

Leaders' Committee – 2nd Dispatch

13 October 2015 – 11:30 am

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

Refreshments will be provided

London Councils offices are wheelchair accessible

Labour Group: Room 2 and 3 09:30

Political Adviser: 07977 401955)

Conservative Group: Room 5 10:00

(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

Please note that two items listed for discussion on the first draft of the agenda, have been withdrawn. They are: *Capital Ambition Board and London Ventures programme update* and *Capital Ambition Board Terms of Reference and dates of future meetings*. These will be taken at the meeting of the Leaders' Committee on 8 December 2015.

Agenda item		Page
1	Apologies for absence and Announcement of Deputies	
2	Declarations of Interest*	
3	Minutes of the Leaders' Committee held on 14 July 2015	First dispatch
4	Health and Care Devolution	First dispatch
5	Proposed Changes to the Governance of the Fire Service	First dispatch
6	Business Rates Devolution	1
7	Devolution and Public Service Reform	First dispatch
8	Annual Audit Report 2014-15	First dispatch

- TEC – AGM 18 June 2015
- Audit Committee – 18 June 2015
- Grants Executive – 22 June 2015
- Executive – 23 June 2015
- CAB – AGM – 25 June 2015
- GLEF AGM – 9 July 2015
- Grants AGM – 15 July 2015
- TEC Executive Sub Committee – 16 July 2015
- Pensions CIV Sectoral Committee AGM – 21 July 2015
- Executive – 8 September 2015

***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

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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 Minutes and summaries:-

Exempt part of Capital Ambition Board AGM on 25 June 2015

First dispatch

Exempt part of TEC Executive Sub Committee on 16 July 2015

Exempt part of Pensions CIV Sectoral Committee AGM on 21 July 2015

London Councils

Minutes of the London Councils Leaders' Committee held on 14 July 2015
Mayor Jules Pipe chaired the meeting

Present:

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

Cllr Darren Rodwell
Cllr Daniel Thomas
Cllr Teresa O'Neill
Cllr M. A. Butt
-
Cllr Sarah Hayward
Cllr Tony Newman
Cllr Julian Bell
Cllr Doug Taylor
Cllr John Fahy
Mayor Jules Pipe
Cllr Mike Cartwright
Cllr Alan Strickland
Cllr Keith Ferry
Cllr Roger Ramsey
Cllr Philip Corthorne
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 Lord True
Cllr Peter John
Cllr Ruth Dombey
Mayor John Biggs
Cllr Clyde Loakes
Cllr Ravi Govindia
Cllr Tim Mitchell
Mr Mark Boleat
-

Apologies:

BARNET
BROMLEY
GREENWICH
HAMMERSMITH & FULHAM
HARINGEY
HARROW
HILLINGDON
KENSINGTON & CHELSEA
NEWHAM
WALTHAM FOREST
WESTMINSTER

Cllr Richard Cornelius
Cllr Stephen Carr
Cllr Denise Hyland
Cllr Stephen Cowan
Cllr Claire Kober
Cllr David Perry
Cllr Ray Puddifoot MBE
Cllr Nicholas Paget-Brown
Mayor Sir Robin Wales
Cllr Chris Robbins
Cllr Philippa Roe

Apologies (contd):

GRANTS

Cllr Paul McGlone

Ex officio (under the provisions of Standing Order 2.2)

CAPITAL AMBITION

Mr Edward Lord JP OBE CC

Officers of London Councils were in attendance.

1. Apologies for absence and Announcement of Deputies

The deputies listed above were announced.

2. Declarations of interest

No interests were declared.

3. Minutes of the Leaders' Committee AGM held on 2 June 2015

Leaders' Committee agreed the minutes of the AGM held on 2 June 2015

4. Minutes of Leaders' Committee meeting held on 2 June 2015

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 2 June 2015.

5. Spending Review 2015: update

The Chair introduced the report saying the Spending Review 2015 was expected to be in late autumn, and was likely to outline departmental spending limits for the next four years. London local government was again likely to face a disproportionate level of funding reductions. This came during a period of growing demand driven, primarily, by a rapidly growing population.

The Spending Review provided an opportunity for London Councils to put a persuasive case to Government about the challenge facing London that must be addressed if local services

were to be maintained, and further economic growth achieved, in this Parliament.

The development of the Spending Review submission sat alongside, and was closely linked to, the work to secure further devolution and reform in public services in London.

London Councils' submission would propose three broad themes:

- public service reform;
- changes to the finance system; and
- fiscal devolution

Cllr Teresa O'Neill OBE (Conservative, Health, Bexley) pointed out the decrease in the funding of Public Health, a responsibility that had only come down to boroughs last year and a likely consultation over the summer that London Councils would want to feed into. She went on to mention 0-5s and the possibility of getting a London response to the issue of parity across London.

Cllr Lord True (Conservative, Richmond) reaffirmed Cllr O'Neil's point about money being transferred down by Government and then disappearing and cautioned against undertaking unfunded fresh activities when boroughs were facing increasing challenges in delivering existing services.

Input from borough officers would be sought over the summer and a final submission would be put to the London Councils Executive in September.

Leaders' Committee agreed to note the report.

6. Moving Forward on Health and Care Reform

Cllr O'Neill introduced the report saying:

- While devolution would be important to unlock additional powers to drive reform, there was already much that could be done within existing powers and responsibilities and this report focused on that

- There were good foundations to build on – for example the Better Care Fund and the work in reforming public health
- The Executive discussed a similar paper to this one at their last meeting and agreed that three particular areas were ones in which we should seek to make real progress across London this year:
 - strengthening Health & Wellbeing Boards;
 - establishing sub-regional working and
 - increasing the scale and pace of integration.
- To support London Councils' overall position and maximise influence regionally and nationally, there was a need to be able to demonstrate collective commitment to making ambitious progress in tackling the big health and care challenges facing London
- The Secretaries of State for Communities and Local Government, Rt Hon Greg Clark MP and Health, Rt Hon Jeremy Hunt MP had both been written to and ministers had responded positively.

Cllr Peter John (Labour, Children and Young People, Southwark) agreed with Cllr O'Neill and urged colleague leaders to get involved in their Health and Wellbeing boards which, if they were not made to work, would be crowded out of the market.

Cllr Ruth Dombey (Liberal Democrat, Sutton) agreed with Cllr John on Health and Wellbeing boards and pointed to the scale of the prize that could be won, in Manchester's case it was £6bn, in London case it could be £21bn.

Cllr Richard Watts (Labour, Islington) counselled against sub-regional working that replicated the unpopular former NHS model. He supported effective sub-regional working, the footprint of acute hospitals was important in the configuration of health economies, but wanted to emphasise the importance of the local element in health care integration.

Leaders' Committee:

- Agreed that all London's Health and Wellbeing Boards should be strengthened as system leaders for locally driven health and care reform during 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year
- Agreed to establish effective sub-regional arrangements between boroughs and the NHS in London during 2015/16 and note that a project that the Capital Ambition Board had agreed in principle to fund should be developed to support this
- Committed to working with local partners to secure a significant further step change in integration to deliver on London Councils' core principles for the Better Care Fund in 2016/17 and
- That progress around the capital on each of these goals for the current financial year should be reported back to Leaders' Committee regularly.

7. London CIV: Progress report and proposed next steps towards a London LGPS CIV

The Chair introduced the report saying solid progress was being made even though the initial stages had taken a little longer than originally anticipated. Mr Hugh Grover had been appointed Interim Chief Executive and Mr Mark Boleat was the chair of the sectoral joint committee.

Mr Mark Boleat (Independent, City) commented:

- Discussions had been had with fund managers
- Recruiting permanent Executive and Non-Executive Directors was underway
- Considerable savings were already being made
- The establishment of the CIV was proving a more complex and larger exercise than had been anticipated but the potential prize was massive, not just for boroughs but for others who might follow the model
- The sectoral joint committee was working well in giving political oversight.

The Chair concluded by saying that the investment needed to set the CIV up was already being rewarded in terms of savings being made.

Leaders' Committee agreed to note the report.

8. No Recourse to Public Funds: update

The Chair introduced the report saying:

- Since March, London Councils' officers had undertaken work to further understand and raise awareness of this issue including:
 - *A round of public affairs engagement* that highlighted the issue London boroughs were facing
 - *Briefings* including the production of a member briefing for London's councillors
 - *A Roundtable event* with senior borough officers to facilitate learning at both a strategic and operational level on this issue, and to inform London Councils' lobbying
 - *A meeting with Government officials* London Councils officers had an initial meeting with Home Office and DCLG officials (outside of the NRPF steering group), to understand their plans and update on the progress of work.
 - *Information gathering* London Councils officers have undertaken further analysis of the NRPF Connect database to understand the level and nature of the financial impact on London local government and establish where information gaps currently existed.

London Councils officers were developing a survey of all London boroughs to gather a strong pan-London evidence base that filled some of these information gaps and fully articulated the level and nature of the financial impact on London local government from NRPF clients. This data gathering exercise would commence over the next two months and the results would inform London Councils' submission to the 2015 Spending Review.

Leaders' Committee agreed to note the report.

9. Minutes and Summaries

Leader's Committee agreed to note the draft minutes and summaries:

- Executive – 12 May 2015
- Pensions CIV Sectoral Joint Committee – 27 May 2015
- Executive – 23 June 2015

The meeting, which had begun at 11:30, ended at 12:00 noon.

Action Points

Item		Action	Progress
5.	Spending Review 2015: update <ul style="list-style-type: none"> • Input from borough officers to be sought over the summer and a final submission to be put to the London Councils Executive in September. 	Fair Funding	Done
6.	Moving Forward on Health and Care Reform <ul style="list-style-type: none"> • all London's Health and Wellbeing Boards should be strengthened as system leaders for locally driven health and care reform during 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year • establish effective sub-regional arrangements between boroughs and the NHS in London during 2015/16 • work with local partners to secure a significant further step change in integration to deliver on London Councils' core principles for the Better Care Fund in 2016/17 • progress around the capital on each of these goals for the current financial year to be reported back to Leaders' Committee regularly. 	PAPA Health	Ongoing

Leaders' Committee

Health and Care Devolution

Item no: 4

Report by: Sarah Sturrock **Job title:** Strategic Lead, Health and Adult Services
Date: 13 October 2015
Contact Officer:
Telephone: 020 7934 9653 **Email:** sarah.sturrock@londoncouncils.gov.uk

Summary

This paper explains the steps being taken in London to secure progress on health and care reform and devolution and seeks the Leaders' Committee's agreement in principle to developing a Memorandum of Understanding between London partners and NHS England and other national bodies, to establish the foundation for working together to secure devolution.

Recommendations **The Leaders Committee is asked to:**

- a. **note the way the London Proposition health and care devolution proposals are being taken forward; and**
- b. **agree in principle to the development of a London Memorandum of Understanding for publication in parallel with government's response through the Comprehensive Spending Review, subject to final clearance through the Executive or Group Leaders.**

HEALTH AND CARE DEVOLUTION

Background

2. Following discussions at previous meetings of the Leaders' Committee and in the Congress of the Mayor and borough Leaders in July, London Councils and the Mayor of London submitted a Devolution and Public Service Reform Proposition to the government on 4th September. For health and care, a broad model of reform for London was set out, together with a range of devolution 'asks' covering budgets, powers, regulation and freedoms and flexibility regarding national rules and performance management.
3. Reflecting recognition of the scale and complexity of systems in the capital, the London Proposition set out a multi-spatial approach (local, sub-regional and pan-London) to health and care reform, underpinned by a principle of subsidiarity. It also recognised that progress will be made at different paces in different parts of London. So, as well as setting out some immediate devolution 'asks', it proposed that menus of devolution opportunities be developed that could be unlocked at different levels subject to the establishment of robust joint plans, governance and delivery mechanisms.
4. This paper explains the steps being taken in London to secure progress on health and care reform and devolution and seeks the Leaders' Committee's agreement in principle to developing a Memorandum of Understanding between London partners and NHS England and other national bodies, to establish the foundation for working together to secure devolution. There are three main strands of work being developed:
 - a. pursuing a Comprehensive Spending Review outcome;
 - b. establishing pilots; and
 - c. considering a Memorandum of Understanding as a framework for further joint work.
5. Since the submission of the London Proposition, the NHS England Board has agreed the principles and broad decision criteria that it will adopt in considering any decisions about devolution (these are set out in Annex A. From the start, as agreed by Leaders, London has been developing a partnership approach with NHS organisations in the city. However, this is clearly still an evolving agenda on

all sides and the NHS England national criteria will need to be considered and their interpretation negotiated in London's context.

Seeking a Comprehensive Spending Review Deal

6. Initial discussions with officials from the Department of Health, Department of Communities and Local Government and HM Treasury have signalled a broad welcome for the devolution approach being developed in London. This has established a platform for Comprehensive Spending Review (CSR) proposals intended to secure both a positive response in the CSR outcome and commitments to ongoing joint work to explore further devolution to accelerate or unlock improvements, including on the basis of business cases developed by pilots across London.

Establishing pilots

7. The London Proposition set out some menus of the kind of devolution that we might seek to make available locally or sub-regionally on a contingent basis. The pilots are intended to show which new powers will aid faster improvement in outcomes and service reform. Their goal will be both to unlock these devolution opportunities for all other parts of London.
8. The pilots will need the commitment of London partners in the area (at least boroughs, CCGs and providers) to form new or strengthened collaborative arrangements through which to develop integration and transformation plans that will improve outcomes and deliver sustainable future health and care systems. These will also be vehicles for bringing government, NHS England and other national partners in to work with the local partners to determine how to remove nationally controlled barriers to transformation. Pilots will be expected to test the case for the 'asks' in the London Proposition's initial menus, but will also be able to identify alternative and additional devolution options.
9. Three potential types of pilots have been identified:
 - a. *whole system sub-regional transformation* – as cross-sectoral sub-regional collaboration is not yet a reality anywhere in London, a pilot of

this kind is essential to our ability to make progress on the whole devolution agenda. The goals of the pilot must be to build a sustainable health and care system in a sub-region over the lifetime of this parliament;

- b. *local integration* – subsidiarity is a core principle of London’s reform model, so we are seeking one or more pilots to map out the way to wholly integrated health and care at a borough level, building on the start made through the Better Care Fund approach to pooling funding and developing integrated commissioning and pulling down further funding and commissioning powers to the local level;
- c. *estates* – the estates challenge is twofold: securing the estate needed for future integrated health and care services and unlocking the potential in the current NHS estate. While there will be some estates ‘asks’ that it may only be possible to get devolved to a pan-London level, we are keen to ensure that subsidiarity remains a part of any future NHS estates model in London. A pilot encompassing local and sub-regional estates strategic estates planning, as part of wider public sector asset management, could be key to achieving this;

10. In addition the importance of prevention has been emphasised by partners. We are clear that a primary goal regarding prevention is to see it mainstreamed within any type of pilot. However, there is a strong interest from NHS England in the potential for a specific focus on prevention alongside this – whether through a pilot or some other collaborative work. We have therefore asked boroughs and CCGs to consider whether they might be interested in developing a prevention pilot. This would need to involve seeking some impact at scale – either through depth in a local area or breadth across a sub-region or pan-London. A pilot would also need explicitly to identify and pursue potential devolution ‘asks’ to unlock nationally controlled barriers to current progress. We are not aiming to pilot the specific public health powers we have sought through the London proposition, as our goal is to pursue these for decision through the CSR itself.

11. Local authorities and CCGs have been asked to consider their appetite for becoming a pilot and express any interest by 6 October. The proposal is that pilots would be announced publicly as part of the signing of a London Memorandum of Understanding (see below) later in the autumn. They will

therefore need to have made progress in securing the engagement of all appropriate local partners, clarifying their high level goals and broad work plans, and started considering working arrangements and governance, and have had at least initial engagement with key national partners. London Councils will help to facilitate the latter.

12. The expectation is that pilots would aim to agree their detailed work plans, with formalised governance and resourcing, by the end of this financial year at the latest. These will need to set out the timelines over which their transformation plans will be developed and the associated devolution negotiations undertaken – with a current expectation that this might take up to a year/year and half, with a view to significant progress being made on implementation within the life of this parliament.

A London Memorandum of Understanding

13. A pre-condition to a successful outcome through the CSR and to establishing the joint work needed to take this forward with NHS England and other partners is the development of a London Memorandum of Understanding (MOU). This would be a vehicle for supporting the further development of the framework for reform and pursuing the case for devolution, but clearly specific integration and transformation proposals in any borough or sub-region will need to be developed and agreed by local partners.

14. It is proposed that the MOU should seek to:

- provide the first public statement of the London strategic framework for health and care reform and our case for pursuing devolution to support it (reflecting the London Proposition) and establish clear objectives and principles to guide joint work between London and national partners in pursuit of reform and devolution;
- secure the commitment of NHS partners. In the case of national bodies, this should also include securing resources and capabilities to support developmental work, which will require a matching commitment by London partners;

- set out the broad strands of joint work, notably:
 - to deliver any devolution secured through the Comprehensive Spending Review;
 - to establish a range of pilots through which to prove the concept of our London multi-level model and negotiate further devolution to secure a menu of devolution offers that all parts of London could unlock at local and sub-regional levels, contingent on the development of robust plans, governance and delivery arrangements; and
 - to develop a London business case, drawing on the learning of the pilots and wider work, through which to secure the full package of devolution for the capital;
- set out the broad governance arrangements to provide leadership, drive and oversee this work, both in pilots and at a pan-London level.

15. The government's reaction to the London Proposition will be provided through the outcome of the Comprehensive Review. It may be part of the main announcement on 25 November or be covered in more detail in the following days. The aim will be to align the government's response and the signing of the London MOU.

Making progress on health and care reform within existing powers

16. Leaders' Committee in July agreed that as well as seeking devolution, boroughs were ambitious to make progress on reforming health and care within existing powers, particularly through:

- embedding integration
- establishing sub-regional arrangements; and
- making progress on estates.

17. This remains just as important as ever – both to support our cases for devolution (especially as it is reflected in NHS England's criteria) and because the financial and consequent delivery challenges facing both boroughs and the NHS in London are growing and require urgent action. Efforts to strengthen collaboration,

including through Health & Wellbeing Boards, and – building on existing plans and arrangements – to establish the platforms and start shaping strategic plans for reform are being pursued across the capital. It will be important for us to be able to illustrate clear progress in locally tailored ways while devolution pilots seek to open up the route to additional funding and powers for all areas.

18. Twenty two boroughs are also on the path to a cross-London collaboration that could be a valuable further demonstration of local government's commitment to improving prevention, outcomes and efficiency. The London Sexual Health Transformation Programme aims to deliver a new collaborative commissioning model for sexual health genito-urinary medicine (GUM) services which will deliver measurably improved and cost effective public health outcomes. London councils currently spend in excess of £100 million per annum on GUM services. The ongoing increases in the size of the population, London's demographic profile and the trend of increasing rates of sexually transmitted diseases (STIs) has meant that expenditure on these services has increased year on year. The new programme combines some pan-London commissioning where there is a strong case for it, with sub-regional re-commissioning of main GUM services. Participating boroughs' Cabinets are being asked to make a range of decisions this autumn to enable the collaborating councils move forward in redesigning the delivery of sexual health services in London. There remain opportunities for other boroughs to become part of the programme if they want to do so.

Conclusion

19. The Leaders Committee is asked to:

- a. **note the way the London Proposition health and care devolution proposals are being taken forward; and**
- b. **agree in principle to the development of a London Memorandum of Understanding for publication in parallel with government's response through the Comprehensive Spending Review, subject to final clearance through the Executive or Group Leaders.**

IMPLICATIONS FOR LONDON COUNCILS

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

NHS ENGLAND'S PRINCIPLES AND CONDITIONS FOR CONSIDERING FUTURE DEVOLUTION

NHS England's Board met on 24 September and considered the principles and broad conditions against which it would judge further requests for devolution, building on their experiences in Greater Manchester.

