

# Leaders' Committee

## 6 February 2018 – 11:30 am

At London Councils offices, 59½ Southwark St., London SE1 0AL

Refreshments will be provided

London Councils offices are wheelchair accessible

<b>Labour Group:</b>	Room 2 and 3	10:00
Political Adviser: 07977 401955)		
<b>Conservative Group:</b>	Room 5	10:00
(Political Adviser: 07903 492195)		
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**Lunch will be provided in Room 2 for members after the meeting**

Agenda item	Page
1. Apologies for absence and Announcement of Deputies	
2. Declarations of Interest*	
3. Minutes of the Leaders' Committee held on 5 December 2017	1
4. Independent Peer Challenge: London local government's collective resilience arrangements	17
5. Fire Safety Update	49
6. Recommendations of the Homes for Londoners Board construction skills sub-group	93
7. Devolution and Public Service Reform	121
8. Review of Scale of Election Fees 2018/19	133
9. London Councils' Urgencies Report	143

- Pensions – 13 September 2017
- GLPC – 19 October 2017
- TEC Executive Sub Committee – 16 November 2017
- Grants Committee – 22 November 2017
- Pensions – 11 December 2017
- TEC – 7 December 2017
- Capital Ambition – 13 December 2017
- Executive – 16 January 2018

### **\*Declarations of Interests**

If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest\* relating to any business that is or will be considered at the meeting you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

\*as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

The Chairman to move the removal of the press and public since the following items are exempt from the Access to Information Regulations. 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).

Agenda item	Page
E1	
Minutes and summaries:-	
<ul style="list-style-type: none"> <li>• Exempt part of Pensions on 11 December 2017</li> <li>• Exempt part of CAB on 13 December 2017</li> </ul>	1

# 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  
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  
LFEPA

Cllr Darren Rodwell  
Cllr Richard Cornelius  
Cllr Teresa O'Neill OBE  
Cllr M. A. Butt  
Cllr Colin Smith  
Cllr Georgia Gould  
Cllr Tony Newman  
Cllr Julian Bell  
Cllr Ayfer Orhan  
Cllr Denise Hyland  
Mayor Philip Glanville  
Cllr Sue Fennimore  
Cllr Claire Kober OBE  
Cllr Sachin Shah  
Cllr Roger Ramsey  
Cllr Ray Puddifoot MBE  
Cllr Steve Curran  
Cllr Richard Watts  
Cllr Elizabeth Campbell  
Cllr Kevin Davis  
-  
Mayor Sir Steve Bullock  
Cllr Mark Allison  
-  
Cllr Jas Athwal  
Cllr Paul Hodgins  
Cllr Peter John OBE  
Cllr Ruth Dombey OBE  
Mayor John Biggs  
Cllr Clyde Loakes  
Cllr Ravi Govindia CBE  
Cllr Nickie Aiken  
Ms Catherine McGuinness  
-

## Apologies:

ENFIELD  
LAMBETH  
MERTON  
NEWHAM  
  
WALTHAM FOREST  
LFEPA  
CAPITAL AMBITION

Cllr Doug Taylor  
Cllr Lib Peck  
Cllr Stephen Alambritis  
Mayor Sir Robin Wales  
Cllr Ken Clark  
Cllr Clare Coghill  
Ms [Fiona Twycross AM](#)  
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
  - 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

- Creating a healthy city
- Delivering the homes Londoners need
- 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 home-working 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.	<b>Draft London Skills Strategy and Adult Education Budget (AEB) Governance</b> <ul style="list-style-type: none"> <li>Lobby jointly on greater flexibility in the Apprenticeship Levy.</li> </ul>	PAPA E&C	In progress
5.	<b>Mayors New Draft London Plan</b> <ul style="list-style-type: none"> <li>Arrange a special meeting on the draft London plan for late January/early February.</li> </ul>	CG/PAPA H&P	In progress
6.	<b>Independent Panel on the Remuneration of Councillors</b> <ul style="list-style-type: none"> <li>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.</li> </ul>	CG	Done
7.	<b>Local Government Finance update: Autumn Budget 2017 and London business rates retention pilot pool 2018-19</b> <ul style="list-style-type: none"> <li>Letter from Cllr Julian Bell to Ms Val Shawcross CBE AM, Deputy Mayor for Transport to be circulated.</li> </ul>	PAPA T&E	Done
AOB	<b>Fire Safety</b> <ul style="list-style-type: none"> <li>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.</li> </ul>	PAPA Housing/CG	This is on the February Leaders' Committee Agenda





## Independent Peer Challenge:

### London local government's collective resilience arrangements

1. During 2016/17, London local government undertook work to review and strengthen its Emergency Planning capacity. The outcome of the work – the Emergency Planning (EP) 2020 Prospectus – set out ways in which both individual and collaborative resilience arrangements between boroughs could be strengthened.
2. In the course of 2017 London local government's collective arrangements were tested by a range of incidents. Given the cumulative significance of these, London Councils commissioned an independent peer challenge focusing on the extent to which boroughs' collaborative resilience arrangements – recently strengthened by the EP2020 Prospectus - continue to provide assurance and to identify ways in which collective arrangements can be further strengthened. This followed a discussion amongst Leaders of these issues in July 2017. The terms of reference are attached as Appendix A
3. Tom Riordan, Chief Executive of Leeds City Council, and Mary Ney, former Chief Executive of the Royal Borough of Greenwich, were commissioned by London Councils to conduct the peer challenge. Their report is attached as Appendix B.

### Background

4. The London Local Government resilience arrangements are rooted in the Civil Contingencies legislation, the wider London Resilience architecture and arrangements agreed between London's 32 borough councils and the City of London Corporation. Those latter arrangements include the London Local Authority Gold Rota, the support of the London Resilience Group and the London Local Authority Co-ordination Centre – based within London Fire Brigade – the oversight of the Local Authority Panel and the existence of the Gold Resolution, agreed to by all 33 London authorities via formal resolution.
5. The established local authority co-operation arrangements are underpinned by the local authority Gold resolution which was adopted individually by all London boroughs and the City in 2006<sup>1</sup>. The arrangements were subsequently enhanced to encompass mutual aid agreements, with the approval of individual boroughs and Leaders' Committee in 2010.
6. The London-wide work is overseen from a managerial perspective by the London Resilience Forum Local Authorities' Panel (LAP), which includes the lead borough Chief Executives for each Sub-Regional Resilience Forum. The Panel is chaired by John

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<sup>1</sup> The resolution, promoted by London Councils, replaced an earlier resolution adopted in 2004

Barradell, Chief Executive of the City of London.

7. These arrangements have much strength and have served London and London local government well over many years and through numerous incidents that have had to be managed, including terrorist attacks, severe weather, flooding and other extreme weather, industrial action, the outbreak of contagious diseases and a range of other disasters and incidents.
8. In 2016/17 the Local Authorities' Panel undertook review activity about the nature of borough Emergency Planning capacity in the light of various changes in recent years, including resourcing constraints. The EP2020 Prospectus set out an agenda for continued Resilience focus and stronger clustering and collaboration at sub-regional level between boroughs. This was reported to Leaders' Committee in February 2017. The Local Authorities' Panel and individual boroughs subsequently put a series of work streams in train to begin implementation of EP2020.
9. During 2017, the London arrangements – and in particular the London local authority contribution to those arrangements – were tested by:
  - The Westminster Bridge terrorist attack in March.
  - The knock on impact of the Manchester Arena terrorist attack in May and the subsequent move to the 'Critical' level of alert.
  - The terrorist attacks at Borough Market/London Bridge in early June.
  - The Grenfell Tower Fire in mid-June.
  - The terrorist attack near Finsbury Park Mosque on 19th June.
  - The consequences of fire safety testing and reviews on high blocks flowing from the Grenfell Fire tragedy and the evacuation of four tower blocks in Camden on 23<sup>rd</sup> June.
  - The terrorist attack on a tube train near Parsons Green terrorist on 15 September 2017
10. In Following a discussion amongst Leaders on these matters, London Councils commissioned an independent peer review, on behalf of London local government, to inform a reflection on the effectiveness of the collective resilience arrangements within the context of London's wider resilience architecture.

### **Next Steps**

11. London local authority stakeholders, including Leaders and chief executives - will want to reflect on the peer challenge review and how existing collective arrangements could be strengthened.

12. Following an initial consideration by Leaders' Committee, it is proposed that the Local Authority Panel considers each of the recommendations in turn. This work will form the basis of a detailed implementation plan, which the Panel will use to drive a programme of work in collaboration with all London local authorities.
13. Eleanor Kelly, Chief Executive of the London borough of Southwark, has been invited to attend Leaders' Committee to discuss the London Resilience Local Authorities' Panel's work to support the agreed implementation.
14. Leaders may wish to call for a progress report from the Panel on the overall programme to strengthen London local government's resilience arrangements in early 2019. In the interim, The

Leaders' Committee is asked to:

1. Endorse the recommendations for strengthening resilience and emergency preparedness across London's local authorities.
2. Commission the London Resilience Local Authorities' Panel to oversee implementation of the recommendations
3. Commission the Panel to prepare a progress report for Leaders' Committee, early in 2019.

#### **Financial implications for London Councils**

No immediate implications.

#### **Legal implications for London Councils**

Work to consider a potential refresh of the Gold Resolution and Addendum will necessitate legal advice

#### **Equalities implications for London Councils**

None

#### **Attachments**

**Appendix A:** The Independent Peer Challenge's terms of reference.

**Appendix B: Report:** London Local Government's Collective Resilience Arrangements – Independent Peer Challenge Review Report.



## **Terms of Reference**

### **London Local Government's Collective Resilience Arrangements –Independent Peer Challenge**

#### **Introduction**

The collective resilience arrangements of London's 33 local authorities – London local government - have many strengths and have served London and London local government well over many years and through numerous incidents ranging from terrorist attacks to severe weather.

During 2016/17, the Local Authorities' Panel of the London Resilience Partnership undertook review activity focusing on the nature of borough Emergency Planning capacity in the light of various developments in recent years, including significant resourcing constraints. This work – the Emergency Planning (EP) 2020 Prospectus – set out an agenda for strengthening collaborative resilience arrangements among boroughs.

In the course of 2017 London local government's collective arrangements were tested by a range of incidents including:

- the terrorist attack on Westminster Bridge in March;
- the wider impact of the Manchester Arena terrorist attack in May;
- the terrorist attack at Borough Market/London Bridge in early June;
- the Grenfell Tower Fire in mid June;
- the terrorist attack near Finsbury Park Mosque in June;
- the evacuation of residents from four tower blocks in Camden following fire safety testing in late June;
- the terrorist attack on a tube train near Parsons Green in September.

Given the cumulative significance of these events, London local government wishes to review the extent to which its EP2020 Prospectus continues to provide assurance about its contribution to wider London resilience and to identify ways in which collective arrangements can be further strengthened.

#### **Key areas of focus**

The review activity will be undertaken by an independent peer challenge. Its key focus is set out in the paragraphs below.

In the context of the statutory framework and incidents in London between March and June 2017:

- to what degree do EP2020's recommendations continue to offer assurance as a basis for London local government's contribution to wider London resilience arrangements?
- how clear is the understanding of London local government's collective resilience arrangements by all partners – including members and officers – and, in particular, the role and responsibilities of London Local Authority Gold and other partners?
- does the Gold Resolution and Addendum – agreed by all London local authorities – continue to be fit for purpose?

- what mutual expectations should London local government have of its constituent parts in its collective work to contribute to London's resilience?
- how effectively is London local government working with its key resilience partners and others in making its collective contribution to London's resilience.

The peer challenge is focused on London local government's *collective* arrangements, working with other partners, to support London's overall resilience. It will consider this in the context of the EP2020 Prospectus and the degree to which, given the experience of a range of incidents during 2017, that continues to provide assurance about London local government's collective work. It will not focus on the performance of any individual authority, nor will it seek to cover the same territory that is being examined by specifically constituted debriefing exercises and inquiries into particular incidents.

### **Conduct**

This work will be an independent peer challenge led by Tom Riordan, Chief Executive of Leeds City Council and supported by Mary Ney, former Chief Executive of the Royal Borough of Greenwich. They will conduct a range of discussions and interview and review relevant documentation.

A report will be submitted to the Local Authorities' Panel and the London Councils Leaders' Committee in early 2018.

**London Local Government's Collective  
Resilience Arrangements**

**Independent Peer Challenge**

**Report for  
London Councils Leaders' Committee  
6 February 2018**

**Tom Riordan and Mary Ney  
January 2018**

## **Executive Summary**

### **Introduction:**

1. This independent peer challenge was commissioned in October 2017 by the London Councils Leaders' Committee who wanted an independent view about the arrangements that underpin London Local Government's collaborative resilience work. The peer challenge had an agreed scope in light of the unprecedented challenges faced between March and September 2017.
2. The focus of the work was fitness of the collective response, not individual borough arrangements. Leaders and directly elected mayors were keen to be proactive, check robustness and lead improvements to provide assurance for regional and national partners, and the public.

### **Background:**

3. Document review and fieldwork took place between October and December 2017, with the peer challenge team listening to more than 40 stakeholders (councillors, chief executives, senior directors, emergency planning staff and key resilience partners). This included the voluntary and faith group leaders who are part of the regional arrangements. Direct engagement with community groups in individual localities was beyond the specification set by London Councils and the Local Authorities' Panel, which essentially focussed on the technical arrangements that underpin London local government's collaborative resilience work. We would, of course, expect to see engagement with the voluntary and community sector as part of the broader conversations which will inform action planning being taken forward by the London Resilience Partnership in response to a range of incidents during 2017. The peer challenge team were careful not to stray into issues that are the subject of other inquiries and investigations. The package of recommendations should be reviewed as further information emerges from the other inquiries, from engagement with community groups and partners, and from the regular debrief process.
4. The peer challenge team was led by Tom Riordan (Chief Executive of Leeds City Council) and Mary Ney (Former Chief Executive of the Royal Borough of Greenwich), supported by Mariana Pexton ( Chief Officer Strategy and Improvement, Leeds City Council). The peer challenge team are grateful for the response to their request for engagement and for the support provided by colleagues throughout the fieldwork.
5. The legislative framework for the local authority role in civil protection is clear through the Civil Contingencies Act (CCA) 2004. The collaborative resilience arrangements in London were initiated following the 9/11 attacks in the US and have been developed and improved in subsequent years, particularly in preparation for the 2012 Olympics. The set-up is unique in embedding arrangements across the 32 London Boroughs and the City of London in what are termed the London Local Authority Gold (LLAG) Arrangements and the Gold Resolution. This gives power and authority to LLAG to act on behalf of London Local Government in certain circumstances, enabling boroughs to work together and to provide a single voice and conduit for other responders. These collective

arrangements have been activated successfully on a number of occasions since 2004, for example, in response to terrorist attacks and severe weather events.

**Findings:**

6. The peer challenge found that the London boroughs respond to hundreds of incidents each year, largely managed very effectively every day at borough level or with locally arranged support. Examples include: unexploded world war bombs, community tension issues, and flooding. The peer challenge found evidence of a significant amount of activity across London in recent years to continuously improve the arrangements.
7. The volume, range, and nature of incidents experienced in London between March and September 2017 highlighted the need for this peer challenge to check fitness and consistency of the collective arrangements in the ever changing resilience challenge. The close timing of the terrorist attacks, plus the scale and consequences of the human tragedy together with the rehousing challenge presented by the Grenfell Tower Fire, placed additional pressure on the resilience arrangements and a “community” perspective beyond that which most councils have ever experienced. The peer review team heard from several stakeholders that the Grenfell Tower Fire had undermined confidence in vital elements of London Local Government’s collective resilience arrangements. Many of the recommendations are intended to address these issues and help restore confidence.
8. The peer challenge found a strong ethos and history of collaboration between boroughs, together with a clear recognition that the context and nature of incidents is changing. A Review of resilience arrangements was undertaken by London Local Government in 2016 (known as EP2020). It highlighted inconsistencies between boroughs, and issues of capacity and loss of experience. EP2020 contained a range of recommendations that are in the process of implementation. This peer challenge endorses this improvement work and makes further recommendations to build on EP2020 in light of the further experiences and learning during 2017.
9. There was widespread pride in keeping London safe and a concern that Londoners should not be failed in this regard. Stakeholders welcomed the peer challenge as a timely and helpful approach. Like the Lord Harris Review in 2016, this peer challenge found considerable support for London Local Government’s collective arrangements. However, the peer challenge found scope for further clarity in some plans, procedures and roles, and in line with EP2020 findings, some stakeholders also reported inconsistency in the effectiveness of borough arrangements, concerns over capacity and loss of experience in leadership and technical expertise. In particular there was concern that the current triggers and scope for LLAG to be activated did not enable a sufficiently speedy intervention in situations where the recovery phase appeared not to be working effectively, which is what many interviewees reported was experienced in response to the Grenfell Tower Fire.
10. The events of 2017, especially the scale and nature of the Grenfell Tower Fire, the almost permanently heightened security threat and London’s continued role as a global city and the UK capital, underline the importance of all council leaders directly elected

mayors and chief executives prioritising investment of time and resources and their direct engagement with resilience and emergency planning. All boroughs need to ensure that they have a culture where “resilience is everyone’s business”, enabling boroughs to establish and maintain organisation wide ownership, so that the broader workforce can be readily and rapidly deployed in response and recovery.

11. The peer challenge identified a series of themes outlined in the Report, which have informed the recommendations. They fall under the following headings: EP2020; an assurance framework; role of the Mayor of London; role of council leaders, directly elected mayors and local councillors; community and communications context; supporting victims and survivors; mutual aid; Local Authority Gold and the Gold Resolution; working with resilience partners; and councils as the “fourth” emergency service.

**Conclusion:**

12. In conclusion the peer challenge team was impressed by the strong commitment and the openness to ongoing learning and improvement, but there needs to be an assurance that this extends to all boroughs more consistently. The London Local Government collective resilience arrangements operate in a dynamic, complex and often testing environment and they have evolved over time in response to experience in exercising and in live incidents. The arrangements form a sound basis for further development and implementing this package of recommendations with pace will enable London Local Government to provide a more robust assurance about their collective arrangements. In particular, this will include an annual assurance report and operating more effectively via the Gold Resolution in exceptional cases where the situation demands it.
13. Crucially, all partners need to ensure that plans and procedures are simple, clear, and therefore more accessible to those who are not experts in resilience but vital in an emergency.
14. Finally, in light of the outcome of further debriefs, the various inquiries and from further community engagement, it will be important to review and enhance the implementation plan developed in light of this peer challenge, to ensure that all lessons are learned from the events of 2017.

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**Recommendations:**

**Recommendation 1** – Refresh EP2020 to incorporate the work of the independent peer challenge, into an agreed **implementation plan**. Council leaders, directly elected mayors and chief executives should provide clear leadership for resilience (including through active engagement in training and exercising) to ensure the effectiveness of arrangements in all boroughs for even the most significant test and thereby provide a robust annual assurance to regional and national partners and in turn the public.

**Recommendation 2** – Reaffirm the Local Authorities’ Panel (LAP) and Implementation Group as the accountable body to drive the refreshed EP2020 Implementation Plan with the immediate priority of **clarifying, simplifying and strengthening the sub-regional**

**arrangements** with the lead chief executive for each area being more widely recognised and supported by a central support capacity.

**Recommendation 3** – Draw together existing work to develop and implement a clear **assurance framework** to set expected and consistent standards at borough and regional levels, across all relevant aspects, and provide an annual assurance report to regional and national partners. Utilise peer challenge and improvement partner arrangements to ensure all boroughs operate to a high and consistent standard with the right level of capacity and capability.

**Recommendation 4** – Ensure boroughs recognise the importance of community resilience and have **clear community engagement and liaison plans** in place, with strong relationships across each sector, that are well connected to emergency plans. Ensure that boroughs understand the impact of incidents (both local and other) on their communities. Test the robustness of these plans and arrangements locally with key community and faith groups.

**Recommendation 5.** Ensure learning from the experiences of the humanitarian and welfare response in 2017 provided to **victims and survivors** by reviewing current plans and exercising, including: the robustness of the initial response; arrangements for longer term response; information sharing; a consistent approach to case management; role of the key worker; achieving consistency of service over a prolonged period; specialist skills; clear well understood and published arrangements for a standing charity for effective collection and distribution to those affected by tragedies; and co-ordination across agencies.

**Recommendation 6** – Formally recognise in plans the **role of Mayor of London as the voice of London and Londoners**, and his strategic role in relation to civil protection rather than having a direct operational role. Ensure that there is awareness and understanding of these roles and responsibilities, documented in plans and tested through exercising, as well as effective two way communications in incident response and recovery.

**Recommendation 7** – Develop and **agree the role of leaders, directly elected mayors and local councillors** in preparedness (including an assurance role through Scrutiny and Audit Committees) and in response and recovery (including a community leadership role rather than a direct operational role). Engage councillors in developing these roles. Leaders and directly elected mayors need to be involved in supporting the role of LLAG, when appropriate, and in exercising.

**Recommendation 8** – Enhance the **mutual aid policy** (which is underpinned by the memorandum of understanding) covering both front line resources and senior expert support so it works more effectively in practice on a more consistent and coordinated basis. These documents need to set out collective problem solving and resource sharing as the default approach, and be well exercised (including major incidents, unannounced table top exercises and sustained recovery periods), be better understood by partners and go beyond the London boundary.

**Recommendation 9** – Refresh the Gold Resolution and Addendum at the earliest opportunity to make triggers and the **escalation process** clearer, so that there is a clear

mandated process in the extreme circumstances that demand it. Use the role of the LAP chair (and engagement with relevant members of London Councils' Executive) to facilitate speedy "intervention" in those exceptional cases (for example, when a borough needs help but does not request it).

**Recommendation 10** – Engage with LRF to **simplify joint plans and ensure effective support arrangements between blue light partners and boroughs**. Recommend that the LLAG reduce the categories of scenarios: borough incident, borough incident with London wide implications, and an incident affecting more than one borough over several days or even weeks. This would enable plans to be better understood by people not expert in resilience but vital in an emergency.

**Recommendation 11** – Engage **central government departments** to secure a single and efficient point of contact through the Ministry of Housing, Communities and Local Government (MHCLG) for headline data and communication and for quick response funding such as Bellwin. Use this peer challenge to provide an impetus to share the good work being done across London Local Government and the learning from 2017 (for example, information sharing), to collaborate outside the capital and influence national policy and the local government sector.

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**Introduction:**

1. This independent peer challenge was commissioned in October 2017 by the London Councils Leaders' Committee who wanted an independent view about the arrangements that underpin London Local Government's collaborative resilience work. The peer challenge had an agreed scope to cover the following five key questions in light of the unprecedented challenges faced between March and September 2017.
  - To what degree do the Emergency Planning Review 2020 (EP2020) recommendations continue to offer assurance as a basis for London local government's contribution to wider London resilience arrangements?
  - How clear is the understanding of London local government's collective resilience arrangements by all partners – including members and officers – and, in particular, the roles and responsibilities of London Local Authority Gold (LLAG) and other partners?
  - Does the Gold Resolution and Addendum – agreed by all London local authorities – continue to be fit for purpose?
  - What mutual expectations should London local government have of its constituent parts in its collective work to contribute to London's resilience?
  - How effectively is London local government working with its key resilience partners and others in making its collective contribution to London's resilience?
2. Leaders and directly elected mayors were keen to be proactive, check robustness and lead improvements to provide an assurance for key regional and national partners, and the public. The focus of the work was the fitness of the collective response and not on individual borough arrangements. In relation to events in 2017, this was not a forensic study of what occurred, but rather a process to listen to lessons from recent events to help strengthen the collaborative arrangements in the future.
3. Document review and fieldwork took place between October and December 2017, with the peer challenge team listening to more than 40 stakeholders (councillors, chief executives, senior directors, emergency planning staff and key resilience partners). Engagement included learning from Manchester, as part of the 100 Resilient Cities network. The peer review team also included the voluntary and faith group leaders who are part of the regional arrangements. Direct engagement with community groups in individual localities was beyond the specification set by London Councils and the Local Authorities' Panel, which essentially focussed on the technical arrangements that underpin London Local Government's collaborative resilience work. We would, of course, expect to see engagement with the voluntary and community sector as part of the broader conversations which will inform action planning being taken forward by the London Resilience Partnership in response to a range of incidents during 2017.
4. The peer challenge team were careful not to stray into issues that are the subject of other inquiries and investigations. The package of recommendations should be reviewed as further information emerges from those inquiries, from engagement with community groups and partners, and from the regular debrief process.
5. The peer challenge team was led by Tom Riordan (Chief Executive of Leeds City Council) and Mary Ney (Former Chief Executive of the Royal Borough of Greenwich), supported by Mariana Pexton ( Chief Officer Strategy and Improvement, Leeds City Council). The peer challenge team are grateful for the response to their request for engagement and

for the support provided by colleagues throughout the fieldwork. Appendix 1 includes a summary of documents reviewed, appendix 2 lists the range of stakeholders engaged. Appendix 3 contains the peer review team biographies with a brief focus on their credentials for this task.

**Background:**

6. The Civil Contingencies Act (CCA) 2004 names local authorities as a “Category 1 responder” within the framework for civil protection in the UK, i.e. those organisations at the core of the response to most emergencies (the emergency services, local authorities, NHS bodies). Category 1 responder duties include:
  - assessing the risk of emergencies occurring to inform contingency planning;
  - putting in place emergency plans and business continuity management arrangements;
  - warning, informing and advising the public in the event of an emergency;
  - sharing information with other local responders to enhance co-ordination;
  - co-operating with other local responders to enhance co-ordination and efficiency; and
  - providing advice and assistance to businesses and voluntary organisations about business continuity management.
  
7. Category 2 organisations (for example: the Health and Safety Executive, transport and utility companies) are ‘co-operating bodies’. Category 1 and Category 2 responders come together to form “local resilience forums” (LRFs) to help with co-ordination and co-operation between responders at the local level. The London Resilience Forum (LRF), fulfils this role at the regional level, with a set of multi-agency plans, a training and exercising programme and a Strategic Coordination Protocol setting out the shared expectations.
  
8. The collaborative resilience arrangements in London were initiated following the 9/11 attacks in the US and have been developed and improved in subsequent years, particularly in preparation for the 2012 Olympics. The set-up is unique in embedding arrangements across the 32 London Boroughs and the City of London in what are termed the London Local Authority Gold (LLAG) Arrangements and the Gold Resolution. This gives power and authority to LLAG to act on behalf of London Local Government in certain circumstances, enabling boroughs to work together and to provide a single voice and conduit for other responders. These collective arrangements have been activated successfully on a number of occasions since 2004, for example, in response to terrorist attacks and severe weather events.
  
9. Boroughs respond to hundreds of different incidents and events each year and these are managed very effectively every day at borough level or with locally arranged mutual aid. Examples range from: unexploded world war bombs, community tension, surface water flooding, power outage, high pressure water main bursts, gas leaks, dangerous structures and chemical incidents relating to the production of illicit drugs. As part of a service monitoring programme boroughs reported a total of 655 incidents occurred between 1<sup>st</sup> September 2015 and 31<sup>st</sup> August 2016. This equates to just under 20 per borough per year and is in addition to the normal business of lower level call outs. This high level of incidents throughout the year across London Local Government means that

arrangements are regularly used in live incidents at borough level and this assists with readiness for larger scale incidents.

10. The peer challenge also heard about the range of incidents where the LLAG arrangements have been deployed effectively following their development in the aftermath of 9/11. This included, for example: 2004 Tsunami- large scale identification and repatriation issues, London's response to the 7/7 bombings, the radiation poisoning of Alexander Litvinenko, swine flu in 2009, multiple occasions of industrial action, the 2010 volcano eruption in Iceland, severe snow in 2009/10, summer disorder in 2011, murder of Lee Rigby in 2013, Croydon flooding in 2014, Croydon tram derailment in 2016 and Westminster and London Bridge terror incidents in 2017. Additionally, the LLAG principles were used to good effect during the 2012 Olympics to support the safe and successful delivery of the Games. Additional practical descriptions of LLAG operations are attached in Appendix 4.
  
11. There is evidence of a significant amount of activity across London to review and improve plans and to regularly exercise partnership arrangements at both borough level and collectively. A Review of resilience arrangements was undertaken by London Local Government in 2016 (known as EP2020), which highlighted inconsistencies between boroughs together with issues of capacity and loss of experience. EP2020 contained a range of recommendations, with the Local Authorities' Panel (LAP) and LAP Implementation Group being responsible for driving implementation, which has been affected by the operational demands of 2017:
  - 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 have ready access to high quality corporate advice and support in their localities;
  - 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 will 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.
  
12. All these developments have helped to meet the changing nature of challenges, and the terrorist threat in particular. This peer challenge endorses this improvement work, which has been impacted by the operational demands of incident response and recovery in 2017. The peer review makes further recommendations to build on EP2020, in light of the experience of 2017, and LAP will need to ensure that there is capacity to deliver the changes. As a reminder, the unprecedented and diverse range of incidents in a short period included:
  - the terrorist attack on Westminster Bridge in March;
  - the wider impact of the Manchester Arena terrorist attack in May;
  - the terrorist attack at Borough Market/London Bridge in early June;
  - the Grenfell Tower Fire in mid-June;
  - the terrorist attack near Finsbury Park Mosque in June;
  - the evacuation of residents from four tower blocks in Camden following fire safety testing in late June; and
  - the terrorist attack on a tube train near Parsons Green in September.

13. The volume, range, and nature of incidents experienced in 2017 highlighted the need for this peer challenge to check fitness and consistency of the collective arrangements in the current dynamic resilience climate. The close timing of the terrorist attacks, plus the scale and consequences of the human tragedy together with the rehousing challenge presented by the Grenfell Tower Fire, placed additional pressure on the resilience arrangements and a “community” perspective beyond that which most councils have ever experienced. The peer review team heard from several stakeholders that the Grenfell Tower Fire had undermined confidence in some vital elements of London Local Government’s collective resilience arrangements. Many of the recommendations are intended to address these issues and restore confidence.
14. The context of local government, not just London, has changed in recent years, not least with the impact of sustained austerity affecting its capacity, but also with the demographic, social and economic changes in local communities meaning different dynamics in local communities and placing additional demand pressures on councils. The changing models of service delivery, such as outsourcing, partnering and commissioning, also affects the resilience arrangements of councils, with less direct control over some services. The continually evolving nature of incidents that arise, the social media dynamic and the global context, all place additional pressures on the full range of Category 1 responders in the Civil Contingencies Act, meaning that strong and collaborative partnerships are more crucial than ever to help with a clear intelligence picture, strong partnerships and effective communications.
15. The additional dynamic of London being the capital city, home to so many national bodies, large and diverse, with a range of governance arrangements, can serve to make things complex in terms of being “prepared” for incidents, having effective “response” arrangements and ensuring effective and sustained “recovery” plans are delivered. In a complex system like this, any arrangements need to be of a consistent standard of excellence across organisations which can be challenging when the range of tests is so dynamic and significant. The changing nature of incidents is also demanding and makes the borough role important because of the importance of community engagement and strong relationships that can help at a time of crisis.
16. The national context is also important, with the ambition to learn from events in order to improve the response. The Cabinet Office (CO) and the Ministry for Housing, Communities and Local Government (MHCLG) have key roles in this, with both working on policy developments across Whitehall, that are timely in relation to this peer challenge, for example: including Resilience Direct, Resilience Standards, better sharing of lessons learned and Victim Support. The Society of Local Authority Chief Executives (SOLACE) and the Local Government Association (LGA) also have key roles in supporting the sector through work on guidance and training that they are refreshing.

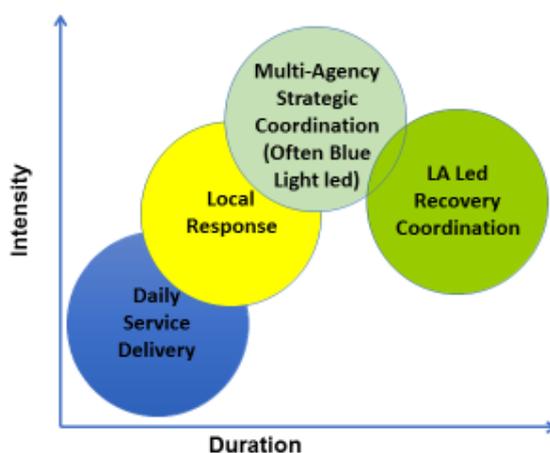
**Findings:**

17. The peer challenge found a strong ethos and history of collaboration between boroughs, together with a clear recognition that the context and nature of incidents is changing. The 2016 review, EP2020 (described in para 11) was clearly an important piece of work.

