Minutes of the Meeting of the Executive
Tuesday 23 June 2015

Mayor Jules Pipe was in the chair

Present

Member	Position
Mayor Jules Pipe	Chair
Cllr Claire Kober	Deputy Chair
Cllr Teresa O'Neill	Vice chair
Mr Mark Boleat	Vice chair
Cllr Ruth Dombey	Vice chair
Cllr Lib Peck	
Cllr Julian Bell	
Cllr Philippa Roe	
Cllr Ray Puddifoot MBE	
Mayor Sir Steve Bullock	
Cllr Peter John	

London Councils officers were in attendance as were the following borough chief executives as members of the Devolution and Public Service Reform sub-group:

Mr Andrew Travers - Barnet
Ms Lesley Seary - Islington
Mr Charlie Parker - Westminster
Mr Nick Walkley - Haringey

1. Apologies for absence and announcement of deputies

There were no apologies for absence.

2. Declarations of interest

Cllr Julian Bell declared a disclosable pecuniary interest in item 4 *Right to Buy and Council House Sales* as a tenant of a housing association and indicated he would leave the room when the item was dealt with.

3. Minutes of the Executive Meeting held on 12 May 2015

The minutes of the Executive meeting held on 12 May 2015 were agreed.

Having declared a disclosable pecuniary interest in the following item, Cllr Julian Bell left the meeting.

4. Right to buy and Council House Sales

Mayor Sir Steve Bullock introduced the report saying:

- The government's policies on the right to buy for housing association tenants financed by high-value stock sales would be the subject of much debate over the next six months

- The report highlighted:

    - the potential loss of affordable housing in the capital
    - the implications of the policies for new borough housing investment, it could potentially act as disincentive for boroughs to build
    - the potential for the policy to drain revenue from London which would otherwise be used for new housing in the capital
    - the effect of the policies could potentially be the opposite of what was widely considered to be what was required

- There was a strong political commitment from the government to deliver both policies, although it was still working through their detail – for example, it remained unclear how the government would define 'high value' in a London context, or how void properties would be defined for the purpose of forced sales

- The government had also indicated that the revenue generated by the policy would be used in part to deliver replacements in the same area on a one-for-one basis

- London Councils will explore the scope for a collective response with the Mayor of London and will assess the potential to work with others in the housing sector to ensure that the policy protects the interests of London.

- The Executive may wish to endorse

- the following four principles which had already been supported by the Mayor of London:

    - The policy should deliver an overall increase in housing
    - It should deliver an overall increase in affordable housing
    - It should not result in a diminution of the social mix of London
    - Revenue generated by council house sales should stay in London and be reinvested in housing there

- The Executive may also wish to seek agreement on a policy position regarding the location of replacement homes, having particular reference to the need to maintain the social mix across the capital

Mr Nick Walkley (Haringey Chief Executive) reported on a range of issues and the work of another group he was leading and co-ordinating for London Councils.

- There were two separate policies, RTB and asset sales, that had been joined together in the manifesto
- The officer group would work up a principles paper

Cllr Philippa Roe voiced her concern about nomination rights, given property values in her borough it was going to be difficult to achieve like-for-like replacement there. Cllr Roe reported that to prevent the loss of affordable properties when they were sold on, Westminster was imposing a covenant to keep them affordable.

Cllr Peter John thought that this was an issue that may merit a request for a meeting with the prime minister. An obvious argument for London Councils to make was that funds from London asset sales should be ring-fenced to London, but he was concerned

at the prospects of success since the policy nationwide would need to be financed by London receipts

The Chair agreed and pointed to the lack of consideration being given to the demographic effects of the policy as people on low incomes would be forced out of inner London.

Mr Mark Boleat reminded the Executive when council houses were sold, they were not lost. The same people continued to live in them in the first instance at least. He belived London's housing crisis was wider than simply the question of council/social housing and was wary of the covenant approach as this may frustrate the ambition of the discount.

Cllr Teresa O'Neill said that she did not support the idea of seeking a meeting with the Prime Minister, since the Secretary of State, Greg Clark had shown himself prepared to listen and instead a meeting with him should be sought. Evidence was needed that would show the differential impact across London. She also believed that the practice of companies offering to supply mortgages to facilitate stock sales should be drawn to the government's attention.

Cllr Claire Kober argued that London Councils should have no view on the Right-to-Buy, but should be clear about the negative aspects of proposals for funding this, including the impact on temporary accommodation and low-income families.