The principles are:

1. An overarching principle that all areas will remain part of the NHS, upholding national standards and continuing to meet statutory requirements and duties, including the NHS Constitution and Mandate.
2. Ensuring that commissioners, providers, patients, carers and wider partners, including the voluntary and community sector, are able to work together to shape the future of the local area, supported by regular communication and engagement from development to implementation.
3. The principle of subsidiarity, ensuring that decisions are made at the most appropriate level.
4. Having clear and appropriate accountability arrangements for services and public expenditure to be devolved.
5. Putting in place a clear plan to support long term clinical and financial sustainability.
6. A governance model which is simple to operate and minimises bureaucracy and overheads in the system.

NHS England's decision criteria against which they will consider requests for devolution are:

1. *Clarity of vision* about the benefits devolution will bring to the health and care sector of local people, and the plan for delivery of these and wider benefits including a clear articulation of what specific additional functions and responsibilities are being requested;
2. A *'health geography'* that supports devolved decision-making, being largely a self-sufficient community with a matching corporate infrastructure rather than relying on other areas of the country for delivery of devolved functions;

3. *Quality and continuity of care*, particularly linked to the safe transfer of responsibilities and emergency planning, preparedness and resilience arrangements;
4. *Impact on other populations, including appropriate safeguards for users of local services from outside the relevant geography*;
5. *Financial risk management*, including mitigation actions by, and residual risk to, NHS England;
6. *Support of local health organisations*, and local government (including political leadership) so that there is a solid basis of co-operation on which to build shared decision-making and robust, devolved arrangements;
7. *Demonstrable leadership capability and track record of collaboration between NHS bodies and local government, implementing transformation and securing consistent delivery, making full use of pre-existing powers*;
8. *Demonstrable track record of collaboration and engagement with patients and local communities, including evidence of sufficient consultation on, and broad support for, the devolution proposals*;
9. *Clear mitigation plan and exit route in the case of failure*.

NHS England's Board paper also expressed a preference that it should take about 18 months from expression of interest in devolution by a particular geography to implementation of devolution arrangements, and that this would include submission of a clear outline business case, the signing of an MOU or equivalent formal arrangement and shadow running of the devolved functions in the new body.

Leaders Committee

Proposed Changes to the Governance of the Fire Service

Item no: 5

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

Date: 13 October 2015

Contact Officer: Doug Flight

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

Summary The Government has recently published a consultation on 'enabling closer working between the Emergency Services'. Within this, particular measures are proposed in relation to LFEPA:

'The Government intends to legislate to abolish the London Fire and Emergency Planning Authority and to enable the Mayor of London to take direct responsibility for fire and rescue governance'

This report sets out the basis for a potential London Councils response.

The closing date is 23 October 2015.

Recommendations Leaders' Committee is asked to

- 1) Comment on the proposals.

- 2) Consider whether a formal London Councils response be developed, drawing on the draft lines set out in paragraph 13.

Proposed Changes to the Governance of the Fire Service

Introduction

1. The Government is consulting on proposed reforms of fire service decision making in London. This is part of a broader consultation on a series of measures to transform the delivery of local fire and police services and drive greater collaboration between the three emergency services (police, fire and ambulance). The closing date for the consultation is 23 October 2015.
2. The Government has stated in its consultation that it intends to legislate to abolish LFEPA and to enable the Mayor of London to take direct responsibility for fire and rescue. The consultation also sets out proposals for alternative governance models for fire in London and asks about the organisation and delivery of London's resilience responsibilities. The London-specific section of the consultation is attached as Appendix A.

Background

3. The London Fire and Emergency Planning Authority (LFEPA) was established under the Greater London Authority Act 1999. It replaced the London Fire and Civil Defence Authority (LFCDA), a body that comprised one member from each London local authority. At the point of its initiation, LFEPA comprised nine Assembly members and eight borough representatives. Both groups were appointed by the Mayor, with the latter being appointed by the Mayor, *on the nomination of the London borough councils acting jointly*.¹ London Councils predecessor body the ALG took on the role of appointing the borough representatives from the outset. The Act required the Mayor to make appointments that reflected the balance of the parties on the Assembly for the Assembly representatives and amongst the councillors elected to the London boroughs for the borough representatives.²

¹ Greater London Authority Act 1999 Schedule 28 1(1) The Fire etc Authority shall consist of seventeen members, of whom—(a) nine ("the Assembly representatives") shall be Assembly members appointed by the Mayor; and (b) The remainder ("the borough representatives") shall be members of London borough councils appointed by the Mayor on the nomination of the London borough councils acting jointly.

² Ibid (2) The Mayor shall exercise his power to appoint members under sub-paragraph (1)(a) above so as to ensure that, so far as practicable, the members for whose appointment he is responsible reflect the balance of parties for the time being prevailing among the members of the Assembly.

(3) The London borough councils shall exercise their power to nominate members under sub-paragraph (1)(b) above so as to ensure that, so far as practicable, the members for whose nomination they are responsible reflect the balance of parties for the time being prevailing among the members of those councils taken as a whole.

4. The Greater London Authority Act 2007 amended the 1999 Act by reducing the number of Assembly representatives from nine to eight and the borough representatives from eight to seven. The Act also introduced two new places which are directly appointed by the Mayor.
5. The Mayor of London presented the Secretary of State with a business case for reform in 2014 and the Government subsequently consulted the proposals. At that time, the Mayor of London has suggested that the current governance arrangements were not sustainable and he sought a change in the composition of the membership on the grounds of:
 - Improved democratic accountability
 - Greater clarity in executive-scrutiny responsibilities
 - Better links to budgetary responsibility
 - Greater policy convergence across the GLA Group
 - Achieving efficiencies
 - Access to a wider pool of appointees
6. The GLA's business case also pointed to the recent CLG Select Committees' post Legislative Scrutiny of the GLA act 2007 and the Government's response, which indicate an openness to consider reform of fire service governance in London. The Select Committee recommended reconstitution of LFEPA along the lines of the Mayor's Office for Policing and Crime (MOPAC), with an appointed Deputy Mayor and a scrutiny role for the assembly.
7. London Councils Leaders' Committee considered the proposed reforms of fire service decision making in London at its meeting on 15 July 2014. The London Councils' Labour Group, supported by the Liberal Democrat representative, agreed that a response be submitted to the Secretary of State. The response asked that the Secretary of State did not proceed with the proposals made by the Mayor of London and called for any future proposals be based on a thorough assessment of the governance and accountability issues. The London Councils' Conservative Group did not support this response.

Resilience

8. The London Fire Brigade provide pan London emergency planning and response work on behalf of the boroughs, as well as delivering statutory emergency planning functions which sit directly with LFEPA . These important pan-London arrangements cover

support on exercising and training, support for the pan London local authority co-operation arrangements (known as the Local Authority Gold arrangements) and the London Local Authority Co-ordination Centre (LLACC).

9. The senior officer level Local Authorities' Panel (LAP), which brigades local authority input pan-London emergency planning, is chaired by the chief executive of the City of London. The Panel has historically overseen the local authority-facing elements of the London Fire Brigade Emergency Planning (LFB-EP) team's work programme. The support of this function can be traced to an earlier top-slice of local authority funding, but has more recently been received through direct grant to LFEPA.

London's overall Devolution and Reform Proposition

10. London Councils has collaborated with the Mayor of London over the last two years in developing a proposition on devolution and reform of public services in London, culminating in the recent submission to Government. The proposition sets out how London's elected leaders and mayors at borough and London level would govern areas of devolved responsibility in partnership and how they would take decisions collectively. This pan-London partnership will be delivered through a structure based on the London Congress and the Congress Executive.
11. Within the overall proposition, there is a section on crime and Justice which contains a reference to 'enabling London to integrate emergency services, starting with MPS and LFB control room services to allow smarter deployment of emergency services and to achieve back office efficiencies and savings'.

Potential Response

12. Members may wish to consider the development of a London Councils response which:
 - Recognises that there are potential benefits that could be realised from greater collaboration between the Emergency Services. This would be consistent with the devolution proposition which we have agreed jointly with the Mayor.
 - Highlights the potential adverse consequences of abolition of the London Fire and Emergency Planning Authority.
 - Argues for mitigation through the early implementation of a shared governance arrangement between the Mayor of London and boroughs, to address these weaknesses. The shared governance could be based on the strengthened

London Congress arrangements, as set out in the London Devolution and Public Service Reform Proposition arrangement. This might offer a firmer foundation for consultation and oversight on a range of policing, fire and community safety issues. Nevertheless it would not offer the same degree of influence that is currently conferred through membership of LFEPA, for example over setting the LFEPA's budget and agreeing the London (Fire) Safety Plan.

- Argues that any future governance structure must ensure the maintenance of adequate pan London support for local authority emergency planning, with sufficient borough input into co-commissioning and oversight of this support.

13. If members wish to proceed with this approach, the following draft lines could form the core of a response:

- 1) We agree with the principle of driving collaboration between the emergency services and support the introduction of a new statutory duty on the three emergency services to collaborate with one another to improve efficiency and effectiveness.
 - We believe it is important to retain local discretion so that this duty can be implemented in London, and elsewhere, in a way that takes account of local conditions and working relationships with key partners, particularly local authorities, hence providing an opportunity to maximise effectiveness and efficiency across public services and the public service estate.
- 2) Any evolution of the governance of fire and rescue services should:
 - reinforce partnership working with London boroughs, which is more important in delivery terms than policy convergence across the GLA Group
 - ensure transparency of decision-making.
 - strengthen accountability
 - ensure robust decision-making
 - achieving efficiencies
 - have clarity about how executive and scrutiny roles are played out
- 3) We believe that if the Government were to proceed with abolition of the London Fire and Emergency Planning Authority, there would be significant consequences which would need to be addressed through shared

governance arrangements between the Mayor of London and London local government. The potential weakness that would emerge without this mitigation include:

- A weakening of democratic accountability and the loss of critical local influence on decisions about the budget and operating plans of the fire service in London. LFEPA currently raises some £138.2 million pounds p.a. from its share of the precept.
- The loss of built-in local authority expertise, talent and local knowledge.
- An erosion of constructive joint working on safety and resilience issues in localities.
- Reduced transparency of decision-making as a result of substituting elected members with direct responsibility for the Mayor of London.
- An erosion of important principle that the fire service and LFEPA are seen as part of the local government family in London as well as being part of the GLA group. The initial GLA settlement was consciously constructed using this model and it is not simply an accident that the governance arrangements are not the same as for other functional bodies, or for policing and crime.

These weaknesses should be addressed through shared governance arrangements, based on the strengthened London Congress arrangements, as set out in the London Devolution and Public Service Reform Proposition arrangement. Any such arrangement must involve strong representation for London Local Government in setting the strategic direction of the fire service and broader safety work, together with a transparent system for reporting and oversight of performance. This might offer a firmer foundation for consultation and oversight on a range of policing, fire and community safety issues.

4) Any future governance structure that encompasses strategic oversight of resilience must ensure the maintenance of:

- Adequate pan London support for local authority emergency planning, including a programme of exercising, training and service improvement.

- Effective co-ordination of local authority response and communication arrangements, including the Gold rota.

This must be underpinned by an effective role for London Local Government in:

- Co-commissioning and overseeing the above aspects of the pan London resilience offer to boroughs.
- Strategic co-ordination of London's overall resilience and emergency planning activities.

Conclusion

Leaders' Committee is asked to:

- 1) Comment on the Secretary of State's proposals
- 2) Consider whether a formal London Councils response be developed, drawing on the draft lines set out above.

Financial Implications:

There are no direct financial implications for London Councils.

Legal Implications:

There are no direct legal implications for London Councils. The immediate proposition is that the Secretary of State for Communities and Local Government be asked to invoke an order using the power provided by the GLA Act whereby the composition of LFEPA can be amended.

Equalities Implications:

There are no equalities implications for London Councils.

Recommendations:

Leaders' Committee is recommended to note the report and consider whether it wishes to respond to the Mayor's consultation.

Appendix A : Extract form the Consultation

Appendix B: Consultation Questions

The full consultation can be found here <https://www.gov.uk/government/consultations/enabling-closer-working-between-the-emergency-services>.

Appendix A : Extract from the Consultation

London Fire and Emergency Planning Authority

In December 2013, the Department's response to the Communities and Local Government Committee's report on the Greater London Authority Act 2007 and the London Assembly on the potential reorganisation of the London Fire and Emergency Planning Authority noted that Ministers would be willing to consider alternative governance models for fire in London. Since publication of that response, it has become increasingly clear that the current arrangements in London are unsustainable and reform of fire decision making in the capital is needed. There are now too many instances of the Mayor having to use his powers to direct the London Fire and Emergency Planning Authority on the exercise of its functions. Having to repeatedly issue directions to a decision making body that has shown itself unable to engage responsibly with its city's directly elected Mayor is inappropriate, time consuming and costly to the taxpayer.

The Government believes that abolishing the London Fire and Emergency Planning Authority would strengthen democratic accountability by removing the current confusion whereby the Mayor is accountable for setting the annual budget for fire, but is in a minority position on London Fire and Emergency Planning Authority in respect of decisions relating to fire provision. It would also mean that the position in London will be consistent with the Government's proposals for metro mayors and Police and Crime Commissioners elsewhere in England to be able to take on the governance of fire and rescue services.

Therefore, the Government intends to legislate to abolish the London Fire and Emergency Planning Authority and to enable the Mayor of London to take direct responsibility for fire and rescue.

In the event of London Fire and Emergency Planning Authority being abolished, oversight of the London Fire Brigade on behalf of the Mayor/Police and Crime Commissioner will need to become the responsibility of another body. There are different ways in which fire responsibilities could be incorporated into the mayoral structure. For example, they could be given to the existing Mayor's Office for Policing and Crime; a new Mayoral agency for fire and rescue could be created; or the Greater London Authority could perform the function.

The London Fire Brigade undertakes a pan-London resilience and emergency planning function on behalf of London's local authorities. London Fire and Emergency Planning Authority also has the day-to-day operational responsibility for the London Resilience Team which supports the work of the London Resilience Forum and delivery of the Mayor of London's responsibilities for resilience. The Government will discuss with the Mayor's Office, the Greater London Authority, London Councils and the local authorities how strategic oversight for resilience in the capital and continued co-ordination of London's resilience and emergency planning activities are maintained.

Appendix B Consultation Questions

It is proposed that the London Councils response concentrate on the following questions (the full set is listed below):

How do you think this new duty (collaboration between the emergency services) would help drive collaboration between the emergency services?

Do you agree that the London Fire and Emergency Planning Authority should be abolished and direct responsibility for fire and rescue transferred to the Mayor of London?

In the event that the London Fire and Emergency Planning Authority is abolished, how should responsibility for fire and rescue be incorporated into the mayoral structure?

Full set of Consultation Questions

How do you think this new duty would help drive collaboration between the emergency services?

Do you agree that the process set out above would provide an appropriate basis to determine whether a Police and Crime Commissioner should take on responsibility for fire and rescue services?

Do you agree that the case for putting in place a single employer should be assessed using the same process as for a transfer of governance?

What benefits do you think could be achieved from empowering Police and Crime Commissioners to create a single employer for police and fire and rescue personnel, whilst retaining separate frontline services, where a local case has been made to do so?

Do you agree that the requirement for a chief officer to have previously held the office of constable should be removed for senior fire officers?

How do you think the requirement for a Police and Crime Commissioner to have access to an informed, independent assessment of the operational performance of the fire service should best be met?

Do you agree that where a Police and Crime Commissioner takes responsibility for a fire and rescue service, the Police and Crime Panel should have its remit extended to scrutinise decision making in relation to fire services?

Do you think that where a Police and Crime Commissioner takes responsibility for a fire and rescue service, the Police and Crime Panel should have its membership refreshed to include experts in fire and rescue matters?

Do you think that where a Police and Crime Commissioner puts in place a single employer for fire and rescue and police services personnel, complaints and conduct matters concerning fire should be treated in the same way as complaints and conduct matters concerning the police?

Do you agree that Police and Crime Commissioners should be represented on fire and rescue authorities in areas where wider governance changes do not take place?

Do you agree that the London Fire and Emergency Planning Authority should be abolished and direct responsibility for fire and rescue transferred to the Mayor of London?

In the event that the London Fire and Emergency Planning Authority is abolished, how should responsibility for fire and rescue be incorporated into the mayoral structure?

To what extent do you think there are implications for local resilience (preparedness, response and recovery) in areas where the Police and Crime Commissioner will have responsibility for police and fire?

To what extent do you think there are implications for resilience responsibilities in areas where an elected metro mayor is also the Police and Crime Commissioner and responsible for the fire and rescue service?

Are there any other views or comments that you would like to add in relation to emergency services collaboration that were not covered by the other questions in this consultation?

Do you think these proposals would have any effect on equalities issues?

Leaders' Committee

Business rates devolution

Item 6

Report by: Paul Honeyben **Job title:** Strategic Lead: Finance, Performance & Procurement

Date: 13 October 2015

Contact: Paul Honeyben

Officer:

Telephone: 0207 934 9748 **Email:** paul.honeyben@londoncouncils.gov.uk

Summary

On 5 October the Chancellor of the Exchequer announced substantial changes to the way local government will be funded by the end of the current parliament (2020).

Most significantly, this included 100 per cent retention of business rates, accompanied by new (as yet undecided) responsibilities, and the abolition of Revenue Support Grant (RSG).

This paper outlines for Leaders:

- how the current system works and reforms that London Councils has proposed in recent lobbying;
- the details of the reforms announced by the Chancellor so far;
- issues for London local government to consider as these reforms develop; and
- what this means for the wider local government finance system.

Recommendations

Leaders are asked to:

- (1) note the content of the report and the issues described in paragraphs 12 to 21; and
 - (2) support ongoing technical work and lobbying to secure the changes advocated in the Spending Review submission.
-

Business rates devolution

Introduction

1. On 5 October, in his Conservative Party Conference speech, the Chancellor of the Exchequer announced substantial changes to the way local government will be funded by 2020¹. Most significantly, the full £26 billion of business rates will be devolved to local government (100 per cent retention), RSG will be abolished and local authorities will be expected to deliver additional responsibilities with the extra net funding these changes imply.
2. In addition, the uniform (national) business rate will be abolished and local authorities will be able to reduce business rates locally to attract businesses. Areas with city-wide elected mayors will be able to levy an increase in business rates (up to a 2 per cent cap), subject to a majority vote of the business members of the LEP.
3. Much of the technical detail around these reforms is still to be developed and legislation will be required. Some further information is expected in the Spending Review on November 25.
4. This paper outlines for Leaders:
 - how the current system works and reforms that London Councils has proposed in recent lobbying;
 - the details of the reforms announced by the Chancellor so far;
 - issues for London local government to consider as these reforms develop; and
 - what this means for the wider local government finance system.

Context – the current business rates retention system

5. Introduced in 2013-14, the current business rates retention system sees 50 per cent of business rates collected by boroughs pooled centrally by government and used to fund Revenue Support Grant (RSG) and other specific grants. In London, the remaining 50 per cent is split between the GLA (20 per cent) and local billing authorities (30 per cent). A system of equalisation sees 25 boroughs receiving a top up from, and 8 paying a tariff to, central government, in order that boroughs receive an amount assessed by government as meeting their needs (the funding baseline).
6. Any business rates growth above the expected baselines is split between central government, the GLA and the local authority in proportion to these shares, with tariff authorities paying an additional levy to government, capped at 50p in the pound. For

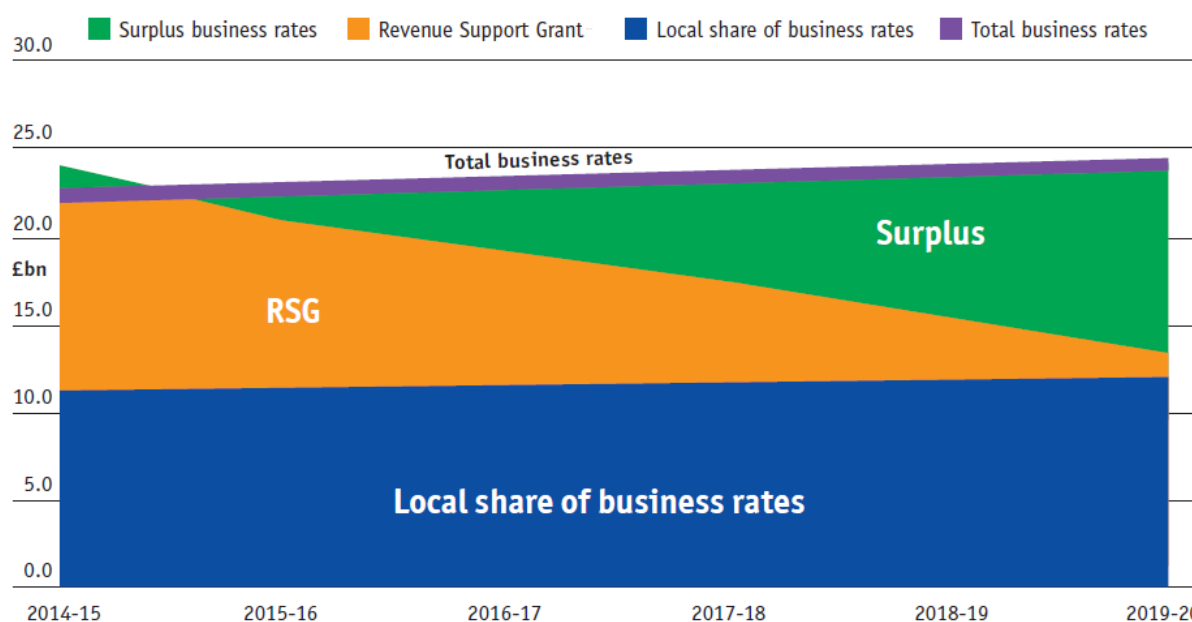
¹ <https://www.gov.uk/government/news/chancellor-unveils-devolution-revolution>

authorities that do not achieve the baseline target there is a safety net, which means that an authority cannot lose more than 7.5 per cent of its funding baseline in any one year.