This independent peer challenge endorses that work and makes further recommendations to build on EP2020 in light of more recent experience and in particular to ensure that London Local Government is well prepared and able to respond effectively to the full range of challenges.

18. There was widespread pride in keeping London safe and a concern that Londoners should not be failed in this regard. Stakeholders welcomed the peer challenge as a timely and helpful approach. Like the Lord Harris Review in 2016, this peer challenge found considerable support for London Local Government’s collective arrangements. However, the peer review heard of scope for further clarity in some plans, procedures and roles, and in line with EP2020 findings some stakeholders also reported inconsistency in the effectiveness of borough arrangements, concerns over capacity and loss of experience in leadership and technical expertise,. In particular there was concern that the current triggers and scope for LLAG to be activated did not enable a sufficiently speedy intervention in situations where the recovery phase appeared not to be working effectively, which is what stakeholders reported was experienced in response to the Grenfell Tower Fire.
19. The events of 2017, especially the scale and nature of the Grenfell Tower Fire, the almost permanently heightened security threat and London’s continued role as a global city and the UK capital, underline the importance of all council leaders, directly elected mayors and chief executives prioritising investment of time and resources and their direct engagement with resilience and emergency planning. All boroughs need to ensure that they have a culture where “resilience is everyone’s business”, so that the broader workforce can be deployed in readily and rapidly in response and recovery, ensuring that plans and procedures are simple and clear, and therefore accessible to the members, the general workforce and the community. It is generally the borough that will have lead responsibility for recovery, as can be seen in the attached diagram, with effective handover from response to recovery being crucial.

### Response and recovery lead roles



20. The peer challenge focused on five key questions outlined in para 1. The work identified the following themes which are the subject of discussion and recommendations to help the further development of London Local Government's collective resilience arrangements.

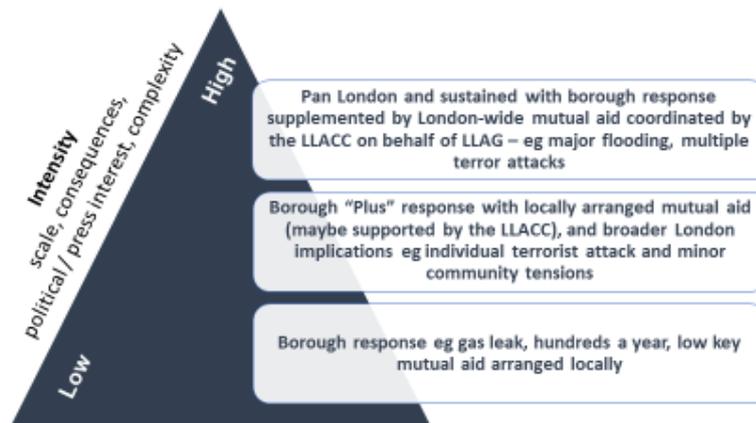
- a. **EP2020.** The peer challenge found EP2020 to be clear and comprehensive and it is important that all boroughs continue to support its implementation being driven by the Local Authorities' Panel (LAP). The understanding of emergency planning capability and capacity is very helpful for the forward planning of activity. There is a need to further clarify, simplify and strengthen the sub-regional arrangements and engage a broader range of senior managers in supporting preparedness, exercising and training in order to deal with concerns on capacity. Greater Manchester provides a good example of a chief officer group actively engaged in providing leadership direction and support to emergency planning colleagues. Resilience and emergency planning needs to be a regular agenda item for council leaders, directly elected mayors and chief executives in London, to ensure a culture of resilience remains at the forefront of organisational thinking and resources across boroughs can be deployed quickly and effectively in emergencies. Strong borough arrangements need to be the cornerstone of the collective arrangements, with guarantees on a range of issues such as an effective initial 24 hour response, relevant staff being security vetted, learning lessons from incidents, business continuity and connections to other key areas such as community safety and community engagement.
- b. **Assurance Framework.** Existing measures should be further developed and brought together in a single Assurance Framework with regular reporting, because this is crucial in achieving greater consistency across boroughs to enable collaboration and sharing of resources. Boroughs need the right level of capacity and capability. An annual assurance report should be used to help secure the confidence of key regional and national partners, with the first being published to the LRF in 2018. The Assurance Framework should explicitly link to the requirements of the CCA and include: aspects such as refreshed resilience standards (drawing on the existing Minimum Standards for London), exercising and training expectations (including unannounced and extended recovery exercises), business continuity, community engagement, peer challenge, mentoring and role of an improvement partner where needed, and the role of scrutiny/audit. The inherent tension in establishing a framework that gets the right balance between "consistency" and "local flexibility" is the challenge that stakeholders identified. There is potential learning from the Assurance Framework NHS England use to help develop, agree and implement this.
- c. **Role of the Mayor of London.** There is widespread understanding of the Mayor of London's role as the voice of London and Londoners, the strategic role in relation to civil protection, and leadership of key agencies involved, such as police, fire and transport. There is recognition that the Mayor doesn't have an operational role, but that effective communication is needed between the Mayor's Office and London Local Government during incident response and recovery, as well as continued involvement in planning and exercising.

- d. **Role of Members.** Leaders, directly elected mayors and local councillors have a key role in their boroughs for community cohesion, civic leadership, engagement and communication at the time of incidents as well as a role in ensuring London Local Government's collective preparedness and effective recovery arrangements. Currently resilience plans tend not to refer to the role of elected members and stakeholders were keen to strengthen the arrangements and be clearer about their borough role. Leaders and directly elected mayors need to be involved in supporting the role of LLAG, when appropriate, and in exercising. Plans need to be explicit about the role of members, so that this can be understood and supported by partners and the public.
- e. **Community and Communications Context.** As the nature of incidents and the context changes, so do the nature of the arrangements to deal with them. The importance of strong, effective and trusted relationships between councils and the communities they serve has never been more important. Local ownership and priority for these arrangements is crucial, as a priority for both officers and councillors. The resilience arrangements themselves cannot establish these relationships, but they will make or break success at all stages of resilience – preparation, response and recovery. Boroughs need to ensure strong connections and coherence between related services, such as emergency planning, community safety, and community engagement. At the time of an incident, the dynamic of social media creates a faster moving and less controllable context, but where more trusted relationships with the community can make a big difference. These changes in the context need to be factored into planning, training and exercising across partners.
- f. **Supporting Victims and Survivors.** This is a complex area, with a range of local, regional and national agencies involved, as well as the likelihood of an international dimension where visitors are involved. Recent work nationally has recognised scope for improvement in policies and procedures for all partners, with the creation of the Victim Support Unit. Learning through the debrief process from humanitarian and welfare provision in incidents in 2017 is essential in devising future plans and exercising to ensure that the right kind of consistent support is available to those affected, for example, understanding the specific needs of victims and survivors, being able to sustain support in a situation that needs a key worker role for an extended period, being able to share information when needed and be proactive with case management across relevant partners.
- g. **Mutual Aid.** The peer challenge found a strong ethos of mutual support between boroughs at the time of incidents with good examples given of borough chief executives both proactively offering support and recognising their own need for support, and in many cases this being well supported by emergency planning officers. The handling of the Croydon floods was mentioned by a number of stakeholders as a good example. Some stakeholders suggested that there have been occasions where the arrangements felt "voluntary", with an overreliance on goodwill. Feedback to the peer review team suggested that the mutual aid provided in the immediate aftermath of the Grenfell Tower Fire was not as effective as it should have been. These issues will be explored fully in the debrief process and

public inquiry. Given the concerns about levels of capacity and loss of experience and skills within London Local Government, recommendations are made to embed the concept of collective problem solving and resource sharing as the default position in plans and to include mutual aid scenarios more prominently in exercising, including unannounced and sustained recovery exercises. Mutual aid beyond the London boundary (which is standard for the blue light services) also needs to be given a higher profile, better understood by more people and periodically exercised.

- h. Local Authority Gold and the Gold Resolution.** There are considerable strengths in the current arrangements which have worked well on numerous occasions. However, there are concerns about the loss of experienced chief executives and on occasions, there is also a need for greater clarity about the different roles of the Borough Gold, LLAG and the Chair of LAP in the context of the Gold Resolution, including extending this clarity to handling the communications and the media and to the handover from response to recovery. The peer challenge identified an appetite to quickly strengthen the current Gold Resolution to increase the leverage of LLAG, through the LAP Chair, and to provide a more proactive and speedy response in exceptional circumstances, for example, when a borough needs help but does not request it.
- i. Working with Resilience Partners.** The peer challenge heard of good working arrangements between resilience partners in boroughs and at a regional level, with plans at a regional level strong. The faith sector reported their increasing role, with strong relationships at a regional level and developing relationships in each borough. The voluntary sector likewise highlighted the role they can play in strategic direction and operational delivery for humanitarian and welfare support. Some feedback also suggested that information sharing is an issue that needs to be worked through, though others felt it works well. A number of stakeholders felt that improvements could be made in learning lessons. Learning from Manchester suggests that having standing arrangements for the civic and charitable aspects is helpful, as well as the potential for more learning across combined authority areas drawing on the role of Metro Mayors as part of national developments being driven by Cabinet Office and Ministry of Housing, Communities and Local Government. Commitment to regular cross-partnership exercising is essential to embed lessons learned, and this activity needs to extend more into the recovery phase of incidents. The peer challenge heard that the new London Resilience Group (LRG) support arrangements for LLAG were not yet fully embedded, and that the development of the service level agreement could be a useful way to ensure a clear understanding of roles and responsibilities.
- j. Councils as the “fourth” emergency service.** In effect London local government should be viewed by the resilience partners as the “fourth” emergency service. A simpler understanding of incidents under three categories – borough incident, borough incident with London-wide implications, and an incident affecting more than one borough over several days or even weeks – would be better understood by people not expert in resilience but vital in an emergency, such as the broader workforce, councillors and the community.

## Levels of Local Authority Response



### Recommendations:

**Recommendation 1** – Refresh EP2020 to incorporate the work of the independent peer challenge, into an agreed **implementation plan**. Council leaders, directly elected mayors and chief executives should provide clear leadership for resilience (including through active engagement in training and exercising) to ensure the effectiveness of arrangements in all boroughs for even the most significant test and thereby provide a robust annual assurance to key national and regional partners. In the revised EP2020, ensure clarity of accountability at borough, sub-regional and regional level, and incorporate robust monitoring arrangements and regular communications updates (to all involved) about progress. Consider any additional investment (for example: funding, secondments etc) to deliver these plans, especially the focus on sub-regional arrangements, and ensure any funds are put to good use and that support at the different levels is linked and coordinated and doesn't undermine the strength of borough arrangements.

**Recommendation 2** – Reaffirm the Local Authorities' Panel (LAP) and Implementation Group as the accountable bodies to drive the refreshed EP2020 Implementation Plan with the immediate priority of **clarifying, simplifying and strengthening the sub-regional arrangements** with the lead chief executive for each area being more widely recognised and supported by the central capacity. Consider leadership development for those involved and ensure good engagement and involvement with a wider cohort of senior borough staff, emergency planning teams, councillors and partners. Use this engagement to help rebuild any confidence that has been dented by the events of 2017. Use the LAP to bring coherence to the sub-regional arrangements, and ensure effective connection to the London Resilience Forum (LRF). Ensure that there is clarity for borough or sub-regional lead roles for capabilities in response or recovery, for example, humanitarian support, rehousing. Use experienced chief executives to mentor and support less experienced chief executives. Consider the extent of collaboration that is possible between emergency planning teams, to build on arrangements that work well, as some stakeholders suggested there is scope for

more collaboration as one way of dealing with reduced capacity and an ageing workforce in this area.

**Recommendation 3** - Draw together existing work to develop and implement a clear **assurance framework** to set expected and consistent standards at borough and regional levels and provide an annual assurance statement to key regional partners (through the LRF) and national partners. Utilise peer challenge and improvement partner arrangements to ensure all boroughs operate to a high and consistent standard with the right level of capability and capacity. This framework needs to be rooted in the requirements of the CCA and cover borough level assurance – about organisational priority, capacity for preparation (especially partnership working, business continuity, training, exercising and community resilience), response (especially the first 24 hour period after an incident) and recovery arrangements; propose arrangements for independent testing and assurance; ensure a degree of consistency about workforce planning (capacity) and workforce development (capability) of emergency planning officers and the broader workforce so there is clarity on roles; Minimum Standards for London need to be refreshed, learning from recent incidents, and with a focus on testing these through exercising rather than a “tick box” response and being clear about the role of councillors to oversee local preparedness. There should be at least one major London-wide exercise a year, with lessons being reported through the assurance report. Use LAP and LAPIG to work through the balance between standardisation and flexibility so that there is ownership of this framework.

**Recommendation 4** – Ensure boroughs recognise the importance of community resilience and have **clear community engagement and liaison plans** in place, with strong relationships across each sector, that are well connected to emergency arrangements. Ensure that boroughs understand the impact of incidents (both local and other) on their communities. Test the robustness of these plans and arrangements locally with key community and faith groups. These arrangements will work best in the context of a borough which has an ongoing proactive focus and ethos of community engagement which builds and develops trust, confidence and relationships over time and thereby provides resilience at a time of adversity. Debriefs from 2017 incidents will inform this work.

**Recommendation 5** - Ensure learning from the experiences of the humanitarian and welfare response in 2017 provided to **victims and survivors** by reviewing current plans and exercising. The peer challenge identified the following issues to be addressed: the robustness of the initial response; arrangements for longer term response; information sharing; a consistent approach to case management; the role, nature and approach of the key worker; achieving consistency of service over a prolonged period; specialist skills; clear well understood and published arrangements for a standing charity for effective collection and distribution to those affected by tragedies; and co-ordination across agencies.

**Recommendation 6** – Formally recognise in plans the **role of Mayor of London as the voice of London and Londoners**, and his strategic role in relation to civil protection rather than having a direct operational role. Ensure that there is awareness and understanding of these roles and responsibilities, documented in plans and tested through exercising. Ensure that there is good two way communications during incident response and recovery, whether that is through Borough Gold, LLAG or the LAP Chair in exceptional cases.

**Recommendation 7** – Develop and **agree the role of councillors and directly elected mayors** in preparedness (including an assurance role through Scrutiny and Audit Committees), and in response and recovery (including a community leadership role rather than a direct operational role). Engage councillors in developing these roles and ensure training and awareness programmes are rolled out and that councillors are periodically involved in exercising. Leaders and directly elected mayors need to be involved in supporting the role of LLAG, when appropriate.

**Recommendation 8** – Enhance the **mutual aid policy** (which is underpinned by the memorandum of understanding) covering both front line resources and senior expert support so it works more effectively in practice on a more consistent and coordinated basis, especially after the initial borough response. These documents need to set out collective problem solving and resource sharing as the default approach, especially in prolonged or resource intensive incidents and be exercised (including major incidents, unannounced table top exercises and sustained recovery periods) and better understood by partners. Ensure that this approach is embedded into borough and partnership plans by a clear articulation of assets (for example: rest centres and mortuaries) and capabilities (for example: humanitarian and welfare support) and well understood through testing and exercising the recovery phase and sustained mutual aid scenarios. Establish resources to support operation of a collective response, for example, a shared case management system, the role of key workers and the role of community volunteers. Ensure there is knowledge and understanding of mutual aid beyond the boundary of the capital that is regularly tested, in line with how blue light services operate. Learning from Manchester, suggests that it is helpful to agree an approach to having standing arrangements collecting and distributing charity funds for tragedies and clarity to deal with civic issues in an appropriate manner.

**Recommendation 9** - Refresh the Gold Resolution and Addendum at the earliest opportunity to make triggers and the **escalation process** clearer, so that there is a clear mandated process in the extreme circumstances that demand it. Use the role of the LAP Chair (and engagement with relevant members of London Councils' Executive) to facilitate speedy "intervention" in those exceptional cases (for example, when a borough needs help but does not request it). Once developed, ensure this is well understood by all involved and embedded into council and partnership plans, and that it features in exercising (including no notice exercises).

**Recommendation 10** - Engage with LRF to **simplify joint plans and ensure effective support arrangements between blue light partners and boroughs**. Recommend that the LLAG reduce the categories of scenarios: borough incident, borough incident with London-wide implications, and an incident affecting more than one borough over several days or even weeks. This would enable plans to be better understood by people not expert in resilience but vital in an emergency. Consider optimum support arrangements so that there is clarity between the role of the London Resilience Group (in initiating the London Local Authority Control Centre - LLACC), London Councils and individual borough support for example, emergency planning and communications.

**Recommendation 11** – Engage **central government departments** to secure a single and efficient point of contact through the Ministry of Housing, Communities & Local Government for headline data and communication, for quick response funding such as Bellwin, and for “VIP” visits to incidents. Use this peer challenge to provide an impetus to share the good work being done across London Local Government and the learning from 2017 (for example: information sharing). Continue to engage and collaborate with others outside the capital, for example, with the 100 Resilience Cities network through Manchester, and influence the national policy through the work being done by Cabinet Office, Ministry of Housing, Communities and Central Government, the Local Government Association and the Society of Local Government Chief Executives.

**Conclusion:**

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21. In conclusion the peer challenge team was impressed by the strong commitment and the openness to ongoing learning and improvement, but there needs to be an assurance that this extends to all boroughs more consistently. The London Local Government collective resilience arrangements operate in a dynamic, complex and often testing environment and they have evolved over time in response to experience in exercising and in live incidents. The arrangements form a sound basis for further development and implementing this package of recommendations with pace will enable London Local Government to provide a more robust assurance about their collective arrangements. In particular, this will include an annual assurance report about the robustness of borough arrangements and operating more effectively via the Gold Resolution in exceptional cases where the situation demands it.
  22. Crucially, all partners need to ensure that plans and procedures are simple, clear, and therefore more accessible to those who are not experts in resilience but vital in an emergency.
  23. Finally, in light of the outcome of further debriefs, the various inquiries and from further community engagement, it will be important to review and enhance the implementation plan developed in light of this peer challenge, to ensure that all lessons are learned from the events of 2017.
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**Appendix 1**

Documents reviewed included:

- London Resilience Partnership – Strategic Co-ordination Protocol
- LESLP – Major Incident Procedure Manual
- Major Incident Local Authorities’ Panel - EP2020
- Local Authorities’ Panel – Business Plan
- London Mass Evacuation Plan
- London Local Authority Gold (LLAG) operating procedure
- London Local Authorities Mutual Aid – Memorandum of Understanding
- Gold Resolution and Addendum
- Sample SLA for Sub-Regional Grouping
- Relevant GLA Oversight Committee transcripts (from LRG evidence and Grenfell Recovery Team)
- Minimum Standards for London, Reporting Template and sample reports
- Lord Harris Review – London’s Preparedness to a major terrorist incident – 2016
- SOLACE & MHCLG guidance
- Cabinet Office – Concept of Operations
- Observed the webcast of GLA Overview Committee Review of evidence session – Nov 2017

**Appendix 2****Stakeholders interviewed or submitted written responses:**

Cllr Claire Kober	Chair of London Councils / Leader of Haringey
Cllr Peter John OBE	Deputy Chair London Councils / Leader of Southwark
Cllr Teresa O'Neill OBE	Vice Chair London Councils / Leader of Bexley
Cllr Lib Peck	Executive member for crime and public protection / Leader of Lambeth
John Barradell	Town clerk – City of London Corporation / Chair of Local Authorities' Panel (LAP) / Vice-Chair of London Resilience
John O'Brien	Chief Executive - London Councils
Doug Patterson	Chief Executive – Bromley / member of LAP
Lesley Seary	Chief Executive – Islington / Chair of Chief Executives London Committee (CELC) / member of LAP
Eleanor Kelly	Chief Executive – Southwark / member of LAP
Charlie Parker	Chief Executive – Westminster / Chair of LAP Implementation Group (LAP IG)
Stuart Love	Deputy Chief Executive and Executive Director for City Management and Communities – City of Westminster
Andrew Meek	Head of Organisational Resilience – Haringey / Practitioner Advisor to Chair of LAP
Mark Wolski	Interim Emergency Management and Response Manager – Hillingdon
Jo Couzens	Emergency Planning Lead – Lambeth / LAP IG Member
Gary Locker	Head of Resilience – City of London Corporation / LAP IG Member
Heather Wills & Andrew Pritchard	Interim Director of Local Services – Kensington and Chelsea & Consultant – Kensington and Chelsea, deputising for the Chief Executive of Kensington & Chelsea – Barry Quirk (formerly Chief Executive of Lewisham)
Chris Naylor	Chief Executive – Barking and Dagenham
Martin Esom	Chief Executive – Waltham Forest
Paul Najsarek	Chief Executive – Ealing
Tim Shields	Chief Executive – Hackney
Carolyn Downs	Chief Executive – Brent
Michael Lockwood	Chief Executive – Harrow
Sara Sutton	Director of Public Protection & Licensing – City of Westminster

Deborah Collins	Strategic Director of Environment & Leisure – Southwark
Warren Shadbolt	Assistant Director of Safer and Stronger Communities – Sutton
Keith Townsend	Executive Director of Environment & Customer Services – Ealing
Paul Moore	Director of Regeneration, Communities and Customer Services – Bexley
Emma Spragg & Christina Dalton	Director for London, Independent Living and Crisis Response & Emergency Response Operations Manager – British Red Cross
The Ven. Luke Miller	The Archdeacon of London
Joanne Roney	Chief Executive – Manchester City Council
Dr Kathryn Oldham OBE	Chief Resilience Officer – Greater Manchester Combined Authority
Fiona Twycross AM	Chair of the London Fire and Emergency Planning Authority and London Resilience Forum
David Bellamy	Chief of Staff – Greater London Authority
Patricia Gallan & Dawn Morris	Assistant Commissioner Specialist Crime and Operations & Superintendent – Metropolitan Police Service
Steve Apter	Director of Safety & Assurance – London Fire Brigade, for Dany Cotton, Commissioner
Gill McManus & Katherine Richardson	Resilience and Emergencies Division – MHCLG
Katharine Hammond & Adam Robson	Civil Contingencies Secretariat – Cabinet Office
Peter Boorman	Regional Lead for Emergency Preparedness, Resilience and Response – NHS England
Piali Das Gupta	Head of Policy – SOLACE
Steve Hamm	Head of London Resilience Forum Programmes
John Hetherington	Deputy Head of London Resilience Group
Toby Gould	Deputy Head of London Resilience Group
Mark Sawyer	City of London Corporation
Jennifer Sibley	London Councils
London Councils Chief Executives meeting - 15 December 2017	
Local Authorities' Panel Implementation Group – 24 January 2018	

### **Appendix 3:**

Short biographies of Peer Review Team, with a brief focus on credentials for this task.

#### **Mary Ney**

More than 40 years' experience in London Local Government including 24 years as a chief officer. Currently acting as Lead Government Commissioner for Rotherham MBC; a Non-Executive Director on the Ministry of Housing, Communities and Local Government Ministerial Board; and a Consultant in Local Government. Mary brings a wealth of resilience and emergency planning at various boroughs and at a London-wide level, including undertaking LLAG role (eg post Tsunami, during 7/7 London bombings and 2014 flooding) and Borough Gold when Lee Rigby was murdered; helping to develop LA Gold and Gold Resolution; involvement in exercises, the LRF and a variety of incidents and event planning; and being a member of the City Operations Steering Group for London 2012.

#### **Tom Riordan**

Tom spent time as a Senior Civil Servant covering a range of policy areas, before moving to lead Yorkshire Forward. Since being Chief Executive of Leeds City Council, he drove the Commission that set out in 2012 a new "civic enterprise blueprint" for the Future of Local Government. Since 2010, he has overseen £180million of efficiency savings across the organisation, pioneer status for the city's health and social care work, transformation of the council's Children's Services to the praise of Ofsted with Leeds rated "good" with "outstanding" leadership in 2015. He is a trustee on the Centre for Cities Board and Chair of the Core Cities Chief Executives Group. Tom was awarded Yorkshire Man of the Year 2017 for his commitments to the city and wider county. Tom's experience of resilience and emergencies was a leadership role during extensive flooding in Yorkshire; whilst at Leeds there have been a range of issues such as the murder of a school teacher, major flooding, and the implications of terror attacks where Tom has played a key leadership role.

#### **Mariana Pexton**

Mariana was a Civil Servant prior to joining Leeds City Council in 2000. She has been Chief Customer Services Officer, Deputy Director of Children's Services and is now Chief Officer Strategy and Improvement at Leeds City Council. Mariana supports the Chief Executive, and the wider Corporate Leadership Team, and Councillors, to deliver better outcomes in the city. Mariana provides leadership of the council's corporate support functions including communications, intelligence, business improvement, shared services, and emergency planning. Mariana played a leading role in supporting the Commission on the Future of Local Government in 2012 and in following through the actions to deliver change. Mariana is a trustee of Leeds Rugby Foundation. Mariana has lead the resilience agenda in Leeds for about three years, and is a member of the West Yorkshire Resilience Forum. During that time, there have been the usual range of incidents to deal with, plus major incidents such as the murder of a school teacher in Leeds, major flooding and the implications of terror attacks.

**Appendix 4:**

A brief explanation of how the LLAG arrangements have been applied to demonstrate the flexible and scalable response mechanism:

Severe Snow 2009/2010 - In 2009/10 the national and London salt stocks used to grit roads and keep London moving was depleted. With no assurance of re-supply LLAG was activated and chaired London Resilience Partnership meetings attended by key stakeholders including TfL, the health sector and GLA. LLAG made a number of strategic decisions, following consultation with London Councils and all London chief executives, including the reduction of the London-wide gritting service to a resilience network of key roads, a minimum level of salt to be held by each borough based on length of resilience network, a strategic re-supply operation supported by TfL for national salt stock arriving in London and the need for all boroughs to share salt by means of mutual aid if available. As a result of these decisions and the coordinated and consistent approach adopted by all boroughs, and although there were challenges in negotiations and co-ordination, no one ran out and London kept moving.

Croydon Floods in 2014 - The risk of flooding from the Caterham Bourne was identified by Croydon Council in January 2014. A local multi-agency Gold strategic group was established chaired by the council's chief executive. Due to prolonged efforts to mitigate the risk of flooding which could affect several thousand homes, the council's local command and control functions were set up bolstered by mutual aid for key response functions coordinated via the team which delivers the LLAC. The duty LLAG was continually updated on and maintained a watching brief in case wider support be required. In case the need to evacuate become a reality, a protocol was agreed between Croydon Council and the Metropolitan Police Service whereby coordination of the multi-agency response would transfer. Following further significant rainfall and storm damage the decision to evacuate was made, the MPS accepted responsibility and due to the high likely hood that Croydon Council would require additional assistance from other local authorities, LLAG was activated and attended the MPS special operations room at Lambeth. This left the Croydon chief executive in Croydon to oversee the council's local response and deployment of mutual aid should it have been needed. Fortunately prior to implementing the evacuation plan the decision was rescinded and the MPS and LLAG stepped down leaving Croydon Council to consider leading the response at the local level with another chief executive (Bexley) being appointed to undertake the Gold Recovery role.

London Bridge Attack 2017 - Immediately after the vehicle and knife attack on London Bridge and in Borough Market it was clear that two boroughs were affected, the City of London Corporation and London Borough of Southwark. To coordinate the response the MPS chaired strategic coordination group meetings, with strategic level representatives from the City and Southwark, and with LLAG dialling into the teleconferences for the first two days. This was in recognition that this attack had occurred just a few weeks after the terrorist attack on Westminster Bridge, the Manchester Bombing and a 'move to critical'. Concerns existed about the cumulative effect and potential increased community tensions. Additionally the numbers of people affected and the significant media interest could have resulted in requests for support and with LLAG being sighted on discussions, this London-wide support could have more easily been coordinated, if required. That said, following

confirmation that tensions had not increased beyond acceptable levels and it being clear that Southwark had the resources to deal with ongoing demands, LLAG stood down.

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# Leaders' Committee

## Fire Safety Update

Item no: 5

**Report by:** Eloise Shepherd      **Job title:** Head of Housing and Planning Policy

**Date:** 06 February 2018

**Contact Officer:** Eloise Shepherd

**Telephone:** 020 7934 9813      **Email:** [Eloise.shepherd@londoncouncils.gov.uk](mailto:Eloise.shepherd@londoncouncils.gov.uk)

**Summary**      The tragic events at Grenfell Tower in June 2017 have prompted a sea change in approaches to housing policy and practice at a local and national level as well as significant changes to fire safety policy, as well as a developing programme of cross tenure remedial work. This paper details and summarises areas of ongoing work and development.

**Recommendations** Leaders' Committee is asked to:

- Note the contents of the report



## **Fire Safety Update**

This report is split into four sections, containing updates on:

1. Immediate fire safety responses following the Grenfell Fire;
2. Enforcement in private sector blocks;
3. Funding and remedial work
4. The Hackitt Review Interim Report;

The report updates members on ongoing technical discussions with the newly renamed Ministry of Housing, Communities and Local Government (MHCLG) and reappraises the work that has taken place around fire safety.

### **1. Immediate Fire Safety Responses following the Grenfell Fire**

- i. London Fire Brigade (LFB) inspection and waking watch protocol

The following information regarding the ongoing inspection programme since the fire was provided from the LFB directly as an update for Leaders in January 2018:

*LFB have been working consistently to address the cladding issues which have arisen since the tragedy at Grenfell Tower. This work has been supported by specialist staff in three main phases.*

- *During phase 1, 464 buildings were referred to LFB resulting in around 500 inspections of buildings with confirmed Aluminium Composite Material (ACM). These inspections were concerned with the general fire precautions in the buildings.*
- *Phase 2 involved 246 buildings which had failed full scale testing (163 of which had been inspected in Phase 1). 78 of these buildings were subsequently found upon inspection, to be under 18m or no longer cladded.*
- *The latest phase of work, phase 3, has so far seen 333 buildings referred to LFB which after data cleansing left 111 buildings for follow up action. Of these, 15 have been confirmed as failing the Cat. 3 cladding test.*

*LFB continue to work closely with Local Authorities and key stakeholders, maintaining a focus on providing consistent advice on often challenging and individual issues. Being*

*mindful of the significant impact on both communities and Local Authorities, keeping people in their homes has remained a key priority. However, if lives of residents are at placed risk, LFB are prepared to take enforcement action, up to and including the prohibition of a building or parts thereof, under Article 31 of the Regulatory Reform Order.*

A number of blocks across London as a result of the inspections have shifted to a simultaneous evacuation policy, with a waking watch in process. Landlords of all tenures have concerns about the ongoing costs of waking watch, but it remains in place in all buildings clad to assure resident safety. The National Fire Chiefs Council are now reviewing the waking watch guidance. Westminster and Southwark are represented on this review group, with additional input from Wandsworth. Where further buildings are found to be clad with ACM, they will be incorporated into the inspection programme with the information being passed to LFB directly from MHCLG.

Council and Housing Association buildings found to have ACM are being declad or, at a minimum, there are plans in place to declad the buildings. At least one borough (Hounslow) has completely de and re clad all buildings within their own stock containing ACM. Waking watch ceases once buildings are declad.

## ii. Testing Programme

Since June, CLG and MHCLG have released a series of letters and additional guidance drawn from advice from the Independent Expert Advisory Panel, which is chaired by Sir Ken Knight. Following the conclusion of the large scale system testing process in September 2017, MHCLG released consolidated advice to building owners. This is appended for information (see Appendix 1). The testing programme, as members will know, was undertaken in two phases, initially testing the combustibility of ACM tiles and, following this, testing the fire spread of large scale systems. Boroughs and other landlords have had questions about whether there are any non-ACM systems that have been tested (in part to assure residents where buildings are being reclad). A further advice note on non-ACM systems was produced in response to these questions (see Appendix 2). The summary of the advice is that landlords should either ensure all elements of any cladding system are of limited combustibility, or can be shown directly to have passed the large scale test (BS 8414 standard). The MHCLG sponsored Building Research Establishment (BRE) programme of tests has not yet been open to tests of non ACM systems.

Boroughs have removed a small number of non ACM systems, including systems made up of expanded polystyrene insulation overlaid with flexible renders and glass-fibre reinforcing mesh.

iii. Pan-London Officer response

Following the Grenfell Fire, London Housing Directors appointed Simon Latham from Sutton to chair the Fire Safety Sub Group. This group has regularly met since June, initially to discuss mutual aid and to provide a forum for discussion of the MHCLG testing programme. The group also provided extensive feedback to the Hackitt Review (see Appendix 3) and is currently considering its response to the Interim Report. The group includes representation from LFB, the Greater London Authority (GLA) and, more recently, the g15. It has, therefore, been a useful forum to air technical issues such as publication of Fire Risk Assessments, provision of information to both MHCLG and the GLA and management of waking watch. Latterly, the group has focused on the challenge of enforcement in private sector blocks, and ensuring MHCLG understand the difficulties (practical, legal and financial) in using Local Authority powers in relation to landlords of buildings where there is ACM.

