London Councils

Minutes of the London Councils Leaders' Committee held on 5 December 2017 Cllr Claire Kober OBE chaired the meeting

Present:

BARKING AND DAGENHAM

Cllr Darren Rodwell

BARNET

Cllr Richard Cornelius

Cllr Teresa O'Neill OBE

BEXLEY BRENT Cllr M. A. Butt **BROMLEY** Cllr Colin Smith CAMDEN Cllr Georgia Gould Cllr Tony Newman CROYDON Cllr Julian Bell **EALING** Cllr Ayfer Orhan **ENFIELD** Cllr Denise Hyland **GREENWICH HACKNEY** Mayor Philip Glanville

Cllr Sue Fennimore HAMMERSMITH & FULHAM Cllr Claire Kober OBE HARINGEY **HARROW** Cllr Sachin Shah Cllr Roger Ramsey **HAVERING** Cllr Ray Puddifoot MBE HILLINGDON Cllr Steve Curran HOUNSLOW **Cllr Richard Watts** ISLINGTON **KENSINGTON & CHELSEA** Cllr Elizabeth Campbell

KENSINGTON & CHELSEA CIII Elizabeth Cam

KINGSTON Cllr Kevin Davis

LAMBETH

LEWISHAM Mayor Sir Steve Bullock

MERTON Cllr Mark Allison

NEWHAM -

REDBRIDGE
RICHMOND UPON THAMES
SOUTHWARK
SUTTON
Clir Peter John OBE
Clir Ruth Dombey OBE
TOWER HAMLETS
WALTHAM FOREST
WANDSWORTH
Clir Ravi Govindia CBE

WESTMINSTER Cllr Nickie Aiken

CITY OF LONDON Ms Catherine McGuinness

LFEPA

Apologies:

ENFIELD Cllr Doug Taylor LAMBETH Cllr Lib Peck

MERTON Cllr Stephen Alambritis
NEWHAM Mayor Sir Robin Wales

Cllr Ken Clark

WALTHAM FOREST Cllr Clare Coghill

LFEPA Ms Fiona Twycross AM
CAPITAL AMBITION Mr Edward Lord JP OBE CC

Officers of London Councils, Deputy Mayor for Planning, Regeneration and Skills, Jules Pipe and Sir Rodney Brooke CBE DL, chair of the Independent panel on the Remuneration of Councillors were in attendance.

Before opening the meeting the Chair welcomed the new leader of the Royal Borough of Kensington and Chelsea, Cllr Elizabeth Campbell who was attending 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 10 October 2017

Leaders' Committee agreed the minutes of the Leaders' Committee meeting held on 10 October 2017.

4. Draft London Skills Strategy and Adult Education Budget (AEB) Governance

The Chair welcomed Deputy Mayor for Planning, Regeneration and Skills, Jules Pipe and asked him to address Leaders' Committee on the draft London Skills Strategy and Adult Education Budget (AEB) Governance

Deputy Mayor for Planning, Regeneration and Skills, Jules Pipe introduced the Mayor's Skills Strategy – 'A city of all Londoners – making sure Londoners and employers get the skills they need to succeed in a fair, inclusive and thriving economy'

- The document listed three priorities for Further Education, Adult Education and Skills provision in London:
 - Empower all Londoners to access the education and skills to participate in society and progress in education and in work

- Meet the needs of London's economy and employers, now and in the future and
- o Deliver a strategic city-wide technical skills and adult education offer.
- The consultation on the Skills Strategy was not a statutory one and was short, the draft strategy was launched on 24 November 2017 and the consultation period ran until 2 January 2018
- There would be a series of consultation events, including jointly with sub-regions
- London Councils and sub-regional partnerships would be working with the GLA to
 ensure that local differences and sub-regional priorities around Skills were reflected
 in the final Skills Strategy due to be published in May 2018.
- It was intended to set the direction for the longer term for Post-16 Education with Post-19 Education following in a couple of years
- The transfer of Adult Education funding provided an opportunity for London to secure more tailored outcomes
- The Apprenticeship Levy and the fund set up to replace the European Social Fund (ESF) needed to be considered as part of this discussion.

Cllr Peter John OBE (Labour, Business, Skills and Brexit, Southwark) responded:

- The Mayor's Skills Strategy was welcomed
- London Councils was working closely with the GLA on Adult Education Board governance.

Cllr Roger Ramsay (Conservative, Audit, Havering) welcomed devolution but questioned whether there would be any element of cross-party representation on the board?