7. In 2015-16 London boroughs will be expected to collect £6.6 billion, with the GLA retaining £1.3 billion and boroughs collectively retaining £2.0 billion prior to top-up and tariff adjustments. However, a number of limitations with the current system, notably the negative impact of business rates appeals, mean boroughs are unlikely to achieve these targets. London Councils has consistently argued that the current retention scheme fails to sufficiently incentivise growth: confirmed by the lack of substantial growth in retained rate income across London in the first two years of the system.
8. The recent Spending Review submission² asked for a number of reforms to be made to address this, including asking for:
 - full retention of business rates growth across all local authorities (not just pilots announced at the Budget in March);
 - 100 per cent retention of business rates taxation by the end of the parliament;
 - devolution of power to local government to determine mandatory reliefs; and for
 - locally defined areas to be able to vary the national business rates multiplier according to the needs of their local areas.
9. In addition, the submission highlighted the fact that in 2015-16 there will be a surplus in business rates for the first time, which will grow to around £11 billion nationally by 2020 as total business rates yield increases by RPI inflation and total funding falls as part of deficit reduction (see Chart 1). The submission asked for the Government to clarify what it intends to do with the business rates surplus between now and 2020, including clarifying which specific grants it is funding, and what other existing grants it intends to fund through this mechanism.

² <http://www.londoncouncils.gov.uk/download/file/fid/16387>

Chart 1 – Estimated local government funding and business rates to 2020 - England



Source: London Councils' Spending Review submission

The proposed reforms

10. The details that have been announced so far are that, by the end of the current parliament (2020):

- local government will retain 100 per cent of business rates locally;
- the core grant from Whitehall (RSG) will be phased out;
- local government will be expected to fund new responsibilities with the increased business rates funding;
- the Uniform Business Rate (i.e. the nationally set multiplier) will be abolished and instead local authorities will be given the power to reduce business rates by varying the multiplier locally;
- areas which choose to have city-wide elected mayors will be given the power to increase business rates by up to 2 per cent for spending on local infrastructure projects, as long as they win the support of local businesses through a majority vote on the LEP.

11. The full details of the reforms are still to be announced and, due to the level of complexity, are likely to take considerable time to be developed by DCLG. However, it has been indicated that further detail will be announced at the Spending Review (November 25), which

is also likely to include the findings of the government's overarching review of business rates that has been running since the spring³.

Issues for London local government

12. The Chancellor's announcement is welcome. It directly addressed a number of the points that London Councils and the sector more widely has been lobbying for. In addition, local control over the multiplier, albeit with restrictions on increases, is also a welcome step towards local authorities having greater dialogue with their business communities. It is not yet clear whether boroughs will be given local flexibility to target discounts and reliefs to help support specific business sectors, which London Councils will continue to press for.
13. There are, however, still a number of unknown parameters that the Government has yet to decide which will help determine the particular impact on London. Perhaps most importantly is the nature of what "new responsibilities" local government will have to fund through business rates. Local government receives a number of grants for specific purposes, such as the New Homes Bonus (£1.2 billion), Public Health grant (£2.6 billion), and the Better Care Fund (£3.5 billion). It is not yet clear exactly which grants will be "rolled in" to the system. It may also be the case that Government will take a view of the relationship between the reform of public services and this 'surplus'. Officers will need to work to identify options for members to consider in terms of influencing this overall consideration by Government.
14. There is also an important question for London and its relationship with the rest of the country. Latest estimates suggest that there will be a 'surplus' of around £4 billion in London by 2019-20. It is not yet clear whether it will stay in London. Leaders will want to consider whether London Councils' policy on the current 60%-40% split between boroughs and the GLA will have to be revisited in light of which grants are included. Officers will be undertaking further work on this and anticipate bringing further papers to Leaders' Committee with a view to trying to influence this process.
15. With regard to equalisation, there may well be some continuation of a national system of top-ups and tariffs (albeit recalculated against new business rates baselines). It is assumed that funding baselines, which represent the current assessment of need, will continue to be reset as previously proposed. The next reset is planned for 2020, and future resets are anticipated to be every 10 years. However, this is yet to be confirmed by the Government.
16. The new local powers to vary business rates create several issues that will have to be resolved. It is unclear how the "power to cut business rates" will work in practice, for

³ As updated in the Summer Budget (paragraph 1.244)

example, and whether there will be a limit imposed on how far the multiplier can be adjusted downwards locally, and how this could impact on how the safety net is triggered.

17. With regard to the 2p supplement to fund investment in infrastructure, it is not yet clear whether this will be in addition to, or in place of, the existing Business Rates Supplement that funds Crossrail in London. While this is broadly welcome, if this simply extends the BRS approach to be more widely available to Metro Mayors, it may not mean any significant change for London.
18. There is no clarity about how the two new powers will work in places like London, where city-wide increases to fund infrastructure could coincide with locally planned reductions. Whilst the closer visibility of the relationship between local business tax and local services creates a new opportunity to engage with local business, there will be a series of challenges around maintaining local political accountability, and questions around whether the current accountability structures are sufficiently robust. London has slightly different LEP governance arrangements to elsewhere for example, with the London Enterprise Panel acting as an advisory body to the Mayor of London.
19. More fundamentally, full devolution of business rates means local authorities bearing 100 per cent of the risk of negative growth. It will be important, therefore, that current issues with the business rates as a tax are addressed before full devolution: most importantly, that an adequate solution is found to the funding uncertainty caused by rating appeals. A fully funded safety net system will also be necessary, and there is currently no detail on how this will be funded.
20. A further issue with the system is the narrow definition of growth as physical rather than revaluation growth. This makes it difficult for local authorities in built-up areas, to benefit financially from the current system, as there is a general scarcity of land and physical growth often requires the demolition of existing buildings first. London Councils' Spending Review submission asked for the definition of growth to be broadened and for the retention of growth for a fixed period of time to avoid the "cliff edge" effect which could act as a disincentive for developments in the years before a system reset.
21. In welcoming the reform, there is, of course, still a lot of further work and clarification required and London Councils officers will continue to engage with civil servants, DCLG working groups and by responding to government consultations. Officers will keep Leaders informed as the timetable for the reforms develops in the coming months.

Wider reform of local government finance

22. The announcement should be seen within the wider context of reforms to local government finance and suggests the government may develop a longer-term strategy for reforming and devolving funding to local government.
23. The commitment to using the uplift in local taxation to fund infrastructure suggests there could be further scope to develop other forms of tax retention type mechanisms as other devolution deals progress.
24. The fact that local taxation will now fund most of the services delivered by local government by the end of the decade may suggest a greater level of local accountability within the system; however, it may put even more importance on how those taxes are determined and whether they operate efficiently. It may offer the opportunity for London Councils to advocate reform of other property taxes over the course of the parliament, in line with the Spending Review submission.

Recommendations

25. Leaders are asked to:

- (1) note the content of the report and the issues described in paragraphs 12 to 21;
- (2) support ongoing technical work and lobbying to secure the changes advocated in the Spending Review submission.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Leaders Committee

Devolution and Public Service Reform

Item no: 7

Report by: Doug Flight **Job title:** Head of Strategic Policy
Date: 13 October 2015
Contact Officer: Doug Flight **Email:** Doug.flight@londoncouncils.gov.uk
Telephone: 020 7934 9805

Summary

This report provides an update on recent work in pursuit of devolution and reform of public services in London.

The Congress of Leaders, comprising the Mayor of London and the London Councils' Leaders Committee, met on 14 July 2015 and endorsed an agreed version of the London Proposition as a framework for engagement with Government.

Subsequently, the Chancellor announced a deadline of 4th September, for authorities across the country to make submissions on devolution. A version of the London Proposition was duly submitted, having been updated to reflect progress made in the workstreams over the summer, with the aim of providing the basis of further discussion and negotiation with Government.

This work is intended to provide a platform to help boroughs – individually and in voluntary sub-regional groupings – to advance their reform ambitions. As the work develops, engagement with boroughs and sub-regional groupings is being strengthened to help pursue these ambitions.

Recommendations

Leaders' Committee is asked to:

- 1) Note the submission of the London Proposition to Government, following endorsement of the framework at the London Congress meeting on 14 July 2015.
- 2) Note the work which is continuing to provide further operational detail in support of the discussions with Government, working closely with boroughs and sub-regional groupings.

Devolution and Public Service Reform Update

Introduction

1. This report provides an update on recent progress in pursuit of devolution and reform of public services in London. This follows the agreement at Leaders' Committee on 9 December 2014 to a joint approach with the Mayor of London, seeking talks with Government on the scope of London devolution and public service reform agreement.

Background

2. Leaders' Committee has considered a series of linked reports over the last two years on the longer-term prospects for financing local government together with wider opportunities for devolution and reform.
3. This led to the development of an outline proposition, which had been designed as a platform for practical delegation of responsibility to London in relation to a range of public services, where integration at a local level would produce more effective outcomes and greater efficiency. The outline proposition, which was approved by Leaders' Committee on 9 December 2014, included proposals for governance of newly devolved responsibilities, focussed on Borough Leaders and the Mayor and building to some degree on existing joint arrangements. The powers sought and the governance arrangements to support them, do not take any powers away from any existing local or regional authority. The sovereignty of individual authorities in respect of existing functions remains unaffected and paramount.
4. Leaders' Committee subsequently considered a series of progress reports on the developing London Devolution Proposition and endorsed the approach being taken, including the work being taken by Chief Executive's Devolution & Public Service Reform Group to develop the operational detail to support engagement with Government.
5. The development of the propositions has involved wide-ranging engagement with member authorities, voluntary groupings of boroughs and officials.

Advancing the Joint Proposition with the Mayor of London

6. Congress of Leaders, comprising the Mayor of London and the London Councils' Leaders Committee, met on 14 July 2015 and took stock of the joint work to secure a London

devolution and public sector reform agreement. The meeting endorsed an agreed version of the proposition as a framework for negotiation by officers with Government.

7. The proposition describes proposals for devolution and reform in relation to:
 - a. Employment
 - b. Skills
 - b. Business Support
 - c. Crime and Justice
 - d. Health
 - e. Housing
8. The core proposition is that London, like other cities, should have significant responsibilities devolved from the national level, allowing us to stimulate growth, boost housing delivery and deliver more effective outcomes within a tight public spending settlement. Tackling these issues locally, through integrated working, would allow a focus on avoiding the costs of failure and the sustainable management of services in the face of rising demand and continuing fiscal restraint.
9. It was understood that Ministers would also expect to see a convincing proposal for governance before agreeing significant devolution of responsibilities to London. Consequently, the proposition sets out how London's elected leaders and mayors at borough and London level would govern areas of devolved responsibility in partnership and how they would take decisions collectively. This joint machinery will only have oversight over areas of newly devolved responsibilities and all areas of activity currently under the authority of either the London Mayor, or London boroughs will remain sovereign to each individual body.
10. In some service areas, voluntarily constituted borough partnerships would be the preferred operational leadership for newly devolved responsibilities. These partnerships may vary depending upon the service or policy area and boroughs themselves would be responsible for agreeing decision-making machinery.
11. Shortly after the July 2015 meeting of Congress, the Chancellor announced a deadline of 4 September 2015, for authorities across the country to make submissions on devolution. Given the constraints that this timetable imposed, officers sought to prepare an updated version of the proposition which:

- remained faithful to both the key principles of the document agreed by the Mayor and Leaders on 14th July and, to a large degree, retained the same content;
- responded to requests from Government departments to provide more supporting detail about how the proposals for greater autonomy in commissioning integrated local public services could be made to work in practice.
- reflected discussions between Group Leaders, the Mayor of London and Simon Stevens at the end of July and follow up discussions since then with boroughs and health partners.
- reflected the evolving policy environment in respect of housing and planning and acknowledged that a separate stream of activity and engagement needs to take place to take account of the interests of boroughs, which would require wide political engagement, and extend beyond 4th September.
- emphasised points made by Leaders on governance at the Congress meeting about both a more explicit protection of minority interests in respect of the revised Congress Executive arrangement and to make clear that any joint arrangements between authorities should be both established and, when necessary, ended by the voluntary decisions of individual, participating authorities. The proposition went on to seek the Government's assistance in ensuring joint-committee provisions could be suitably strengthened to meet these principles and hence be an adequate vehicle for devolved powers.
- Made clear the important role of voluntary groupings of authorities in any reform settlement.

12. A revised version of the London Proposition was duly submitted by the 4 September deadline, which was faithful to the agreement by Mayor and Leaders on 14 July, with the aim of providing the basis of further discussion and negotiation with Government and to provide a platform upon which authorities and groups of authorities can build in practice. It presents propositions across six themes, each of them interrelated: Employment and Complex Dependency; Skills; Enterprise Support; Crime & Justice; Health; Housing. Taken together, these propositions provide an integrated package of proposals upon which authorities and groups of authorities can bring services and interventions together to deliver effective outcomes in their localities:

- **Tackling complex dependency and avoiding the cost of failure** through an integrated package of reform that would look to both prevent demand developing in the first place – by ensuring that Londoners have the skills to compete in an internationally competitive labour market – and to dramatically reduce the cost of failure where it does occur by ensuring the resource of local public services – from GPs and Jobcentres to the Police and councils – is used efficiently to provide the right support, in the right way and at the right time to address the interrelated problems of unemployment, poor mental and physical health, low skills and the risk of re-offending.
- **Mobilising a highly skilled, highly productive labour force** through delivering a comprehensive package of employment support programmes that provide quicker, easier access to the range of help needed for people to find work and to have the chance to progress, including those with poor physical and mental health, and a new skills system for London that puts employers in the driving seat and prioritises increased productivity, sustainable employment outcomes and progression in work.
- **Tackling barriers to increasing the supply of housing across all types of tenure to create prosperous, mixed communities that can drive productivity, support enterprise and share in the capital's wealth** - through delivering a comprehensive package of reforms to public and private land assembly, levers over planning and financing, and the Temporary Accommodation regime to achieve a step increase in home building which can be sustained over many years.

Next Steps

13. Government received a large number of devolution submissions from around the country and an extensive process of assessment and engagement is now taking place in parallel with the Spending Review timetable. It is understood that some early signals of Government's initial reactions to the propositions are likely as part of the Spending Review announcement in late November. However, it is likely that discussions and engagement on a London agreement in different areas will continue beyond these initial announcements.
14. Operational work to support the propositions will need to continue through this period and is being co-ordinated by the Chief Executive's Devolution & Public Service Reform Group, which encompasses both borough and GLA representatives. The Group's work is designed both to provide Leaders with the technical advice needed to advance negotiations with Government and to allow appropriate consideration of the implementation implications.

15. The role of voluntary borough groupings and sub regions is growing in importance and consequently the proposition has been designed as a platform upon which groupings of authorities can build (whilst also recognising that these partnerships have further ambitions in relation to the growth, reform and development in their local areas). The membership of the Chief Executive's Devolution & Public Service Reform Group has recently been revised to ensure that these current groupings are each represented strongly alongside thematic leads and relevant professional groupings.
16. Progress towards implementation in some of the thematic areas will rapidly present questions about the need to connect appropriately with those boroughs that are not currently members of flexible voluntary groupings for such a policy area. The Area Review process for further education is in preparation, the first Review will begin formally in February 2016. As a result, London boroughs' preferred view of the geography for leading further education area reviews will be needed nearer the time of the CSR announcements. Good progress is being made with this. It is likely that decisions on voluntary groupings for devolved employment programmes will be required within a similar timescale.

Conclusion

17. The joint proposition has positioned London - the Mayor and Borough Leaders - to develop these issues further with Government with a view to securing further devolution and public service reform in London. This next phase of engagement will require close co-operation with boroughs and voluntary borough groupings, as potential plans for implantation are developed.
18. Leaders are asked to:
- 1) Note the submission of the London Proposition to Government, following endorsement of the framework at the London Congress meeting on 14 July 2015.
 - 2) Note the work which is continuing to provide further operational detail in support of the discussions with Government, working closely with boroughs and sub-regional groupings.

Financial implications for London Councils

None

Legal implications for London Councils

Any recommendations arising from work to develop shared governance structures would be subject to detailed legal advice.

Equalities implications for London Councils

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

Attachments - None

Leaders' Committee

Annual Audit Report 2014/15

Item no: 8

Report by:	David Sanni	Job title:	Head of Financial Accounting
Date:	13 October 2015		
Contact Officer:	David Sanni		
Telephone:	020 7934 9704	Email:	david.sanni@londoncouncils.gov.uk

Summary

This report presents the annual audit report issued by PricewaterhouseCoopers (PwC), London Councils' external auditor, following the completion of its audit of London Councils accounts for the year ended 31 March 2015. The Audit Committee considered the contents of the audit report at its meeting on 24 September 2015.

Recommendations

The Leaders' Committee is asked to note the contents of the Annual Audit Report for 2014/15 which can be found at Appendix A.

Annual Audit Report 2014/15

Background

1. Under the Audit Commission's Code of Practice (the Code), PwC is required to issue an annual audit report to members in respect of the 2014/15 financial year by 30 September 2015.
 2. At its meeting on 24 September 2015, the Audit Committee considered the final draft of the audit report which can be found at Appendix A. The audit report reflects the outcome of PwC's audit of London Councils' accounts for 2014/15.
 3. The audit report as approved by the Audit Committee will be posted on London Councils' Website (www.londoncouncils.gov.uk under the "About us" sub-category) and a link to the document sent to all members of the Leaders' Committee, the Transport and Environment, the Grants Committee and borough Chief Executives.
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Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

Appendix A – PwC Report to those charged with governance

Background Papers

Draft Annual Audit Report 2014/15 – Report to London Councils Audit Committee 24 September 2015; and
Final accounts working files 2014/15.

London Councils

Report to those charged with governance

Report to the Audit Committee on the audit for the year ended 31 March 2015 (*ISA (UK&I) 260*)

PwC Government
Industry Group

September 2015

Contents

<i>Executive summary</i>	1
<i>Audit approach</i>	3
<i>Significant audit and accounting matters</i>	8
<i>Internal controls</i>	14
<i>Risk of fraud</i>	15
<i>Fees update</i>	17
Appendices	18
<i>Appendix 1: Summary of uncorrected misstatements</i>	19
<i>Appendix 2: Letter of representation</i>	20

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

An audit of the Statement of Accounts is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

Executive summary

Background

This report tells you about the significant findings from our audit of London Councils (“the Committee”).

We presented our plan to the Audit Committee in March 2015, which as part of its remit considers external audit. We reviewed the plan following our interim visit and concluded that it required amendment to reflect a change in our risk assessment. This explained further on page 3.

Audit Summary

We have completed the majority of our audit work and expect to be able to issue an unqualified audit opinion on the Statement of Accounts by 30 September 2015.