## **2. Enforcement in private sector blocks**

With a few exceptions, the initial inspection and decladding programmes involved buildings managed by social landlords (either local authority or registered providers). MHCLG's testing programme was always open to all building owners, but only a small number of large scale private landlords came forward for testing in the initial weeks and months after the fire.

Since then, a number of additional buildings have been identified, predominately through local authority or LFB activity. Where landlords have co-operated, this has led to the institution of a waking watch. However, many landlords have yet to respond to queries about cladding or are actively not taking remedial action.

The Fire Safety Sub-Group has had extensive discussions with MHCLG about the enforcement issues, focusing on the following points:

i. Locating the responsible person

For many buildings, the ownership is not simple to find even with the use of Land Registry records. This is particularly a problem where overseas shell companies

are involved. MHCLG are discussing with HMRC if information can be shared with councils.

ii. Ascertaining if ACM is present

While it is reasonably simple to ascertain if a building is not clad with ACM, there are a number of cladding materials that look similar. To be certain, a section of the cladding must be removed. Therefore, if a building owner does not respond to queries about the cladding (and the information is not available through Building Control) a local authority may wish to take a sample. MHCLG wrote to all local authorities in late 2017, following discussions with the Fire Safety Sub-Group, outlining its view that powers under the Housing Act 2004 would allow councils to take such a sample.

There are some complications with this however. First, there is no way of recharging the cost of taking samples in this way as the legislation was not designed for work on this scale. Given the costs involved, this presents already under resourced Private Sector Housing Teams with a considerable problem. Second, issuing notices and using powers under the Housing Act 2004 requires a qualified Environmental Health Officer. However, understanding of the cladding systems involved is the remit of Building Control. Both are areas of skills shortages in local authorities.

iii. Compelling remedial work where ACM is present

In the same letter MHCLG maintained the Housing Act 2004 could also be used to compel remedial work. The ownership issue is relevant here again. Additionally, the sub-group was able to communicate to MHCLG the length of time normally involved in enforcing under this Act.

The key issue here is that while Housing Act 2004 powers could be relevant in enforcement, they were not designed for this purpose and there are considerable difficulties where landlords are uncooperative. This was highlighted in the response to the Hackitt Review by both London Councils and London Housing Directors. The other crucial issue with private sector stock is the cost of the works and how this is met, or should be met.

### **3. Funding and remedial work**

#### **i. Local Authority / Social stock**

A number of boroughs have approached MHCLG requesting funding for remedial works and other fire safety works. MHCLG has stated that funding will only be available for 'essential' as opposed to additional fire safety works. Beyond decladding, it is currently unclear exactly what constitutes 'essential'. MHCLG officials recently reported that ten councils had formally applied (with a number more having contacted the Ministry) for support. Announcements on flexibilities to be allowed would shortly be made in respect of four of those applications. It is not thought that any of the councils are London boroughs. The funding made available is, it is believed, through flexibilities (e.g. increased borrowing) rather than new funding. In the case of housing associations that do not have funds available for the work, they had been advised to speak to the social housing regulator. The progress of any such bids has not been made public at the time of drafting this report.

#### **ii. Private Stock**

Some larger landlords and providers have made it clear that they will foot the bill for any work in blocks that they own and not re-charge leaseholders. However, as the recent high profile Croydon case (involving First Port Property Services) demonstrates, other landlords are charging leaseholders, in advance, for the cost of the work. Given the cost per unit is considerable (between approximately £13,300 and £31,300 per household), leaseholders are challenging the costs. There is an initial hearing on the 6<sup>th</sup> February at the first tier property tribunal. MHCLG has stated that it would like the private sector to 'follow the lead of the social sector and not pass on costs. It has provided additional funding to LEASE to assist with legal advice nationally. There are likely to be other similar cases. In Slough, the council has actively acquired a formerly privately managed rental building and will carry out improvement works itself.

As a result of such cases, there remain significant concerns about who will bear the cost of remedial work in private stock. This is unlikely to be resolved swiftly as more cases come forward, and legal action (such as the property tribunal process

entered into my leaseholders of First Port Property Services) may take some time to complete.

#### **4. Hackitt Review interim report**

The work of the review to date has found that the current regulatory system for ensuring fire safety in high-rise and complex buildings is not fit for purpose. This applies throughout the life cycle of a building, both during construction and occupation, and is a problem connected both to the culture of the construction industry and the effectiveness of the regulators.

The interim report, released December 2017, sets out initial early stage findings and sets the direction of travel for the next stage of the review. It is not the role of the Hackitt Review to itself set new detailed building regulations, but rather to highlight and define the problems with the current system and how this can be improved. Even before the full report (which is set to follow in Spring 2018), the Home Office has informally stated it will be looking at the Regulatory Reform (Fire Safety) Order 2005, and MHCLG have indicated they will be considering the presentation of 'Approved Document B' imminently, as recommended as an immediate measure in the report. Dame Judith Hackitt also makes clear in the report and publicity surrounding it that landlords owning buildings that have ACM cladding that has failed large scale tests should absolutely not wait for the outcome of the full review to remove it.

This interim report is welcome, and boroughs are working closely with colleagues across the capital to take the necessary action to ensure the safety of all Londoners. There is agreement that the current system is not fit for purpose and efforts are underway to clarify regulations, roles and responsibilities and improve systems of compliance and quality assurance. It is essential that local and central government work together and that this work is properly supported and fully funded. In the London Councils' response to the Hackitt Review, concerns about the regulations being overly complex for most of the people who use them were highlighted, as was confusion about the roles and responsibilities of different actors working within the system.

#### **Key findings of Hackitt Review Interim Report**

##### **1. Regulation and guidance**

Current regulations and guidance are too complex and unclear. This can lead to confusion and misinterpretation in their application to high-rise and complex buildings.

## **2. Roles and responsibilities**

Clarity of roles and responsibilities is poor. Even where there are requirements for key activities to take place across design, construction and maintenance, it is not always clear who has responsibility for making it happen.

## **3. Competence**

Despite many who demonstrate good practice, the means of assessing and ensuring the competency of key people throughout the system is inadequate. There is often no differentiation in competency requirements for those working on high-rise and complex buildings.

## **4. Process, compliance and enforcement**

Compliance, enforcement and sanctions processes are too weak. What is being designed is not what is being built and there is a lack of robust change control. The lack of meaningful sanctions does not drive the right behaviours.

## **5. Residents' voice**

The route for residents to escalate concerns is unclear and inadequate.

## **6. Quality assurance and products**

The system of product testing, marketing and quality assurance is not clear.

The final report is due to be published in spring 2018. London Councils will continue to feed into the work. The report will not in itself detail the technical specifics of a new system, rather it will highlight the inadequacies and problems with the current framework and make recommendations for where regulations should be reviewed or strengthened. Government responses to these proposals may not be limited to a single response but via a range of potential processes (for example the element on 'residents' voice' may be addressed by the Private Member's Bill Homes (Fitness for human habitation)).

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### **Financial Implications for London Councils**

There are no financial implications for London Councils arising from this report.

### **Legal Implications for London Councils**

There are no legal implications for London Councils arising from this report.

### **Equalities Implications for London Councils**

There are no equalities implications for London Councils arising from this report.

# London Councils

The voice of London local government

## Post-Grenfell fire safety remedial costs in London

*London Councils represents London's 32 borough councils and the City of London. It is a cross-party organisation that works on behalf of all its member authorities regardless of political persuasion.*

### Background

This briefing provides detail about the work that London boroughs are carrying out, or plan to carry out in response to the Grenfell Tower fire, gained from a survey of London boroughs conducted by London Councils.

London boroughs are committed to doing what is necessary to ensure the safety of residents and are pressing on with this work in the spirit of that commitment. London boroughs have a central role in ensuring the wellbeing and safety of all of residents, and this has been the focus of all boroughs since the fire. Whilst some boroughs may currently have the capacity to meet these significant costs up front through HRA reserves, headroom or major repairs reserves it is evident that there will be an impact on boroughs' existing plans for repairs, maintenance and building new homes. Boroughs are clear that there is therefore a need for government assistance, increased flexibilities or changes to the HRA borrowing cap.

The findings also highlight the challenges and uncertainty associated with awaiting any changes to building regulations and results of specialist surveys and inspections.

### Key findings

- Across 21 respondents, the **total potential cost of remedial work is estimated at £402 million**, including £53 million of immediate remedial work in 2017/18
- Remedial costs include the **installation of sprinklers (£262 million)**, **other costs (£90 million)** and **cladding work (£53 million)**
- **7 boroughs intend to fit sprinklers** to buildings that do not currently have them, **11 boroughs are undecided** and **3 boroughs do not intend to fit sprinklers**.
- Across 20 respondents, a **£381 million potential remedial cost** compares to **£600 million of HRA reserves**, **£454 million major repairs reserves** and **£1.1 billion of HRA headroom**. **HRA reserves from those surveyed ranged from £1.3million to £130.9 million**. Boroughs frequently commented that reserves and headroom were already tied up in existing projects, such as maintaining existing stock and building new homes.
- Boroughs identified **£8 million of immediate one-off costs in response to the Grenfell fire**, including additional staff time and the cost of specialist surveys / inspections.

### Response rate

Responses were received from 25 boroughs, out of which 22 boroughs collectively own 1,569 medium / high-rise residential buildings of six stories or more.

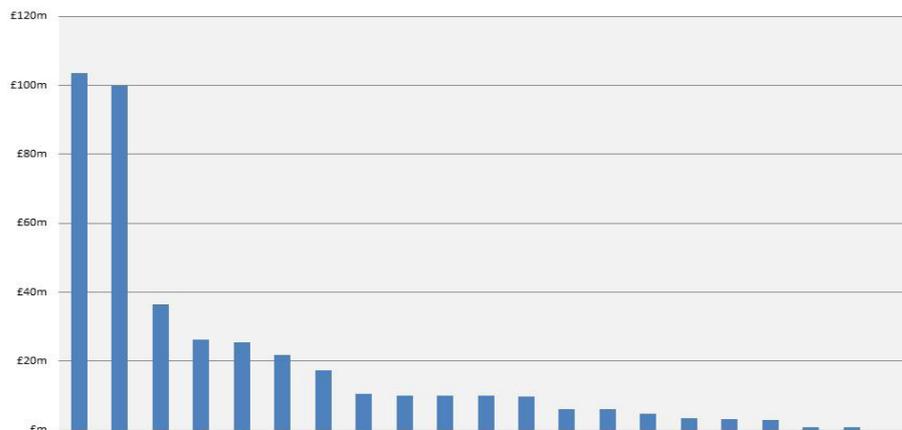
Remedial cost estimates provided are provisional and subject to change; in particular, the actual cost will be determined by the results of specialist surveys and any changes to building regulations.

## Item 5 - Appendix 1

### Total remedial costs

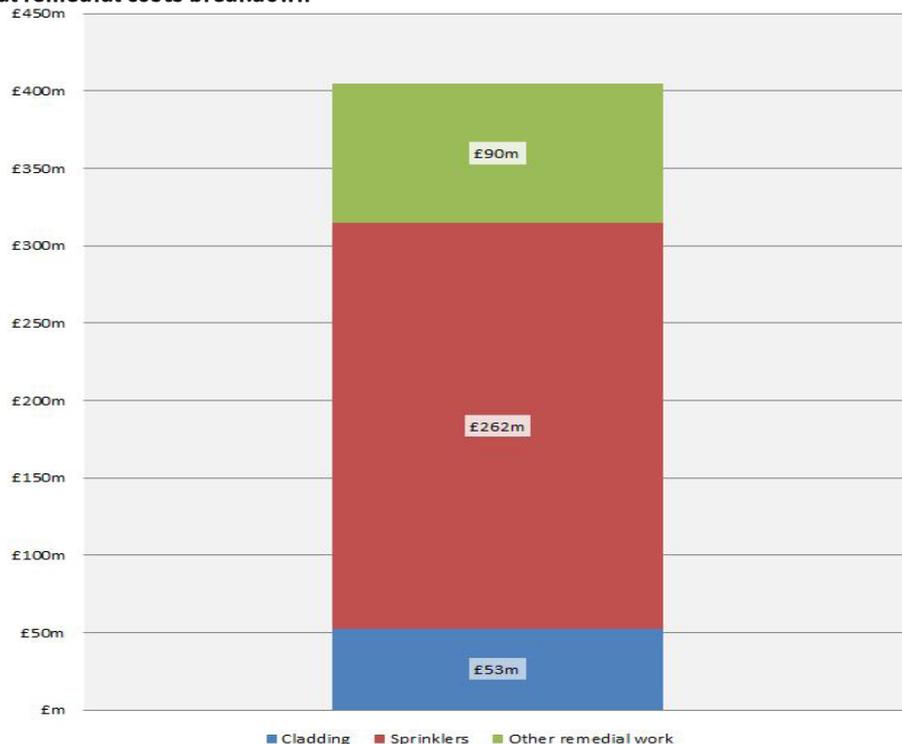
Across 21 boroughs providing a total remedial cost estimate, potential costs totalled £402 million, including two boroughs with estimates around £100 million (*figure 1*). There remains significant uncertainty over the exact timing of remedial work, but £53 million of remedial work has already been identified for 2017/18.

**Figure 1 - total potential remedial costs by borough surveyed**



The installation of sprinklers makes up £262 million of potential remedial costs (65%), followed by £90 million of “other remedial work” (22%) and £53 million of remedial cladding work (13%) (*figure 2*).

**Figure 2 - total remedial costs breakdown**



Remedial work to cladding systems was significantly more likely to fall as a cost in 2017/18 than sprinklers (*table 1*). The timing of sprinkler installation is often still dependent on the results of ongoing specialist surveys, whereas firmer decisions may already have taken on re-cladding work.

**Table 1 – remedial cost timescales by type of work**

	Total cost	Of which 2017/18	% in 2017/18
Cladding	£52.7m	£21.4m	41%
Sprinklers	£261.9m	£7.9m	3%
Other remedial	£90.4m	£24.0m	27%

## Item 5 - Appendix 1

### Cladding – cost per block

38 blocks across 12 boroughs are expected to require remedial work to cladding systems, with a total estimated cost of £53 million. This implies an aggregate cost per block of £1.4 million and, at an individual borough level, the implied cost per block ranges from £385,000 to £3.3 million.

### Sprinklers – cost per block

The installation of sprinklers is the most significant aggregate cost. There is currently a high degree of uncertainty when specialist surveys are ongoing, but some boroughs provided estimates of what the cost would be if the decision was made to install sprinklers in all blocks.

Six boroughs provided data showing the estimated cost per block of installing sprinklers: across 265 blocks in these boroughs, the aggregate cost totals £113 million. This implies an average cost of £426,000 per block, with the implied cost per block ranging from £188,000 to £615,000 at individual borough level.

The exact scope of sprinkler installation is likely to be a key determinant of cost: one borough provided a sprinkler installation estimate of £2 million for communal areas, but suggested that this could rise to £4.7 - £5.6 million if sprinklers were also installed in individual properties.

### Other remedial costs

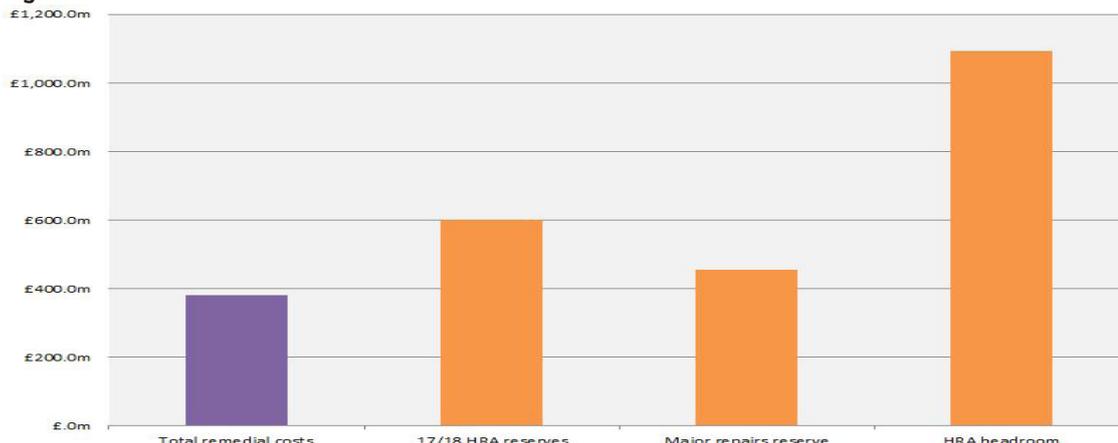
The cost of upgrading fire doors, including communal doors and front doors, are included by nine boroughs. Other remedial costs include:

- Emergency lighting
- Automatic ventilation
- Mobility scooter storage
- Dry risers
- “Multi-element fire safety work”
- Electrical upgrades
- Duct cleaning and local LEV and kitchen extractions
- Fire-stopping work to roofs
- Fire compartmentalisation
- Fire detection and smoke extraction equipment

## Funding

20 boroughs provided data on their current financial position and an estimate of total remedial costs. Across these boroughs, potential remedial costs totalled £381 million, compared to total HRA reserves of £600 million, major repairs reserves of £454 million, and HRA borrowing headroom of £1.1 billion.

Figure 3 - Remedial cost Vs maximum theoretical resources



## Item 5 - Appendix 1

The level of resource available to fund remedial work will be significantly lower than current levels of reserves and headroom. Many boroughs will be funding remedial works using HRA reserves, HRA headroom and major repairs reserves. Crucially, most of this funding is already committed to or earmarked for other projects and will lead to delays or cancellations. This included major repairs or works programmes, estate renewal or regeneration schemes, new home building programmes. In order to do all of these things additional borrowing or direct funding would be needed from government or an extension to the HRA borrowing limit.

Illustrative comments from boroughs include:

“Reserves are committed over the next five years”, the major repairs reserve is “committed to be spent in 2017/18”, and “all borrowing requirements are committed over the next three years”. Therefore, “government grant or raising of the debt cap would be required for us to carry out our planned major works programme and estate renewal schemes.”

“Most HRA capital resources are committed to support the provision of new housing supply, part funded by retained RTB receipts, as well as to fund the significant capital works programme that it is necessary to undertake to the Council’s existing housing stock.”

“Currently the HRA funding is fully committed on maintenance and improvements works to existing stock and the regeneration programme. Additional funding will need to be sourced or made available by Government.”

“[Method of funding] to be determined - existing resources are already predicated against current investment needs of the stock and new build programme, therefore programme will need to be re-prioritised and re-profiled to meet new cost pressures without direct government assistance or relaxation of current funding/borrowing restrictions.

“Works will be funded from a mixture of resources including Major Repairs Reserve and borrowing insofar as needed. Leaseholders will also be expected to contribute their chargeable share. Ultimately the use of any reserves now will require additional borrowing to fund future regeneration schemes so it could be argued that indirectly it is all borrowing”

## Non-remedial costs

### One off-costs

In addition to direct remedial costs, boroughs were also asked to identify any other immediate one-off costs in response to the Grenfell fire. In total, £8 million of immediate one-off pressures were identified, with costs tending to fall into three main categories:

- Staff costs (e.g. fire wardens, resident liaison officers, project managers, overtime)
- Specialist surveys / fire risk assessments / fire safety study / external consultants
- Communication with residents (e.g. letters to residents, flyers)

### Ongoing costs

It is not possible for boroughs to quantify ongoing costs at this stage, these will be dependent on the outcome of the public inquiry and any new regulations. Potential ongoing cost are more intrusive / enhanced fire safety assessments (FSAs) and other costs may include:

- Cost of servicing new sprinkler system
- Housing, planning, building control, repairs and maintenance
- Legal
- Private housing
- Gas safety checks
- Restrictions on who can be allocated property above a certain height, impacting on temporary accommodation budget

## Conclusion

The results of this survey demonstrate the significant costs of ensuring the safety of tower blocks and the increased pressures that these will place on London boroughs and their ability to maintain existing stock as well as build new homes. The government announcement to return to increasing social rents by CPI+1 from 2020 is welcome but as many of the costs of the fire safety remediation works are immediate this will not assist boroughs in the short term.

London Councils are therefore calling for the consideration of measures that would make meeting the costs of the necessary works more achievable, such as additional government funding, increased flexibilities for the use of Right to Buy receipts or the relaxation of the HRA borrowing cap.

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Tel: 020 7934 9557

*London Councils represents all 32 London boroughs and the City of London. The Mayor's Office for Policing and Crime and the London Fire and Emergency Planning Authority are also in membership*

# Response to the Independent Building Regulations Review

Representation by London Councils

<b>Summary of recommendations</b>	p02
<b>The context</b>	p04
<b>Responses to consultation questions</b>	p05
Roles and responsibilities	p07
Competencies of key players	p07
Enforcement & sanctions	p08
Tenants' and residents' voices in the current system	p08
Quality assurance and testing of materials	p09
Differentiation within the current regulatory system	p10

# Summary of recommendations

***London Councils represents London's 32 borough councils and the City of London. It is a cross party organisation that works on behalf of all its member authorities regardless of political persuasion***

1. Revisions should be brought forward to Approved Document B to provide improved standards and make them more understandable to all within the building and development process – including tenants and residents.
2. The policy within Approved Document B stipulating greater fire resistance above 18 metres should be reduced to 12 metres to reflect the current capabilities of the London Fire Brigade.
3. DCLG should clarify the definition of common parts of the building.
4. Amendments should be brought forward to the Housing Act 2004 to strengthen local authorities' powers to tackle potential fire hazards.
5. Approved Inspectors should be required to adhere to the same standards as Local Authority Building Control
6. Regulatory changes should be brought about to ensure that construction work on a development should not begin without prior acquisition of a certificate of approval.
7. Clerk of works to oversee all development/renovation works, and will be responsible for ensuring that all work has been undertaken properly.
8. Mandatory membership for FRA assessors of an accredited fire risk assessment scheme.
9. HCA Tenant Involvement and Empowerment Standard to be updated to incorporate specific standards around fire safety.
10. The interim report should outline which cladding systems will be acceptable following the conclusion of this review.
11. The review should recommend that remedial works needed to make tenants safe and feel safe should be funded by central government.
12. The substitution of desktop studies for fire tests should be stopped.
13. We would support the introduction of a separate standard for high-rise development.

# The context

The tragedy that unfolded at Grenfell Tower in June remains very sharp in the minds of all in local government – council leaders, ward councillors and officers.

Since the fire, the London boroughs have been engaged in a substantial programme of work to ensure that residents of high-rise buildings in the capital are safe and feel safe. We have worked with the Department of Communities and Local Government (DCLG) and their Building Research Establishment (BRE) testing programme to ensure that we can, as rapidly as possible, identify high-rise buildings with unsafe cladding systems. We have taken emergency action in close collaboration with the London Fire Brigade (LFB) to guarantee our stock is safe, as well as working with housing associations and private landlords.

This programme has required a massive and ongoing engagement with residents, both in the high-rise blocks in London with unsafe cladding, and tenants in other high-rise blocks who have concerns about their safety after Grenfell. We are acutely aware of their concerns about the homes in which they live. We know this through their ongoing interactions with their local councillors and front-line housing staff, as well as where we are working with them and the LFB to carry out specific emergency work.

Our experience of this programme has taught us that there are significant shortcomings in the regulatory system. It is very difficult to ensure that residents feel safe when there is little confidence that we have a regulatory system which can ensure they are safe.

To give one example, some boroughs have already removed unsafe cladding identified by the testing programme from high-rise buildings that they own, and others are in the process of removing it. However, there is as yet no confidence as to which cladding systems we can replace these with safely.

Therefore, we supported the Chair of the Local Government Association, Lord Porter's call for an urgent review of building regulations and welcomed the Secretary of State's establishment of the Independent Review of Building Regulations and Fire Safety, and your appointment as its chair.

It is the responsibility of all levels of government, the public services and the building and construction sectors to work together to ensure that such a disaster can never happen again. Local government will have lessons to learn. We hope that your initial findings will enable us to undertake the remedial actions that will ensure residents are safe and feel safe. We also hope you will be able to draw definitive conclusions around the systemic failures in the building regulations that the tragedy at Grenfell Tower, and the subsequent fire safety testing programme have very clearly highlighted so we can develop a regulatory system fit for purpose for the future.

London Councils' response draws upon the London Housing Directors' Group response. This group has the professional experience required to respond in detail. Their response is taken from meetings conducted with separate boroughs with officers working across building control, housing strategy and policy, housing management and Housing Act 2004 enforcement roles. They have also met with Local Authority Building Control, and received feedback from their Fire Safety Group which includes representatives of the LFB, LGA, DCLG and the Greater London Authority.

In addition to our full response we believe it is necessary to make these overarching observations about the leadership and resources which we will need to ensure that all Londoners living in high-rise are safe and feel safe.

## Leadership

The shortcomings in the building regulations were revealed by the Lakanal House Fire in 2009 where six people died. They were crystallised by the Coroner in her 2013 Inquest. In particular she noted in her Rule 43 Letter to the then Secretary of State, Eric Pickles, that Approved Document B is 'a most difficult document to use' and recommended that it be reviewed by the DCLG. Since the Lakanal fire in 2009, Southwark Council has taken urgent and substantial action to improve the safety of all of its stock. Since the Coroners Rule 43 Letter in 2013 there has been no review of Approved Document B.

In addition, in 2013 the Government announced its intention to reduce regulation, in all areas affecting business and not just construction, by using a 'one in, two out', rule of thumb. This does not create risk based regulation which balances the nature and probability of the risk against the regulatory burden and resources to enforce it. Instead it risks creating a culture which sees less regulation as good, with little or no weight given to the risks which we as a society are attempting to guard against.

Taken together, the lack of urgency in responding to the formal recommendations of the Coroner in the wake of a fatal fire, and primacy on deregulation for its own sake have helped create a culture which mitigates against an effective and efficient regulatory system and fire safety.

We shall touch briefly upon the implications for local political leadership below.

## Resources

Local authorities have a key role in building regulation and fire safety. They have been attempting to meet their legal duties in a very challenging financial landscape. Since 2010-11, core funding from central government will have fallen by 63 per cent in real terms over the decade to 2019-20.

While local authorities continue to believe that they can deploy sufficient resources to deliver their statutory responsibilities, these resources have become increasingly attenuated.

The number of people working for local authority building control and in environmental health enforcement teams has been decreasing. There are many excellent Approved Inspectors, however, the creation of competition between them and local authority building control serves to undermine the sustainability of local authority building control. It undermines the desired outcome of residents being safe. For example, the legislation does not require Approved Inspectors to share information with the relevant local authority, or even central government, about the buildings they have certified. Limiting access to the relevant information therefore has a further impact on local authorities capacity to deliver on their statutory role to enforce standards in building control.

In addition to reductions in core funding, local authorities have faced limitations on their Housing Revenue Accounts (HRA) that have reduced the scope for delivering new housing development as well as improvements and renovations in their existing stock. The 1 per cent reduction in social sector rents, which has been in place since 2016/17, has left a shortfall of £800million in London authorities' HRAs (even with the return to CPI +1% in 2020). Furthermore, the imposition of a cap on HRA borrowing has left insufficient headroom for investment in councils' housing stock.

Given the limited and reducing resources available, local authorities have been required to prioritise their HRA activity between the objectives of delivering new and much needed housing supply while also improving the standard of their existing stock, maintaining decent home standards, and other landlord duties.

In summary, for any regulatory system to succeed it requires leadership and resources that places a premium on the outcome - that Londoners living in high-rise blocks are safe and feel safe.

In the wake of Grenfell, local leaders may consider whether or not we have articulated our concerns regarding our ability to deliver building regulations and fire safety without the required resources or the necessary standard of building regulations confidently, or powerfully, or stridently enough, or whether we have placed too great a premium on being seen to step up to the plate come what may.

# Responses to consultation questions

*Q1 To what extent are the current building, housing and fire safety legislation and associated guidance clear and understood by those who need to follow them? In particular:*

- *What parts are clear and well understood by those who need to follow them?; and, if appropriate*
- *Where specifically do you think there are gaps, inconsistencies and/or overlaps (including between different parts of the legislation and guidance)? What changes would be necessary to address these and what are the benefits of doing so?*

## Approved Document B

It is the London boroughs' view that the current building regulations, particularly Approved Document B, causes significant confusion. It was the view of the Coroner leading the inquest into the Lakanal House fire in her Rule 43 letter to the Secretary of State for Communities and Local Government (dated 28 March 2013) that Approved Document B was "a most difficult document to use". In her letter she outlined a recommendation that it be reviewed to ensure that it:

- "Provides clear guidance in relation to Regulation B4 of the Building Regulations, with particular regard to the spread of fire over the external envelope of the building and the circumstances in which attention should be paid to whether proposed work might reduce existing fire protection.
- Is expressed in words and adopts a format which are intelligible to the wide range of people and bodies engaged in construction, maintenance and refurbishment of buildings, not just to professionals who may already have a depth of knowledge of building regulations and building control matters.
- Provides guidance which is of assistance to those involved in maintenance and refurbishment of older housing stock, and not only those engaged in design and construction of new buildings."

The Secretary of State's response to the Coroner noted that a process of "simplification" would be brought forward as part "of a formal review leading to the publication of a new edition of Approved Documentation in 2016/17". The response also noted that "the design of fire protection in buildings is a complex subject and should remain, to some extent, in the realm of professionals".

This was a missed opportunity to have addressed the weaknesses within Approved Document B. We think that the Independent Review of Building Regulations may wish to understand further how far advanced the review promised by the former Secretary of State was, and – in particular – examine whether there are sufficient mechanisms in place to ensure that government brings forward revisions to building regulations where they are needed.

Further to the lack of clarity in Approved Document B, there is a clear contradiction in regards to combustibility standards in high rise development. Current regulations require a higher standard of fire resistance for compartmentalisation above 18 metres (30 minutes resistance up to 18 metres, and 60 minutes above this). However, currently, the London Fire Brigade equipment can only reach a height of 12 metres. The regulations should be revised to reflect the current capabilities of the fire brigade, and create a consistent standard between all tenure types (private and publicly owned) and between new and existing build.

## Regulatory Reform Order

There are also ambiguities in the Regulatory Reform (Fire Safety) Order, particularly in relation to the definition of 'common parts' of the building. The coroner's letter following the Lakanal House fire also addressed this point, outlining that "there remains uncertainty about the scope of inspection for fire risk assessment purposes which should be undertaken in high rise residential buildings." She further recommended that "Government provide clear guidance on the definition of "common parts" of buildings containing multiple domestic premises...". The ambiguities around the definition of common parts has been further addressed by the government, with the main source of clarity regarding this being a Local Government Association publication (funded by DCLG), 'Fire Safety in Purpose-Built Blocks of Flats', which was published

in May 2012, prior to the Coroner's report. In our view, clarity around the definitions of common parts is still needed.

### **Housing Act 2004**

The Housing Act 2004 should be strengthened so local authorities can deliver higher standards of fire safety. At present, under the Housing Health and Safety Rating System (HHSRS), local authorities are unable to take action to ensure that items imperative to the integrity of a block's fire protection system – such as fire resistant doors – are adequate unless it can demonstrate the issue poses a risk to a person within a year within a given dwelling. In this scenario, the probability of fire is so low that it often makes it difficult to enforce.

### **Approved Inspectors**

London Councils is concerned that the role of AIs has led to problems with implementing the building regulations effectively. While there are a number of excellent AIs operating in the sector, the standards by which AIs operate are less than those for local authority building control. For instance, there is no requirement for an AI to examine plan details, issue a plan certificate or even attend site to inspect work in progress. AIs are permitted to exclude considering parts of a building carried out by competent persons scheme. AIs can accept work with nothing more than the identification of the site and allow work to continue with no obligation to have assessed and approved work within a pre-set time. Crucially, AIs are also not required to share any information on their work with local authorities or even the Government.

While AIs do require a licence from the Construction Industries Council (CIC) to operate (renewed every three years), an AI has never lost a licence for breaching the CIC code of conduct. Despite this, feedback from residential Environmental Health teams suggests a disproportionate number of hazards are found in homes approved by AIs. The market pressures within the sector, and the lower standards required of AIs, are concerning for local authorities. While we clearly acknowledge that the introduction of AIs into building control has had a significant impact on local authority income in the sector, the evidence is that the impact of AIs has been to reduce standards in the sector and create a less rigorous regime for ensuring that high standards are achieved. There is also a skill shortage of building inspectors generally, exacerbated by the 'poaching' of local authority staff.

### **Certificate of approval**

At present development, including high-rise development can begin without a certificate of approval provided by the relevant body (although the building may only be occupied once a certificate has been provided). This should be revised to ensure the relevant fire safety plans have been signed off prior to construction commencing.

