David Marlow	Con						
Southwark	Barrie Hargrove	Lab	Fiona Colley	Lab	Maisie Anderson	Lab	Ian Wingfield	Lab	Johnson Situ	Lab
Sutton	Simon Wales	LD	Ruth Dombey	LD						
Tower Hamlets	Abdul Mukit MBE	Lab								
Waltham Forest	Liaquat Ali	Lab	Clyde Loakes	Lab	Anna Mbachu	Lab				
Wandsworth	Paul Ellis	Con	Cllr. Senior	Con	Cllr. Sutters	Con				
Westminster	Antonia Cox	Con	David Harvey	Con	Tim Mitchell	Con				
City of London	Alison Gowman	Ind	Dhruv Patel	Ind						

Pensions CIV Sectoral Joint Committee

Borough	Rep	Party	Deputy 1		
Barking & Dagenham	Dominic Twomey	Lab	Faraaz Shaukat	Lab	
Barnet	Mark Shooter	Con	John Marshall	Con	
Bexley	Louie French	Con		Con	
	Shafique				
Brent	Choudhary	Lab	George Crane	Lab	
Bromley	Keith Onslow	Con	Russell Mellor	Con	
Camden	Rishi Madlani	Lab	Theo Blackwell	Lab	
Croydon	Simon Hall	Lab	John Wentworth	Lab	Andrew Pelling
Ealing	Yvonne Johnson	Lab			
Enfield	Toby Simon	Lab	Derek Levy	Lab	
Greenwich	Don Austen	Lab	Peter Brooks	Lab	
Hackney	Robert Chapman	Lab	Geoff Taylor	Lab	
Havering	John Crowder	Con	Clarence Barrett	Ind	
Hammersmith & Fulham	Iain Cassidy	Lab	Mike Adam	Lab	
Haringey	Clare Bull	Lab	John Bevan	Lab	
Harrow	Nitin Parekh	Lab			
Havering	John Crowder	Con	Clarence Barrett	Ind	
Hillingdon	Philip Corthorne	Con	Mike Markham	Con	
Hounslow	Mukesh Malhotra	Lab	Shantanu Rajawat	Lab	
Islington	Richard Greening	Lab	Andy Hull	Lab	
Kensington & Chelsea	Malcolm Spalding	Con			
Kingston upon Thames	Andrew Day	Con	Rowena Bass	Con	David Glasspool
Lambeth	Iain Simpson	Lab	Adrian Garden	Lab	
Lewisham	Mark Ingleby	Lab			
Merton	Philip Jones	Lab	Mark Allison	Lab	
Newham	Forhad Hussain	Lab	Ted Sparrowhawk	Lab	
Redbridge	Elaine Norman	Lab	Ross Hatfull	Lab	
Richmond upon Thames	Thomas O'Malley	Con	Benedict Dias	Con	
Southwark	Fiona Colley	Lab			
Sutton	Sunita Gordon	LD	Simon Wales	LD	
Tower Hamlets	Clare Harrisson	Lab	Andrew Cregan	Lab	
Waltham Forest	Peter Barnett	Lab			
Wandsworth	Maurice Heaster	Con	Guy Senior	Con	
Westminster	Suhail Rahuja	Con	Tim Mitchell	Con	
City of London	Mark Boleat	Ind	Andrew MCMurtrie	Ind	

9. (a) Note of borough nominations to the employers side of the Greater London Employment Forum

GLEF				
Borough	Rep	Party	Deputy	Party
Barking & Dagenham	Cameron Geddes	Lab	Irma Freeborn	Lab
Barnet	Richard Cornelius	Con	Daniel Thomas	Con
Bexley	Colin Tandy	Con	Linda Bailey	Con
Brent	Margaret McLennan	Lab	Shama Tatler	Lab
Bromley	Ian Payne	Con		
Camden	Theo Blackwell	Lab	Alison Kelly	Lab
Croydon	Simon Hall	Lab	Mark Watson	Lab
Ealing	Yvonne Johnson	Lab	Cllr Hynes	Lab
Enfield	Doug Taylor	Lab	Dino Lemonides	Lab
Greenwich	Chris Kirby	Lab		
Hackney	Carole Williams	Lab	Philip Glanville	Lab
Hammersmith & Fulham	Ben Coleman	Lab		
Haringey	Ali Demirci	Lab	Claire Kober	Lab
Harrow	Kiran Ramchandani	Lab	Graham Henson	Lab
Havering	Melvin Wallace	Con	Osman Dervish	Con
Hillingdon	Philip Corthome	Con		
Hounslow	Ajmer Grewal	Lab		
Islington	Jenny Kay	Lab		
Kensington & Chelsea	Gerard Hargreaves	Con		
Kingston upon Thames	Eric Humphrey	Con	Hugh Scantlebury	Con
Lambeth	Imogen Walker	Lab	Paul McGlone	Lab
Lewisham	Kevin Bonavia	Lab	Joe Dromey	Lab
Merton	Mark Allison	Lab	Nick Draper	Lab
Newham	Ken Clark	Lab	Lester Hudson	Lab
Redbridge	Kam Rai	Lab	Jas Athwal	Lab
Richmond upon Thames	David Marlow	Con		
Southwark	Fiona Colley	Lab	Johnson Situ	Lab
Sutton	Simon Wales	LD		
Tower Hamlets	David Edgar	Lab		
Waltham Forest	Asim Mahmood	Lab	Sally Littlejohn	Lab
Wandsworth	Cllr Guy Senior	Con		
Westminster	Angela Harvey	Con		
City of London	Stephen Decatur Haines MA Deputy		Edward Lord, OBE, JP	

9(b) Appointment of Greater London Provincial Council Employers Side

Borough	Rep	Party
Barking & Dagenham	Cameron Geddes	Lab
Bexley	Colin Tandy	Con
Bromley	Ian Payne	Con
Camden	Theo Blackwell	Lab
Croydon	Simon Hall	Lab
Enfield	Doug Taylor	Lab
Hackney	Carole Williams	Lab
Hounslow	Ajmer Grewal	Lab
Kensington and Chelsea	Gerald Hargreaves	Con
Kingston	David Glasspool	Con
Lambeth	Imogen walker	Lab
Lewisham	Kevin Bonavia	Lab
Sutton	Simon Wales	LD
Waltham Forest	Asim Mahmood	Lab
Westminster	Angela Harvey	Con

10. Appointment of London Councils Executive (including Portfolios)

- **Cllr Claire Kober OBE** (Lab, Haringey) **Chair and Finance and Resources, Devolution and Public Service Reform, Overall Strategy, Welfare Reform**
- **Cllr Teresa O'Neill OBE** (Con, Bexley) Vice-Chair and Conservative Group lead on **Finance and Resources, Devolution and Public Service Reform**
- **Cllr Ruth Dombey OBE** (Lib Dem, Sutton) **Vice-Chair**
- **Ms Catherine McGuinness** (Ind, City) **Vice-Chair**
- **Cllr Ray Puddifoot MBE** (Con, Hillingdon) **Adult Social Care**
- **Cllr Peter John OBE** (Lab, Southwark) Deputy Chair and **Business, Skills and Brexit (Including work, employment and schools)**
- **Cllr Lib Peck** (Lab, Lambeth) **Crime and Public Protection**
- **Cllr Kevin Davis** (Con, Kingston) , **Health and Child Safeguarding**
- **Mayor Sir Steve Bullock** (Lab, Lewisham) **Housing**
- **Cllr Julian Bell** (Lab, Ealing) **TEC**
- **Cllr. Darren Rodwell** (LB Barking & Dagenham), **City Development (including infrastructure, planning, high streets, leisure, arts, sport).**

Substitutes

Labour: Cllr Clyde Loakes (Waltham Forest), Cllr Doug Taylor (Enfield), Cllr. Denise Hyland (Greenwich),

Conservative: Cllr. Ravi Govindia CBE (Wandsworth)

11. Appointment of party group lead members

Policy area	Portfolio holder/Chair	Party lead (Labour)	Party lead (Conservative)	Other (LD unless stated otherwise)
Chair including: <ul style="list-style-type: none"> Finance and Resources Devolution and Public Service Reform Overall Strategy Welfare Reform 	Cllr Claire Kober OBE		Cllr Teresa O'Neill OBE	
Health and Child Safeguarding	Cllr Kevin Davis	Cllr Denise Hyland		
Adult Services	Cllr Ray Puddifoot MBE	Cllr Richard Watts		
Housing	Mayor Sir Steve Bullock		Cllr Ravi Govindia CBE	
Business, Skills and Brexit (including work and employment and schools)	Cllr Peter John OBE		Cllr Teresa O'Neill OBE (Skills) Cllr David Simmonds CBE (Schools)	
Crime and Public Protection	Cllr Lib Peck		Cllr Richard Cornelius	
Greater London Employment Forum	Cllr Doug Taylor		Cllr Angela Harvey	Cllr Richard Clifton
Transport and Environment	Cllr Julian Bell	Cllr Feryal Demirci	Cllr Timothy Coleridge	Cllr Jill Whitehead
Capital Ambition	Mr Edward Lord (City) OBE JP	Cllr Stephen Alambritis; Cllr Fiona Colley	Cllr David Simmonds CBE Cllr Nicholas Paget-Brown	
Audit Committee (One vacancy to be filled at AGM July 2017)	Cllr Roger Ramsey	Cllr Stephen Alambritis; Cllr Fiona Colley		Cllr Simon Wales
Grants	Cllr Paul McGlone	Cllr Forhad Hussain	Cllr Stephen Carr	Cllr Simon Wales
Equalities	Cllr Sarah Hayward			
City Development (including infrastructure, planning, high streets, leisure, arts, sport)	Cllr Darren Rodwell		Cllr Ravi Govindia CBE (Infrastructure/planning) Cllr Kevin Davis (Arts)	
Pensions CIV Sectoral Joint Committee	Sir Mark Boleat	Cllr Yvonne Johnson	Cllr Maurice Heaster	

Equalities:

- Cllr Sarah Hayward (Lab, Camden)

Group whips

- **Labour** Cllr Clyde Loakes (Waltham Forest)
- **Conservative** Cllr Ravi Govindia CBE (Wandsworth)

12. Appointment of Audit Committee and election of its Chair and Deputy Chair

- Cllr Roger Ramsey (Con, Havering) Chair
- Cllr Stephen Alambritis (Lab, Merton) Deputy Chair
- Cllr. Fiona Colley (Lab, Southwark)
- Cllr Simon Wales (Lib Dem, Sutton)
- Cllr Mark Ingleby (Lab, Lewisham)

Substitutes Labour: Cllr Paul McGlone (Lambeth), Cllr Theo Blackwell (Camden)
Conservative: Cllr Damien White (Havering)

13. Appointment of Capital Ambition Board and election of its Chair and Deputy Chair

- Mr Edward Lord OBE JP (Ind City) Chair
- Cllr Stephen Alambritis (Lab, Merton) Deputy chair
- Cllr Fiona Colley (Lab, Southwark)
- Cllr David Simmonds CBE (Con, Hillingdon)
- Cllr Nicholas Paget-Brown (Con, RBK&C)

Substitutes Labour: Cllr Paul McGlone (Lambeth) Cllr Theo Blackwell (Camden)
Conservative: Cllr Kevin Davis (Kingston)

14. YPES Board

- Cllr Peter John OBE (Lab, Southwark)
- Cllr David Simmonds CBE (Con, Hillingdon)

15. Approval of Panel Members for London Councils *Independent Panel for Members Remuneration*

The Chair introduced the item saying every four years the panel was reconstituted to review its previous recommendations and produce a fresh report. The panel members who had produced the report in 2014 were still available and Leaders' Committee agreed to approve the re-constitution of the Panel, the reappointment of Sir Rodney Brooke CBE DL, Mr Steve Bundred and Mrs Anne Watts CBE to the Panel and for Sir Rodney to continue to act as Chair.

16. Constitutional matters

Leaders Committee agreed the variations set out in the reports to:

- A: Minor Variation to London Councils Governing Agreement
- B: Amendments to London Councils Standing Orders
- C: Approval of, and Amendment to London Councils Scheme of Delegation to Officers
- D: Terms of Reference for Committees.

17. London Councils meeting dates 2017/18

Cllr Julian Bell (Labour, TEC, Ealing) asked for the date of a TEC meeting to be corrected, changing 15th March 2018 to 22nd March 2018. With that change made Leaders' Committee agreed the meeting dates for 2017/18 set out in an appendix to the report.

18. Annual Review 2016/17

Leaders' Committee agreed to note the annual review.

19. Any other business

There was no other business.

The meeting ended at 11:45

London Councils

Minutes of the London Councils Leaders' Committee held on 11 July 2017
Cllr Claire Kober OBE 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
LFEPA

Cllr Darren Rodwell
Cllr Richard Cornelius
Cllr Teresa O'Neill OBE
Cllr M. A. Butt
Cllr Stephen Carr
Cllr Georgia Gould
Cllr Tony Newman
Cllr Julian Bell
Cllr Doug Taylor
Cllr Denise Hyland
Mayor Philip Glanville
-
Cllr Claire Kober OBE
Cllr Sachin Shah
Cllr Roger Ramsey
Cllr Ray Puddifoot MBE
Cllr Steve Curran
Cllr Richard Watts
-
Cllr Kevin Davis
Cllr Lib Peck
Mayor Sir Steve Bullock
Cllr Stephen Alambritis
Cllr Ken Clark
Cllr Jas Athwal
Cllr Paul Hodgins
Cllr Peter John OBE
Cllr Ruth Dombey OBE
Mayor John Biggs
Cllr Clare Coghill
Cllr Ravi Govindia CBE
Cllr Nickie Aiken
Ms Catherine McGuinness
-

Apologies:

HAMMERSMITH & FULHAM
KENSINGTON & CHELSEA
NEWHAM

Cllr Stephen Cowan

Mayor Sir Robin Wales

Ex officio (under the provisions of Standing Order 2.2)

CAPITAL AMBITION
GRANTS

Mr Edward Lord JP OBE CC
Cllr Paul McGlone

Officers of London Councils were in attendance.

Before opening the meeting the Chair welcomed the new members of Leaders' Committee:

- Cllr Georgia Gould (Camden)
- Cllr Paul Hodgins (Richmond Upon Thames)
- Cllr Clare Coghill (Waltham Forest)
- Ms Catherine McGuinness (City)

1. Apologies for absence and announcement of deputies

The apologies and deputies listed above were noted.

2. Declarations of interest

No interests were declared.

3. Minutes of Leaders' Committee meeting held on 21 March 2017

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 21 March 2017.

4. London Business Rates Pilot Pool 2018-19

The Director: Finance, Performance & Procurement introduced the report saying it:

- Updated Leaders' Committee on the progress of the proposals to pilot 100% business rates retention via a London pool in 2018-19
- Noted the lack of clarity about the Government's policy intentions in this area following the General Election and set out an approach by which London government could remain in a position to negotiate a 2018-19 pilot pool, should the Government renew its commitment to this approach.

Leaders' Committee agreed:

- To note the uncertainty around the Government's future approach to 100% retention intentions

- That a draft prospectus for a potential pool based on such information as is currently available would be circulated to Leaders and the Mayor of London as a basis for consideration over the summer and
- The need, should the Government agree to continue piloting 100% retention, to be in a position to indicate in-principle support for a pan-London pilot pool by the time of the Leaders' Committee and Congress of Leaders meeting with the Mayor on 10 October 2017.

5. Devolution and Public Service Reform

The Chair introduced the item saying it was a progress report for noting.

Cllr Ruth Dombey OBE (Liberal Democrat, Sutton) referred to the Criminal Justice section of the report and complained of the lack of performance of the London Community Rehabilitation Company from whom, she said, her borough had received no data. She would provide Cllr Peck, as the relevant portfolio-holder with details of this.

Leaders' Committee agreed to note the report.

6. School funding update

Cllr Peter John OBE (Labour, Business, Skills and Brexit including Work and Employment and Schools, Southwark) introduced the item saying that:

- A vigorous campaign had been mounted by the London school community against the National Funding Formula (NFF)
- A response had been submitted to the Schools and High Needs National Funding Formula (NFF) consultation to make the case to protect funding for London's schools
- London Councils' *Talking Heads* research had been published which set out how head teachers across London had been coping with funding cuts
- The Government had committed to ensuring that no school would lose funding as a result of the introduction of the NFF and to increasing the annual school budget. The Conservative manifesto had set out a funding commitment of £4bn per year, on top

of existing spending plans. However, this amount had not been confirmed since the election

- The issue was whether the commitment meant schools would not lose out in real terms. In order to make such an assessment, London Councils had undertaken analysis, taking into account:
 - rising pupil numbers
 - the cost of protecting schools from cuts arising from the NFF
 - the impact of reductions in the Education Services Grant
 - the range of additional pressures such as increases in pensions and national insurance contributions
- The analysis showed that to protect all schools from funding cuts in real terms up until 2021/22 the government would need to invest around £5.6bn. If the government honoured its manifesto commitment of £4bn, this would mean that schools would face a shortfall of around £1.6bn. The equivalent funding gap in London would be £300 million over the same period
- In addition, the case would be made to government for greater funding for SEND pupils. London had seen exponential growth in the number of children with SEND

Cllr Ravi Govindia CBE (Conservative, Wandsworth) agreed with the SEND point and spoke of the desirability of the analysis being congruent with that of other analysts, such as the Institute of Fiscal Studies.

Cllr John concluded by saying that the case for levelling up, not down, would continue to be made and Leaders' Committee agreed the lobbying strategy set out in the report and to note the report.

7. Local Policing Model

Cllr Lib Peck (Labour, Crime and Public Protection, Lambeth) introduced the item saying:

- The final shape of the Metropolitan Police Service (MPS)'s proposals was still to be determined

- The MPS faced a base savings target of £400 million for the period to 2020. This followed £600m of cumulative savings since 2010. She was optimistic that the new Commissioner and the Deputy Mayor for Police and Crime were both open to considering constructive suggestions, whilst recognising the fiscal constraints they faced
- The MPS had begun to make provisional appointments to potential BCU Commander Positions, based on the current proposed geography of borough clusters
- The MPS's position was that these *'appointments are a provisional position, which won't be implemented before final decisions are made on the roll out'*
- Deputy Mayor for Policing and Crime, Sophie Linden and senior MPS officers would attend Leaders' Committee in October.

Leaders' Committee agreed to note the report.

8. Minutes and summaries

In connection with the Grants Committee minutes of 8 February 2017 Cllr Stephen Carr (Conservative, Bromley) pointed out that he intended to raise the question of the London Youth Games at the Grants Committee later in the week.

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

- Grants Committee – 8 February 2017
- YPES – 23rd February 2017
- Audit – 23 March 2017
- TEC – 23 March 2017
- Pensions – 12 April 2017
- TEC – 15 June 2017
- Executive – 20 June 2017

The meeting ended at 12:15.

Leaders' Committee

Changes to Local Policing in London

Item No 5

Report by: Doug Flight **Job title:** Head of Strategic Policy

Date: 10 October 2017

Contact Officer: Doug Flight

Telephone: 020 7934 9805 **Email:** doug.flight@londoncouncils.gov.uk

Summary: The Deputy Mayor for Policing and Crime, Sophie Linden, will be attending Leaders' Committee.

She will be accompanied by the MPS Assistant Commissioner for Territorial Policing, Martin Hewitt.

They will brief Leaders' Committee on the progress of plans for reforming local policing in London.

This report provides background information on the changes as well as an update on crime reduction funding and Criminal Justice devolution .

Recommendations: Leaders' Committee is asked to:

1. Consider the issues set out in the report, as a basis for discussion with the Deputy Mayor and the Assistant Commissioner for Territorial Policing.
2. Note the proposed arrangements for signing off the Memorandum of Understanding on Criminal Justice Devolution.

Changes to Local Policing in London

- 1 The Deputy Mayor for Policing and Crime, Sophie Linden, and the Assistant Commissioner for Territorial Policing, Martin Hewitt will attend Leaders Committee to provide an update on plans for reforming local policing in London. This follows their briefing at Leaders' Committee in December 2016.

Background

- 2 A number of changes to the organisation of local policing across London are being considered in the context of the Mayor's statutory Police and Crime Plan and the Metropolitan Police Service (MPS) transformation proposals, which are known as the 'One Met Model 2020'. The proposals include measures to align resources to meet savings targets and to target resources on priority areas. Since 2010, the MPS has had to find £600m of savings and must save a further £400m by 2020. There are also a number of areas of increasing demand, including tackling knife crime and counter terrorism.
- 3 The 'One Met Model 2020' builds on the strategic priorities set out in the Police and Crime Plan and includes a series of changes to local policing based around the following core service areas:
 - a. Neighbourhoods
 - Including a planned minimum of 2 Dedicated Ward Officers (DWOs) and one PCSO per ward that will be 'ring fenced' from abstraction.
 - b. Protecting Vulnerable People
 - Bringing together both local and previously centrally managed services that have been dealing with child abuse, rape and domestic violence in one place.
 - This should provide a foundation for developing a more joined up, victim-focused service.
 - c. Response Teams
 - It is proposed that teams are brought together to cover a larger footprint, yielding potential efficiencies and reducing 'handovers' of investigations.
 - d. Local Investigations

- It is proposed that teams of investigators will respond directly to the more serious and complex crimes, offering immediate victim – investigator contact.
- 4 The model is based on delivering local policing through a revised structure of Basic Command Units (BCUs) , each comprising more than one borough. The MPS presented a map showing an initial model of 12 BCUs at the conclusion of their presentation to Leaders' in December 2016 (attached as Appendix A).
- 5 The Deputy Mayor and Senior MPS officers undertook a programme of bilateral meetings with boroughs in the spring, prior to the launch of the Police and Crime Plan. A number of concerns were raised, through this engagement, about the proposed geography for Basic Command Units.

Testing the Local Policing Model

- 6 The MPS is testing the 'One Met Model 2020' in two pathfinder areas:
 - a. Camden and Islington
 - b. Barking and Dagenham, Havering and Redbridge.

The trials involve the testing for key aspects of the model, including emergency response, investigation and vulnerability that operate across borough boundaries.

- 7 The pathfinders were initiated in January 2017, with the appointment of BCU Commanders and the allocation of neighbourhood policing resources. The move to single emergency response arrangements took place at the beginning of March and the decentralisation of central resources to form the new safeguarding hubs followed shortly afterwards.
- 8 Project Boards have been established in each of the pathfinder areas and they include representatives of the councils covered by the initiative. A formal evaluation has not yet been concluded, however early concerns have been reported, particularly about the impact on emergency response times.
- 9 We have been advised that a number of changes to the response arrangements were implemented in early September with the aim of improving response times. A number of other improvements are understood to be under consideration, including a

strengthening of the management tier to build in stronger links with individual boroughs within the BCU footprint.

- 10 The timetable for concluding the evaluation of the pilots is likely to be contingent on learning the lessons from the pilots, including ensuring adequate emergency response arrangements are in place. The Deputy Mayor will be able to provide an update on the evaluation and the likely timeframe for making decisions about a wider roll-out.

Engagement

- 11 The London Councils' representatives on the London Crime Reduction Board (The Chair, Cllr Kober; London Councils' Lead Member for Crime and Public Protection, Cllr Peck, and the Conservative Group Lead, Cllr Cornelius) have led engagement with the Mayor and Deputy Mayor, and senior MPS officers on the reform of local policing. In addition, regular dialogue has continued between the CELC Policing Group and senior MPS officers.
- 12 The dialogue with the MPS led to "Headline Principles" being developed in 2016 to capture a shared understanding around:
 - a. Consultation with and engagement with boroughs during the change process.
 - b. Maintaining a visible and effective senior-level interface with each borough.
 - c. Building an improved interface at borough level to allow collaboration in relation to safeguarding and vulnerability.
 - d. Visible neighbourhood policing.
 - e. Contribution to leadership of place and responsiveness to local circumstances;
 - f. Continuity in post of Commanders (at Basic Command Unit level) and influence over their appointment.
- 13 These principles are likely to continue to speak to the concerns of boroughs in relation to the evaluation of the pilots. In particular, boroughs are likely to place considerable importance on the important stakeholder relationship responsibilities of senior police officers at Basic Command Unit level. It will be important to ensure that any new arrangements reflect the importance placed on them as partners contributing to the leadership of place and that arrangements are responsive to local concerns.

- 14 The Mayor has undertaken a public consultation on accessing MPS services, including community engagement, which closed on 6 October 2017. MPS data suggests front counters are infrequently used by the public to access services or report crime, which has led to proposals for a further rationalisation of police front counters. A number of concerns have been raised; particularly in areas where significant changes have been proposed.

Crime Prevention Funding

- 15 A London Councils Member-level Task and Finish Group was established in February 2017, to provide political engagement with MOPAC and the Deputy Mayor regarding the London Crime Prevention Fund. The Chair of the Group is Cllr Peck, the Deputy Chair is Cllr Cornelius and the remaining membership is drawn widely from across London:

Cllr Jonathan Cook	Wandsworth
Cllr Antonia Cox	Westminster
Cllr Osman Dervish	Havering.
Cllr Ruth Dombey	Sutton
Cllr Krystle Fonyonga	Enfield
Cllr Forhad Hussain	Newham
Cllr Kate Lymer	Bromley
Cllr Tom Miller	Brent
Cllr Sue Sampson	Hounslow
Cllr Caroline Selman,	Hackney

- 16 The Member-level Group made a number of suggestions to the Deputy Mayor for improvements to MOPAC's early proposals for the 30% top-slice of the Fund, including broadening the scope of the eligible thematic areas and simplifying the process for 'co-commissioning'.
- 17 A small Co-commissioning Working Group was subsequently established, co-chaired by Michael Lockwood, the CELC lead on policing and a senior MOPAC officer. This group helped shape the detailed co-commissioning prospectus which set out priorities and process for the first tranche of funding. The priority areas for the first tranche were:
- Youth Offending
 - Child Sexual Exploitation;
 - Sexual Violence
 - Female Offending.
- 18 The Co-commissioning Working Group has worked collaboratively with MOPAC to develop the process. London Councils and London Heads of Community Safety have

held several local authorities-only officer meetings to help share and shape ideas for collaborative bids in advance of the August 2017 deadline for Expressions of Interest.

19 The Member-level Task and Finish Group has met periodically throughout the process, most recently in early September, to continue to provide political engagement. The Group heard that assessment panels had put nine bids forward to the development phase:

- a. Child Sexual Exploitation - 4 bids
- b. Female Offending - 2 bids
- c. Youth Justice - 1 bid
- d. Sexual Violence - 2 bids

The Group was also advised that:

- Four of the nine bids were pan-London.
- The nine bids that were through to the development phase total £21m, compared to the available budget for phase 1 of £10m.
- It was anticipated by MOPAC that the development phase will provide opportunities to iron out any duplication across bids; ensure that the relevant boroughs are signed up at the appropriate level; draw in match funding and achieve a package that is within the available budget. It cannot be assumed that all nine bids will complete the development phase and secure funding.

20 Full details of the successful bids were expected to be published on by 29 September, after this report was drafted.

Criminal Justice Devolution

21 The overarching Memorandum of Understanding (MoU) on further devolution to London, which was agreed between Government, the Mayor and London Councils in March 2017, included a commitment to agreeing a specific Criminal Justice MoU to support collaborative working and hence to :

- Develop a shared view of the benefits and better outcomes in London that could be delivered by the devolution of criminal justice services; and
- Identify the criminal justice services that can best be delivered locally to complement, enhance and support national reform programmes, in line with national frameworks and standards.

