

**Minutes of the Meeting of the Executive  
Tuesday 21 June 2016 9:30am**

**Mayor Jules Pipe was in the chair**

**Present**

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

London Councils officers and Sir Derek Myers (London Councils Challenge) and Mr Ian Hickman (London Councils Challenge) were in attendance.

Before the meeting started the Chair congratulated Cllr Ruth Dombey OBE on the receipt of her honour, congratulations echoed by members of the Executive.

**1. Apologies for absence and announcement of deputies**

Apologies for absence were received from Cllr Philippa Roe for whom Cllr Ravi Govindia substituted, Cllr Lib Peck and Cllr Peter John OBE

**2. Declaration of interest**

No interests were declared.

**3. Minutes of the Executive Meeting held on 10 May 2016**

The minutes of the Executive meeting held on 10 May 2016 were agreed.

#### **4. Policy Developments following Leaders' Committee**

The Chief Executive introduced the report saying:

- The principles underpinning London Councils approach to Business Rates reform had been agreed at Leaders' Committee on 7 June
- Conversations with GLA officials and the Mayor's office had indicated likely agreement of a joint submission based on them
- A consultation paper was expected in the next couple of weeks and Communities and Local Government (CLG) officials had welcomed London Councils' approach
- Work continued as before on Skills and Employment support
- DWP officials appeared to be close to agreeing the shape of the Health and Work programme and although issues around how the funding was to be devolved remained challenging a report was likely to come to Leaders' Committee in July
- Cllr Teresa O'Neill had been preparing for the following week's meeting of the London Health Board, the first of the new Mayoralty

The chair then called on Sir Steve Bullock and Cllr Ravi Govindia to present the latest developments on Housing, Sir Steve Bullock spoke first, as follows:

- He and Cllr Govindia had had a meeting with Rt Hon Greg Clark MP, Secretary of State (SoS) for Communities and Local Government which he had found reassuring
- He had the sense that the SoS was keen to maintain the momentum that had developed through conversations with him and other ministers and the new Mayor and wanted to see a tripartite headline agreement involving Government, Mayor and boroughs
- The approach continued to be around a two-stage agreement, a first stage to be agreed over the next few weeks and detailed work over the summer
- He expected that he and Cllr Govindia would be in the room when agreement was reached and that they would be able to endorse the deal but could not commit every borough to it.

Cllr Ravi Govindia continued:

- He agreed the SoS was keen to achieve a three-way deal involving a commitment to significant increases in the supply of housing
- Boroughs put in land it would need to have a say on how land in their borough was to be used. Clearly, financial contributions needed to be accompanied by greater influence
- There was a need for hard and soft infrastructure as part of housing delivery
- Homes for London should be differentiated from Homes for Londoners, there was a need for the people who would make London vibrant
- The Government was warmer to home ownership than it was to rental and that needed to be reflected in future approaches.

Cllr Teresa O'Neill agreed for the need for a two-stage deal.

Cllr Ray Puddifoot MBE argued that if targets were to be achieved some of London's boundary needed to be extended, perhaps by 250yards, perhaps half a mile and he agreed with Cllr Govindia's point that London needed the type of people it needed for the success of the city.

Cllr Claire Kober suggested that boroughs needed collectively to be part of an initial tripartite agreement in order to demonstrate commitment. The question of London's boundary needed to be considered in the context of the Mayor's manifesto commitments and wider tactical issues.

Cllr Ruth Dombey OBE said that people were moving to live out of London while commuting back into town to work and commented on the inter-relatedness of London and surrounding areas, she said a traffic jam in Guildford had an effect on Kingston and Sutton.

Mr Mark Boleat made two points:

- London was not densely occupied compared to other major world cities and
- Travel in London was expensive.

Mayor Bullock concluded by saying in the two-stage approach there may be boroughs that would never sign up to the second stage and they would have to deal with the consequences.

## **5. London Councils – Consolidated Pre-Audited Financial Results 2015/16**

The Director of Corporate Resources introduced the report saying:

- Following the abolition of the Audit Commission Act 1998, with effect from the 2015/16 financial year, London Councils was no longer obliged to produce an annual statutory account to a statutory deadline for each of its three funding streams, as the successor legislation, the Local Audit and Accountability Act 2014, did not apply to joint committees
- However, London Councils had an on-going obligation to prepare and arrange for the independent audit of the three annual accounts, outside of any statute, and there was still a requirement to submit audited accounts under the Companies Act 2006 for London Councils Limited
- As a result of these continuing obligations, the London Councils Audit Committee agreed that London Councils should continue to prepare three separate accounts under the existing Local Authority Accounting Code of Practice and that the accounts should be independently audited and presented to members broadly in accordance with the previous statutory timescale
- Following a procurement exercise and a recommendation by the Audit Committee, Leaders' Committee agreed to appoint KPMG LLP as London Councils external auditor for a three year period commencing 1 April 2015 ending a seventeen-year period when that function had been performed by PWC
- There was a provisional consolidated outturn surplus of £3.293 million for 2015/16
- The provisional level of reserves of £12.64 million as at 31 March 2016 reduced to £7.242 million once known commitments of £5.398 million were taken into account
- Separate outturn reports have been produced for Grants and TEC and would be considered by the respective Committee's during July;

- Monitoring of outcomes of commissions was working well for Grants identifying early any potential problems and where appropriate, withholding payments
- For TEC the Lorry Ban contractor continued to enforce effectively and greater functionality derived from the CMS had allowed the bad debt provision to be reduced and more income recognized in the accounts
- Revenue from Employers Organisation related work and from other sources of income such as room-bookings had significantly exceeded budgeted targets
- The pensions fund deficit was down £2 million over 2014/15 but was still at £23 million and factors impacting upon this were familiar across public sector bodies.

Cllr Puddifoot congratulated officers on the quality of the report and how good the year had been financially and urged that the reserves should not drop below the current £7m figure.

The Executive agreed:

- To note the provisional consolidated outturn surplus of £3.293 million for 2015/16 and the provisional outturn position for each of the three funding streams
- To approve the carry forward of £23,000 into 2016/17 in respect of planned NOTIFY system developments
- To note the provisional level of reserves of £12.64 million, which reduced to £7.242 million once known commitments of £5.398 million were taken into account
- To note the updated financial position of London Councils and
- To agree to receive a further report in November 2016 after the completion of the external audit by KPMG LLP to adopt the final accounts for 2015/16. The final accounts would be signed off at the meeting of the Audit Committee on 22 September 2016, at which KPMG would formally present the Annual Audit Report to for approval.

The meeting ended at 10:20