

London Councils

Minutes of the London Councils Leaders' Committee held on 7 June 2016
Mayor Jules Pipe chaired the meeting

Present:

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

Cllr Darren Rodwell
Cllr Richard Cornelius
Cllr Teresa O'Neill OBE
Cllr M. A. Butt
Cllr Stephen Carr
Cllr Sarah Hayward
Cllr Tony Newman
Cllr Julian Bell
Cllr Doug Taylor
Cllr Denise Hyland
Mayor Jules Pipe
Cllr M. Cartwright
Cllr Claire Kober
Cllr Sachin Shah
Cllr Roger Ramsey
Cllr David Simmonds
Cllr S. Curran
Cllr Richard Watts
Cllr Nicholas Paget-Brown
Cllr Kevin Davis
Cllr Lib Peck
Mayor Sir Steve Bullock
Cllr Stephen Alambritis
Cllr Lester Hudson
Cllr Elaine Norman
Cllr Lord True
Cllr Peter John OBE
Cllr Ruth Dombey
-
Cllr Clyde Loakes
Cllr Ravi Govindia
-
Mr Mark Boleat
-

Apologies:

HAMMERSMITH & FULHAM
HILLINGDON
NEWHAM
REDBRIDGE
TOWER HAMLETS
WALTHAM FOREST
WESTMINSTER

Cllr Stephen Cowan
Cllr Ray Puddifoot MBE
Mayor Sir Robin Wales
Cllr Jas Athwal
Mayor John Biggs
Cllr Chris Robbins
Cllr Philippa Roe

Ex officio (under the provisions of Standing Order 2.2)

CAPITAL AMBITION
GRANTS

Mr Edward Lord JP OBE CC
Cllr Paul McGlone

Officers of London Councils were in attendance:

1. Apologies for absence and announcement of deputies

The deputies listed above were noted.

2. Declarations of interest

Cllr Julian Bell (Labour, TEC, Ealing) declared a non-pecuniary interest in item 8 *London Housing Proposition* as a tenant of a Housing Association

3. Minutes of Leaders' Committee meeting held on 22 March 2016

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 22 March 2016.

4. Devolution and Public Service Reform – Update

The Chair introduced the report saying:

- The item provides an update on two key aspects of devolution activity:
 - It updated Leaders on negotiations with Government on
 - Employment
 - Skills and
 - Health and social care
 - It included updates from the following borough groupings:
 - Central London Forward
 - Local London
 - South London Partnership
 - West London Alliance

- On Employment, London Councils was now in an intensive phase of joint work with DWP to design the Work and Health programme, and to develop the commissioning strategy by summer 2016. We continued to push the DWP to maximise the control and influence that borough groupings would have over the local tailoring of all national programmes
- On Skills, the Government had indicated that the Adult Education Budget (AEB) would be devolved to London government from 2018/19 onwards
- On Health and Social Care, the focus across London was on supporting and learning from the five pilots, working through the pan-London Devolution Programme Board. A report later on today's agenda emphasised the importance of harnessing, not only the pilots, but also the broader health transformation agenda in order to deliver borough priorities.

Leaders' Committee agreed to note the report.

5. Business rates devolution for London

The Chair also introduced this report saying:

- It was Government's intention to allow local government *as a whole* to retain 100% of business rates by 2020
- Leaders' Committee had already agreed overarching ambitions for the reforms; to work jointly with the Mayor/GLA on a London Proposition for Business Rates; and to set up a small working group of Leaders to oversee the work
- That work had led to the draft 'Statement of Principles' being considered today – the result of broad collective discussion and input from Chief Executives, Treasurers, and the GLA – and which had been circulated and discussed informally amongst Leaders over the previous few weeks
- Government had announced its desire to work with London on piloting the introduction of the reforms, and would be consulting more broadly on the system

changes and the services to be transferred to councils, in early July

- He hoped Leaders' Committee could finalise the statement, agree it with the new Mayor, and submit it to Government as soon as possible, and certainly before the end of June.