22. The Secretary of State for Justice reaffirmed the Government's commitment to progress the London Criminal Justice MoU in his response to a joint letter from the Chair of London Councils and Mayor of London following the General Election.
23. A series of meetings with officials is currently underway to explore the scope of the Criminal Justice MoU, with the aim of reaching a position where a formal agreement could be concluded by January 2018.
24. It is expected that the MoU will set out a programme of work for how national, regional and local government will work together to improve services and create better outcomes for victims and offenders. This will include identifying areas and testing where devolution could support this aim, particularly in relation to victims and witness commissioning, offender management (with particular focus on the London Community Rehabilitation Company contract), youth and female offending, electronic monitoring, as well as taking positive steps to reduce reoffending in London. Potential areas for action could include:-
- Formal input into the new management arrangements of the London CRC for the next generation of the contract - to improve accountability and responsiveness and create closer alignment of services and better working links with local authorities to improve local performance.
 - Developing a more effective 'through the gate' model in London and increase local flexibility in prevention and rehabilitation services, whilst better supporting those offenders returning to communities and ensuring that there is investment and activity in place that aligns with mainstream services for reducing reoffending.
 - Developing and maintaining effective interventions to reduce reoffending in London, including exploring closer integration of electronic monitoring with probation services to offer stronger alternatives to custody.
 - Developing a long-term funding model to establish new women's centres for female offenders and more effective alternatives to custody.
 - Provision of a number of specialised victims and witness services at a regional level in London – offering significant opportunities to maximise resources and target demand-based investment
 - Developing a consistent, whole system approach to youth justice.

25. The MoU has the potential to deliver a range of benefits, both in terms of improved Criminal Justice Service at a London level, as well as direct benefits for boroughs in their wider work to reduce crime and improve public safety. The potential benefits include:

- Increased accountability in relation to the management of the London community rehabilitation contracts will provide a foundation to improve working links with local authorities and help improve local performance. This will help tackle concerns raised by London boroughs about the effectiveness of partnership working with the London Community Rehabilitation Company.
- Potential to establish regional position on Integrated Offender Management, which would present an opportunity for boroughs to link to Through the Gate provision and integrate with local housing, and employment services.
- The MoU has the potential to support improvements to the youth offending response across London. There is scope for improved working across boundaries, whilst maintaining the fundamental design of the current arrangements for distributing youth justice funding direct to local authorities, which allow investments to be used effectively to support an integrated local response. Potential opportunities include:
 - Seeking increased investment in areas where youth offending levels are highest by simplifying and better aligning commissioning and the distribution of funding – ensuring London is in a stronger position to safeguard current levels and ultimately drive up investment.
 - Collaboration between groupings of boroughs to provide more consistent custody, resettlement and support services to young offenders across London and avoid duplication of services.
 - An increased focus on the critical transition from the youth justice service to the adult system.
 - These opportunities, combined with local YOTs' expertise and ability to integrate with other local interventions and services, should reduce youth reoffending across local communities.
- The development of more effective and targeted alternatives to custody for London's female adult offenders. Diverting appropriate female offenders away from the formal criminal justice process and into specialist support services has the potential to reduce reoffending and improve rehabilitation in a way that benefits local communities.

- A more joined-up, integrated approach to the support for victims and witnesses in London could help reduce the number of court cases that fail due to victims and witnesses declining to cooperate with authorities or withdrawing - frequent issues within London.
- An improved Restorative Justice System which would provide a more joined up approach for victims who are also witnesses, tailored to the specific needs of Londoners.
- Developing more effective electronic monitoring across London, would provide the opportunity for better community sentencing.

26. Discussions with officials are expected to continue throughout the autumn. Regular reports have been provided throughout the development of this work to the London Crime Reduction Board (who have considered and agreed the proposed timeline for the MoU), which will play a key role in providing oversight of a more devolved and integrated CJS in London as a result of the MoU. The Board, which is chaired by the Mayor of London, includes three leading London Councils members: Cllr Kober, Cllr Peck (Executive Member for Crime and Public Protection) and Cllr Cornelius (Conservative Group Lead Member for Crime and Public Protection). Given the nature and scope of the detailed MoU which is expected to evolve over coming months it is suggested that Leaders' delegate authority to approve the final terms of the MoU to the three London Councils' Member-level representatives on the LCRB. Reports on progress will be provided to Leaders' Committee.

Conclusion

27. Leaders' Committee is asked to:

1. Consider the issues set out in the report, as a basis for discussion with the Deputy Mayor and the Assistant Commissioner for Territorial Policing.
2. Note the proposed arrangements for signing off the Memorandum of Understanding on Criminal Justice Devolution

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.

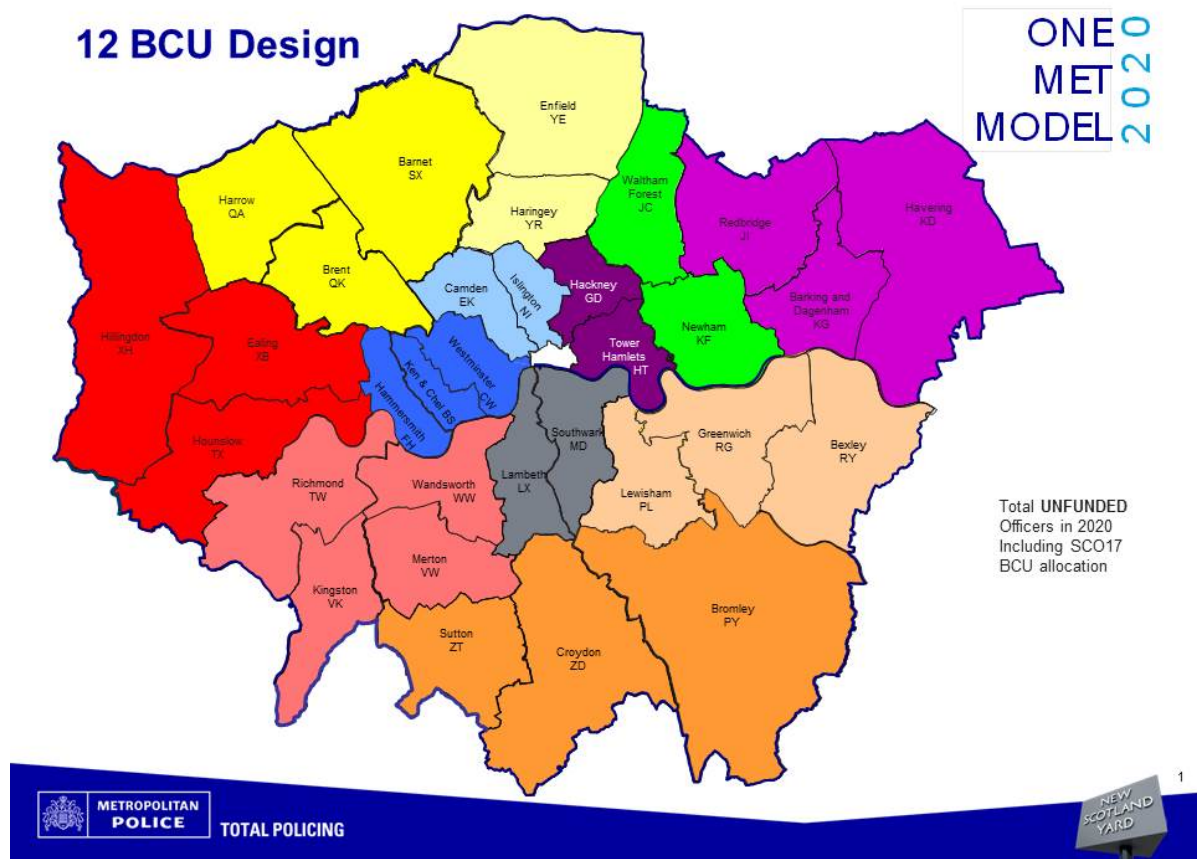
There are no direct equalities implications for London Councils as a result of this paper.

Attachments:

Appendix A: Proposed BCU Geography at December 2016.

Appendix A

MPS Proposals at December 2016.



Leaders' Committee

London Business Rates pilot pool 2018-19

Item 6

Report by: Guy Ware **Job title:** Director: Finance, Performance & Procurement

Date: 10 October 2017

Contact Officer: Guy Ware

Telephone: 0207 934 9675 **Email:** guy.ware@londoncouncils.gov.uk

Summary

This report updates Leaders' Committee on progress towards a London Business Rates Pilot Pool since July, when the Committee last considered this issue.

It sets out the latest information on the government's position, and emerging proposals for a pilot pool, including the distribution of any financial benefits that arise. It seeks both the Committee's in-principle support for proceeding with an application to become a pilot pool and a steer on key elements of the pool's operation and governance. Finally, it informs Leaders of the nature and timetable for decisions that each local authority would be required to take to give effect to the proposals.

Recommendations

Leaders' Committee is asked consider the report and, noting that any arrangements will be subject to the individual approval of all the London local authorities, to:

- (1) Support in principle an application to government for a London-wide business rate pilot pool for 2018/19, based on the features set out in paragraph 8 of Appendix B (and subject to the receipt of satisfactory assurances regarding "new burdens" and the "fair funding review" as identified in paragraph 10 of Appendix B).

Should recommendation (1) be agreed, Leaders' Committee is further asked to:

- (2) agree to delegate to the Chief Executive in consultation with Elected Officers of Leaders' Committee¹ in accordance with

¹ That is, the Chair, Deputy Chair and three Vice Chairs.

urgency procedures, the negotiation of the detail of final proposals to be then put to individual authorities and the Mayor of London for agreement (see paragraph 9);

- (3) express a preference between the four options for distributing the financial benefits of a pool outlined in Appendix B, Section D; and/or to provide a steer on the relative weighting between the elements of a final distribution option to be devised;
 - (4) indicate whether it is content in principle – and subject to further legal advice – to develop proposals by which the authorities would delegate to a new joint committee of Leaders and the Mayor the exercise of functions in respect of deciding the allocation of strategic investment resources to specific projects in accordance with the principles and voting arrangements to be contained within the agreed framework for operating the pool (see paragraph 15)
-

London Business Rates pilot pool 2018-19

Introduction

1. Following Leaders' Committee in July, a draft prospectus was circulated to Leaders, asking all London Boroughs, the City of London Corporation and the Mayor of London to consider over the summer the issues involved in establishing a business rates pilot pool, in preparation for this meeting and the Congress of Leaders and the Mayor on 10 October.
2. At that time, following the General Election, the government's position on the future of business rate retention, and on the agreement of additional pilots, was unclear. In the first week of September, the government clarified its position, and the momentum behind business rate retention pilots is growing rapidly.
3. The government has now formally confirmed its renewed desire to see a business rate pilot pool established in London in April 2018, as indicated in the previous Memorandum of Understanding between the government and London signed in March 2017. It further issued a general invitation to authorities outside London to apply to become pilot pools next year, with a deadline for applications of 27 October. The Secretary of State for Communities and Local Government has subsequently written to the Chair and Vice-Chair of London Councils confirming his desire to conclude an agreement on a voluntary pilot pool for London (attached as Appendix A).
4. The London Councils' Executive met on 12 September and discussed the latest position and feedback from informal discussions amongst Leaders and the London authorities over the summer. Following that, an updated draft prospectus was circulated to all London local authorities on 18 September, and is attached to this report as Appendix B. It sets out how it is envisaged that the London business rates pilot pool would work in practice, should the 32 boroughs, the City of London Corporation and the Mayor of London agree to form a pool in 2018-19, subject to further legal advice. It seeks to address issues raised to date and provides minor updates to the estimated benefits of pooling, arising from increased growth projections in 2018-19 received from a number of boroughs over the summer.

5. Leaders should note that, in the event that the London pilot pool does not proceed, the terms of the government's invitation to pilot 100 per cent retention² allow for authorities to express a preference for a "fall back" position – that is, a pool arrangement they would like to operate under the existing 50% retention scheme. Any authorities wishing to propose such arrangements will, with the agreement of all the members of their proposed pool, need to notify DCLG by 27 October

Considerations for Leaders' Committee

Support in principle

6. As set out in the draft prospectus, bringing a pilot pool into effect would require two separate, but inter-related strands of decision-making:
 - 1) between the London local authorities, the Mayor, and the government by which the government designates the pool; and
 - 2) between the London local authorities and the Mayor of London by which London Government collectively decides how to operate the pool and distribute any financial benefits.
7. Neither Leaders' Committee nor the Congress of Leaders and the Mayor has the legal authority to take decisions or make binding commitments on behalf of individual authorities in this matter. Establishing a business rates pool in London will require each authority participating in the pool to agree to do so individually, and also to agree the terms upon which they will participate jointly with other members.
8. Leaders' Committee is therefore asked to consider the information and issues set out in Appendix B. The Committee is recommended to indicate in principle support for a London-wide business rate pilot pool for 2018-19, based on the features set out in paragraph 8 of Appendix B (subject to the receipt of satisfactory assurances regarding "new burdens" and the "fair funding review" as identified in paragraph 10 of Appendix B.)
9. Leaders' Committee is further recommended, in line with urgency arrangements, to agree to delegate to the Chief Executive in consultation with Elected Officers of

² <https://www.gov.uk/government/publications/100-business-rates-retention-pilots-2018-to-2019-prospectus>

Leaders' Committee³ the negotiation of the detail of final proposals to be then put to individual authorities and the Mayor of London for agreement, recognising that each local authority will need to take its own decisions regarding both the designation order establishing the pool and the framework for its operation.

Distributing the benefits of a pilot pool

10. If Leaders are minded to support the application to the government to designate a pool, it will become necessary to finalise the arrangements by which the pool would operate, including the basis on which any financial benefits would be distributed. Any arrangements must be rational and ensure that there is a fair distribution of benefits amongst the authorities. Section D, paragraph 22-32 sets out four objectives that could inform the distribution of such gains:

- **incentivising growth** (by allowing those boroughs where growth occurs to keep some proportion of the additional resources retained as a result of the pool)
- **recognising the contribution of all boroughs** (through a per capita allocation)
- **recognising need** (through the needs assessment formula); and
- **facilitating collective investment** (through an investment pot designed to promote economic growth and lever additional investment funding from other sources)

It further describes and models four options reflecting different weightings applied to each of these objectives.

11. In the light of this information, and of the government's expressed desire to see a "significant share" of the net benefits invested in "strategic growth and priority projects"⁴, Leaders' Committee is invited to express a preference between the four options outlined in Appendix B, and/or to provide a steer on the relative weighting between the elements of a final distribution option to be devised.

³ i.e. the Chair, Deputy Chair and three Vice Chairs

⁴ Sajid Javid, Secretary of State for Communities and Local Government, letters to Cllr Claire Kober and Cllr Teresa O'Neill, 8 September 2017 – attached as Appendix A.

12. The final approach to distributing benefits – whether from the existing four options, or a newly-developed proposal – would then form part of the framework for operating the pool to be determined by the decision of each local authority as set out above.

Governance

13. Participation in a pilot pool is voluntary. The framework for operating the pool, including the basis of distributing the financial benefits and the appointment of a lead authority, will be determined in advance, and subject to agreement via the individual decisions of each local authority.
14. However, assuming that framework includes earmarking a proportion of the resources for a “strategic investment pot” controlled collectively by all members of the pool, further decisions would be required periodically to allocate those earmarked resources to specific projects. It is important to note that not only does the framework itself need to be rational and fair in the way it is established; but further any decisions that are taken under that framework will also need to be rational, reasonable and fair. The updated prospectus sets out the principles upon which such decisions might be taken, along with a potential mechanism and voting arrangements for taking such decisions through a new joint committee of Leaders and the Mayor (see Appendix B, paragraph 36ff).
15. In the light of this information, Leaders’ Committee is asked to indicate whether it is content in principle – and subject to further legal advice and the approval of each of the authorities – to develop proposals by which the authorities would delegate to a new joint committee of Leaders and the Mayor the responsibility for deciding the allocation of strategic investment resources to specific projects in accordance with the principles and voting arrangements to be contained within the agreed framework for operating the pool.

Lead authority

16. All business rate pools statutorily require a lead authority for the purposes of accounting for the cash flows between pool authorities and the government. That appointment would form part of the operating framework, and therefore subject to the approval of all the participating authorities. The responsibilities of the lead authority are described in Appendix B para 47.

Timetable

17. Should Leaders' Committee and the Mayor indicate a willingness in principle to proceed, a 2018-19 pilot would require in principle agreement to be achieved between the authorities and the government before the Autumn Budget (now confirmed to be on 22 November 2017) for inclusion in the Provisional Local Government Finance Settlement in mid-December. Following the Provisional Settlement, any authority that did not want to proceed on the agreed terms would have 28 days to inform the government. If this happened, the pilot pool would no longer be viable.
18. As outlined in Appendix B, section G, the two strands of work – to underpin the government's pool designation and the agreement between the authorities on the framework for operating the pool, will be progressed in parallel.
19. All 34 authorities' decisions would need to be taken by mid-January 2018 at the latest. Whilst it is a matter for each local authority as to how they take their decisions, and the form their decisions should take, it is noted that some authorities may not wish to wait until the terms of the pool designation are agreed in principle with the government in November. Rather, authorities may wish to consider taking some decisions at an earlier stage following 10 October, e.g. to agree to participate in the pool subject to the exact terms being negotiated and agreed (perhaps under delegated authority).
20. In order to facilitate this process London Councils is procuring legal advice on behalf of all the London local authorities (working in collaboration with the GLA) which will inform detailed guidance and assist in framing the required decisions for member authorities to adopt and/or adapt to reflect their individual constitutional arrangements to give effect to the proposals.
21. Whilst the timetable is challenging, and introduces a degree of uncertainty for both authorities and the government during the budget-setting process, London would not be unique in this regard. Any pilot pools agreed in response to the government's recent invitation for applications will not be identified before the end of October, and formal decision-making and agreement to those pilots will be subject to similar legal and constitutional constraints.

22. The timetable highlights the need for a clear expression of support for the proposals at the meetings of Leaders and the Mayor in Congress on 10 October 2017, if the pilot pool is to succeed. Whilst the views of Leaders in those meetings cannot formally commit or fetter the discretion of their authorities in taking their subsequent decisions, we would expect that the views expressed would reflect the views of the authorities concerned. Neither London nor the government would be in the position to proceed without the confidence that such an expression of intent would offer.
23. In the event that Leaders or the Mayor do not support the London pilot pool, any authorities wishing to propose alternative pool arrangements within the existing 50% retention scheme will, with the agreement of all the members of their proposed pool, need to notify DCLG by 27 October.

Recommendations

24. Leaders' Committee is asked consider the report and, noting that any arrangements will be subject to the individual approval of all the London local authorities, to:
- 1) Support in principle an application to government for a London-wide business rate pilot pool for 2018/19, based on the features set out in paragraph 8 of Appendix B (and subject to the receipt of satisfactory assurances regarding "new burdens" and the "fair funding review" as identified in paragraph 10 of Appendix B).
25. Should recommendation (1) be agreed, Leaders' Committee is further asked to:
- 2) agree to delegate to the Chief Executive in consultation with Elected Officers of Leaders' Committee⁵ in accordance with urgency procedures, the negotiation of the detail of final proposals to be then put to individual authorities and the Mayor of London for agreement (see paragraph 9);
 - 3) express a preference between the four options for distributing the financial benefits of a pool outlined in Appendix B, Section D; and/or to provide a steer on the relative weighting between the elements of a final distribution option to be devised;

⁵ That is, the Chair, Deputy Chair and three Vice Chairs.

- 4) indicate whether it is content in principle – and subject to further legal advice – to develop proposals by which the authorities would delegate to a new joint committee of Leaders and the Mayor the exercise of functions in respect of deciding the allocation of strategic investment resources to specific projects in accordance with the principles and voting arrangements to be contained within the agreed framework for operating the pool (see paragraph 15)

Financial Implications for London Councils

The Director of Corporate Resources advises that the anticipated cost of external legal advice to establish a business rates pilot pool and its operating framework can be contained within existing approved resources.

Legal Implications for London Councils

Leaders' Committee may only discharge those functions which have been delegated by the participating authorities to the joint committee. These functions and the framework for their joint exercise are set out in the London Councils Governing Agreement, dated 13 December 2001 (as amended).

The role of London Councils in progressing this proposal, as set out in this report, is consistent with Leaders' Committee's existing functions *inter alia* – to consult on the common interests of the London local authorities and to discuss matters relating to local government; to represent the interests of the London local authorities to national government and to Parliament and to negotiate as appropriate on behalf of those authorities; to formulate policies for the development of democratic and effectively managed local government; and to do anything which is calculated to facilitate, or is conducive or incidental to, any of the joint committee's functions.

Equalities Implications for London Councils

None

APPENDIX A

Letter from Sajid Javid, Secretary of State for Communities and Local Government



Department for
Communities and
Local Government

The Rt Hon Sajid Javid MP
*Secretary of State for Communities and Local
Government*

*Department for Communities and Local
Government*
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Cllr Claire Kober
London Councils
59½ Southwark Street
London
SE1 0AL

Tel: 0303 444 3450
Fax: 0303 444 3289
E-Mail: sajid.javid@communities.gsi.gov.uk
www.gov.uk/dclg

8 September 2017

Dear Claire,

I am writing to you with regards to the discussions over a 100% business rates pilot for London in 2018/19.

I am committed to delivering the agreement on business rates retention that was struck earlier this year and continue to support “the voluntary pooling of business rates within London, subject to appropriate governance structures being agreed” as set out within the Memorandum of Understanding on 8 March 2017.

As you may be aware, the Government has recently published a prospectus inviting all other local authorities in England to apply to pilot 100% business rates retention in 2018/19. The pilot programme will allow us to evaluate different elements of the 100% business rates retention system and inform the design of a national system of business rates retention, which I will continue to work towards with the Local Government Association and other sector representatives.

The invitation, however, excludes authorities in London. I want to be clear that this is due to the current, separate, negotiations taking place around a pan-London 100% business rates retention pilot. I am looking forward to agreeing a pan-London pilot, with similar arrangements to the existing pilots in other English cities. I hope to see progress on the detail of the pilot and an agreement from all the boroughs and the Mayor shortly. In particular, I would be keen to see detail of robust governance arrangements and a commitment to invest a

significant share of pooled funds in London-wide strategic growth and priority projects. My officials stand ready to help in any way needed.

A handwritten signature in blue ink, appearing to read 'S. Javid', enclosed within a rectangular box.

THE RT HON SAJID JAVID MP

APPENDIX B

London Business Rates Pilot Pool 2018-19 UPDATED Draft Prospectus – September 2017

A. Introduction and context

1. An earlier version of this draft prospectus was circulated to Leaders in July, asking all boroughs, the City of London and the Mayor to consider the issues involved in establishing a pilot pool over the summer and, in particular, in the run up to the Leaders' Committee and Congress of Leaders and the Mayor on October 10th.
2. At that time, following the General Election, the government's position on the future of business rate retention, and on the agreement of additional pilots, was unclear. In the first week of September, the government clarified its position, and the momentum behind business rate retention pilots is growing rapidly.
3. The government has now formally confirmed its renewed desire to see a business rate pilot pool established in London in April 2018, as indicated in the previous Memorandum of Understanding between the government and London signed in March 2017. It further issued a general invitation to other authorities to apply to become pilot pools next year, with a deadline for applications of 27th October. The Secretary of State for Communities and Local Government has subsequently written to the Chair and Vice-Chair of London Councils confirming his desire to conclude an agreement on a voluntary pilot pool for London.
4. The London Councils Executive met on 12th September and discussed the current position and feedback from Leaders' discussions over the summer.
5. This updated draft prospectus sets out how it is envisaged that the London Business Rates pilot pool would work in practice, were the 32 boroughs, the City of London Corporation and the Mayor of London to agree to form a pool in 2018-19, subject to further legal advice. It seeks to address issues raised to date by Leaders and provides minor updates to the estimated benefits of pooling, arising from increased growth projections in 2018-19 received from a number of boroughs over the summer.

B. The anticipated "terms of trade"

6. Establishing a pilot pool will require two separate agreements based on aligned and integrated strands of work:
 - 1) between London and the Government by which the government designates the pool; and
 - 2) between the boroughs, City of London and the Mayor of London by which London Government collectively decides how to operate the pool and distribute the financial benefits

In respect of both strands, each authority will need to take the relevant decisions through its own constitutional decision-making arrangements. The Government will require “in principle” agreement by the time of the Provisional Local Government Finance Settlement in December; in practice this will likely still be subject to final approval pending all participating authorities taking the required decisions: see Section G below.

7. Before the Election, the previous Government established pilots in 6 areas of the country in April 2017, including London where the GLA's level of retained business rates increased from 20% to 37%, replacing TfL transport grant and Revenue Support Grant. An expanded London pilot in 2018-19 would seek at least to replicate the common features of the deals in the other 5 pilot areas: Greater Manchester; Liverpool City Region; West Midlands, West of England and Cornwall.
8. The key features offered and expected by the government would be:
 - a. The pilot pool would be voluntary, but, in order to come into being, would need to include all London authorities
 - b. London would collectively retain a greater proportion of the business rates collected in the capital, swapping these resources for Revenue Support Grant, Public Health Grant and the Improved Better Care Fund. (London would not in practice keep the full 100% of rates collected, as it would still pay an aggregate tariff to government to support local services in other parts of the country.)
 - c. London would, however, retain 100% of any growth in business rate income above baselines, and would pay no levy on that growth. (We currently estimate the net benefit to London would be in the region of £240 million in 2018/19; government are aware of this estimates, and have factored it into their considerations.)
 - d. In the event that London's business rates income fell, the collective pool would have a higher “safety net” threshold – 97% rather than 92.5% - than individual authorities in the existing system. This broadly reflects the greater reliance local authorities will have on business rates within the pilot. (For context, London's authorities are currently collectively estimating overall growth in rates income of 6%.)
 - e. Furthermore, a “no detriment” guarantee will ensure that the pool, as a whole, cannot be worse off than the participating authorities would have been collectively if they had not entered the pilot pool. In the unlikely event of this arising, the government would intervene to provide additional resources. As a result, London would be able to guarantee that no authority could lose out as a result of participating: where authorities anticipate growth, they will continue to retain at least as much of that income as they would under the current system, plus a potential share of the aggregate benefits of pooling (see Section C, paragraph 14 below).
9. In addition, the Secretary of State's letter concludes by stating that he “would be keen to see detail of robust governance arrangements and a commitment to invest a

significant share of pooled funds in London-wide strategic growth and priority projects.”

10. Feedback from Leaders and discussion at Executive has indicated a desire for assurance from the Government on three key aspects of a potential agreement:

- a. There should be **no new burdens** imposed on London authorities as part of this business rates pilot agreement. The Memorandum of Understanding on Devolution agreed in March included business rates within a broader package of service devolution ambitions. Leaders and the Mayor would not want to see the potential benefits of the pilot being regarded as funding streams for newly devolved responsibilities. London Councils officers have sought and received such assurance from civil servants, but we will want to see this more formally recognised.
- b. Interaction with the “**Fair Funding**” review. As set out in the July Leaders’ Committee report, the government remains committed to undertaking a review of the formulae used to assess councils’ relative spending needs. The officer-level working group continues to meet; London Councils and GLA officers are taking an active role in its work. Within a future 100% rate retention system, the impact of that review would be to redefine the funding baselines against which authorities’ top-ups or tariffs are calculated. Participation on a pilot pool will not affect the outcome, or London’s ability to contribute to the review in any way, and Leaders are keen that Government formally acknowledges this.

11. Leaders have also raised questions about the issues referred to in the Secretary of State’s letter:

- a. The basis, purpose and potential scale of a “**Strategic investment pot**” are set out in Section D below.
- b. **Governance arrangements** – including decision-making on the use of the investment pot – are addressed in Section E.

12. Both issues will be matters for the agreement between London authorities on the operation of the pool. However, it is clear that the government will want to see evidence of progress before it will agree to designate a London pool.

C. Founding principles for a London business rates pilot pool

13. It is proposed that there are two founding principles that would require agreement at the outset by all pooling members.

1) Nobody loses

14. The first founding principle of the agreement would be that **no authority participating in the pool can be worse off than they would otherwise be under the 50% scheme**. This would include a guarantee that, where authorities are

anticipating growth, they will continue to receive at least the same increase in income as they would have received under the present system, plus a further share of the net benefits of the pool as a whole.

