

London Councils

Minutes of the London Councils Leaders' Committee held on 7 February 2017
Cllr Claire Kober 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 Sarah Hayward
Cllr Tony Newman
Cllr Julian Bell
Cllr Doug Taylor
Cllr Denise Hyland
Mayor Philip Glanville
-
Cllr Claire Kober
-
Cllr Roger Ramsey
Cllr Ray Puddifoot MBE
Cllr Steve Curran
Cllr Richard Watts
Cllr Nicholas Paget-Brown
Cllr Kevin Davis
-
Mayor Sir Steve Bullock
Cllr Stephen Alambritis
Cllr Ken Clarke
-
Cllr Lord True
Cllr Stephanie Cryan
Cllr Ruth Dombey OBE
Mayor John Biggs
Cllr Clyde Loakes
Cllr James Madden
Cllr Nicky Aiken
Mr Mark Boleat
-

Apologies:

BRENT
BROMLEY
HAMMERSMITH & FULHAM
LAMBETH
NEWHAM
REDBRIDGE
SOUTHWARK
WALTHAM FOREST
WANDSWORTH
Capital Ambition Board

Cllr M. A. Butt
Cllr Stephen Carr
Cllr Stephen Cowan
Cllr Lib Peck
Mayor Sir Robin Wales
Cllr Jas Athwal
Cllr Peter John OBE
Cllr Chris Robbins
Cllr Ravi Govindia
Mr Edward Lord OBE JP

Lord Kerslake, the non-executive chair of the London CIV and officers of London Councils and London CIV were in attendance.

The Chair began the meeting by congratulating Cllr Nicky Aiken on her election as Leader of Westminster City Council and welcoming to her first meeting of Leaders' Committee.

1. Apologies for absence and announcement of deputies

The apologies and deputies listed above were noted.

2. Declarations of interest

No interests were declared.

3. Minutes of Leaders' Committee meeting held on 6 December 2016

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 6 December 2016.

4. London CIV update

The Chair invited Lord Kerslake to introduce the item. He did so as follows:

- The report represented an important stage in the development of the CIV in that it contained the budget for next year and a five-year financial strategy to build the fund which would be presented to the Pensions CIV sectoral joint committee on the following day
- The previous year had been a good year, achieving £2.4m of savings and the London CIV had been ahead of the rest of the country in the progress it was making
- There was a need, however, to rethink the strategy on how to grow the fund. More up-front resources would be needed in order to secure the sort of benefits that member authorities aspired to

Cllr Richard Cornelius (Conservative, Barnet) and Cllr Nick Paget-Brown (Conservative, Kensington and Chelsea) raised concerns about making the scheme mandatory and Lord

Kerslake replied by referring to the direction of Government policy in this area. A fine balance needed to be struck; the fund needed to be grown at a reasonable pace while recognising different boroughs had different priorities. There was a danger if voluntary progress was too slow the Government may activate the mandatory elements.

Cllr James Madden (Conservative, Wandsworth) raised the issue of voting on the CIV now that his borough, Wandsworth, had entered into new arrangements with Richmond. Lord Kerslake replied that discussions with the two boroughs were underway to resolve the question.

Leaders' Committee agreed to:

- i. note the contents of this report
- ii. reaffirm its on-going support for London CIV
- iii. agree to the commissioning of a governance review and agree the Terms of Reference (attached to the report) and Scope
- iv. agree to the strategic direction set out in the budget and MTFS and
- v. make a commitment to work collectively across London authorities to transition assets as swiftly and efficiently as possible.

5. National Funding Formula for Schools – stage 2

The Chair introduced the item saying:

- The Government had published the second phase of its consultation on the introduction of a National Funding Formula (NFF) for Schools in December 2016, which included details of school and local authority level allocations across the country
- Whilst London had fared better than had been feared following earlier consultation - largely due to £400m extra funding over two years announced and a 3% cap on overall reductions for each school - 70% of London's schools still faced a reduction as a result of the introduction of the NFF and each London borough had at least one school affected by these cuts. London was the worst hit region in the country.

- In addition, the NAO had recently identified that schools across the country would face 8% additional unfunded costs by 2020. This meant that, even in schools that gained through the NFF, they would lose funding overall
- It was proposed in the report that London Councils should continue to campaign to protect school funding in London. It would cost the government £335 million per annum (1% increase in the schools block budget) to provide for every school set to gain funding as a result of the final formula allocation to do so, without the need to redistribute any funding away from other schools
- The report set out a range of ways that London Councils was seeking to influence this debate, starting from the proposition that London had achieved so much over the past 15 years that it should not be casually discarded by disinvestment now
- In January, Cllr Peter John OBE and Cllr David Simmonds CBE met Nick Gibb MP, Minister of State for Schools, to make the case for protecting school budgets fully from the NFF
- London Councils planned to continue to lobby Government hard on this issue and were involved in working with other interest groups, including parents, business and Head Teachers as well as seeking to gain coverage of the issue in the media. The London APPG was meeting that afternoon to discuss the issue and some significant media attendance was expected.