Cllr Georgia Gould (Labour, Camden) and Cllr Richard Watts (Labour, Islington) both welcomed the strategy with Cllr Gould expressing concern over the question of the Apprenticeship Levy. She pointed out that boroughs, as employers, also pay the levy and were finding it inflexible and argued the case for joint lobbying to argue for increased flexibility. But she also saw an opportunity for local government involvement in Adult Education right the way through to University courses, for example in Social Work.

Cllr Watts advocated decision-making at both regional level for higher-level questions and at borough level to address local issues.

Deputy Mayor Jules Pipe responded:

- He shared Cllr Gould's concerns about the Apprenticeship Levy on which strong joint lobbying was required. He agreed greater flexibility than just the 10% currently in place was required and there was a danger of losing money to other areas of the country if the lobbying was not successful
- On cross-party involvement in governance, he pointed out that this depended on who
 took the lead on Skills in each sub-region but that the arrangement would be
 regularly reviewed and may need to be adapted to ensure cross-party input.

Cllr Teresa O'Neill (Conservative, Bexley) supported the point about the need for cross-party involvement and Cllr Ravi Govindia (Conservative, Wandsworth) also agreed and saw a possibility for such input in the way the discussions were framed.

Cllr John offered the possibility of facilitating a stronger cross-party representation collectively by sub-region via the way that his membership as the relevant London Councils portfolio-holder and the skills lead for Central London Forward could, potentially, be distributed.

Leaders' Committee agreed to endorse the proposed governance arrangements for the Adult Education Budget (AEB) in London.

5. Mayor's New Draft London Plan

The Deputy Mayor for Planning, Regeneration and Skills, Jules Pipe also introduced this item:

- The Mayor was required to publish a Spatial Development Strategy known as the London Plan and keep it under review. As the overall strategic plan for London, it set out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years
- Good Growth was the guiding principle for the new London Plan, which had six cross-cutting Good Growth policies:
 - Building strong and inclusive communities
 - Making the best use of land

- o Creating a healthy city
- Delivering the homes Londoners need
- o Growing a good economy
- Increasing efficiency and resilience
- There was far greater focus on policies and issues, than general statements, in the
 plan and for the first time a detailed viability study had been carried out which had
 concluded that the plan was deliverable. It was a blueprint for how London could be
 developed out given the right resources and capacity
- The plan also contained guidance on design, housing, social infrastructure, economy, heritage and culture, green infrastructure and natural environment, sustainable infrastructure and transport
- There was an emphasis on affordable homes in the plan, to tackle London's Housing crisis, but also a consciousness that London (or parts of London) could not function merely as a dormitory

Mayor Sir Steve Bullock (Labour, Housing, Lewisham) responded:

- The plan was welcomed; it was a more practical document than previous versions. It was designed to make things happen. This was welcome, although that carried with it its own challenges
- One issue was the disconnect between the timescale that planners operated under for housing – four years and the ten-year timescale of the plan.

Cllr O'Neill asked, given the extent and complexities of the issues in the plan and the fact that it had only just been issued whether it would be worth having a special meeting of Leaders on this in late January/early February.

Cllr John pointed out that, in relation to the Old Kent Rd site, delivering 50% affordable housing on a former industrial site was challenging – it was difficult enough to get 35%, let alone 50%. Were we confident that the plan was deliverable and not a barrier to development?

Cllr Kevin Davis (Conservative, Health, Kingston) agreed with the points made about the need for housing, but cautioned that infrastructure was needed as well to make the city viable. The previous Mayor had had a 50 year infrastructure strategy, did that need to be revisited? The Budget had contained a measure allowing permitted development rights to demolish and build housing on commercial land.

Cllr Colin Smith (Conservative, Bromley) gave his borough's response:

- The Mayor's comments on the need to preserve the Green Belt were strongly welcomed
- However, Bromley had profound difficulties with some of the headline proposals
- He would like to understand better how the population projections had been calculated since these fed directly into a number of policies, in particular on housing
- Aspects of the Transport Strategy, in particular in relation to parking, would work well in boroughs in inner London - and he wished them well – but not in outer London where people needed to drive – and park
- The problem with trying to build more dense housing was that often the less desirable units did not suit anyone
- There was concern over what appeared to be 'back-garden-grabbing' which, he understood, would be contrary to national law
- The 50% affordable target was so aggressive that many builders would not be incentivized to make it work. The need for more homes for London was recognized but the target was excessive and his borough did not think it possible.

Cllr Govindia called for:

- The plan to cherish and acknowledge the importance that many areas placed on the distinctiveness of their local built environment and their desire to see that character preserved. He did not feel that issue had been given sufficient prominence in the plan
- The Plan to recognize the challenge for many different parts of London including outer London – in reflecting the picture around modal shift.