He then invited the Interim Director: Finance, Performance and Procurement to highlight some of the key issues underlying the paper and he did as follows:

- London was different:
 - There was the challenge of sustaining economic and population growth
 - Property market and rating list were nothing like the rest of the country
- Therefore need to 'decouple' London's funding from the rest of England
 - It did not necessarily mean full 100% retained in London – although it could
 - The current revaluation approach which increased taxes in one part of the country but lowered them elsewhere benefited neither London, London businesses nor local government in the rest of the country, whose taxbase was artificially suppressed
 - Local control of thresholds, reliefs and discounts was needed to manage London's very different economic circumstances and rating list.
- Rate retention did not mean self-sufficiency for boroughs – there would be redistribution: the question was, who decided?
 - Future needs assessment should reflect London priorities and circumstances
 - Boroughs should be rewarded both for growing their economies and for contributing to the overall sustainable growth of London.
 - London government should decide
- Risk needed to be managed, whether considering the risk of appeals, decline in taxbase or spend pressure in transferred services, London needed to balance the level of risk it assumed against the level of real control it acquired.

Cllr Richard Watts (Labour, Islington) agreed with the principle but cautioned on the transfer of funding via this route for certain welfare benefits – such as Attendance Allowance and Cllr

Richard Cornelius (Conservative, Barnet) argued that there needed to be a balanced about incentive and need.

Cllr Ravi Govindia (Conservative, Wandsworth) argued that the principles on governance agreed with the previous Mayor should stand. The Chair concurred with this view.

Cllr Stephen Carr (Conservative, Bromley) felt that specific London issues needed to be reflected strongly in the Government's proposed Needs Review. This included London demographics, the cost of housing and the physical size of local authorities and the costs this could imply. Councillor Taylor also emphasised the importance of the Needs Review.

Leaders Committee agreed:

- the 'statement of principles' for business rate devolution in London, as set out in an appendix to the report
- to seek agreement with the Mayor of London to submit the statement of principles jointly by the end of June, and to delegate final approval of any significant amendments required to elected officers via the urgency procedure and
- to note that there would be ongoing discussions to explore with Government the early introduction of elements of business rate devolution in a London 'pilot'.

6. Delivering excellence in the education system in London

Cllr Peter John OBE (Labour, Children, Skills and Employment, Southwark) introduced the report as follows:

- The report outlined the key proposals in the Government's *Educational Excellence Everywhere* White Paper, and subsequent Education for All Bill, announced in the Queen's Speech on 18th May.
- The Government had moved away from its original commitment to force all maintained schools into academy status – it now planned to convert all maintained schools in underperforming or under capacity local authority areas. It was not yet clear how these would be defined and, therefore, how many schools in London could be affected. In London there was a risk that forced academisation on any scale risked destabilising an already high performing school system, particularly coming at a time when the Government planned to introduce a new National Funding Formula that was likely to see significant funding reductions to London's schools

- The White Paper outlined three key roles for local authorities in an all-academy system:
 - Ensuring every child had a school place
 - Ensuring the needs of vulnerable pupils were met
 - Acting as champions for all parents and families.
- However, the White Paper did not set out any new powers for local authorities to fulfil these substantial roles and subsequent remaining statutory duties. Without significant leverage it would be challenging for local authorities to be able to continue to deliver these duties, for example places planning, in an increasingly academised education system
- London Councils had not yet taken a public position on the proposals set out in the White Paper and Education for All Bill.

Cllr David Simmonds (Conservative, Hillingdon) endorsed the report as the right way forward and made some further points:

- On the funding formula he had a sense from discussions with Treasury officials that services covered by the High Needs Block may become a call on Business Rates or a charge on Council Tax
- London's excellent record on school improvement should be emphasised and the example of Knowsley Council illustrated the risks associated with academisation - all its secondary schools had become academies and none offered 'A' levels.

Cllr Lord True (Conservative, Richmond) also endorsed the approach set out in the report and expressed his particular concern about the unnecessary proposal to transfer land. He wanted that to be lobbied against and the Chair concurred with his view.

