

**Minutes of the Meeting of the Executive
Tuesday 14 November 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 Julian Bell	
Cllr Kevin Davis	

London Councils officers and Sir Rodney Brooke CBE DL were in attendance.

1. Apologies for absence and announcement of deputies

Apologies were received from Cllr Darren Rodwell.

2. Declaration of interest

Ms Catherine McGuinness declared a non-pecuniary interest in the budget items 6 - 9 as the Chair of the City of London's Policy and Resources Committee in relation to contracts with the City of London held by London Councils.

Apart from that no interests were declared

3. Minutes of the Executive Meeting held on 12 September 2017

The minutes of the Executive meeting held on 12 September 2017 were agreed.

4. Independent Panel on the Remuneration of Councillors

The Chair welcomed Sir Rodney Brooke CBE DL, chair of the Independent Panel on the Remuneration of Councillors to the meeting and asked him and the Chief Executive to introduce the report.

The Chief Executive:

- Legislation required a local authority to have regard to the report of an independent panel when deciding its remuneration scheme for members.
- London boroughs can have regard to a single report applied collectively and the Independent Panel on the Remuneration of Councillors, chaired by Sir Rodney Brooke, had produced such a report at four-yearly intervals in 2006, 2010 and 2014
- In July London Councils agreed to reconvene the panel, comprising Sir Rodney Brooke CBE DL, Mr Steve Bundred and Ms Anne Watts CBE

Sir Rodney Brooke CBE DL

- This was the latest of the panel's four-yearly reviews
- On the Borough Scheme, boroughs were consulted and their comments taken into account by the panel
- The panel was recommending the same overall level of remuneration as last time
- The recommendations on basic allowance had been largely adopted but there were discrepancies in the convergence of special responsibility allowances
- The panel's research suggested an increased workload for councilors due to:
 - Digital media both making them more accessible to constituents and creating an expectation around speed of response
 - Greater involvement in new bodies – sub-regional groups, partnerships etc
- Use of an MP's salary as a benchmark for the remuneration of a council leader remained
- MP's salaries had been increased considerably since the panel's last review, while a council leader's had gone up only in line with the officers' pay award, which was significantly less

- In a different financial climate the panel would have liked to have recommended an increase for a council leader comparable to that brought forward by IPSA for MPs but this had to remain an aspiration for this or another panel to pick up in the future
- In some cases borough schemes depart from the relativities recommended by the panel and it was happy to insert a sentence into its report to reflect this, viz:

Councils can organise their functioning in very different ways and we recognise that flexibility in applying the scheme is necessary.

- On the London Councils Scheme it was generally considered fit-for-purpose and had been left largely unchanged.

The Chair thanked the panel members: Sir Rodney Brooke CBE DL, Mr Steve Bundred and Ms Anne Watts CBE and asked members of the Executive for comments.

Cllr Ray Puddifoot MBE commented that the inability of the panel to recommend a greater increase, that would have been justified by legitimate comparability with an MP's salary, was indicative of the situation local government found itself in.

Cllr Teresa O'Neill OBE referred to the recommendation in the report that asked whether the reports should be submitted to Leaders' Committee in December and proposed that it should.

The Executive agreed:

- That the reports should be submitted to Leaders' Committee on 5 December 2017
- Sir Rodney Brooke CBE DL should be invited to attend Leaders' Committee on 5 December to introduce the reports.

5. London Business Rates Pilot Pool

The Chair introduced the item saying:

- That she had met the Chancellor of the Exchequer in the previous week and he remained supportive of the proposal for a 100% business rate retention pool pilot in London
- The next step was for the government to prepare a designation order establishing the pool. However, if any authority were then to decide to opt out within the following 28 days, by mid-January, the pool would not proceed.

She invited the Interim Director: Finance, Performance & Procurement to add anything else he considered necessary and he reported that a proposed Memorandum of Understanding (MoU) had been drafted and was being discussed with civil servants. Legal advice on the decisions councils needed to make was being sent out.

In response to a question from Cllr O'Neill about whether council meetings would be needed he replied that that depended on a council's own scheme of delegation and decision-making processes.

Ms Catherine McGuinness pointed out that the City had an issue with the incentive for growth element and she needed to seek further approval from members.

In response to a question from Cllr Julian Bell about the strategic investment pot, officers confirmed that Government would like this to be higher but there was a recognition that the arrangement reached would sustain for 2018/19.

6. Devolution and Public Service Reform

The Chair also introduced this report saying that it was a general update and the MoU was due to be signed off on Thursday 16 November. Jules Pipe, Deputy Mayor for Planning, Regeneration and Skills at the GLA would attend Leaders' Committee in December to discuss skills devolution and the Draft London Plan.

The Executive agreed to note the report.