Deputy Mayor Pipe responded:

- Mayor Bullock's point about timing was well made
- On Cllr O'Neill's point, he would be happy to attend a separate meeting in the New Year

- On deliverability and the 50% target, it was a strategic one but figures showed that 65% was actually needed although it was acknowledged that could be very challenging to achieve
- 35% of the 50% affordable target could be delivered through the planning system
- In the first six months since the new Mayor's election developers had come forward to respond to the more ambitious affordability target
- On Permitted Development Rights on commercial land, the reuse of such land would be welcomed providing it was part of a clear plan and process
- On Cllr Smith's point about population figure projection calculations he would be happy to set up a meeting to explain in detail how this was done
- He did not agree with the point about density, some of the most desirable places
 to live in central London were very dense, in fact they would not get permission to
 be built today under present regulations. It was proposed to remove the density
 matrix to enable a design-led approach based on site evaluation
- On 'back-garden-grabbing', this was not intended and what was proposed did not go against what the Government had advised
- On retention of character, Chapter 7 of the plan was concerned with conservation and heritage – if it was not felt to be strong enough that point should be made in consultation response
- The key to employment space was life span and the question of building out in a way that retained employment space was a market issue
- Where people were looking at different ways of working it was not always homeworking that was called for but more local work-space
- It would be disastrous for initiatives like Crossrail 2 and the Bakerloo Line extension if these only created dormitories. More local employment space was needed.

Cllr Richard Cornelius (Conservative, Barnet) described the plan as a radical document that would change the place in which he lived and represented. He commended the Deputy Mayor for coming to talk to borough leaders, he did not agree with everything in the plan and wanted to know how much change to it could come out of the consultation process, especially for outer London?

Cllr Tony Newman (Labour, Croydon):

- Called for a mature debate on the plan and urged that it did not become the subject
 of political point-scoring between the parties as the real debate could easily get lost
 - As the Leader of an outer London borough he welcomed the challenges in the plan for that type of borough and urged that infrastructure should catch up with housing development.

Cllr Darren Rodwell (Labour, City Development, Barking and Dagenham) called for a 'supernova approach' with clusters around outer London. He was confident that his borough could see 55,000-60,000 new homes built, but it had to be part of a London-wide approach.

Deputy Mayor Pipe responded:

- There was an intention to create/promote clusters around outer London and also outside London where 'willing partners' were being worked with, for example he was meeting the Directly-elected Mayor of Watford later in that week
- He would describe the plan as 'bold' rather than radical
- The extent to which the plan could be changed would depend on the responses that came in from the consultation
- The meeting he had agreed to come back to attend in the New Year would be designed to enhance his understanding of the boroughs' concerns rather than one in which changes could be made, that process would take place in the Autumn as part of the Examination in Public (EiP) when final decisions would be made on what was in and what was out of the plan.

6. Independent Panel on the Remuneration of Councillors

The Chief Executive indicated that it was the intention to publish the final reports of the Panel in January 2018 and called upon Sir Rodney Brooke CBE, DL, the chair of the Independent Panel on the Remuneration of Councillors to introduce the draft report. He did as follows:

These were the latest in a four-yearly cycle of reviews of two reports from the panel.
 First, on remuneration for councilors in boroughs and second, for those who took on positions of responsibility at London Councils

- Borough leaders and chief executives had been consulted and helpful comments had been received which indicated that they broadly felt that the scheme was fit for purpose
- Since their first report was published in 2001 there has been convergence on the basic allowance but divergence on special responsibility allowances (SRA)s
- The panel acknowledged the acute pressures increasingly faced by members who
 faced the far greater access by constituents created by digital media plus the need to
 sit on more outside, especially sub-regional, bodies
- There was evidence of an increased difficulty in recruiting good quality council candidates although this appeared to be as much caused by the time commitment required as the level of remuneration
- The panel had pegged a borough leader's salary against an MP's. This had gone up from £67,000 to £76,000 since the last review and the panel would have liked ideally to recommend a similar level of increase in a borough leader's remuneration but it had to acknowledge the difficult financial climate that obtained and recommended only that a borough leader's remuneration continued to increase in line with the officers' pay award
- The panel recognized that many members in positions of responsibility at London
 Councils demurred from taking the recommended 'officers' pay award' increase but
 the panel was clear that it continued to recommend the upgrade against a time of
 less financial stringency when there may be less reticence in members accepting an
 increase
- The reports before Leaders' Committee were drafts and any comments made by Leaders would be reported back to the panel for potential action

Cllr Muhammed Butt (Labour, Brent) asked whether it would be possible to include something in the report which would allow a member in receipt of an SRA to have their allowance withheld if they failed to attend mandatory training.

