

**Minutes of the Meeting of the Executive
Tuesday 12 September 2017 9:30 am**

Cllr Claire Kober OBE was in the chair

Present

Member	Position
Cllr Claire Kober OBE	Chair
Cllr Peter John OBE	Deputy chair
Cllr Teresa O'Neill OBE	Vice chair
Ms Catherine McGuinness	Vice chair
Cllr Ruth Dombey OBE	Vice chair
Mayor Sir Steve Bullock	
Cllr Ray Puddifoot MBE	
Cllr Lib Peck	
Cllr Darren Rodwell	
Cllr Rave Govindia CBE	Substituting for Cllr Kevin Davis

London Councils officers were in attendance

1. Apologies for absence and announcement of deputies

Apologies were received from Cllr Julian Bell and Cllr Kevin Davis for whom Cllr Ravi Govindia was substituting.

2. Declaration of interest

No interests were declared.

3. Minutes of the Executive Meeting held on 20 June 2017

The minutes of the Executive meeting held on 20 June 2017 were agreed.

4. London Business Rates pool – oral update

The Interim Director: Finance, Performance and Procurement updated the Executive on Business Rates pooling:

- The uncertainty that had existed over the Government's approach to Business rates pooling was clarified when it invited applications for pilots for 2018/19. Whilst London was not included in that call because it was being treated separately as a product of the MoU agreed at the Spring budget, the principles and timescales applying to London would be similar.
- The view of the Executive was being sought in advance of Leaders' Committee and the Congress of Leaders and the Mayor meeting on 10 October.

Cllr Ravi Govindia CBE asked about whether a 'make-or-break' point had been reached. The view was that it had. He also asked about options for a strategic investment pot and its potential size. The Interim Director replied 25%, 20% and 10% were in the models in the Prospectus. The Government would be likely to push for an agreement at the higher end of that range.

Cllr Teresa O'Neill OBE was concerned what additional burdens may be imposed as part of the deal that could cost more than the potential gain despite the potential 'no detriment' clause in the agreement. It was agreed that it would be important to see this explicitly covered off in any deal.

The Chair informed the Executive of the Labour Group's view, one that had come particularly from outer London boroughs, that the London pilot should not jeopardise the conduct of the Fair Funding review and that a letter from the Government guaranteeing that should be sought.

Cllr Darren Rodwell urged some 'story-telling' setting out London's relative progress on this compared to the other parts of the country. People should be encouraged to recognise that London's reputation as an effective collective grouping was potentially at stake.

Cllr Ray Puddifoot MBE suggested a model motion could be drawn up that could be put to all London's councils.

The Chair concluded by agreeing that an updated Prospectus be circulated to Leaders as soon as possible to help determine the final, in principle, position well before 10 October..

The Executive agreed to note the update.

5. Devolution and Public Service Reform

The Chair introduced the item saying it included updates on the progress against the Memorandum of Understanding with Government on further devolution to London, particularly in relation to:

- Business Rates retention
- Devolution of the Adult Education Budget and progress towards wider skills devolution
- The Work and Health Programme
- The Industrial Strategy
- Health devolution
- Devolution of the Criminal Justice Service
- Housing Infrastructure

She concluded her introduction by describing meetings she had recently had with ministers which had been encouraging.

A number of members, including Mayor Sir Steve Bullock, Cllr Ruth Dombey OBE and Cllr O'Neill complained of recent developments in the organization of the Health Service in London, in particular around centralization of CCGs and the danger of over-riding progress that had been made locally.

The Executive agreed to note the report.

6. Transforming Health and Care in London

In the absence of Cllr Kevin Davis the Strategic Lead for Health and Adult Social Care introduced the report saying:

- One of the messages from discussions in the Executive and Leaders' Committee earlier this year was that London Councils should look to develop a political vision underpinned by a policy framework that would enable London local government to seize the agenda more firmly
- Based on discussion at this meeting, firmer proposals will be brought back to Members later in the year
- The thinking in the paper was based on –
 - An analysis of different integrated commissioning delivery models and drawing out lessons for sharing across the capital.
 - Mapping of integrated ways of working taking place across different footprints
- The integration agenda had continued to evolve, in particular at the national level with the emergence of Accountable Care Systems
- A vision and framework were offered up in early draft format to seek Executive's comment and instruction on further development
- The section on Accountable Care Systems described the parallel thinking on integration, as set out in the NHS Five Year Forward View Delivery Plan published in March 2017. Experience in recent years would suggest that there was the potential for national policy direction to fetter London's efforts at reform
- The section on the Better Care Fund reported that there had been an increase in concern around the Better Care Fund, which had the potential to distract local government from its broader reform agenda.
- The report noted the latest position on the health devolution Memorandum of Understanding and noted the risk of ongoing delay to signing the agreement.

Cllr Dombey urged a shift away from the NHS approach which was about access to Healthcare and instead work towards an approach more based on wellbeing

emphasising prevention especially in the area of mental health. Only the surface was being scratched of the potential of health and wellbeing boards.

Cllr Puddifoot urged greater emphasis on prevention in the report and referred to point 6 in the vision about the need for locally accountable politicians to lead on shaping provision, a point that Cllr Peck agreed with. He urged that we should stress that the NHS is not accountable.

Cllr O'Neill asked whether there needed to be push-back on certain NHS changes, either we were partners helping to deliver change or we were not.

The Executive agreed that these comments should be reflected upon in developing the draft narrative framework for further submission to members at a future point.