Cllr Ray Puddifoot MBE argued that the Secretary of State should be approached with the principles already supported by the Mayor of London and asked how he would see these working as the policy unfolded.

Mayor Bullock concluded by saying that the four principles that he had set out in his introductory comments would be the basis of London Councils public policy position.

The Executive agreed to note the report.

Cllr Julian Bell returned to the meeting.

5. Rebalancing of cultural funding

The Chair introduced the report saying:

- Following pressure to 'rebalance' cultural funding away from London (including a CMS Select Committee Inquiry last year) the Arts Council had announced a shift of 5 percentage points in the distribution of its National Lottery investment away from London over the next three years. This was equivalent to reducing the allocation that goes to London by one sixth (almost 17%)
- National Lottery funding was the only source of Arts Council investment that some boroughs - Bexley, Bromley, Ealing, Enfield, Hillingdon and Sutton - received and many boroughs were not in a position to make up the funding shortfall out of their own funds
- With reductions expected to the Arts Council's budget, there was likely to be more pressure to further rebalance National Lottery funds away from London, as well as grant-in-aid investment (currently unaffected) which supports established arts organisations (known as National Portfolio Organisations)
- London Councils – and partners such as the GLA – had been arguing that 'rebalancing' was not justified, as:
    - Some parts of London (especially outer London) already receive comparatively low levels of investment
    - Londoners are not benefitting proportionately from investment in London-based organisations as most of it goes to organisations (such as the Royal Opera House) that served national and international audiences, not local needs.
- London Councils had also been countering negative coverage of the boroughs who had been singled out for criticism in the 'rebalancing' debate for supposedly low levels of support for arts and culture; criticisms not supported by the data

Mr Mark Boleat reported on a major cultural initiative being undertaken by the City.

Cllr Ruth Dombey said that small amounts of funding could make a huge difference in enabling local communities to support a thriving cultural life.

The Executive agreed that London Councils would continue to make the case both publicly and directly to ACE against further rebalancing of arts and cultural funding away from London. This would involve working with potential partners such as the GLA, and developing a communications strategy to target central government, the arts council, the sector and the media with:

- Additional reports on the support that London boroughs provided for arts and culture and how this compared with other parts of the country
- A report and London Councils on-line policy briefing on the different ways that London boroughs supported arts and culture
- Positive stories in the press about boroughs' support for arts and culture in all its forms, including placing content in a local authority Arts Professional special in the autumn of this year
- Information on the needs of local communities in London which were not being met through ACE funding
- Direct engagement with the Arts Council through our Member representatives on the Arts Council Area Council for London and with ACE's newly appointed Chief Executive, including encouraging him to visit inner and outer London boroughs to see the impact of rebalancing
- In the longer term, working with the newly formed London All-Party Parliamentary Group (APPG) to make the case against further rebalancing of cultural funding.

6. Moving Forward on Health and Care Reform

Cllr Teresa O'Neill introduced the report saying:

- Leaders' Committee had shown its appetite for playing a leading role in health and care reform
- She had met with the chairs of Health and Wellbeing boards
- Discussions at the London Health Board in the previous week reaffirmed joint aspirations of seeking devolution to support reform in London, a commitment that would be pursued further when Cllr O'Neill, the Chair and the Mayor meet Simon Stevens, Chief Executive of NHS England on 30 July
- There was much that could already be done within existing powers and responsibilities to make progress on reforming health and care with some good

foundations to build on – like the Better Care Fund (BCF) and our work in public health reform

- The scale of the financial challenges and quality and access problems in services meant we could not afford to wait for devolution. The ambition and success in driving forward significant improvements in services and efficiency would also strengthen the case for devolution.
- This paper therefore considered three areas for progress this year:
    - strengthening Health & Wellbeing Boards
    - establishing sub-regional working and
    - increasing the scale and pace of integration
- Clearly delivering progress would be primarily driven forward locally, in the way that best suited local circumstances. However, to maximise influence regionally and nationally, there would be real power in some common aspirations and commitments to action. The paper also highlighted some things that could be done to help support local activity.

Cllr Ray Puddifoot pointed out that the plans for delivering health facilities, hospitals, GP surgeries etc, across London were not sufficiently developed. Parts of the health estate were being sold off, perhaps some should be retained.

Cllr Philippa Roe said the report did not specify precisely what was being asked for in terms of devolution and there was clearly a larger conversation to be had.

Cllr Peter John argued that control over CCG budgets would help Health and Wellbeing Boards deliver and questioned how many borough leaders chaired their Health and Wellbeing Boards.