Sir Rodney Brooke replied that he was sympathetic to the intention but found it difficult to see any system that could be put in place to achieve the goal but would, nonetheless see if a line could be included in the report.

The Chair thanked Sir Rodney for his and the panel's efforts and Leaders' Committee agreed to note that the reports would be published in the New Year.

7. Local Government Finance update: Autumn Budget 2017 and London business rates retention pilot pool 2018-19

The Director: Finance, Performance & Procurement introduced the item:

- The key announcements in the Autumn Budget relating to London local government included:
 - Confirmation of the London business rates pilot for 2018-19
 - Significant policy announcements relating to housing, changes to business rates indexation and revaluation periods, universal credit and additional funding for the NHS.
- Lower than previously forecast economic growth and productivity forecasts, together
 with the continued commitment towards deficit reduction, meant the outlook for local
 government funding remained difficult.
- In addition to the confirmation of the 100% business rates retention pilot in London in 2018-19, the most significant announcement was a change of indexation of business rates from RPI to CPI from April 2018 - two years earlier than previously planned at a cost of £770 million in those two years. The Government confirmed that local government would be fully compensated for this loss of income through section 31 grant
- The business rates pilot Memorandum of Understanding (MoU) had been signed by both relevant ministers and boroughs would be invited to sign it off over the next six weeks.

Cllr O'Neill emphasised the absence of any measures in the Budget to address the financial pressures on children's services, in particular children's social care funding and high needs funding for children with special educational needs. This should remain a lobbying priority.

Cllr Julian Bell (Labour, TEC, Ealing) referred to the TfL Business Plan covering the next five years which had been published in the previous week and indicated cuts to both Local Improvement Plan (LIP), and potentially Taxicard funding. These had all been made without the sort of consultation that London Councils and boroughs would expect and after assurances given by TfL last year that LIP funding would be protected. The Transport Commissioner had agreed to review the position on Taxicard and assurances had been

received that end users would not be penalised. This would, apparently, be achieved through efficiency savings. The position on taxicard funding, however, remained very difficult. Cllr Bell had written to Ms Val Shawcross CBE AM, Deputy Mayor for Transport making a strong case that these cuts were unacceptable, a letter that would be circulated to leaders.

Leaders' Committee agreed to note the report.

Cllr Sue Fennimore (Labour, Hammersmith and Fulham) left the meeting.

8. Health and Social Care Devolution

Cllr Kevin Davies introduced the report saying the London Health and Social Care Devolution Memorandum of Understanding had now been signed.

Cllr Julian Bell argued that when it came to the disposal of NHS estate, boroughs needed to stand up for their local health services. Cllr Davies responded by addressing the claim that had been put forward elsewhere that Health Devolution was endorsement of Sustainability and Transformation Plans (STP)s. He refuted this suggestion and wanted Leaders to be clear that being party to the MoU did not imply acceptance of STPs.

Cllr Ravi Govindia pointed out that the Homes for London Board had had a discussion on the use of NHS estate to build homes and he urged the London Health Board to do likewise.

Leaders' Committee agreed to note the publication of the London Health and Social Care Devolution Memorandum of Understanding and that detailed reports on the delivery of the commitments in the MoU would be reported to future meetings.

9. London Councils Grants Scheme - Budget Proposals 2018/19

The Director of Corporate Resources introduced the report saying:

 It made a recommendation to Leaders' Committee on the appropriate level to recommend to constituent councils for approval for the Grants Scheme for 2018/19, proposals that were agreed by the Grants Committee at its meeting on 22 November

- An overall level of expenditure of £8.7 million was recommended, inclusive of the £2 million gross ESF programme
- The report proposed to continue with an overall level of expenditure in 2017/18 of £8.668 million, which requires borough contributions of £6.668 million, a £1 million reduction on the figure of £7.668 million contributed by boroughs in 2017/18.