### **Recommendations**

1. Revisions should be brought forward to Approved Document B to provide improved standards and make them more understandable to all within the building and development process – including tenants and residents.
2. The policy within Approved Document B stipulating greater fire resistance above 18 metres should be reduced to 12 metres to reflect the current capabilities of the London Fire Brigade.
3. DCLG should clarify the definition of common parts of the building.
4. Amendments should be brought forward to the Housing Act to strengthen local authorities' powers to tackle potential fire hazards.
5. AIs should be required to adhere to the same standards as Local Authority Building Control.
6. Regulatory changes should be brought about to ensure that construction work on a development should not begin without prior acquisition of a certificate of approval.

## Roles and responsibilities

**Q2 Are the roles, responsibilities & accountabilities of different individuals (in relation to adhering to fire safety requirements or assessing compliance) at each key stage of the building process clear, effective and timely? In particular:**

- *Where are responsibilities clear, effective and timely and well understood by those who need to adhere to them/ assess them?; and, if appropriate*
- *Where specifically do you think the regime is not effective?*
- *What changes would be necessary to address these and what are the benefits of doing so?*

Generally, the London boroughs work very well with the London Fire Brigade (LFB), and the RRO requiring consultation with the LFB in London on new buildings and a material change to existing buildings operates well. Most boroughs have an excellent working relationship with their LFB local borough commander. On a pan-London basis, local authorities have worked very closely to coordinate the response – including building inspections – following the disaster at Grenfell Tower. This builds on a history of good working. In 2013 a joint protocol was developed between the London boroughs and LFB to codify the divisions of responsibility in regards to enforcing the Housing Act 2004 and to seek to overcome the gaps and ambiguities in the regulatory framework.

**Q3 Does the current system place a clear over-arching responsibility on named parties for maintaining/ensuring fire safety requirements are met in a high-rise multi occupancy building? Where could this be made clearer? What would be the benefits of doing so?**

Many parties can be involved in large developments, so it is difficult for one person to be in control of the overall fire safety of the site. Building control is unable to be on site at every point of development and assess every fitting as it is made. We therefore believe it should be mandatory for a clerk of works to be employed on all sites, with responsibility for ensuring that development sufficiently meets the requirements set out in development plans (including fire safety) and that works are undertaken properly (for instance, the installation of cladding systems).

## Recommendation

7. Clerk of works to oversee all development/renovation works, and will be responsible for ensuring that all work has been undertaken properly.

## Competencies of key players

**Q4 What evidence is there that those with responsibility for:**

- *Demonstrating compliance (with building regulations, housing & fire safety requirements) at various stages in the life cycle of a building;*
- *Assessing compliance with those requirements;*

***Are appropriately trained and accredited and are adequately resourced to perform their role effectively (including whether there are enough qualified professionals in each key area)? If gaps exist how can they be addressed and what would be the benefits of doing so?***

London Councils believes that the impenetrability of building regulations, matched with a known skills shortage in the UK's construction sector, means that compliance has probably not met the standard it should do.

We are also concerned that there is a mixed standard of Fire Risk Assessment (FRA) being undertaken on behalf of boroughs. Since the Lakanal House fire, the London boroughs have worked hard (with colleagues at the LFB) to develop a better framework for FRAs and to share best practice on this front. The LFB has also produced a list of tips for finding a suitable person to undertake the FRA. However, we are concerned that there simply are not the skills and personnel available to ensure that FRAs are constantly undertaken to the highest standard. To highlight this, the Institute of Fire

Engineers notes that there are currently only 54 qualified Fire Engineers based in London. We also have doubts that the training required to qualify as a professional FRA assessor is sufficient.

We would welcome a move to demand that all fire risk assessors, including self-employed providers, should be members of an accredited fire risk assessment scheme and that a register is kept of all companies/individuals providing FRAs. Clearly, this would push up time taken and inspection costs, issues that must be balanced and mitigated to ensure the additional costs are not passed on to tenants and leaseholders.

## Recommendation

8. Mandatory membership for FRA assessors of an accredited fire risk assessment scheme.

## Enforcement and sanctions

***Q5 Is the current checking and inspection regime adequately backed up through enforcement and sanctions? In particular***

- ***Where does the regime already adequately drive compliance or ensure remedial action is always taken in a timely manner where needed?***
- ***Where does the system fail to do so? Are changes required to address this and what would be the benefits of doing so?***

LFB can and do serve Enforcement Notices, which are usually effective. In many cases, local authority Environment Health teams also serve effective notices under the Housing Act 2004.

Where enforcement powers are particularly deficient are, in our view, around enforcement of the Buildings Act 1984. The Act only allows the local authority to bring a case against a defendant who has undertaken unauthorised works within two years of completion, and the case must be taken against the person who carried out the works. Alternatively, or in addition, within a year of works being completed, the local authority could serve an enforcement notice demanding that the building owner undertakes works to address the infringement; with the threat that the council could undertake the work itself and subsequently recover costs. In reality, it is difficult for local authorities to prove, particularly without the cooperation of building owners or the relevant AI (if applicable), exactly when the works were completed and who by. The local authority also needs to become aware of the infringement, which is not always likely.

## Tenants' and residents' voices in the current system

***Q6 Is there an effective means for tenants and other residents to raise concerns about the fire safety of their buildings and to receive feedback? Where might changes be required to ensure tenants'/residents' voices on fire safety can be heard in the future?***

While more can always be done, local authorities across London generally have excellent channels of communication with residents in their own housing stock. These have been utilised to great effect to keep tenants and residents in hundreds of tower blocks across London informed about the testing and safety initiatives that followed the fire at Grenfell Tower, and to understand the concerns of residents.

An aspect of tenant communication that could be reviewed is around the Homes and Communities Agency's (HCA) Tenant Involvement and Empowerment Standard, which sets standards for the involvement of tenants of registered providers across a comprehensive range of issues which might include maintenance. It sets an expectation upon the registered provider to provide feedback. It does not specifically identify concerns about fire safety. Following the fire at Grenfell Tower, it would be advisable for the HCA to update the Standard to distinctively address fire safety, which is a more immediate and lethal risk than most of those specifically addressed at present. This will also act as a driver to ensure that

once the regulations are reviewed they are communicated more effectively, not just to those professionals responsible but also to tenants, so they are empowered to express their concerns effectively to their landlords.

## Recommendation

9. HCA Tenant Involvement and Empowerment Standard to be updated to incorporate specific standards around fire safety.

## Quality assurance and testing of materials

***Q7 Does the way building components are safety checked, certified and marketed in relation to building regulations requirements need to change? In particular:***

- ***Where is the system sufficiently robust and reliable in maximising fire safety and, if appropriate***
- ***Where specifically do you think there are weaknesses/gaps? What changes would be necessary to address these and what would be the benefits of doing so?***

There is obvious concern from local government as to how the verification process for construction products allowed many items to be certified as compliant with the building regulations, when the subsequent Building Research Establishment testing programme has now deemed they are non-compliant. Notably this includes ACM cladding, which has been used in cladding systems now for many years, often to provide increased energy efficiency to tenants and solve problems where some towers had particular temperature issues.

Of particular concern is the testing of materials. Under the current system a desktop report from an accredited testing body is sufficient where no fire test data is available for a particular system. These reports are a matter of opinion and cannot be verified by building control. This use of desktop studies as a substitute for a fire test should be stopped.

The Grenfell Tower Inquiry will establish the exact reasons for the fire at that site. For local authorities more broadly, replacing materials previously considered as compliant under the building regulations regime will be costly.

A London Councils survey found that, based on responses from 21 London local authorities, the total potential cost of remedial work being undertaken in those council areas is estimated at £402 million – including £53 million to replace cladding systems that are now considered as deficient. £262 million is expected to be spent installing sprinkler systems in high rise developments, a retrofit that is now considered essential by many residents. We believe that meeting the cost of remedial works needed to address the flaws in the current building regulations should be forthcoming from central government.

Of particular concern for local authorities – and landlords more generally – is what cladding systems will be acceptable following the conclusion of this independent review. With many local authorities having already removed their cladding systems, guidance in the interim report as to which materials will be compliant with building regulations in the future would help local authorities to make a decision on replacement materials with confidence. Currently, the absence of guidance is making such decisions problematic.

## Recommendations

10. The interim report should outline which cladding systems will be acceptable following the conclusion of this review.

11. The review should recommend that remedial works needed to make tenants safe and feel safe should be funded by central government.

12. The substitution of desktop studies for fire tests should be stopped

## **Differentiation within the current regulatory system**

*Q8 What would be the advantages/disadvantages of creating a greater degree of differentiation in the regulatory system between high-rise multi occupancy residential buildings and other less complex types of residential/non-residential buildings? Where specifically do you think further differentiation might assist in ensuring adequate fire safety and what would be the benefits of such changes?*

We would welcome a separate regulatory standard for tall buildings. The risks to life in tower blocks are different in two ways. On the one hand, the physical facts of a tower block mean that it is more difficult for residents to evacuate and fire fighters to extinguish when a fire takes place. On the other, the changes that will inevitably take place in the business model of a tower block over the life time of the building will also have a potentially detrimental impact on the safety of a very large group of people. Therefore, while it may be argued that the recommendations for change we have made above may be applicable across the board, we believe they must be introduced for tower blocks.

## **Recommendation**

13. We would support the introduction of a separate standard for high-rise development.



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## **Government Building Safety Programme – update and consolidated advice for building owners following large scale testing**

### Summary

- Following the Grenfell Tower tragedy, the government has established a Building Safety Programme with the aim of ensuring high rise residential buildings are safe, and residents feel safe in them.
- Screening tests at the Building Research Establishment (BRE) have been identifying whether Aluminium Composite Material (ACM) cladding samples from buildings meet the limited combustibility requirements of current Building Regulations guidance.
- Seven further large scale tests have been undertaken to understand whether and when it may be safe to use ACM as part of a wall system in high rise buildings, in line with current Building Regulations guidance.
- The Expert Panel's advice following these tests is that ACM with an unmodified polyethylene filler (category 3 in screening tests) with any type of insulation presents a significant hazard on buildings over 18m.
- It is possible ACM with a fire retardant filler (category 2 in screening tests) could be used safely with non-combustible insulation (e.g. stone wool), but this is highly dependent on the insulation used, and how it is fitted.
- ACM with a limited combustibility filler (category 1 in screening tests) can be used safely, although this is also dependent on how it is fitted.
- Building owners should take their own professional advice on any further action, with regard to their cladding system, reflecting their own particular circumstances.
- Building owners have been given advice on interim fire safety measures they should take pending remedial action being completed.
- The government plans to provide further advice on the issues building owners may need to consider as they undertake remedial work, and will work with building owners to ensure buildings are made safe.
- The government is working with the Expert Panel to consider whether there are any heightened risks linked to other cladding systems and broader fire and building safety issues in high rise buildings.
- Alongside this work, the government has established an Independent Review of building regulations and fire safety, led by Dame Judith Hackitt, which will aim to ensure that buildings are safe in future.

## Introduction

1. Following the tragic fire at Grenfell Tower on 14 June 2017, the government established a Building Safety Programme, with the aim of ensuring high rise residential buildings<sup>1</sup> are safe, and residents feel safe in them. The main parts to this work are:
  - Finding other buildings that may be of concern
  - Making existing buildings safe
  - Identifying changes needed to make buildings safer in future
  - Making the changes needed to make buildings safer in future
2. The focus over the past three months has been on finding buildings that may be of concern, and identifying steps that need to be taken to make them safe. An Independent Expert Advisory Panel ([appointed 27 June](#)) has provided the government with advice on immediate steps that can be put in place to make buildings, and the people living in them, as safe as possible. The panel have a wealth of experience in fire and building safety, and have drawn on wider technical expertise to inform their advice to government, including from experts on building design and construction, building control, testing processes, fire safety and fire engineering.
3. This work has not attempted to establish the cause of the fire at Grenfell Tower or the circumstances around it, which are being investigated by the police and the Public Inquiry established by the Prime Minister and led by Sir Martin Moore-Bick. Terms of Reference for the Inquiry are available [here](#).

## Screening tests

4. In light of early concerns about the role cladding played in the Grenfell Tower fire, building owners were asked to identify residential tower blocks over 18 metres in height with Aluminium Composite Material (ACM) cladding. On the advice of a panel of independent experts, initial screening tests were made available, at no cost to building owners, to identify whether cladding was of 'limited combustibility' as this is one way that buildings over 18m can meet current Building Regulations guidance (on external fire spread). The tests were made available to social and private sector landlords and to public sector building owners (for example for hospitals and schools).
5. By 31 August, 294 ACM samples have been sent for initial screening tests for buildings in the United Kingdom, 278 in England. Of the 278 in England, this includes 173 social housing, 16 public buildings, and 89 private buildings (including 27 private student residential). None of these samples were found to be of limited combustibility.
6. Alongside initial screening tests, DCLG issued advice on interim fire safety measures building owners should take to ensure the safety of their residents, in particular arranging a visit from the local fire and rescue services (FRS). In the period from 14 June to 31 August, the FRS have visited over 1,200 high rise buildings, including all those covered by the screening tests.

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<sup>1</sup> Including hotels and public buildings (e.g. schools and hospitals)

### Large-scale tests

7. On the basis of the screening test results, and on advice from the Expert Panel, the government commissioned a series of large scale system tests, testing how different types of ACM panels behave in a fire with different types of insulation. The British Standard test used for the large scale tests (BS8414) is a way of demonstrating that a wall system meets Building Regulations guidance for buildings over 18m. Seven tests were undertaken in priority order, taking into consideration which systems were likely to present most risk, so urgent advice could be provided to building owners.
8. A summary of the results and advice for building owners is set out in the consolidated advice from page 5. Of the 278 buildings in England which have been screened and have ACM which is not of limited combustibility, 266<sup>2</sup> buildings have cladding systems which the Expert Panel advise are unlikely to meet current Building Regulations guidance and therefore present fire hazards on buildings over 18m.
9. The government is engaging closely with the owners of these buildings to ensure they are following the necessary advice set out in this note. The advice summarised here includes:
  - Results and advice for building owners on the large scale wall system tests; and
  - Frequently Asked Questions.
10. Following the large scale testing, the National Fire Chiefs Council (NFCC) is, with other fire safety experts, reviewing the advice on the interim fire safety measures and developing guidance on waking watch and common fire alarms. This guidance is due to be published shortly, and we will reissue advice on the interim measures alongside this. In the meantime, existing advice from [22 June](#) on the recommended interim mitigation measures to ensure the safety of residents, pending any required remediation of cladding systems, still stands.

### Next steps

11. The ACM screening and large-scale tests were the first phase of work to find other buildings of concern following the Grenfell Tower fire. Where buildings have been identified as having ACM, the government is working closely with building owners to ensure those buildings are made safe. The government is confident that all social housing blocks over 18m with ACM have been identified, and the government has been encouraging private sector landlords to urgently send their samples for testing so private sector ACM blocks can be identified. The government has asked local housing authorities to ensure that all (social and private sector) residential blocks over 18m in their local areas with ACM have been identified and that any necessary remedial action is being taken, and is working with those local authorities, FRS and others to support and monitor this.

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<sup>2</sup> This figure includes 49 buildings inferred to have failed where their insulation is not yet known: 38 with category 3 ACM panels, and 11 buildings with category 2 ACM panels.

12. The government will be working to support building owners and gain assurance that remediation work is carried out appropriately. We will be asking building owners to provide regular returns confirming the scope and progress of remediation works.
13. With the Industry Response Group ([established 10 July](#)) and the Expert Panel we will also develop a series of briefing notes to inform key stages of remediation. We expect the first note to be issued in September and it will be published on the Building Safety Programme [webpage](#).
14. We propose to align the briefing notes with the Royal Institute of British Architects (RIBA) [Plan of Work](#) (a guide which sets out the different stages of a construction project). Examples of the briefing notes we expect to publish include: advice on feasibility issues and options appraisal, including a summary of cladding systems available and issues to be considered when replacing part or all of the cladding system; and information on procurement approaches and available frameworks.
15. Given the particular concerns around ACM cladding, the primary focus to date of the first phase of the Building Safety Programme – finding other buildings that may be of concern – has been testing ACM cladding systems. With the large scale tests now complete, the government, supported by the Expert Panel, is considering whether there may be heightened risks linked to other issues, such as other cladding systems and broader safety issues. The Expert Panel will consider whether there is any further advice that is needed for building owners in relation to any wider issues, and any updates will be posted over the coming months on the Building Safety Programme [webpage](#).
16. As a first step to understand what other cladding systems may be safe on high rise buildings, the BRE has sought permission from its clients and is publishing a list of historical data on cladding systems which have passed the BS8414 test set out in current Building Regulations guidance. The catalogue can be accessed [here](#).
17. Alongside this work to ensure that existing buildings are safe, the government is also taking forward work on the next phase, to “Identify changes needed to make buildings safe in future”. A key stage is an Independent Review of the Building Regulatory and Fire Safety System, led by Dame Judith Hackitt. The Terms of Reference for the review are [here](#). The review will publish an interim report at the end of November and a final report in the spring of 2018.

## Consolidated advice for building owners

### Summary of results

18. The government recently conducted seven large scale tests of wall systems to better understand how different types of ACM panels behave in a fire with different types of insulation. Based on these tests, this consolidated advice informs building owners of the steps they should take to ensure the safety of their residents.

### Key findings

19. Based on the tests conducted and the Expert Panel's advice, the key points are:

- ACM cladding with unmodified polyethylene filler (category 3) presents a significant fire hazard on buildings over 18m with *any* form of insulation.
- ACM cladding with fire retardant polyethylene filler (category 2):
  - presents a notable fire hazard on buildings over 18m when used with *rigid polymeric foam* based on the evidence currently available.
  - can be safe on buildings over 18m if used with *non-combustible insulation* (e.g. *stone wool*), and where materials have been fitted and maintained appropriately, and the building's construction meets the other provisions of Building Regulations guidance, including provision for fire breaks and cavity barriers.
- ACM cladding with A2 filler (category 1) can be safe on buildings over 18m with foam insulation or stone wool insulation, if materials have been fitted and maintained appropriately, and the building's construction meets the other provisions of Building Regulations guidance, including provision for fire breaks and cavity barriers.

20. In all instances, building owners have been advised that they should seek professional advice on what further steps to take with respect to their cladding system based on the specific circumstances of their building, and to satisfy themselves that their building is safe.

21. All building owners have also been advised to ensure their local FRS has visited to complete a fire safety audit of their building, and that they have implemented the recommended interim measures.

22. Results of the seven tests are available on the Building Safety Programme [webpage](#).

23. The results for England are summarised in the table overleaf, and in more detail in the advice that follows.

### Test results for buildings in England

Aluminium Composite Material (ACM) with...	Insulation		
	PIR Foam	Phenolic Foam	Stone Wool
<b>Unmodified polyethylene filler</b> (Cat. 3 in screening tests)	<b>Test 1 failed</b> 81 Buildings <a href="#">Report</a> and <a href="#">Advice</a>	N/A	<b>Test 2 failed</b> 107 Buildings <a href="#">Report</a> and <a href="#">Advice</a>
<b>Fire retardant polyethylene filler</b> (Cat. 2 in screening tests)	<b>Test 3 failed</b> 8 Buildings <a href="#">Report</a> and <a href="#">Advice</a>	<b>Test 7 failed</b> 21 Buildings <a href="#">Report</a> and <a href="#">Advice</a>	<b>Test 4 passed</b> 12 Buildings <a href="#">Report</a> and <a href="#">Advice</a>
<b>Limited combustibility filler</b> (Cat. 1 in screening tests)	<b>Test 5 passed</b> 0 Buildings <a href="#">Report</a> and <a href="#">Advice</a>	N/A	<b>Test 6 passed</b> 0 Buildings <a href="#">Report</a> and <a href="#">Advice</a>

### Advice for building owners on the large scale wall system tests

24. The government initially commissioned six tests on the advice of the Expert Panel, testing three types of ACM cladding with two commonly used types of insulation; and published the accompanying [explanatory note](#) on 20 July 2017. A seventh test was subsequently commissioned, to test one of the types of cladding with a third kind of insulation.

25. The seven tests undertaken were:

- **Test 1** (23 July 2017): ACM cladding with unmodified polyethylene filler (category 3 in screening tests) with polyisocyanurate (PIR) foam insulation
- **Test 2** (30 July 2017): ACM cladding with unmodified polyethylene filler (category 3 in screening tests) with stone wool insulation
- **Test 3** (30 July 2017): ACM cladding with fire retardant polyethylene filler (category 2 in screening tests) with PIR foam insulation
- **Test 4** (6 August 2017): ACM cladding with fire retardant polyethylene filler (category 2 in screening tests) with stone wool insulation
- **Test 5** (6 August 2017): ACM cladding with A2 filler (category 1 in screening tests) with PIR foam insulation
- **Test 6** (16 August 2017<sup>3</sup>): ACM cladding with A2 filler (category 1 in screening tests) with stone wool insulation
- **Test 7** (13 August 2017): ACM cladding with fire retardant polyethylene filler (category 2) with phenolic foam insulation

<sup>3</sup> Test 6 was delayed due to a technical issue, so took place after Test 7

26. In all other respects, all tests were specified and constructed according to the Building Regulations guidance – including fire stopping between floors and the required cavity barriers in place. The detailed technical specification for each of the tests is available on the Building Safety Programme [webpage](#).

## Results

27. Results of the seven tests, and accompanying advice for building owners, are available on the Building Safety Programme [webpage](#), and are summarised in this note.

28. The number of buildings screened and covered by large scale tests is 294 for the United Kingdom. Numbers for England alone (278 buildings) are shown in the table below.

	Number screened <sup>4</sup>			Large Scale Tests		
	Cat. 2 ACM	Cat. 3 ACM	Total	Tests 1, 2, 3, 7 (Fail) <sup>5</sup>	Tests 4, 5, 6 (Pass)	Total
Social housing	29	144	<b>173</b>	165	8	<b>173</b>
Public buildings	4	12	<b>16</b>	16	0	<b>16</b>
Private: residential	12	50	<b>62</b>	59	3	<b>62</b>
Private: student residential	7	20	<b>27</b>	26	1	<b>27</b>
<b>Total</b>	52	226	<b>278</b>	266	12	<b>278</b>

### ACM cladding with unmodified polyethylene filler (category 3 in the screening tests)

*Test 1: ACM cladding with unmodified polyethylene filler (category 3) with PIR foam insulation*

*Test 2: ACM cladding with unmodified polyethylene filler (category 3) with stone wool<sup>6</sup> insulation*

29. These wall systems both **failed** the test, which means they did not adequately resist the spread of fire over the wall to the standard required by the current Building Regulations guidance and which is set out in BR135. Based on these test results, the Expert Panel's advice is that, **they do not believe that any wall system containing an ACM category 3 cladding panel, even when combined with limited combustibility insulation material, would meet current Building Regulations guidance**, and are not aware of any tests of such combinations meeting the standard set by BR135. **Wall systems with these materials therefore present a significant fire hazard on buildings over 18m.**

<sup>4</sup> Screened at BRE or by Proxy (not directly tested, but where the category of ACM can be deduced from other sources, such as testing of identical cladding from a different building)

<sup>5</sup> This includes 49 buildings inferred to have failed, where their insulation is not yet known: 38 with category 3 ACM (15 social housing, 4 public buildings, 6 private student residential, and 13 private residential), and 11 buildings with category 2 ACM (2 social housing, 3 public buildings, 1 private student residential and 5 private residential).

<sup>6</sup> A form of non-combustible mineral wool.

ACM cladding with fire retardant polyethylene filler (category 2 in the screening tests)

*Test 3: ACM cladding with fire retardant polyethylene filler (category 2) with PIR foam insulation*

*Test 7: ACM cladding with fire retardant polyethylene filler (category 2) with phenolic foam insulation<sup>7</sup>*

30. Tests 3 and 7 both **failed** the test, which means they did not adequately resist the spread of fire over the wall to the standard required by the current Building Regulations guidance and which is set out in BR135. The Expert Panel's advice is that, based on these test results, and in the absence of any other large scale test evidence, **it is unlikely that any combination of ACM cladding with fire retardant polyethylene filler (category 2 in screening tests) and rigid polymeric foam insulation<sup>8</sup> would pass the BS8414-1 test**, and therefore fail to meet current Building Regulations guidance. **This combination of materials therefore presents a notable fire hazard on buildings over 18m.**

*Test 4: ACM cladding with fire retardant polyethylene filler (category 2) with stone wool insulation*

31. Test 4 **passed** the test, which means the wall system **adequately resisted the spread of fire** over the wall to the standard required by the current Building Regulations guidance and which is set out in BR135. The Expert Advisory Panel's advice is that **this result shows one way in which compliance can be achieved and offers an indication of how remedial works could be specified for those buildings that have been found to have problems.**

32. However, it is important to note that there are many different variants of this cladding and insulation and it is possible that products from different manufacturers may behave differently in a fire. The composition of ACM panels with fire retardant polyethylene filler can vary between manufacturers. The average of the calorific values of the fire retardant panels used in the test were 13.6 MJ/kg. Building owners with this combination of materials should consult their screening tests to check how their category 2 values compare. A higher value will indicate greater combustibility than the panel used, and vice versa.

33. Equally, it is important to note that materials may have been fitted or maintained differently, to how the tests were specified and constructed, which can affect the safety of the cladding system. Fixing details and the provision of cavity barriers are also important. Building owners should seek professional advice that looks at the specific circumstances of their building.

ACM cladding with A2 filler (category 1 in the screening tests)

*Test 5: ACM cladding with A2 filler (category 1) with PIR foam insulation*

*Test 6: ACM cladding with A2 filler (category 1) with stone wool insulation*

34. These wall systems both **passed** the test, which means they **adequately resisted the spread of fire** over the wall to the standard required by the current

<sup>7</sup> This test was commissioned following the completion of the third test to further build the evidence base on the behaviour of foam insulation with these panels.

<sup>8</sup> PIR foam and phenolic foam are both commonly used forms of rigid polymeric foam insulation.

Building Regulations guidance and which is set out in BR135. The Expert Panel's advice is that **these results shows two ways in which compliance can be achieved and offer an indication of how remedial works could be specified for those buildings that have been found to have problems**. In particular, Test 6 reaffirms that one way to ensure that a cladding system adequately resists external fire spread is for all of the relevant elements<sup>9</sup> of the wall to be of limited combustibility<sup>10</sup>.

35. However, the composition of different products from different manufacturers will vary and it is possible that products from different manufacturers may behave differently in a fire. Equally, it is important to note that the materials used may have been fitted or maintained differently, to how the tests were specified and constructed, which can affect the safety of the cladding system.

### **What should building owners do?**

#### **Where building owners have wall systems which failed the test**

36. Firstly, and while building owners are considering further actions they should take, based on the advice from the Expert Panel it is recommended that they ensure they implement, if they have not done so already, the recommended [22 June interim mitigation measures](#), for ensuring the safety of residents. Local fire and rescue services will continue to work with building owners to ensure any necessary mitigation measures are in place.

37. Secondly, building owners should take professional advice on what further steps to take with respect to their cladding system. This professional advice may be obtained from a qualified chartered professional with relevant experience in fire safety, including fire testing of building products and systems, such as a chartered engineer or surveyor registered with the Engineering Council by the Institution of Fire Engineers or a chartered professional from another built environment profession<sup>11</sup> specialising in fire safety consultancy. Professional assessment of system performance may be obtained from a test laboratory accredited by the United Kingdom Accreditation Service to carry out BS8414 full scale tests and classify results to BR135.

38. Based on advice from the Expert Panel, where building owners have wall systems that failed the tests, it is recommended that in conjunction with their own professional advice they should follow the steps set out below:

- Take full professional advice on what remedial work is necessary to ensure the safety of their building. This may need to consider the combination of materials used in the cladding system, as well as whether the construction of

<sup>9</sup> Gaskets, sealants and similar are not included in the guidance in 12.7 of Approved Document B.

<sup>10</sup> Limited combustibility is defined in table A7 of Approved Document B (ADB) against both national and European standards. ADB notes that, for the purpose of ADB, a material that is classified as A2 in the relevant European test standard, EN 13501-1 (or the national standards also set out in table A7), would also be acceptable as a material of limited combustibility. While the surface of a panel may be classified as Class 0, this does not address whether the filler material in the core of the panel meets the definition of limited combustibility.

<sup>11</sup> such as the Chartered Institute of Architectural Technologists (CIAT), Chartered Institution of Building Services Engineers (CIBSE), Fellows of the Institution of Structural Engineers (IStructE), Royal Institution of Chartered Surveyors (RICS), the Chartered Institute of Building (CIOB), and the Society of Façade Engineers.

their building meets the other provisions of Building Regulations guidance including fire stopping between floors and the required cavity barriers in place.

- Building owners will need to take professional advice to ensure that any remedial work is undertaken safely (for example from an expert in cladding systems with relevant experience), and to ensure any replacement materials are safe.
- Assure themselves that remedial work also complies with Building Regulations guidance on how the system is designed and fitted – including provisions for fire breaks and cavity barriers.
- Ensure that when any work is carried out, including removing cladding, care is taken to consider the impact that removal may have on the other wall elements, and therefore on the overall structural and fire integrity of the building as well as other Building Regulation requirements. In particular care should be taken to ensure that insulation material is not exposed to the elements unnecessarily. (DCLG has published a [circular letter to building control bodies](#) which sets out the planning and building control requirements that will need to be considered).
- The fire safety of buildings must be maintained by the responsible persons at all times under the provisions of the Regulatory Reform (Fire Safety) Order 2005, for which advice is available [here](#).

#### Where building owners have wall systems which passed the test

39. Based on advice from the Expert Panel, where building owners have wall systems which passed the tests, it is recommended that they should follow the steps set out below:

- Take professional advice on whether any remedial work is necessary to ensure the safety of their building. This may need to consider whether the construction of their building meets the other provisions of Building Regulations guidance including fire stopping between floors and the required cavity barriers in place.
- If any remedial work is undertaken building owners will need to take professional advice to ensure that work is undertaken safely.
- Assure themselves that remedial work also complies with Building Regulations guidance on how the system is designed and fitted – including provisions for fire breaks and cavity barriers.
- The fire safety of buildings must be maintained by the responsible persons at all times under the provisions of the Regulatory Reform (Fire Safety) Order 2005, for which advice is available [here](#).

#### Where building owners have wall systems which do not clearly fall into scope of one of the large scale tests

40. Based on the advice from the Expert Panel, where building owners have ACM panels but are unsure of the type of insulation being used as part of the wall cladding system, they should in the case of:

- Category 3 ACM panels follow the advice for building owners with wall systems failing the test.
- Category 2 ACM panels, take professional advice based on the specific circumstances of their building.

41. Any building owners with category 1 ACM panels should similarly obtain professional advice to assure themselves that their building is safe.

### **Further advice and support**

42. DCLG has published a [circular letter to building control bodies](#) which sets out the planning and building control requirements that will need to be considered.
43. In addition to resolving any concerns about the nature of cladding materials on a block of flats, building owners should also consider the other fire safety measures in their buildings.
44. The detailed design of the tested cladding systems have been reviewed by the Expert Panel to ensure that it is representative of the systems in common use. Three common insulation types have been tested in combination with three types of ACM panel products. Design information is provided in the individual test reports which include details on fixings, insulation thickness, cavity barrier types, and ACM filler calorific value. Where there are variations between a building's cladding system and the tested cladding systems, buildings owners are advised to seek professional advice.

## **Frequently Asked Questions**

### **Building owners**

#### ***Does it matter if I've got different cavity barriers?***

Cavity barriers are relied upon to inhibit fire spread within the cladding system. For cavity barriers to perform effectively the barrier type must be suitable for the cladding system and they must be fixed appropriately. It is recommended that building owners confirm the presence of cavity barriers, the suitability of the type, and the quality of workmanship. The manufacturer's product information will provide details on the design, application, and fixing requirements.

#### ***What if I've got a different kind of foam, such as glass foam?***

The Building Safety Programme has focused on the most common insulation types present in buildings. Other insulation products may have different fire performance characteristics, therefore building owners should take professional advice on whether any remedial work is necessary to ensure the safety of their building.

#### ***My foam is thicker/thinner than the foam you used; what does that mean for my building?***

The detailed design of the tested cladding systems have been reviewed by the Expert Panel to ensure that it is representative of the systems in common use, including the insulation thickness. Building owners should take professional advice on differences between their building's cladding system and the tested systems.

#### ***My building's cladding isn't made of ACM. Does that mean it's safe?***

Given the particular concerns around ACM cladding, the primary focus of the Building Safety Programme to date has been testing such cladding systems. With the large scale tests now complete, the government, supported by the Expert Panel, is considering other issues, such as other cladding systems. Further information will be set out in due course.