The key outstanding matters, where our work has commenced but is not yet finalised, are:

- related party transactions;
- approval of the statement of accounts and letters of representation;
- officers emoluments;
- pension fund disclosures and assets;
- cashflow forecast;
- receipt of legal letter;
- completion procedures including subsequent events review;
- subsequent events work and finalisation of audit work; and
- review of the final draft of the statement of accounts.

We will provide a verbal update to the Audit Committee on these matters.

We have provided details on the key accounting issues which we consider require the attention of those charged with governance – further details are set out starting on page 9.

On 1 April 2015, the Audit Commission ceased to exist. A novation of the original contract was signed, whereby the Commission’s responsibilities have transferred to Public Sector Audit Appointments Limited (“PSAA”). Therefore, all references to Audit Commission and PSAA in this report refer to the same body.

This is the final year of the Audit Commission framework contract, and therefore, our final year as your external auditor. However, we remain committed to providing you with a high quality service and will work with your incoming auditors to ensure a smooth transition.

Please note that this report will be sent to PSAA in accordance with the requirements of its standing guidance.

We look forward to discussing our report with you on 24 September 2015. Attending the meeting from PwC will be Ciaran McLaughlin.

Acknowledgements

We would like to thank Frank Smith, David Sanni and the whole finance team for the considerable help and assistance provided to us during the audit.

We also thank the management and staff of the Committee for their co-operation and assistance during the course of our term of appointment.

We note that the first draft of the accounts provided to us at the commencement of the audit was of a good quality. The

Item 8 - Annual Audit Report

working papers supporting the audit trail from the general ledger to the accounts were also of good quality.

We worked with management to deliver the audit in accordance with the timetable we agreed with management. Audit queries were answered promptly.

Audit approach

Accounts Approach

Our audit approach was set in our audit plan which we presented to the Audit Committee in March 2015.

Since we communicated our audit plan, we have amended our audit approach for the Committee's accounts audit to reflect the changes described in the table below:

Risk	Risk Level	Response to new risk/change in risk level	Reason for change
Pensions Collective Investment Vehicle In February 2014 London Councils' Leaders Committee agreed to the establishment of a collective investment vehicle (CIV) in the form of an authorised contractual scheme (ACS) for London local authority pension schemes. The structure of this scheme involves the establishment of a new sectoral Joint Committee and a private company limited by shares that will be the ACS operator. We understand that progress has been made with these issues during 2014/15 and that stand alone accounts for the new sectoral joint committee will require audit as at 31 March 2015.	Original – Significant Revised - Normal	Consider the development of the Pensions CIV during 2014/15 and ensure that any expenditure in relation to it is appropriately accounted for. Consider the need for the ACS Company's accounts to be consolidated into the CIV Joint Committee's accounts and ultimately the London Councils Consolidated Accounts.	The CIV, although established in 2014/15 did not result in any significant income of expenditure for London Councils. Management therefore decided that instead of producing separate CIV accounts for 2014/15 that the immaterial expenditure would be reflected in the London Councils Joint Committee accounts. The ACS was not operational during 2014/15 and had no income or expenditure in the year and no assets. As a result there was not requirement to consider the consolidation of the ACS in 2014/15.

We have summarised on the next page the significant and elevated risks we identified in our audit plan, the audit approach we took to address each risk and the outcome of our work.

Risk	Risk level	Audit approach	Results of work performed
<p>Management override of controls</p> <p>ISA (UK&I) 240 requires that we plan our audit work to consider the risk of fraud, which is presumed to be a significant risk in any audit. In every organisation, management may be in a position to override the routine day to day financial controls. Accordingly, for all of our audits, we consider this risk and adapt our audit procedures accordingly.</p>	<p>Significant ●</p>	<p>As part of our assessment of your control environment we considered those areas where management could use discretion outside of the financial controls in place to misstate the financial statements.</p> <p>We:</p> <ul style="list-style-type: none"> • Tested the appropriateness of journal entries and other adjustments to the general ledger. • Tested accounting judgements that affect the General Fund for bias, such as bad debts, accruals and provisions. • Considered if there have been significant transactions outside the normal course of business, and if there have, whether their rationale suggests fraudulent financial reporting or asset misappropriation. • Tested that expenditure has been recorded in the correct financial year. • Considered whether any segregation of duties weaknesses give rise to a significant risk of material misstatement. • Tested that the reversal of items debited or credited to the Comprehensive Income and Expenditure Statement are in accordance with statute. • Reviewed the appropriateness of accounting policies and estimation bases, focusing on any changes not driven by amendments to reporting standards; and • Performed unpredictable procedures targeted on fraud risks. <p>We also understood and evaluated controls relevant to management override risks identified above.</p> <p>We performed unpredictable audit procedures as well.</p>	<p>There are no matters to bring to your attention.</p>

Risk	Risk level	Audit approach	Results of work performed
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Under ISA (UK&I) 240 there is a presumption that there are risks of fraud in revenue recognition.</p> <p>We extend this presumption to the recognition of expenditure in local government.</p>	<p>Significant ●</p>	<p>We obtained an understanding of revenue and expenditure controls.</p> <p>We evaluated and tested the accounting policies for income and expenditure recognition to ensure that they are consistent with the requirements of the Code of Practice on Local Authority Accounting.</p> <p>We also performed detailed testing of revenue and expenditure transactions, focussing on the areas we consider to be of greatest risk.</p> <p>We reviewed accounting estimates relating to the recognition of income and expenditure (for example deferred income and accruals).</p> <p>In respect of revenue, we focused on revenue streams other than Borough subscription fees and rental income as these revenue streams are predictable in nature.</p> <p>In respect of expenditure, we focused on expenditure streams other than highly predictable expenses such as payroll costs, property rental, business rates and European Social Fund grant expenditure.</p>	<p>We identified that two licence fee expenses selected as part of our sample were incorrectly treated. These expenses related to both the 2014/15 and 2015/16 accounting periods, but in both instances the whole expense was wholly recognised in 2014/15. We discussed this with Management who reviewed the whole balance and provided us with a new population to test. We then selected our sample from the new population and tested this, with no further issues noted.</p> <p>We also identified some European Social Fund (ESF) claim payments which related to Q4 of 2014/15 but which are not included in the financial statements as liabilities. Management explained that this is because the claims were received after 31 March 2015 and the policy of London Councils is to only account for ESF claims once the claim is received. This is because the claims coming in are very unpredictable and difficult to estimate. This is consistent with previous periods.</p> <p>Having considered these issues we are satisfied that the relevant revenue and expenditure balances are not materially misstated.</p>

Risk	Risk level	Audit approach	Results of work performed
<p>Pensions Collective Investment Vehicle</p> <p>In February 2014 London Councils' Leaders Committee agreed to the establishment of a collective investment vehicle (CIV) in the form of an authorised contractual scheme (ACS) for London local authority pension schemes. The structure of this scheme involves the establishment of a new sectoral Joint Committee and a private company limited by shares that will be the ACS operator. We understand that progress has been made with these issues during 2014/15 and that stand alone accounts for the new sectoral joint committee will require audit as at 31 March 2015.</p>	Normal	<p>We have:</p> <p>Considered the development of the Pensions CIV during 2014/15 and ensure that any expenditure in relation to it is appropriately accounted for.</p> <p>Considered the need for the ACS Company's accounts to be consolidated into the CIV Joint Committee's accounts and ultimately the London Councils Consolidated Accounts.</p>	There are no matters arising from our work for 2014/15.

Intelligent scoping

In our audit plan presented to the Audit Committee in February 2015 we reported our planned overall materiality which we used in planning the overall audit strategy.

Our materiality varied upon receipt of the draft 2014/15 financial statements as our planned overall materiality was based upon the 2013/14 financial statements. The change did not have a significant effect on our testing strategy for the Committee.

Our original and revised materiality levels are as follows:

	Benchmark	Planned overall materiality (£)	Final overall materiality (£)	Planned 'clearly trivial' reporting de minimis (£)	Final 'clearly trivial' reporting de minimis (£)
Joint Committee	2% Total Expenditure	1,418,000	1,480,000	70,900	74,000

Overall materiality for the Committee audit has been set at 2% of actual expenditure for the year ended 31 March 2015. In addition we apply separate materiality figures for each of the individual financial statements based on actual expenditure for the year.

	Benchmark	Final overall materiality (£)	Final 'clearly trivial' reporting de minimis (£)
London Councils Core	2% Total Expenditure	251,360	12,568
Grants Committee	2% Total Expenditure	221,140	11,057
Transport and Environment Committee	2% Total Expenditure	986,200	49,310
London Councils Ltd	2% Total Expenditure	34,500	1,700

ISA (UK&I) 450 (revised) requires that we record all misstatements identified except those which are "clearly trivial" i.e. those which we do expect not to have a material effect on the financial statements even if accumulated. We agreed the de minimis threshold with the Audit Committee at its meeting in February 2015. The Committee de minimis levels remain unchanged.

Significant audit and accounting matters

Accounts

We have completed our audit, subject to the following outstanding matters:

- related party transactions;
- approval of the statement of accounts and letters of representation;
- officers emoluments;
- pension fund disclosures and assets;
- cashflow forecast;
- receipt of legal letter;
- completion procedures including subsequent events review;
- subsequent events work and finalisation of audit work; and
- review of the final draft of the statement of accounts.

Subject to the satisfactory resolution of these matters, the finalisation of the Statement of Accounts and the approval of these, we expect to issue an unqualified audit opinion.

Accounting issues

Auditing Standards require us to tell you about relevant matters relating to the audit of the Statement of Accounts sufficiently promptly to enable you to take appropriate action.

There are no matters arising from our work which we need to bring to your attention at this time. We will provide the Audit Committee with a verbal update at its meeting on 24 September should our outstanding work identify any such matters.

Prior period adjustments

The Committee has made a prior period adjustment in the consolidated statement of accounts. The adjustment is described in Note 24 to the accounts.

The adjustment relates to recognition of the Chief Executive's 2013/14 bonus which was awarded in October 2014. It should be noted that as at the date of this report no determination had been made on the Chief Executive's bonus for 2014/15 so there is no comparative figure for 2014/15.

VfM conclusion – Medium term financial forecast

The Committee has set out a financial forecast from 2015/16 to 2017/18 in its budget report presented to the Leaders Committee in December 2014. The forecasts show deficits of £20k and £139k in 2016/17 and 2017/18

We are aware the Committee currently in the initial stages of the formal budget round for 2016/17 and as part of that will agree the overall budget strategy for the year with Members, including the process of determining actions to address these deficits. We understand this will take into account the Spending Review when published in November 2015 and the Local Government Finance Settlement in December 2015.

We have considered the assumptions made by management in producing the financial forecasts which are:

- the continued requirement to deliver value in borough contributions over the next two years;
- the Freedom Pass costs increasing by 2.0% over the period;
- the TfL element of the taxicard contract is assumed to increase by 1.5%;

- the London Councils borough funded commission remains at £8m per annum for these years, with a similar level borough contributions, plus a further £2m for ESF match funding commissions for these years;
- a 1% increase in salaries and zero on discretionary expenditure budget heads;
- contractually committed expenditure to increase by CPI, 1.3% as at October 2014;
- a zero increase in all other income budget heads; and no planned increase in the use of reserves from the current level, excluding any one-off payments to boroughs.

It is important that these assumptions are kept under review by Management and Members and that any additional actions required as a result of changes to them are identified and implemented.

Misstatements and significant audit adjustments

We have found no uncorrected misstatements during our audit that we need to tell you about, other than a very small number which are clearly trivial.

Significant accounting principles and policies

Significant accounting principles and policies are disclosed in the notes to the Statement of Accounts. We will ask management to represent to us that the selection of, or changes in significant accounting policies and practices that have, or could have, a material effect on the Statement of Accounts have been considered.

We have reviewed the appropriateness and application of accounting policies in the Statement of Accounts, with no issues noted.

Judgements and accounting estimates

The Committee is required to prepare its financial statements in accordance with the CIPFA Code. Nevertheless, there are still many areas where management need to apply judgement to the recognition and measurement of items in the financial statements. The following significant judgements and accounting estimates were used in the preparation of the financial statements:

Continuing operations – There is a high degree of uncertainty about future levels of funding for local government. However, the Committee has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Committee might be impaired as a result of a need to close facilities or for discontinued operations as it reduces levels of service provision. We have considered this as part of our ‘value for money’ work and have no matters to raise with you.

Valuation of Pensions Liability - The Committee engaged the actuary Barnett Waddingham LLP to estimate the value of the Pension Liability on the balance sheet at 31 March 2015. The calculation involves a number of complex judgements, including appropriate discount rates to be used, mortality rates, expected return on pension fund assets, salary changes and estimates of future retirement ages. We have considered these assumptions against actuarial guidance and have agreed those used to be within a reasonable range. Our work on the Pension Fund assets is still in progress and we will give the Committee a verbal update at its meeting on the 24th September.

Management representations

The final draft of the representation letter that we ask management to sign is attached in Appendix 2.

Financial standing

We have not identified any material uncertainties related to events and conditions that may cast significant doubt on the entity's financial standing.

Related parties

In forming an opinion on the financial statements, we are required to evaluate:

- whether identified related party relationships and transactions have been appropriately accounted for and disclosed; and
- whether the effects of the related party relationships and transactions cause the financial statements to be misleading.

We performed detailed testing over related parties including a public record search of Directors and Members (including those leaving office during the year) to identify any additional relationships by comparing related entities to supplier and customer listings.

Our work on related parties is still in progress and we will give the Committee a verbal update at its meeting on the 24th September.

Audit independence

We are required to follow both the International Standard on Auditing (UK and Ireland) 260 (Revised) “Communication with those charged with governance”, UK Ethical Standard 1 (Revised) “Integrity, objectivity and independence” and UK Ethical Standard 5 (Revised) “Non-audit services provided to audited entities” issued by the UK Auditing Practices Board.

Together these require that we tell you at least annually about all relationships between PricewaterhouseCoopers LLP in the UK and other PricewaterhouseCoopers’ firms and associated entities (“PwC”) and the Committee that, in our professional judgement, may reasonably be thought to bear on our independence and objectivity.

Relationships between PwC and the Committee

We are not aware of any relationships between PwC and the Committee that in our professional judgement, may reasonably be thought to bear on our independence and objectivity.

Relationships and Investments

We have not identified any potential issues in respect of personal relationships with the Committee or investments in the Committee held by individuals.

Employment of PricewaterhouseCoopers staff by the Committee

We are not aware of any former PwC partners or staff being employed, or holding discussions in respect of employment, by the Committee as a director or in a senior management position covering financial, accounting or control related areas.

Business relationships

We have not identified any business relationships between PwC and the Committee.

Services provided to the Committee

The audit of the Statement of Accounts is undertaken in accordance with the UK Firm’s internal policies. The audit engagement is subject to an independent partner review of all significant judgements taken, including our reporting to the Audit Committee and a review of the annual report. The audit is also subject to other internal PwC quality control procedures such as peer reviews by other offices.

We confirm that other than the work in respect of the objection to the 2012/13 accounts, which was completed in July 2105 and our ongoing work on a potential objection to both the 2013/14 and 2014/15 accounts we have not undertaken other work for the Committee:

Support provided by PwC	Value (£)	Threats to independence and safeguards in place
Objection to the 2012/13 accounts	68,517	None as the work is carried out as part of our responsibilities as appointed auditors.
We investigated an objection in relation to the Committee’s contract to provide the Parking on Private Land Appeals (POPLA) Service for the British parking Association.		
Possible objection to the 2013/14 and 2014/15 accounts	TBC	None as the work is carried out as part of our responsibilities as appointed auditors.
A London elector has raised with us a possible		

objection in relation to recognising income relating to the POPLA contract which we are considering

At the date of this report we confirm that in our professional judgement, we are independent accountants with respect to the Committee, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired.

Fees

The analysis of our audit and non-audit fees for the year ended 31 March 2015 is included on page 17.

Services to Directors and Senior Management

PwC does not provide any services e.g. personal tax services, directly to directors, senior management.

Rotation

It is the Audit Commission's policy that engagement leaders at an audited body at which a full Code audit is required to be carried out should act for an initial period of five years. The Commission's view is that generally the range of regulatory safeguards it applies within its audit regime is sufficient to reduce any threats to independence that may otherwise arise at the end of this period to an acceptable level. Therefore, to safeguard audit quality, and in accordance with APB Ethical Standard 3, it will subsequently approve engagement leaders for an additional period of up to no more than two years, provided that there are no considerations that compromise, or could be perceived to compromise, the auditor's independence or objectivity.

Gifts and hospitality

We have not identified any significant gifts or hospitality provided to, or received from, a member of Committee's Executive, senior management or staff.

Conclusion

We hereby confirm that in our professional judgement, as at the date of this document:

- we comply with UK regulatory and professional requirements, including the Ethical Standards issued by the Auditing Practices Board; and
- our objectivity is not compromised.

We would ask the Audit Committee to consider the matters in this document and to confirm that they agree with our conclusion on our independence and objectivity.

Annual Governance Statement

Local Authorities are required to produce an Annual Governance Statement (AGS), which is consistent with guidance issued by CIPFA / SOLACE: "Delivering Good Governance in Local Government". The AGS was included in the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA / SOLACE "Delivering Good Governance in Local Government" framework and whether it is misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Economy, efficiency and effectiveness

Our value for money code responsibility requires us to carry out sufficient and relevant work in order to conclude on whether the Committee has put in place proper

arrangements to secure economy, efficiency and effectiveness in the use of resources.

Audit Commission guidance specifies the criteria for our value for money conclusion as:

- reviewing the annual governance statement (AGS);
- reviewing the results of the work of other relevant regulatory bodies or inspectorates, to consider whether there is any impact on the auditor's responsibilities at the audited body; and
- other local risk-based work as appropriate, or any work mandated by the Commission.

We determined a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

We anticipate issuing an unqualified value for money conclusion.

Other reporting requirements

In auditing the accounts of a Local Authority or a Joint Committee, the auditors must consider:

- Whether we need to report on any questions or objections made to us as auditors.

We issued our final determination on the objection to the 2012/13 accounts relating to the POPLA contract on 28 April 2015.

We then issued our completion certificate on the 2012/13 accounts on 12 June 2015 following completion of our work on the objection.

Internal controls

Accounting systems and systems of internal control

Management are responsible for developing and implementing systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. As auditors, we review these arrangements for the purposes of our audit of the Statement of Accounts and our review of the annual governance statement.

Reporting requirements

We have to report to you any deficiencies in internal control that we found during the audit which we believe should be brought to your attention.

Summary of control recommendations – Main Committee audit

Deficiency	Recommendation	Management's response
<p>Cut-off of expenditure</p> <p>We found two instances where management had not created payments in advance for invoices relating to a period which spanned more than one accounting period. Management explained that this is because unless they are notified by the staff member inputting the invoice, they will not perform a review of that cost centre to check a creditor or payment in advance exists.</p> <p>Management reviewed the whole balance and provided us with a new population to test. We then selected our sample from the new population and tested this, with no further issues noted.</p>	<p>We recommend that management carries out a year end exercise to remind staff of the need to consider whether a creditor or payment in advance is needed in respect of expenditure which cuts across more than one year or accounting period.</p>	<p>Agreed. Staff will be reminded of this matter as part of the 2015/16 accounts production process.</p>

Risk of fraud

International Standards on Auditing (UK&I) state that we, as auditors, are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

Auditors' responsibility

Our objectives are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

Management's responsibility

Management's responsibilities in relation to fraud are:

- to design and implement programmes and controls to prevent, deter and detect fraud;
- to ensure that the entity's culture and environment promote ethical behaviour; and
- to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.

Responsibility of the Audit Committee

Your responsibility as part of your governance role is:

- to evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate "tone at the top"; and
- to investigate any alleged or suspected instances of fraud brought to your attention.