7. Audited Accounts 2016/17

The Director of Corporate Resources introduced the report saying it represented the final piece of the jigsaw for 2016/17 and compared the results to the pre-audited position reported to the Executive at their meeting held on 20 June 2017.

Cllr Ray Puddifoot MBE commended the report saying that the narrative that accompanied the accounts showed the breadth of activity that London Councils was responsible for.

The Executive agreed formally to adopt each of the three statutory accounts attached as appendices to the report.

8. Month 6 Revenue Forecast 2017/18

The Director of Corporate Resources also introduced this report saying it highlighted the projected outturn position for the current year, based on existing transactions, together with known future developments and a forecast underspend of £2.302 million was projected for 2017/18, across the three funding streams.

The Executive agreed to note the overall forecast surplus as at 30 September 2017 (Month 6) of £2.302 million and noted the position on reserves as detailed in the report.

9. Proposed Revenue Budget and Borough Subscriptions and Charges 2018/19

This was the third and last report introduced by the Director of Corporate Resources:

- The report proposed the level of borough subscriptions and charges to be levied in 2018/19, which would be submitted to the Leaders' Committee meeting on 5th December for final consideration and approval
- Inflation would now make a material difference to London Councils' budget particularly in the areas of pay and the contracts held with the City. In the past, such pressures may have required a corresponding increase in subscriptions but

next year, it was proposed that this be managed without calling on boroughs for an increase

- After taking into account the budget proposals outlined in the report and the recommended use of reserves of £2.296 million, the level of uncommitted reserves reduced to £5.854 million which was considered a healthy position
- The proposals being submitted to Leaders' Committee in December involved:
 - Containing all budgetary pressures in 2018/19, including the rent review at Southwark Street, the officer pay award, GDPR preparatory work and other contract and general running cost increases, from within the 2017/18 approved budgetary resources, which would allow the three core subscriptions to remain at the current year's level
 - A £1 million reduction in the borough contribution towards the S.48 ESF programme as the three-year borough funding commitment expired at the end of 2017/18. However, as the programme had slipped by roughly 16 months, accumulated funds held in Grants Committee reserves would be applied to fund the programme, along with ESF grant, up until the current stated project end-date of March 2019 and
 - The continuation of the Challenge Implementation Fund of £525,000, funded from any underspent funds carried forward from the current year, replenished by uncommitted joint committee reserves.

The Executive agreed to recommend that Leaders' Committee approve at their meeting on 5th December 2017 the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2018/19, no change on the charge of £161,958 for 2017/18
- The proposed Joint Committee subscription for the MOPAC and the LFEPA of £15,410 for 2018/19, no change on the charge of £15,410 for 2017/18
- An overall level of expenditure of £8.668 million for the Grants Scheme in 2018/19 (inclusive of £2 million gross ESF programme), the same level as for 2017/18 and

- That taking into account the application of £1 million ESF grant and £1 million from earmarked Grants Committee reserves, net borough contributions for 2018/19 should be £6.668 million, compared to £7.668 million for 2017/18.

The Executive also agreed to recommend that the Leaders' Committee endorse the following subscription and charges for 2018/19 for TEC, which would be considered by the TEC Executive Sub-Committee on 16th November, before being presented to the main meeting of TEC on 7th December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500)
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2017/18 – no charge)
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182)
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which was fully covered by estimated PCN income (2017/18 – no charge)
- The Parking Enforcement Service Charge of £0.4226 per PCN, which would be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN)
- The Parking and Traffic Appeals Charge of £30.63 per appeal or £27.02 per appeal where electronic evidence was provided by the enforcing authority (2017/18 - £32.00/£28.50 per appeal). For hearing Statutory Declarations, a charge of £25.21 for hard copy submissions and £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD)
- Congestion Charging Appeals – to be recovered on a full cost recovery basis, as for 2017/18, under the new contract arrangement with the GLA
- The TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31)
- The TRACE (Fax) Charge of £7.70 per transaction (2017/18 - £7.48) and

- The PEC Charge of £0.175 per transaction (2017/18 - £0.17

On the basis of the above proposed level of subscriptions and charges, the Executive agreed to recommend to the Leaders' Committee:

- The provisional consolidated revenue expenditure budget for 2018/19 for London Councils of £386.609 million
- The provisional consolidated revenue income budget for 2018/19 for London Councils of £384.313 million
- Within the total income requirement, the use of London Council reserves of £2.296 million in 2018/19

The Executive also agreed to recommend that the Leaders' Committee note:

- The position in respect of forecast uncommitted London Council reserves as at 31 March 2018
- The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources

Cllr Puddifoot proposed, and the Executive agreed, to thank the Director of Corporate Resource for his work on the budget and that balances have been properly managed.

AOB

The Chair reminded the Executive of:

- The breakfast meeting with the Minister for London, Greg Hands MP on the following Friday and
- The London Councils Summit on the following Saturday.

The meeting ended at 10:00am.