#### ***We have cassettes, not flat panels; does that matter?***

The fixing details and panel shape are factors which could affect the fire performance of the cladding system. Therefore building owners should take professional advice on differences between their building's cladding system and the tested systems.

#### ***My building is over 18m if the basement is included. Is it in scope?***

Building regulation guidance (AD B) measures the building height from the ground level to the upper floor surface of the top storey. This excludes basement stories. Whilst low-rise buildings (less than 18m), are not subject to the same recommendations for limited combustibility materials (or BR 135 classification), the cladding may still be subject to other surface spread of flame fire performance recommendations, for example in relation to separation distances. Building owners should seek professional advice where there is doubt over the fire performance of the cladding system.

#### ***I only have ACM cladding on part of my building. Do I need to take it off?***

Small panels of ACM with a PE filler, such as where it has been used as a trim for window reveals or balcony edges may present a lower fire risk where it is isolated from other combustible cladding materials but this would require careful consideration. Building owners should seek professional advice to ensure their building is safe and

that it adequately resists the spread of fire over the wall to the standard required by the current Building Regulations guidance.

***I have rigid foam insulation, will it be OK to replace the ACM with any material of limited combustibility (A2)?***

Test 5 has shown that A2 ACM (limited combustibility) with rigid foam insulation passed the large scale fire test. Whilst the ACM with mineral filler was classified as an A2 material, it cannot be assumed that other materials of limited combustibility would have the same resilience and integrity in a fire. Therefore where other parts of the cladding system (such as the insulation) are not of limited combustibility, buildings owners should not assume that replacing only the outer ACM panels with any limited combustibility material will be sufficient. Professional advice should be sought.

***I have stone wool insulation, will it be possible to replace the ACM with any material of limited combustibility (A2)?***

Yes, but you should still ensure that the finished work meets all other provisions of building regulations. We recommend that you check with the manufacturer to ensure it is suitable for the proposed use and take appropriate professional advice.

***Where can I get professional advice?***

Professional advice may be obtained from a qualified chartered professional with relevant experience in fire safety, including fire testing of building products and systems, such as a chartered engineer registered with the Engineering Council by the Institution of Fire Engineers, or a chartered professional from another built environment profession specialising in fire safety consultancy, such as the Chartered Institute of Architectural Technologists (CIAT), Chartered Institution of Building Services Engineers (CIBSE), Fellows of the Institution of Structural Engineers (IStructE), Royal Institution of Chartered Surveyors (RICS), the Chartered Institute of Building (CIOB), and the Society of Façade Engineers.

Professional assessment of system performance may be obtained from a test laboratory accredited by the United Kingdom Accreditation Service to carry out BS8414 and classify results to BR135.

***What about funding this work?***

Our expectation is that building owners will fund measures designed to make their buildings fire safe, and draw on their existing resources to do so.

Housing Associations should contact the Social Housing Regulator (at [mail@homesandcommunities.co.uk](mailto:mail@homesandcommunities.co.uk)) if they have concerns about their ability to meet the cost of essential works. Where a Local Authority has concerns about funding essential fire safety measures, they should approach DCLG as soon as possible to discuss the position at [LocalAuthorityHousing@communities.gsi.gov.uk](mailto:LocalAuthorityHousing@communities.gsi.gov.uk). In these cases, the Government will consider removing financial restrictions, where financial barriers stand in the way of essential works being done. Where public sector building owners have concerns, they should contact their home department.

Essential works would include those advised by local fire services to be essential to ensure the fire safety of a building. It would also cover cases where building owners have received professional advice on any essential work to make cladding systems safe.

***Should I install fire suppression systems as part of my building's fire safety strategy?***

A building's fire strategy applies a number of fire protection measures to provide a suitable standard of safety. This can include smoke alarms, fire compartmentation and smoke control. Fire suppression systems such as sprinkler and water mist systems can form an effective part of an overall fire strategy, particularly in tall buildings, where they are provided in accordance with the relevant British Standard. Where there is a risk of external fire spread via the external walls of a building then a sprinkler system or water mist system should not be assumed to be an alternative to remedial work to the cladding system.

Residents/ tenants

**I'm a resident. What should I do?**

Residents should speak to their building owner/landlord about the steps they are taking, both in light of advice from the fire and rescue services on interim measures that should be put in place to help ensure residents safety while any remediation work is planned and undertaken, and on any further steps building owners are taking to ensure their cladding system is safe. The government is in contact with all building owners who have had cladding tested and which have been found not to be of limited combustibility.

**My building owner/ Landlord is refusing to cooperate. What should I do?**

Building owners are responsible for ensuring that any necessary repairs or improvements are carried out.

If the building owner, landlord or letting agent refuses to deal with the issue or is taking an unreasonably long time to do so, residents should contact the environmental health department at your local authority. They have the power to inspect the property and, if they discover any hazards, they can ensure the landlord or agent makes any necessary repairs or improvements.

The government has published two guides providing further information:

- [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/496709/How to Rent Jan 16.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/496709/How_to_Rent_Jan_16.pdf)
- [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/412913/150309 How to rent a safe home final .pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412913/150309_How_to_rent_a_safe_home_final_.pdf)

## **Advice for building owners on external wall systems that do not incorporate Aluminium Composite Material**

This Advice Note is for the attention of anyone responsible for residential buildings over 18m in height who are concerned about the fire safety implications of external wall systems that do not incorporate Aluminium Composite Material. It has been developed in consultation with DCLG's Independent Expert Advisory Panel.

1. The Grenfell Tower tragedy has raised concerns amongst building owners and residents about the fire safety of external wall systems on high-rise residential buildings. The Government's Building Safety Programme has to date focussed on identifying and advising on interim and remedial measures for high-rise building with Aluminium Composite Material (ACM) cladding systems, where such systems do not meet current Building Regulations guidance for resisting fire spread across external wall surfaces.
2. This advice is for owners of high-rise residential buildings where the external wall system of their building does not incorporate ACM. Building owners will want to satisfy themselves and their residents that buildings are safe.
3. Building owners should take their own professional advice on any further action, reflecting their building's particular circumstances.

### Summary

4. With a series of large scale fire system tests for ACM cladding systems now complete and advice issued to building owners [<https://www.gov.uk/government/publications/building-safety-programme-update-and-consolidated-advice-for-building-owners-following-large-scale-testing>], the Government, supported by the Independent Expert Advisory Panel, has been considering whether there may be heightened risks linked to other external wall systems.
5. The potential that there may be incorrectly specified or substituted products installed on tall buildings should not be ignored. Building owners will want to satisfy themselves and their residents that buildings are safe, and may therefore wish to carry out the checks set out below.

## Advice

6. As with ACM cladding systems, the Independent Expert Advisory Panel recommends that building owners seek professional advice where there is any uncertainty about the fire safety of their external wall systems. The expert panel maintains the view that the clearest ways of ensuring an external wall system adequately resists external fire spread are to use materials either of limited combustibility<sup>1</sup>, or an external wall system which can be shown to have passed a large scale test conducted to the BS 8414 standard; and where the construction of the building also meets the other provisions of Building Regulations guidance, including fire stopping between floors and the required cavity barriers being in place (see Section 9 of Approved Document B volume 2).
7. Where only a technical assessment (sometimes referred to as a desktop study) of the likely performance of particular external wall systems has been undertaken and where directly applicable BS 8414 test data is not available, the technical basis of such assessments should be checked.
8. Building owners should understand the construction of their buildings and how best to maintain their safety in use. To do so, building owners should check their records for information about the external wall systems used on their buildings. It should also be possible to obtain advice and information from the product manufacturers and/or contractors about the fire performance, correct installation and maintenance of materials used.

## Common external wall systems

9. ACM is part of a wider range of Metal Composite Materials (MCM) faced with other metals such as zinc, copper, and stainless steel. Like ACM, the filler or core material of MCM panels varies between products and can include combustible materials. In addition, the facing materials of MCM have different melting points, therefore the fire performance may differ depending on the type of metal facing. Building owners should seek professional advice over the suitability of MCM cladding.
10. There are many different types of components used in the construction of external wall systems, for example, High Pressure Laminates (HPL) and

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<sup>1</sup> Materials of limited combustibility would either include a material or product which is at least Class A2-s3, d2 in accordance with BS EN 13501-1:2007; or has achieved a national equivalent classification in accordance with Table A7 of Approved Document B volume 2.

Rendered Insulation systems and all perform differently when exposed to a fire. It is, therefore, important that the right combination of products has been installed and maintained correctly, to ensure they adequately resist the spread of fire over the wall to the standard required by current Building Regulations guidance. Building owners should seek to confirm the combination of products within the external wall system and the type of cladding (rainscreen or render) system on the building. Where there is potential for a product to have been substituted from what was originally specified at the design stage, onsite checks can help provide confirmation of product type. Where the product type (and associated fire classification) cannot be confirmed or there is doubt, then manufacturers' advice on the identification of their different products, systems and their fire performance details may be needed.

### BS8414 tests

11. Some external wall systems incorporate insulation and other components, which do not meet the limited combustibility requirements of current Building Regulations guidance (on external fire spread). This may include rigid foam insulation or other components such as rainscreen panels. To determine whether the standards for external wall systems set out in current Building Regulations guidance would be met in cases where combustible components are included as part of an external wall system, building owners should determine if the external wall system has completed a BS 8414 test and successfully attained BR 135 classification. In support of this we have asked the laboratories that offer BS 8414 testing to list those systems they have tested and classified. This should help professionals in identifying whether a system on a building has or has not been tested and to identify product manufacturers and/or external wall system suppliers.
12. The Building Research Establishment's catalogue of historical data of external wall systems, which have completed a BS 8414 test and successfully attained BR 135 classification can be accessed on their website [<https://www.bre.co.uk/regulatory-testing>].

External wall systems which have been tested to BS 8414, and shown to adequately resist fire spread, rely upon design detailing such as cavity barriers and in some cases external renders to inhibit fire spread. Building owners with BS 8414 tested external wall systems should seek professional advice on whether the external wall system has been installed and maintained as recommended by the manufacturer/supplier. For example, missing or

incorrectly fitted cavity barriers, or damaged render can compromise the fire performance of an external wall system.

#### Further advice on fire safety

13. Helpful advice on how to manage fire safety in blocks of flats is set out in *fire safety in purpose built blocks of flats* published by the Local Government Association. This advice can be accessed on their website [<https://www.local.gov.uk/fire-safety-purpose-built-flats>].
14. This Advice Note is for building owners to act on now. However, the Government is commissioning further research to support further understanding in the industry of the fire performance of external wall systems. This will be developed with a view to publication in summer 2018.

## Leaders' Committee

### Recommendations of the Homes for Londoners Board construction skills sub-group Item no: 6

**Report by:** Eloise Shepherd **Job title:** Head of Housing and Planning Policy

**Date:** 6 February 2018

**Contact Officer:** Eloise Shepherd

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**Summary** London needs a significant increase in its skilled construction workforce to meet the need for new homes. A sub-group of the Mayor's Homes for Londoners Board, chaired by Cllr Peter John with the close involvement of Mayor Sir Steve Bullock, investigated how this could be achieved and has made a series of recommendations, some of which are specifically addressed to boroughs. Over the coming months a Construction Skills Advisory Group, led by Cllr John, will be considering how to take forward these recommendations. This report is an opportunity to bring these recommendations to the attention of Leaders and gather initial feedback on boroughs' views on any future approach to their implementation.

**Recommendations** Leaders' Committee is asked to:

- Note the recommendations of the Homes of Londoners construction skills sub-group, paying particular regard to those directly addressed to boroughs and London Councils and the recommendations regarding a new approach to local labour and section 106 requirements
- Discuss how these recommendations could best be implemented across the capital



# Recommendations of the Homes for Londoners Board construction skills sub-group

## Introduction

To deliver a substantial increase in homebuilding in London, the capital will need a significantly larger construction workforce, equipped with the right skills. To achieve this, a step change in the delivery of construction skills training across the capital is required.

Even at the current rates of homebuilding, almost half of construction employers looking to recruit report finding it difficult to fill vacancies.<sup>1</sup> Furthermore, over the coming years a significant proportion of the existing workforce are expected to leave the industry. 14% of London's construction workforce is due to retire over the next 10-15 years and although the impact of Brexit on attrition rates is as yet unknown, it could be significant<sup>2</sup>, as more than a quarter of the capital's current construction workforce comes from the EU.<sup>3</sup>

However, as well as presenting a major challenge, the need for a substantially larger workforce will create new employment opportunities and the possibility of diversifying the industry. Currently, only 13% of people employed in the industry are women, and those from a Black, Asian and Minority Ethnic background are also significantly under-represented.<sup>4</sup>

As well as training in traditional building skills, London also needs a construction workforce trained in new skills. New technologies like precision manufactured homebuilding offer the opportunity to increase build-out rates while delivering higher quality homes. However, it will only be possible to realise this with a construction workforce that has relevant skills.

## Homes for Londoners Construction Skills Sub-group

Last year, Cllr Peter John chaired a sub-group of the Homes for Londoners Board looking at how to bridge the skills gap in construction in order to meet the significant need for new homes in the capital. The sub-group met between April and July 2017 and in addition to Cllr John, Mayor Bullock and Cllr Govindia, the membership included other borough representatives (Croydon), as well as developers, housing associations and skills providers.

The sub-group reported back to the Homes for Londoners Board in September 2017, making 22 recommendations (Appendix 1). These recommendations were developed to support three overarching targets to be achieved by 2021, as follows:

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<sup>1</sup> CITB, Skills and Training in the Construction Industry 2016, 2016

<sup>2</sup> GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

<sup>3</sup> GLA, Housing in London, 2017

<sup>4</sup> GLA analysis of Labour Force Survey

- At least 50% of construction qualifications gained in London should be translated into construction employment in the city;
- Half of all homes built in London should have a pre-manufactured value of over 50% and the skills required for this should be reflected in London's training provision; and
- As well as increasing the quality and quantity of construction training for Londoners, the capital should continue to secure necessary migrant labour for construction post Brexit, until at least 2021

The recommendations were addressed to a range of stakeholders, including the Homes for Londoners Board, boroughs, the Mayor of London, developers, and skills providers. Although they were keen to stress that the recommendations form an integrated package, the following recommendations were specifically addressed to boroughs and London Councils:

*A new approach to local labour and section 106 requirements*

k) The Mayor, local authorities and the construction industry should work together to develop a new approach to local labour requirements and section 106 employment and skills targets. This new approach should move away from a focus on new apprenticeship and employment starts, towards completions of apprenticeships or movement into employment. It should also allow apprentices, trainees and workers to move between sites across local authority boundaries to enable them to complete their training. This should provide more meaningful employment and training opportunities for residents across London, while recognising the importance of housing developments for providing local employment opportunities.

l) All apprenticeships offered through this route should be paid at the non-apprenticeship National Living Wage rate at a minimum.

m) The Mayor should commit to the GLA hosting a co-ordinating role for this new model if required and investigating options for integrating it with the Construction Academy scheme. The new approach should be overseen by the Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce.

n) Housing developers should commit to providing the funding required to coordinate and deliver this new approach, potentially as part of section 106 agreements, and, along with local authorities, to participating actively and positively in any new approach. This funding and participation would be dependent on the clear

demonstration that the new approach would be more effective for employers and local authorities than current arrangements

*Promotion of precision-manufactured homes (PMH)*

q) The Mayor, local authorities, developers and Government should agree to a shared commitment to significantly increase the proportion of new homes delivered in London through PMH and this should be accompanied by a clear action plan up until 2021.

*Planning for future demand*

t) The Mayor, London Councils and Government should investigate options for developing a dynamic housing construction skills demand planner, which will enable all stakeholders to better understand and plan for the future demand for skills - not just the quantity, but the type and location. This should inform the whole approach to construction skills in London, including the Mayor's Construction Academy Scheme, a new approach to local labour requirements and the new Skills Strategy.

**Next steps**

The Mayor's Construction Skills Advisory Group has been established to take forward the implementation of the report's recommendations. This work is being supported by a number of smaller groups which are focussing on developing implementation proposals for particular sets of recommendations.

Some of the proposals, such as the Mayor's Construction Academy Scheme, are already underway and in the process of being implemented by the GLA. Others are in the early stages of development, for example the construction skills demand planner and the new approach to section 106 and local labour requirements, and will require significantly more work on feasibility and stakeholder engagement before a firm plan for implementation is developed. Boroughs will be key stakeholders and engaged in the development of any new approach to section 106 and local labour requirements.

The Advisory Group will report back to the Homes for Londoners Board with a progress update in early summer 2018.

**Financial Implications for London Councils**

There are no financial implications for London Councils arising from this report.

**Legal Implications for London Councils**

There are no legal implications for London Councils arising from this report.

**Equalities Implications for London Councils**

There are no equalities implications for London Councils arising from this report.

## **Item 6 - Appendix 1 Homes for Londoners Board**

Date of meeting: **21 September 2017**

Title of paper: **Findings and Recommendations of the Homes for Londoners Board Construction Skills Sub-group**

To be presented by: **Cllr Peter John OBE, Chair of the Construction Skills Sub-group, Leader of Southwark Council and London Councils Executive Member for Business, Brexit and Skills**

Cleared by: **James Murray, Deputy Mayor for Housing and Residential Development and  
David Lunts, Executive Director, Housing and Land**

Classification: **Public**

### **1 Executive Summary**

- 1.1 This is the report of the Homes for Londoners (HfL) Construction Skills sub-group, which was commissioned by the Board to look at challenges facing the construction industry in terms of skills and capacity. The sub-group had a specific focus on the challenges faced by housing construction, rather than construction more widely.
- 1.2 The sub-group met four times between April and July 2017 and at its meetings it considered presentations from external partners, as well as considering other relevant evidence provided.
- 1.3 Following its discussions, the sub-group has agreed recommendations in the following areas:
  - Overall vision
  - Improving the skills system for construction
  - A new approach to local labour and section 106 requirements
  - Tackling the impact of Brexit
  - Promotion of precision-manufactured homes
  - Planning for future demand
  - Promoting a career in the construction industry
- 1.4 This report gives an overview of the sub-group's vision and recommendations in section two, with detail about how the sub-group reached its recommendations in the main body of the report.

### **2 Recommendations**

- 2.1 The Board is asked to:

- a) Note the report and the recommendations made by its Construction Skills Sub-Group as set out at section 3; and
- b) Discuss how these should be taken forward.

### 3 Sub-Group Vision and Recommendations

3.1 The sub-group has agreed the following overarching vision and targets:

*We recognise the need to double the number of new homes being built in London and this needs to be supported by a significantly improved approach to the training and skills system for construction skills, a focus on delivering more precision-manufactured homes and mitigating against the potentially negative impact of Brexit on London's construction workforce.*

*This will be delivered through a skills system which is responsive, flexible and forward-thinking, meeting the needs of employers and learners. This will ensure that London is at the forefront of delivering precision-manufactured homes, as well as striving for the highest standards in traditional construction.*

*The focus on construction approaches which enable faster, more efficient delivery at a higher quality will be supported by a drive to increase the diversity of the construction workforce and to make construction a positive career choice for more Londoners. This will ensure that as many Londoners as possible have a key role in meeting London's future housing needs.*

*All of this will be achieved by partners working together and contributing according to their expertise, but overall the approach will be industry-led, ensuring that those building homes for Londoners have the skills and capacity that they need. Support from Government is essential in order to achieve this, particularly through adequate skills funding and fundamental reform and devolution of the skills and training system.*

*All stakeholders should work towards the following targets to ensure that this can be achieved as quickly as possible:*

- a) ***The proportion of construction qualifications gained and translated into employment in the construction industry in London should be at least 50 per cent by 2021. At present, despite the amount of money being invested in London's training and skills system, the capital's construction industry does not have access to the workers that it needs to deliver the significant increase in housebuilding that is required.***
- b) ***Half of all homes built in London by 2021 should have a pre-manufactured value of over 50 per cent and the associated need to ensure the construction workforce has the required skills to deliver this should be reflected in London's training and skills provision. London cannot deliver the step-change in housing delivery required using traditional construction methods alone and so a significant increase in the proportion of new London homes built with precision-manufactured components is required.***
- c) ***London should continue to secure the amount of migrant labour required for London's construction workforce post-Brexit up until at least 2021 (at a***

*minimum maintaining the current numbers of non-UK EU construction workers in the capital), at the same time as increasing the quality and quantity of training provision in London. Any increase and improvement in training provision will take time to have a positive impact on the construction industry, and so it is important that existing levels of migrant labour in London's construction industry are maintained in the short to medium term.*

3.2 The sub-group makes the following recommendations:

*Overall*

- a) The Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce, should agree a clear action plan for delivering this vision and be any actions resulting from the sub-group's recommendations.
- b) The sub-group encourages the Mayor, local authorities, the construction industry, Government and training providers to agree to the sub-group's shared vision for construction skills and the promotion of precision-manufactured homes (PMH) in London.
- c) All the sub-group's recommendations should be in progress by the end of March 2018.

*Improving the skills system for construction*

- d) Any approach to improving the construction skills system should focus on co-ordinating the wealth of training provision and skills development schemes already available, rather than introducing new initiatives, and should ensure that there is one point of information for employers and learners about how to access construction skills training provision in London.
- e) The Mayor's Construction Academy scheme provides a good opportunity to co-ordinate the training and skills provision already in place, as long as its role and purpose is communicated clearly and effectively. The GLA should ensure that the construction industry is fully involved in planning and designing the Academy, as well as being integral to governance for the scheme.
- f) The GLA should consider delivering the co-ordination role for the Academy at a London-wide level, rather than at a sub-regional or site-specific level as currently proposed (at least for an initial trial period) with a view to maximising the possibility for pan-London co-ordination and ensuring the best possible use of limited revenue resources for this work.
- g) Mayor's Construction Academy status should be reserved for those training providers meeting high standards around the proportion of students moving into employment and working in close partnership with industry. Those institutions which meet these criteria should be eligible for capital funding to improve facilities, particularly for precision-manufacture, ensuring that provision is well spread out across London.
- h) The CITB should work with the construction industry and training providers to ensure that the right training courses are developed and delivered in London to support an increase in PMH, along with ensuring that enough expert trainers are available to deliver these courses.
- i) The Mayor should make use of the adult education budget (due to be devolved to him in 2019/20) to ensure that London's further education system provides

enough people with the construction skills required to deliver the homes that Londoners need.

- j) The Mayor's new Skills Strategy should make the case for additional devolution where it can support the prioritisation of construction training provision, for example the devolution of the 16 to 18 technical education budget, careers information, advice and guidance and any unspent element of the Apprenticeship Levy.

#### *A new approach to local labour and section 106 requirements*

- k) The Mayor, local authorities and the construction industry should work together to develop a new approach to local labour requirements and section 106 employment and skills targets. This new approach should move away from a focus on new apprenticeship and employment starts (for example, towards completions of or number of hours of training, apprenticeships or employment), as well as allowing apprentices, trainees and workers to move between sites across local authority boundaries to enable them to complete their training. This should provide more meaningful employment and training opportunities for residents across London, while recognising the importance of housing developments for providing local employment opportunities.
- l) All apprenticeships offered through this route should be paid at the non-apprenticeship National Living Wage rate at a minimum.
- m) The Mayor should commit to the GLA hosting a co-ordinating role for this new model if required and investigating options for integrating it with the Construction Academy scheme. The new approach should be overseen by the Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce.
- n) Housing developers should commit to providing the funding required to co-ordinate and deliver this new approach, potentially as part of section 106 agreements, and, along with local authorities, to participating actively and positively in any new approach. This funding and participation would be dependent on the clear demonstration that the new approach would be more effective for employers and local authorities than current arrangements
- o) The Mayor should consider how to use the draft London Plan to articulate the benefits of such an approach.

#### *Tackling the impact of Brexit*

- p) The Mayor should continue to lobby for a post-Brexit immigration system which gives London access to the workers it needs through a system which is flexible enough to respond to the growing and changing needs of the construction industry as they build London's much-needed homes.

#### *Promotion of precision-manufactured homes*

- q) The Mayor, local authorities, developers and Government should agree to a shared commitment to significantly increase the proportion of new homes delivered in London through PMH and this should be accompanied by a clear action plan up until 2021.

- r) The Mayor should investigate how to make use of his strategic partnerships with Affordable Housing providers to promote PMH in their housing delivery.
- s) The Mayor should work to ensure that adequate investment is available to support the move to PMH, including capital funding for training facilities through the Academy scheme, as well as wider support for building capacity in the industry.

*Planning for future demand*

- t) The Mayor, London Councils and Government should investigate options for developing a dynamic housing construction skills demand planner, which will enable all stakeholders to better understand and plan for the future demand for skills - not just the quantity, but the type and location. This should inform the whole approach to construction skills in London, including the Mayor's Construction Academy Scheme, a new approach to local labour requirements and the new Skills Strategy.

*Promoting a career in the construction industry*

- u) The Mayor should lead a campaign on construction skills, focused on housing and highlighting the benefits of working in the industry, including good pay and career progression, working in a modernised industry and the chance to be part of the future of London. The campaign should be targeted at those currently underrepresented in the construction workforce – including women, young people and those from a BAME background.
- v) The Mayor should work with partners to ensure that the construction industry is promoted as a positive career choice in schools across the capital, for example through the London Ambitions portal and Build UK's Inspiring Construction programme.
- w) CITB should reform its Go Construct portal to ensure it provides a single and clear information source for those interested in a career in construction, including details of training, apprenticeship and employment opportunities on a regional and local basis.

## **4 Introduction**

- 4.1 London's population is growing by 100,000 people per year, yet we deliver roughly half the required number of homes to meet these pressures. There is a clear need to significantly increase the level of homebuilding in London if the Mayor's target of 90,000 affordable housing starts by 2021 is to be met. However, it will not be possible to significantly increase homebuilding in the capital without enough people with the right skills wanting to work in the construction industry. With 14 per cent of construction workers due to retire in the next 10 to 15 years<sup>1</sup>, it is essential to recruit the next generation of the workforce. Furthermore, with women making up just 13 per cent of the construction workforce, compared with 44 per cent of all workers in the capital<sup>2</sup>, and those from a Black, Asian and minority ethnic (BAME) background only 19 per cent compared to 30 per cent overall, attracting a more diverse range of

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<sup>1</sup> GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

<sup>2</sup> *Ibid*

people is crucial too. Brexit poses additional risks, since more than a quarter of London's construction workforce come from the EU<sup>3</sup>.

- 4.2 Available estimates suggest that between 2,500 and 4,000 new workers will be needed in each year to meet additional demands on the industry<sup>4</sup>. However, the construction industry has a poor public image and reputation, and there are considerable gaps in and challenges with the skills and training system. In 2016, 47 per cent of construction employers seeking to fill vacancies reported difficulties in doing so<sup>5</sup>.
- 4.3 In addition, relying on traditional building methods alone will make it difficult to significantly increase housing delivery and so there is a need to investigate how precision-manufactured housing (i.e. that which involves a significant proportion of the components being manufactured offsite) can support the step change in housing delivery that is required.
- 4.4 In light of these challenges, the Homes for Londoners Board commissioned a sub-group to look at issues of construction skills and capacity of the construction industry. The terms of reference and membership of the sub-group are outlined in Appendix 1. The sub-group was chaired by Peter John OBE, Leader of Southwark Council and London Councils Executive Member for Business, Brexit and Skills, and its members consisted of a wide range of stakeholders, including homebuilders, housing associations, training providers, construction contractors and industry bodies.
- 4.5 Given that the sub-group was commissioned by the Homes for Londoners Board, its remit was to look at the specific construction skills and capacity issues in the housing industry, rather than for construction more widely. However, it is likely that many of the issues identified and recommendations made relate to the wider construction industry.

## 5 Overall Vision

- 5.1 At its first meeting, the sub-group agreed that it would be useful to agree an overall vision for what it is seeking to achieve through its recommendations. This vision (at 3.1 above) outlines that if the number of new homes built in London is to be increased to the extent required, this needs to be supported by:
  - a new approach to the training and skills system for construction skills
  - a focus on delivering more precision-manufactured homes
  - action to mitigate against the potentially negative impact of Brexit on London's construction workforce

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<sup>3</sup> GLA, Housing in London, 2017

<sup>4</sup> A number of different figures are available, with some including a figure for 'replacement demand' i.e. they account for the additional recruitment requirement due to people leaving the profession to retire or change career (e.g. *Working Futures 2014 to 2024: main report*, UKCES 2016), or other which only include the recruitment requirement generated by new jobs created in the industry (e.g., *London labour market projections 2016*, GLA Economics 2016; *Construction Skills Network Forecasts 2017-2021*, CITB/Experian 2017),

<sup>5</sup> CITB, Skills and Training in the Construction Industry 2016, 2016

- 5.2 This vision is also supported by three long-term, overall targets, which the sub-group proposes should be worked towards by all stakeholders.. The sub-group believes these should, along with the implementation of the sub-group’s recommendations in the shorter term, help to ensure that the vision can be achieved as quickly and effectively as possible. However, the sub-group acknowledged in its discussions that these targets are not necessarily easy to measure and the issue of how to track progress accurately will need to be explored further.
- 5.3 The first target is around the proportion of construction-related qualifications which is translated into employment in the construction industry. GLA analysis shows that there were over 21,000 construction-related qualifications achieved in London in 2015/16, but employers are still reporting challenges with recruiting skilled workers for construction (more detail is outlined in section five below). While there is not London-level data available to show what proportion of qualifications achieved are translated into employment in construction, CITB research in England shows that six months after completing a construction-related qualification, 25 per cent had a construction job, 16 per cent were doing a construction apprenticeship and 25 per cent were doing another construction-related course<sup>6</sup>. This suggests that the significant amount of investment in construction skills training in London and across the country is not being put to best use in terms of moving people into employment. In light of this, the sub-group has agreed a target which aims to double the proportion of those entering employment in construction to 50 per cent.  
**Target: *the proportion of construction qualifications gained and translated into employment in the construction industry in London should be at least 50 per cent by 2021.***
- 5.4 In addition, the sub-group discussed the importance of ensuring that higher levels of precision-manufacture are used when building new homes in London in the coming years. If London is to deliver the step-change in housing delivery required, this cannot be done using traditional construction methods alone and so a significant increase in the proportion of new London homes built with precision-manufactured components is required (more detail is outlined in section eight below). One way of measuring this is to calculate the pre-manufactured value (PMV) of development. PMV is calculated according to the proportion of costs of construction that are spent on components manufactured offsite. While PMV levels are not currently systematically recorded, anecdotal evidence discussed at the sub-group suggested that traditional housing construction involves a PMV proportion of between 35 and 50 per cent and, given that the new homes required in London will need to be delivered through a combination of traditional and precision-manufacture methods, the sub-group agreed that a target of a minimum of 50 per cent PMV in half of new homes in the capital would be a stretching but achievable target.  
**Target: *half of all homes built in London by 2021 should have a pre-manufactured value of over 50 per cent and the associated need to ensure the construction workforce has the required skills to deliver this should be reflected in London’s training and skills provision.***
- 5.5 The theme of the potential negative impact of Brexit on London’s construction workforce ran throughout the sub-group’s discussions (more detail is outlined in section seven below). While the sub-group was not asked to make detailed recommendations on any proposed new approaches to immigration, members felt

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<sup>6</sup> CITB, Destinations of Construction Learners in Further Education, 2017

that it was important to include a broad target around mitigating against any negative impact by maintaining access to migrant labour at the same time as focussing on improving training and skills provision.