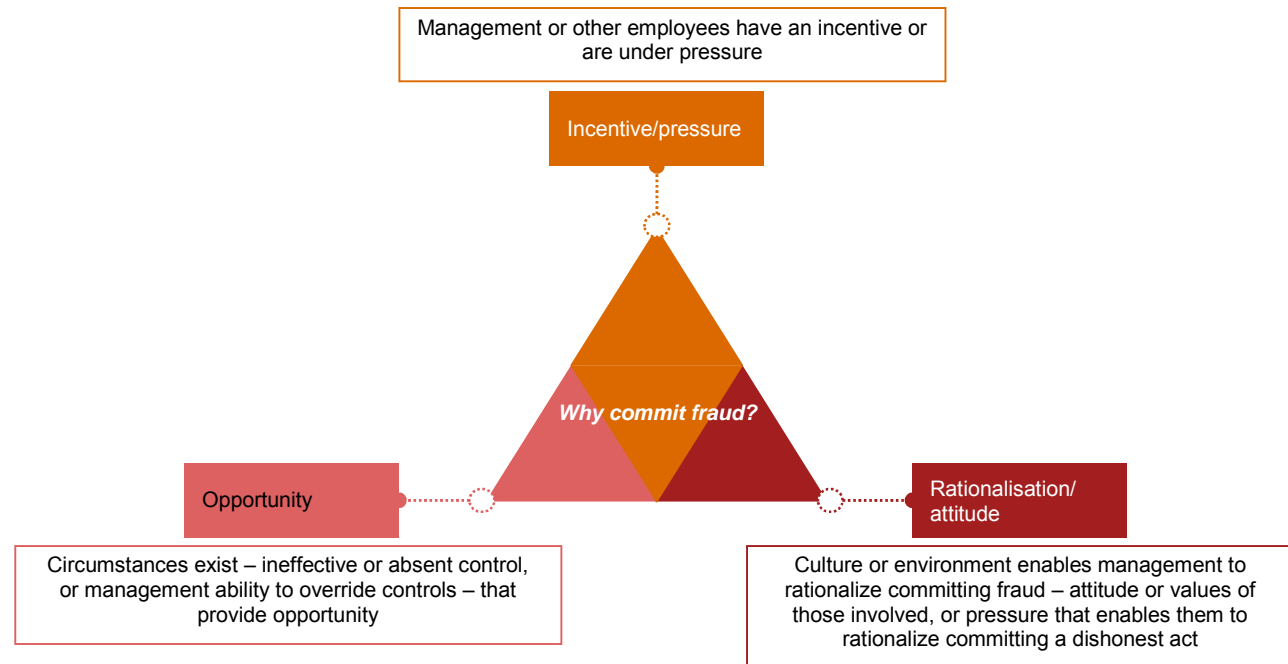
Your views on fraud

In our audit plan presented to the Audit Committee in April 2015, we enquired:

- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
- What fraud detection or prevention measures (e.g. whistle-blower lines) are in place in the entity?
- What role you have in relation to fraud?
- What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

Item 8 - Annual Audit Report

In presenting this report to you we ask for your confirmation that there have been no changes to your view of fraud risk and that no additional matters have arisen that should be brought to our attention. A specific confirmation from management in relation to fraud is included in the letter of representation.



Fees update

Fees update for 2014/15

We reported our fee proposals in our audit plan in February 2015.

Our actual fees were in line with our proposals.

Our fees to be charged are therefore:

	2014/15 outturn (£)	2014/15 fee proposal (£)
Audit work performed under the Code of Audit Practice	54,058	54,058
- Statement of Accounts		
- Conclusion on the ability of the organisation to secure proper arrangements for the economy, efficiency and effectiveness in its use of resources		
AR 27 return	1,500	1,500
Objections	68,517*	TBC
Total	124,075	55,558

*Our fee for objections is yet to be finalised for 2014/15 as we continue to consider a possible objection relating to the POPLA contract. We will provide the Audit Committee with a verbal update at its meeting on 24 September. The fee included here is in respect of the 2012/13 objection which was determined on 28 April 2015.

Appendices

Appendix 1: Summary of uncorrected misstatements

Committee Audit

Uncorrected misstatements

At the time of drafting this report there are no uncorrected misstatements. We will provide a verbal update to the Committee.

Uncorrected disclosure adjustments

At the time of writing this report, we have yet to perform our final quality review of the final version of the financial statements. We will provide a verbal update to the Committee.

Appendix 2: Letter of representation

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6NN

Dear Sirs

Representation letter – audit of London Councils Joint Committee (“the Committee”) Statement of Accounts for the year ended 31 March 2015

Your audit is conducted for the purpose of expressing an opinion as to whether the Statement of Accounts of the Committee give a true and fair view of the affairs of the Committee as at 31 March 2015 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 supported by the Service Reporting Code of Practice 2014/15.

I acknowledge my responsibilities as S151 Officer for preparing the Statement of Accounts as set out in the Statement of Responsibilities for the Statement of Accounts. I also acknowledge my responsibility for the administration of the financial affairs of the Committee and that I am responsible for making accurate representations to you.

I confirm that the following representations are made on the basis of enquiries of other chief officers and members of the Committee with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy myself that I can properly make each of the following representations to you.

I confirm, to the best of my knowledge and belief, and having made the appropriate enquiries, the following representations:

Statement of Accounts

- I have fulfilled my responsibilities for the preparation of the Statement of Accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 supported by the Service Reporting Code of Practice 2014/15; in particular the Statement of Accounts give a true and fair view in accordance therewith.
- All transactions have been recorded in the accounting records and are reflected in the Statement of Accounts.
- Significant assumptions used by the Committee in making accounting estimates, including those surrounding measurement at fair value, are reasonable.

- All events subsequent to the date of the Statement of Accounts for which the CIPFA/LASAAC Code of Practice on Local Committee Accounting in the United Kingdom 2014/15 requires adjustment or disclosure have been adjusted or disclosed.

Information Provided

- I have taken all the steps that I ought to have taken in order to make myself aware of any relevant audit information and to establish that you, the Committee's auditors, are aware of that information.
- I have provided you with:
 - access to all information of which I am aware that is relevant to the preparation of the Statement of Accounts such as records, documentation and other matters, including minutes of the Committee and its committees, and relevant management meetings;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Committee from whom you determined it necessary to obtain audit evidence.
- So far as I am aware, there is no relevant audit information of which you are unaware.

Accounting policies

I confirm that I have reviewed the Committee's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of Statement of Accounts are appropriate to give a true and fair view for the Committee's particular circumstances.

Fraud and non-compliance with laws and regulations

I acknowledge responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

I have disclosed to you:

- the results of our assessment of the risk that the Statement of Accounts may be materially misstated as a result of fraud.
- all information in relation to fraud or suspected fraud that we are aware of and that affects the Committee and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the Statement of Accounts.
- all information in relation to allegations of fraud, or suspected fraud, affecting the Committee's Statement of Accounts communicated by employees, former employees, analysts, regulators or others.
- all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Statement of Accounts.

I am not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations which provide a legal framework within which the Committee conducts its business and which are central to the Committee's ability to conduct its business or that could have a material effect on the Statement of Accounts.

I am not aware of any irregularities, or allegations of irregularities including fraud, involving members, management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the Statement of Accounts.

Related party transactions

I confirm that the attached appendix to this letter is a complete list of the Committee's related parties. All material transfer of resources, services or obligations between the Committee and these parties have been disclosed to you, regardless of whether a price is charged. We are unaware of any other related parties, or transactions between disclosed related parties.

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Section 3.9 of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

We confirm that we have identified to you all senior officers, as defined by the Accounts and Audit Regulations 2011, and included their remuneration in the disclosures of senior officer remuneration.

Employee Benefits

I confirm that we have made you aware of all employee benefit schemes in which employees of the Committee participate.

Contractual arrangements/agreements

All contractual arrangements (including side-letters to agreements) entered into by the Committee have been properly reflected in the accounting records or, where material (or potentially material) to the statement of accounts, have been disclosed to you.

Litigation and claims

I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statement of accounts and such matters have been appropriately accounted for and disclosed in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Taxation

I have complied with UK taxation requirements and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any direct tax or any indirect taxes. I am not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest and I have made full disclosure regarding any Revenue Authority queries or investigations that we are aware of or that are ongoing.

In particular:

- In connection with any tax accounting requirements, I am satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with UK law or in accordance with any agreement reached with such authorities.
- I have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken for the Committee's benefit or any other party's benefit.
- I am not aware of any taxation, penalties or interest that are yet to be assessed relating to either the Committee or any associated company for whose taxation liabilities the Committee may be responsible.

Using the work of experts

I agree with the findings of Barnett Waddingham LLP, experts in evaluating the net pensions liability. I have adequately considered the competence and capabilities of the experts in determining the amounts and disclosures used in the preparation of the Statement of Accounts and underlying accounting records. The Committee did not give or cause any instructions to be given to experts with respect to the values or amounts derived in an attempt to bias their work, and I am not otherwise aware of any matters that have had an impact on the objectivity of the experts.

Bank accounts

I confirm that I have disclosed all bank accounts to you.

Subsequent events

Other than as described in the Statement of Accounts, there have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the statement of accounts or in the notes thereto.

Retirement benefits

- All significant retirement benefits that the Committee is committed to providing, including any arrangements that are statutory, contractual or implicit in the Committee's actions, wherever they arise, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.
- All settlements and curtailments in respect of retirement benefit schemes have been identified and properly accounted for.

Provisions

- Provisions for depreciation and diminution in value including obsolescence have been made against property, plant and equipment on the bases described in the statement of accounts and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful life in the Committee's business.

In this respect I am satisfied that the probable useful lives have been realistically estimated and that the residual values are expressed in current terms.

- Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments (in particular in relation to redundancy plans) and contingencies where the items are expected to result in significant loss. Other such items, where in my opinion provision is unnecessary, have been appropriately disclosed in the Statement of Accounts.

Assets and liabilities

- The Committee has no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the Statement of Accounts.
- In my opinion, on realisation in the ordinary course of the business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.
- The Committee has no plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- I confirm our intention to dispose of assets disclosed as assets held for sale within the next 12 months.
- The Committee has satisfactory title to all assets and there are no liens or encumbrances on the Committee's assets, except for those that are disclosed in the Statement of Accounts.
- I confirm that we have carried out impairment reviews appropriately, including an assessment of when such reviews are required, where they are not mandatory. I confirm that we have used the appropriate assumptions with those reviews.

Disclosures

- Where appropriate, the following have been properly recorded and adequately disclosed in the Statement of Accounts:
 - The identity of, and balances and transactions with, related parties.
 - Losses arising from sale and purchase commitments.
 - Agreements and options to buy back assets previously sold.
 - Assets pledged as collateral.
- I confirm that the Committee has recorded or disclosed, as appropriate, all formal or informal arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
- I confirm that the Committee has recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and has disclosed in the statement of accounts all guarantees that we have given to third parties, including oral guarantees made by the Committee on behalf of an affiliate, member, officer or any other third party.

Items specific to Local Government

I confirm that the Committee does not have plans to implement any redundancy/early retirement programmes for which we should have made provision in the Statement of Accounts.

Item 8 - Annual Audit Report

I confirm that the Committee has determined a prudent amount of revenue provision for the year under the Prudential Framework.

I confirm that the Committee has determined a proper application of the statutory provisions for the neutralisation of the impact of accumulating compensated absences on the General Fund balance.

As minuted by the Audit Committee at its meeting on 24 September 2015.

.....

S151 Officer

.....

Date

.....

Chairman of the Audit Committee

.....

Date

Appendix 1 - Related parties

Complete list of the Committee’s related parties [to be added by management]



In the event that, pursuant to a request which London Borough of Redbridge has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. London Borough of Redbridge agrees to pay due regard to any representations which PwC may make in connection with such disclosure and London Borough of Redbridge shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, London Borough of Redbridge discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for London Borough of Redbridge and solely for the purpose and on the terms agreed through our contract with the Audit Commission. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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Leaders' Committee

Summaries and Minutes

Item no: 9

Report by: Derek Gadd **Job title:** Head of Governance
Date: 13 October 2015
Contact Officer: Derek Gadd
Telephone: 020 7934 9505 **Email:** Derek.gadd@londoncouncils.gov.uk

Summary Summaries of the minutes of London Councils

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

- TEC – AGM 18 June 2015
- Audit Committee – 18 June 2015
- Grants Executive – 22 June 2015
- Executive – 23 June 2015
- CAB – AGM – 25 June 2015
- GLEF AGM – 9 July 2015
- Grants AGM – 15 July 2015
- TEC Executive Sub Committee – 16 July 2015
- Pensions CIV Sectoral Committee AGM – 21 July 2015
- Executive – 8 September 2015

Leaders' Committee

Report from the Transport & Environment Committee – 18 June 2015

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 13 October 2015
Contact Officer: Alan Edwards
Telephone: 020 7934 9911 **Email:** Alan.e@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' Transport & Environment Committee held on 18 June 2015

Recommendations: For information.

1. Attendance: Cllr Lynda Rice (LB Barking & Dagenham, Deputy), Cllr Dean Cohen (LB Barnet), Cllr Alex Sawyer (LB Bexley), Cllr Kathy Bee (LB Croydon), Cllr Julian Bell (LB Ealing, Chair), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Claudia Webbe (LB Islington), Cllr Tim Coleridge (RB Kensington & Chelsea), Cllr David Cunningham (RB Kingston-upon-Thames), Cllr Jenny Braithwaite (LB Lambeth), Cllr Alan Smith (LB Lewisham), Cllr Nick Draper (LB Newham), Cllr Stephen Speak (LB Richmond-upon-Thames), Cllr Darren Merrill (LB Southwark), Cllr Jill Whitehead (LB Sutton, Deputy), Cllr Clyde Loakes (LB Waltham Forest), Cllr Kim Caddy (LB Wandsworth - Deputy), Cllr Robert Rigby (City of Westminster), Michael Welbank (City of London) and Alex Williams (Transport for London, Deputy).

2. Apologies for Absence: Cllr Colin Smith (LB Bromley), Cllr Phil Jones (LB Camden), Cllr Joanna Christophides (LB Haringey), Cllr Robert Benham (LB Havering), Cllr Keith Burrows (LB Hillingdon), Cllr Amritt Mann (LB Hounslow), Cllr Ian Corbett (LB Newham), Cllr Caroline Usher (LB Wandsworth), Cllr Heather Acton (City of Westminster) and Michael Welbank (City of London)

3. Election of Chair

Councillor Julian Bell was nominated to be the Chair of TEC for 2015/16

4. Election of Vice Chairs of TEC

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

5. Membership of the London Councils' Transport and Environment Committee for 2015/16

The Committee noted the membership of TEC for 2015/16

6. Appointment of the TEC Executive Sub Committee for 2015/16

The Committee elected the following members to the TEC Executive Sub Committee for 2015/16:

Labour

Cllr Julian Bell (LB Ealing – Chair)
Cllr Feryal Demirci (LB Hackney)
Cllr Daniel Anderson (LB Enfield)

Cllr Darren Merrill (LB Southwark)
Cllr Claudia Webbe (LB Islington)
Cllr Alan Smith (LB Lewisham)

Conservative

Cllr Tim Coleridge (RB Kensington & Chelsea)
Cllr Caroline Usher (LB Wandsworth)
Cllr Alex Sawyer (LB Bexley)
Cllr Heather Acton (City of Westminster)

Liberal Democrat

Cllr Jill Whitehead (LB Sutton)

City of London

Michael Welbank

7. Nominations to TEC Outside Bodies and Appointment of Committee Advisers for 2015/16

The Committee nominated the following members to the outside bodies for 2015/16:

Heathrow Airport Consultative Committee (HACC)

Cllr Darren Merrill (LB Southwark)

Post Meeting Note: Deputy - Cllr Tim Coleridge (RB Kensington & Chelsea)

Thames Regional Flood & Coastal Committee (RFCC)

West – Cllr Dean Cohen (LB Barnet)

South West – Cllr Nick Draper (LB Merton)

South East – Cllr Alan Smith (LB Lewisham)

North East – Cllr Lynda Rice (LB Barking & Dagenham)

Central North – Cllr Tim Coleridge (RB Kensington & Chelsea)

Central South – Cllr Darren Merrill (LB Southwark)

North – New Labour member now needed

London Sustainable Development Commission

Cllr Claudia Webbe (LB Islington)

London Electric Vehicle Partnership (LEVP)

Cllr Alan Smith (LB Lewisham)

Cllr Nick Draper (LB Merton)

Cllr Heather Acton (City of Westminster)

Urban Design London (UDL)

Cllr Daniel Moylan (RB Kensington & Chelsea)

Cllr Nigel Haselden (LB Lambeth)

London Waterways Commission

Cllr Nick Draper (LB Merton)

Cllr Lynda Rice (LB Barking & Dagenham)

Conservative nomination to be confirmed

Thames River Basin District Liaison Panel (Thames LP)

Cllr Danny Thorpe (LB Greenwich)

London City Airport Consultative Committee (LCACC)

Cllr Osman Dervish (LB Havering)

London Cycling Campaign (LCC)

Cllr Feryal Demirci (LB Hackney)

Appointment of Committee Advisers

It was noted that Debbie Stokes no longer worked for LB Waltham Forest and needed to be removed from the Committee advisers list.

The Committee: **(i)** agreed to pass the above names on to the Chief Executive of London Councils, for appointment to outside bodies, **(ii)** agreed to appoint the advisers to the Committee, as listed in the report, and **(iii)** agreed to remove Debbie Stokes (LB Waltham Forest) from the TEC Committee advisers list.

8. Constitutional Matters

The Committee noted the changes to London Councils constitutional matters

9. London Local Air Quality Management Consultation – Overview of Proposals

Patrick Feehily (Assistant Director – Environment, GLA) and Elliot Treharne (GLA) gave a presentation to the Committee on London Local Air Quality Management (LLAQM).

The following comments were made:

- The GLA is working with borough officers on proposals for a bespoke Air Quality Management system for London
- Patrick Feehily and Elliot Treharne will be visiting boroughs individually so that everyone gets an opportunity to input to the proposals
- The Local Air Quality Management (LAQM) system is a statutory process and Defra is currently reviewing this nationally
- There were five main objectives: (1) put in place a statutory LAQM system, (2) ensure that borough air quality resource is protected, (3) focus on action, rather than reporting, (4) ensure borough action complements London-wide efforts on schools, planning, public health etc, and (5) ensure a co-ordinated, effective and consistent approach to maximise reductions in air pollution

A “Q and A” session then took place.

10. Presentation on Solar Panels in Schools

Quentin Given (Major Campaigns Co-ordinator, Friends of the Earth) gave a presentation on how local authorities could help schools run on sun. The following comments were made:

- There were opportunities to use solar in London to help save money and cut carbon emissions
- London was currently missing out on using solar, compared to the rest of the South East
- Schools were good places to go solar and to convey the message to children
- Up to £20million a year could be saved collectively, if every school in London went solar. Some boroughs could save between £100,000 to £500,000 per year
- Boroughs could look at the scope to fit solar in their schools and other buildings and to get costings/potential savings on this in order to argue the business case for doing it

A “Q and A” session then took place.

11. Chair’s Report

The Committee received and noted a report that updated members on transport and environment policy since the last TEC meeting on 19 March 2015 and provided a forward look until the next TEC meeting on 15 October 2015.

12. Flooding Sub-Regional Partnerships 6-Monthly Progress Report

The Committee received and noted a 6-monthly report on the work of the seven sub-regional flood partnerships, the Thames Regional Flood and Coastal Committee (TRFCC) and the Environment Agency (EA). It was agreed that TEC would receive 6-monthly updates on a regular basis.

13. Setting PCN Levels for the City of Westminster’s Byelaws

The Committee considered a report that set out the results of the public consultation into setting a fixed penalty notice (FPN) level for three of the City Of Westminster’s byelaws: “noise in streets and other public places”, “urinating etc”, and “feeding of birds prohibited”. The report asked members to set FPN levels for breaching these byelaws.

The Committee: **(i)** noted the consultation outcome, **(ii)** agreed an FPN level of £80 for breaches to the City of Westminster byelaws on “noise in streets and other public places”, “urinating”, and “feeding of birds prohibited”, and **(iii)** agreed to set the level of reduction at £50 if the fixed penalty was paid within 14 days from the date of notice.

14. Setting PCN Levels for Waste Receptacle Offences – Deregulation Act 2015

The Committee received a report that specified the maximum level of penalty that could be set for the enforcement of the waste receptacle offences under the London Local Authorities Act and changed by the Deregulation Act 2015.