Cllr Julian Bell reported on the work of the West London Alliance and in particular its dissatisfaction at being invited to be merely observers on the commissioning of primary care for GP services.

Cllr O'Neill summed up by saying:

- Not every leader chaired their Health and Wellbeing Board, indeed some did not even put a cabinet member on it

- There were powers around Health and Wellbeing Boards that could be used but were not.

The Executive agreed:

- To a common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform in2015/16 and that London Councils should refresh the stocktake of London Boards at the end of the year
- That London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in the paper, and
- A common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London in 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.

7. Devolution of infrastructure funding mechanisms

Cllr Claire Kober introduced the item saying:

- The London Infrastructure Plan 2050 identified a £1.3 trillion funding gap in infrastructure needed between 2016 and 2050
- Officers have explored funding mechanisms that were used internationally and put them into a London context in Appendix A while Appendix B explored the possibility of districts outside of London that benefit from infrastructure schemes making a contribution
- All the mechanisms explored would require devolution and the report suggested that the London Finance Commission recommendations could usefully be used as a starting point for this
- The Executive was asked to discuss the mechanisms in Appendix A and whether members consider any of them suitable for funding infrastructure in London
- The Executive was also asked whether, and at what stage, infrastructure funding should become part of London Councils wider devolutions asks.

Cllr Philippa Roe expressed concerns about some of the mechanisms, albeit they were provided by way of reporting international examples as requested. She was cautious about how some of these examples could operate in a London context.

The Chair discussed the feasibility of a parking levy. The Corporate Director, Services pointed out that drives could be included in any levy on parking places and the Chair asked that the issue be further investigated.

The Executive agreed to note the report.

8. London Councils – Consolidated Pre-Audited Financial Results 2014/15

The Director of Corporate Resources introduced the report saying that with a surplus of £2.9m and reserves of £10.2m, although taking into account commitments that figure fell to £6.5m, the position was a healthy one going into the autumn budget round. In response to a question from Cllr O'Neill about the scope that the position afforded in terms of future budget strategy, the Director of Corporate Resources replied that it did provide for a range of options to be developed for the Executive later in the year.

The Executive agreed:

- To note the provisional consolidated outturn surplus of £2.859 million for 2014/15 and the provisional outturn position for each of the three funding streams
- To note the provisional level of reserves of £10.237 million, which reduced to £6.493 million once known commitments of £3.744 million were taken into account
- To note the updated financial position of London Councils as detailed in the report, and
- To receive a further report in November 2015 after the completion of the external audit by PricewaterhouseCoopers (PwC) to adopt the statutory final accounts for 2014/15. The final accounts would be signed off at the meeting of the Audit Committee on 24 September 2015, at which PwC would formally present the Annual Audit Letter for approval.

9. Nominations to Outside Bodies

The Executive agreed to note the report.

The Executive ended at 11:55 having started at 10:40

Action points

	Item	Action	Progress
4	**Right to buy and Council House Sales** • Circulate a list of participants in the housing officer group • The officer group to work up a principles paper • Seek a meeting with Rt Hon Greg Clark MP • Identify evidence that would show the differential impact across London Councils	**PAPA Housing/ Nick Walkley**	Update report on agenda
5	**Rebalancing of cultural funding** Develop a communications strategy to target central government, the arts council, the sector and the media with: • Additional reports on the support that London boroughs provided for arts and culture and how this compared with other parts of the country • A report and London Councils on-line policy briefing on the different ways that London boroughs supported arts and culture • Positive stories in the press about boroughs support for arts and culture in all its forms, including placing content in a local authority Arts Professional special in the autumn of this year • Information on the needs of local communities in London which were not being met through ACE funding • Direct engagement with the Arts Council through our member representatives on the Arts Council Area Council for London and with ACE's newly appointed Chief Executive, including encouraging him to visit inner and outer London boroughs to see the impact of	**PAPA Economy, Culture and Tourism**	In progress

	rebalancing • In the longer term, working with the newly formed London All-Party Parliamentary Group (APPG) to make the case against further rebalancing of cultural funding.		
6	**Moving Forward on Health and Care Reform** London Councils to develop: • A common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform in 2015/16 and that London Councils should refresh the stocktake of London Boards at the end of the year • That London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in the paper and • A common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London in 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.	**PAPA Health**	In hand
7	**Devolution of infrastructure funding mechanisms** • Investigate the feasibility of placing a levy on all non-domestic, business, parking spaces	**PAPA Transport and Environ-ment**	Report going to November Executive