**Target: London should continue to secure the amount of migrant labour required for London's construction workforce post-Brexit up until at least 2021 (at a minimum maintaining the current numbers of non-UK EU construction workers in the capital), at the same time as increasing the quality and quantity of training provision in London.**

- 5.6 In order to ensure that there is clear joint ownership of the task of tackling construction skills challenges in London, the sub-group encourages **the Mayor, local authorities, the construction industry, Government and training providers to agree to the sub-group's shared vision for construction skills and the promotion of precision-manufactured homes (PMH) in London.**
- 5.7 . In addition, **the Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce, should agree a clear action plan for delivering this vision and any actions resulting from the sub-group's recommendations.**
- 5.8 While the sub-group did not feel it necessary to attach detailed timescales to all of its recommendations, as precise timings would be a matter for those responsible for delivering the proposals, it was agreed that there is an urgent need to make progress in this area if London is to get access to the construction workers that it needs. In light of this, the sub-group recommends that **all its recommendations should be in progress by the end of March 2018.**

## **6 Improving the Skills System for Construction**

- 6.1 During the course of its meetings, the sub-group heard about the extent of construction skills training provision currently available in London. GLA data analysis has shown that over 21,000 construction-related qualifications were achieved in the capital in 2015/16. The majority of these courses were provided by further education colleges and independent training providers, but there is also a wealth of training provision available which is being provided by employers on specific sites.
- 6.2 Despite this level of provision, many employers continue to report challenges with recruiting workers. CITB's 2016 research reports a number of challenges around recruitment and skills levels across the UK's construction industry, with 47 per cent of employers seeking to fill vacancies reporting difficulties in doing so (compared to 21 per cent in 2011)<sup>7</sup>. The sub-group discussed a range of factors that contribute to this lack of translation of qualifications into employment, highlighting particularly how a lack of overall co-ordination and leadership in this area often make it difficult for learners or employers to navigate the system and that current skills funding arrangements incentivise completion of qualifications rather than progression into employment. This means that the significant amount of resource already being put into the construction skills system in London is not being utilised as effectively as it

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<sup>7</sup> CITB, Skills and Training in the Construction Industry 2016, 2016

could be, but that the solution to this lies in part in better co-ordination rather than in the development of additional training or skills provision. In light of this, the sub-group recommends that **any approach to improving the construction skills system should focus on co-ordinating the wealth of training provision and skills development schemes already available, rather than introducing new initiatives, and should ensure that there is one point of information for employers and learners about how to access construction skills training provision in London.**

- 6.3 The sub-group received a presentation from the GLA's Skills Team on proposals for the Mayor's Construction Academy Scheme. This Scheme will help to ensure there are enough people with the construction skills that London needs, including a focus on increasing the involvement of groups and communities currently underrepresented in the construction workforce. It will do this by bringing together and improving partnership working between all construction skills and training stakeholders, including employers, training providers, local authorities and trainees. It is proposed that the Academy Scheme, guided by input from industry, will build on existing structures of training and skills provision, using a pan-London 'hub and spoke' network to enable increased collaboration between skills training providers and construction employers who have vacancies to fill. The Scheme will also be supported by £8 million of capital funding from the Growth Fund, which will fund improvements in construction training facilities. Subsequent discussions highlighted the need to ensure that the Scheme meets the needs of employers and should be guided by what they require from any new approach to skills provision. There was also a need identified to ensure that the benefits of this model are clearly articulated to all stakeholders, especially employers. The sub-group agreed that **the Mayor's Construction Academy scheme provides a good opportunity to co-ordinate the training and skills provision already in place, as long as its role and purpose is communicated clearly and effectively. The GLA should ensure that the construction industry is fully involved in planning and designing the Academy, as well as being integral to governance for the scheme.**
- 6.4 The GLA Skills Team explained to the sub-group that, under the present model, there is enough revenue funding to resource one member of staff at each hub (up to a maximum of six hubs in total). The sub-group discussed whether the sub-regional model would be the most effective approach to delivering a co-ordination function, especially in light of the relatively limited revenue funds for what will be a resource-intensive role. Given the reservations of the sub-group in this area, it recommends that **the GLA should consider delivering the co-ordination role for the Academy at a London-wide level, rather than at a sub-regional or site-specific level as currently proposed (at least for an initial trial period) with a view to maximising the possibility for pan-London co-ordination and ensuring the best possible use of limited revenue resources for this work.**
- 6.5 It is proposed that those participating positively and actively in the Scheme will be eligible to describe themselves as members of the Mayor's Construction Academy, meaning that they will be able to use any associated branding to publicise their membership. The sub-group agreed that this approach would be helpful in ensuring that there is a recognisable link between the multiple stakeholders involved in training provision and employment, and a clear role for the Mayor in bringing together all of this provision. However, the sub-group also felt that this is an opportunity to incentivise particular behaviour and approaches of stakeholders, for example using it to ensure that there is a clear link between training and

employment, and that training provision is supporting a transition towards precision-manufacture. These criteria should contribute towards the assessment process of applications for the scheme's capital funding pot. In light of this, the sub-group recommends that **Mayor's Construction Academy status should be reserved for those training providers meeting high standards around the proportion of students moving into employment and working in close partnership with industry. Those institutions which meet these criteria should be eligible for capital funding to improve facilities, particularly for precision-manufacture, ensuring that provision is well spread out across London.**

- 6.6 The sub-group heard from CITB on their research into the skills required to deliver a step change in the delivery of precision-manufactured homes (PMH) and this showed that there is currently no specialist training available in London which develops the skills required for PMH<sup>8</sup>. In addition, the sub-group also heard evidence that there are problems in recruiting the specialist trainers required for delivering these courses, with many of those with the knowledge and experience choosing to work directly in the industry rather than as trainers. Given the focus that there needs to be on increasing the proportion of homes built using precision-manufacture methods (there is more detail on this in section seven below), the sub-group recommends that **the CITB works with the construction industry and training providers to ensure that the right training courses are developed and delivered in London to support an increase in PMH, along with ensuring that enough expert trainers are available to deliver these courses.**
- 6.7 During its discussions, the sub-group acknowledged that there are some structural issues with the training and skills system which do not necessarily relate only to construction, but are part of wider challenges with how skills provision is structured and funded. For example, one of the key areas identified as needing reform is around how funding is used to incentivise outcomes. At present, skills funding is normally paid on completion of a qualification rather than on the basis of any employment secured as the result. The planned devolution to the Mayor of the adult education budget in 2019/20 provides an opportunity for him to influence skills provision, based on the needs of London's key industries including construction. In light of this, **the Mayor should make use of the adult education budget (due to be devolved to him in 2019/20) to ensure that London's further education system provides enough people with the construction skills required to deliver the homes that Londoners need.**
- 6.8 However, the transformative potential of a devolved adult education budget is potentially limited, as it only covers post-18 provision and a significant proportion of the budget is committed to statutory entitlements (for example maths and English). In light of this, the sub-group recommends that **the Mayor's new Skills Strategy should make the case for additional devolution where it can support the prioritisation of construction training provision, for example the devolution of the 16 to 18 technical education budget, careers information, advice and guidance and any unspent element of the Apprenticeship Levy.**

## **7 A New Approach to Local Labour and Section 106 Requirements**

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<sup>8</sup> CITB, Faster, Smarter, More Efficient: Building Skills for Offsite Construction, 2017

- 7.1 Planning obligations, also known as section 106 agreements (based on that section of the 1990 Town & Country Planning Act) are made between local authorities and developers and can be attached to a planning permission to mitigate any negative effects associated with proposed development. Training and employment clauses are a common feature of section 106 agreements. The local authority, as planning authority, sets a target for jobs that are to be sourced locally, and these obligations are passed onto contractors and sub-contractors.
- 7.2 The current approach does have a number of benefits, as it is designed to ensure that developers make a direct, positive contribution to the local communities in which they are working. When implemented successfully, it can deliver positive training and employment outcomes for local residents, ensuring that existing residents benefit from development. The approach can also support local authorities and councillors in making the argument in favour of housing development, an issue which can sometimes be a source of controversy at a local level.
- 7.3 However, there are several challenges with the current model. Anecdotal evidence suggests that local training and employment initiatives secured through section 106 agreements do not always succeed in addressing construction skills shortages or securing sustainable employment for local people. The main reason for this is that developers can only recruit trainees from a defined area within the vicinity of the development (in London most commonly defined as the local authority boundary), and the targets are often based on the number of new apprenticeship or training starts, rather than the meaningful completion of these. This means that contractors can often struggle to meet the demand for skills because they must source labour from a geographically-defined labour pool, where the required skills may not necessarily be available. In addition, the often short-term nature of construction projects compared to the longer duration of apprenticeships mean that apprentices employed at the beginning of a project may not have finished their training by the time construction on site is completed. This means that once developments finish, apprentices may not be able to move with contractors to developments in different areas (because they too will have their own local labour requirements), and may therefore be unable to complete their training. Additionally, in some cases apprenticeships can start on a very low wage for London (for example, £3.50 per hour in their first year). Some London local authorities cannot support these opportunities, particularly those with Living Wage commitments.
- 7.4 In light of these challenges with the current system, the sub-group requested that the GLA develop a proposal for how a new approach to section 106 and local labour requirements could work. This proposal is outlined in Appendix 2 and currently referred to as the London Local Labour Initiative (LLLI). The key elements of the proposal are as follows:
- It would provide a central pool of labour from across London via a brokerage service, through which construction contractors would be required to access any new workers agreed as part of section 106 requirements. Priority would be given to matching local opportunities with local residents, but this could be expanded on a sub-regional or London basis if no suitable local workers are available.
  - The pool would be centrally administered (either on a sub-regional or pan-London level), with appropriate resource provided for staff to act as brokers between employers looking for workers, individuals looking for work and

training opportunities, colleges providing relevant training and any relevant employment schemes run by local authorities.

- All local authorities would be eligible to join the LLLI, but priority would be given to meeting the section 106 targets of individual local authorities.
- This new approach should focus on meaningful and sustained training and employment opportunities (for example a number of apprenticeship hours), rather than purely on new starts as in the current system.
- Data on the number of workers from each local authority working on each development site would be recorded, enabling local authorities to keep track of whether the developers are meeting their section 106 obligations.

7.5 This proposal was well-received by the sub-group and there was agreement that the potential for a new approach should be explored further. **The Mayor, local authorities and the construction industry should work together to develop a new approach to local labour requirements and section 106 employment and skills targets. This new approach should move away from a focus on new apprenticeship and employment starts (for example, towards completions of or number of hours of training, apprenticeships or employment), as well as allowing apprentices, trainees and workers to move between sites across local authority boundaries to enable them to complete their training. This should provide more meaningful employment and training opportunities for residents across London, while recognising the importance of housing developments for providing local employment opportunities.**

7.6 In recognition of the challenges associated with often lower levels of pay for apprentices and the potential of this to conflict with pay policies of some local authorities, the sub-group recommends that **all apprenticeships offered through this route should be paid at the non-apprenticeship National Living Wage rate at a minimum.** Current National Living Wage rates are outlined in Table 1.

*Table 1: National Living Wage hourly rates in the UK from April 2017*

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2017	£7.50	£7.05	£5.60	£4.05	£3.50

7.7 It was acknowledged that the co-ordination of any new scheme and its brokerage services will require a team of staff to ensure that it works as effectively as possible, and they could be located at either a pan-London or sub-regional level. In light of this, the sub-group recommends that **the Mayor should commit to the GLA hosting a co-ordinating role for this new model if required and investigating options for integrating it with his Construction Academy Scheme. The new approach should be overseen by the Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce.**

7.8 Finally, the sub-group discussed who would be best placed to fund the resource required to deliver any new function. While the LLLI proposal refers to ‘employers’ providing this funding, the sub-group discussed whether it would be best for this responsibility to be specifically allocated to either housing developers or contractors. It was agreed that it should be allocated to developers to ensure that responsibility for these contributions does not get lost along the supply chain. However, in exchange for a commitment to provide this funding, it would need to be demonstrated that the new approach provides clear benefits to employers. The sub-

group agreed that **housing developers should commit to providing the funding required to co-ordinate and deliver any new approach, potentially as part of section 106 agreements, and, along with local authorities, to participating actively and positively in any new approach. This funding and participation would be dependent on the clear demonstration that the new approach would be more effective for employers and local authorities than current arrangements.** In addition, to help ensure that local authorities engage positively in any new approach, **the Mayor should consider how to use the draft London Plan to articulate the benefits of such an approach.**

## **8 Tackling the Impact of Brexit**

8.1 The potential negative impact of Brexit on the ability of the construction industry to recruit the workers that it needs was a theme which ran throughout the discussions of the sub-group and is one of the reasons that the Homes for Londoners Board established a sub-group to look at the construction skills issue. People born overseas account for 45 per cent of London's construction workforce, including 27 per cent (95,000) who come from the rest of the EU<sup>9</sup> (with anecdotal reports from the GLA Skills Team that some employers are reporting that this can be as high as 80 per cent on individual sites). The impact of the referendum result is already being felt by employers across sectors, as more than a quarter of employers have seen evidence that suggests EU nationals in their organisations are considering leaving the company, or the UK, in 2017<sup>10</sup>.

8.2 In addition, recent CITB research has shown that while rates of self-employment are high within the construction industry overall, these rates are particularly high amongst non-UK born workers (57 per cent compared to 38 per cent). While self-employment provides a high degree of flexibility for foreign labourers to enter the UK labour market, any new immigration system that comes into force after the UK leaves the EU and the European Single Market may not easily be able to support those who are self-employed, instead requiring visa sponsorship by an employer. While the sub-group agrees on the importance of improving the skills and training system in order to ensure more people are trained in the UK, this process is likely to take some time and as such the industry is likely to continue to need access to migrant labour, in at least the short and medium term. In light of these challenges, the sub-group recommends that **the Mayor should continue to lobby for a post-Brexit immigration system which gives London access to the workers it needs through a system which is flexible enough to respond to the growing and changing needs of the construction industry as they build London's much-needed homes.**

## **9 Promotion of Precision-manufactured Homes**

9.1 Given the significant increase required in the number of new homes built in London each year in order to meet the Mayor's ambitious housing targets, the sub-group discussed the potential of precision-manufactured housing to provide a solution to this challenge. Discussion centred around the potential for an approach which sees a

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<sup>9</sup> GLA, *Housing in London 2017, 2017*

<sup>10</sup> CIPD, *Labour Market Outlook Winter 2016-17, 2017*

higher proportion of components manufactured offsite to have a positive impact in terms of reducing the time taken to build homes, improving the quality of the build and potentially saving money in terms of reducing time on site and manufacturing at scale. In light of this potential, the sub-group recommends that **the Mayor, local authorities, developers and Government should agree to a shared commitment to significantly increase the proportion of new homes delivered in London through PMH and this should be accompanied by a clear action plan up until 2021. In addition, the Mayor should investigate how to make use of his strategic partnerships with Affordable Housing providers to promote PMH in their housing delivery.**

- 9.2 As outlined in section four, CITB presented the sub-group with the findings of its research on the skills required for PMH. They reported that PMH currently represents less than 10 per cent of total output but is set to grow, with nearly half of clients surveyed expecting its use to increase in the next five years and 42 per cent of firms with over 100 staff expecting to use offsite in 3-5 years' time. While there is clearly a significant potential future demand for these skills, the research also found that existing training and course content does not cover everything that is required. In particular, it does not tend to reflect the multi-skilled and cross-disciplinary nature of the roles. In addition to the recommendation outlined at 5.6 regarding working with the CITB to ensure that course and training curricula reflect the needs of industry in terms of preparing staff to deliver PMH at scale, the sub-group also considers that the Mayor's Construction Academy Scheme offers significant potential to incentivise this necessary change. The sub-group recommends that **the Mayor should work to ensure that adequate investment is available to support the move to PMH, including capital funding for training facilities through the Academy scheme, as well as wider support for building capacity in the industry.**

## 10 Planning for Future Demand

- 10.1 Accessing accurate data on future demand for construction skills can be difficult, given the unpredictable, cyclical nature of the industry and different approaches to estimating future construction output. These figures can be even more difficult to obtain on a London (rather than national) level. However, available estimates suggest that in the coming years between 2,500 and 4,000 new construction jobs will be created in London each year<sup>11</sup>.
- 10.2 In light of this, the sub-group discussed the challenges of planning for future skills provision to meet the needs of the construction industry without being clear about what the future demand will be. This future demand needs to be articulated in terms of what type of skills need to be delivered and at what volume, as well as where and when. There are examples of successful skills demand planners that have been developed for major infrastructure projects, for example Crossrail and the Thames Tideway Tunnel, and there is the potential for something similar to be developed for housing. Government has also indicated that it would be interested in the development of a demand planner for housing construction. Given the cyclical nature of housing demand and the multiple, unpredictable elements involved in

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<sup>11</sup> A number of different figures are available, with some including a figure for 'replacement demand' i.e. they account for the additional recruitment requirement due to people leaving the profession to retire or change career (e.g. *Working Futures 2014 to 2024: main report*, UKCES 2016), or other which only include the recruitment requirement generated by new jobs created in the industry (e.g., *London labour market projections 2016*, GLA Economics 2016; *Construction Skills Network Forecasts 2017-2021*, CITB/Experian 2017)

moving forward with a housing project (e.g. planning permission, financing), any new approach would need to be dynamic and able to respond to changing circumstances. The sub-group recommends that **The Mayor, London Councils and Government should investigate options for developing a dynamic housing construction skills demand planner, which will enable all stakeholders to better understand and plan for the future demand for skills - not just the quantity, but the type and location. This should inform the whole approach to construction skills in London, including the Mayor's Construction Academy Scheme, a new approach to local labour requirements and the new Skills Strategy.**

## 11 Promoting a Career in the Construction Industry

- 11.1 The Government's *Construction 2025* strategy and the Farmer Review both highlight the need to tackle the industry's poor image and reputation. Data from the CITB shows that the overall appeal of the construction industry as a career option for young people is low<sup>12</sup>, while 35 per cent of career advisers believe a career in construction is unattractive<sup>13</sup>. While there are a number of projects in operation which aim to improve the image of the industry and promote it as a career, these are not entirely joined up and there is not a specific scheme in place for London.
- 11.2 Women make up only 13 per cent of London's construction workforce, compared to 44 per cent of all workers in the capital and London's construction workforce is older than the city's overall workforce, with 14 per cent aged 55 or over (compared to 10 per cent overall). In addition, only 19 per cent of London's construction workforce is from a Black, Asian and minority ethnic (BAME) background, compared to 30 per cent of London's workforce overall<sup>14</sup>. If London is to meet its ambitious housing targets, it is essential that employment opportunities in the construction industry are opened up to as wide a pool of potential workers as possible, in particular those who have not traditionally had a career in the sector.
- 11.3 In addition, there is a need to ensure that potential recruits are aware of the benefits of working in the construction industry, in terms of good pay and career progression, as well as the excitement of being part of building London's future homes. The sub-group also discussed the need to focus on housebuilding specifically, to ensure that there are the number of workers required to meet the challenge presented by the housing crisis. In light of this, the sub-group recommends that **the Mayor should lead a campaign on construction skills, focused on housing and highlighting the benefits of working in the industry, including good pay and career progression, working in a modernised industry and the chance to be part of the future of London. The campaign should be targeted at those currently underrepresented in the construction workforce – including women, young people and those from a BAME background.**
- 11.4 The sub-group heard from Build UK about their work to recruit, train and retain the next generation of the UK's construction workforce. The presentation highlighted that it is well acknowledged that the industry has an image problem and that, in order to make progress on recruiting the next generation of workers, all partners need to be willing to pull together and work towards a shared goal. Any promotion of the industry as a career choice needs to happen at as early a stage as possible, so it

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<sup>12</sup> Department for Business, Innovation and Skills, UK Construction – An economic analysis of the sector, 2013

<sup>13</sup> CITB, *Educating the Educators*, 2014

<sup>14</sup> GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

is essential that work begins in schools to promote the industry. Build UK highlighted the considerable number of schools engagement schemes already in operation across the industry and the confusion that this can cause amongst schools. In light of this, Build UK is launching its Inspiring Construction schools engagement programme to bring together all the initiatives that currently exist and to provide one point of contact for schools looking for engagement initiatives, ensuring that they can access the provision most suited to their needs. **The Mayor should work with partners to ensure that the construction industry is promoted as a positive career choice in schools across the capital, for example through the London Ambitions portal and Build UK's Inspiring Construction programme.**

- 11.5 One of the additional challenges identified by the sub-group was the lack of a single point of information for those interested in a career in construction, where they can find information about what career options are open to them and where they can access training and work experience opportunities. The CITB already has a resource in this area in the form of the Go Construct online portal<sup>15</sup>, which has been developed with industry and gives an overview of the types of careers available and training and qualifications are required to go into them. There is significant potential for this resource to be enhanced and in light of this the sub-group recommends that **the CITB should reform its Go Construct portal to ensure it provides a single and clear information source for those interested in a career in construction, including details of training, apprenticeship and employment opportunities on a regional and local basis.**

## 12 Equality Comments

- 12.1 The recommendations in this paper seek to increase the supply of construction skills and thus the supply of housing in London. This will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and minority ethnic groups<sup>16</sup> and women<sup>17</sup>. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health<sup>18</sup>.
- 12.2 Increasing the supply of affordable housing will help to alleviate poverty. Specific groups are more likely to experience poverty, including households headed by minority ethnic individuals, young people and disabled people, refugee and asylum seekers, travellers and gypsy groups, and workless households.<sup>19</sup>
- 12.3 In addition, the recommendations regarding promoting a career in the construction industry focus on increasing the participation of underrepresented groups in the industry. Women make up only 13 per cent of London's construction workforce, compared to 44 per cent of all workers in the capital and London's construction workforce is older than the city's overall workforce, with 14 per cent aged 55 or over (compared to 10 per cent overall). In addition, only 19 per cent of London's

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<sup>15</sup> <https://www.goconstruct.org/>

<sup>16</sup> DCLG, Statutory Data On Homelessness, 2016

<sup>17</sup> *ibid*

<sup>18</sup> Shelter People living in bad housing, 2013; Office of the Deputy Prime Minister, The Impact Of Overcrowding On Health And Education, 2004

<sup>19</sup> Equality and Human Rights Commission, Is England fair: the state of equalities and human rights, 2016

construction workforce is from a BAME background, compared to 30 per cent of London's workforce overall<sup>20</sup>. The work to open up these employment opportunities to these groups should help to ensure that they have access to the same economic and personal benefits opportunities as others currently do.

- 12.4 The Mayor's policies for housing will be published in the draft London Housing Strategy and draft London Plan, both of which will be subject to equality impact assessment.

### **13 Next Steps**

- 13.1 The Board is asked to consider the recommendations outlined in this report and direct further work as appropriate, in particular noting the following recommendations:

- The Homes for Londoners Board, in partnership with the Skills for Londoners Taskforce, should agree a clear action plan for delivering this vision and be any actions resulting from the sub-group's recommendations.
- The sub-group encourages the Mayor, local authorities, the construction industry, Government and training providers to agree to the sub-group's shared vision for construction skills and the promotion of precision-manufactured homes (PMH) in London.
- All recommendations should be in progress by the end of March 2018.

#### **Appendices:**

Appendix 1: Terms of reference: Homes for Londoners Board sub-group – construction skills

Appendix 2: London Local Labour Initiative proposal

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<sup>20</sup> GLA analysis of Labour Force Survey (Q2 individual data for 2014 to 2016)

## **Item 6 - Appendix 2: London Local Labour Initiative proposal**

### **Context**

- Developers are often required to make employment opportunities and apprenticeships available to residents as part of section 106 agreements.
- However, the requirements contained in these agreements can be impractical in terms of offering meaningful opportunities. They often require that those being trained and employed by developers are local residents and that they undertake work within the local authority boundary. Given that many developers work across different sites and local authorities, with onsite time sometimes being limited to just a few months in the case of sub-contractors, this reduces the number of meaningful and long term opportunities that are provided through the existing section 106 approach.
- In addition, with many developers working in the same local authorities with similar targets, they can often find themselves competing for a small pool of potential candidates. The targets often focus on new starts (of jobs or apprenticeships) and this can sometimes lead to perverse incentives in terms of employers terminating employment or training opportunities early, only to bring in a different, new worker to continue with the same work in order to register an additional new start.
- Anecdotal evidence from planning authorities and contractors suggests that some developers are choosing to pay the fines for non-compliance with section 106 obligations rather than delivering the apprenticeship and training opportunities as agreed.
- Given these challenges, it is widely agreed that the system is not delivering the outcomes that it should and that there is a need for a new approach.

### **Proposal**

- The London Local Labour Initiative (LLLI) would provide a central pool of labour (both potential apprentices and employees) from across London via a brokerage service, through which construction contractors would be required to access any new workers agreed as part of section 106 requirements in lieu of the existing local labour requirements.
- The pool would be centrally administered (either on a sub-regional or pan-London level), with appropriate resource provided for staff to act as brokers between employers looking for workers, individuals looking for work and training opportunities, colleges providing relevant training and any relevant employment schemes run by local authorities. The LLLI staff would work directly with all these stakeholders to match up employment and training opportunities with those looking for work.
- All local authorities would be eligible to join the LLLI, but priority would be given to meeting the section 106 targets of individual local authorities according to their section 106 agreements.
- This new approach should focus on meaningful and sustained training and employment opportunities, rather than purely on new starts as in the current system. For example, the system could instead focus on monitoring the number of apprenticeship and worker hours delivered through the scheme. This would ensure that employers are able to move workers between sites without penalty.
- Data on the number of workers from each local authority working on each development site would be recorded, enabling local authorities to keep track of whether the developers are meeting their section 106 obligations in terms of the overall number/hours of

opportunities provided by each development, but also to ensure that local authority residents are benefitting sufficiently from schemes across London.

- As stated above, the co-ordination of the scheme and its brokerage services will require a team of staff to ensure that it works as effectively as possible, and they could be located at either a pan-London or sub-regional level. This would require financial resource which would need to come from employers using the scheme.

## **Benefits**

- Provides a clear point of entry for those looking for training and employment opportunities in construction, as well as for employers looking for workers.
- Removes tight 'local labour' restrictions, meaning that employers can go further afield than the local authority to look for workers if they cannot find them locally and still fulfil their section 106 obligations.
- Provides extra support to employers to find the right candidates for opportunities by accessing LLLI brokerage services.
- Gives local authorities confidence that their section 106 targets are being met in a meaningful way and that their local residents have access to a much greater range of employment opportunities across London.
- Provides an opportunity to get a better London-wide picture of construction industry recruitment challenges and skills gaps.

## **Roles and responsibilities of stakeholders**

### *Local authorities*

- Ensure section 106 agreements reference the LLLI, as well as any new requirements for targets to reference apprenticeship and worker hours instead of new starts.
- Provide LLLI co-ordination function with up to date information on contents of current section 106 agreements (e.g. through London Development Database)

### *Employers*

- Provide funding for LLLI staff
- Engage with the LLLI when seeking new workers
- Provide accurate and timely data on the workers recruited through the scheme to LLLI.

### *GLA*

- Provide support and infrastructure for LLLI co-ordination function (either at a pan-London or sub-regional level)
- Provide oversight of overall project (e.g. through Homes for Londoners Board)
- Ensure LLLI is actively linked with the Mayor's Construction Academy scheme, as well as any work on planning for future skills demand

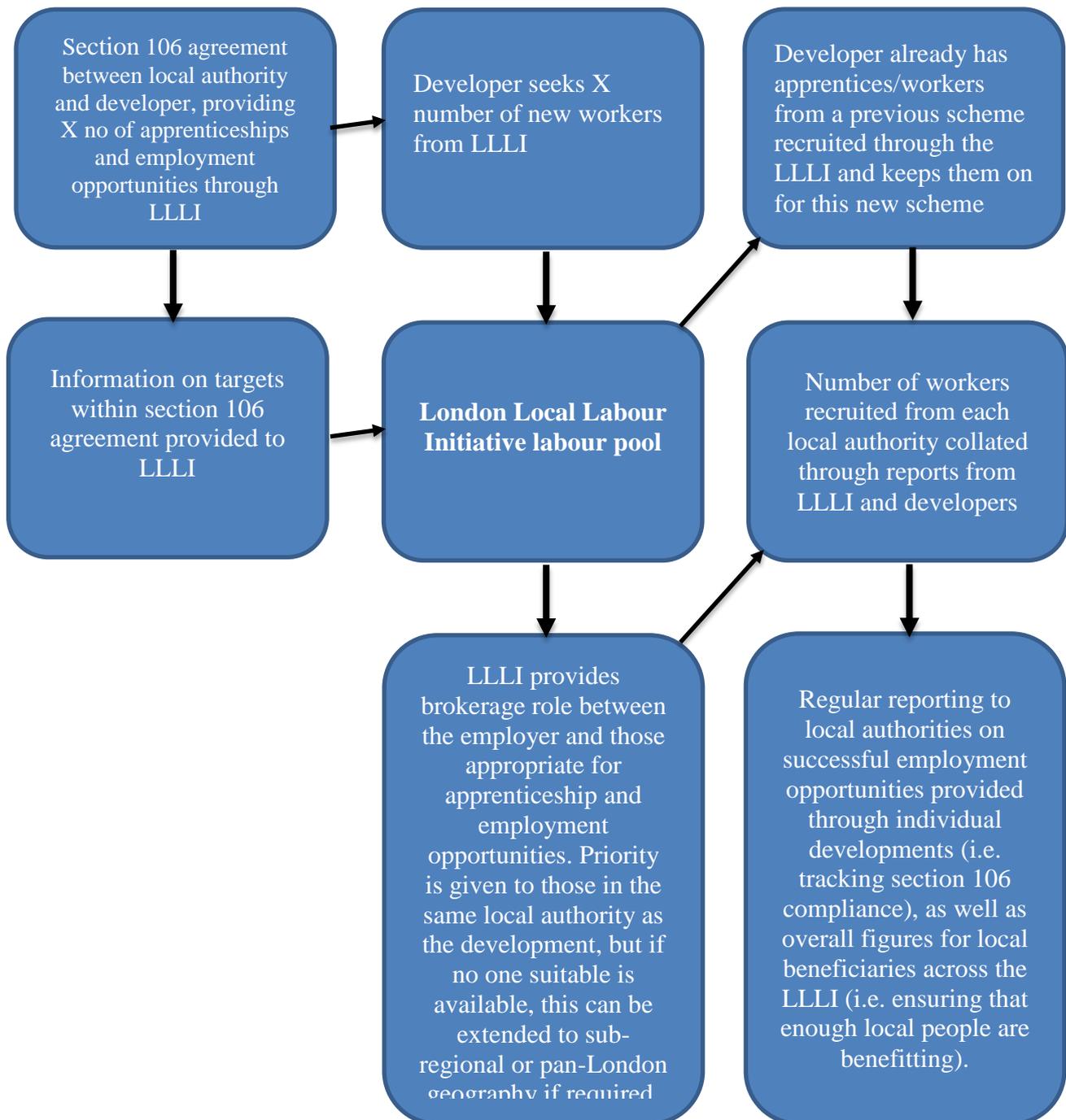
### *Colleges/training providers*

- Engage with the LLLI to find appropriate employment and training opportunities for Londoners engaged in the further education system.

## Alternatives

- The brokerage approach suggested is a resource-intensive one, but there are other options available, each with their advantages and disadvantages:
  - **A pool of labour without any brokerage service** – this would only require local authorities to nominate local residents for inclusion in the labour pool and developers would then be responsible for advertising opportunities to this pool and recruiting the most suitable appropriate labour from there. However, this would rely on local authorities having systems in place to easily identify and nominate these residents (many do not) and would not provide assistance to employers in finding the most suitably qualified candidates.
  - **Developers responsible for finding their workers from anywhere in London** – this would mean that section 106 agreements would only cite a target for the numbers of ‘local’ employment opportunities to be provided through a development, with no specification about where these workers should come from (i.e. from a specific local authority or from the LLLI pool). While this may enable a much more flexible approach to recruitment, it would be much more difficult for local authorities to keep track of how their residents are benefitting from local development, in particular those accessing employment opportunities in other local authorities.

## London Local Labour Initiative model







# Devolution and Public Service Reform

## Introduction

1. London borough Leaders have driven a programme of work in pursuit of devolution and reform of public services in London, working closely in partnership with the Mayor of London and the GLA. This led to a programme of joint action being taken forward following the Mayor's Devolution Summit in July 2016, followed by an agreement between Government, Mayor of London and London Councils in March 2017 to enter into a Memorandum of Understanding (MoU) for further devolution to London.
2. The MoU provides a platform for work by the Government, the GLA and London Councils to bring forward devolution of additional powers, freedoms and flexibilities for London government. The key themes for further devolution to London agreed in the MoU include a commitment to explore business rates retention, investment to tackle urban traffic congestion, and commitments to further health, housing, criminal justice, skills and employment devolution. The Chair of London Councils and the Mayor have been meeting with Ministers on this agenda throughout the devolution process.
3. Leaders' Committee, Congress of Leaders and the Mayor and Congress Executive have received regular reports regarding devolution and public service reform during the past year. The Congress of Leaders and the Mayor of London last met on 10 October 2017 to note progress towards the London devolution agreement with Government and to consider the opportunity for London to pilot full business rates devolution from April 2018.
4. This paper provides an update on London government's continuing negotiations with Government in relation to the MoU and wider devolution issues, in particular the following areas:-
  - Further Business Rates retention
  - Adult Education Budget and progress towards wider skills devolution
  - The London Work and Health Programme
  - The Industrial Strategy
  - European Structural and Investment Funding
  - Health devolution
  - Criminal Justice devolution

- Housing

## Business Rates

5. At Congress of Leaders in October 2017, Leaders and the Mayor agreed to support in principle an application to Government for a London-wide business rates pool for 2018/19 that would pilot elements of a 100% retention scheme. It was also agreed that, in the event that the pilot pool continues, it should not last for more than two years (i.e. beyond 2019/20) without a positive recommitment by all participating authorities.
6. As reported to Leaders' Committee in December 2017, the Autumn Budget formally confirmed that the London pilot of 100% business rates retention in 2018-19 had been agreed. The terms of the 100% pilot were agreed via a MoU signed by the Chair of London Councils, the Mayor, the Secretary of State (SoS) for Communities and Local Government and the Minister for London. Importantly, this contained an agreement to allocate around 50% of any net financial benefit that the pool may generate to invest in strategic projects. This includes a commitment by the Mayor of London to spend the GLA's share on strategic projects, as well as 15% of the total to be decided jointly by the Mayor and borough Leaders.
7. In December 2017, a pooling agreement between the GLA, City of London and 32 London boroughs was circulated to all participating authorities. This agreement establishes the principles of operation of the pool, including:-
  - Rationale of the pool;
  - Duration and terms of dissolution;
  - Role of the City of London Corporation (as the lead authority);
  - Distribution of any financial benefits;
  - Principles around strategic investment; and
  - The governance mechanism for ongoing decisions regarding the pooled Strategic Investment Pot.
8. The SoS set out a designation order in the provisional 2018-19 Local Government Finance Settlement in December 2017 that established the London pilot pool. All member authorities had until 16 January 2018 to revoke their participation. By that date, no authority had done this. Therefore, the pool will be agreed in the final Local Government Finance Settlement in February and will go live on 1 April 2018. At the time of writing, all participating authorities are taking the pooling proposals through their local

decision-making processes, and final signatures to the pooling agreement MoU between all 34 members are being sought.