The Committee: **(i)** agreed a PCN level of £80, which was the maximum permitted, and **(ii)** Agreed an early payment reduction to £48, if paid within 14 days.

15. Construction Work and Damage to Highways

The Committee considered a report that summarised a number of potential solutions that had been identified for boroughs to address the issues raised in recovering expenses incurred by damage to highways (including both roads and footpaths), due to building work. The report also sought the views of TEC members on the possible next steps.

The Committee: **(i)** agreed that Katharina Winbeck would check and report back on whether Section 278 of the Highways Act (1980) applied to all planning applications, **(ii)** agreed that Cllr Coleridge would ask officers at the Royal Borough of Kensington & Chelsea to write a short paper on construction work and damage to highways and share this best practice with TEC, and **(iii)** noted that London Councils officers would pursue legislative changes when opportunities to that effect arose (eg when wider changes to the planning system were proposed).

16. Freight Strategy Update

The Committee received a report that had been prepared by Transport for London (TfL) for TEC, to provide a high level update on strategic approach to freight.

The Committee: **(i)** Noted TfL’s approach to developing a new freight strategy for London; our engagement with businesses, operators and local authorities; and the progress to date in defining our strategic approach and aims, **(ii)** endorsed the establishment of a borough officer freight working group and acknowledged that this would be reviewing existing controls, including the London Lorry Control Scheme (LLCS), and **(iii)** noted the key elements of TfL’s current programme of work with boroughs described in Appendix 1 of the report.

17. Freedom Pass 2015 Reissue Progress Report

The Committee received a report that provided members with an update on the progress of the renewal of approximately 970,000 which expired on 31 March 2015, the development of a new first time application process, and a review of the policy on charging for replacement passes.

The Committee: **(i)** noted the outcome of the Freedom Pass 2015 reissue, **(ii)** noted the establishment of the new procedures for first time Freedom Pass applicants, and **(iii)** noted that the policy on charging for replacement passes had been revised to make express mention that discretion to waive the administrative charges might be exercised in appropriate circumstances, and that policy would be kept under review.

18. Changes to the Parking and Traffic Appeals Service (PATAS)

The Committee received a report that outlined the sufficient changes that were being made to the Parking and Traffic Appeals Service (PATAS), including renaming, relocation, a new service provider and the introduction of new systems and processes that would deliver significant improvements and efficiencies.

The Committee noted the update on the changes to PATAS, as set out in the report, and ensured that their own authorities were aware and prepared for the changes.

19. London Borough of Bexley Approval to Commence Moving Traffic Enforcement

The Committee received a report that sought member approval for the London Borough of Bexley to commence enforcement of moving traffic contraventions under the London Local Authorities Act and TfL Act 2003

The Committee agreed that permission be given to the London Borough of Bexley to enforce moving traffic contraventions using CCTV.

20. Ultra Low Emission Vehicle (ULEV) Delivery Plan

The Committee considered and noted a report from TfL on the new Ultra Low Emission Vehicle (ULEV) Delivery Plan that was being published by TfL in July 2015. The Delivery Plan had been produced in consultation with the ULEV industry and the boroughs.

21. Code of Practice for the Attachment of Street Lighting and Traffic Signs to Buildings

The Committee received a report that sought member approval to publish a Code of Practice on the attachment of street lights and traffic signs to buildings. The Code of Practice would allow London Local Authorities (LLA) and TfL to adopt new powers under the LLA and TfL Act 2013.

The Committee noted and approved the contents of the Code of Practice for publication.

22. London Councils' Officer Responses to the Government Call for Evidence on Parking Reforms

The Committee received a report that advised members of the London Councils' officer response to the Department for Communities and Local Government (DCLG) discussion paper and call for evidence titled "Parking Reform, Tackling Unfair Practices". The Committee endorsed the London Councils' officer response.

23. Items Considered by the TEC Elected Officers under the Urgency Procedure

The Committee received a report that was sent to TEC Elected Officers under the London Councils' Urgency Procedure on the proposals to rebrand the Parking and Traffic Appeals Service (PATAS).

The Committee noted the report (below) that was sent to TEC Elected Officers on 15 April 2015 under the TEC Urgency Procedure:

"Proposal to Rebrand the Parking and Traffic Appeals Service (PATAS)"

24. TEC committee Dates 2015/16

The Committee received and agreed a report that notified members of the proposed TEC and TEC Executive Sub Committee dates for 2015/16.

25. Minutes of the TEC Main Meeting held on 19 March 2015

The minutes of the TEC Main meeting held on 19 March 2015 were agreed as an accurate record

The meeting finished at 16.27pm

Minutes of the Meeting of the Audit Committee

18 June 2015

Cllr Roger Ramsey was in the Chair

Members Present:

Cllr Roger Ramsey (LB Havering)
Cllr Stephen Alambritis (LB Merton)
Cllr Jas Athwal (LB Redbridge)
Cllr Simon Wales (LB Sutton)
Mr Roger Chadwick (City of London)

In Attendance:

Ciaran McLaughlin, Engagement Leader, PricewaterhouseCoopers LLP
Chris Harris, Acting Internal Auditor, City of London

London Councils' officers were in attendance.

1. Declarations of Interest

Councillor Simon Wales informed Audit Committee that he was also a member of the London Councils' Grants Committee.

2. Apologies for Absence

An apology for absence was received from John O'Brien, Chief Executive, London Councils

3. Minutes of the Audit Committee meeting held on 19 March 2015

The minutes of the Audit Committee meeting held on 19 March 2015 were agreed as being an accurate record.

4. Risk Management: Services Directorate Risk Register

The Audit Committee received a report that presented members with the current Services Directorate risk register.

Nick Lester-Davis, Corporate Director of Services, London Councils, introduced the Services Directorate Risk Register. He informed members that there were two updates to the risk register that were not on the version that was sent to Audit Committee. They were as follows: (i) risk number "B2" – this risk had now been deleted, as the reissue programme had finished (all old Freedom Passes had now been turned off and the reissue was coming in under budget), and (ii) a new set of risks under section D had been added on the European Social Fund (ESF) programme. London Councils was bidding for a new 6-year ESF programme. There was no reason, at present, why London Councils' bid would not be successful. However, the new risk had been introduced to deal with any potential problems. There would be a future new risk to deal with the end of the current Section 48 grants scheme (March 2017). A decision on this would need to be made by London Councils' Leaders Committee.

The Chair asked if a decision was being made on the entire grants scheme. Nick Lester-Davis said that members would be consulted on an “in principle” direction of the grants programme over the summer, with a decision at the end of the year.

Councillor Alambritis congratulated officers on the Freedom Pass reissue (risk “B2”). He also congratulated the London borough of Sutton on the success of its Freedom Pass reissue. Nick Lester-Davis informed members that London Councils were appointing a consultant to look into the way LB Camden and Sutton conducted their Freedom Pass renewal process in more detail.

The Chair said that Transport for London (TfL) had now taken over parts of the mainline routes and there would be changes in Freedom Pass usage before 9.30am, which would have financial implications to the boroughs. Nick Lester-Davis informed members that there would be cost implications, which would be greater in 2018 when Crossrail opened. The mainline would then stretch as far out as Reading.

The Audit Committee noted the current Services Directorate risk register, and the two recent updates that were not present on the risk register currently presented to members.

5. Review of the Annual Governance Statement

The Audit Committee considered a report that: (i) reviewed each element of the current Annual Governance Statement (AGS), (ii) highlighted an continuing and potentially new areas for development (and those from previous years that had been addressed), and (iii) made recommendations for revisions that would be contained in the AGS to be included in the audited Statutory Accounts for 2014/15.

David Sanni, Head of Financial Accounting, London Councils, introduced the report on the review of the Annual Governance Statement (AGS). He said that London Councils was responsible for carrying out a review of the AGS, which had been developed by CIPFA and SOLACE. The AGS was divided into six sections and the report reflected a review of the governance arrangements that were in place.

David Sanni informed members that Appendix A (page 28) highlighted the changes to the AGS (in red), Appendix B (page 35) gave a summary of the internal audit review (no areas of concern) and Appendix C (page 39) gave a draft of the AGS for the 2014/15 accounts. Chris Harris, Acting Internal Auditor, City of London, confirmed that London Councils had a sound system on internal controls in place. He said that the City of London’s system was fit for purpose.

The Audit Committee:

- Noted the summary of the internal audit reviews undertaken during 2014/15 and the opinion of the Head of Audit and Risk Management at the City of London on the overall control environment, as detailed in Appendix B of the report, and
- Approved the recommended changes to the AGS for 2013/14, as detailed in Appendix A, to produce the AGS for 2014/15 for inclusion in London Councils’ statutory accounts for 2014/15, as detailed in Appendix C of the report.

6. Internal Audit Reviews

The Audit Committee received a report that provided members with an update of the internal audit reviews completed by the City of London’s Internal Audit section since the last meeting held on 19 March 2015.

David Sanni introduced the internal audit reviews report. The Parking and Traffic internal audit review had been completed and could be found at page 48 of the report. There were no

recommendations to report as a consequence of this review and the risks had been easily managed. The internal audit recommendations log could be found at page 55 of the report. The log provided an update on petty cash and outstanding recommendations. Most of the outstanding recommendations had been completed and the ones that were still outstanding were close to completion. The Chair said that there a number of outstanding ICT recommendations and asked for an update on this to go to a future Audit Committee.

Councillor Wales asked if there was any further information on local authorities being asked to have a public services network. Roy Stanley, ICT and Facilities Manager, London Councils, confirmed that no further discussions on this had taken place. He said that London Councils did have an external IP address that was secure. Frank Smith said that there would be cost implications to having a PSA network (between £30,000 to £70,000), and it would also take time. More clarification from the Government was needed on this. Councillor Wales asked if any guidance had been issued from the Government. Frank Smith said that London Councils would have to wait to see what the Government proposals were. The Chair said that there was nothing mandatory yet. Ciaran McLaughlin, Engagement Leader, PricewaterhouseCoopers LLP, said that a number of boroughs had carried this out securely at a cost of £75,000.

The Audit Committee:

- Considered and commented on the contents of the internal audit reports attached at Appendices A of the report,
- Noted the position on outstanding internal audit recommendation detailed in the log attached at Appendix B,
- Noted that there were no significant control weaknesses identified in the review completed during the period, and
- Agreed that an update on outstanding ICT issues would be brought to a future Audit Committee meeting

7. Accounting and Audit Arrangement Update

The Audit Committee received a report that provided members with an update on the arrangements to procure an external auditor for 2015/16 onwards, following a review of draft guidance prepared by the Chartered Institute of Public Finance and Accountancy on behalf of the Department of Communities and Local Government (DCLG).

David Sanni introduced the accounting and audit arrangement report, which had been carried over from the Audit Committee meeting in March 2015. He said that the Department for Communities and Local Government (DCLG) would be issuing further guidance on public audit arrangements. London Councils had already received an early draft of the guidance. A “special” meeting of the Audit Committee was taking place on 1 December 2015 to agree the procurement of an external auditor. The outcome would then be presented to London Councils’ Leaders Committee on 8 December 2015.

The Audit Committee noted the contents of the report.

The meeting finished at 10.56am

Action Points

Item	Action	Progress
6. Internal Audit Reviews	An update on outstanding ICT recommendations to be brought to a future Audit Committee meeting	Completed

Report from the Grants Committee Executive – 22 June 2015

Item no:

Report by: Ana Gradiska **Job title:** Principal Governance and Projects Officer
Date: 13 October 2015
Contact Officer: Ana Gradiska
Telephone: 020 7934 9781 **Email:** Ana.gradiska@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' Grants Committee Executive held on 22 June 2015.

Recommendations: For information.

Members: Cllr. Paul McGlone (Chair - LB Lambeth), Cllr. Forhad Hussain (Vice Chair) LB Newham, Cllr. Stephen Carr (Vice Chair - LB Bromley), Cllr. Simon Wales (Vice Chair - LB Sutton), Cllr. Asima Shaikh (LB Islington), Cllr. Joan Millbank (LB Lewisham), Cllr. James Madden (LB Wandsworth), Cllr. Gerard Hargreaves (RB Kensington and Chelsea).

London Councils officers were in attendance.

1. Apologies for Absence

An Apology was received from Cllr James Madden.

2. Deputies and Declaration of Attendance

There were no deputies or declarations of interest.

3. Minutes of the Grants Executive held on 17 September 2014

Minutes of the meeting which took place on 17 September 2014 were agreed as an accurate record.

4. Minutes of the Grants Committee held on 25 March 2015 (for noting)

The minutes from the Grants Committee meeting held on 25 March 2015 were noted. The Chair requested that the issue in section 4.5 relating to public recognition for the work done by the funded commissions needed to be put into action by the Grants team at London Councils.

5. Oral Update on Performance of Grants Scheme

The Head of Grants at London Councils said that the update constituted a performance report based on data received from projects which has been analysed by Grants officers. He added that:

- The scheme currently comprised 35 projects, covering four priorities: Homelessness, Domestic Violence, Tackling Poverty Through Employment, and Capacity Building for the Voluntary Sector.
- Among the commissions, all bar one were Green under the RAG rating. St Mungo's Community Housing Association, co-funded by the ESF, was rated Amber.
- Up-to-date versions of the reports would be available at the Grants AGM in July 2015, along with graphs depicting performance against expectations and one page summaries for each projects, which include case studies.

The order of the agenda was then varied, and items were taken in the following order:

6. Pre-Audited Financial Results 2014-2015

The Director of Corporate Resources at London Councils outlined the Pre-Audited Financial Results 2014-2015 report, which, once noted by the Grants Executive, would be approved by London Councils' Executive, and then passed on to auditors. In response to member queries, the Director confirmed that:

- The provisional surplus of £174,000 was split between the S.48 borough commissioned services and the ESF/borough funded commissions. The provisional general reserves of £1,074,000 remain after allowing for potential ESF commitments of £250,000 in 2015.
- There was a provisional net overspend of £58,000 in relation to grants administration expenditure attributable to an overspend of £87,000 in respect of salary costs, general running costs and central recharges, and offset by underspends of £12,000 in respect of the research budget and £17,000 in respect of investment income received on Committee reserves.
- The pension fund liability has increased by £648,000 from £912,000 to £1,560,000. The reason for this significant increase in the deficit is attributable to a greater increase in scheme liabilities over the increase in scheme assets over the year, due to changes in the financial assumptions used by the actuary between 2014 and 2015.

Members requested that the financial results report was presented to the Grants Committee at the November 2015 meeting, after the audit had taken place.

7. Proposals for Review of Grants Programme

The Head of Grants asked members for views and steers on the review of the Grants Programme, and the upcoming consultation. After some discussion, the recommendations were agreed by the Grants Executive.

The meeting ended at 14:00

**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 believed 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 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.

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 <ul style="list-style-type: none"> • 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 <p>Develop a communications strategy to target central government, the arts council, the sector and the media with:</p> <ul style="list-style-type: none"> • 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

**PAPA
Health**

In hand

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.

7 Devolution of infrastructure funding mechanisms

**PAPA
Transport
and
Environ-
ment**

Report going to
November
Executive

- Investigate the feasibility of placing a levy on all non-domestic, business, parking spaces

Report from the Capital Ambition AGM – Item no: 25 June 2015

Report by: Ana Gradiska **Job title:** Principal Governance and Projects Officer
Date: 13 October 2015
Contact Officer: Ana Gradiska
Telephone: 020 7934 9781 **Email:** Ana.gradiska@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' Capital Ambition AGM held on 25 June 2015.

Recommendations: For information.

1. **Attendance:** *Members:* Edward Lord OBE JP (City of London - Chair), Cllr Nicholas Paget-Brown (RB Kensington and Chelsea), Cllr Paul McGlone (LB Lambeth - Dep); *London Councils:* John O'Brien (Chief Executive), Frank Smith (Director of Corporate Resources), Thomas Man (Head of Capital Ambition), Lisa Henry (Capital Ambition Programme Manager), Emily Tofts (London Ventures Programme Manager), Mehboob Khan (Labour Group Political Advisor), Sarah Sturrock (Strategic Lead: Health and Adult Services); *Advisers:* Nathan Elvery (LB Croydon), James Rolfe (LB Enfield); *Board Secretariat:* Ana Gradiska (Principal Governance and Projects Officer); *EY:* Darra Singh (Partner, Government & Public Services), Victoria Evans (Manager, Government & Public Services), Louise Warman (Manager, Government & Public Services); *Project partners:* Matthew Wallbridge (LB Croydon) Ian O'Donnell (LB Ealing), Hamza Yusuf (LB Hackney).
2. **Apologies:** Apologies were received from Cllr Stephen Alambritis (LB Merton), Cllr Jas Athwal (LB Redbridge), Cllr David Simmonds CBE (LB Hillingdon), Martin Smith (LB Ealing), Rob Leak (LB Enfield) and Mike O'Donnell (LB Camden)
3. **Minutes of the meeting held on 21 May 2015** The minutes were agreed as an accurate record of the non-exempt part of the meeting held on 21 May 2015.
4. **Minutes of the Capital Ambition AGM held on 17 July 2014 (for noting)** Members noted the minutes of the CAB AGM held on 17 July 2014.
5. **Capital Ambition AGM – Operational matters and accounts**
 - The Board noted the appointment of the Capital Ambition Board and election of its Chair and Vice Chair by Leaders' Committee on 2 June 2015. The elected Chair was Edward Lord OBE JP, and the elected Vice Chair was Cllr Stephen Alambritis.

- James Rolfe, Director of Finance, Resources and Customer Services, LB Enfield, a new advisor to the Board, was welcomed by members and officers.
- Members approved the financial statement and transactions list for 2014/15, and the three year budget proposal and business plan.

6. Supporting health and social care reform and devolution

- The Chair said that this proposal originated from a discussion at Leaders' Committee. It was envisaged that Capital Ambition could support the strengthening of local partnerships for health and social care reform. Sarah Sturrock, Strategic Lead for Health and Adult Services at London Councils, introduced her paper which summarised further developments around health and care reform and devolution, and initial considerations by officers about potential areas in which Capital Ambition could play a constructive role to help move these forward. The estimated budget for this piece of work was £150,000; however, this figure may change once the detailed business case has been developed, and so flexibility on the budget would be helpful.
- Members agreed to use Capital Ambition funding of up to £150,000 to support the development of sub-regional working arrangements for health with strong borough engagement, subject to the agreement of a detailed business case. They also agreed to delegate approval of the business case to the Chair in consultation with the Chair of London Councils and the Health portfolio holder and report back to the Board's September meeting.
- The Chair then added a further recommendation: that members agree for the Chair and Vice Chair to have delegated authority to increase the budget by up to another £100,000, should the original budget prove to be insufficient. Members agreed this recommendation.

7. London Ventures:

Feedback from current investment cases

- Hamza Yusuf updated the members on the progress of the Xantura Children's Safeguarding Profiling Model programme in LB Hackney. He gave an update on general progress and benefits already realised.
- Matthew Wallbridge from Croydon outlined the benefits of the four programmes that LB Croydon has been involved in:
- Ian O'Donnell said that the London Fraud Prevention Hub was progressing well.
- The Chair asked for some of the presenters, along with Darra Singh and Nathan Elvery to present at the Leaders' Committee in October, so that the LV programme could gain greater recognition within London local authorities.
- Members agreed the focus of the work for the rest of 2015/16, including divesting of Ventures not aligned to the strategic or commercial programme priorities.

Leaders' Committee

Report from the Greater London Employment Forum – 9 July 2015

Item no:

Report by: Selena Lansley **Job title:** Head of London Regional Employers Organisation
Date: 9 July 2015
Contact Officer: Selena Lansley
Telephone: 020 7934 9963 **Email:** Selena.lansley@londoncouncils.gov.uk

Summary: Summary of the minutes of the Greater London Employment Forum held on 9 July 2015

Recommendations: For information.