15. DCLG civil servants have confirmed that a London pilot pool would be underpinned by the same safety net arrangements and “no detriment” guarantee currently offered to existing pilots in 2017-18. This ensures that the pool, as a whole, cannot be worse off than the participating authorities would have been collectively if they had not entered the pool. (It is worth noting that other authorities applying to become pools in response to the current invitation will not receive this guarantee.)
16. Existing Enterprise Zones and “designated areas”, along with other special arrangements, such as the statutory provision to reflect the unique circumstances of the City of London Corporation, would be taken into account in calculating the level of resources below which the guarantee would operate. For boroughs in an existing pool⁶, DCLG have also indicated that the basis of comparison would include the income due from that pool.
17. The impact of the guarantee would be to ensure that the minimum level of resources available for London, as a whole, could not be lower than it would otherwise be. In order to then ensure that no *individual authority* loses out as a result of participating, the first call on any additional resources generated by levy savings and additional retained rates income, would be used to ensure each borough and the GLA receives at least the same amount as it would have without entering the pool.
18. The level of Revenue Support Grant (RSG) for each borough has been set by the 4-year settlement (to 2019-20). For each borough this would be replaced by retaining additional rates (just as the GLA has done this year). In addition Public Health Grant (PHG) and the Improved Better Care Fund (iBCF) would also be replaced by rates, leading to an adjustment of expected baselines and top-ups or tariffs (as appropriate). While the composition of each borough’s “core funding” (retained rates plus RSG, Public Health Grant and iBCF) will therefore change, the overall quantum will not. This revised position is then the baseline against which the “no detriment” guarantee is calculated. Each borough – whether its business rate income grows or declines during the operation of the pilot pool – will receive, as a minimum, the same amount of cash it would have received under the existing 50% system.

2) All members share some of the benefit

19. Growing London’s economy is a collective endeavour in which all boroughs make some contribution to the success of the whole. In recognition of the complex interconnectedness of London’s economy, it is proposed that the second proposed founding principle would be that ***all members would receive some share of any net benefits arising from the pilot pool.***

⁶ Of the 33 London authorities in 2017-18 this includes Barking & Dagenham, Havering and Croydon

20. The net financial benefit of pooling consists of retaining 100% of growth (rather than 67% across London under the current scheme), and in not paying a levy on that growth (which tariff authorities and tariff pools currently pay). The principle would mean that *any aggregate growth* in the pool overall – because of the increased retention level – would generate additional resources to share, with each pooling member to benefit to some extent.
21. In addition, it may be possible to gain agreement to transfer some Central List properties located in London (for example, the London Underground network) to the London pool, thereby increasing the capacity of the pool to benefit from growth on those properties. This would be explored with government as part of negotiating the pool designation.

D. Sharing the benefits of pooling

Objectives

22. Assuming the pool generates some level of additional financial benefit, the question of how to share this will be central to any final pooling agreement. The latest estimated net benefit to participating in the pool is expected to be in the region of £240 million in 2018-19, based on London Councils' modelling using boroughs' own forecasts. This is a slight increase since the draft prospectus circulated in July, following the inclusion of updated estimates from a small number of boroughs over the summer.
23. Discussions with the Executive and informally with Group Leaders, identified four objectives that could inform the distribution of such gains:
- **incentivising growth** (by allowing those boroughs where growth occurs to keep some proportion of the additional resources retained as a result of the pool)
 - **recognising the contribution of all boroughs** (through a per capita allocation)
 - **recognising need** (through the needs assessment formula); and
 - **facilitating collective investment** (through an investment pot designed to promote economic growth and lever additional investment funding from other sources).
24. A “pure” way to **incentivise growth** would be for the London local authorities where growth occurs to retain the full benefit, including any levy savings, after ensuring all authorities had been brought up to the level of funding they would otherwise have received under the current 50% scheme. This option would see the greatest reward go to those whose business rates grow, but would produce no net benefit for the minority of boroughs where no (or negative) growth is expected.

25. A simple **per capita distribution** using the latest population estimates from the ONS⁷, would recognise the requirement to work collectively to grow London's economy and ensure a share of the benefit for all authorities.
26. While the role of incentivising growth is important, some recognition of **increasing need** and demand for services has also been identified as a priority. Economic and business growth also drives, and is reinforced by, increasing demand for services across the capital. One measure that could be used to distribute any net benefit could therefore be to reflect the government's current assessment of need: Settlement Funding Assessment (although this will clearly be subject to change in future following any "Fair Funding" review).
27. Recognising the requirement for **collective investment** to promote further economic growth could be facilitated by retaining resources in a strategic investment pot. Such an approach would help address the government's original policy objectives behind business rate retention. It is assumed that, in order to achieve any significant impact, such resources would need to be invested in a small number of targeted projects. Agreeing these projects would require joint decision-making arrangements of the sort outlined in Section E on Governance below. As indicated in paragraph 9, the Secretary of State has recently confirmed that he would expect to see a "significant proportion" of the benefits of pooling dedicated to this purpose.
28. Individually, these principles would drive very different distributions of the direct benefits received by boroughs. The pure "incentives" approach would obviously favour those with the highest growth rates. Distribution according to SFA and population creates a more even spread of resources, but arguably provides less incentive to promote growth, and may therefore not optimise the opportunity for London in the longer term. It is proposed that a distribution mechanism should be a blend of all four of these objectives.

Options for weighting

29. In deciding the balance between the four objectives, and therefore the relevant weighting between the measures listed above, there are countless possible variants. However, following initial discussions with Group Leaders, four potential options are illustrated below:
- A. An even split percentage between the four pots (25:25:25:25).
 - B. Reducing the strategic investment pot to 10% of the total, while the "reward", "needs" and "population" pots are equally weighted (30:30:30:10).
 - C. Greater "incentive weighting" with equal weighting for the other three pots (40:20:20:20)
 - D. Greater "needs" and "population" weightings (each 30%) with equal remaining weightings of 20% for "incentives" and "investment" pots (20:30:30:20)

⁷ The 2014-based Sub-National Population Projections for 2018

30. In each case, the **GLA share** is calculated by first deducting the proposed investment pot resources from the total available, and then dividing the remainder between the GLA and boroughs in proportion to the level of spending supported by business rates. This is in accordance with the principle previously agreed by London Councils and Mayor in our joint business rate devolution proposals to government in September 2016, and results in the GLA receiving approximately 36% of the resources distributed to authorities (see Table 1 below).
31. The potential net benefit for each borough from this model – based on the latest information available on estimated income for 2018-19 – is set out in the charts at Appendix B1 and summarised in the table below. Under the 100% pilot pool it is estimated that there might be £480m of retained growth: £240m more than under the 50% scheme (after ensuring no borough loses out as a result of participating).

Table 1 – Distribution options for estimated £240m net benefit of pooling in 2018-19

Option	A	B	C	D
GLA share (£m)	£65	£78	£70	£70
Aggregate borough share (£m)	£115	£138	£123	£123
Investment pot (£m)	£60	£24	£48	£48
TOTAL (£m)	£240	£240	£240	£240
Minimum borough gain (£m)	£1.3	£1.5	£1.1	£1.5
Maximum borough gain (£m)	£13.1	£15.7	£20.7	£10.6

Source: London Councils' modelling using London Boroughs' data supplied by borough finance directors or where not available by applying the latest 2017-18 forecasts to 2018-19.

32. Leaders are invited to consider the options in the context of balancing the objectives of incentives and need, and be in a position to indicate a preference for the weighting by the time of the meetings of the Leaders' Committee and Congress of Leaders and the Mayor on 10 October. Any final decision on such matters will remain with the authorities themselves in agreeing to participate in the pool on these terms or by agreeing the mechanism by which such matters will collectively be agreed after the pool is established.

E. Governance

33. Leaders and the Mayor have previously endorsed the view that commitment to the collective management of devolved business rates would require unanimous support, and have identified Congress of Leaders and the Mayor as the appropriate body formally to express those commitments.
34. However, the Congress of Leaders and Mayor has no legal authority to take decisions or make binding commitments on behalf of authorities. Establishing a business rates pool in London will require each authority participating in the pool to agree to do so individually; and to also agree the terms upon which they will participate jointly with other members, including appointing a lead authority as accountable body for the pool and deciding how the pool should operate. This would include the basis of future decision-making arrangements.

35. Participation in a pool in 2018-19 would not bind boroughs or the Mayor indefinitely. As with existing pool arrangements, the founding agreement would need to include notice provisions for authorities to withdraw in subsequent years.

Investment pot principles and governance

36. Whatever the proportion of resources allocated to an “investment pot”, the founding agreement will need to specify the criteria for developing proposals and the basis on which future decisions on its application to projects will be taken.
37. It is therefore proposed that the founding pool agreement includes *guiding principles* for the use of such an investment pot, for approval by all members of the pool. As such, it is proposed that investment proposals approved would:
- promote increased economic growth, and increase London’s overall business rate income; and
 - leverage additional investment funding from other sources.
38. These principles would be agreed as part of the founding agreement for the pool – and would therefore require unanimous support.
39. Subsequent decisions on the application of a strategic investment pot to proposed projects meeting those principles could be taken in the same way as the initial decision to participate: i.e. by each and every authority individually agreeing as such decisions arose. However, this could lead to a cumbersome and time-consuming process for approving relatively small individual projects.
40. One option could be for the authorities to establish a new joint committee to take these types of decisions within the operational framework unanimously agreed in establishing the pool. That joint committee could be established along the lines of London Councils’ existing arrangements, but could also include the Mayor. All authorities would have to agree that the relevant powers and functions should be delegated to a joint committee to discharge jointly on their behalf (such as the ability to decide on the application of the investment pot).
41. Those decisions could be made subject to the voting principles designed to protect sectoral, sub-regional or Mayoral interests, such as those previously endorsed by Leaders and the Mayor in the London Finance Commission (both 2013 and 2017), and set out in London Government’s detailed proposition on 100% business rates in September 2016. For example:
- a. Both the Mayor and a clear majority of the boroughs would have to agree
 - b. That majority could be defined as two-thirds of boroughs and the City of London, subject to the caveat that:

- c. Where all boroughs in a given sub-region⁸ disagreed, the decision would not be approved.
 - d. If no decisions on allocation can be reached, the available resources would be rolled forward within the pot for future consideration.
42. Were such a joint committee to be created, administrative support – including the consideration and evaluation of projects for presentation to the committee – could be undertaken by London Councils and GLA staff as service providers to the new joint committee. Meetings could be arranged to coincide with the existing cycle of the Congress of Leaders and the Mayor, providing bi-annual opportunities for decision-making. (NB: the discharge of functions by the joint committee on behalf of all participating authorities is distinct to the role of the lead authority set out in section F below.)
43. Legal advice will be sought to develop these proposals, to draft relevant documentation, and to help frame the decisions which would need to be taken by each authority to give effect to the intention of each of them in joining the pool and the pool's ongoing operation.

Designated areas

44. Enterprise Zones and “designated areas” effectively hypothecate future business rate revenues to support investment. Under current arrangements, these are subject to agreement between the government and the boroughs directly involved, in consultation with the GLA, whose revenues are also affected.
45. The government is not actively encouraging further such arrangements. However, if, during the lifetime of a pilot pool, new “designated areas” or Enterprise Zones were to be created, this could – depending on the nature of the individual scheme – impact on the potential future revenues of all members of the pool and will need to be considered in establishing the pool and framework. It is not proposed that consideration or decision-making in respect of new designated areas be a matter for a new joint committee of Leaders and the Mayor. However, subject to further legal advice, and depending on the nature of individual schemes, such decisions would have to be taken by the relevant local authority after appropriate consultation with those affected.

F. Accounting and reporting arrangements

Lead authority

46. As in other existing pools, it is a statutory requirement that a “lead authority” act as the accountable body to government and would be responsible for administration of

⁸ For these purposes, the sub-regions could be defined as the Central, West, South and Local London sub-regions as defined for devolved employment support arrangements and illustrated in the map at Appendix B2. If in the future, boroughs wished to change the initial groupings that could be achieved by agreement of the pool member authorities.

the pooled fund. The same authority – or another – could also hold any properties transferred to London from the Central List, as there is currently no legislative provision for a “regional list”. The role of the lead authority for the purposes of the designation order is separate to any administrative arrangements agreed by all members of the pool to support the operation of a joint committee of Leaders and the Mayor, should such an arrangement be established.

47. The lead authority responsibilities from existing pool agreements typically include:

- Receiving payments from pool members and making payments to central government on behalf of pool members on time.
- Maintaining a cash account on behalf of the pool and paying interest on any credit balances.
- Liaising with and completing all formal pool returns to central government.
- Administering the schedule of payments between pool members in respect of the financial transactions that form part of the pool’s resources.
- Providing the information required by pool members in preparing their annual statement of accounts in relation to the activities and resources of the pool.
- Leading on reporting to understand the pool’s position during and at the end of the financial year.

48. The lead authority would, therefore, be responsible for the net tariff payment to central government as well as the internal tariff and top up payments to the pool authorities. The partner billing authorities would make payments to the lead authority based on an agreed schedule, which could be made on the same schedule of payment dates agreed for tariff and top up payments.

49. It is likely that the resources required to perform this function would be 1 FTE post, which would likely be a senior accountant with considerable experience and understanding of collection fund accounting and the business rates retention scheme.

Reporting

50. In order that a the lead authority can fulfil its functions and meet its obligations as accountable body, each member authority would need to provide timely information to the lead authority as well as making timely payments to an agreed schedule.

51. Forecast (NNDR1) and outturn (NNDR3) figures will still need to be produced, as per the existing NDR Regulations 2013, in order to enable budget processes to be complete, payments determined that need to be made to the lead authority and to government (by the lead authority) and to the GLA during the course of the year as well as transfers to General Funds.

52. The pool would use NNDR1 returns to establish the schedule of payments to be made to the lead authority and for the calculation of any notional levy savings to be made. However, it would not be until the outturn position is known (the NNDR3 form) that actual reconciliation would be made and the final growth/decline for the pool as a

whole, and individual pool members, would be established. This will be in September 2019 after accounts have been audited for the financial year 2018-19.

53. The NDR income figures in the forms determine the growth/decline for that year and it is this figure that would determine the amount to be shared between pool members or between local authorities and central government in the current system.

The treatment of appeals

54. Variances against forecast in the non-domestic rating income are reflected in the forecast surplus or deficit of the collection fund at the start of the following year (information which is collected as part of NNDR1). Appeals provisions impact each year on the calculation of the NNDR income figure: a higher provision in a year, everything else being equal, reduces the NNDR income figure determining growth/decline for that year.
55. A separate pooled collection fund would be required to be established that would sit with the lead authority. A key issue will be the treatment of Collection Fund surpluses and appeals provisions within the pool. The key principle pooling authorities would have to agree is that the benefits (or costs) of actions undertaken by the boroughs prior to entering the pool should remain with the borough so that no borough can be worse off than they would have been under the 50% scheme. So – for example – if a provision established in 2013-14 proves not to be necessary and is released during 2018-19, the borough should receive at least as much as it would have under the existing 50% scheme, plus its share of any additional retained revenues.
56. The pool's collection fund account would have to continue beyond the life of the pool until all appeals relating to the pool period were resolved. Provisions released after the operation of the pilot would be distributed on the basis of the pool's founding agreement – i.e. the borough where the provisions originated would receive at least as much as it would under the 50% retention system, with any additional resources being shared according to the pool's agreed distribution mechanism. There would therefore be no "gaming" benefits to individual boroughs of setting higher (or lower) provisions. The lead authority would be responsible for administering this.
57. Further work will be undertaken to set out how the accounting and reporting requirements would work in practice, which is likely to mean either additional lines on the existing NNDR form or an additional "London pool" form administered by the lead authority. This will be confirmed as part of the final pooling agreement which will underpin the operation of the pool.

G. Timetable

58. Should Leaders and the Mayor indicate a willingness in principle to proceed in October, a 2018-19 pilot would require in principle agreement to be made between the authorities and the government before the Autumn Budget – now confirmed to be on 22 November 2017 – for inclusion in the Provisional Local Government Finance

Settlement in December. For the reasons set out above, each of the 34 authorities must take all relevant decisions at a local level, regarding both:

- a. the designation of the pool by the government and the appointment of a named lead authority; and
- b. agreeing the framework for the pool's operation.

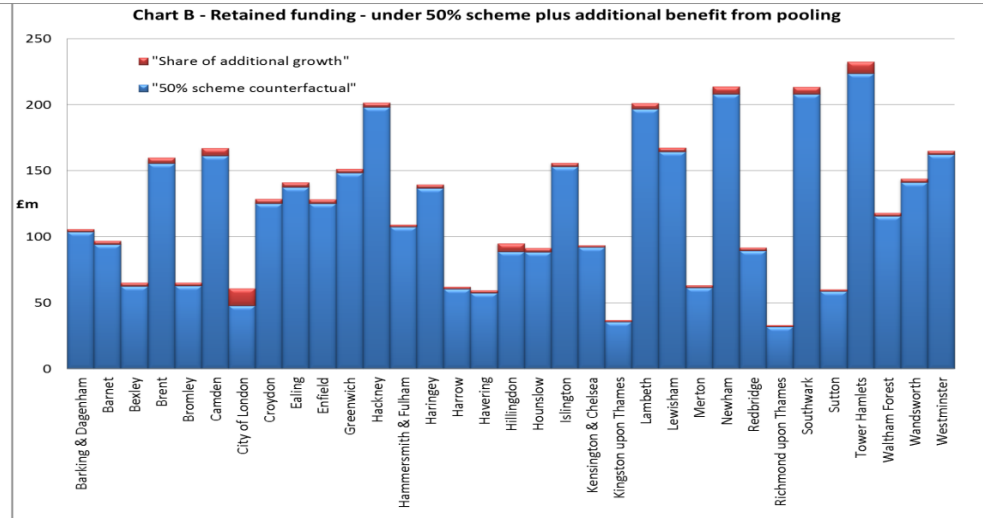
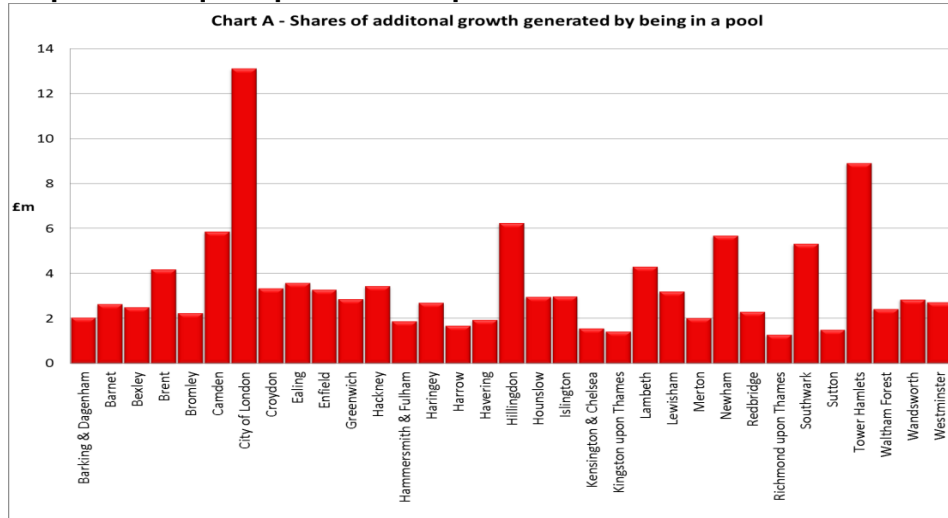
These two work streams will in practical terms, due to the proposed commencement of the pilot in April 2018, need to progress concurrently.

59. In order to facilitate this process it is proposed that London Councils will procure legal advice on behalf of all the London local authorities (working in collaboration with the GLA) which will inform detailed guidance and frame the required decisions for member authorities to adopt and/or adapt to reflect their individual constitutional arrangements to give effect to the proposals.
60. All 34 authorities' decisions would need to be taken in time for the resulting business rate and funding baselines to be incorporated within the Final Local Government Finance Report in February.
61. Whilst this is a challenging timetable, and introduces a degree of uncertainty for both authorities and the government during the budget-setting process, London would not be unique in this regard. Any pilot pools agreed in response to the government's recent invitation for applications will not be identified before the end of October, and formal decision-making and agreement to those pilots will be subject to similar legal and constitutional constraints.
62. This timetable highlights the need for a clear expression of support for the proposals at the meetings of Leaders and the Mayor in Congress on 10th October 2017. Whilst the views of Leaders in those meetings cannot formally commit or fetter the discretion of their authorities in taking their subsequent decisions, we would expect that the views expressed would reflect the views of the authorities concerned. Neither London nor the government would be in the position to proceed without the confidence that such an expression of intent would offer.
63. This draft prospectus therefore forms the basis for internal consideration and discussion within each of the 34 prospective pooling authorities, in order for each Leader and the Mayor to be in a position to consider their authority's in principle position about the pool and to indicate this at the Congress of Leaders and the Mayor on 10th October.

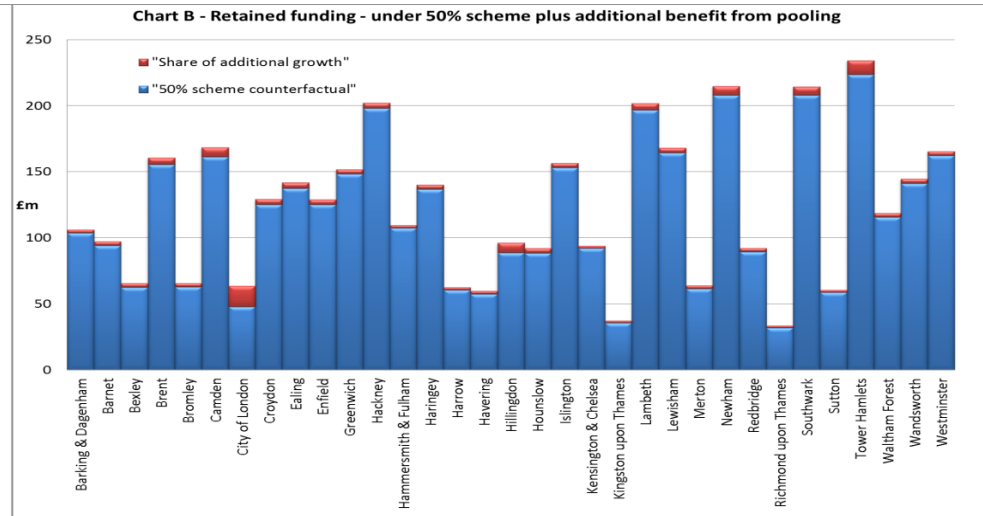
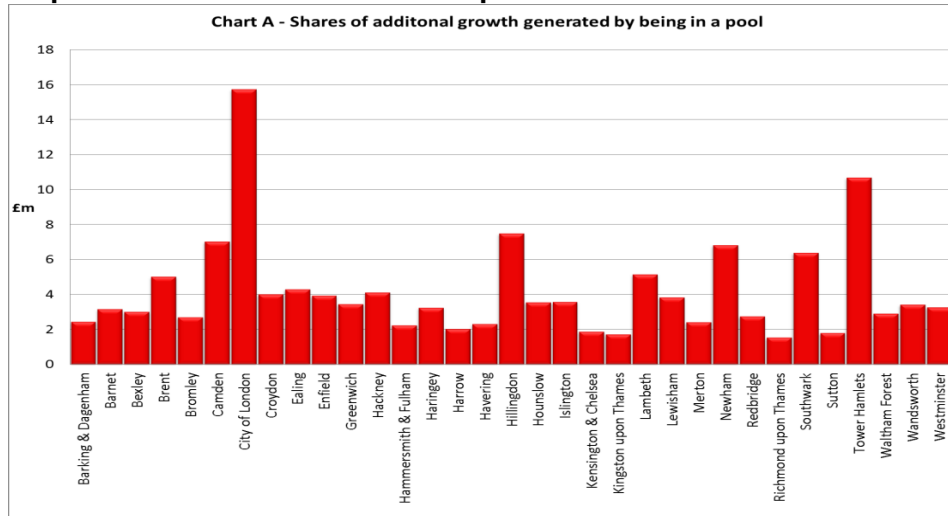
Appendix B.1 – Modelled Options

1. This appendix shows the impact of varying weightings on the overall distribution of any net additional benefit from being in the pool. It assumes the latest growth estimates for 2018-19 across London (combining where available figures from a recent survey of Treasurers and, where not available, the latest published estimates of growth in 2017-18 applied as if in 2018-19). The overall net benefit being distributed is £240m.
2. The charts below show the distribution of growth under four different scenarios for the relative weightings between the four potential distribution “pots” described above - i.e. incentives; needs (SFA); population (ONS 2018 projection) and investment pots.
 - Option A: weights each pot at 25%
 - Option B: Incentives (30%), Needs/Population (30% each) and Investment (10%)
 - Option C: Incentives (40%), Needs/Population (20% each) and Investment (20%)
 - Option D: Incentives (20%), Needs/Population (30% each) and Investment (20%)
3. For each option we have illustrated both the cash gain for each borough (red, left-hand bar charts) and the marginal gain over the retained funding under the existing 50% position (red and blue, right-hand bar charts).