Cllr Ray Puiddifoot MBE (Conservative, Adult Social Care, Hillingdon) asked for paragraph 30 to be redrafted and Leaders' Committee agreed. This is reflected below.

Cllr Kevin Davis (Conservative, Kingston) pointed out that although his borough was a net beneficiary overall under NFF, it was one of a number of boroughs that was overspent on its DSG and that the case for these boroughs on this matter should also be made at this stage.

Cllr Julian Bell (Labour, TEC, Ealing) pointed out that his borough was also a net gainer overall but that the Apprenticeship Levy put a strain on schools' budgets. It was not right that maintained schools should have to pay the levy but Academies did not. The LGA was lobbying against the distinction, as Cllr Richard Watts (Labour, Islington) confirmed as the LGA lead on Children's Services. Members agreed that London Councils should also lobby against moves such as this to try to make schools become Academies.

The Chair concluded by saying that she had written a joint letter on the issue with the Chair of the Core Cities group as she was anxious to present a broader coalition on this topic and not present a picture of London exceptionalism.

Leaders' Committee agreed to go forward on the basis of the case set out in paragraphs 27 – 33 of the report (while reconsidering the wording of paragraph 30), viz:

27. The Executive had stressed that the starting point for London Councils' work should be an affirmation of the success of London's schools over the past 10-15 years, supported by the London boroughs, and the part that investment had played in that. London Councils would want to urge maintenance of investment in success, rather than seeing the gains made eroded.
28. The position that London Councils' Leaders' Committee agreed in March 2016 - to ensure that fairer funding through a NFF should not result in a reduction in funding for London's children – was still applicable in relation to the NFF as set out in the second stage of the consultation.
29. It would cost the government £335 million per annum (1.0% increase in the schools block) to provide every school set to gain funding with its final funding formula allocation, without the need to redistribute any funding away from other schools. If the DfE were to find this additional funding, it would benefit all regions and schools across the country: every school would be protected from a funding cut resulting from the NFF, whilst schools set to gain under the NFF would receive all additional funding straight away rather than waiting for transitional arrangements.
30. It was proposed that London Councils draft a response to the NFF that made the case for additional funding so that the NFF could be implemented without taking money away from any school. This response would take into account how much London had been able to achieve with current levels of investment, as well as highlighting the wider financial pressures in the system that already put London's school improvement trajectory at risk.
31. London Councils would also encourage all key stakeholders to submit their own responses to the consultation. It was intended that London Councils' response would be informed by the insights from the borough children's services finance leads network, which would be meeting at London Councils on 22 February. The deadline for consultation responses was 22 March.
32. As part of a comprehensive campaign, London Councils planned to produce a range of media materials for members, schools, parents, MPs and businesses to inform them of the risk to the standards of education in London. Similarly London Councils planned to tap into the numerous parent groups that had been set up in recent years to encourage them to respond to the consultation. Further media and public affairs opportunities would also be sought.

33. The Mayor of London had offered his support with London Councils' campaign and there was potential for joint media activity towards the end of the consultation period to highlight the importance of investing in London's schools.

6. Resilience and Emergency Preparedness Review

The Chief Executive introduced the item saying:

- There were well established local authority co-operation arrangements in place across the Capital, underpinned by the Local Authority Gold Resolution which was adopted by all London boroughs and the City in 2006. The arrangements were subsequently enhanced to encompass mutual aid agreements, with the approval of Leaders' Committee in 2010
- This London-wide work was overseen by the London Resilience Forum Local Authorities' Panel (LAP), which included the lead borough Chief Executives for each sub-regional Local Resilience Forum. The Panel was chaired by John Barradell, Town Clerk and Chief Executive of the City of London
- The Local Authorities' Panel had commissioned a review of London's local authority emergency planning arrangements early in 2016, mindful of rising risk levels combined with the increased financial pressures which local authorities faced. The Panel wanted to build on the foundation of lessons learned during the major multi-agency 'Exercise Unified Response'
- The review set out a series of recommendations which were designed to ensure that local authorities could continue to provide strong emergency planning services that delivered individual and collective leadership on resilience into the 2020s
- The review acknowledged the strain placed on authority resilience functions and went on to set out the recommendations which were listed in an appendix to the report and summarised in the bullet points below. These recommendations aimed to:
 - Strengthen collaborative working to better utilise experience, knowledge and expertise
 - Support a more cost effective and efficient service
 - Increase opportunities to share scarce resource