1. Attendance: Cllr Colin Tandy (Bexley), Cllr Tim Stevens (Bromley), Cllr Alison Kelly (Camden), Cllr Simon Hall (Croydon), Cllr Doug Taylor (Chair) (Enfield), Cllr Katherine Dunne (Hounslow), Cllr Andy Hull (Islington), Cllr Adrian Garden (Lambeth), Cllr Kevin Bonavia (Lewisham), Cllr Mark Allison (Merton), Cllr Fiona Coley (Southwark), Cllr Richard Clifton (Sutton), Cllr Guy Senior (Wandsworth), Cllr Angela (Westminster), April Ashley (UNISON), Sean Fox (UNISON), Sue Plain (UNISON), Kim Silver (UNISON), Simon Steptoe (UNISON), Vicky Easton (UNISON), Kevin Simmons (Unite) and Vaughan West (GMB).

2. In Attendance: Selena Lansley (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 Helen Chater (UNISON).

3. Apologies for Absence: Apologies were received from Cllr Irma Freeborn (Barking & Dagenham), Cllr Theo Blackwell (Camden), Cllr Tony Newman and Cllr Toni Letts (Croydon), Cllr Yvonne Johnson (Ealing), Cllr Chris Kirby (Greenwich), Cllr Sophie Linden (Hackney), Cllr Jason Arthur (Haringey), Cllr Osman Dervish (Havering), Cllr Scott Seaman-Digby (Hillingdon), Cllr Joanna Gardner (Kensington & Chelsea), Cllr Eric Humphrey (Kingston), Cllr Paul McGlone (Lambeth), Cllr Ken Clark (Newham), Esther Rey (UNISON), Helen Steel (UNISON), Kathy Smith (Unite), Dave Powell (GMB), Wendy Whittington (GMB), Peter Murphy (GMB).

4. Election of Chair and Vice-Chair for 2015-16: Cllr Doug Taylor (Enfield) was elected Chair of GLEF for 2015-16. Vaughan West (GMB) was elected Vice Chair.

5. Confirmation of GLEF Membership 2015-16: GLEF membership for 2015-16 was agreed.

Borough	Rep	Party
Barking & Dagenham	James Ogungbose	Lab
Barnet	Richard Cornelius	Con
Bexley	Colin Tandy	Con
Brent	Michael Pavey	Lab
Bromley	Tim Stevens J.P.	Con
Camden	Theo Blackwell	Lab
Croydon	Toni Letts	Lab
Ealing	Yvonne Johnson	Lab
Enfield	Doug Taylor	Lab
Greenwich	Chris Kirby	Lab
Hackney	Sophie Linden	Lab
Hammersmith & Fulham	Ben Coleman	Lab
Haringey	Jason Arthur	Lab
Harrow	Kiran Ramchandani	Lab
Havering	Osman Dervish	Con
Hillingdon	Scott Seaman-Digby	Con
Hounslow	Katherine Dunne	Lab
Islington	Andy Hull	Lab
Kensington & Chelsea	Joanna Gardner	Con
Kingston upon Thames	Eric Humphrey	Con
Lambeth	Paul McGlone	Lab
Lewisham	Kevin Bonavia	Lab
Merton	Mark Allison	Lab
Newham	Ken Clark	Lab
Redbridge	Kam Rai	Lab
Richmond upon Thames	Tony Arbour	Con
Southwark	Fiona Colley	Lab
Sutton	Richard Clifton	LD
Tower Hamlets		
Waltham Forest	Peter Barnett	Lab
Wandsworth	Cllr Guy Senior	Con
Westminster	Angela Harvey	Con
City of London	Revd Stephen Decatur Haines MA Deputy	

UNISON

April Ashley
 George Binette
 Sean Fox
 Bridget Galloway
 Jennifer Kingaby
 Mary Lancaster
 Jackie Lewis
 Faiza Lotfi
 Simone McKoy
 Sue Plain
 Monica Powell
 Esther Rey
 Jon Rogers
 Kim Silver
 Helen Steel
 Simon Steptoe
 Vicky Easton
 Helen Chater (in attendance)

UNITE

Onay Kasab
Danny Hogan
Kathy Smith
Susan Matthews
Kevin Simmons
Sean Ramsden
Nick Long

GMB

Dave Powell
Eileen Theaker
Jackie Nield
Wendy Whittington
Penny Robinson
Peter Murphy
Vaughan West

6. Minutes of the GLEF meeting held on 9 February 2015: The minutes of the joint meeting of the 9 February 2015 were agreed as a correct record. The following were noted:

- Cllr Alison Kelly (Camden) was omitted from the attendance list for the 9 February 2015 meeting but did attend.
- Cllr Toni Letts (Croydon) is the representative for GLEF and not the deputy.

7. Matters Arising: Item 6 – Collective Investment Vehicle (CIV): Vicky Easton (UNISON) requested an update on the following:

- The trade union side understand that CIV have recently let a tender to Capita and asked why this had not been awarded in-house?
- Which boroughs have now joined CIV?

The Employers Secretary agreed to email the unions responses to the above.

There were no further matters arising from the minutes of the 9 February 2015.

8. Care Act 2014 and Workforce Related Aspects: Phil Porter, in his role as ADASS National Workforce and Strategic Director for Adult Social Services, LB Brent, presented a summary of the regional work undertaken in supporting London boroughs in implementing the Care Act (2014). The key focus was on the workforce related aspects.

Overview: Social care comprises personal care and practical support for adults with physical disabilities, learning disabilities, or physical or mental illnesses, as well as support for their carers. Services aim to enhance adults' quality of life, delay and reduce the need for care, ensure positive care experiences, and safeguard adults from harm.

Publicly funded care makes up only a minority of the total value of care, and this proportion is decreasing. Most care and support is provided unpaid by family, friends and neighbours ('informal care'), while many adults pay for some or all of their formal care services. Local authorities provide a range of universal and preventative services, many of which are available without assessment of need. Local authorities commission most care from the private and voluntary sectors, with home care and care homes the most common services.

Legislative and other changes are increasing the role of adults' in shaping their own care and support, diversifying the types of care available and changing how adults access it. The Care Act aims to rationalise local authorities' obligations, to introduce new duties based on individual wellbeing and to

mitigate pressures on self-funders and carers.

The Future Care Workforce¹ noted that the adult social care sector in England will need to add approximately 1 million workers by 2025 in response to population ageing and the implied increase in the numbers of people with disabilities. The workforce will also have to be increasingly diverse in order to deliver a more personalised service to those in need of care and support.

Social care workforce in London²: The London region has a large spread of different social care services, the majority of which are care homes without nursing (46%), with nursing (14%) and domiciliary care (40%). The majority (76%) of establishments in the London region are in the independent sector, local authorities make up only 8% of the establishments with the rest (15%) from other sectors.

The workforce in the London region includes 185,000 people working in 195,000 jobs (some workers have jobs with more than one employer). The majority of these jobs (76%) and workers (78%) are in the independent sector. Local authorities have a much smaller workforce with an estimated 11% of jobs and workers.

The private sector is by far the largest employer in the London region, employing over two thirds (or 110,000) of all adult social care workers. The voluntary sector employs a fifth of all workers (39,000) while the statutory (local authority) sector employs approximately 15,000 workers.

An estimated half (76,000) of all adult social care workers are employed in domiciliary care settings while a further 36% (or 58,000) are employed in residential care settings. The remaining 28,500 workers are employed in adult community care, adult day care and other care settings.

Almost three quarters of the workforce are estimated to be working in a direct-care providing role, this equates to over 120,000 workers, 98,000 of these being care workers. An estimated 15,000 are working in a managerial or supervisory role while 9,500 are working in a professional role (e.g. social workers 2,900 and registered nurses 5,700). Lastly, there are around 17,000 people working in an 'other' role which includes administrative staff and ancillary staff.

Workers in the main services in the London region are on a variety of contract types, the majority are on a zero hours contract (52,000). In terms of contract types by sector, the private sector care have the highest percentage of workers who are on zero hours contract (39%). The statutory local authority sector have the largest percentage of workers operating on flextime arrangements (30%) and the voluntary sector has the largest percentage who are on annualised hours contracts (36%).

Care Act (2014): The Care Act (2014) received Royal Assent on 14 May 2014 and is the biggest change to adult social care law in over 60 years. The Act simplifies obligations on local authorities and introduces new social care duties based on individual wellbeing.

Most of the Act's changes took effect in April 2015. However, the major reforms to the way social care is funded, including the care cap and care account and new power to establish an appeals mechanism, will not come into operation until April 2016.

The Act is built around people, it:

- Ensures that people's well-being, and the outcomes which matter to them, will be at the heart of every decision that is made;
- Puts carers on the same footing as those they care for;
- Creates a new focus on preventing and delaying needs for care and support, rather than only intervening at crisis point, and building on the strengths in the community;
- Embeds rights to choice, personalised care plans and personal budgets, and ensuring a range of high quality services are available locally.

The Act makes care and support clearer and fairer, it:

¹ [Franklin, B \(2014\)](#)

² [Skills for Care \(2015\)](#)

- Extends financial support to those who need it most, and protects everyone from catastrophic care costs through a cap on the care costs that people will incur;
- Ensures that people do not have to sell their homes in their lifetime to pay for residential care, by providing for a new universal deferred payments scheme;
- Provides for a single national threshold for eligibility to care and support;
- Supports people with information, advice and advocacy to understand their rights and responsibilities, access care when they need it, and plan for their future needs;
- Gives new guarantees to ensure continuity of care when people move between areas, to remove the fear that people will be left without the care they need;
- Ensures markets are developed to meet individuals' needs;
- Includes new protections to ensure that no one goes without care if their provider fails, regardless of who pays for their care.

The most significant areas of concern include:

- Unknown demand from carers and the associated costs;
- Unknown demand from self funders and potential impact of market equalisation;
- Staffing capacity to meet increased demand;
- Legal challenges – there is a concern about a potential increase in legal challenges as people test the Care Act legal framework.

Although not directly related to the Care Act, local authorities are facing £300 - £500k additional costs following the 'Cheshire West' judgement concerning the living arrangements of three mentally incapacitated individuals. It decided that all three were subject to a deprivation of their liberty. This judgment is important because it clarified the law around Deprivation of Liberty Safeguards (DoLS) and introduced an 'acid test' to work out whether or not a deprivation of someone's liberty is taking place.

Work undertaken regionally to support the workforce in implementing the Care Act:

LondonADASS supported local authorities preparation for implementing April 2015 changes through a workforce development fund. All London local authorities bid for the monies and were successful. Local authorities reported that the monies helped significantly in supporting them to deliver Care Act training in a short period of time. The monies helped local authorities to communicate and engage with staff (from all disciplines / areas) and provided local authorities with assurance that staff were equipped to perform their roles in accordance with the requirements of the Care Act. This reduced the risk of legal challenge and helped ensure that clients benefit from the provisions of the Care Act.

Legal training – LondonADASS ran two legal training events (repeated due to demand) that were sponsored by the national Programme Management Office. A total of 170 attended over the two events, mainly local authority lawyers. Excellent feedback was received from attendees and the work is now taken forward by the regional Care Act lawyers group.

Development of commissioning staff - Estimated 700 staff across London, development need identified by the commissioning network, and being tackled through the national work and close working with the London commissioning network.

LondonADASS has continued to work with regional colleagues to agree an architecture for delivering the workforce agenda through a series of networks. Our main goal over the next weeks is to agree a pan-London workforce plan.

Future challenges and next steps: London Living Wage (LLW) and UNISON Ethical Care Charter:

These are issues that are important for a number of boroughs, and LondonADASS is interested to identify the evidence base for these two areas specifically in relation to improving outcomes and managing overall costs (in other words, you may pay a little more per hour, but your system wide costs go down).

The national ADASS Workforce Development Network is holding a priorities setting workshop on 3rd July 2015. A wide range of participants including service users, providers, local authority representatives and care staff have been invited to help inform the work of the network. The output of this work will then be used to shape the pan-London workforce plan.

We have continued to use the results from the national stocktakes to inform how best to add value regionally. Phil Porter (London ADASS workforce lead) acts as the fulcrum for overseeing the picture in London in relation to implementation, identification of risks and sharing good practice.

The union side raised concerns around the Care Certificate as this is self-accredited and some people are being asked to pay for the accreditation themselves.

The certificate has been developed with a set of minimum standards for induction training before care and support workers are allowed to work unsupervised. People need to be properly inducted to a job not just put through a tick-box exercise.

The union side made colleagues aware of UNISON's "Save Care Now Campaign" - <http://www.savecarenow.org.uk/> - to raise the voices of homecare workers and improve the homecare sector.

UNISON are calling on councils to sign UNISON's Ethical Care Charter, a set of commitments that together ensure the health, safety and the dignity of the UK's most vulnerable people.

Cllr Doug Taylor (Chair) thanked Phil Porter for an excellent presentation. Cllr Angela Harvey (Westminster) also thanked Phil and asked that colleagues have an update at a future GLEF meeting in either February or July 2016.

9. Update on National Pay Negotiations 2016/17: Sue Plain reported that the unions understood that the pay roadshows have slipped from August to September 2015. The Employers Secretary responded that London was the last scheduled roadshow on 2 October 2015.

10. Update on London Living Wage (LLW): Vicky Easton (UNISON) stated that it was the unions understanding that RB Kingston had recently agreed to pay the LLW.

11. GLPC Job Evaluation Scheme: Selena Lansley (Employers Side Secretary) informed colleagues on behalf of the joint secretaries that this was an information item.

The GLPC Job Evaluation Scheme is a product that was developed in 2000 in the main to support implementation of single status in response to the needs around addressing any potential equal pay risks. The scheme is accompanied by a code of good practice and a framework procedure to inform local arrangements.

The Joint Secretaries recently agreed that a light touch of the scheme's conventions be updated in terms of language.

In summary:

- Face validity of the scheme as some of the examples and the language is no longer common practice. The scheme is 15 years old.
- The London Agreement states that the scheme will be maintained and reviewed by GLPC.

It was agreed that an update would be provided at the GLEF meeting scheduled for 12 February 2016.

12. Any Other Business: Vaughan West (Vice-Chair) enquired whether following yesterday's emergency budget any analysis had been undertaken on funding for London local government?

The Employers Secretary responded that no analysis had been seen as yet.

Vaughan West (Vice-Chair) informed colleagues that this was the last meeting for Kevin Simmons (Unite). Cllr Doug Taylor (Chair) gave thanks for all the support and hard work Kevin has given the committee over the years and wished him well for the future.

There was no further business.

The meeting was concluded at 12.38pm

13. Date of Next Meeting

Thursday 11 February 2016

Party Group meetings: 10am

Employers Side meeting: 10.45am

Joint Meeting: 11.30am

Venue: London Councils offices

Report from the Grants Committee AGM Item no: – 15 July 2015

Report by: Ana Gradiska **Job title:** Principal Governance and Projects Officer
Date: 13 October 2015
Contact Officer: Ana Gradiska
Telephone: 020 7934 9781 **Email:** Ana.gradiska@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' Grants Committee AGM held on 15 July 2015.

Recommendations: For information.

1. Attendance: Cllr Darren Rodwell (LB Barking and Dagenham), Cllr Don Massey (Bexley), Cllr Stephen Carr (LB Bromley), Cllr Abdul Hai (LB Camden), Cllr Ranjit Dheer (Cllr Ealing), Cllr Yasmin Brett (LB Enfield), Cllr Jackie Smith (Dep – LB Greenwich), Cllr Jonathan McShane (LB Hackney), LB Sue Fennimore (LB Hammersmith and Fulham), Cllr Sue Anderson (LB Harrow), Cllr Melvin Wallace (LB Havering), Cllr Gerard Hargreaves (RB Kensington and Chelsea), Cllr Paul McGlone (Chair – LB Lambeth), Cllr Edith Macauley (LB Merton), Cllr Forhad Hussain (LB Newham), Cllr Dev Sharma (LB Redbridge), Cllr Michael Situ (LB Southwark), Cllr Liaquat Ali (LB Waltham Forest). London Councils officers were in attendance.

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

2. Apologies: Jeremy Mayhew (City of London), Denise Scott-McDonald (LB Greenwich – Cllr Jackie Smith deputising), Cllr Peter Morton (LB Haringey), Cllr Asima Shaikh (LB Islington), Cllr Julie Pickering (RB Kingston), Cllr Joan Millbank (LB Lewisham) Cllr Meena Bond (LB Richmond), Cllr Simon Wales (LB Sutton) and Cllr James Maddan (LB Wandsworth).

3. Declaration of Interest

There were no declarations of interest.

4. Acknowledgement of new members of the Grants Committee

New members were welcomed to the Grants Committee.

5. Election of Chair of the Grants Committee for the 2015/6 Municipal Year

Cllr Paul McGlone was re-elected as Chair of the Grants Committee.

6. Election of Vice-Chairs for the Grants Committee for the 2015/16 Municipal Year

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

7. Election of the Grants Executive for the 2015/16 Municipal Year

The following members were appointed to the Grants Executive:

- Cllr Paul McGlone
- Cllr Joan Millbank

- Cllr Forhad Hussain
- Cllr Stephen Carr
- Cllr Simon Wales
- Cllr James Maddan
- Cllr Gerard Hargreaves
- Cllr. Asima Shaikh

8. Minutes of the Grants Committee AGM held on 16th July 2014 (for noting – previously agreed)

These were noted.

9. Minutes of the Grants Committee held on 25th March 2015

These were agreed.

10. Draft Minutes of the Grants Executive on 22 June 2015 (for noting)

These were noted.

11. Operation of the Grants Committee

Members agreed the Terms of Reference and the programme of Grants Committee meetings, below:

Grants Main Meeting		
Date	Time	Main Business
18 November 2015	11.00 am	
23 March 2016	11.00 am	
6 July 2016 (AGM)	11.00am	AGM
Grants Executive		
Date	Time	Main Business
16 September 2015	2:00 pm	Grants Executive
2 March 2016	2:00 pm	Grants Executive

12. Constitutional Matters

Members noted the changes to London Councils' constitutional documents.

13. Grants Programme Performance Report – Year 2

The Head of Grants introduced this report and said that:

- London Councils' grants programme is in year three of a four-year cycle, 2013/14 to 2016/17.
- In terms of performance against profile:
 - priority 1: Homelessness, was 39% above target
 - priority 2: Sexual and domestic violence, was 21% above target
 - priority 3: ESF tackling poverty through employment, was 4% below target priority. However, this quarter's performance has been adversely affected by the on-going delays in the new UK-ESF programme. London Councils believes that this uncertainty is

causing high staff turnover and capacity issues. Members were also asked to note that ESF payment is directly performance related, so under-performance means less money is paid to the providers (on a quarterly basis), and that the London Councils ESF programme continues to perform well compared to other ESF programmes in London.

- priority 4: Capacity building, was 17% above target

14. Proposal for Review of Grants Programme – post 2017

Members said that the consultation should include an executive summary of the programme and its achievements.

Stephen Car wanted it recorded that he believes that recommendation 1 - *that the purpose of the review should be to establish what the future of the programme should be beyond the end of the current four years of the programme in March 2017* - should be split into two parts: 1i - *should the Grants programme continue*; and 1ii - *what the future of the programme should be beyond the end of the current four years of the programme*.

The meeting finished at 12:00

Leaders' Committee

Report from the TEC Executive Sub Committee – 16 July 2015

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 13 October 2015
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 13 October 2015

Recommendations: For information.

1. Attendance: Cllr Julian Bell (LB Ealing – Chair), Cllr Alex Sawyer (LB Bexley), Cllr Daniel Anderson (LB Enfield), Cllr Claudia Webbe (LB Islington), Cllr Tim Coleridge (RB Kensington & Chelsea), Cllr Alan Smith (LB Lewisham), Cllr Nick Draper (LB Merton – Deputy), Cllr Darren Merrill (LB Southwark), Cllr Jill Whitehead, Cllr Caroline Usher (LB Wandsworth) and Cllr Heather Acton (City of Westminster)

2. Apologies for Absence
Cllr Feryal Demirci (LB Hackney)

3. Ultra Low Emission Vehicle (ULEV) Delivery Plan

Lilli Matson (Head of Strategy and Outcome Planning, Environment, TfL) and Rhona Munck (Senior Strategy and Planning Manager – Environment, TfL) gave a presentation to members on a new Ultra Low Emission Vehicle (ULEV) Delivery Plan that TfL was developing. The Delivery Plan had been produced in consultation with the ULEV industry and boroughs. The following comments were made:

- Challenges faced by London included reducing CO² and NO² emissions and population growth
- Part of the agenda to improve air quality was to drive the uptake of low emission vehicles
- Electric Vehicle (EV) Delivery Plan (2009) – to have 100,000 EVs in London as soon as possible and to make EVs more commonplace in London
- ULEV Delivery Plan to be launched on 22 July 2015 – 15 key actions in order to support the uptake of ULEVs and links to wider demand management measures (eg Car Club Strategy)

A “Q and A” session took place

The TEC Executive Sub Committee **(i)** agreed that a borough action plan for ULEVs was now required and details of this would be brought to a future TEC Executive Sub Committee meeting, and **(ii)** agreed that further updates and reports from TfL would be brought TEC as the Plan evolved.