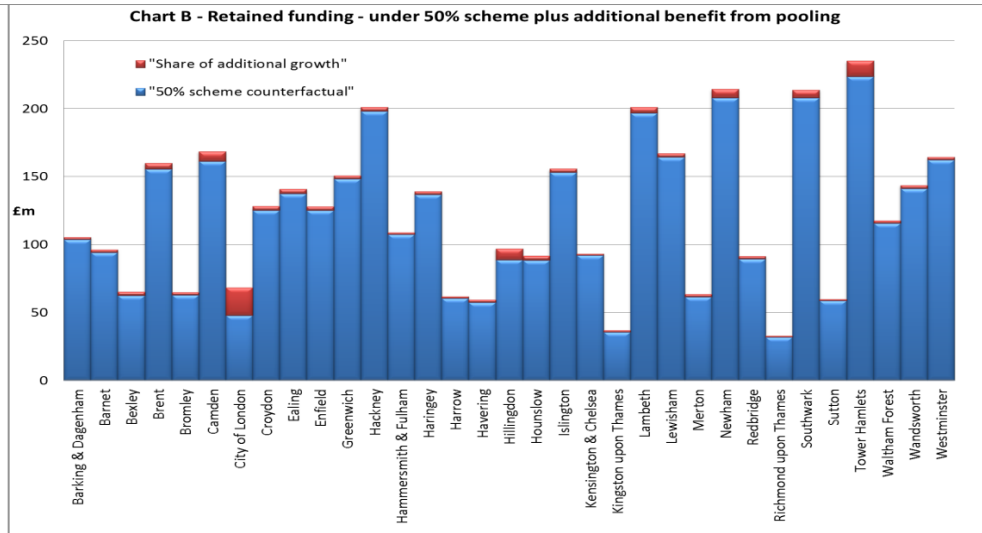
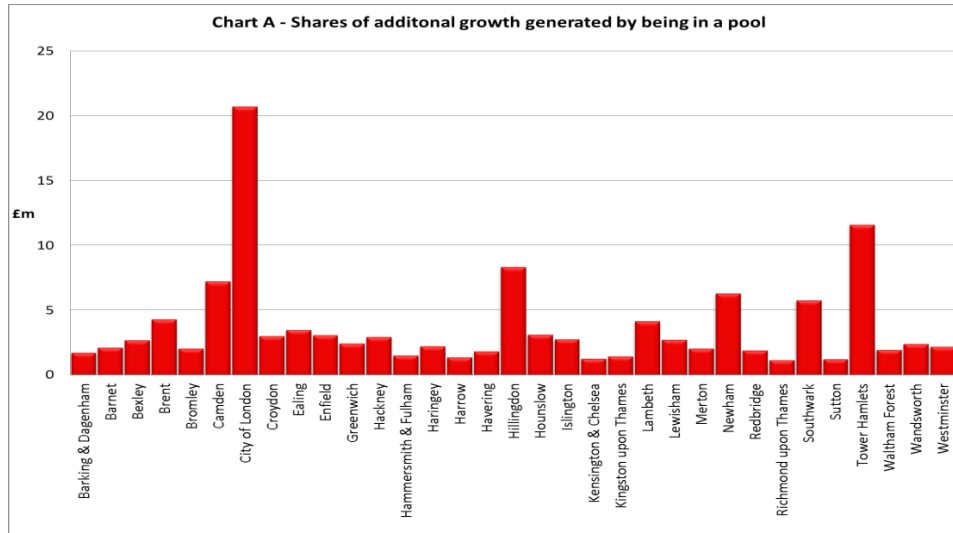
Option A: Equal split between pots – 25%/25%/25%/25%



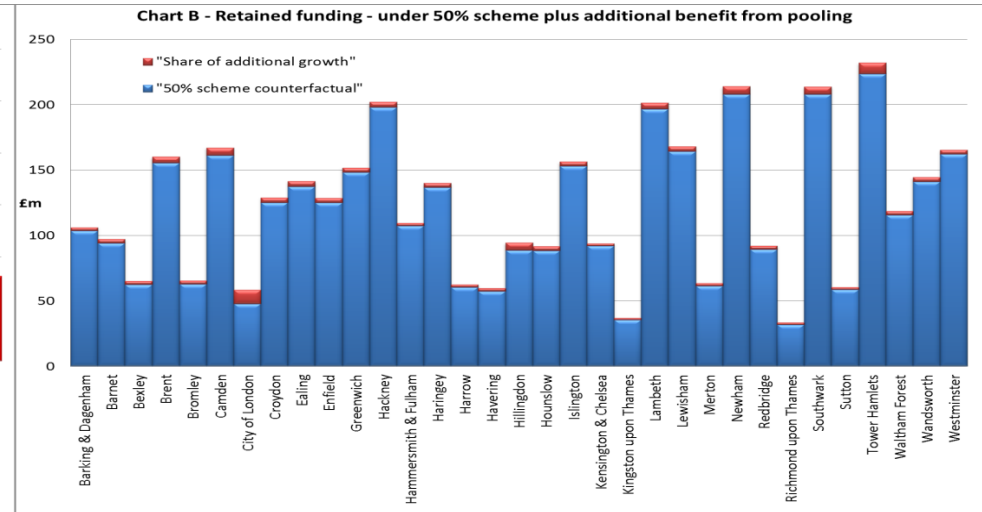
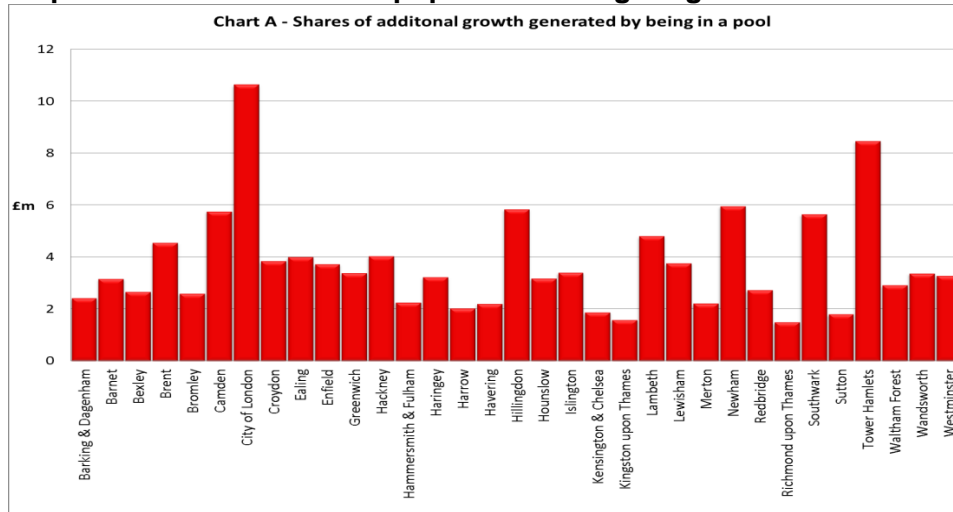
Option B: Reduced “investment pot”: 30%/30%/30%/10%



Option C: Greater “incentive” weighting: 40%/20%/20%/20%



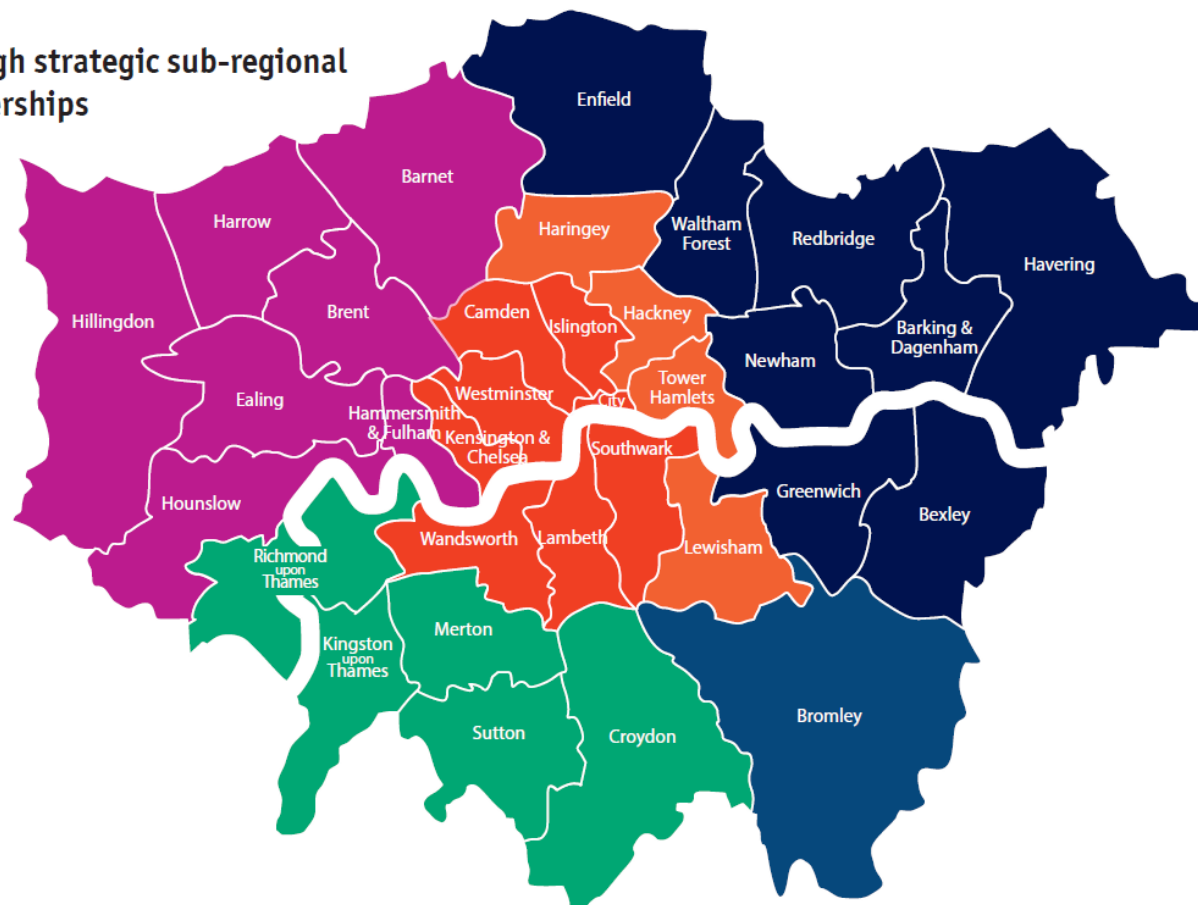
Option D: Greater “Needs/population” weighting: 20%/30%/30%/20%



APPENDIX B2:

Illustrative sub-regional arrangements for voting within a new joint committee (see Appendix A paragraph 41)

Borough strategic sub-regional partnerships



West London Alliance	Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow	+ Hackney, Haringey, Tower Hamlets and Lewisham for employment devolution
Central London Forward	Camden, City, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth, Westminster	
Local London	Barking & Dagenham, Bexley, Enfield, Greenwich, Havering, Newham, Redbridge	+ Bromley for employment devolution
South London Partnership	Croydon, Kingston upon Thames, Merton, Richmond upon Thames, Sutton	



Leaders' Committee

Housing and Homelessness Update Item no: 7

Report by: Eloise Shepherd **Job title:** Head of Housing and Planning Policy

Date: 10 October 2017

Contact Officer: Eloise Shepherd

Telephone: 020 7934 9813 **Email:** Eloise.shepherd@londoncouncils.gov.uk

Summary Due to the recent tragic events at Grenfell Tower, the housing policy context at a national and local level has shifted significantly. This report provides an overview of action on the national response to the fire safety issues evident following the fire and related issues for the provision of social housing and reduction of homelessness. The report comments on London Councils' forthcoming responses to a range of related consultations including the current review of building regulations, engagement with Government on implementation of the Homelessness Reduction Act; and ongoing work to collaborate on Homelessness and Temporary Accommodation.

Recommendations Leaders' Committee is asked to:

- to note the policy update and provide guidance on London Councils' forthcoming response to the review of Building Regulations
- to discuss and offer guidance on ongoing lobbying on the implementation of the Homelessness Reduction Act
- to offer a steer on emerging proposals to consider ways of working more collaboratively, where appropriate, on specific solutions to reduce Homelessness.

Housing and Homelessness Update

Fire Safety

Testing Programme

Leaders will be aware that following the tragic events at Grenfell Tower on the 14th June, DCLG began a testing programme for cladding materials believed to pose a fire risk when applied to high rise buildings. The testing programme was guided by advice from the Independent Expert Panel, which is supported by a sub-group which includes LFB colleagues. The full documentation around the testing programme is available online on the DCLG Building Safety Programme website.

The initial tests looked at the combustibility of Aluminium Composite Material (ACM) used on Grenfell Tower, as well as hundreds of other high-rise buildings owned by Local Authorities, Housing Associations and private landlords. The overwhelming majority of the samples tested (the test was conducted on the inner portion of the tiles submitted) were found to be combustible. DCLG then further conducted a series of seven 'full system' tests to ascertain the performance of different kinds of ACM cladding with different insulation. Of these, four were found not to adequately resist the spread of fire. Many of these had been in use on high rise buildings.

Supported by the Independent Expert Panel, mitigation advice has been issued to provide advice to building owners on reviewing and managing risk of fire while the cladding is removed.

Funding arrangements

DCLG has made clear its position that the responsibility for funding remediation works sits with the building owner. DCLG also announced that councils can apply for 'flexibilities' where the funding to complete essential works is not available. This will be considered on a case by case basis. However, local authorities (including London authorities) who have applied for more general fire safety measures (e.g. sprinklers, as recommended by LFB) have been told this work is not 'essential' and, therefore, no funding or flexibilities can be provided.

Separately the Secretary of State made statements at the National Housing Federation Conference in recent weeks that a new social rent formula will be released 'very soon'. Any reversal of the government 1% rent reduction (enacted from April 2016) would enable social landlords to release more funding for fire safety remediation both essential and additional. However, this funding may not be sufficient to address that safety work without creating other risks from reduced stock maintenance, or reduced ability to deliver additional

affordable housing supply. London Councils is currently undertaking a survey of costs of fire safety work across London and will share this work with members when complete.

Review of Regulations

The formal call for evidence to the independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt had opened. The review will make recommendations to ensure there is a sufficiently robust regulatory system for the future, examining building and fire safety regulations and related compliance and enforcement.

The deadline for responses is 13 October, leaving a short time for boroughs and other stakeholders to submit evidence. An initial response from the review is expected before the end of the year. At the time of writing, London Councils is working with the London Housing Directors Fire Safety Sub Group to consider the technical evidence to underpin a response which will be chaired politically in the normal way.

Housing Policy Update

Green Paper on Social Housing

At the National Housing Federation's Annual Conference on 19th September, the Secretary of State announced the Government's intention to bring forward a new Green Paper on social housing. This is in response to concerns raised about social housing following Grenfell. In the address, he stated that a "fundamental rethink of social housing in this country" was needed, and that the Green Paper would be a "wide-ranging, top to bottom review" of the issues facing the sector.

A full response to this consultation will be developed following publication. Leaders may wish to consider a wider strategic response on social housing from London local government as part the process of developing the formal consultation response.

Local Housing Need consultation

On 14th September DCLG published a consultation on the assessment of local housing need, as planned in February's Housing White Paper, which will close on the 9th November. The consultation proposes a series of new methodologies for assessing housing need based on household growth information. As anticipated, this radically increases the housing need figure for London (although, see Appendix 1, far from uniformly across the capital as some boroughs see reductions in their targets) to 72,000 homes per annum. These proposals raise two types of concern. Firstly, there are a series of weaknesses in the way that the assessment of need has been constructed. Secondly it raises concerns about the

centralisation of policy for housing delivery. This results from the combination of three factors. The scale of the increase in the targets set; the Government's intention to take firmer action against local authorities that do not meet targets; and finally the absence of sufficient new powers to enable local authorities to increase delivery at the sort of rates envisaged raises questions about the viability of the approach.

The first group of concerns include:

- the lack of any accompanying consideration of tenure (the majority of London's need in many areas being for a variety of affordable products);
- there is limited value in using household formulation in the figures as this automatically means boroughs that have built more will receive higher targets than those that have had less development;
- the figures will also differ from those in the draft London Plan, which are not yet finalised, but thought to be around 60,000pa level (although over a longer time period). If the proposals are adopted to the National Planning Policy Framework, as intended, they would have primacy over the London Plan.

The second group of concerns result from the expectation of Government that London increase housing delivery from 20-25,000 homes per year to 72,000 homes - an increase of between 188% and 260%. For this approach to be credible Government will need to address the timescale in which increased delivery capacity is to be delivered. This will have implications for the operation of White Paper proposals on intervention. Further powers to support land assembly in London will also be required, as will greater flexibility in the use of local authority funds. Even given these changes, it will take time to ramp up delivery to those types of level.

Draft London Housing Strategy and emerging draft London Plan

The draft London Housing Strategy (LHS) has been published for consultation by the Mayor, closing 9th December. The LHS highlights the joint effort of London boroughs and the Mayor to tackle the housing crisis, and to demonstrate the extent of the housing crisis in the capital. It also sets the direction and context for borough Local Plans, which have a direct bearing on development across the capital. The draft includes more attention on Homelessness, Temporary Accommodation and the private rented sector than has previously been the case, as well as continuing to look at measures to bring forward public land for development. The formal consultation on the draft London Plan is anticipated to be published for formal consultation this autumn. It will be of particular interest to consider how the emerging London Plan proposals fit with the developing proposals following the Housing White Paper.

Homelessness and Temporary Accommodation

Homelessness Reduction Act

Marcus Jones MP, Parliamentary Under Secretary of State for Communities & Local Government, has recently written to all local authorities setting the implementation date for the Homelessness Reduction Act for 1st April 2018 and reaffirming the national new burdens assessment for the legislation at £61m over two years. The final distribution of the national funding and the accompanying code of guidance for the legislation are still to be published. These are essential for completion of preparations to comply with the Act from April 2018.

London Councils has costed the Act across London as £77m in one year. There is significant concern that the DCLG costing has not sufficiently taken these cost pressures into account. Mayor Sir Steve Bullock has written twice to the Parliamentary Under-Secretary to reiterate these issues and also to underline the considerable increases in need across London, both in terms of the numbers in Temporary Accommodation and those rough sleeping. The letters (and the Parliamentary Under-Secretary's response) are appended to this report.

Potential improvements to Temporary Accommodation procurement

As part of the reassessment of Temporary Accommodation funding last year, DCLG has held back £25million for potential pan-London work to create efficiencies and rationalise the procurement process. This builds on the relative success of the regional rate setting in London, which has stabilised the cost of nightly paid accommodation within London. Initial work is now being undertaken to consider what ways of working could improve the current situation for boroughs and make best use of the available funding.

London Housing Directors have commissioned an initial options appraisal, which is now close to reporting back on the potential for various levels of joint working, from extensions of the rate setting work (e.g. applying the same tactics to a broader range of placements) to pooling procurement efforts and even acquisitions. Following this work, more detailed business planning and engagement with Leaders and other borough representatives will take place over the next few months, with proposals returning in the early Summer of 2018.

Pan-London Innovation Fund application

In April an expression of interest was submitted to the Greater London Authority's Innovation Fund on behalf of interested London boroughs to develop a programme of precision manufactured temporary accommodation across London. The bid was led by the Housing Directors' Temporary Accommodation Supply Sub-Group. It was supported by London

Ventures. The proposal is now being developed ahead of the final application in the autumn. Through placing new temporary accommodation units on meanwhile sites which await permanent development at a later point, London local authorities would be able to quickly increase the supply of homes for homeless households while also saving money on more costly bed and breakfast accommodation. It is also hoped that the programme can instigate an increase in the supply of modular housing and develop a sector of the market that is seen as imperative to meeting London's wider housing need. The work itself would be led by a small group of London boroughs.

Since the last Leaders' Committee, the project team has engaged with boroughs regarding the programme design and potential participation through a roundtable discussion hosted at London Councils on 1 September. London Councils representatives have also attended meetings with the housing sub-regions in west, north and east London to discuss the programme in more detail and receive feedback. Meetings have also taken place with developers and architects of modular housing to inform the potential specifications available. Further discussions with boroughs and other stakeholders regarding possible sites will also be taken forward over the next few months, ahead of a possible agreement of terms with the GLA by the end of the calendar year. Full contract would begin in April 2018.

The Capital Ambition Board, governance route for projects delivered by London Ventures, will review the strategic business case for the project in October and decide on the progression of the project including governance arrangements and allocation of seed funding

Appendix 1 – Housing Need Assessment

Comparison with current Local Plan figures (indicative only – and a 40% cap on increases is likely to be applied)

Local Authority	Indicative assessment of housing need based on proposed formula, 2016 to 2026 (dwellings per annum)	Current local assessment of housing need, based on most recent publicly available document (dwellings per annum)	Percentage Increase
Barking & Dagenham	2,089	1,264	65.27%
Barnet	4,126	Local assessment of need not available	#VALUE!
Bexley	1,723	963	78.92%
Brent	2,855	1,826	56.35%
Bromley	2,564	1,488	72.31%
Camden	1,568	1,117	40.38%
City of London	120	125	-4.00%
Croydon	1,414	2,440	-42.05%
Ealing	2,432	Local assessment of need not available	#VALUE!
Enfield	3,330	2,400	38.75%
Greenwich	3,317	350	847.71%
Hackney	3,251	1,758	84.93%
Hammersmith & Fulham	980	844	16.11%
Haringey	1,148	1,357	-15.40%
Harrow	1,959	Local assessment of need not available	#VALUE!
Havering	1,821	1,366	33.31%
Hillingdon	595	3,081	-80.69%
Hounslow	1,151	1,556	-26.03%
Islington	2,583	1,150	124.61%
Kensington & Chelsea	824	575	43.30%
Kingston Upon Thames	1,527	717	112.97%
Lambeth	1,673	Local assessment of need not available	#VALUE!
Lewisham	3,181	1,670	90.48%
Merton	1,585	279	468.10%
Newham	3,840	2,355	63.06%
Redbridge	2,981	2,286	30.40%
Richmond Upon Thames	1,709	1,047	63.23%
Southwark	3,089	1,824	69.35%
Sutton	1,774	1,100	61.27%
Tower Hamlets	4,873	2,428	100.70%
Waltham Forest	2,416	2,017	19.78%
Wandsworth	2,414	1,238	94.99%
Westminster	1,495	740	102.03%
Total London	72,407	41,361	75.06%



**Department for
Communities and
Local Government**

Sir Steve Bullock
London Councils
59 ½ Southwark Street
London
SE1 0AL

Marcus Jones MP
Minister for Local Government

***Department for Communities and Local
Government***

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3460
Fax: 020 7035 0018
Email:

www.gov.uk/dclg

Our Ref:3434638

08th July 2017

Dear Steve,

Thank you for your letter of 17th July to Alok Sharma MP and myself about Homelessness Reduction Act. I am replying as this matter falls within my ministerial responsibilities.

The Government is committed to preventing and tackling homelessness, and no one should have to spend a night on the streets. The Homelessness Reduction Act will mean people across the country get the help they need to avoid becoming homeless in the first place, and those already experiencing homelessness are able to access help regardless of whether they have a priority need. I know that we all share a firm commitment to tackling and reducing homelessness through a focus on earlier intervention and prevention as shown by the work undertaken by some local authorities in London.

The review of the Code of Guidance is an important piece of work for the effective commencement and implementation of the Act. As you are aware we plan to publish a draft for consultation in the autumn. As the detail of the Act has been known for some time I would expect local authorities to be well underway with their preparations to deliver the new duties, and the draft code will further support implementation planning.

We consulted with local authorities when calculating the costs of the Act and are now doing so to develop the distribution formula that will determine allocations. We will inform local authorities of their allocations as soon as possible in order to support their implementation planning.

You raise LAs concerns about the way reviews will work under the HRA. We will be consulting further with the sector on review procedure regulations for the new duties and are keen to engage London Councils and boroughs in this process.

We are working across Government to deliver our commitments on homelessness. This Government is absolutely committed to protecting the most vulnerable people affected by Housing Benefit reform, including the single homeless. In addition to the enhanced

package of Discretionary Housing Payment funding, there are exemptions for the vulnerable from the reforms affecting young single people. The Government spends around £24 billion a year on Housing Benefit, so the safety net remains in place.

The timely commencement and funding of the Homelessness Reduction Act will ensure that local authorities intervene at an earlier stage to prevent homelessness and provide homelessness prevention and relief services to a wider range of applicants. It is our intention to commence the Act in April 2018, and I will shortly be writing to all local authorities to notify them of this date.

We will review the implementation of the legislation, including its resourcing and how it is working in practice, concluding no later than two years after the commencement of its substantive clauses. We will also carry out, in the same timeframe, a post-implementation review of the new burdens to review the robustness of our assessment of the estimated cost to local authorities and the underlying assumptions.

I very much hope that London authorities will use the coming months to ensure that they are ready to meet the new duties, and deliver on our shared ambition to improve outcomes for people experiencing or at risk of homelessness across the city.

A handwritten signature in blue ink, appearing to read 'Marcus Jones', with a stylized, flowing script.

MARCUS JONES MP

Alok Sharma MP and Marcus
Jones MP
Minister of State for Housing and
Planning,
Parliamentary Under Secretary of
State (Minister for Local
Government)
DCLG
2 Marsham Street
London SW1P 4DF

Contact: Eloise Shepherd
Direct line: 020 7934 9813

Email: Eloise.shepherd@londoncouncils.gov.uk

Date: 17th July 2017

Dear Ministers,

Re: The implementation of the Homelessness Reduction Act

The Homelessness Reduction Act received royal assent earlier this year and authorities have been working with CLG and the third sector on the Code of Guidance and the Cost Distribution. I would like to note how inclusive and helpful the department has been in involving local authorities and we look forward to maintaining this, as we are all striving to reduce homelessness, which, as you know, has been rising in recent years for both families and single people.

London local authorities welcome the move towards prevention and earlier intervention; many boroughs already take this approach and have greatly increased their prevention rates - one example being the Gateway approach in Croydon.

However, the legislation does represent a substantive change to the current legislative system and London Councils believe the new burdens funding is simply not sufficient to meet the needs of authorities, and additionally the suggested April 2018 implementation date is simply not workable.

The Code of Guidance will not be confirmed and published until February at the earliest (due to the statutory consultation period) and there is not enough time between February and April for authorities to gear up and implement what represents a fundamental change in approach. There is preparation work ongoing now, however without the Code we cannot finalise recruitment and IT systems needed to operationalise the legislation. This is particularly the case for the complex system of reviews on the new duties.


Additionally, due largely to the election, we do not yet know how much each authority will get to implement the Act and therefore it is impossible for us to plan. However, we have been seeing more detail on the calculations used to calculate the overall new burdens figure of £61m nationally over two years. DCLG are themselves aware of the quality issues with the data used to calculate these costs, but we were particularly concerned, as one example, to see that across all English LAs only £1m has been allocated for the administrative burden of new review duties. Purely on the administration and direct legal costs of a review, an example of a unit cost in one representative borough is £748, and that borough alone currently spends £239,588 on review administration. All of the current priority need cases will have two more opportunities to review

decision making, and the new non priority cases will have the opportunity at the prevention and relief stages to review. A national total amount of £1m over one year simply does not add up.

We also remain concerned about the impacts of different areas of government policies. This Act gives local authorities responsibility to help to secure accommodation (at both prevention and relief stages) for non priority groups, which includes the single homeless group. However, the housing benefit available for this group (especially those under 35) is insufficient to secure accommodation. Even across all households, very little accommodation in London (and increasingly in adjacent areas) is available to households to whom the LHA applies limiting the opportunities for both helping to secure and securing accommodation and increasing the cost of any prevention and relief activity. We do not believe the new burdens calculation in any way addresses the pressures local authorities will be under as a result of this Act.

We are all agreed this legislation is an important opportunity to transform service provision in homelessness. Action is badly needed. However it is necessary for this to be, as promised, fully funded, and for authorities to have the necessary time to begin their work. A later implementation date, even by just six months, would allow us to get this right and set up the necessary joint working arrangements, IT, and recruitment to implement the legislation. It could also allow CLG to consider again some of the assumptions underpinning the new burdens costing over the next few months.

Yours sincerely,

The image shows a handwritten signature in dark ink. The signature is written in a cursive, flowing style. The first part of the signature appears to be 'Steve' and the second part appears to be 'Bullock'. The ink is slightly faded and the background is a light, textured surface.

Mayor Sir Steve Bullock
Executive member for Housing, London Councils

Marcus Jones MP
Minister for Local Government
Department for Communities and Local
Government
Fry Building
2 Marsham Street
London
SW1P 4DF

7 September 2017

Dear Marcus,

Thank you for your letter of 8 August regarding the Homelessness Reduction Act.

Your acknowledgement of our shared commitment to address homelessness is welcome. Nobody wants to end the homelessness crisis more than local authorities. London boroughs have been at the forefront of addressing homelessness for many years – 70 per cent of homeless households live in the capital.

London boroughs fully support the Homelessness Reduction Act's potentially transformative approach to tackling homelessness, which rightly focuses on prevention and early intervention as well as working with a broader range of residents in a more collaborative way. We are happy to honour the intentions of the Act by providing expanded services that address the full range of factors in people's lives that can lead to them becoming homeless.

However, we have urgent concerns about the way the Homelessness Reduction Act is being implemented. I am sure that you agree that it would be an outrage if the Act's landmark reforms, which rightly received cross-party support, failed to reduce homelessness due to a lack of proper planning and unrealistic funding arrangements from Government.

With just seven months before the Homelessness Reduction Act comes into force on 1 April 2018, local authorities are still waiting for much delayed information from Government that is vital for preparing to deliver the expanded homelessness prevention offer required by the Act. This includes crucial information around both the funding allocations and the code of guidance essential to implementing the Act itself. London boroughs are doing as much as they can, but without the Government's code of guidance and detailed funding allocations they cannot act with certainty to recruit additional staff or enhance their services in other ways. It may already be too late to make any necessary changes in time for 1 April 2018.

Worryingly, conversations with Government officials suggest that London boroughs will not receive more than a fraction of the funding required to run broader homelessness prevention and relief services as described in the Homelessness Reduction Act. From 1 April 2018, boroughs will need to provide higher levels of support to a broader number of people at risk of homelessness as well as earlier interventions to the 54,000 homelessness households currently being accommodated, with every stage subject to review.

decision making, and the new non priority cases will have the opportunity at the prevention and relief stages to review. A national total amount of £1m over one year simply does not add up.

We also remain concerned about the impacts of different areas of government policies. This Act gives local authorities responsibility to help to secure accommodation (at both prevention and relief stages) for non priority groups, which includes the single homeless group. However, the housing benefit available for this group (especially those under 35) is insufficient to secure accommodation. Even across all households, very little accommodation in London (and increasingly in adjacent areas) is available to households to whom the LHA applies limiting the opportunities for both helping to secure and securing accommodation and increasing the cost of any prevention and relief activity. We do not believe the new burdens calculation in any way addresses the pressures local authorities will be under as a result of this Act.