- Create a more robust Duty London Local Authority Gold arrangement which would further complement our leadership on resilience role and participation at the heart of London strategic coordination
- Establish a more robust and meaningful assurance process to improve corporate oversight
- Establish a corporate resource of professional advice, support and oversight, where not already established, to support authorities to withstand increasing pressures and ensure Chief Executives had ready access to high quality corporate advice and support in their localities
- The Mayor of London had also commissioned Lord Harris to review London's preparedness to deal with a marauding firearms attack. The recommendations of that review as they were directed to local authorities had been considered by the Chair of LAP and he had responded to the Mayor.

Leaders' Committee agreed to approve the approach recommended by the Local Authority Panel, and endorsed by the London Councils Executive also, for strengthening resilience and emergency preparedness across London's local authorities.

7. Devolution and Public Service Reform

The Chief Executive introduced the item saying:

- It reported on London government's work on devolution and reform – including updates on current negotiations with Government in relation to:
 - Health devolution. Discussions were close to agreeing the final version of a Memorandum of Understanding as discussed by Leaders' Committee in December
 - Devolution of the Work and Health Programme, which had been agreed with a commitment to funding devolution to sub-regions and the potential for them to acquire ESF co-financing status
 - Fiscal devolution. The second report of the London Finance Commission had been published on 27 January.
- The paper also provided an update in relation to wider devolution issues

- The Member Devolution Group (MDG) had also asked for more granular, place-based contributions to be gathered from boroughs and groups of boroughs to inform a response to the industrial strategy consultation and inform discussions with the Mayor.

Cllr Teresa O'Neill OBE (Conservative, Bexley) made clear her position that the governance of devolution arrangements had to be a partnership between the Mayor and borough Leaders and expressed her concern about the dearth of meetings of the Congress of Mayor and borough Leaders.

The Chair replied that a Congress meeting had been fixed on the day of the March Leaders' Committee and Cllr Puddifoot argued that we should not accept only a single Congress meeting a year.

Cllr Stephanie Cryan (Labour, Southwark) argued the importance of the active involvement of borough leaders in the Work and Health programme, given their knowledge of how the potential benefits could best be secured.

Mayor John Biggs made a point about the relationship of devolution of budgets and the control of schools which was a concern in his borough. The Chair replied that she agreed that facilitating effective schools was important for the economic wellbeing of a borough and the wider point had been made as part of a recent consultation.

Leaders' Committee agreed to note the report.

8. Review of Scale of Election Fees for 2017/18

The Chief Executive introduced the report saying that it was an advisory report that came to Leaders' Committee each year. It followed the usual practice of recommending an increase in line with the local government pay award but with no increase in the fees for returning officers and deputy returning officers.

Cllr Richard Cornelius (Conservative, Barnet) reiterated his long-standing objection to chief executives who were also returning officers being paid twice for what, effectively he considered to be the same time and urged Leaders to place a requirement for chief

executives to take leave of absence when managing elections as part of their contracts of employment.

Leaders' Committee agreed to note the report and approve the proposed scale of fees and expenses, as outlined in an appendix to the report, as guidance for the London boroughs, with effect from 1 April 2017.

9. London Councils Challenge

The Chair introduced the item recounting a number of discussions between Leaders and with the Executive including at an away-day session about London Councils response to the Challenge report. The report drew together the work in hand to respond to the range of recommendations made by the Challenge team.

Leaders' Committee agreed to note the report

10. Minutes and summaries

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

- GLPC – 12 October 2016
- Capital Ambition – 11 October 2016
- Pensions – 18 October 2016
- Grants Committee – 23 November 2016
- Pensions CIV Sectoral Joint Committee – 13 December 2016
- CAB – 13 December 2016
- TEC – 8 December 2016
- Executive – 17 January 2017

Leaders' Committee agreed to remove the press and public.

The meeting ended at 13:20.

Action points

Item		Action	Progress
4.	London CIV update <ul style="list-style-type: none"> Commission a governance review 	CIV	In progress
5.	National Funding Formula for Schools – stage 2 <ul style="list-style-type: none"> London Councils to lobby against maintained schools being obliged to pay the Apprenticeship Levy while Academies do not 	PAPA Children's services/ Comms	London Councils' consultation response on the NFF will include lines on this point and we are considering further lobbying work in this area.