Leaders' Committee agreed:

- An overall level of expenditure of £8.668 million for the Grants Scheme in 2018/19, inclusive of £2 million gross ESF programme
- That taking into account the application of £1 million ESF grant and a matched £1 million contribution from accumulated reserves, borough contributions for 2017/18 should be £6.668 million
- That further to the recommendations above, constituent councils be informed of the Committee's recommendation and be reminded that further to the Order issued by the Secretary of State for the Environment under Section 48 (4A) of the Local Government Act 1985, if the constituent councils had not reached agreement by the two-thirds majority specified before 1 February 2018 they shall be deemed to have approved expenditure of an amount equal to the amount approved for the preceding financial year (i.e. £8.668 million);
- That constituent councils be advised that the apportionment of contributions for 2018/19 would be based on the ONS mid-year population estimates for June and
- That subject to the approval of an overall level of expenditure, the Committee agreed
 to set aside a provision of £555,000 for costs incurred by London Councils in
 providing staff and other support services to ensure delivery of the Committee's
 "making of grants" responsibilities, including ESF administration of £120,000.

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

The Director of Corporate Resources also introduced the report saying:

- The Transport and Environment Committee (TEC) had asked Leaders' Committee to
 endorse the charges for Traded Services set out in the report. The trend in these
 services of the past six or seven years continued of bearing down on overheads and
 making reductions for boroughs
- London Councils was experiencing some significant cost changes including pay inflation. These were being entirely contained for this year without the need to raise borough subscriptions
- Reserves of £6m were considered a satisfactory buffer leaving scope for the prioritization of key areas of work.

Cllr Bell pointed out that the figures for Taxicard in the report represented the position before the publication of the recent TfL proposals. This would need to be reviewed depending upon the final outcome of the discussion.

Cllr Ray Puddifoot (Conservative, Hillingdon) commended the report as demonstrating sound financial management.

Leaders' Committee agreed:

- 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 2016/17 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 Leaders' Committee also agreed to endorse the following subscriptions and charges for 2018/19 for TEC, which were considered by the TEC Executive Sub-Committee on 16 November, and which would be presented to the main meeting of TEC on 7 December for final approval:

The Parking Core Administration charge of £1,500 per borough and for TfL (2017/18
- £1,500)

- 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
- 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)
- Road User Charging Appeals (RUCA) to be recovered on a full cost recovery basis, as for 2017/18, under the new contract arrangement with the GLA
- Environmental and Traffic Appeals (ETA) 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 £24.49 for electronic submissions (2017/18 £26.74/£26.06 per SD)
- The TRACE (Electronic) Charge of £7.58 per transaction (2017/18 £7.31)
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which from 1 April 2018 would be levied, in addition to the electronic charge of £7.53 per transaction, making a total of £15.23
- The PEC Charge of £0.175 per transaction (2017/18 £0.17) and
- A unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10)

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

- 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 and
- Within the total income requirement, the use of London Council reserves of £2.296 million in 2018/19

Leaders' Committee also agreed to note:

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

11. Appointment to the Greater London Provincial Council (GLPC) Employers Side

Leaders' Committee agreed to change one of the members of the Greater London Provincial Council (GLPC) Employers' Side from Cllr Gerard Hargreaves (RBK&C) to Cllr David Lindsay also of RBK&C.

12. Minutes and summaries

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

- Grants Leadership in the Third Sector 12 September 2017
- Audit Committee 21 September 2017
- TEC 12 October 2017
- CAB 18 October 2017
- Executive 14 November 2017

As an item of *Any Other Business*, Cllr Georgia Gould (Labour, Camden) raised the question of Fire Sprinklers fire safety generally. She was concerned about the ability of boroughs to secure value and efficiency in procuring fire safety materials and overall supply chain issues. She asked for this to be discussed at the next meeting.

Leaders' Committee agreed to the removal of the press and public since the remaining items were exempt from the Access to Information Regulations under the Local Government Act 1972 Schedule 12(a) (as amended) Section 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting ended at 13:00.

Action points

Item		Action	Progress
4.	Draft London Skills Strategy and Adult Education Budget (AEB) Governance		
	 Lobby jointly on greater flexibility in the Apprenticeship Levy. 	PAPA E&C	In progress
5.	Mayors New Draft London Plan		In progress
	 Arrange a special meeting on the draft London plan for late January/early February. 	CG/PAPA H&P	
6.	Independent Panel on the Remuneration of Councillors		Done
	Liaise with chair of the IRP on adding a sentence to the report to deal with members in receipt of SRAs who failed to attend mandatory training.	CG	
7.	Local Government Finance update: Autumn Budget 2017 and London business rates retention pilot pool 2018-19		Done
	Letter from Cllr Julian Bell to Ms Val Shawcross CBE AM, Deputy Mayor for Transport to be circulated.	PAPA T&E	
AOB	Fire Safety		This is on the
	 Report on the ability of boroughs to secure value and efficiency in procuring fire safety materials and overall supply chain issues to be brought to the next meeting. 	PAPA Housing/ CG	February Leaders' Committee Agenda