We are all agreed this legislation is an important opportunity to transform service provision in homelessness. Action is badly needed. However it is necessary for this to be, as promised, fully funded, and for authorities to have the necessary time to begin their work. A later implementation date, even by just six months, would allow us to get this right and set up the necessary joint working arrangements, IT, and recruitment to implement the legislation. It could also allow CLG to consider again some of the assumptions underpinning the new burdens costing over the next few months.

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Mayor Sir Steve Bullock
Executive member for Housing, London Councils



Leaders' Committee

Children's Services financial pressures Item no: 8

Report by: Caroline Dawes **Job title:** Head of Children's Services

Date: 10th October 2017

Contact Officer: Caroline Dawes

Telephone: 020 7934 9793 **Email:** Caroline.dawes@londoncouncils.gov.uk

Summary

This report updates Leaders' Committee on recent work that London Councils has undertaken to understand the cost pressures within Children's Services in London. It sets out findings from London Councils' survey into financial pressures which revealed considerable and persistent overspending in children's social care, an immediate pressure caused by a shortfall in high needs funding of the Dedicated Schools Grant (DSG) caused by growth in Special Educational Needs and Disabilities (SEND) pupils, and considerable overspending in SEN transport.

The report outlines potential lobbying activity to secure greater recognition from government in the face of these pressures.

Recommendations

Leaders' Committee is asked to:

- note the ongoing work to be undertaken in relation to children's social care pressures in relation to the Fair Funding Review, and the need to support further lobbying on this key issue where possible (see paragraphs 25-28); and
- support the proposals set out in paragraph 29-34 to undertake more immediate lobbying with regard to SEND funding shortfalls.

Children's Services financial pressures

Introduction

1. In recent months, it has become increasingly apparent that the financial pressures within children's services are becoming more acute. Both Treasurers and Directors of Children's Services have raised concerns about these pressures in London, in particular within children's social care and in the related area of the high needs block of the Dedicated Schools Grant (DSG) – which is used to fund children with special educational needs and disabilities (SEND).
2. London Councils, working closely with the Association of London Directors of Children's Services (ALDCS) and Society of London Treasurers (SLT), undertook a detailed survey between June and August 2017 to better understand the extent and potential causes of these financial pressures, with thirty-one authorities responding.
3. This report sets out the headline findings from that survey and outlines the next steps for lobbying in both areas.

Children's Social Care

Financial Context

4. In 2016-17, London boroughs spent £1.6 billion on children's social care (CSC): the second largest area of expenditure after adult social care (ASC), which accounts for £2.4 billion. Since 2010-11, CSC is the only service where expenditure has increased in real terms (by 10%) compared with *reductions* in all other services; for example, up to 57% in planning and development.
5. Despite CSC being relatively protected compared with other services, trend analysis shows there has been consistent overspending against planned budgets since 2010-11. However, in the last year, the extent of financial pressure London boroughs are experiencing in CSC has become more acute, with many boroughs reporting that overspending is a more significant issue than ASC, despite the latter being the biggest area of spend.
6. London Councils has begun to reflect this in its lobbying; for example, within the major strategic representations to government for the March Budget and forthcoming Autumn Budget. Following the successful lobbying by the sector in

relation to adult social care funding pressures that resulted in over £2 billion of new funding in the March Budget, the LGA has similarly begun to emphasise the funding pressures on CSC – reporting that £2 billion of the £5.8 billion overall funding gap across local government as a whole by 2020 will be within CSC.

Extent of overspending

7. In order to understand in more depth what is driving the growing trend in overspending, London Councils undertook a detailed survey to capture children's social care costs and help inform future lobbying on this issue.
8. It found that, despite planned spending being relatively protected compared with other services, almost all (27 of the 30 boroughs who responded to the question) overspent against children's social care budgets in 2016/17, averaging £3.5 million per borough. The aggregate overspend across all 30 boroughs was £91 million (almost 10%). There is little difference between outer London (10%) and inner London which averaged 9%.
9. This represents a growing trend as, amongst the 23 boroughs providing trend data over the past four years, the number of boroughs overspending increased from 16 to 22. Not only is overspending becoming more widespread, but the *scale* of overspending has increased up by £1 million on average per borough from £2.3 million in 2015/16 to £3.3 million (for those 23 boroughs) in 2016/17.
10. This corroborates trend analysis of revenue outturn and budget data that shows 7 out of 10 shire counties, 8 out of 10 London boroughs and unitary authorities, and 9 in 10 metropolitan districts overspent in 2016-17¹, and that the proportion of authorities overspending is increasing.

Possible causes

11. With such a widespread level of overspending both in London and across the country – and in such a complex service area – there is no one single reason to explain the problem. However, the survey has improved the level of understanding of the key drivers of the overall pressures – and of where attention may need to be focussed, both in terms of lobbying and in terms of remedial or preventative measures.

¹ Comparing DCLG's revenue account budget data with provisional revenue account outturn data for 2016-17

12. The survey found that the key drivers of overspending in London relate to expenditure on core staffing and looked after children placements, which together account for 95% of the aggregate overspend across London (but together only comprise 71% of overall budgets). The impact of growing numbers of Unaccompanied Asylum Seeking Children (UASC) also has a particularly disproportionate impact in London – and is an especially big driver within certain boroughs.
13. With regard to staffing, recruitment and retention was identified as a key challenge. Between 2013/14 and 2016/17, aggregate spend on agency staff increased by 21% from £88 million to £107 million.²
14. The growing proportion, and costs, of specialist looked after children (LAC) placements emerged as the other key driver of overspending. While, overall numbers of LAC (start of year) fell slightly from 9,017 in 2013/14 to 8,878 in 2016/17 across 29 boroughs providing data, the number of children requiring an external residential placements increased (by 13% between 2014/15 and 2016/17), and expenditure on these placements increasing by 23% over the same period. External placements are the most expensive – costing an average £3,063 per week, compared to £2,288 for secure remand, £851 for external fostering, and £430 for in-house fostering. The survey found that 23 out of 25 boroughs are overspending on external residential placements.
15. One potential explanation for this is that the increase in Unaccompanied Asylum Seeking Children (UASC) in London has increased overall pressure on placements available through "in-house" arrangements, requiring boroughs to use more expensive external placement options, with the knock-on impact on placement budgets.
16. However, in general, the survey found no clear causal patterns amongst boroughs that are overspending, as neither deprivation levels, performance levels (as measured by OFSTED ratings) nor size of council budget appear to have a significant relationship to the size of overspending.

² Across 21 boroughs providing data

Special Educational Needs & Disabilities (SEND)

17. Expenditure on pupils with SEND is a separate issue that is causing increasing concern amongst Treasurers and Directors of Children's Services. It is funded from a specific grant (the "high needs block" within the Dedicated Schools Grant) rather than general core funding.
18. London has experienced a rapid increase in demand for places for pupils with high needs in recent years, far exceeding growth in other regions and that of London's mainstream school population. London Councils' survey found that, since 2013/14, the number of pupils with EHCPs increased by 10%, with actual expenditure increasing by 16% (£117 million). However, this growth has not been recognised in government funding allocations, as high needs allocations to London boroughs increased by just 2% (£14 million) over the same period.
19. The issue has become particularly acute in 2016/17 when the number of pupils with Education, Health and Care Plans (EHCPs) grew by 4.2%, around three times the 1.3% growth rate for the general pupil population. The insufficiency of the government high needs funding has meant that 26 out of 31 London boroughs spent more than the amount allocated through the high needs block of the DSG in 2016/17, creating an aggregate 'funding gap' across these 26 boroughs of £100 million (£3.9 million per borough).
20. Meeting this substantial shortfall had a major impact on wider schools funding including around £46 million being diverted from other blocks within the DSG, boroughs having to draw on £20 million of reserves, carrying forward previous DSG underspending (£11 million), utilising general funds (£5 million).
21. These short-term measures to meet the funding gap are unsustainable and there are now nine boroughs in London with a cumulative DSG deficit carried forward into 2017/18 totalling £30 million. This is not a one-off pressure as Special Educational Needs (SEN) pupil numbers are expected to increase further in 2017/18 and will be significantly higher in London than the rest of England.
22. The provisional school funding allocations for 2018-19 were published on 14th September as part of the government's final National Funding Formula. It confirmed additional funding within the High Needs Block of just £124 million in

2018-19 nationally (£27 million for London), and restrictions on movement between the schools and high needs blocks from 2018/19, which will be limited to just 0.5% of authorities' total schools block, and can only be made with the agreement of the schools forum.

23. In the context of the existing £100 million shortfall across the capital, the additional £27 million for London boroughs does not go far enough. The removal of flexibility between blocks within the DSG will remove the main mechanism currently used by boroughs to ensure all schools meet their responsibilities for pupils with SEND and top up the insufficient levels of funding provided through the high needs block, seriously limiting boroughs' options for dealing with any funding shortfalls. While the formula includes proxies for high need (through deprivation and other measures) and reflects changes in pupil numbers and general 2-18 population – it does not recognise increasing *incidence* of SEND meaning the continued disproportionate growth in London is unlikely to be reflected going forward.
24. Finally, the survey highlighted another significant area of overspend within children's services across London, SEN transport. The exponential growth in the number of children with SEND and the increasing complexity of need caused overspends in SEND transport budgets in 26 out of 30 London boroughs in 2016/17, which equates to an average £1 million overspend per borough. Across 20 boroughs providing full data over time, spend on SEN transport increased by 20% between 2013/14 and 2016/17.

Future work and lobbying

Children's social care

25. Overspending by almost £100 million per annum will put greater pressure on other services and is likely to be unsustainable, given the further cuts to core funding of 26 per cent over the next three years to 2020.
26. Children's social care is funded via core government grant - Settlement Funding Assessment (SFA), and the children's services relative needs formula within SFA has not been updated since 2013. The government has renewed its commitment to undertaking a new assessment of need as part of the Fair Funding Review. As such, this represents the best opportunity for influencing levels of funding for children's social care - from a technical perspective. To support London Councils'

lobbying on the Fair Funding Review, further work will be undertaken to understand the causes of rising costs of placements, and variation in costs, across London; the cost shunting impact of rising UASC numbers; and the reasons for different levels of agency staff usage – all of which contribute to the significant overspending in 2016-17.

27. However, as the Fair Funding Review will take at least 18 months and a new funding formula will not be implemented until April 2020 at the earliest, it is proposed that further lobbying is carried out in the more immediate future to raise awareness of the acute funding pressure boroughs are facing now and in the next 2 years.

28. London Councils officers met with DCLG officials to share the headline findings from this survey and raise awareness about the seriousness of this financial pressure to support DCLG's evidence to HM Treasury ahead of the Budget in November.

Special Educational Needs and Disabilities (SEND)

29. There is a growing concern amongst officer groups, including SLT and ALDCS, that London needs collectively to lobby government to secure more funding and greater flexibility to deal with SEND funding pressures.

30. London Councils wrote to the Secretary of State for Education following the second round consultation on the National Funding Formula in March 2017, stressing that pressures on high needs budgets are amongst the most acute of any local government service area in London. It called for the high needs block to have an automatic mechanism to ensure that funding increases as demand rises; and for a substantial injection of additional funding into the high needs block to keep pace with the triple pressure of rapidly rising demand, rising prevalence rates and changing types of need. Similarly, SLT wrote to the Secretary of State on 25 August 2017 to raise the issue of significant overspends in high needs budgets across London.

31. London Councils' Autumn Budget submission called on government to:

- Provide real terms funding per pupil for high needs allocations and SEN transport, taking into account future growth in the number of SEN pupils
- Recognise the existing shortfall in funding in the high needs block and take steps to compensate local authorities

- Continue to allow local authorities full flexibility to transfer funding between the schools and high needs block of DSG.

32. London Councils' officers are in discussion with DCLG officials to raise awareness of the scale of this issue and have asked for it to be reflected in any discussions with HM Treasury ahead of the Autumn Budget.

33. London Councils intends to raise the issue of SEND funding at a forthcoming meeting with the Secretary of State for Education and the Mayor of London, as part of a wider discussion of school funding pressures.

34. It is proposed that London Councils undertakes a concerted lobbying campaign to raise awareness of this funding pressure that is particularly acute in London compared with other areas to ensure appropriate funding levels to protect and enhance the lives of some of the capital's most vulnerable children. This work would involve significant media and parliamentary activity, as well as galvanising parent groups, to raise the profile of the lack of adequate funding for SEND children.

Recommendations

35. Leaders' Committee is asked to:

- Note the ongoing work to be undertaken in relation to children's social care pressures in relation to the Fair Funding Review, and the need to support further lobbying on this key issue where possible (see paragraphs 25-28); and
- support the proposals set out in paragraph 29-34 to undertake more immediate lobbying with regard to SEND funding shortfalls.

Financial Implications for London Councils

36. None

Legal Implications for London Councils

37. None

Equalities Implications for London Councils

38. None

Leaders' Committee

Annual Audit Report 2016/17

Item no: 9

Report by: David Sanni **Job title:** Head of Financial Accounting
Date: 10 October 2017
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 2017. The Audit Committee considered the contents of the audit report at its meeting on 21 September 2017.

Recommendations The Leaders' Committee is asked to note the contents of the Annual Audit Report for 2016/17 which can be found at Appendix A.

Annual Audit Report 2016/17

Background

1. At its meeting on 21 September 2017, London Councils' Audit Committee considered the annual audit report issued by KPMG following the completion of its audit of London Councils 2016/17 accounts. The audit report reflects the outcome of KPMG's audit of London Councils accounts for 2016/17.
2. The audit report 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 Committee, the Grants Committee, the Pensions CIV Sectoral Joint 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 2016/17

Background Papers

Annual Audit Report 2016/17 – Report to London Councils Audit Committee 21 September 2017;
and

Final accounts working files 2016/17.



External Audit Report 2016/17

London Councils

September 2017

Content

The contacts at KPMG in connection with this report are:

Neil Hewitson
Director, KPMG LLP

Tel: 020 7311 1791
neil.hewitson@kpmg.co.uk

Steve Lucas
Senior Manager, KPMG LLP

Tel: 020 7311 2184
stephen.lucas@kpmg.co.uk

Taryn Retief
Assistant Manager, KPMG LLP

Tel: 0777 0620049
taryn.retief@kpmg.co.uk

Important notice

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2. Financial statements audits

Appendices

- 1 Recommendations
- 2 Materiality and reporting of audit differences
- 3 Audit differences
- 4 Audit independence
- 5 Audit quality framework

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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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Hewitson, the engagement lead to London Councils, who will try to resolve your complaint.

Important notice

Circulation of this report is restricted. The content of this report is based solely on the procedures necessary for our audit. This report is addressed to London Councils and has been prepared for your use only. We accept no responsibility towards any member of staff acting on their own, or to any third parties.

External auditors do not act as a substitute for the London Councils' 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.

Purpose of this report: This Report is made to London Councils' Audit Committee in order to communicate matters as required by International Audit Standards (ISAs) (UK and Ireland) and other matters coming to our attention during our audit work on the Joint Committee, Transport and Environment Committee and Grants Committee financial statements that we consider might be of interest and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report or for the opinions we have formed in respect of this Report.

Limitations on work performed: This Report is separate from our audit opinions and does not provide an additional opinion on the financial statements nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report. The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit: Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit reports. We will provide an oral update on the status of our audit at the Audit Committee meeting. Aspects of the following work is ongoing: final quality review processes including receiving the management representation letters.

Financial statements audit – see section 2 for further details

We have audited the consolidated Joint Committee financial statements, which comprises the Joint Committee, Transport and Environment Committee, Grants Committee and London Councils Limited financial statements, and the Transport and Environment Committee and Grants Committee financial statements. The three committee financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

We previously issued an unqualified audit opinion on London Councils Limited for the year ended 31 March 2017.

We intend to issue unqualified audit opinions on London Councils' Joint Committee, Transport and Environment Committee and Grants Committee financial statements following the Audit Committee approving them and receipt of the management representations letters.

Subject to the matters on page 3, we have completed our audit of the financial statements. We have read the narrative reports and reviewed the Annual Governance Statements (AGS). Our key findings are:

- There are two adjusted audit differences, with the first impacting on the Transport and Environment Committee and Consolidated Accounts and the second impacting on the core Joint Committee and Consolidated Accounts, explained in section 2 and appendix 3;
- We agreed minor presentational changes to all three financial statements with officers;
- We are not seeking any specific management representations beyond those considered as standard for any of the three Committees;
- We will report that all three AGSs comply with delivering Good Governance guidance issued by CIPFA / SOLACE in April 2016; and
- We reviewed the three narrative reports and have no matters to raise with you.

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 etc.).

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

London Councils has addressed both of the recommendations raised in our 2015/16 ISA260 report. There are no new recommendations raised this year.

Section Two

Financial statements audits

We audit your financial statements by undertaking the following:

Work Performed	Accounts production stage		
	Before	During	After
1. Business understanding: review your operations	✓	✓	–
2. Controls: assess the control framework	✓	–	–
3. Prepared by client request (PBC): issue our prepared by client request	✓	–	–
4. Accounting standards: agree the impact of any new accounting standards	✓	✓	–
5. Accounts production: review the accounts production process	✓	✓	✓
6. Testing: test and confirm material or significant balances and disclosures	–	✓	✓
7. Representations and opinions: seek and provide representations before issuing our opinions	✓	✓	✓

We have completed the first six stages and report our key findings below:

1. Business understanding	In our 2016/17 audit plan we assessed your operations to identify significant issues that might have a financial statements consequence. We confirmed this risk assessment as part of our audit work. We provide an update on each of the risks identified later in this section.
2. Assessment of the control environment	We assessed the effectiveness of your key financial system controls that prevent and detect material fraud and error. We found that the financial controls on which we seek to place reliance are operating effectively. We note that both recommendations raised in the prior year were implemented. We reviewed work undertaken by your internal auditors, in accordance with ISA 610 and used the findings to inform our work.
3. Prepared by client request (PBC)	We produced the PBC to summarise the working papers and evidence we ask you to collate as part of the preparation of the financial statements. We discussed and tailored our request with officers and this was issued as a final document to the finance team. We are pleased to report that this has resulted in good-quality working papers with clear audit trails.

Section Two

Financial statements audits

4. Accounting standards	<p>We work with you to understand changes to accounting standards and other technical issues. For 2016/17 these changes related to:</p> <ul style="list-style-type: none">• Updates to the presentation of the Comprehensive Income and Expenditure Statement and the Movements in Reserves Statement and the introduction of the new Expenditure and Funding Analysis; and• Amended guidance on the Annual Governance Statement. <p>There were no issues arising from these changes that we need to report to you</p>
5. Accounts Production	<p>We received complete draft financial statements for all three Committees on 10 July 2017. The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. We will debrief with Finance to share views on the final accounts audit which hopefully will lead to further efficiencies in the 2017/18 audit process.</p> <p>We thank Finance for their cooperation throughout the visit which allowed the audit to progress and complete within the allocated timeframe.</p>
6. Testing	<p>We have summarised the findings from our testing of significant risks and areas of judgement in the financial statements on the following pages. We identified, two immaterial adjustments with the first impacting on the Transport and Environment Committee and Consolidated Accounts and the second impacting on the core Joint Committee and Consolidated Accounts, which have been corrected. Details of these are shown in Appendix 3. We also identified presentational changes which have been adjusted for.</p>
7. Representations	<p>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 draft representation letters to the Head of Financial Accounting on 25 August 2017.</p> <p>We are not seeking any specific management representations beyond those considered as standard.</p>

Section Two

Financial statements audits

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 etc.).

There are no others matters which we wish to draw to your attention in addition to those highlighted in this report or our previous reports relating to the audit of London Councils 2016/17 financial statements.

To ensure that we provide a comprehensive summary of our work, we have over the next pages set out:

- The results of the procedures we performed over the areas identified as significant risks in our audit plan, notably the LGPS triennial valuation and annual IAS 19 valuation;
- The results of our procedures to review the required risks of the fraudulent risk of revenue recognition and management override of control; and
- Our view of the level of prudence applied to key balances in the financial statements.

Section Two

Financial statements audits

SIGNIFICANT audit risk	Account balances effected	Background and summary of findings
All three committees Risk : LGPS Triennial Valuation and annual IAS 19 valuation	Pension liability at 31 March 2017 - Joint Committee £29.99 million PY: £23.02 million	<p>The triennial valuation at 31 March 2016 forms the baseline assumptions for London Councils' annual IAS 19 valuation. We reviewed the approach to the valuation, the qualifications, actuarial assumptions and reports by London Councils' actuary and data submitted. Our review did not identify any issues to bring to your attention.</p> <p>For the annual IAS 19 valuation we completed a similar review of the data provided and actuarial assumptions made for London Councils and confirmed that the figures provided by the actuary had been accurately reflected in the financial statements. We also reviewed the allocation over the three committees. Our review did not identify any issues to bring to your attention.</p>

Other areas of audit focus

We identified one area of audit focus which is not considered to be a significant risk as it is less likely to give rise to a material error. Nonetheless this is an area of importance where we carry out audit procedures to ensure that there is no material misstatement.

Other areas of audit focus	Account balances effected	Summary of findings
All three committees Restatement of CIES, EFA and MIRS	CIES gross expenditure – Joint Committee £63.13 million PY: £69.75 million	<p>Changes to the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 were made to the presentation of the Comprehensive Income and Expenditure Statement (CIES) and Movement in Reserves Statement (MiRS) together with a new Expenditure and Funding Analysis (EFA).</p> <p>We reviewed the revised statements for all three committees and the approach to the restatement of the prior year figures comparing them to how figures are reported throughout the year. We confirmed that expenditure and income was being recorded correctly. Our review did not identify any issues to bring to your attention.</p>

Section Two

Financial statements audits

Risks that ISAs require us to assess in all cases	Why	Our findings from the audit
<p>All three committees</p> <p>Fraud risk from revenue recognition</p>	<p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p> <p>In our External Audit Plan 2016/17 we reported that we do not consider this to be a significant risk for any of the Committees as there is unlikely to be an incentive to fraudulently recognise revenue.</p> <p>This is still the case. Since we have rebutted this presumed risk, there has been no impact on our audit work.</p>	<p>There are no matters arising from this work that we need to bring to your attention.</p>
<p>All three committees</p> <p>Fraud risk from management override of controls</p>	<p>Management is typically in a powerful position to perpetrate fraud owing to 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.</p> <p>In line with our methodology, we carry 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.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p>	<p>There are no matters arising from this work that we need to bring to your attention.</p>

Section Two

Financial statements audits

Judgements in your financial statements

We consider the level of prudence in key judgements in your financial statements. We summarise our view below using the following scale:



Assessment of subjective areas – all three committees

Asset / liability class	Current year	Prior year	Balance in Joint Committee consolidated accounts (£m)	KPMG comment
Accruals	3	3	£3.38M PY: £2.94M	<p>For each committee, we agreed a sample of the accruals recorded in the financial statements to supporting documentation, including confirmation of post-year end payment. We 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>We identified that parking adjudicator services delivered in February and March 2017 were not accrued for in 2016/17 in the Transport and Environmental Committee and the Joint Committee consolidated financial statements. This was due to London Councils historically accounting for this expense based on invoices received ensuring that there was a 12 month charge in the financial statements, although it did not reflect the year end position. The misstatement has been adjusted - see appendix 3.</p> <p>We believe London Councils assessment for all three committees to represent a balanced view of future payables and is within the acceptable range.</p>
Pensions liability	3	3	£29.99M PY: £23.02M	<p>We 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.</p> <p>Our view is that London Councils and its actuaries are balanced in determining the net pension liability and are within the acceptable range of estimates.</p>

Section Two

Financial statements audits

Narrative report of London Councils

We have reviewed the three committee's narrative reports and have confirmed that they are consistent with the financial statements and our understanding of the Committees.

Audit fees

Our fee for the audit was £35,100 plus VAT for the audit of the financial statements of the 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 February 2017.

We have not completed any non-audit work at London Councils in year.

Appendix 1

Recommendations

No recommendations were raised as a result of our 2016/17 work. We have followed up the recommendations from the prior year's audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number overdue
2	2	0

#	Risk	Recommendation	Management Response / Officer / Due Date	Status at August 2017
1	2	Invoicing of income receivable Where income is due to be collected an income request form should be prepared in order to generate an invoice. During our substantive testing of the income, we found that 4/20 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. Of the remaining 15 items tested, 6/15 were not authorised in line with the expected procedures. All income due should be supported by an income request form that is fully completed in line with the expected procedures.	Agreed 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. Recommendation implemented by the Head of Financial Accounting in September 2016.	Implemented From our testing of income, we are satisfied that the controls in place are operating as intended in 2016/17.
2	3	Pension submission reconciliation 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. Evidence of a review of information provided by the actuary, and comparison with data provided should be retained in line with good practice.	Agreed 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. Recommendation will be implemented by the Head of Financial Accounting in April 2017.	Implemented We have seen evidence the information from the actuary was reviewed by officers.

Materiality and reporting of audit differences

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects:

- 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; and
- 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 2016/17, presented to you in February 2017.

Materiality for the Joint Committee accounts was set at £1.3 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 £850k which equates to around 2% percent of gross expenditure.

Materiality for the Grants Committee accounts was set at £160k 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 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, an individual difference could normally be considered to be clearly trivial if it is less than £65,000 for the Joint Committee overall with £13,000 for its core activities, £8,000 for the Grants Committee and £40,000 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.

Appendix 3

Audit differences

Unadjusted audit differences

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate.

We are pleased to report that there are no unadjusted audit differences.

Adjusted audit differences

To assist the Audit Committee in fulfilling its governance responsibilities we present below a summary of non-trivial adjusted audit differences (including disclosures) identified during our audit. The adjustments below have been included in the financial statements.

Joint Committee adjusted audit differences (£'000)						
#	Income and expenditure statement	Movement in reserves statement	Assets	Liabilities	Reserves	Comments
1	Dr T&E Committee Expenditure £195					Adjustment to accrue for parking adjudicator services delivered in February and March 2017 that were not included in 2016/17 TEC expenditure.
				Cr Other Local Authorities £195		
2	Dr Joint Committee Income £19					Adjustment reducing the value of Joint Committee income due to two invoices relating to 2017/18 being included in 2016/17 income.
				Cr Other Local Authorities £19		
	Dr £214			Cr 214		Total impact of corrected audit differences

The first adjusted audit difference above was also made to the Transport and Environmental Committee.

There were minor presentational adjustments to all three sets of financial statements but none that require reporting to the Audit Committee.

Audit independence

This appendix communicates all significant facts and matters that bear on KPMG LLP's independence and objectivity and informs you of the requirements of *ISA 260 (UK and Ireland) Communication of Audit Matters to Those Charged with Governance*.

Integrity, objectivity and independence

We are required to communicate to you in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and audit team. We have considered the fees paid to us by London Councils for professional services provided by us during the reporting period. We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies all KPMG LLP audit partners and staff annually confirm their compliance with our Ethics and Independence Manual including in particular that they have no prohibited shareholdings. Our Ethics and Independence Manual is fully consistent with the requirements of the Ethical Standards issued by the UK Auditing Practices Board. As a result we have underlying safeguards in place to maintain independence through: instilling professional values; communications; internal accountability; risk management; and independent reviews. We would be happy to discuss any of these aspects of our procedures in more detail. There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed.