4. Request for Approval to Consult on an Immobilisation Charge for Builders' Skips under the LLA and TfL 2013 Act

The TEC Executive Sub Committee considered a report that requested approval for officers to consider an immobilisation release charge for builders' skips, following the approval that was given to officers at the TEC Main meeting on 19 March 2015, to consult on penalty charge levels for builders' skips contraventions under the LLAA and TfL Act.

The TEC Executive Sub Committee approved for officers to undertake further work and consult publically on an immobilisation release charge under the 2013 Act for builders' skips contraventions. The results would be reported to the TEC Main meeting in October 2015, alongside the further work already intended to take place in order to bring forward proposals for setting penalty levels.

5. Transport and Mobility Services Performance Information

The TEC Executive Sub Committee received a report that detailed the London Councils' Transport and Mobility performance information for Quarter 3 2014/15 and Quarter 1 2015/16. An updated Appendix 1 of the performance information was tabled at the meeting.

The TEC Executive Sub Committee: **(i)** noted the London Councils' Transport and Mobility performance information for Quarter 3 2014/15 and Quarter 1 2015/16, and **(ii)** agreed that the TEC Executive Sub Committee meeting on 15 September 2015 be held at the new appeals hearing centre at Chancery Exchange

6. Transport and Environment Committee Pre-Audited Financial Results 2014/15

The TEC Executive Sub Committee received a report that detailed the pre-audited final accounts for the Transport and Environment Committee for 2014/15.

The TEC Executive Sub Committee: **(i)** Noted the provisional pre-audited final accounts for 2014/15, which showed an indicative surplus of £1.107 million for the year, **(ii)** noted the provisional level of reserves, as detailed in paragraphs 37-38, and the financial outlook, as detailed in paragraphs 39-41 of the report, and **(iii)** agreed that Frank Smith would look into increasing the percentage of TEC reserves and having a "ceiling" at which reserves were returned to the boroughs.

7. Minutes of the TEC Main meeting held on 18 June 2015

The Minutes of the TEC Main meeting held on 18 June 2015 were noted.

8. Minutes of the TEC Main meeting held on 11 December 2014 (for noting)

Subject to a minor amendment, the minutes of the TEC Main meeting held on 11 December 2014 were noted

9. Minutes of the TEC Executive Sub Committee held on 12 February 2015

The minutes of the TEC Executive Sub Committee held on 12 February 2015 were agreed as being an accurate record.

The meeting finished at 10.53am.

Pensions CIV Sectoral Joint Committee (PSJC) Annual General Meeting - 21 July 2015

AGM Minutes of a meeting of the Pensions CIV Sectoral Joint Committee held on Tuesday 21 July 2015 at 10:30am in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

City of London	Mark Boleat (Chair)
Barking and Dagenham	-
Barnet	Cllr Mark Shooter
Bexley	Cllr John Waters
Brent	Cllr George Crane
Camden	Cllr Rishi Madlani
Croydon	-
Ealing	Cllr Yvonne Johnson
Enfield	Cllr Toby Simon
Greenwich	-
Hackney	Cllr Roger Chapman
Hammersmith and Fulham	Cllr Iain Cassidy
Haringey	-
Harrow	Cllr Bharat Thakker (Deputy)
Hounslow	Cllr Mukesh Malhotra
Islington	Cllr Richard Greening
Kensington and Chelsea	-
Kingston Upon Thames	-
Lambeth	Cllr Adrian Garden
Lewisham	Cllr Mark Ingleby
Merton	-
Newham	-
Redbridge	Cllr Ross Hatfull (Deputy)
Richmond Upon Thames	Cllr Thomas O'Malley
Southwark	Cllr Fiona Colley
Sutton	Cllr Sunita Gorden
Tower Hamlets	-
Waltham Forest	-
Wandsworth	Cllr Maurice Heaster
City of Westminster	-

Apologies:

Greenwich	Cllr Don Austen
Harrow	Cllr Adam Swersky
Kingston	Cllr Eric Humphrey
Kensington & Chelsea	Cllr Quentin Marshall
Newham	Cllr Forhad Hussain
Redbridge	Cllr Elaine Norman
Westminster	Cllr Suhail Rahuja

Officers of London Councils were in attendance as was Mr Chris Buss (Chair of the Technical Sub-Group).

1. Announcement of Deputies

- 1.1. Apologies for absence and deputies were 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. Councillor Heaster nominated Mark Boleat to be Chair of the Pensions CIV Sectoral Joint Committee. Councillor. Councillor Yvonne Johnson seconded the nomination. Mark Boleat was elected as Chair of the Pensions Sectoral Joint Committee.

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

- 4.1. Councillor Yvonne Johnson and Councillor Maurice Heaster were nominated as the vice chairs of the Pensions CIV Sectoral Joint Committee. Councillor Yvonne Johnson and Councillor Maurice Heaster were duly elected as the vice chairs of the Pensions CIV Sectoral Joint Committee.

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

- 5.1. The membership of the Pensions CIV Sectoral Joint Committee was noted.

The meeting finished at 12.10pm

Pensions CIV Sectoral Joint Committee (PSJC)

21 July 2015

Minutes of a meeting of the Pensions CIV Sectoral Joint Committee held on Tuesday 21 July 2015 at 10:30am in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

Present:

City of London	Mark Boleat (Chair)
Barking and Dagenham	-
Barnet	Cllr Mark Shooter
Bexley	Cllr John Waters
Brent	Cllr George Crane
Camden	Cllr Rishi Madhani
Croydon	-
Ealing	Cllr Yvonne Johnson
Enfield	Cllr Toby Simon
Greenwich	-
Hackney	Cllr Roger Chapman
Hammersmith and Fulham	Cllr Iain Cassidy
Haringey	-
Harrow	Cllr Bharat Thakker (Deputy)
Hounslow	Cllr Mukesh Malhotra
Islington	Cllr Richard Greening
Kensington and Chelsea	-
Kingston Upon Thames	-
Lambeth	Cllr Adrian Garden
Lewisham	Cllr Mark Ingleby
Merton	-
Newham	-
Redbridge	Cllr Ross Hatfull (Deputy)
Richmond Upon Thames	Cllr Thomas O'Malley
Southwark	Cllr Fiona Colley
Sutton	Cllr Sunita Gorden
Tower Hamlets	-
Waltham Forest	-
Wandsworth	Cllr Maurice Heaster
City of Westminster	-

Apologies:

Greenwich	Cllr Don Austen
Harrow	Cllr Adam Swersky
Kingston	Cllr Eric Humphrey
Kensington & Chelsea	Cllr Quentin Marshall
Newham	Cllr Forhad Hussain
Redbridge	Cllr Elaine Norman
Westminster	Cllr Suhail Rahuja

Officers of London Councils were in attendance as was Mr Chris Buss (Chair of the Technical Sub-Group).

1. Announcement of Deputies

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

2. Declarations of Interest

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

3. Minutes of the PSJC Meeting held on 27 May 2015

- 3.1. The minutes of the PSJC meeting held on 27 May 2015 were agreed as an accurate record.

4. Programme Overview and Risk Register

- 4.1. The CEO introduced the report that provided members with an update on progress against the overall implementation programme plan and the high level programme risk register.
- 4.2. The CEO confirmed that the submission of the Operator Regulatory Application to the FCA went in two weeks later than originally scheduled. This had a knock-on effect on the business plan and a number of items had shifted down the plan as a consequence. The revised timetable was deliverable.
- 4.3. Councillor Heaster voiced concern that London Councils had still not been able to issued invoices to the boroughs for the 2015/16 tranche of £25,000. The CEO said that a number of discussions had taken place on this matter and a specification had now gone out for an external company to provide finance and accounting services which, once implemented, would facilitate the issuing of the relevant invoices.
- 4.4. The CEO said that he was confident in being able to deliver the revised timetable, bar any unforeseen issues that might arise in the future. He confirmed that there were no cost implications caused by the delay to the project.
- 4.5. The CEO emphasised the importance in taking the time to get the CIV right. The Chair felt that the original timetable was probably over ambitious in the first place
- 4.6. The CEO informed members that there were three changes to the risk register:
 - i. a reduced risk level to risk number 6 regarding Government action – a meeting had taken place with officers at the DCLG and the Treasury, who were positive about the CIV;
 - ii. The addition of new risk 7 – ‘Not delivering savings’;
 - iii. The addition of new risk 8 – ‘Unexpected costs’.
- 4.7. Councillor Greening said that there would be a number of boroughs that would not achieve any savings initially, and this needed to be reflected in the description of risk 7. The CEO undertook to make the necessary amendments.

4.8. The Chair noted that savings would be forthcoming to all boroughs once the CIV was up and running

4.9. **The Committee:**

- Noted the contents of the report, and
- Noted that the CEO would amend risk 7 as necessary

5. Regulatory Capital Requirements

5.1. The CEO introduced the report that informed members of the requirement for the operator of the ACS to have a sufficient level of regulatory capital (ie “own funds”) in place at all times.

5.2. Councillor Johnson said that option 3 – “leave RC as the responsibility of the boroughs to cover as the owners of the company”, would be the preferred choice. Councillor Heaster said that he also supported this option.

5.3. The CEO noted that the regulatory capital would be invested to generate a return which would become part of the company’s surplus.

5.4. **The Committee:**

- Considered the issues raised in the report
- Agreed to the proposals outlined in paragraph 16 of the report, and
- Agreed that option 3 – “leave RC as the responsibility of the boroughs to cover as the owners of the company” would be the preferred approach.

6. Constitutional Matters

6.1. The CEO said that the process was underway to procure an internal auditor for the company, and external auditor and one for the fund. London Councils would also be procuring a new auditor.

6.2. **The Committee** agreed to the proposed amendments to London Councils’ Standing Orders, as detailed in Appendix 1 of the report.

The meeting finished at 12.10pm

**Minutes of the Meeting of the Executive
Tuesday 8 September 2015 10:00am**

Mayor Jules Pipe was in the chair

Present

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

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

Ms Lesley Seary - Islington
Mr Nick Walkley - Haringey

1. Apologies for absence and announcement of deputies

Apologies for absence were received from Cllr Ray Puddifoot MBE for whom Cllr Ravi Govindia substituted.

2. Declaration of interest

Cllr Julian Bell declared a disclosable pecuniary interest in item 6 *Legislation affecting Housing in London: proposed influencing activity* as a tenant of a housing association. He indicated that he would not leave the room when the item was dealt with since there were other matters in the report on which he was not conflicted but he would take no part in the discussion or voting on the item.

3. Minutes of the Executive Meeting held on 23 June 2015

The minutes of the Executive meeting held on 23 June 2015 were agreed.

The Chair reported a request by Cllr Ruth Dombey that an item on Refugees be added to the agenda.

The discussion of the next three items; 4 **Devolution and Public Service Reform – oral update**, 5 **Spending Review 2015 Submission** and 6 **Legislation affecting Housing in London: proposed influencing activity** was taken together

The Chief Executive introduced the items saying:

- The London Proposition submission on Devolution and Public Service Reform had been based on the document Leaders' Committee had agreed in July
- It had been modified to take account of officials requests for more detail in respect of Skills, Employment and Business Support and Crime and Criminal Justice
- The elements on Health reflected the outcome of a meeting of the Chair, Cllr O'Neill and Mr Simon Stevens, Chief Executive of NHS England, along with the Mayor of London, at the end of July which had agreed a joint platform based on a local, sub-regional and pan-London approach
- The approach to Housing reflected the type of issues raised by Leaders previously but, given wider discussion on the likely shape of Housing in the housing legislation, it did not deal with all of those items. They would be subject to separate consideration
- On governance of a devolved settlement, the July document had been updated to clarify respective scrutiny responsibilities, strengthen the protection of minority interests and emphasise the voluntary nature of joint arrangements between boroughs, and between boroughs and the Mayor.

There then ensued a discussion.

Cllr Philippa Roe raised queries in respect of the Housing Bill issues in connection with asset sales and rent levels.

Mr Nick Walkley on behalf of the Devolution and Public Service Reform sub-group and London Councils officers set out details of discussions with GLA and Government officials and their understanding of GLA discussions with Government officials.

The Corporate Director, Policy and Public Affairs said:

- At its meeting in June the Executive had agreed the following principles to guide its approach to the Government's proposed changes to housing policy in London, that any change would involve:
 - An increase in housing delivery
 - A net increase in affordable housing
 - Protection for London's social mix
 - No outflow of funds from London.
- Work had progressed with the GLA in order to seek to reflect these principles

Cllr Peter John said:

- The discussion at the Congress Executive in July had emphasised the importance of a collaborative approach to addressing London's housing crisis.

Mayor Sir Steve Bullock said:

- Fleshing-out proposals needed to happen and it needed to happen urgently.

Mr Mark Boleat:

- Detailed the commitments the City had made to building housing on land under its control
- Argued that one problem was the lack of planning officers who were often attracted into the private sector by higher salaries
- The reason why builders held ten-year land-banks was that it often took that long for development proposals to come to fruition and the process needs to be speeded up.

Cllr Claire Kober OBE argued that:

- Officers had not been given sufficiently clear a mandate by members to be able to go away and negotiate
- A twin-track approach was required involving:
 - a small sub-group fleshing-out details
 - a concerted effort to persuade boroughs not represented on the Executive of a joint approach

Cllr Ravi Govindia argued that an estate regeneration strategy based on shared ownership would be more likely to succeed than one based purely on rental tenure.

Cllr Teresa O'Neill OBE said:

- Ministers expected London to deliver a solution
- Representations could be made separately to the Government on the definitions in the homelessness legislation which had not been reviewed for some time.

It was agreed that this could be raised, but it was important to guard against this being used as a distraction from the key arguments about how the Government would implement its commitment.

Cllr Ruth Dombey:

- Said some boroughs would be more ambitious and with speed being of the essence it was important to push forward with those boroughs. Both Cllr Claire Kober and the Chair concurred with her sentiments
- She proposed an amendment to the second bullet point in the recommendations by adding after *London's housing...*

...and to exempt supported and specialist housing from it

In response to a question from Cllr Roe, the Chief Executive reported on the point recorded in the document in relation to Governance of any devolved settlement.

The Chair concluded by saying:

- The member sub-group proposal would have to address the need to influence prospective housing legislation urgently
- On Cllr Roe's point on governance, there was a political task of ensuring that City Hall shared the view of Leaders about importance and urgency
- On the specific issue of the Spending Review 2015 Submission time had not been sufficient for its discussion but any member of the Executive with points to make about it should forward them to the Chief Executive.

The Executive agreed:

- To note the Spending Review 2015 submission
- To support London Councils' proposals for engagement with officials and parliamentarians in relation to the Housing Bill to propose alternative options that would ensure the interests of London were protected in the implementation of the extended Right to Buy and forced high value council stock sales in the capital
- To establish a small member sub-group to oversee work to influence the Housing Bill
- To raise separately issues around definitions in the homelessness legislation
- To utilise political contacts to emphasise the urgency of moving ahead with agreed governance proposals with City Hall
- To support London Councils engaging with parliamentarians through the passage of the Welfare Reform and Work Bill to seek to amend the 1% cuts to social rents to reduce the negative impact on London's housing and to exempt supported and specialist housing from it

- To support London Councils engaging with parliamentarians through the passage of the Welfare Reform and Work Bill to mitigate the impact of the lower benefit cap on homelessness and temporary accommodation in London
- To note the potential cumulative impacts of these policies and others discussed in this report and support London Councils pursuing a range of options for mitigations with government

7. Month 3 Revenue Forecast 2015/16

The Director of Corporate Resources introduced the report saying that the overall Month 3 forecast surplus of £1.671 million was influenced by a number of factors including:

- Uncertainty over the start of the ESF funding
- A saving of £200,000 in respect of journeys undertaken by independent bus operators as part of the Freedom Pass scheme
- Receipts from Lorry Control PCNs which were forecast to exceed the budget of £550,000 by £281,000

The forecast level of uncommitted reserves by the end of the year was estimated to be £8,677,000.

The Executive agreed to note the overall forecast surplus as at 30 June 2015 (Month 3) of £1.671 million and note the position on reserves.

8. Debtors Update Report

The Director of Corporate Resources introduced the report saying that the figure of £3,680,000 given in the report for outstanding debts had now been reduced to £1,300,000 and the specific figures that the Executive were being asked to note had all been similarly reduced

The Executive agreed to note:

- The level of outstanding debt, at the time of the dispatch of the report, of £347.380 in relation to borough, TfL and GLA invoices raised up until 31 December 2014, a reduction on the outstanding figure of £1.481 million reported to the Executive at it's meeting on 3 March 2015
- The level of outstanding debt, at the time of the dispatch of the report, of £3,182,000 in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2015
- The level of outstanding debt, at the time of the dispatch of the report, of £497,977.23 in relation to other debtors invoices raised up until 31 July 2015 and
- The specific action being taken in respect of significant debtors, as detailed in the report.

9. Business Planning Timetable for 2016/17

The Executive agreed to note the process and timetable for delivering London Councils corporate business plan for 2016/17.

10. Nominations to Outside Bodies

The Executive agreed to note the report.

11. Any Other Business

Refugees

The Chair asked Cllr Ruth Dombey to introduce the item and she did as follows:

- The exodus of displaced persons from the Middle East was the largest humanitarian crisis of our lifetime

- Her borough, Sutton, had been inundated with offers of help
- She was not suggesting any joint plan between boroughs but a sharing of intelligence and would be interested to know if there was any desire to co-ordinate

The Chief Executive replied that the Chair and a number of borough leaders would attend a meeting at City Hall on 10 September on the matter.

Cllr Ravi Govindia asked about the legal status of any refugees who arrived in the UK and what sort of financial commitment was required and Cllr Lib Peck suggested London Councils could collate the boroughs' responses on practice so far

The Chair suggested, and the Executive agreed, to two strands of work:

- Collate boroughs' responses
- Establish what different possible scenarios would mean in terms of funding

and base a lobbying position on the conclusions arrived at.

An update note would be sent to the Executive.

The Executive ended at 11:45

Action points

	Item	Action	Progress
4-6	<p>Devolution and Public Service Reform – oral update, Spending Review 2015 Submission and Legislation affecting Housing in London: proposed influencing activity</p> <ul style="list-style-type: none"> • A twin-track approach to be developed involving: <ul style="list-style-type: none"> ○ a small sub-group fleshing-out details ○ a concerted effort to persuade 	PAPA Housing	

boroughs not represented on
the Executive of a joint
approach

- Amendment to the second bullet point in the recommendations by adding after *London's housing...*

...and to exempt supported and specialist housing from it

- Any member of the Executive with points to make about the Spending Review 2015 Submission should forward them to the Chief Executive.
- Engage with officials and parliamentarians in relation to the Housing Bill to propose alternative options that would ensure the interests of London were protected in the implementation of the extended Right to Buy and forced high value council stock sales in the capital
- Establish a small member sub-group to oversee work to influence the Housing Bill
- Raise separately issues around definitions in the homelessness legislation
- Utilise political contacts to emphasise the urgency of moving ahead agreed governance proposals with City Hall
- Engage with parliamentarians through the passage of the Welfare Reform and Work Bill to seek to amend the 1% cuts to social rents to reduce the negative impact on London's housing and to exempt supported and specialist housing from it.
- Engage with parliamentarians through the passage of the Welfare Reform and Work Bill to mitigate the impact of the lower benefit cap on homelessness and temporary accommodation in London.

AOB

Refugees

- Collate boroughs' responses
- Establish what different possible scenarios would mean in terms of funding

PAPA Strategic Policy

Borough input
being sought via
Comms and
Housing networks.

An update note would be sent to the Executive.