Leaders' Committee agreed a collective response to the proposals to inform lobbying work around the Education for All Bill, particularly in relation to:

- Increased academisation of the education system
- A newly defined role for London local government in relation to education
- Removal of responsibilities from local authorities including school improvement and alternative provision
- Ability of local authorities to deliver their remaining duties in relation to education.

7. Health and Care Transformation

Cllr Teresa O'Neill OBE (Conservative, Health and Adult Care, Bexley) introduced the report saying:

- The purpose of the report was to update colleagues on health and care transformation planning in London
- Currently, there were two significant rounds of planning activity underway which shared a common goal - to improve the quality of health care in the capital, transform how Londoners access their health and care support needs and create new financially sustainable systems. The two parallel activities were health and care devolution and Sustainability and Transformation Planning (STPs)
- The report was primarily about STPs. An STP was expected to be a five year plan to deliver the Five Year Forward View, though there was a heavy emphasis on fixing the financial gap, particularly in the first year, and to provide a coherent plan to deliver the £22 billion efficiency as part of the Spending Review agreement with Government
- In relation to devolution, the delivery of credible and convincing STPs would attract financial support which could accelerate devolution planning. It would therefore be important to ensure that pilots and STPs supported each other
- Lobbying on funding for PrEP (Pre-Exposure Prophylaxis) which was an anti-retroviral (ARV) drug which may be prescribed to HIV negative people who were at high risk of contracting HIV to help prevent them from becoming infected, had taken place
- NHSE decided it would not fund PrEP drugs because it asserted that if it commissioned PrEP, it could be at risk of legal challenge from proponents of other 'candidate' treatments and interventions, if NHS England were to commission PrEP. PrEP would therefore not go forward through the NHSE consultation process. Instead, NHSE proposed setting up 'test sites' for two years in some local authorities, where PrEP would be available to those most at risk of contracting HIV
- Clearly, deciding not to proceed with plans to fund the national provision of PrEP not only posed a risk to London's at-risk population, but appeared to attempt to shift costs from NHSE to local government

- London Councils wrote to NHS Chief Executive Mr Simon Stevens and raised the issue directly with the Public Health Minister, Ms Jane Ellison MP, at a meeting on 14th April. The Minister acknowledged the strength of feelings and NHSE announced that it would reconsider its position at a specialist commissioning meeting in May
- Having reconsidered the issue, NHSE announced on 31 May that it would not fund PrEP as it stood by its legal advice that it did not have the legal power to commission it. It also announced that it would continue to work in partnership with Public Health England to run test sites.

Cllr Julian Bell (Labour, TEC, Ealing) welcomed Cllr O'Neill's statement but pointed to the sensitivities around acute reconfiguration in NW London and the fact that councils opposed to these reconfiguration plans were being asked to sign up to them in agreeing integration plans. The new Mayor of London should be approached to take up the question as it was a pan-London issue.

Cllr Carr argued that it was a very clinically-led plan and might reflect a desire to protect positions in certain parts of the system. Cllr Richard Watts (Labour, Islington) agreed and wanted to avoid this leading to a wasted opportunity.

Cllr Roger Ramsey (Conservative, Havering) pointed out that the ambitious devolution pilots were not coterminous with STPs and this presented additional challenges.

Leaders' Committee agreed that they recognised the importance of strong and credible London Sustainability and Transformation Plans to the success of health and care devolution in the capital and agree to support local and sub-regional working which ensured devolution pilot visions, plans and strategies featured prominently in STPs.

8. London Housing Proposition

Mayor Sir Steve Bullock introduced the report as an update of the situation when the papers were circulated and Leaders' Committee agreed to note the report.

9. Minutes and Summaries

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

- GLEF – 11 February, 2016
 - GLPC – 17 March, 2016
 - TEC – 23 March 2016
 - Audit Committee – 24 March 2016
- Executive – 10 May 2016.

The meeting resolved to exclude the press and public.

The meeting ended at 12:35.