Audit matters

We are required to comply with *ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance* when carrying out the audit. ISA 260 requires that we consider the following audit matters and formally communicate them to those charged with governance:

- Relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement lead and audit staff;
- The general approach and overall scope of the audit, including any expected limitations thereon, or any additional requirements;
- The selection of, or changes in, significant accounting policies and practices that have, or could have, a material effect on London Councils' financial statements;
- The potential effect on the accounts of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements;
- Audit adjustments, whether or not recorded by the entity that have, or could have, a material effect on the London Councils' financial statements;
- Material uncertainties related to events and conditions that may cast significant doubt on the London Councils' ability to continue as a going concern;
- Disagreements with Management about matters that, individually or in aggregate, could be significant to London Councils' financial statements or the auditor's report. These communications include consideration of whether the matter has, or has not, been resolved and the significance of the matter;
- Expected modifications to the auditor's report;

Appendix 4

Audit independence

- Other matters warranting attention by those charged with governance, such as material weaknesses in internal control, questions regarding management integrity, and fraud involving management; and
- Any other matters agreed upon in the terms of the audit engagement.

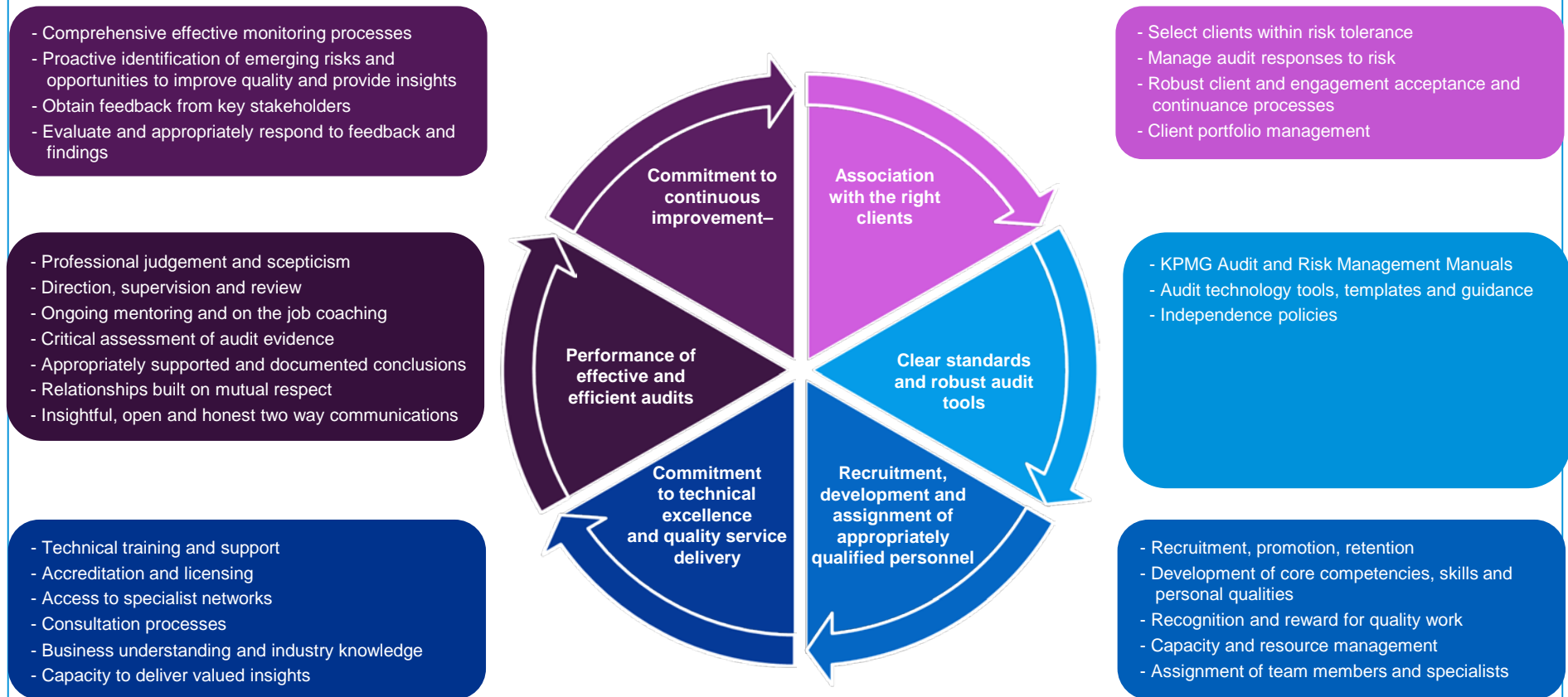
We continue to discharge these responsibilities through our attendance at Audit Committees, commentary and reporting and, in the case of uncorrected misstatements, through our request for management representations.

Auditor declaration

In relation to the audit of the financial statements of London Councils for the financial year ending 31 March 2017 we confirm that there were no relationships between KPMG LLP and London Councils, their directors and senior management and their affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We confirm that we have complied with Ethical Standards in relation to independence and objectivity.

Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework





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Leaders

London Councils' Urgencies Report Item no: 10

Report by: Derek Gadd **Job title:** Head of Governance
Date: 10th October 2017
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: <ul style="list-style-type: none">• MOPAC funding opportunity: tackling harmful practices
Recommendations	Leaders are asked to note the decision taken under the urgency procedure.

1.0 MOPAC funding opportunity: tackling harmful practices

1.1 Introduction

In April 2015, the Mayor's Office for Policing and Crime (MOPAC) started a two-year long Harmful Practices Pilot that aimed to improve the way agencies identify and respond to a series of harmful practices against women and girls. The Pilot, delivered by the Partnership to End Harmful Practices, came to an end in March 2017. MOPAC informed London Councils that further funding of up to £100,000 per year for the next two years (financial years 2017-18 and 2018-19) is available to continue some of the activity from the Pilot, particularly early identification by statutory and voluntary agencies through appropriate training. There is no expectation or requirement that this funding is matched.

MOPAC are keen to avoid duplication of support and ensure complementarity with the London Councils Grants Programme. Consequently, MOPAC asked that the available funding be managed under a partnership arrangement by the Employment and Inclusion Team to complement the Section 48 Grants Programme and provide additional resources for training front-line staff in statutory and voluntary services to identify harmful practices and take appropriate action.

London Councils has received legal advice that this funding cannot be administered as part of the Grants Scheme. However, it can be administered by Leaders' Committee on behalf of MOPAC on the same terms as London Councils Grants, on the basis that London Councils is providing a service to the GLA as the legal entity and public authority responsible for MOPAC.

A five per cent management fee will be applied to the funding to take account of management and administration costs for increasing the scale of the grants programme.

1.2 Summary

The Chair of Grants Committee, in consultation with the Vice Chairs, agreed in June 2017 that administering £100,000 MOPAC funding on the same terms as London Councils Grants, on the basis that London Councils is providing a service to the GLA, would provide an opportunity to enhance the Ascent Ending Harmful Practices project and the Grants programme. It was also agreed that officers submit a report to Leaders' Committee to ask for agreement that the £100,000 MOPAC funding is

accepted through an appropriate service level agreement and is managed on the same terms as London Councils Grants to enhance the Grants Programme.

1.3 Recommendation

Following the endorsement of the Chair and Vice Chairs of the Grants Committee in June 2017 Leaders' Committee is asked to note that the £100,000 MOPAC funding was accepted through an appropriate service level agreement and will be managed on the same terms as London Councils Grants to enhance the Grants Programme.

Elected Officers of Leaders' Committee were asked to agree the London Councils submission by close of business on Tuesday 12th September 2017. The Urgency was approved.

Financial Implications:

The Director of Corporate Resources reports that the proposals laid out in the report can be met from agreeing a five per cent management fee to the additional MOPAC funding.

Legal Implications:

London Councils has received legal advice that this funding cannot be administered as part of the Grants Scheme. However, it can be administered by Leaders' Committee on behalf of MOPAC/GLA on the same terms as London Councils Grants, on the basis that London Councils is providing a service to the GLA as the legal entity and public authority responsible for MOPAC.

Equalities Implications:

London Councils has, in exercising its functions under the Grants Scheme, in setting the policy for grant-making and funding services through the commissioning process which has been adopted, complied with the general equalities duty under the Equality Act 2010 to have regard to the need to eliminate unlawful discrimination, harassment and victimisation and to advance equality of opportunity between different groups and foster good relations between different groups. Accepting this funding to enhance currently funded services to vulnerable beneficiaries supports London Councils to meet its equalities duties in the exercise of its grants functions.

Leaders' Committee

Summaries and Minutes

Item no: 11

Report by: Derek Gadd **Job title:** Head of Governance
Date: 10th October 2017
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:

- GLEF – 13 June 2017
- YPES – 6 July 2017
- CAB – 11 July 2017
- Pensions CIV Sectoral Joint Committee – 12 July 2017
- Grants Committee AGM – 12 July 2017
- Grants – Leadership in the Third Sector Sub Committee– 18 July 2017
- TEC Executive Sub Committee – 20 July 2017
- Executive – 12 September 2017
- TEC Executive Sub Committee – 15 September 2017

Leaders' Committee

Report from the Greater London Employment Forum – 13 June 2017

Item no:

Report by: Steve Davies **Job title:** Head of London Regional Employers Organisation
Date: 13 June 2017
Contact Officer: Steve Davies
Telephone: 020 7934 9963 **Email:** Steve.davies@londoncouncils.gov.uk

Summary: Summary of the minutes of the Greater London Employment Forum held on 13 June 2017

Recommendations: For information.

In Attendance: Cllr Colin Tandy (Bexley), Cllr Margaret McLennan (Brent), Cllr Stephen Wells (Sub) (Bromley), Cllr Alison Kelly (Camden), Cllr Doug Taylor (Enfield), Cllr Carole Williams (Hackney), Cllr Philip Corthorne (Hillingdon), Cllr Gerard Hargreaves (Kensington & Chelsea), Cllr Eric Humphrey (Kingston upon Thames), Cllr Kevin Bonavia (Lewisham), Cllr David Marlow (Richmond upon Thames), Cllr Simon Wales (Sutton), Cllr Guy Senior (Wandsworth), Cllr Angela Harvey (Westminster), Helen Reynolds (UNISON), Sean Fox (UNISON), Margaret Griffin (UNISON), Gloria Hanson (UNISON), Jackie Lewis (UNISON), Sue Plain (UNISON), Simon Steptoe (UNISON), Esther Rey (UNISON), Susan Matthews (UNITE), Danny Hogan (UNITE), Gary Cummins (UNITE), Peter Murphy (GMB) and Wendy Whittington (GMB).

Also In Attendance: Steve Davies (London Councils), Debbie Williams (London Councils), Mehboob Khan (Political Advisor to the Labour Group, London Councils), Jade Appleton (Political Advisor to the Conservative Group, London Councils) and Julie Kelly (UNISON).

1. Apologies for Absence: Apologies were received from Cllr Irma Freeborn (Barking & Dagenham), Cllr Yvonne Johnson (Ealing), Cllr Ben Coleman (Hammersmith & Fulham), Cllr Osman Dervish (Havering), Cllr Jenny Kay (Islington), Cllr Mark Allison (Merton), Cllr Ken Clark (Newham), Cllr David Edgar (Tower Hamlets), April Ashley (UNISON), Kim Silver (UNISON), Danny Judge (UNISON), Mary Lancaster (UNISON), Neville McDermott (UNISON), Clara Mason (UNISON), Karen Lynn (UNISON) and Dave Powell (GMB).

2. Declarations of Interest: Cllr Doug Taylor, Vice-Chair (Enfield) wished to record on behalf the Employers' Side that a number of Councillors are a member of UNISON which we do not have to declare at this meeting but we do declare on our declarations form.

3. Election of Chair and Vice-Chair 2017-18: Cllr Doug Taylor (Enfield) was elected Chair of GLEF for 2017-18. Susan Matthews (UNITE) was elected Vice Chair.

4. Confirmation of GLEF Membership 2017-18 It was noted that that membership for UNITE was incorrect and needed to be updated. GLEF membership for 2017-18 was noted.

Employers' Side

Borough	Rep	Party	Deputy
Barking & Dagenham	Cameron Geddes	Lab	Irma Freeborn
Barnet	Richard Cornelius	Con	Daniel Thomas
Bexley	Colin Tandy	Con	Linda Bailey
Brent	Margaret McLennan	Lab	Shama Tatler
Bromley	Ian Payne	Con	
Camden	Theo Blackwell	Lab	Alison Kelly
Croydon	Simon Hall	Lab	Mark Watson
Ealing	Yvonne Johnson	Lab	Cllr Hynes
Enfield	Doug Taylor	Lab	Dino Lemonides
Greenwich	Chris Kirby	Lab	
Hackney	Carole Williams	Lab	Philip Glanville
Hammersmith & Fulham	Ben Coleman	Lab	
Haringey	Ali Demirci	Lab	Claire Kober
Harrow	Kiran Ramchandani	Lab	Graham Henson
Havering	Melvin Wallace	Con	Osman Dervish
Hillingdon	Philip Corthorne	Con	
Hounslow	Ajmer Grewal	Lab	
Islington	Jenny Kay	Lab	
Kensington & Chelsea	Gerard Hargreaves	Con	
Kingston upon Thames	Eric Humphrey	Con	Hugh Scantlebury
Lambeth	Imogen Walker	Lab	Paul McGlone
Lewisham	Kevin Bonavia	Lab	Joe Dromey
Merton	Mark Allison	Lab	Nick Draper
Newham	Ken Clark	Lab	Lester Hudson
Redbridge	Kam Rai	Lab	Jas Athwal
Richmond upon Thames	David Marlow	Con	
Southwark	Fiona Colley	Lab	Johnson Situ
Sutton	Simon Wales	LD	
Tower Hamlets	David Edgar	Lab	
Waltham Forest	Asim Mahmood	Lab	Sally Littlejohn
Wandsworth	Guy Senior	Con	
Westminster	Angela Harvey	Con	
City of London	Revd Stephen Decatur Haines MA Deputy		Edward Lord, OBE, JP

UNISON: Helen Reynolds, Gloria Hanson, Sue Plain, Jackie Lewis, Simon Steptoe, Sean Fo: Maggie Griffin, Esther Rey, April Ashley, Kim Silver, Danny Judge, Mary Lancaster, Clara Mason, Neville McDermott, Jane Doolan and Karen Lynn.

UNITE: Onay Kasab, Danny Hogan, Kathy Smith, Susan Matthews, Kevin Simmons, Sean Ramsden and Nick Long.

GMB: Penny Robinson, Jonathon Coles, Wendy Whittington, Peter Murphy, Dennis McNulty Euton Stewart and Dave Powell ex officio.

5. Minutes of the Meeting held on 9 February 2017 and Matters Arising: Sue Plain (UNISON) wished to highlight to colleagues that at the Regional Joint Secretaries GLEF agenda planning meeting held on 15 May 2017 she was the only Union member present and put forward the following four options as agenda items for the meeting today:

1. Regionalisation of Fostering and Adoption Services
2. The Government's Consultation on a new National Assessment and Accreditation System (NAAS) for Social Work
3. Update on campaigning on the school funding cuts (a joint interest on this subject)
4. Discussion item on the outcome of the general election and manifestos

As colleagues will notice none of these items have been included on the Joint agenda. This is a first that not even one item has been put on the agenda from the Unions suggestions. That UNISON was not informed that none of the agenda items suggested had been dropped and weren't contacted for assistance in finding speakers. The TU side also noted that the item put forward on the Employers' Side was not the same as that discussed at Agenda Planning.

The Union Side also notice that 'Any Other Business' has been omitted from the agenda and we want this reinstated.

The Union Side feel very disappointed and want reassurances that this will never happen again.

The Chair agreed that this is a joint meeting and that joint items need to be put on the agenda. Quite rightly there has been an issue with the transition of staff and confirms that 'Any Other Business' be reinstated as an agenda item for future meetings.

Matters Arising: Item 6 – London Collective Investment Vehicle (CIV) Update (Page 6 of minutes)

- The Union Side highlighted that the following sentence was not in fact mentioned by Danny Judge (UNISON) and should be in fact attributed to Cllr Adrian Gardner (Lambeth):

Danny Judge (UNISON) reported that he sits on Lambeth's Pension Board and so understands the value of being involved in this board. He explained how positive the experience has been in jointly establishing boards through the LGPS. He went onto highlight his concerns as the Government's agenda now appeared to the unions to be at the deficit of membership representation at a CIV (London regional level). London Councils Joint Committee has been established which he understood comprises of one nominated councillor from each participating borough. The trade unions stated that they find it unsatisfactory that they currently do not have a voice at the CIV Board level. The unions requested that participating boroughs consider how best scheme members can participate at board level.

- As a matter of accuracy the Union Side also thanked Sir Bob Kerslake for his presentation and would like this noted in the minutes.
- Danny Hogan (UNITE) enquired whether there was any news on whether any further consideration had been given to the representation by the London Councils Joint Committee for the Unions to have a voice on the CIV Board. It is becoming disrespectful that the Unions do not have a seat as individuals we pay into this pot.

Cllr Doug Taylor (Chair) responded that CIV are undertaking a governance review which

was agreed at Leaders Committee on 7 February. Report due in the summer 2017 so we will hopefully know by then.

The intention is to also invite Lord Kerslake (Non-Executive Chair, London CIV) and Hugh Grover (Chief Executive, London CIV) to the next GLEF meeting for an update.

Apprenticeships – Page 6: The Union Side formally requested that Apprenticeships goes on the next GLEF agenda and that it includes an update/feedback on the differences on what boroughs pay apprentices.

GLPC JE Refresh Update – Page 6: The Union Side highlighted that this was an outstanding item and discussion at Joint Secretaries and requested that a 'Train the Trainer' session be organised for union trainers.

Memorandum of Co-operation (MoC) – Page 7:

- Jackie Lewis (UNISON) asked if an update could be provided on the MoC for Adult Social Workers (ASW's) referencing the following bullet point from the minutes of 9 February 2017:
 - *Discussions taking place to extending the MoC to Adults Social Care. This group are not as critical quite yet as Children's Social Workers (CSW's) but heading that way.*

The Union Side's understanding from conversations locally is that local authorities have been asked to sign off a MoC for ASW's by 16 June 2017. The Union Side asked when would employers be speaking to the Unions about the MoC?

The Unions welcomed a MoC for ASW's but would have expected to have some input and comment. From our point of view we would like to see areas of sharing best practice. The MoC as it currently stands appears just to reference capped rates and a reference template. The MoC appears not to mention training and development and sharing of good practice.

The Chair responded that a discussion should take place at Joint Secretaries.

Jackie Lewis responded that guessing that there is a document available that the Unions can view and comment on. Recruitment and Retention and IR35 are crucial and the issue of agency workers is a concern to the Unions as well as for employers.

We believe the approach taken for the CSW's MoC needs to be widened to the ASW's MoC.

Steve Davies (Regional Employers Joint Secretary) responded that the CSW's MoC was delivered through the Heads of HR Network. The ASW's MoC has been taken forward by London ADASS. The Heads of HR will be meeting on Friday 16 June and are due to have a discussion with a representative from London ADASS as the Heads of HR have only recently become aware of the issues kindly raised this morning by the Unions.

The Heads of HR have not been included in discussions so far which will explain why the Unions have not also been included.

Any Other Business – Page 9:

- Danny Hogan (Unite) enquired whether Cllr Doug Taylor (Chair) had received a response from the Prime Minister regarding the co-signatory response letter to the Prime Minister in relation to Surrey County Council doing a council tax deal. Cllr Tim Stevens (Bromley) was very angry and wondered if he had also received a reply letter.

Cllr Doug Taylor responded that he had not received a response.

Cllr Angela Harvey (Westminster) highlighted that Cllr Stevens was not present today so unable to comment.

6. CEEP Membership – Proposed Membership going Forward: Steve Davies (Regional Employers Side Secretary) informed colleagues that CEEP is the European Centre of Employers and Enterprises providing Public Services and Services of general interest and highlighted the attached report.



Microsoft Word 97 -
2003 Document

7. Summary Feedback from CEEP UK 2016 AGM Meeting of 26 May 2017: Steve Davies (Regional Employers Side Secretary) highlighted the attached report which provides a brief outline of a number of items considered at the CEEP UK 2016 AGM meeting held on 26 May 2017, to better inform GLEF of our relations with this association.



Microsoft Word 97 -
2003 Document

8. Any Other Business: Pay Consultation – Sean Fox (UNISON)

Sean Fox mentioned that the Unions were aware that the London pay consultation will be taking place in August. The Unions Pay Claim will be published very soon and we urge employers to look at our Pay Claim very seriously.

Our Prime Minister also agrees that public sector pay needs to be seriously looked at and that we cannot carry on paying 1% pay rises.

We need the employers in London to look very seriously at the future of pay.

Thankfully most boroughs present pay the London Living Wage.

Danny Hogan (Unite) added that 65% of Londoners voted that the pay freeze should be ended. If austerity is over today then we need some members to go away and seriously think about and give thoughtful respect to the people they employ.

The meeting was concluded at 12.24pm

8. Date of Next Meeting: 15 February 2018 (Group Meeting: 10am and Joint Meeting: 11.30am)

FUTURE MEETING DATE: GLEF AGM - 28 June 2018 (Group Meeting: 10am and Joint Meeting: 11.30am)

Young People's Education and Skills Board

Date 6 July 2017 **Venue** London Councils

Meeting Chair Cllr Peter John OBE

Contact Officer: Hannah Barker

Telephone: 020 7934 9524 **Email:** hannah.barker@londoncouncils.gov.uk

Present

Yolande Burgess	London Councils Young People's Education and Skills (acting Chair)
Dr Caroline Allen OBE	AoC/NATSPEC
Mary Vine-Morris	Association of Colleges (AoC) London Region
David Andersson	Department for Work and Pensions (on behalf of Derek Harvey)
Caroline Boswell	Greater London Authority (GLA) (for Joanne McCartney)

Guests and Observers

Michael Heanue	LEAP officer
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Officer(s)

Peter O'Brien	London Councils Young People's Education and Skills
Hannah Barker	London Councils Children and Young People Services

Apologies

Cllr Peter John OBE	London Councils Executive member for Business, Skills and Brexit (Chair)
Gail Tolley	Association of London Directors of Children's Services
Arwell Jones	Association of School and College Leaders
Zeena Cala	Skills Funding Agency
Derek Harvey	Department for Work and Pensions
Tim Shields	Chief Executives London Committee
Dr Graeme Atherton	AccessHE

1 Welcome and introductions

- 1.1 In the absence of the Board Chair and Vice-Chairs, the meeting agreed that Yolande Burgess should take the chair. Yolande welcomed attendees and apologies were noted.

2 Declarations of Interest

- 2.1 No interests were declared.

3 Notes and Matters Arising from the last meeting

- 3.1 The notes of the last meeting were agreed; all actions were either closed or progressing.

4 Policy Update

- 4.1 Hannah Barker talked to the policy update paper circulated prior to the meeting.
- 4.2 The Board noted the seriousness of the situation regarding children and young people's mental health and the limited funding available for mental health support.

Action: YPES team to consider and propose to the Board actions on mental health and wellbeing

5 Technical Education

- 5.1 Yolande Burgess gave a presentation, reminding the Board of the background to and progress on the Skills Plan.
- 5.2 The Board was keen to be engaged in the further development of 'T' levels, especially the construction and digital pathways, to ensure that the qualifications keep pace with the changing needs and nature of the London labour market. It was noted that the launch of the Construction Academy in October fits well with the suggested collaboration on the construction pathway. The Board agreed that London Councils and the GLA should develop and implement appropriate proposals.

Action: Michael Heanue and Yolande Burgess will develop a proposal on the construction pathway to submit to the leadership of the Construction Academy.

6 Do The Maths

- 6.1 The Board discussed a paper on "Do The Maths", London Councils annual publication on school places planning and capital funding for schools. The paper sought the Board's views on whether post-16 education should be included in the next iteration, which was due to be published in September 2017.
- 6.2 After discussion, the Board agreed in principle to include post-16 education in the next publication and recommended that next year's publication should use a robust evidence base related to post-16 education and skills. The Board also recommended that close analysis of the Special Educational Needs and Disabilities (SEND) review would provide useful data for next year's exercise.

Action: London Councils to incorporate the Board's comments into "Do The Maths" and relay the Board's comments about future publications as necessary. The GLA and Association of Colleges will also liaise on the recruitment and retention of school teachers and lecturers in the FE sector

7 Raising the Participation Age (RPA)

- 7.1 The Board discussed a paper circulated in advance of the meeting and agreed that it was a useful summary that Board members could share with colleagues in boroughs and learning institutions.

8 Regular updates

European Social Fund (ESF) update

- 8.1 The Board heard about London Council's practical support for the London ESF Youth Programme, involving providers, local authorities and funding bodies.

London Ambitions update

- 8.2 The Board received an embargoed copy of a survey commissioned by London Councils that looked at work experience from an employers' perspective highlighting work experience and other opportunities that employers make available to young people in London. The report also highlighted the support that employers would find useful to enable them to create more opportunities. The Board agreed that London Councils and the GLA should work closely to 're-contextualise' London Ambitions and noted that the GLA will be convening a task and finish group on careers in the autumn, which would provide an opportunity to promote London Ambition's effectiveness to-date and to re-consider how to address the needs of young people with SEND.

Action: GLA to gather case studies from the Careers Clusters

Action: All Board members to share London Councils Work Experience report; Yolande Burgess to ensure London Councils communications team links with the GLA communications teams

9 AOB

- 9.1 Mary Vine-Morris made Board members aware of an email she had received regarding proposals for Institutes of Technology, which she would forward to the group.

Action: London Councils to share Mary Vine-Morris' email to the Board

Meeting of the Capital Ambition Board

Tuesday 11 July 2017, 14:30

London Councils, Room 5, 59½ Southwark Street, London SE1 0AL

Members

Edward Lord OBE JP
Cllr Stephen Alambritis
Cllr Fiona Colley
Cllr Nicholas Paget Brown

Local Authority

City of London (Chair)
LB Merton
LB Southwark
RB Kensington & Chelsea

London Councils

Frank Smith
Guy Ware
Clive Grimshaw
Andy Pitcairn
Thomas Man
Lisa Henry
Lucy Foggin
Jade Appleton

Director of Corporate Resources
Director: Finance, Performance and Procurement
Strategic Lead, Health and Social Care
Head of Budgetary Control and Procurement
Head of Capital Ambition
Capital Ambition Programme Manager
Capital Ambition Project Officer
Political Advisor - Conservative Group

Advisers

Paul Najsarek

Chief Executive, LB Ealing

Board Secretariat

David Dent

Principal Corporate Governance Officer

EY

Darra Singh
Victoria Evans
Chess Dennis

Partner, Local Public Services
Senior Manager, Local Public Services
Consultant, Local Public Services

Behavioural Insights Team – for item 5

Tim Pearce
Michael Hallsworth

Head of Local Government, BIT
BIT

Geoff Alltimes – for item 6

Independent Consultant

1. Declarations of Interest

1.2 There were no declarations of interest.

2. Apologies for absence

- 2.1 Apologies were received from Cllr Kevin Davis (RB Kingston upon Thames), Cllr David Simmonds (LB Hillingdon), James Rolfe (LB Enfield), John Comber (RB Greenwich) and Fiona Fletcher-Smith (GLA).
- 2.2 It was also noted that the following individuals are no longer advisers to CAB John Comber, Mike O'Donnell and Rob Leak. The Board stated their gratitude to the advisers for the assistance they have provided to CAB.

3. Minutes of the meeting held on 14 February 2017

- 3.1 The minutes of the non-exempt part of the meeting held on 14 February 2017 were agreed as an accurate record.

4. Capital Ambition - Director's Report

- 4.1 The report was noted by CAB.

5. Applying Behavioural Insights – Costed Proposals

- 5.1 The Chair introduced Tim Pearse and Michael Halllsworth from the Behavioural Insights Team (BIT). Mr Pearse informed members that the Behavioural Insights proposals covered three areas:

- Improving decision making in respect of children's social care;
- Improving communications around prevention and early help, including speeding up foster carer recruitment;
- Increasing uptake of vaccinations – principally MMR, prompted by the recent measles outbreak which arose from low vaccination take up.

- 5.2 In response to a question from Cllr Colley, Mr Pearse commented that the main issue around children's social care assessments was the high incidence of referrals that resulted in a 'No Further Action' decision, which was quite common even after assessments had been made. The BIT would be looking to develop a more substantial assessment system.