9. The deadline for forecast figures to be submitted to Government is 31 January 2018. The City of London, as the lead authority, aims to confirm the final income to be distributed to each authority in 2018-19 by mid-February.

## Development Rights Auction Model

10. The Spring Budget MoU on further devolution to London included the creation of a joint taskforce bringing together the GLA, Transport for London, London Councils, and Government to explore options for piloting a Development Rights Auction Model (DRAM) on a major infrastructure project in London. TfL funded consultancy work to explore a detailed viability evaluation for two prospective DRAM pilot sites: the Upper Lea Valley Opportunity Area and the Old Kent Road Bakerloo Line Extension.
11. The consultancy work has recently concluded that, while it may have value elsewhere in the country, DRAM is unlikely to provide a viable model in the particular circumstances of London's property and development market. The task force expects to consider and subsequently publish a final report shortly.

## Skills Devolution

12. London government is continuing to make the case for further skills devolution, based on the need for the national system to be more responsive to employer demand and to provide inclusive opportunities for all learners and businesses in London. The process of leaving the EU will provide a series of challenges and opportunities that means London needs a more agile and responsive skills system more urgently than ever.
13. The Adult Education Budget (AEB), estimated to be worth around £400m per annum in London, will be devolved to the Mayor by 2019/20, subject to a series of subsequently issued readiness conditions. Progress towards concluding a devolution deal between Government and the Mayor has been slow due to Government changes and the general election in summer 2017.
14. The Mayor and Chair of London Councils met with the SoS for Education during autumn 2017 and pressed her to inject pace and resources into the AEB devolution process. The Deputy Mayor for Planning, Regeneration and Skills and the London Councils Lead Member for Business, Brexit and Skills met with the Minister for Apprenticeships and

Skills in January 2018. The Minister committed to providing some key information and decisions from Government on AEB devolution by the end of January 2018 and was keen to keep in touch on progress. An update about any information received could be provided at the meeting.

15. Devolution of the AEB from 2019/20 will involve the transfer of a number of statutory functions and powers from the SoS to the Mayor. In June 2017, the Congress Executive agreed the principle of joint governance over a devolved skills system between the Mayor and the boroughs. In December, Leaders' Committee agreed the pan-London governance arrangements for the AEB. The Mayor will establish the Adult Education Programme Board (AEPB) to provide recommendations and advice regarding annual AEB funding requirements and priorities, commissioning strategy, funding and allocations modelling, and performance and risk.

16. The AEPB will comprise the following members, appointed by the Mayor:-

- Deputy Mayor for Planning, Regeneration & Skills (Chair);
- Five London Councils nominees: Executive Member for Business, Skills and Brexit (Deputy Co-Chair) and the chair ( or nominee) of each sub-regional Skills and Employment Board;
- Skills for Londoners Taskforce member (Deputy Co-Chair);
- LEAP business member;
- Provider representative.

17. The Government is currently undertaking a formal consultation with boroughs and the London Assembly regarding the transfer of powers to the Mayor. Boroughs will need to respond to this consultation by 16 February 2018.

18. In December, Leaders received a presentation from the Deputy Mayor for Planning, Regeneration and Skills regarding the Mayor's draft Skills Strategy: 'A City for all Londoners'. London Councils and Sub-Regional Partnerships are currently working with the GLA to ensure that local and sub-regional priorities are included in the final Strategy, which is due to be published in May 2018. London Councils' response to the draft Strategy consultation highlighted the importance of this, as well as the need to include short- and long-term action plans that should highlight which actions are best undertaken at a pan-London, sub-regional or local level.

19. Priorities for action in the final Skills Strategy should also include improving the careers offer, funding higher level skills provision, effectively supporting Londoners with ESOL and/or Special Educational Needs and Disabilities (SEND) needs and reforming the apprenticeship levy. London Councils urged the Mayor to consider working with London's largest employing sectors to understand how they might be impacted by Brexit and/or automation and disruptive technologies, in addition to sectors with the highest growth potential.

## London Work and Health Programme

20. The devolved Work and Health Programme (WHP) will provide employment support for Jobseekers Allowance (JSA) or Employment and Support Allowance (ESA) claimants with long term health conditions and disabilities, as well as JSA claimants who have been unemployed for two years or more. London's sub-regions will receive devolved funding from the DWP worth up to £70m over five years. This is being match-funded by an additional £65m from the European Social Fund, to support London's 50-55,000 long term unemployed, people with disabilities and health conditions to seek employment.

21. The procurement of the Programme is currently on track, with each sub-regional programme due to start by 1 March 2018. The West London Alliance (WLA) WHP will start on 26 February 2018, whilst the South London Partnership (SLP), Local London (LL) and Central London Forward (CLF) WHPs will start on 1 March 2018.

22. The four Sub-Regional Partnerships announced successful providers in December 2017. These are:-

- SLP: Reed in Partnership
- LL: Maximus
- WLA: The Shaw Trust
- CLF: Ingeus

23. London Councils, sub-regions and Jobcentre Plus/DWP are also developing a joint approach to generating sufficient and suitable referrals to the WHP.

## European Structural and Investment Funds

24. London benefits from ESIF funding through the European Social Fund (ESF) and the European Regional Development Fund (ERDF). Withdrawal from the European Union means that devolution of the replacement funding mechanism is now a priority for

London. The capital currently receives £422 million from the ESF and £159 million from the ERDF as part of the 2014-20 ESIF programme. When Government and the EU reached the end of the first phase of Brexit negotiations in December 2017, it was agreed that London will continue to benefit from its current ESIF allocation until the end of the 2014-20 programmes. The UK Shared Prosperity Fund (UKSPF) will replace ESIF once the UK leaves the EU.

25. As agreed at Leaders' Committee in October 2017, London Councils and the GLA have written to the Secretary of State for Housing, Communities and Local Government in December requesting that ESIF is fully replaced after withdrawal and that London receives at least as much from the UKSPF as it does currently via ESIF. The letter also made the case for replacement funding to be devolved to London government and other city-regions so that decisions sit much closer to the communities they support and so priorities can be set locally.

## Health Devolution

26. Members will be aware that London Partners (including London Councils, GLA, NHS England, Public Health England and the London office of Clinical Commissioning Groups) recently agreed a health and care devolution MoU with Government that will facilitate the next steps of the health collaboration agreement made in December 2015. The MoU is an enabling document allowing local areas to opt-in to detailed devolution proposals that build on learning from the London pilots on integration, prevention and reinvestment of capital estate receipts. A Member Event on health and care devolution is being held on 1 February 2018.
27. The signing of the MoU reaffirms a shared commitment to accelerate improvement to the health and care of all Londoners through the devolution or delegation of powers and granting of new freedoms to London. It opens up new opportunities for London, at the local, multi-borough and regional level, to better shape provision to local needs and reform the way London health and local government operates so that residents have the best chance to live longer, healthier lives.
28. In the same manner as individual pilot areas have led the agenda, one of the tasks facing all London boroughs appears to be how to ensure reform emerges through bottom-up, locally designed solutions across the capital. This will be a central task in coming months and points to questions of how best the local story can be told, how

boroughs can shape this, and how best London can harness collective ambition to deliver on the MoU and improve health and care for Londoners.

29. The new powers and freedoms that have been gained through devolution provide a platform for accelerating the development of borough-led integration models in order to improve the health and care system locally. London boroughs with the Mayor and health partners will collectively need to account for how effectively these new powers are used. The MoU is linked to London's wider health and social care transformation aspirations, such as improved effectiveness of partnership working between health services and local government as well as deeper integration of health and care systems.
30. The Executive Lead Members for Health and Adult Social Care met with the Secretary of State for Health and Social Care to reflect on how health and care integration has actually worked in the context of the development of London's health devolution MoU and to consider how Government can best work with local areas. There will be an opportunity for the Executive Leads to provide a verbal update at Leaders' Committee. However, there seemed to be a willingness to address specific issues which could be unblocked without seeking new legislation and Leaders may wish to consider London's asks of the Health Secretary.

## Criminal Justice Devolution

31. The overarching MoU on further devolution to London from the Spring Budget in March 2017 included a commitment to agreeing a specific MoU with Government to enable more effective criminal justice outcomes for the capital. An update on progress was provided to Leaders' Committee in October 2017 and there have been regular updates to the London Crime Reduction Board (LCRB). The LCRB is chaired by the Mayor of London and includes three Leaders who are nominated by Leaders' Committee (Cllr Kober, Chair; Cllr Peck, Executive Member for Crime and Public Protection; and Cllr Cornelius, Conservative Group Lead Member for Crime and Public Protection).
32. In October 2017, Leaders' Committee delegated authority to consider and approve the final MoU to the three London Councils Member-level representatives on the LCRB. The current ambition is for the working text to be agreed with officials by early March 2018. The MoU is designed to support a more joined up approach to reducing reoffending, addressing the offending behaviour of adult, youth and female offenders, and improving services for London's victims and witnesses.

33. In January 2018, the Executive considered a report on London government's work towards agreeing a final MoU with MOPAC and the Ministry of Justice. Members were supportive of the MoU's proposals to improve outcomes for victims and witnesses, reducing reoffending (particularly the potential for greater control over community rehabilitation in London), and building justice services around London's distinctive needs (including more effective provision and support for London's female offenders).
34. The clear steer from Executive Members was not to pursue any proposals for a sub-regional pilot nor realignment of funding in relation to youth justice services as part of the MoU. It was, however, acknowledged that it could be appropriate to revisit the idea of locally-led, cross-borough collaboration to tackle youth offending at a later date, after the current MoU negotiations have concluded.

## Housing

35. The context for exploring further opportunities for housing devolution is framed by the CLG consultation on the assessment of local housing published in September 2017. As anticipated, this radically increased the housing need figure for London from 20-25,000 to 72,000 homes per annum. London Councils submitted a detailed response to the consultation, which highlighted concerns regarding the way that the assessment of need has been calculated.
36. Further powers to support land assembly in London are required and greater flexibility in the use of local authority funds are needed for London to increase its housing delivery towards these goals. The Mayor's draft London Plan, published on 29 November 2017, reduces the number of homes to be built each year compared with the MHCLG's assessment of housing need. The London Plan targets 65,000 new homes per annum, with 10 boroughs experiencing an increase in the expected number of new homes per annum compared to the Government's assessment, whilst 22 see a reduction based on the Plan's local assessment of housing need in London. In all cases, however, the targets are a considerable increase on current delivery.
37. A number of housing measures were featured in the Autumn Budget. The Housing Revenue Account cap will be lifted (pending a bidding process) for some councils in areas of high demand. However this won't happen until 2019/20. It is as yet unclear what conditions will be applied to bids. Not all councils will benefit as they will have to bid to increase borrowing from a £1bn fund to be allocated across England. Details of the areas in high demand are yet to be confirmed but London partners are continuing

the make the case to Government regarding London's exceptional need to increase capacity and delivery. On 22<sup>nd</sup> January the Treasury Select Committee endorsed the London Councils position that the HRA cap should be lifted from all local authorities.

38. It is likely that there will be further opportunities for London local government to propose reforms to the housing delivery regime to central government during the year ahead. Past experience suggests that proposals may need to demonstrate clearly how the contribution of London boroughs, especially when working in collaboration, will add to London's total delivery capacity. That emphasis on borough collaboration to drive appropriate home building has been a focus of the work led by the Portfolio Holder for Housing.

## Conclusion

39. Since the Autumn Budget 2017, London government has continued to make progress in securing devolution and will continue to engage in negotiations with the aim of securing further progress in the areas highlighted in the MoU. London local government will also want to be prepared for new opportunities to secure devolution that may emerge in the period ahead, for instance in relation to increased housing supply. This will require an agile approach at borough, sub-regional and pan-London levels. The Chair will continue to meet with the Mayor and Ministers on this agenda where possible throughout the devolution process.

40. The discussion under this agenda item will provide Leaders with the opportunity to:

- Consider and comment on the progress of London government's work on devolution and reform.

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## Background Papers

Leaders' Committee, 5 December 2017:

[Item 4 – Draft London Skills Strategy and AEB Governance](#)

[Item 7 – Local Government Finance Update](#)

[Item 8 – Health and Social Care Devolution](#)

## Financial implications for London Councils

None

## Legal implications for London Councils

None

## Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper. However, core elements of the propositions are targeted at improving outcomes for groups of people with protected characteristics, notably improving employment outcomes for disabled people.

# Leaders' Committee

## Review of Scale of Election Fees for 2018/19

Item no: 8

**Report by:** Barry Quirk  
Chief Executive, Royal  
Borough of Kensington &  
Chelsea

**Job title:** London Local Government  
Elections Lead

**Date:** 6<sup>th</sup> February 2018

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**Summary**      The attached report deals with revisions to the scale of fees and expenses which can apply for local government elections in London boroughs in 2018/19.

**Recommendations**      Members are asked to note and approve the proposed scale of fees and expenses, as outlined in Appendix 1, as guidance for the London boroughs, with effect from 1 April 2018.

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# **Review of Scale of Election Fees for 2018/19**

## **Introduction**

1. A review of the scale of election fees supplied to London Councils by the London Elections Board is attached as an appendix. London boroughs were first empowered to fix their own scales of election fees in 1974. It has been the practice of London Councils and its predecessor bodies to receive a report and recommend a London-wide scale of fees for adoption by individual boroughs.

## **Basis for Review of Scale of Fees for Local Borough Council Elections and Referendums**

2. This report proposes the scale of fees and expenses that will take effect on 1 April 2018. Members agreed to adopt the thorough revision in fees that was recommended in 1990 and to revise the fees annually thereafter. The established practice has been to revise all fees and expenses (where not stated as “actual and necessary cost”) in accordance with the previous year’s local government pay increases.
3. In 2002, in the light of changes to the law on postal voting, the requirement for staff to attend training sessions and a government review of fees for polling station staff, it was agreed it was necessary to make additional revisions to some fees. A further revision was agreed for the full council elections in 2006. This took account of experiences in dealing with changes to the law on postal votes, a further government review of the fees paid for parliamentary elections, and a desire to set fees for polling station inspectors and senior count staff. An additional charge to help recognise the need for more staff to manage and supervise the issue and receipt of postal votes was agreed in 2008. No further changes to the basic structure of the fees and expenses are proposed for 2018.
4. It is likely a local government pay award of 2 per cent will be agreed for the coming year. Therefore, it is proposed that for the coming year:
  - Part A fees are increased by 2 per cent for the twelve months commencing 1 April 2018. These are the fees received by Returning Officers and Deputy Returning Officers – these fees have not been uplifted since 2014.

- Part B fees are increased by 2 per cent for the twelve months commencing 1 April 2018. These are the fees paid to Presiding Officers, Poll Clerks and others engaged on the election.
5. It is proposed that the scale should continue to form the basis for fees and expenses for referendums under the Local Government Act 2000 and any subsequent London borough mayoral elections. The further scale is to cater for any combined London borough and mayoral elections. It is proposed that the formula – where its use is appropriate – remains as a 20% increase when a combination is required. This formula was reduced from 25% in 2010 to bring it into line with the government costing assumptions for combined polls.
  6. Part B expenses for polling station and count staff have been rounded to the nearest five pence. Fees for polling station staff are also shown as hourly rates to cater for any staff working only part of the day and any elections and referendums using non-standard polling times.
  7. The Maximum Recoverable Amounts (MRAs) for the services and expenses required to conduct polls no longer come with a list of assumptions upon which the sum is based. This makes the long-standing London Scale of fees and expenses an ever more important guide upon which most, if not all, London borough's base their poll, count and postal vote staff fees. Therefore, it is recommended that the fees and expenses as set out in Appendix 1, which have been in place and successfully underpinned the planning and budget assumptions for London Boroughs Returning Officers since 1990, are agreed.

### **Recommendation**

Leaders' Committee is recommended to agree the attached Scale of Returning Officers' Fees and Expenses as guidance for the London boroughs.

### **Appendices**

Appendix 1: Proposed Scale of Election Fees 2018/19

**Financial Implications for London Councils**

There are no financial implications for London Councils arising from this report.

**Legal Implications for London Councils**

There are no legal implications for London Councils arising from this report.

**Equalities Implications for London Councils**

There are no equalities implications for London Councils arising from this report.

## Scale of Returning Officers'/Counting Officers' Fees and Expenses 2018/19

### London Borough Council Elections, Referendums and Mayoral Elections

#### Part A – Fees

	Existing 2017/18	Proposed 2018/19	Combined 2018/19
I In a contested election:			
(1) For conducting the election and generally performing the duties which a returning officer/counting officer is required to perform under any enactments relating to the election of London borough councillors or mayoral referendums or mayoral elections, other than any duties for which separate fees are prescribed herein:			
For each ward not exceeding five	£225.87	£230.39	£276.47
For each additional ward	£45.48	£46.39	£55.66
In addition, if the number of registered local government electors in a ward on the fifth day before the election exceeds 2,000 there shall be paid:			
For every 1,000 electors or fraction thereof over 2,000 in each ward	£23.23	£23.69	£28.43
(2) For services in connection with the issue and receipt of the ballot papers of persons entitled to vote by post:			
For the first ward	£88.50	£90.27	£108.32
For each additional ward	£27.65	£28.20	£33.84
In addition, for every 100 postal voters on the final day for applications in each ward	£2.76	£2.82	£3.38

	Existing 2017/18	Proposed 2018/19	Combined 2018/19
(3) Allowance for poll cards			
(a) For the preparation, first revision and the issue of the cards on the occasion of an election:			
(i) For each ward	£62.23	£63.47	£63.47
(ii) For every 500 cards or fraction thereof above 7,000 and up to and including 10,000 for each ward	£7.93	£8.09	£8.09
(iii) For every 500 cards or fraction thereof above 10,000 for each ward	£3.49	£3.56	£3.56
(b) For each revision after the first prior to the issue of the cards:			
For each ward	£31.00	£31.62	£31.62
(4) For a person appointed by the returning officer/counting officer to discharge his/her functions under the Representation of the People Act 1983, Section 35(4), where the functions of such person include those specified in Rules 45 to 50 of the Local Elections (Principal Areas) (England and Wales) Rules 2006:			
For each ward	£121.83	£124.27	£149.11
II In an uncontested election:			
For the services specified in paragraph I (1) of this part of the Schedule:			
For each ward	£151.45	£154.48	£185.37

## Part B – Expenses

	Existing 2017/18	Proposed 2018/19	Combined 2018/19
In no case shall a charge exceed the sum actually and necessarily paid or payable by the returning officer/counting officer. Subject thereto the charges shall be as follow:-			
(1) (a) For the presiding officer at each polling station open the normal statutory hours of 7 am until 10 pm other than a Saturday, Sunday or public holiday, not exceeding	£319.35	£325.74	£390.86
(b) For a presiding officer for each hour of opening at a polling station where opening hours vary from the normal hours, not exceeding	£21.25	£21.68	£26.01
(c) For a presiding officer for each hour of opening at a polling station open on a Saturday, Sunday or public holiday, not exceeding	£31.90	£32.54	£39.07
(d) In addition, a further sum may be paid to the senior presiding officer at the polling place (whether including one or more polling stations) who acts as overall presiding officer, not exceeding	£20.00	£20.40	£24.48
(e) In addition, a further sum may be paid to the presiding officer who acts as overall presiding officer at a polling place to which there are assigned not less than 3,000 voters (excluding absent voters other than those for whom proxies have been appointed), not exceeding	£19.70	£20.09	£24.12
(2) (a) For each poll clerk at a polling station open the normal statutory hours of 7 am until 10 pm other than a Saturday, Sunday or public holiday, not exceeding	£215.85	£220.17	£264.18
(b) For a poll clerk for each hour of duty at a polling station open other than Saturday, Sunday or public holiday if not 7 am to 10 pm, not exceeding	£14.40	£14.69	£17.65
(c) For a poll clerk for each hour of duty at a polling station open on a Saturday, Sunday or public holiday, not exceeding	£21.50	£21.93	£26.32

	Existing 2017/18	Proposed 2018/19	Combined 2018/19
(3) (a) For each person appointed as a polling station inspector or visiting officer if appointed for the normal statutory hours of 7 am until 10 pm other than a Saturday, Sunday or public holiday, not exceeding	£339.35	£346.14	£415.34
(b) For a polling station inspector or visiting officer for each hour of duty on a Saturday, Sunday or bank holiday if not 7 am to 10 pm, not exceeding	£22.60	£23.05	£27.64
(b) For a polling station inspector or visiting officer for each hour of duty on a Saturday, Sunday or bank holiday, not exceeding	£33.95	£34.63	£41.57
(4) For the remuneration of persons employed in issuing and receiving the ballot papers of persons entitled to vote by post:			
(a) For every 100 persons or fraction thereof of persons entitled to vote by post, for each ward	£104.85	£106.95	£128.32
(b) For the person or persons appointed to manage the processes for the issue or receipt of postal votes, for each ward, not exceeding	£109.00	£111.18	£133.42
(5) (a) For each person appointed as a count assistant in connection with the verification and counting of the votes:			
(i) For each hour or part thereof at a <b>night-time</b> verification or count, not exceeding	£26.75	£27.29	£27.29
(ii) For each hour or part thereof at a <b>day-time</b> verification or count, not exceeding	£18.55	£18.92	£18.92
(b) For each person appointed to act as count supervisor:			
(i) For each hour or part thereof at a <b>night-time</b> verification or count, not exceeding	£36.55	£37.28	£37.28
(ii) For each hour or part thereof at a <b>day-time</b> verification or count, not exceeding	£25.30	£25.80	£25.80

	Existing 2017/18	Proposed 2018/19	Combined 2018/19
(5) (c) For each person appointed to act as a senior count supervisor:			
(i) For each hour or part thereof at a <b>night-time</b> verification or count, not exceeding	£46.45	£47.38	£47.38
(ii) For each hour or part thereof at a <b>day-time</b> verification or count, not exceeding	£32.05	£32.69	£32.69
(6) For clerical and other assistants employed by the returning officer/counting officer or deputy returning officer for the purposes of the election or referendum, excluding charges for employer's share of superannuation contributions where payable:			
For each ward not exceeding five	£999.75	£1019.75	£1223.69
For each additional ward	£198.00	£201.96	£242.35
In addition, if the number of registered local government electors in a ward on the fifth day before the election exceeds 2,000 there shall be paid:			
For every 1,000 electors or fraction thereof over 2,000 in each ward	£59.95	£61.15	£73.39
(7) For employment of persons on sorting, checking and other duties in connection with the issue of poll cards, for every 100 cards or fraction thereof	£4.35	£4.44	£4.44
(8) (a) For the attendance at a training session of each person appointed by the returning officer/counting officer or deputy returning officer, not exceeding	£32.15	£32.79	£32.79
(b) For the provision of training any person appointed for the purposes of the election or referendum, for each training session, not exceeding	£177.90	£181.46	£181.46

		Existing 2017/18	Proposed 2018/19	Combined 2018/19
(9)	(a) For travelling expenses incurred by the returning officer/counting officer in connection with the conduct of the election/referendum  (b) For travelling expenses incurred by other staff in connection with the conduct of the election/referendum	Actual and necessary cost  Actual and necessary cost or such fixed sum as shall be settled by each returning officer/counting officer for appropriate employees in the light of the actual and necessary costs on average to be incurred having regard to the availability and cost of public or other suitable transport		
(10)	Expenses incurred in printing and providing ballot papers	Actual and necessary cost		
(11)	Expenses incurred in printing and providing notices, documents and devices required in and about the election or referendum and costs of publishing or purchasing the same	Actual and necessary cost		
(12)	Expenses incurred in printing and providing poll cards	Actual and necessary cost		
(13)	For hand delivery of poll cards	Not greater than the cost of Royal Mail postage		
(14)	For hand delivery of postal ballot papers to addresses within the London borough of the returning officer/counting officer	Not greater than the cost of Royal Mail first class postage		
(15)	Expenses incurred in the renting of any building or room for the purpose of the election and for expenses of heating, lighting and cleaning any building or room for such purposes	Actual and necessary cost		
(16)	Expenses incurred in adapting and fitting up any building or room for the purpose of the election (including the provision of voting compartments and any necessary furniture) and restoring it to fit condition for its normal use	Actual and necessary cost		
(17)	Expenses incurred in providing ballot boxes, including repairs	Actual and necessary cost		
(18)	Expenses incurred in the conveyance of ballot boxes and ballot papers to and from polling places	Actual and necessary cost or such fixed sum as shall be settled by each returning officer/counting officer		
(19)	Expenses incurred in the conveyance of furniture, equipment and documents necessary for polling stations and the count	Actual and necessary cost		
(20)	For every stamping instrument required to be purchased, hired, altered or repaired	Actual and necessary cost		
(21)	For general stationery, postage, telephone calls, bank charges, employer's share of superannuation contributions (where payable) and miscellaneous expenses	Actual and necessary cost		

# Leaders' Committee

## London Councils' Urgencies Report      Item no: 9

**Report by:** Derek Gadd      **Job title:** Head of Governance  
**Date:** 6<sup>th</sup> February 2018  
**Contact Officer:** Derek Gadd  
**Telephone:** 020 7934 9505      **Email:** Derek.gadd@londoncouncils.gov.uk

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**Summary**      London Councils' urgency procedure was used to approve the continued delivery of HR Metrics SLA

**Recommendations**      Leaders are asked to note the decision taken under the urgency procedure.

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## 1.0 HR Metrics Services SLA

### 1.1 Introduction

London Councils has overseen the delivery of an HR Metrics service since January 2015, which was formerly delivered by LB Haringey. The service is cost neutral to London Councils and is funded by a separate specific subscription paid annually by each of the HR Directors of each of the 33 London local authorities.

The Service Level Agreement between London Councils and the 33 London local authorities (via the HR Directors) is due to expire in 2018 and approval was sought to allow a new SLA to run for a further 3 years from April 2018 to March 2021.

The service provided by London Councils includes a contract with an external sub-contractor that provides an online platform to deliver the surveys. The current contract is due to expire in March 2018 and approval was sought for the procurement of a new subcontractor before the end of 2017 to help deliver the service over the new proposed SLA period.

### 1.2 Summary

The service is delivered by one part time member of staff (equivalent to 0.69 FTE), and includes a contract – novated to London Councils from LB Haringey in 2015 – with a sub-contractor that provides an online platform for the delivery of the surveys to the boroughs. The overall cost of the service is £94,050 in 2017/18, paid for entirely via separate subscriptions by the Heads of HR network (at a cost of £2,850 per borough).

The HR Metrics Service conducts a range of surveys with the subscribing boroughs to deliver workforce related benchmarking and analysis, through which they can consider their relative position against other London local authorities. Beyond comparison across a range of HR measures, it supports the HoHR network to work collaboratively to develop and progress best practice and tackle new challenges that require data insights.

Working closely with the London Councils Workforce Planning Network and a lead Head of HR, the service reports regularly to the London Councils Heads of HR network and is overseen by a Governance Board that includes two London Heads of HR, the Head of the London Regional Employers Organisation and an external adviser from the Institute of Employment Studies.

The surveys are continually developed and refined in response to new requirements for data collection as they arise.

The data and comparative analysis provided by the service has been used to aid decision making during a period of significant organisational change and transformation within London boroughs. The scale of the savings required over the next three years (£1.6 billion across London) means that such management information will continue to be essential in supporting boroughs to take such decisions for the foreseeable future.

### **1.3 Recommendation**

Elected Officers were asked to approve the continued delivery of this service by the FPP team, specifically:

- to extend the Service Level Agreement between the Heads of HR and London Councils for a further 3 years to 2021; and
- permit the procurement of a new sub-contractor to the service from April 2018.

Elected Officers of Leaders' Committee were asked to agree the London Councils submission by close of business on 22<sup>nd</sup> November 2017. The Urgency was approved.

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#### **Financial Implications:**

None – the service is cost neutral to London Councils.

#### **Legal Implications:**

Entering a contract with a sub-contractor would have the usual legal implications for any service provided by London Councils.

#### **Equalities Implications:**

None

# Leaders' Committee

## Summaries and Minutes

Item no: 10

**Report by:** Derek Gadd      **Job title:** Head of Governance  
**Date:** 6<sup>th</sup> February 2018  
**Contact Officer:** Derek Gadd  
**Telephone:** 020 7934 9505      **Email:** [Derek.gadd@londoncouncils.gov.uk](mailto:Derek.gadd@londoncouncils.gov.uk)

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**Summary**      Summaries of the minutes of London Councils

**Recommendations**      Leader's Committee is recommended to note the attached minutes:

- Pensions – 13 September 2017
- GLPC – 19 October 2017
- TEC Executive Sub Committee – 16 November 2017
- Grants Committee – 22 November 2017
- Capital Ambition – 13 December 2017
- Executive – 16 January 2018

## **Pensions CIV Sectoral Joint Committee (PSJC)**

### **13 September 2017**

Minutes of a meeting of the Pensions CIV Sectoral Joint Committee held on Wednesday 13 September 2017 at 10:30am in the Conference Suite, London Councils, 59½ Southwark Street, London SE1 0AL

#### **Present:**

City of London	Sir Mark Boleat (Chair)
Barking and Dagenham	-
Barnet	Cllr Mark Shooter
Bexley	Cllr Louie French
Brent	Cllr Sharfique Choudhary
Bromley	Cllr Russell Mellor (Deputy)
Camden	Cllr Rishi Madlani
Croydon	-
Ealing	Cllr Yvonne Johnson
Enfield	Cllr Toby Simon
Greenwich	-
Hackney	Cllr Robert Chapman
Hammersmith and Fulham	Cllr Iain Cassidy
Haringey	-
Havering	-
Harrow	Cllr Nitin Parekh
Hillingdon	Cllr Philip Corthorne
Hounslow	-
Islington	Cllr Richard Greening
Kensington and Chelsea	Cllr David Lindsay
Kingston Upon Thames	Cllr Andrew Day
Lambeth	Cllr Iain Simpson
Lewisham	Cllr Mark Ingleby
Merton	-
Newham	Cllr Forhad Hussain
Redbridge	-
Richmond Upon Thames	-
Southwark	Cllr Fiona Colley
Sutton	Cllr Sunita Gordon
Tower Hamlets	Cllr Clare Harrisson
Waltham Forest	-
Wandsworth	Cllr Maurice Heaster
City of Westminster	Cllr Suhail Rahuja

#### **Apologies:**

Bromley	Cllr Keith Onslow
Croydon	Cllr Simon Hall
Havering	Cllr John Crowder
Hounslow	Cllr Mukesh Malhotra
Merton	Cllr Philip Jones
Redbridge	Cllr Elaine Norman
Richmond Upon Thames	Cllr Thomas O'Malley
Southwark	Cllr Fiona Colley

Officers of London Councils were in attendance as were Hugh Grover (CEO, London CIV), Julian Pendock (CIO, London CIV), Brian Lee (COO, London CIV), Ian Williams (Chair of IAC), and Jill Davys (Client Relations Director (CRD), London CIV)

## **1. Announcement of Deputies**

1.1. Apologies for absence and deputies were as listed above.

## **2. Declarations of Interest**

2.1. There were no declarations of interest that were of relevance to this meeting.

## **3. Minutes of the Pensions CIV Sectoral Joint Committee AGM held on 12 July 2017**

3.1. The following amendments to the minutes were made:

- *Paragraph 15.2 (page 7) – Councillor Johnson said that it was agreed to follow the voting “alerts” (not “rights”).*
- *Paragraph 15.2 (page 6/7) – Councillor Greening said that the adoption of alerts sentence needed to be strengthened.*
- *Paragraph 15.2 (page 7) – Councillor French said that a mechanism needed to be in place “to ensure fund managers were not being provided with mixed instructions on how to proceed with shareholder voting. He said that some boroughs had previously delegated ESG matters to the fund manager in their individual investment strategies, whereas the CIV dictates that LAPFF voting policies be followed.”*

## **4. CEO’s Report**

4.1. The CEO introduced the report. He informed members that in the KPI column for “Operating Cost” (page 12 of the report) the figures in “End July Forecast” (£931,311) and “End of July Actual” (£1,203,071) needed to be swapped around as they were in the wrong row. The KPIs were broadly on target.