7. Schools Funding

Cllr Peter John OBE introduced the report saying:

- It covered recent policy developments relating to school revenue, capital and SEND funding
- On revenue funding, in July the Secretary of State for Education had committed to increasing the core schools budget by £1.3 billion in 2018/19 and 2019/20. Every school would receive at least a 0.5 per cent a year per pupil cash increase.
- This additional investment was welcome; however there were still concerns for London's schools. It was highly likely that the 70 per cent of London schools previously set to lose funding under the draft National Funding Formula would only receive the minimum cash increase of 0.5%. This was likely to mean a reduction in real terms per pupil funding for these schools. This would only be confirmed when the school allocations were published shortly.
- When the school budget allocations were published an analysis would be undertaken to understand how much of the additional £1.3 billion per year investment would

benefit London schools. If London's schools lost out, London Councils would continue to lobby government to protect all school budgets in real terms

- On Capital funding, last Wednesday London Councils published the latest edition of *Do The Maths*, its annual school places planning report.
- The report highlighted that there would be a shortfall of 63,710 places across schools in London until 2022/23. Demand was growing steadily at secondary level, but demand in the primary sector was slowing for the first time in almost a decade. Boroughs had reported a number of reasons for this slowing demand, including:
 - A considerable number of new places had been created over the past year, helping to reduce the shortfall significantly
 - A lower birth rate
 - A rapid increase in house prices
 - Changes in migration patterns amongst particular populations, potentially as an early consequence of the decision to leave the EU
- Despite the reduction in the shortfall for primary places, London would still need additional funding for school places of an estimated £1 billion over the next six years.
- Lobbying of Government would continue to argue for appropriate levels of capital funding, as well as to push for a reform to the free school programme to ensure there was greater strategic link up with local authorities on the development of new schools
- On Special Educational Needs and Disabilities (SEND) funding, a recent London Councils' survey on Children's Services finances found that 23 out of 28 boroughs were spending more on high needs than the amount allocated through the high needs block of the DSG. The aggregate funding gap across these 23 boroughs was £94 million. Another area of significant overspend was in SEND transport budgets, with overspends averaging £1 million per borough.
- Given these huge funding pressures facing London boroughs, London Councils was proposing to lobby Government directly on this issue.

Cllr O'Neil asked for reference to be made to Education Services Grant and Special Schools which Cllr John agreed with.

The Executive agreed to note the report.

8. Month 3 Revenue Forecast 2017/18

The Director of Corporate Resources introduced the report by pointing out it was the first forecast for this financial year: He continued

- Following a conversation with Cllr Puddifoot outside of the meeting, during which Cllr Puddifoot queried the level of actual expenditure reported as at Month 3 for the Joint Committee in Table 4 of the report, the Director of Corporate Resources informed the meeting that there had been an error in the figure shown in the second column of Table 4, under M3 actual expenditure for Employee Costs. The figure in the report of £954,000 should actually be £1.016 million
- This amendment, however, had no effect on the projected forecast surplus for the Joint Committee of £731,000 for the year
- Cllr Puddifoot had also enquired (also outside of the meeting) as to why actual expenditure for Joint Committee running costs was so low at the end of the first quarter. The Director of Corporate Resources explained that the actual spend had been depressed by the reversal of 2016/17 liabilities, which was misleading and agreed to review the manner in which this information was reported to members at the end of the first quarter for future financial years, starting with 2018/19. Any on-going effect from previous years transactions would be separated out.

The Executive agreed to note the overall forecast surplus as at 30 June 2017 (Month 3) of £1.485 million and note the position on reserves as detailed in the report.

9. Debtors Update Report

The Director of Corporate Resources introduced this report by saying that assurances had been received from the two boroughs that had long-standing debts that they would be settled by the end of the month.

The Executive agreed:

- To note that all borough, TfL and GLA debts raised up to 31 December 2016 and reported to the Executive at its meeting on 28 February 2017 had been paid
- To note the level of outstanding debt of £3.237 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2017
- To note the level of outstanding debt of £76,633.26 in relation to other debtors invoices raised up until 31 July 2017 and
- To note the specific action being taken in respect of significant debtors, as detailed in the report.

10. Nominations to Outside Bodies

The Executive agreed to note the report.

AOB

Cllr Darren Rodwell set out some proposals in relation to London local government's presence at MIPIM.

The Chair concluded that Cllr Rodwell should write to Leaders seeking comments on the proposition that:

- (i) Willing boroughs feature in a promotional booklet;

- (ii) London Councils branding support for an area at MIPIM as part of the overall London space – this would be a venue to distribute the booklet and for use by involved boroughs. The role would reflect that this was funded by sponsorship by the City of London Corporation and others – none of whom were developers. The next step would be to consult Leaders to see if they were supportive.

Action points

	Item	Action	Progress
4.	London Business Rates pool – oral update	Strategic Policy	
	<ul style="list-style-type: none"> A document to be circulated to leaders before 10 October even if it was only an updated prospectus. 		Completed 19/9/17
7.	Schools Funding	PAPA Children's Services	
	<ul style="list-style-type: none"> Reference to be made to Education Services Grant and Special Schools 		Ministerial letter sent included mention of Free special schools. ESG will be picked up in future lobbying.
AOB	<ul style="list-style-type: none"> Contact boroughs to see if they were supportive of Cllr Rodwell's proposals. 	Transport, Environment and Infrastructure	Completed 19/10/17

The meeting ended at 11:00am