- 5.3 Cllr Paget Brown asked about the possibilities of using the 'nudge' concept for foster carer recruitment, and whether this approach had been successful in other boroughs? Mr Pearse agreed that one of the most effective way of recruiting foster carers was using 'network nudge' principle, i.e. through existing carers. In terms of successful uses of 'nudge', BIT were not aware of any research into the impact. Nevertheless there are examples from other sectors that demonstrated the benefits of this approach such as charitable giving. Victoria Evans from EY mentioned that the concept had been used successfully in the Hertfordshire/Buckinghamshire regions for foster carers' recruitment.

- 5.4 Paul Najsarek asked whether the results of the pilots would be shared widely to communicate learning, and also whether any cashable savings could contribute to the Capital Ambition programme? Mr Pearse confirmed that all of the findings would be made public for the purposes of learning and that presentations would also be made, but that it wasn't intended to operate the behavioural insights work to provide a financial return to Capital Ambition. But as Ms Evans highlighted, from intelligence working with one of our Venture Partners, in house foster carers provides significant savings over using independent fostering agencies.

- 5.5 Members noted the presentation from BIT and agreed to award £59,242 to the London Borough of Croydon and £140,199 to the Royal Borough of Kensington and Chelsea for the three costed proposals.

6. Health and Social Care Integration

- 6.1. Although minuted in order, this item was moved to the end of the agenda with the agreement of the Chair to enable Clive Grimshaw and Geoff Alltimes to speak on the item.

- 6.2. Mr Grimshaw explained the background around London health and care devolution to the Committee: in June 2015 CAB had agreed up to £250,000 to support the development of new working arrangements for health, and in February 2016 had agreed to allocate £100,000 of this to support work streams emerging from the Health and Care Devolution Agreement. CAB were now being asked to note the progress of the devolution pilots and,

further to the February 2016 agreement, provide up to £150,000 to assist boroughs in the delivery of devolution commitments.

- 6.3. Mr Najsarek recognised the importance of this work but also asked that the impact of the Better Care Fund be considered.
- 6.4. Cllr Paget Brown asked about the position with Sustainability and Transformation Partnerships (STPs). Mr Grimshaw explained that where a budget is being integrated locally NHS England will expect the money to stack up. The project team that there are a wide range of delivery models and options being developed and delivered and the CAB funded project will reflect and recognise existing approaches.
- 6.5. CAB agreed to the provision of up to £150,000. The Chair requested that the Capital Ambition contribution be recognised in any final publications/reports.

7. London Ventures

- 7.1 Thomas Man, Head of Capital Ambition, introduced the report. He outlined the key decisions set out in the report which were:
 - Approving the year 2 London Ventures business plan
 - Approving the seed funding criteria
 - Approving the dragon's den outcomes
 - Approving a minor revision to a commercial deal
- 7.2 Darra Singh from EY explained the proposal that year 2 of the business plan sets out the next year of the London Ventures programme. The key difference compared to the original business plans was an extension of the current homelessness, temporary accommodation and housing targeted venture into year 2 in order to maximise the opportunity to deliver a successful targeted venture. This would delay the start of the second targeted venture programme until no later than March 2018; however there will still be a continuation of the general ventures work stream.
- 7.3 In terms of the general ventures, there were 16 partners in the programme. All partners are subject to bi-annual reviews to assess the partner's performance and where appropriate make recommendations as to whether or not to retain them within the programme. It was acknowledged that more could be done regarding marketing and communications, and the plan contained proposals for this.
- 7.4 Mr Najsarek asked whether homelessness projects in the programme would take up more of the overall programme. EY confirmed that a lot of work had been done to develop a portfolio that provided maximum impact, but the overall funding would not be affected. The plan was originally to run three cycles of the programme – that the programme was only now being run twice could impact on programme capacity at a later date.
- 7.5 In response to a question from the Chair, CAB confirmed their collective commitment to housing and homelessness projects within the programme.
- 7.6 Mr Singh mentioned that although two cycles of the Ventures programme would be run a range of partners, investors and local authorities are keen to be involved. The Director of Corporate Services confirmed that he was happy the three year financial targeting remained unaffected by this.
- 7.7 CAB received a report on the Dragon's Den event to review the homelessness, temporary accommodation and housing ideas on 19th June. From the long list of over 100 ideas, the participants in the event agreed a short list of seven concepts to be taken forward. As part of the Dragon's Den process there would be a report to provide a summary of the

outcomes. CAB were supportive of all the ideas and noted the potential scale of some of the opportunities, including the modular housing concept which has received support from the GLA.

7.8 CAB were informed that to support the development of the new projects £94,000 of seed funding had been set aside from the contract to support the development of new ventures. The team also recognised that further funding would be helpful in developing the programme and they have approached a range of external funders/organisations about supporting the programme.

7.10 Members approved:

- The decisions in relation to the year 2 London Ventures business plan
- The seed funding criteria
- The decisions in relation to the Dragon's Den report
- The amended wording for the Oxygen Finance commercial deal

8 Any Other Business

8.1 None.

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

The meeting finished at 16.00

Pensions CIV Sectoral Joint Committee (PSJC)

12 July 2017

Minutes of a meeting of the Pensions CIV Sectoral Joint Committee held on Wednesday 12 July 2017 at 3:30pm in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

City of London	Sir Mark Boleat (Chair)
Barking and Dagenham	-
Barnet	Cllr Mark Shooter
Bexley	Cllr Louie French
Brent	Cllr Sharfique Choudhary
Bromley	Cllr Keith Onslow
Camden	Cllr Rishi Madlani
Croydon	Cllr Simon Hall
Ealing	Cllr Yvonne Johnson
Enfield	Cllr Toby Simon
Greenwich	-
Hackney	Cllr Robert Chapman
Hammersmith and Fulham	Cllr Iain Cassidy
Haringey	-
Havering	-
Harrow	Cllr Nitin Parekh
Hillingdon	Cllr Philip Corthorne
Hounslow	Cllr Mukesh Malhotra
Islington	Cllr Richard Greening
Kensington and Chelsea	-
Kingston Upon Thames	Cllr Andrew Day
Lambeth	-
Lewisham	Cllr Mark Ingleby
Merton	-
Newham	Cllr Forhad Hussain
Redbridge	Cllr Elaine Norman
Richmond Upon Thames	-
Southwark	Cllr Fiona Colley
Sutton	Cllr Simon Wales (Deputy)
Tower Hamlets	-
Waltham Forest	-
Wandsworth	Cllr Maurice Heaster
City of Westminster	-

Apologies:

Greenwich	Cllr Don Austen
Havering	Cllr John Crowder
Kensington & Chelsea	Cllr Malcolm Spalding
Richmond Upon Thames	Cllr Thomas O'Malley
Sutton	Cllr Sunita Gordon
Tower Hamlets	Cllr Clare Harrison
Waltham Forest	Cllr Peter Barnett
Westminster	Cllr Suhail Rahuja

Officers of London Councils were in attendance as were Lord Kerslake (Chair, London CIV), Hugh Grover (CEO, London CIV), Julian Pendock (CIO, London CIV), Brian Lee (COO, London CIV), Christopher Bilsland (NED, London CIV), Eric Mackay (NED, London CIV) and Jill Davys (Client Relations Director (CRD), London CIV)

Hugh Grover Chaired the meeting for Items 1, 2 and 3, before handing the meeting to Sir Mark Boleat as the elected Chair.

1. Announcement of Deputies

- 1.1. Apologies for absence and deputies were as listed above.

2. Declarations of Interest

- 2.1. There were no declarations of interest that were of relevance to this meeting.

3. Election of the Chair of the Pensions CIV Sectoral Joint Committee

- 3.1. The Chair called for nominations.
- 3.2. Cllr Yvonne Johnson nominated Sir Mark Boleat, Cllr Maurice Heaster seconded the nomination.
- 3.3. Following a unanimous vote, Sir Mark Boleat was elected as the Chair of the Pensions CIV Sectoral Joint Committee for 2017/18
- 3.4. Sir Mark Boleat thanked the Committee and took the Chair.

4. Election of the Vice-Chairs of the Pensions CIV Sectoral Joint Committee

- 4.1. Cllr Yvonne Johnson and Cllr Maurice Heaster were elected to be the vice chairs of the Pensions CIV Sectoral Joint Committee for 2017/18.

5. Note the Membership of the Pensions CIV Sectoral Joint Committee and Dates

- 5.1. It was noted that the deputy for LB Hounslow was Cllr Surinder Purewal and not Cllr Shantanu Rajawat.
- 5.2. It was also noted that the deputy for LB Hammersmith & Fulham, Cllr Mike Adam, was a Conservative councillor and not a Labour councillor.
- 5.3. The following new PSJC members were introduced: Councillor Keith Onslow (LB Bromley), Councillor Malcolm Spalding (RB Kensington & Chelsea), Councillor Andrew Day (RB Kingston upon Thames), Councillor Philip Jones (LB Merton) and Councillor Peter Barnett (LB Waltham Forest).

6. Minutes of the Pensions CIV Sectoral Joint Committee (PSJC) AGM on 14 June 2016 (for noting as already agreed)

- 6.1. The minutes of the Pensions CIV Sectoral Joint Committee AGM on 14 June 2016 were noted.

7. Minutes of the Pensions CIV Sectoral Joint Committee held on 12 April 2017

- 7.1. It was noted that Jill Davy's name had been misspelt in the minutes and this would be corrected.
- 7.2. The minutes of the Pension CIV Sectoral Joint Committee held on 12 April 2017 were agreed.

8. Constitutional Matters

- 8.1. The Committee noted the changes to the London Councils' constitutional documents that had already been agreed by Leaders' Committee on 11 July 2017.

9. CEO's Report

- 9.1. The CEO introduced the report and noted that:
 - The full quarter's results could not be given as not all the data was available.
 - The dates for next year's PSJC would be reviewed and re-issued shortly to ensure that full and complete quarterly reporting could be provided.
 - It was agreed to change the 18 June 2018 Committee meeting to a date in July 2018, owing to the local elections being held in May 2018 and time being needed to confirm committee appointments.
 - The KPIs were on track and progress was being made on the recruitment of new staff.
 - Two additional NEDs had just been recruited: Linda Selman and Paul Niven, for a three-year term.
 - An update on progress covering the LCIV Governance Review had been provided.
 - The Chair noted that tenders had gone out to recruit consultants, although costs for this had increased from £30,000 to a maximum £60,000.
 - The Chair emphasised the need to get the Governance Review right.
 - Councillor Johnson noted that the Labour Group had discussed the review and the details would be fed through Maggie Abrahams.
 - Councillor Malhotra queried why £60,000 was being spent on consultants when there was already a Governance framework in place. Lord Kerslake said that the CIV had moved from a voluntary to a mandatory set-up, and there was a need to look at the issue of Governance again to ensure that arrangements were still fit for purpose. The procurement process had shown that this could not be undertaken for £30,000.
 - Councillor Madlani said that a Governance Review was needed and had been agreed by London Councils' Leaders Committee. The Chair said that efforts had been made to keep the costs to a minimum, but the CIV was now required to press ahead with this.

- Councillor French asked what efforts were being made to ensure that boroughs were paying service fees. The CEO said that boroughs had 30 days in which to pay the service fees. After this time, a statement would be sent out to any unpaid boroughs. The non-payment of service fees could normally be attributed to some form of administrative error. Councillor French proposed that something needed to be in the Governance structure regarding the non-payment of fees. The CEO confirmed that there was some drafting regarding this in the Shareholders' Agreement. He said that, ultimately, a member could be voted out of the arrangement should they not pay the fees.
- Councillor Malhotra asked how the funding of Wandsworth and Richmond was being dealt with, now that they had merged. The CEO said that the payment details were still being considered and a report would come to a future Shareholders meeting.

9.2. The Committee noted the report.

10. Finance Report

10.1. The COO introduced the report and made the following comments:

- First quarter - there had been a positive variance in the first quarter.
- Looking at the next quarter, the trend was consistent (i.e. favourable).
- It was anticipated that underspend in the first quarter would be offset by cost that would be incurred later in the year and therefore It was not was not currently anticipated that a profit would be made in the current year.
- Fees (0.5bps) were accruing for the passive investments with LGIM held outside of the ACS, but benefiting from reduced fees negotiated by LCIV. Boroughs would be invoiced for the accrued fee at the end of the year.

10.2. The Committee:

- Asked for more detail to be provided in future reports to aid clarity and understanding.
- Noted the report.

11. Fund Performance

11.1. The CIO introduced the report, noting that:

- The performance data for each sub-fund could be found at page 83 of the report (Quarter 2 – April to June 2017).
- Julian Pendock confirmed that ESG performance was not in the performance stats as it was still being finalised.

11.2. The Committee noted the report

12. Fund Launch Progress

12.1. The COO introduced the report. He informed members that the Longview Global Equity and Henderson Emerging Market Equity would be launched week commencing 17 July 2017. The EPOCH and RBC Sustainable Equity were on track to be launched in September 2017.

12.2. Julian Pendock made the following comments:

- The wording had been changed to “lower” carbon for the proposed RBC Equities Fund. Further details would be provided at the next PSJC meeting in September 2017.
- Two Fixed Income funds to be launched by March 2018, as per MTFS plan. Tenders have gone out for investment consultant procurement.
- Looking at members from the IAC to join the Infrastructure Working Group – a briefing paper from Hermes had previously been circulated to the IAC.
- Infrastructure/Housing – the issue of social housing was quite challenging, especially getting the scale and returns.
- Looking at more liquid assets for CIV (infrastructure).

12.3. Councillor Madlani asked what lessons had been learned, and whether the CIV had now got over any initial teething problems. He also asked about the boroughs of Newham and Kensington and Chelsea being outside the CIV. The CEO said that a great deal had been learnt in the past 18 months. There had been delays, which were unique to the CIV. The CEO said that the boroughs of Newham and Kensington and Chelsea were not present at this meeting, and it would be best if they themselves responded to the Committee.

12.4. Lord Kerslake said that challenges of “lift and shift” were coming to an end. He suggested taking stock at the end of the year to see where the CIV was. The CIO noted that the lift and shift process had presented unexpected challenges, but that going forward with other asset classes presented different challenges and it was hoped that these would run more smoothly.

12.5. The Committee noted the report.

13. Investment Advisory Committee Update

13.1 The CRD was present to take questions in the absence of Ian Williams (Chair of the IAC).

13.2. Councillor Colley queried the viability of “low carbon”. The CIO said that the term “lower” carbon allowed the company to have a benchmark tracking a lower exposure to carbon.. Councillor Colley said that she would have difficulty committing to this without understanding what this entailed. The CEO said that work was still being undertaken on this.

13.3. Councillor Malhotra asked about the timeline for academies (page 137) and what funds would be impacted. Julian Pendock confirmed that a report by the PWC had been sent to the Scheme Advisory Board (SAB) regarding

academies. Further papers would be presented to the SAB and it was expected that academies would remain in the LGPS.

- 13.4. Councillor Malhotra asked if funding was being provided for the establishment of providing academies. Jill Davys confirmed that funding would not be provided. She said that academies that were not successful would be underwritten.
- 13.5 Councillor Madlani suggested having a cross-party brief to look at low carbon solutions (paragraph 11, page 136). A full range of options could be looked at over the summer. Jill Davys said that there was a “low carbon working group” which was in the process of being refined. Councillor Madlani said that it would be useful to have member input on this working group.
- 13.6. Councillor Malhotra, with reference to the new Data Protection Act, asked whether the GDPR would be put on the CIV risk register. He said that a report needed to come back to the PSJC on accountability. Lord Kerslake said that he would come back to the PSJC regarding this matter.
- 13.7. Councillor Onslow also felt that it would be beneficial to have member involvement in the low carbon working group, and to come up with answers in order to keep the costs down. Councillor Johnson said that there was a low carbon workshop taking place on 19 September 2017. She said that members were keen to have a low carbon option. Jill Davys said that she would follow this up and also send some information to the boroughs regarding this.
- 13.8. Councillor Colley said that some boroughs were looking at reducing carbon exposure in their funds. She said that it would be beneficial if lead members could get together and discuss these issues. Councillor Chapman said that he fully supported coming up with a clear strategy on this, and having a fund in which to invest. The Chair thanked members for the helpful contributions on this.

13.9 The Committee:

- Agreed to come back to a future PSJC on the issue of GDPR; and
- Noted the report.

14. Client and Stakeholder Engagement

- 14.1. Jill Davys was present to answer any questions on the report, no specific questions were raised.
- 14.2. The report was noted

15. Stewardship

- 15.1. Jill Davys introduced the report. She said that the alerts issued by LAPFF were forwarded to LCIV’s external managers and asked to vote. She said that not all fund managers followed through with this.
- 15.2 The following comments were made:
- Councillor Greening said that adopting the alerts was a suitable compromise, although some managers were ignoring this and not casting

votes. Jill Davys said that Allianz voted as a “block”. She said there may be a need to have a separate voting provision, although there would be costs associated to this. Jill Davys suggested going back to the Stewardship Group and look at this in more detail.

- Councillor French said that a mechanism needed to be in place to allow managers to vote on their own. He said that officer dialogue was now needed on how this would take place.
- Councillor Johnson said that it was agreed to follow the LAPFF voting rights, although some companies were choosing to ignore the alerts.
- Councillor Madlani said that there was a technological issue regarding the voting and this needed to be made easier.
- Councillor Crowder said that the agreed policy was not being implemented through some fund managers, and this issue needed to go back to the Stewardship Working Group for discussion. The CEO agreed that this issue should be taken to the Stewardship Working Group.
- The Chair said that there was a policy on this, but it needed to be looked at again and come back to the PSJC at a later date.

15.3. The Committee:

- Agreed to look at the voting policy again and to take this back to a Stewardship Working Group meeting; and
- Noted that the report.

Members of the press and public were asked to leave the meeting while the exempt part of the minutes from 12 April 2017 were agreed.

The meeting closed at 3.50pm

LONDON COUNCILS GRANTS COMMITTEE - AGM
12 July 2017

Minutes of the Grants Committee AGM held at London Councils, 59½ Southwark Street, London SE1 0AL on Wednesday 12 July 2017

London Borough & Royal Borough:

Representative:

Bexley	Cllr Don Massey
Barnet	Cllr Sury Khatri (sub)
Bexley	Cllr Don Massey
Brent	Cllr Margaret McLennan
Bromley	Cllr Stephen Carr
City of London	Cllr Alison Gowman
Ealing	Cllr Ranjit Dheer
Hackney	Cllr Jonathan McShane
Haringey	Cllr Eugene Ayisi
Harrow	Cllr Sue Anderson
Hillingdon	Cllr Douglas Mills
Hounslow	Cllr Theo Dennison
Islington	Cllr Kaya Comer-Schwartz
Kingston upon Thames	Cllr Hugh Scantlebury
Lambeth	Cllr Paul McGlone (Chair)
Lewisham	Cllr Joan Millbank
Merton	Cllr Edith Macauley
Newham	Cllr Forhad Hussain
Redbridge	Cllr Bob Littlewood
Southwark	Cllr Barrie Hargrove
Sutton	Cllr Simon Wales
Wandsworth	Cllr Paul Ellis
Waltham Forest	Cllr Liaquat Ali
Westminster	Cllr David Harvey

London Councils officers were in attendance.

Frank Smith, Director of Corporate Resources at London Councils chaired items 1-4. Mr Smith was chairing in place of Yolande Burgess, Strategy Director, who was absent because of a family bereavement. Members of the Committee extended their sympathies to her.

1. Apologies for Absence and Announcement of Deputies

1.1 Apologies were received from Cllr Saima Ashraf (Barking and Dagenham), Cllr Richard Cornelius (Barnet), Cllr Jonathan Simpson (Camden), Cllr Denise Scott-McDonald (Greenwich), Cllr Sue Fennimore (Hammersmith & Fulham), Cllr Melvin Wallace (Havering), Cllr Gerard Hargreaves (Kensington & Chelsea) and Cllr Meena Bond (Richmond)

2. Declarations of Interest

2.1 Cllr Alison Gowman (City of London) and Cllr Joan Millbank (Lewisham) both declared an interest in relation to City Bridge Trust, as Chairman and employee respectively.

3. Acknowledgement of new members of the Grants Committee

3.1 New members were welcomed to the Grants Committee, namely Cllr Theo Dennison (Hounslow), Cllr Hugh Scantlebury (Kingston upon Thames), Cllr Abdul Mukit MBE (Tower Hamlets) and Cllr Paul Ellis (Wandsworth)

4. Election of Chair of the Grants Committee for the 2017/18 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 Cllr Hussain (Newham).

4.2 There being no other nominees for the Chair Mr Smith declared Cllr McGlone Chair of the Grants Committee, and stepped down to allow the elected Chair to preside over the remainder of the meeting.

5. Election of Vice-Chairs for the Grants Committee for the 2017/18 Municipal Year

5.1 The Chair called for nominations for the three Vice Chairs for 2017/18. The following were nominated by Cllr Millbank (Lewisham) and seconded by Cllr Ellis (Wandsworth), namely:

Cllr Forhad Hussain as the Labour Vice-Chair.
Cllr Stephen Carr as the Conservative Vice-Chair.
Cllr Simon Wales as the Liberal Democrat Vice-Chair

5.2 There being no other nominees the chair declared Cllrs Hussain, Carr and Wales as the Vice Chairs.

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 Paul Ellis
- Cllr Don Massey
- Cllr Comer-Schwartz

7. Minutes of the Grants Committee AGM held on 13th July 2016 (for noting – previously agreed)

7.1 Members noted the minutes of the July 2016 Grants AGM.

8. Minutes of the Grants Committee held on 8th February 2017

8.1 The minutes were agreed as an accurate record of the meeting which took place on 8th February 2017.

8.2 Cllr Millbank asked about the progress of item 4.6 regarding a list of borough officers involved in the scoring of grants applications. Katy Makepeace-Gray, Principal Programme Manager, confirmed that this action was still outstanding.

9. Constitutional Matters

9.1 Members noted the changes to the constitutional documents previously agreed at Leaders' Committee on 11 July 2017, namely Standing Orders, Scheme of Delegation to Officers and Financial Regulations.

10. Operation of the Grants Committee

10.1 Grants Committee noted:

- The Terms of Reference for the Grants Committee

- The programme of Grants Committee meetings

Grants Main Meeting		
Date	Time	Main Business
22 November 2017	11.00 am	Grants Committee
21 March 2018	11.00 am	Grants Committee
11 July 2018	11.00am	Grants Committee AGM
Grants Executive		
Date	Time	Main Business
12 September 2017	2:00 pm	Grants Executive
27 February 2018	2:00 pm	Grants Executive

10.2 Grants Committee agreed:

- The Terms of Reference for the Grants Executive
- The Terms of Reference for the Grants Sub Committee: Third Sector Leadership

11. Presentation by Priority Two Provider: Asian Women's Resource Centre (AWRC)

11.1 The Principal Programme Manager introduced Sarbjit Ganger, Director of the Asian Women's Resource Centre. The AWRC are funded under Priority 2.6 of the current grants programme (Harmful Practices). Ms Ganger talked about the work of the organisation, and then introduced someone who had benefitted from the project to explain how they had been assisted.

11.2 Cllr Comer-Schwartz asked Ms Ganger whether statistics were available about numbers relating to the various harmful practices? Ms Ganger said that she would be happy to supply information to the Committee, but pointed out that their services were provided because there was a missing link in service provision, so statistics would not necessarily be representative.

11.3 Cllr Millbank asked what challenges were faced in developing the partnership and service, and also what more the Committee could do to assist partnerships? In response to the first question Ms Ganger said that the partnership established to deliver the harmful practices service for London Councils was the first of the six Ascent partnerships. It is now well established and this current London Councils Grants programme is the third that it has been funded under. The partnership experienced some initial issues with finances and power dynamics, but this was dealt with through discussion and debate and the development of an equitable model of working, which had been successful for 12 years. In response to the second question, Ms Ganger hoped that the Committee could help raise the profile of the 'Ascent' project by cascading information about their work and sharing via social media channels. The priority two providers would be holding an event in September to which the Committee would be invited.

11.4 Cllr Hargrove asked about the Partnership's work with West African communities, in particular the issue of Female Genital Mutilation (FGM)?. Ms Ganger mentioned that one of the project's partners, FORWARD, offered a pan London service via workshops, community engagement around the issue of FGM, and work with schools. The FGM work was about mainly about raising consciousness – Ms Ganger agreed to email Cllr Hargrove with more information.

11.5 Cllr Mills asked about the extent of information sharing with the police across London in relation to the fact that the organisation had been involved in the pilot funded by the Mayor's Office for Policing and Crime. Ms Ganger confirmed as part of the pilot a delivery partnership was in place in Kensington & Chelsea with MOPAC. Also in Brent AWRC chair the Domestic

Violence Forum and police were involved. However she agreed that she would raise this with the Partnership to ensure greater awareness.

11.6 Cllr Carr asked how the referral process to the service was publicised, and also in that there were cases of domestic violence against men, how the service dealt with that need? Ms Ganger informed the Committee that the details for the referral process in each borough were contained on their website, and that there was a 24 hour turnaround time in responding to enquiries. In terms of the issue of male domestic violence the RESPECT element of the wider Ascent partnership dealt with male cases and AWRC had a signposting role when dealing with such referrals.

11.7 Cllr Ayisi asked whether the Partnership engaged in work to deal with the behavioural issues leading to harmful practices, and whether that work took place in schools? Ms Ganger confirmed work in schools was taking place through the London Councils funded project led by Tender Education and Arts.. An effective platform for many of these discussions was via programmes like healthy eating. Cllr Dheer confirmed that this was a successful approach – discussions could also take place through community safety partnerships.

11.8 The Committee thanked both Ms Ganger and the recipient of the service for their presentations.

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

12.1 Simon Courage, Head of Grants and Community Services, acknowledged the offer of City Bridge Trust to work with Grants Committee and in particular on 'The Way Ahead' programme. Grants Committee had agreed a workplan for this piece of work in November 2016 and the progress against this was contained in his report.

12.2 The Head of Grants and Community Services reported that the main piece of work done to date was a survey to establish infrastructure details within local authorities, and that 24 responses had been received. A report on the responses was to be made to the first meeting of the Third Sector Leadership Sub Committee. The Chair suggested that a note on those boroughs who had so far responded should be sent round to the Committee to improve response numbers.

12.3 The Chair mentioned that the first meeting of the new Sub Committee was set for 18th July, and that nominations for places were being processed through the usual political channels. Cllr Carr stated that he was absolutely supportive, but was disappointed that the date had only been notified to him several days previously and as such he was unable to attend. The Chair felt that, whilst not ideal, the meeting must go ahead, but it was important that future dates be agreed as soon as possible. Hard copies of papers for the Sub Committee were made available at this meeting.

12.4 Cllr Comer-Schwartz asked whether a representative from the London Living Wage Committee could attend a future meeting of the Sub Committee? The Chair suggested that this be discussed at the 18 July meeting.

12.5 The Committee noted the paper.

13. Grants Committee 2017-21 Update Report

13.1 The Principal Programme Manager introduced the report, and provided an update on the grant awards that were made at the February meeting of the Grants Committee. The process to get the 13 projects into grant agreement addressed the issues raised in the Grants Review (2015-16) namely robust outcomes, due diligence, equalities, value for money, borough involvement and pan London approach, recognising the different needs presenting in inner and outer London. She confirmed that all 13 grant agreements had now been signed by the Director

and sent out. Projects had been informed that they could start at their own risk as there had been some delays in the partnership agreements, mainly around the need for increased Data Protection provisions.

13.2 The Committee were informed that the first performance report would be made to the November meeting of Grants Committee. There would be a 4 October launch event to which Grants Committee members would be invited. The Committee endorsed the approach outlined in section four of the report to address the issues raised in the Grants Review during the grant agreement process. The process is in line with the Commissioning Performance Management Framework, agreed by members in February 2017 and focuses on value for money, linking of priorities, pan-London delivery (covering differing issues faced by inner and outer London), borough engagement, robust outcomes and equalities implications.

13.3 The Principal Programme Manager reported the request to Leaders' Committee to administer £100,000 per year for two years on behalf of MOPAC for training on identifying harmful practices. Cllr Comer-Schwarz welcomed this following on from the comments about MOPAC's partnership working earlier in the meeting. The Chair agreed with Cllr Carr's comment that even though the funding was via MOPAC it should still be adopted and monitored in the usual way. Cllr Carr also pointed out that the 4 October date clashed with the Conservative Party conference, although it was pointed out that the date had been set by providers, not London Councils.

14. Commissioning Performance Management Framework; Grants Committee Reporting Plan 2017-18

14.1 Cllr Hussain introduced the paper. He summarized the work done on performance reporting, including the development of Equality Impact Assessments, and drew Members' attention to Appendix 1 of the report which set out the form of reporting. The reporting would be live from November 2017.

14.2 The Committee was reminded that there had been discussions about No Recourse to Public Funds being the first thematic review at the November meeting of the Grants Committee. Members agreed this, and also to sending suggestions for future reviews via the Chair.

14.3 Members noted the rest of the report and agreed the approach to reporting, which is based on the Commissioning Performance Management Framework (agreed by members in February 2017) and the draft reporting timetable outlined in Appendix One.

15. Grants Committee – Pre Audited Financial results 2016/17

15.1 The Director of Corporate Resources introduced the report. He confirmed that the surplus position of £517,000 had moved from that of £759,000 reported to the Committee in February; the reason for the reduction was due to the way the ESF payments were treated in the accounts, in that they were considered for accounting purposes to be advance payments and therefore disallowed from the surplus for the year. Borough contributions to fund this deferred expenditure were also disallowed, with both elements to be reflected within the current financial year figures.

15.2 The Director of Corporate Resources commented that the £212,000 relating to Section 48 reserves was lower than the benchmark established by the Grants Committee in 2013. However, due to the likely overstating of liabilities for 2016/17, which will be recycled back into reserves, the benchmark level is likely to be replenished.

15.3 The position on ESF was reported. £1million had been collected from boroughs for the last two financial years, and in the current year and although the programme had been late in

starting, these accumulated funds would be used to fund future ESF activities up until the project end-date of December 2018.

15.4 The liability position of the Committee, in relation to the overall position for London Councils, in respect of the pension deficit, which had been reflected on the face of the balance sheets for the last 10 years, was clarified for Members as set out in sections 13 - 16 of the report.

15.5 Members noted the pre-audited outturn position and the provisional level of reserves in the report.

The meeting finished at 12:05pm

Grants Committee – Third Sector Leadership: 18th July 2017

ACTION POINTS

Agenda Item	Action	Officer Responsible	Done (Y/N/ in progress)
6. (6.6)	Seek out examples of good practice in respect of funding CVSs and produce case studies	FH	In progress
6. (6.11)	Work with the Borough Grants Officers group to draft a set of commissioning principles	KMG	N
6. (6.12)	Present the publication version of the survey findings with covering paper to the sub-committee at next meeting (12 September) for agreement	KMG	Y
7. (7.6)	Seek out examples of good practice in respect of co-production and produce case studies	FH	In progress
7. (7.9)	Present a draft communications plan to the sub-committee at next meeting (12 September)	KMG	In progress

LONDON COUNCILS' TRANSPORT AND ENVIRONMENT EXECUTIVE SUB COMMITTEE

Minutes of a meeting of the London Councils' Transport and Environment Executive Sub Committee held on **20 July 2017** at 10:00am, at London Councils, Meeting Room 4, 1st Floor, 59½ Southwark Street, London, SE1 0AL

Present:

Councillor Julian Bell	LB Ealing (Chair)
Councillor Stuart King	LB Croydon
Councillor Daniel Anderson	LB Enfield
Councillor Feryal Demirci	LB Hackney
Councillor Tim Coleridge	RB Kensington & Chelsea
Councillor Phil Doyle	RB Kingston-upon-Thames
Cllr Peter Buckwell	LB Richmond
Councillor Jill Whitehead	LB Sutton

1. Apologies for Absence & Announcement of Deputies

Apologies for absence had been received from Councillor Claudia Webbe (LB Islington), Councillor Caroline Usher (LB Wandsworth) and Christopher Hayward (City of London). No deputies were present.

2. Declarations of Interest

Additional declarations on interest that were not on the sheet were as follows:

Freedom Pass/60+ Oyster Cards

Cllr Peter Buckwell (LB Richmond) and Cllr Phil Doyle (RB Kingston).

South London Waste Partnership

Cllr Stuart King (LB Croydon) and Cllr Phil Doyle (RB Kingston)

London Waste & Recycling Board

Cllr Feryal Demirci (LB Hackney)

It was noted that Councillor Demirci was not a member of the London Cycling Campaign and this should be amended.

3. Transport & Mobility Services Performance Information

The TEC Executive Sub Committee received a paper that provided members with details of the London Councils' Transport and Mobility Services performance information for Quarter 4 in 2016/17 and Quarter 1 in 2017/18.

Spencer Palmer (Director of Transport & Mobility, London Councils) introduced the report, which provided TEC services performance data on behalf of boroughs. The following comments were made:

- *Environment and Traffic Adjudicators:* All had a "Green" rating and good progress and performance was being made.

- *Road User Charging Adjudicators*: “Hearing dates to be issued within five days” (Amber rating) – the Royal Mail had closed the London Tribunals PO Box, which had impacted slightly on the KPI.
- *Freedom Pass*: “percentage of answered within 30 seconds” (Red) – working to improve contractor performance and the new contract would be starting from October 2017.
- *Taxicard & TRACE*: Green ratings and good performance being made/KPIs met.
- *London Lorry Control Scheme*: “Percentage of appeals allowed” (Red) – low number of appeals means performance can fluctuate greatly.
- *Transactional Services and Health Emergency Badges*: All Green and KPIs being met.
- *London European Partnership for Transport (LEPT)*: “Number of boroughs participating in EU projects” (Amber) was lower than was hoped.

Councillor Coleridge asked if there were any trends in the performance data with regards to the number of Penalty Charge Notices (PCNs) that were issued. Spencer Palmer said that the membership numbers were looked at in respect of the Freedom Pass. He said that Taxicard membership had fallen in the past few years, but had now started to rise again. There appeared to be no set pattern as to why the usage went down.

Councillor Doyle said that one of his residents had difficulties booking a taxi as they could not get through on the telephone. Spencer Palmer said that the person that could not get through on the Taxicard call centre should contact TEC Services and this would be investigated.

Councillor Whitehead said that the borough of Sutton had saved money through a “channel shift” where all Freedom Pass renewals were carried out online. She said that some research that had been undertaken by Age UK suggested that there was a low awareness of the Taxicard scheme in general. Councillor Whitehead said that a “take-up” survey of the Freedom Pass was also being carried out. Spencer Palmer said that a paper went to the last TEC Main meeting which gave details of online applications, renewals and options. He informed members that a number of Taxicard members still valued the telephone service, which was why this option was still available.

Spencer Palmer said that levels of public awareness of the Freedom Pass was high, which was why the take-up remained consistent. However, this was less so with Taxicard and dialogue was ongoing with Transport for All and Age UK to ascertain why the level of take-up was lower. Councillor Whitehead said that there was insufficient public transport available in the borough of Sutton for residents to use the Freedom Pass on.

Decision: The TEC Executive Sub Committee noted the report.

4. Transport and Environment Committee Pre-Audited Financial Results 2016/17

The TEC Executive Sub Committee considered a report that detailed the provisional pre-audited final accounts for the Transport and Environment Committee for 2016/17.

Frank Smith (Director of Corporate Services, London Councils) introduced the finance report. He gave an introduction for the benefit of new TEC Executive members and made the following comments:

- Paragraphs 4 and 5 explained the TEC functions with regards to local authority expenditure and administration fees for services like Taxicard and the London Lorry Control Scheme (LLCS) etc.
- With regards to Trading Services undertaken on behalf of boroughs, London Councils had no control over total expenditure as volumes were generated by boroughs at a local level.
- The financial monitoring report is presented to the TEC Executive three times during the financial year and a projected surplus of £868k was forecast at the end of December 2017 (Month 9), largely due to an increase in fees from the LLCS and payments for replacement Freedom passes.
- Table 7 (paragraph 39) showed the Committee reserves as at 31 March 2017, and highlighted the main areas to carry funds forward – the IT systems development budget of £191,000, and the LLCS review budget of £36,000.
- The uncommitted reserves amounted to £2.734 million, of which £2.5million would go towards covering the cost of the next Freedom Pass reissue in 2020.
- £200,000 was available to spend on “other TEC priority projects”.
- TEC finances continue to be stable and in a relatively healthy position, although transactions relating to Trading Services could become more volatile and any trends that appeared to be emerging would be monitored closely.

Councillor Buckwell asked for clarification regarding the pensions’ deficit. Frank Smith said that the pensions issue was technical by nature. He said that an International Accounting Standard 19 (or IAS19) had been devised, which was an international accounting standard that all authorities that administered pension funds had to follow. Assets associated with membership were assessed and offset against liabilities. The IAS19 valuation report was carried out on 31 March each year, and the disclosure was carried out through actuaries of the London Pension Fund Authority (LPFA). IAS19 was apportioned across London Councils’ TEC, Grants Committee and the Joint Committee core functions, in proportion to the actual employer’s pensions contributions paid to staff for the three functions.

Frank Smith said that there would continue to be a pensions’ deficit as long as London Councils operated. The current TEC Pension Fund deficit had increased from £6.823 million in March 2016 to £8.715 million in March 2017. This was due to changes in the key assumptions in relation to discount yields and the CPI inflation rate. Frank Smith said that the annual pensions deficit calculation should not be confused with the cessation deficit, which is likely to be significantly higher and would be crystallised at the point an organisation legally ceased to exist. He also stated that the cessation deficit figure probably gave a better estimate of the true pensions liability of boroughs. Councillor Buckwell asked whether this was an indicative figure. Frank Smith confirmed that it was a best estimate calculated by the actuaries on an annual basis, taking into consideration all current known factors. He said that members need not be unduly concerned about the pensions’ deficit featuring in the annual accounts and it should not be considered a first call on the Committee’s uncommitted general reserves. However, the fact it is required to be disclosed in the final accounts does tend to skew the overall figures and provide an overall negative position.

Councillor Coleridge asked whether the income from the Lorry Control PCNs would continue to increase. Frank Smith said that PCN income had increased year on year since penalties in respect of the LLCS had been decriminalised in 2008. However, budget targets are reviewed and have been increased for the last three financial years. Spencer Palmer informed members that the LLCS was outsourced four years ago and efficiencies had been made resulting in enhanced enforcement. He said that the introduction of CCTV should improve compliance.

Councillor Coleridge asked what the levels of PCN payments were. Spencer Palmer confirmed that there were two levels of charges - the charge to drivers was £130 and the charge to hauliers (operators) was £550, with a 50% reduction if paid within 14 days. He said that London Councils was working with operators to ascertain why some drivers/hauliers failed to comply with the Scheme on a regular basis. Spencer Palmer said that PCN income from the LLCS was fairly stable. Frank Smith informed the Committee that the charge to each borough for the LLCS five years ago was £14,000, and it was now zero, funded largely by additional receipts.

Decision: The TEC Executive Sub Committee:

- Noted the provisional pre-audited final results for 2016/17, which showed an indicative surplus of £1.644 million for the year;
- Agreed the transfer of £734,000 out of the provisional surplus to the specific reserve, in accordance with usual Committee practice;
- Agreed the carry forward of the underspend on the IT system development budget of £191,000 into 2017/18
- Agreed the carry forward of the underspend on the London Lorry Control Scheme review budget of £36,000 into 2017/18; and
- Noted the provisional level of reserves, as detailed in paragraph 39 and the financial outlook, as detailed in paragraphs 40-41 of the report

5. Appointment of TEC Advisers

The TEC Executive Sub Committee received a report that informed members of the proposal to no longer have an "Appointment of TEC Advisers" in the TEC AGM report titled "Nominations to Outside Bodies". There was no constitutional reason for this to continue to take place.

Alan Edwards (Governance Manager, London Councils) said that London Councils' Leaders Committee and Grants Committee did not appoint advisers to their respective committees and there was no reason to continue doing this for TEC. The Chair said that process of formally adopting TEC advisers did not take place anyway, and he was happy for this item to be removed from future AGM reports.

Decision: The TEC Executive Sub Committee:

- Agreed to remove the "Appointment of TEC Advisers" section from future "TEC Nominations to Outside Bodies" reports that were presented to the TEC

AGM, as advice would now be sought on an informal basis, as and when required.

6. Minutes of the TEC Executive Sub Committee held on 9 February 2017 (for agreeing)

The minutes of the TEC Executive Sub Committee meeting held on 9 February 2017 were agreed as an accurate record.

7. Minutes of the TEC AGM Meeting held on 15 June 2017 (for noting)

The Minutes of the TEC Main meeting held on 15 June 2017 were noted

8. Any Other Business

Councillor Coleridge announced that this would be his last TEC meeting. The Chair thanked Councillor Coleridge for all his work on TEC, as did the other members of the TEC Executive Sub Committee.

The meeting finished at 10:40am

**Minutes of the Meeting of the Executive
Tuesday 12 September 2017 9:30 am**

Cllr Claire Kober OBE was in the chair

Present

Member	Position
Cllr Claire Kober OBE	Chair
Cllr Peter John OBE	Deputy chair
Cllr Teresa O'Neill OBE	Vice chair
Ms Catherine McGuinness	Vice chair
Cllr Ruth Dombey OBE	Vice chair
Mayor Sir Steve Bullock	
Cllr Ray Puddifoot MBE	
Cllr Lib Peck	
Cllr Darren Rodwell	
Cllr Rave Govindia CBE	Substituting for Cllr Kevin Davis

London Councils officers were in attendance

1. Apologies for absence and announcement of deputies

Apologies were received from Cllr Julian Bell and Cllr Kevin Davis for whom Cllr Ravi Govindia was substituting.

2. Declaration of interest

No interests were declared.

3. Minutes of the Executive Meeting held on 20 June 2017

The minutes of the Executive meeting held on 20 June 2017 were agreed.

4. London Business Rates pool – oral update

The Interim Director: Finance, Performance and Procurement updated the Executive on Business Rates pooling:

- The uncertainty that had existed over the Government's approach to Business rates pooling was clarified when it invited applications for pilots for 2018/19. Whilst London was not included in that call because it was being treated separately as a product of the MoU agreed at the Spring budget, the principles and timescales applying to London would be similar.
- The view of the Executive was being sought in advance of Leaders' Committee and the Congress of Leaders and the Mayor meeting on 10 October.

Cllr Ravi Govindia CBE asked about whether a 'make-or-break' point had been reached. The view was that it had. He also asked about options for a strategic investment pot and its potential size. The Interim Director replied 25%, 20% and 10% were in the models in the Prospectus. The Government would be likely to push for an agreement at the higher end of that range.

Cllr Teresa O'Neill OBE was concerned what additional burdens may be imposed as part of the deal that could cost more than the potential gain despite the potential 'no detriment' clause in the agreement. It was agreed that it would be important to see this explicitly covered off in any deal.

The Chair informed the Executive of the Labour Group's view, one that had come particularly from outer London boroughs, that the London pilot should not jeopardise the conduct of the Fair Funding review and that a letter from the Government guaranteeing that should be sought.

Cllr Darren Rodwell urged some 'story-telling' setting out London's relative progress on this compared to the other parts of the country. People should be encouraged to recognise that London's reputation as an effective collective grouping was potentially at stake.

Cllr Ray Puddifoot MBE suggested a model motion could be drawn up that could be put to all London's councils.

The Chair concluded by agreeing that an updated Prospectus be circulated to Leaders as soon as possible to help determine the final, in principle, position well before 10 October..

The Executive agreed to note the update.

5. Devolution and Public Service Reform

The Chair introduced the item saying it included updates on the progress against the Memorandum of Understanding with Government on further devolution to London, particularly in relation to:

- Business Rates retention
- Devolution of the Adult Education Budget and progress towards wider skills devolution
- The Work and Health Programme
- The Industrial Strategy
- Health devolution
- Devolution of the Criminal Justice Service
- Housing Infrastructure

She concluded her introduction by describing meetings she had recently had with ministers which had been encouraging.

A number of members, including Mayor Sir Steve Bullock, Cllr Ruth Dombey OBE and Cllr O'Neill complained of recent developments in the organization of the Health Service in London, in particular around centralization of CCGs and the danger of over-riding progress that had been made locally.

The Executive agreed to note the report.

6. Transforming Health and Care in London

In the absence of Cllr Kevin Davis the Strategic Lead for Health and Adult Social Care introduced the report saying:

- One of the messages from discussions in the Executive and Leaders' Committee earlier this year was that London Councils should look to develop a political vision underpinned by a policy framework that would enable London local government to seize the agenda more firmly
- Based on discussion at this meeting, firmer proposals will be brought back to Members later in the year
- The thinking in the paper was based on –
 - An analysis of different integrated commissioning delivery models and drawing out lessons for sharing across the capital.
 - Mapping of integrated ways of working taking place across different footprints
- The integration agenda had continued to evolve, in particular at the national level with the emergence of Accountable Care Systems
- A vision and framework were offered up in early draft format to seek Executive's comment and instruction on further development
- The section on Accountable Care Systems described the parallel thinking on integration, as set out in the NHS Five Year Forward View Delivery Plan published in March 2017. Experience in recent years would suggest that there was the potential for national policy direction to fetter London's efforts at reform
- The section on the Better Care Fund reported that there had been an increase in concern around the Better Care Fund, which had the potential to distract local government from its broader reform agenda.
- The report noted the latest position on the health devolution Memorandum of Understanding and noted the risk of ongoing delay to signing the agreement.

Cllr Dombey urged a shift away from the NHS approach which was about access to Healthcare and instead work towards an approach more based on wellbeing

emphasising prevention especially in the area of mental health. Only the surface was being scratched of the potential of health and wellbeing boards.

Cllr Puddifoot urged greater emphasis on prevention in the report and referred to point 6 in the vision about the need for locally accountable politicians to lead on shaping provision, a point that Cllr Peck agreed with. He urged that we should stress that the NHS is not accountable.

Cllr O'Neill asked whether there needed to be push-back on certain NHS changes, either we were partners helping to deliver change or we were not.

The Executive agreed that these comments should be reflected upon in developing the draft narrative framework for further submission to members at a future point.

7. Schools Funding

Cllr Peter John OBE introduced the report saying:

- It covered recent policy developments relating to school revenue, capital and SEND funding
- On revenue funding, in July the Secretary of State for Education had committed to increasing the core schools budget by £1.3 billion in 2018/19 and 2019/20. Every school would receive at least a 0.5 per cent a year per pupil cash increase.
- This additional investment was welcome; however there were still concerns for London's schools. It was highly likely that the 70 per cent of London schools previously set to lose funding under the draft National Funding Formula would only receive the minimum cash increase of 0.5%. This was likely to mean a reduction in real terms per pupil funding for these schools. This would only be confirmed when the school allocations were published shortly.
- When the school budget allocations were published an analysis would be undertaken to understand how much of the additional £1.3 billion per year investment would

benefit London schools. If London's schools lost out, London Councils would continue to lobby government to protect all school budgets in real terms

- On Capital funding, last Wednesday London Councils published the latest edition of *Do The Maths*, its annual school places planning report.
- The report highlighted that there would be a shortfall of 63,710 places across schools in London until 2022/23. Demand was growing steadily at secondary level, but demand in the primary sector was slowing for the first time in almost a decade. Boroughs had reported a number of reasons for this slowing demand, including:
 - A considerable number of new places had been created over the past year, helping to reduce the shortfall significantly
 - A lower birth rate
 - A rapid increase in house prices
 - Changes in migration patterns amongst particular populations, potentially as an early consequence of the decision to leave the EU
- Despite the reduction in the shortfall for primary places, London would still need additional funding for school places of an estimated £1 billion over the next six years.
- Lobbying of Government would continue to argue for appropriate levels of capital funding, as well as to push for a reform to the free school programme to ensure there was greater strategic link up with local authorities on the development of new schools
- On Special Educational Needs and Disabilities (SEND) funding, a recent London Councils' survey on Children's Services finances found that 23 out of 28 boroughs were spending more on high needs than the amount allocated through the high needs block of the DSG. The aggregate funding gap across these 23 boroughs was £94 million. Another area of significant overspend was in SEND transport budgets, with overspends averaging £1 million per borough.
- Given these huge funding pressures facing London boroughs, London Councils was proposing to lobby Government directly on this issue.

Cllr O'Neil asked for reference to be made to Education Services Grant and Special Schools which Cllr John agreed with.

The Executive agreed to note the report.

8. Month 3 Revenue Forecast 2017/18

The Director of Corporate Resources introduced the report by pointing out it was the first forecast for this financial year: He continued

- Following a conversation with Cllr Puddifoot outside of the meeting, during which Cllr Puddifoot queried the level of actual expenditure reported as at Month 3 for the Joint Committee in Table 4 of the report, the Director of Corporate Resources informed the meeting that there had been an error in the figure shown in the second column of Table 4, under M3 actual expenditure for Employee Costs. The figure in the report of £954,000 should actually be £1.016 million
- This amendment, however, had no effect on the projected forecast surplus for the Joint Committee of £731,000 for the year
- Cllr Puddifoot had also enquired (also outside of the meeting) as to why actual expenditure for Joint Committee running costs was so low at the end of the first quarter. The Director of Corporate Resources explained that the actual spend had been depressed by the reversal of 2016/17 liabilities, which was misleading and agreed to review the manner in which this information was reported to members at the end of the first quarter for future financial years, starting with 2018/19. Any on-going effect from previous years transactions would be separated out.

The Executive agreed to note the overall forecast surplus as at 30 June 2017 (Month 3) of £1.485 million and note the position on reserves as detailed in the report.

9. Debtors Update Report

The Director of Corporate Resources introduced this report by saying that assurances had been received from the two boroughs that had long-standing debts that they would be settled by the end of the month.

The Executive agreed:

- To note that all borough, TfL and GLA debts raised up to 31 December 2016 and reported to the Executive at its meeting on 28 February 2017 had been paid
- To note the level of outstanding debt of £3.237 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2017
- To note the level of outstanding debt of £76,633.26 in relation to other debtors invoices raised up until 31 July 2017 and
- To note the specific action being taken in respect of significant debtors, as detailed in the report.

10. Nominations to Outside Bodies

The Executive agreed to note the report.

AOB

Cllr Darren Rodwell set out some proposals in relation to London local government's presence at MIPIM.

The Chair concluded that Cllr Rodwell should write to Leaders seeking comments on the proposition that:

- (i) Willing boroughs feature in a promotional booklet;

- (ii) London Councils branding support for an area at MIPIM as part of the overall London space – this would be a venue to distribute the booklet and for use by involved boroughs. The role would reflect that this was funded by sponsorship by the City of London Corporation and others – none of whom were developers. The next step would be to consult Leaderss to see if they were supportive.

Action points

	Item	Action	Progress
4.	London Business Rates pool – oral update	Strategic Policy	
	<ul style="list-style-type: none"> A document to be circulated to leaders before 10 October even if it was only an updated prospectus. 		Completed 19/9/17
7.	Schools Funding	PAPA Children's Services	
	<ul style="list-style-type: none"> Reference to be made to Education Services Grant and Special Schools 		Ministerial letter sent included mention of Free special schools. ESG will be picked up in future lobbying.
AOB	<ul style="list-style-type: none"> Contact boroughs to see if they were supportive of Cllr Rodwell's proposals. 	Transport, Environment and Infrastructure	

The meeting ended at 11:00am

Leaders' Committee

Report from the TEC Executive Sub Committee – 15 September 2017

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 10 October 2017
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 15 September 2017

Recommendations: For information.

1. Attendance: Cllr Julian Bell (LB Ealing – Chair), Cllr Lynda Rice (LB Barking & Dagenham), Cllr Stuart King (LB Croydon), Cllr Feryal Demirci (LB Hackney), Cllr Phil Doyle (RB Kingston-upon-Thames) and Cllr Caroline Usher (LB Wandsworth).

2. Apologies for Absence

Apologies for absence were received from Cllr Daniel Anderson (LB Enfield) and Cllr Jill Whitehead (LB Sutton).

3. Air Pollution & Smart Mobility – Presentation by Laurie Laybourn-Langton, Institute for Public Policy Research (IPPR)

Laurie Laybourn-Langton introduced the report and made the following comments:

- There were a number of transport related problems in London, including air pollution, road safety, carbon emissions and congestion.
- The current policy approach was to seek to achieve a reduction in the number of vehicles, greater efficiency of the available space and vehicles themselves, as well as phasing out unsustainable fuels (mainly diesel) and increasing public transport accessibility. Accelerating modal shift was also well underway (eg increase cycling, walking etc).
- New transport technologies were also emerging, like journey planner platforms, car clubs and on-demand hire

The TEC Executive Sub Committee: **(i)** agreed that Alan Edwards would send round to TEC Executive members the slides from the presentation and a link to the report that was published earlier in the year and **(ii)** discussed and noted the report.

.4. Cleaner Vehicle Checker

The TEC Executive Sub Committee considered a report that informed members of a “Cleaner Vehicle Checker” that the GLA would be introducing.

Oliver Lord, Deputy Air Quality Manager, GLA introduced the report and made the following comments:

- Diesel cars do not currently perform to set emissions standards and the UK will be phasing them out. Other countries are planning to ban diesel cars much earlier.
- The Cleaner Vehicle Checker was a web-based tool that would rate how well your car was performing from A+ (best) to H (worst).
- Findings from Emissions Analytic showed that some diesel vehicles did perform just as well as some petrol vehicles and the public should be made aware of this.
- TEC Executive endorsement was now sought to agree that the Cleaner Vehicle Checker was a worthwhile project.

The TEC Executive Sub Committee noted and welcomed the report.

5. Month 3 Revenue Forecast 2017/18

The TEC Executive Sub Committee received a report that outlined actual income and expenditure against the approved budget to the end of June 2017 for TEC and provided a forewcast outturn position for 2017/18.

The TEC Executive Sub Committee: **(i)** noted the projected surplus of £786,000 for the year, plus the detailed forecasted net underspend of £830,000 for overall Taxicard trips, as detailed in the report, and **(ii)** noted the projected level of Committee reserves, as detailed in paragraph 5 of the report, and the commentary on the financial position of the Committee included in paragraphs 6-8.

6. Minutes of the TEC Executive Sub Committee meeting held on 20 July 2017 (for agreeing)

The minutes of the TEC Executive Sub Committee held on 20 July 2017 were agreed as an accurate record.

7. Any Other Business

Spencer Palmer TEC Executive that he had been approached by the Department for Transport about their proposed plans to grant Heathrow Airport Holdings Ltd (a private company) civil enforcement powers similar to those held by London boroughs. The proposal is to transfer responsibility for enforcement of traffic and parking rules on Heathrow's road network from the Police to the airport authority. The aim is to achieve better enforcement and therefore compliance for traffic management, safety and security reasons.

DfT and London Councils officers have been considering how TEC's functions in terms of setting penalty charge levels for London and operating the independent appeals service through London Tribunals to apply to Heathrow in the future. Mr Palmer explained that it would seem that if DfT make the necessary legislative changes to grant Heathrow the appropriate powers and responsibilities, including paying any apportioned costs in terms of appeals for Heathrow contraventions, there should be no negative implications for TEC and London Councils. He said that it was proposed to bring a detailed paper on this matter to TEC on 12 October 2017 meeting.

Jade Appleton, Conservative Political Adviser, London Councils, said that a discussion would need to take place with the borough of Hillingdon before any paper on this issue was brought before TEC. The Chair said that he would be happy to proceed on this basis. Frank Smith said that the experience gained from managing the POPLA contract would help mitigate any risks to London Councils when entering any potential formal agreement.

The meeting finished at 11:15am