4.2. Cllr Johnson thanked Jill Davys, Client Relations Director, who was leaving LCIV, for all her contributions to the CIV and wished her all the best for the future, as did all of the PSJC.

4.3. The CEO said that recruiting consultants previously had taken longer than anticipated. He said that it was disappointing to lose key members of staff. A replacement was also being sought for Dominique Kobler, the previous Chief Risk Officer, who had only been with the LCIV for a short period of time.

4.4. The CEO informed members that some people putting themselves forward for recruitment were not currently employed, and could take up the posts quickly, should they be successful.

- 4.5. The CEO said that Jill Davys had carried out a great deal of good work during her time working at the LCIV and her loss was a blow. Interviewing to find a replacement for Jill would be taking place shortly, with four potential contenders currently being considered. The CEO reassured the Committee that a high quality replacement would be recruited to the position.
- 4.6. Councillor Madlani voiced concern at recruiting staff that were not currently working in the market, especially with regards to ensuring that they were still FCA regulated. He said that there were concerns at losing a CRO and CRD and a potential loss of diversity.
- 4.7. Councillor Greening asked how many women there would be in the Senior Management Team. Councillor French said that the successful candidates needed to be able to perform the job well, regardless of their gender or background. The CEO said that he could bring a note on diversity to the next Committee meeting in December 2017. He informed members that there were currently three senior members of the team who were women. Councillor Heaster asked how many women were represented on the CIV Board. The CEO confirmed that there were currently two women on the Board.
- 4.10. The following comments were made about the Ministerial letter that could be found on page 17 of the report:
- The Chair said that the ministerial letter stated that all funds must participate in to a pool.
  - Councillor Greening said that these were not Central Government assets. He said that he agreed with the issue of infrastructure funding.
  - Councillor Johnson said that most borough officers were in disagreement with the contents of the letter and disliked the tone. She said that the LCIV was different from other pension “pools”. Councillor Johnson said that it was borough money being used after all.
  - Councillor Simon asked how minimum risk could be presented. He said that other pools were pooling all their equities together. There was also no current infrastructure plan. Councillor Simon said that the LCIV was not locked into private equity for the long-term. The LCIV had hedge funds that few other organisations in London had and issues like these needed to be pointed out to the Government.
  - Councillor Parekh asked if a response would be written to the Ministerial letter.
  - Councillor Rahuja said that not enough assets had been transferred yet. He emphasised the need to save taxpayers’ money, as a great deal was wasted on fees to fund managers. There were two separate issues: (a) ensuring the asset class choice was the right one (competition), and (b) the transition of

assets in to the CIV - how quickly the CIV could provide choices. Councillor Rahuja felt that the Ministerial letter was badly phrased.

- The Chair said that the objective was to reduce fund agent costs. A general response needed to be made to the letter, emphasising the various points made. The regulatory burden had also been far greater than anticipated and these had taken up the majority of the cost savings, and had slowed down creating the funds. Choice was also very important. The Chair said he would go back to the City of London and raise some of the questions asked.
- Councillor Simon said that the Government wanted a response in October 2017, and asked whether the PSJC could see a draft of this response before it was sent out. The CEO confirmed that Jill Davys would circulate a draft of this letter to the PSJC. The Chair said that a separate discussion on this needed to be had, as quite a lot of thinking was required on the issue beforehand.

4.11. The Chair confirmed that the Governance Review had already started, with the meeting of the Governance Review Steering Committee (GRSC) on 6 September 2017. Councillor Johnson informed members that the survey would be sent to the PSJC, via email, at the end of September/early October. The CEO said that he would send out a letter that on behalf of Willis Tower Watson within the next few days.

4.12. Councillor Madlani asked whether the PSJC could see the Governance Review report before it went to London Councils' Leaders Committee. The CEO assured members that this would be the case.

4.13. The Committee:

- Agreed that the CEO would bring in a note regarding the diversity of the LCIV to the next PSJC meeting in December 2017.
- Noted that a separate discussion would take place before a response to the Ministerial letter was made. The PSJC would see a draft of the response before it was sent out. Jill Davys would be responsible for drafting the initial response.
- Noted that a survey of the Governance Review would be sent to the PSJC, via email, by end of September/early October 2017, for members to complete.
- Noted that the PSJC would have sight of the Governance Review report before it went to Leaders' Committee.

## **5. Finance Report**

5.1. The COO introduced the report that provided Committee with a finance update on delivery against the 2017/18 business plan and MTFS. The following comments were made:

- Councillor Simpson asked if cash flow and balance sheet report could be incorporated into future Finance reports. The COO confirmed that these would be reported at the next PSJC in December 2017.
- Councillor Shooter queried the £29,000 interest costs in the “opening defined benefit obligation” table on page 25 of the report. The COO confirmed that this was a notional cost of interest.
- Councillor Shooter asked about the costs of transferring pensions from the public/private sectors when joining LCIV. The CEO said that a report on 22 September would look into this and the choices to be made – (a) to continue offer the LGPS to all new staff joining or if already an LGPS member to join the “pot”, and (b) if previously from the private sector to offer them an LGPS pension. The CEO said that offering the LGPS pension was an attraction, especially in light of the fact that LCIV was already paying lower market rates for recruitment.
- The CEO said that there was an underspend in some areas of the recruiting and resources budget. He said that there was an option to get FTC consultants in place.
- The Committee noted the report and that cash flow and balance sheet would be reported in the Finance report at the PSJC in December 2017

## **6. Fund Performance Report**

6.1. The CIO introduced the report and made the following comments:

- LCIV MJ UK Equity (Majedie) had only been in operation for a few weeks.
- LCIV Global Equity Alpha (Allianz) – looking to rotate moving out of funds
- Other funds performing well, with the exception of LCIV NW Global Equity (Newton)

6.2 The Committee noted the report.

## **7. Fund Launch Progress**

7.1. The COO introduced the report and the following comments were made:

- Councillor Johnson asked if some further updates could be given on the “Fund Launch Pipeline August 2017” table (page 84). The COO confirmed that this had been updated recently (Longview and Henderson). The CIO said that funds in the table were new – EPOCH currently had no initial £AUM commitments.
- The CIO said that it was not economically viable to open funds that were currently empty. A paper on Infrastructure would be sent to members and a firm steer was needed on this.
- Councillor Rahuja said that Westminster had concerns with Longview Global Equity regarding their fees in general, including a transition charge that they were now requesting. No money had been transferred to Longview as a result of this.

- Councillor French asked about the costs for setting up funds that remained empty. The COO confirmed that the third party set-up costs could be between £30k to £40k depending on the type of fund, although there were no day-to-day costs attributed to this.
- The COO said that there were no costs attributed to a fund that had not been opened. If the FCA was not content after 6 months, they could look to close the fund. Councillor Greening said that a model was needed for boroughs to have a choice on transferring funds.
- Councillor Madlani asked when LCIV would have the first structures in place regarding Infrastructure. The CIO confirmed that the Infrastructure Working Group was coming together and negotiations were taking place with the LGPS (Hermes/JP Morgan)
- Councillor Johnson asked if there was a timetable for when Infrastructure would be rolled out, as this appeared to be stalling at the moment. She said that she understood that there were issues regarding regulation, but did not know how long this would take. The CEO said that the plan that was in place last year had been revisited and Fixed Incomes had been brought forward over Infrastructure. This could be separated out of the business plan.
- The CEO said it would be beneficial if boroughs could send LCIV details of their investment strategies, as talking to individual boroughs was very resource intensive.

The Committee noted the report.

## **8. Investment Advisory Committee Update**

- 8.1. The Chair of the IAC introduced the report and said that the IAC continued to work closely with LCIV on a wide range of investment related projects.
- 8.2. The Committee noted the report

## **9. Quarterly Client Engagement and Stakeholder Report**

- 9.1. The Client Relations Director, LCIV, introduced the report and informed Committee that a new Global Equity Manager Session II meeting was taking place today.
- 9.2. The Committee noted the report.

## **10. MiFID Update Report**

- 10.1. The CEO introduced the report, which gave an update on the MiFID and to opt up LGPS from retail to professional status. The following comments were made:
- 10.2. Engagement with officers was currently taking place, and boroughs needed to have opted up with all of their providers. The LGA had produced a useful template, which needed to be completed and given to fund managers. Boroughs needed to give their completed forms to LCIV as soon as possible. If

there was any change to borough commitments (eg because of local elections in 2018), then the opt-up process would have to be repeated.

10.3. The Committee noted the report and the urgency in completing the LGA template and passing this to LCIV.

#### **11. Variations of Permissions**

11.1. The COO introduced the report and said that Committee approval was now needed to seek agreement to LCIV applying to the FCA for a Variation of Permissions.

11.2. The Committee agreed that LCIV proceed to prepare a resolution for shareholder approval to extend the activity of the Company to manage both authorised and unauthorised Alternative Investment Funds (AIFs).

**The meeting closed at 11:45am**

# Leaders' Committee

## Report from the Greater London Provincial Council – 19 October 2017

Item no:

**Report by:** Steve Davies      **Job title:** Head of London Regional Employers' Organisation  
**Date:** 6 February 2018  
**Contact Officer:** Steve Davies  
**Telephone:** 020 7934 9963      **Email:** [steve.davies@londoncouncils.gov.uk](mailto:steve.davies@londoncouncils.gov.uk)

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**Summary:** Summary of the minutes of the Greater London Provincial Council held on 19 October 2017

**Recommendations:** For information.

**1. Attendance: Employers Side:** Cllr Colin Tandy (Bexley), Cllr Ian Payne (Bromley), Cllr Simon Hall (Croydon), Cllr Carole Williams (Hackney), Cllr Kevin Bonavia (Lewisham), Cllr Simon Wales (Sutton), Cllr Clyde Loakes (Waltham Forest), Cllr Angela Harvey (Westminster). **Union Side:** Helen Reynolds (UNISON), April Ashley (UNISON), Kim Silver (UNISON), Sue Plain (UNISON), Gloria Hanson (UNISON), Maggie Griffin (UNISON), Simon Steptoe (UNISON), Sean Fox (UNISON), Mary Lancaster (UNISON), Dave Powell (GMB), Jonathon Coles (GMB), Wendy Whittington (GMB), Wayne Osbwick (Sub GMB), Danny Hoggan (Unite), Susan Matthews (Unite). **Others in attendance** Steve Davies ( Head of London Regional Employers), Debbie Williams (Employment Services Officer), Mehboob Khan (Labour Political Advisor) and Julie Kelly (UNISON).

**2. Apologies for Absence:** Apologies for absence were received from Cllr Doug Taylor (Enfield), Cllr David Lindsay (Kensington & Chelsea), Cllr David Glasspool (Kingston), Cllr Asim Mahmood (Waltham Forest), Gary Cummins (Unite), Kath Smith (Unite), Jane Gosnell (Unite) and Onay Kasab (Unite).

**3. Election of Chair and Vice-Chair for 2017-18:** Danny Hoggan (Unite) was elected Chair and Cllr Doug Taylor (Enfield) was elected as Vice Chair for 2017-18.

**4. Minutes of the Meeting held on 9 March 2017:** The minutes of the meeting held on 9 March 2017 were agreed.

**5. Matters Arising:** There were no matters arising from the minutes of the 9 March 2017.

**6. To Confirm the Membership of the GLPC and Co-Secretaries of the GLPC:** Below is the membership of the GLPC and Co-Secretaries for 2017-18 was noted and agreed.

It was noted that Cllr David Lindsay replaces Cllr Gerard Hargreaves for RB Kensington & Chelsea.

Sue Plain (UNISON) announced that this will be last GLPC meeting for Dave Powell (GMB) who will be retiring on 30 April 2018.

The Employers' Side gave thanks to Dave for all the hard work and support he has given to the GLPC, GLEF and being part of the Joint Secretaries over the years and wished him well in his retirement.

It was noted that Vaughan West (GMB) would be replacing Dave Powell.

**7. GLPC Membership 2017/18: Employers' Side** Cllr Cameron Geddes, (Barking & Dagenham) Cllr Colin Tandy (Bexley) Cllr Ian Payne (Bromley), Cllr Theo Blackwell (Camden), Cllr Simon Hall (Croydon), Cllr Doug Taylor (Enfield), Cllr Carole Williams (Hackney), Cllr Ajwer Grewal (Hounslow), Cllr David Lindsay (Kensington & Chelsea), Cllr David Glasspool (Kingston), Cllr Imogen Walker (Lambeth), Cllr Kevin Bonavia (Lewisham), Cllr Simon Wales (Sutton), Cllr Clyde Loakes (Waltham Forest) and Cllr Angela Harvey (Westminster)

### **Union Side**

**UNISON:** Helen Reynolds, April Ashley, Kim Silver, Gloria Hanson, Sue Plain, Maggie Griffin, Sean Fox, Mary Lancaster, Simon Steptoe and Julie Kelly

**GMB:** Penny Robinson, Wendy Whittington, Euton Stewart, Peter Murphy and Dave Powell

**UNITE:** Onay Kasab, Gary Cummins, Danny Hoggan, Kath Smith, Susan Matthews and Jane Gosnell (Reserve)

**Co-Secretaries:** Helen Reynolds and Steve Davies

**8. NJC Pay and Implications for London:** Steve Davies, Employers' Side Joint Secretary informed colleagues of the following:

- The National Living Wage (NLW) is driving increases at the bottom of the pay scale.
- National Employers' are considering a review of the pay spine and a technical working group with the Trade Unions has been set up. From a London perspective we have had involvement in this working group.
- We appreciate the Trade Unions submitted their claim back in June for a 5% increase.
- Some of the pay modelling has identified that a 1% increase on the pay bill is not sufficient to deal with the increases of the NLW.
- Since the general election there has been a lot more information in the media and politically about public sector pay but we have some implications for the London pay spine.
- The National Employers' Side are waiting to hear what the Chancellor's Statement will be before an offer is made to the Trade Unions.
- In London at this point of time we have not got the pressures as they have nationally due to the London Living Wage (LLW). Regardless we will need to take in to account what happens nationally at NJC level.

Cllr Angela Harvey (Westminster) reiterated that there is no clear picture at present so we will have to wait and see what the National Employers' Side are likely to come back to the Unions with post the budget announcement.

Cllr Kevin Bonavia (Lewisham) informed colleagues that Lewisham's position is it supports the pay claim in principle. The Leader of Lewisham has written to the government to ask for a fully funded supplement.

Danny Hogan (Chair, Unite) informed colleagues that at a meeting on 18 October Greenwich has agreed and supports the claim.

Sue Plain (UNISON) informed colleagues that when the last pay award was made we found ourselves in a difficult position in London and the Trade Unions would urge colleagues to carrying on working in parallel so we are ready when we consult. There are serious consequences for the outer London pay spine at the bottom levels.

**9. Regionalisation of Adoption Services:** Helen Reynolds (Trade Union Side Joint Secretary) highlighted to colleagues that the Association of London Directors of Children's Services (ALDCS) are due to consider a report on the likely arrangements for the regionalisation of adoption services on 25 October 2017.

The Trade Unions are concerned that they have had no engagement from the ALDCS to date and are requesting involvement. We are concerned for our members in terms of who they will be employed by, location etc.

Cllr Angela Harvey (Westminster) responded that this is a critical service that councils provide to vulnerable children in London. The Employers' Side has been informed that boroughs have been bidding to run this service. The Employers' Side support the Trade Unions concerns regarding staff but at present have no further information. The way forward would be for the Joint Secretaries to have a discussion and if colleagues agree this item should be brought to the next GLEF meeting as it is a wider forum than GLPC.

Colleagues in attendance agreed this item be on the GLEF agenda on 15 February 2018.

**10. London Living Wage Summary:** It was noted that that LB Havering had now confirmed they will be matching the London Living Wage (LLW).

Danny Hoggan (Chair, Unite) enquired whether those boroughs paying the LLW were ensuring that this was paid to all staff, including staff in contracted out services.

Cllr Angela Harvey (Westminster) asked if there was any information about boroughs paying less than the LLW.

Danny Hoggan (Chair, Unite) responded that yes, many are paying less for contracted out staff. We have a moral responsibility to ensure people in our communities are helped to get out of poverty and would like to understand why Bexley and Bromley do not pay the LLW. Both of these boroughs have a moral responsibility.

Cllr Angela Harvey (Westminster) responded that the LLW summary is for direct employed staff.

Cllr Colin Tandy (Bexley) declined to comment.

Cllr Ian Payne (Bromley) responded that the borough runs a tight ship and it runs well.

Sue Plain (UNISON) stated that if the LB Havering were now compliant then the Trade Unions would like an update from RB Kensington & Chelsea on whether they were intending to move from 'currently reviewing' to 'implemented arrangements'. This is the only borough that has frontline staff still on spinal point 5.

Tax payers through the state benefits should not be supporting contractors not paying their employees the LLW. This is just not a moral argument but an economic one.

The Trade Unions enquired if boroughs when going through procurement expect a provider to pay the LLW?

Cllr Simon Hall (Croydon) responded that Croydon do make it a requirement in their procurement. This is a principle the borough has taken.

Cllr Angela Harvey (Westminster) responded that the Employers' Side were not aware that this information was to be provided at this meeting but we will bring back to the next meeting.

Sue Plain (UNISON) stated that it would give us great achievement and pride if we could say in London that everyone was paid the LLW.

## **London Living Wage – summary of the position in London local authorities**

- The summary shows that overall 29 London boroughs are or have agreed to pay directly employed staff the minimum of the LLW (15 boroughs are accredited as Living Wage Employers).

### **Implemented arrangements specifically to address this**

Barking & Dagenham  
Barnet  
Brent\*  
Camden\*  
Croydon\*  
Ealing\*  
Enfield\*  
Greenwich\*  
Hackney\*  
Hammersmith & Fulham\*  
Haringey  
Havering  
Harrow  
Hillingdon  
Hounslow\*  
Islington\*  
Kingston  
Lambeth\*  
Lewisham\*  
Merton  
Newham  
Redbridge  
Richmond  
Southwark\*  
Sutton  
Tower Hamlets\*  
Waltham Forest\*  
Wandsworth  
Westminster

### **Current position under review**

Kensington & Chelsea

### **Considered and will not be taking any action at this stage**

Bexley  
Bromley

\* Accredited London Living Wage employers

**11. Schedule of Outstanding Differences:** Cllr Angela Harvey (Westminster) congratulated the Joint Secretaries for their hard work at getting to the position of no outstanding disputes and differences registered on the list.

**12. Amendment to Paternity/Maternity Leave:** Sue Plain (UNISON) raised concern that this item is under AOB on the Joint agenda and not as an item for discussion and informed the Employers' Side that

ACAS published guidance on 5 September 2017 (<http://www.acas.org.uk/index.aspx?articleid=6050>) for employers to help them support staff who have given birth to premature or ill babies.

Mothers of premature or ill babies are campaigning for statutory maternity leave to be extended where mothers give birth early.

The best way forward would be to refer this item to the Joint Secretaries for them to come up with proposals for boroughs.

Cllr Angela Harvey (Westminster) responded that the Employers' Side agree that this is a matter of compassion for us as employers. Our intention is to send the ACAS guidance to boroughs asap and ask them to report back what they intend to do.

As this is a very important issue the Employers' Side felt that instead of this being an item on the next GLPC agenda it should come back to GLEF as this forum is a wider audience.

The Joint Secretaries will need to discuss papers to take forward to GLEF.

The Trade Unions responded that they are happy with the Employers' Side offer.

**13. Any Other Business:** There was no further business.

**14. Date of next meeting:** The next meeting would be held on **Wednesday 14 March 2018**.  
*Group meetings will take place at 10am and the main meeting at 11.30am (or on the rising of the sides).*

**The meeting was concluded at 12.33pm**

# Leaders' Committee

## Report from the TEC Executive Sub Committee – 16 November 2017

Item no:

**Report by:** Alan Edwards      **Job title:** Governance Manager  
**Date:** 6 February 2018  
**Contact Officer:** Alan Edwards  
**Telephone:** 020 7934 9911      **Email:** Alan.e@londoncouncils.gov.uk

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**Summary:** Summary of the minutes of the London Councils' TEC Executive Sub Committee held on 16 November 2017

**Recommendations:** For information.

**1. Attendance:** Cllr Julian Bell (LB Ealing – Chair), Cllr Lynda Rice (LB Barking & Dagenham), Cllr Stuart King (LB Croydon), Cllr Daniel Anderson (LB Enfield), Cllr Feryal Demirci (LB Hackney), Cllr Claudia Webbe (LB Islington), Cllr Peter Buckwell (LB Richmond), and Cllr Jill Whitehead (LB Sutton)

**2. Apologies for Absence**

Apologies for absence had been received from Councillor Phil Doyle (RB Kingston) and Councillor Caroline Usher (LB Wandsworth).

**3. London Councils' Response to the Draft Mayor's Environment Strategy Consultation**

The TEC Executive Sub Committee received a report that summarised the development process of the London Councils' draft response to the draft London Environment Strategy (LES) and sought member approval for its contents.

Owain Mortimer, Principal Policy Officer, Transport, Infrastructure & Environment, London Councils, introduced the report. He made the following comments:

- Deadline for responses to the draft Mayor's London Environment Strategy (LES) Consultation was 17 November 2017;
- London Councils engagement process to produce its response involved three elements, including two large scale events (13 April 2017 – a pre-consultation event with the GLA, for borough input, and 31 October 2017 – over 50 attendees, members and officers);
- Also, a Task and Finish Group met twice on 8 September and 30 October 2017, with borough representatives from all the environment policy areas covered in the draft LES. This fed into the final response; and
- Key message in the London Councils response was the ambitiousness of the Strategy. The Strategy was welcomed and the main aims were supported (eg zero carbon emissions and zero waste);

A "Q and A" session took place.

- The TEC Executive Sub Committee: **(i)** noted and discussed the draft response to the draft London Environment Strategy at Appendix 1; **(ii)** agreed that the following minor changes to the response would be made and sent to the Chair and vice chairs of TEC's for final sign-off: (a) to strengthen the paragraph regarding the lack of effective borough powers to enforce residential recycling rates, (b) to strengthen the issue of expectations and costs in delivering the Environment Strategy; and (c) more clarification was needed on the Government's litter strategy and fly-tipping and this should be mentioned in the specific section on this in the response (page 28/para 139); and **(iii)** Agreed to submit the draft response to the draft London Environment Strategy as outlined at Appendix A, subject to the above minor amendments being made.

#### **4. Transport & Mobility Services Performance Information 2017/18 (Q2)**

The TEC Executive Sub Committee considered a report that detailed the London Councils' Transport and Mobility Services performance information for Q1 and Q2 in 2017.

The TEC Executive Sub Committee noted the performance information report for Q1 and Q2 in 2017.

#### **5. Month 6 Revenue Forecast 2017/18**

The TEC Executive Sub Committee received a report that outlined actual income and expenditure against the approved budget to the end of September 2017 for TEC and provided a forecast of the outturn position for 2017/18.

The TEC Executive Sub Committee **(i)** noted the projected surplus of £1.001 million for the year, plus the forecasted net underspend of £809,000 for overall Taxicard trips, as detailed in the report; and **(ii)** noted the projected level of Committee reserves, as detailed in paragraph 5 of the report, and the commentary on the financial position of the Committee included in paragraphs 6-9.

#### **6. Draft Revenue Budget and Borough Charges 2018/19**

The TEC Executive Sub Committee received a report that detailed the outline revenue budget proposals and the proposed indicative borough subscription and charges for 2018/19. The Executive Sub Committee was also asked to comment on these outline proposals, with particular consideration to the three specific proposals detailed at paragraph 4, in order that any comments could be consolidated in the further report for the TEC Main meeting in December 2017.

The TEC Executive Sub Committee approved the proposed individual levies and charges for 2018/19 as follows: **(a)** the Parking Core Administration Charge of £1,500 per borough and for TfL (2017/18 - £1,500; paragraph 36); **(b)** the total Parking Enforcement Service Charge of £0.4226 which would be distributed to boroughs and TfL in accordance with PCNs issued in 2016/17 (2017/18 - £0.4915 per PCN; paragraphs 34-35); **(c)** no charge to boroughs in respect of the Freedom Pass Administration Charge, which was covered by replacement Freedom Pass income (2017/18 – nil charge; paragraph 15); **(d)** the Taxicard Administration Charge to boroughs of £338,182 in total (2017/18 - £338,182; paragraphs 17); **(e)** no charge to boroughs in respect of the Lorry Control Administration Charge, which was fully covered by estimated PCN income (2017/18 – nil charge; paragraphs 19-20); **(f)** Road User Charging Appeals (RUCA) – to be recovered on a full cost recovery basis under the new contract arrangements with the GLA (paragraph 28);

In addition, after considering the specific proposals outlined at paragraph 4, the Executive-Sub Committee was also asked to recommend that the Full Committee approve at their meeting on 7 December: **(i)** a unit charge of £12 for the replacement of a lost or damaged Freedom Pass (2017/18 - £10; paragraph 10); **(ii)** Environment 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 £23.53 for electronic submissions (2017/18 - £26.74/£26.06 per SD) (paragraph 27); **(iii)** the TRACE (Electronic) Charge of £7.53 per transaction (2017/18 - £7.31; paragraphs 29-33); **(iv)** the TRACE (Fax) Charge of £7.70 per transaction, in addition to the electronic charge of £7.53 per transaction (2017/18 -

£7.48; paragraphs 29-33); **(v)** the TEC<sup>1</sup> Charge of £0.175 per transaction (2017/18 - £0.17; paragraphs 29-33); **(vi)** agreed to transfer £140,000 from uncommitted general reserves into the specific reserve to ensure the Committee's formal policy on reserves of between 10 to 15% of annual operating expenditure was adhered to.

The provisional gross revenue expenditure of £368.775 million for 2018/19, as detailed in Appendix A; and

- On the basis of the agreement of all the above proposed charges as outlined in this report (including those at paragraph 4), the provisional gross revenue income budget of £368.486 million for 2018/19, with a recommended transfer of £289,000 from uncommitted Committee reserves to produce a balanced budget, as shown in Appendix B.

The Executive-Sub Committee was also asked to note:

- the current position on reserves, as set out in paragraphs 52-55 and Table 8 of this report; and
- the estimated total charges to individual boroughs for 2018/19, as set out in Appendix C.1.

#### **7. Minutes of the TEC Main Meeting held on 12 October 2017 (for noting)**

Subject to a couple of minor amendments being made, the TEC Executive Sub Committee noted the minutes of the TEC Main meeting held on 12 October 2017.

#### **8. Minutes of the TEC Executive Sub Committee held on 15 September 2017 (for agreeing)**

The minutes of the TEC Executive Sub Committee held on 15 September 2017 were agreed

#### **9. Any Other Business**

Councillor Webbe asked whether the boroughs would be given more time to return their forms to give delegated authority of Go Ultra Low City Scheme (GULCS). Spencer Palmer confirmed that a written reminder would be sent out to the boroughs regarding this and a copy would be sent to TEC members, as well as borough officers.

The meeting finished at 11:15 am.

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<sup>1</sup> The system that allows boroughs to register any unpaid parking tickets with the Traffic Enforcement Centre and apply for bailiff's warrants.

# LONDON COUNCILS GRANTS COMMITTEE

22 November 2017

Minutes of the Grants Committee held at London Councils, 59½ Southwark Street, London SE1 0AL on Wednesday 22 November 2017

London Borough & Royal Borough:	Representative:
Barnet	Cllr Suri Khatri (substitute)
Bexley	Cllr Don Massey
Brent	Cllr Margaret McLennan
Ealing	Cllr Ranjit Dheer
Enfield	Cllr Yasemin Brett
Greenwich	Cllr Denise Scott-McDonald
Hackney	Cllr Jonathan McShane
Islington	Cllr Kaya Comer-Schwartz
Kensington & Chelsea	Cllr Mary Wheale
Kingston upon Thames	Cllr Hugh Scantlebury
Merton	Cllr Edith Macauley
Newham	Cllr Forhad Hussain (Chair)
Redbridge	Cllr Bob Littlewood
Richmond	Cllr David Linette
Sutton	Cllr Simon Wales
Tower Hamlets	Cllr Abdul Mukit MBE
Waltham Forest	Cllr Liaquat Ali
Wandsworth	Cllr Paul Ellis
Westminster	Cllr David Harvey

London Councils officers were in attendance.

Cllr Hussain confirmed that as deputy he would be chairing the meeting in the absence of Cllr McGlone.

The Chair informed the Committee that Cllr Maddan (LB Wandsworth) had passed away in September, and extended condolences to Cllr Maddan's family. He also thanked Cllr Maddan for his contribution to Grants Committee over the years; he had joined Grants Committee in 2009 and was also a Grants Executive member.

The Chair also thanked Cllr Carr (LB Bromley) for his service on Grants Committee and Grants Executive for over 13 years, and as the Conservative Group Lead. It was confirmed that Cllr Don Massey (LB Bexley) would be taking over as the new Conservative Group Lead on Grants Committee, and Cllr Colin Smith would be replacing Cllr Carr as the Grants Committee representative from LB Bromley.

## 1. Apologies for Absence

1.1 Apologies were received from Cllr Saima Ashraf (Barking & Dagenham), Cllr Richard Cornelius (Barnet), Cllr Colin Smith (Bromley), Alison Gowman (City of London), Cllr Yasemin Brett (Enfield), Cllr Sue Fennimore (Hammersmith & Fulham), Cllr Sue Anderson (Harrow), Cllr Paul McGlone (Lambeth), Cllr Joan Millbank (Lewisham) and Cllr Barrie Hargrove (Southwark).

1.2 Because of an issue relating to some Councillors not receiving invitations to all meetings, it was agreed that London Councils Corporate Governance team would ensure that all members were aware of Committee dates.

## **2. Declarations of Interest**

- 2.1 Cllr Massey declared an interest in item 4 as he was employed by a charity. Cllr Comer-Schwarz declared an interest in item 6 because Islington ran the NRPF Network.

## **3. Minutes of the Grants Committee AGM – 12<sup>th</sup> July 2017**

- 3.1 The minutes were agreed as an accurate record of the meeting, subject to the deletion of the duplication of Cllr Massey's name, and the inclusion of Cllr Mukit in the apologies for absence.

## **4. Final Performance Report of the London Councils Grants Programme 2013-17**

- 4.1 The Chair introduced the report, noting the key successes of the programme: 80,000 homelessness interventions; over 300,000 sexual and domestic violence interventions; and 11,558 poverty interventions, including 1,457 people gaining employment. He also referred to the lessons learned draft response to the Charity Commission's consultation on charities annual submissions, which he hoped members would agree to.
- 4.2 Cllr Comer-Schwartz asked how the successes of the programme were being publicised. Although the Chair mentioned the use of members' briefings, it was agreed that Yolande Burgess, London Councils Strategy Director, would discuss publicity options with the London Councils Communications team and report back to Committee members via the Chair. The Chair felt that a handout summarising successes would be useful.
- 4.3 Cllr Massey thanked staff for the report and the honest way in which all the issues had been set out in it. He stressed the need for this balance to be maintained in the wider publicity about the programme.
- 4.4 Cllr Wales noted that the formation of consortia was crucial to the programme's success, and felt that an understanding of how partnerships, which levered in funding, was important in any evaluation. Katy Makepeace-Gray, Principal Programme Manager, confirmed that the information would be included in feedback to the Committee at its July 2018 meeting. Cllr Wales also wanted to be reassured that any consortia publicity should make the involvement of London Councils clear. The Principal Programme Manager confirmed that this was a requirement of funding, set out in the provider handbook and checked via evaluation reports, and that any leaflets recognised London Councils input and included logos. The Chair felt that this visibility should also extend to social media.
- 4.5 Cllr Comer-Schwarz congratulated London Councils providers on the success of the recent Homelessness launch event, and felt that the meeting of many different organisations to discuss the impact on young people in particular was very positive.
- 4.6 Cllr Khatri identified a number of small errors in the figures within the report, which London Councils staff agreed to change. In addition it was confirmed that the total figure of £5.32 million in section 5.4.1 of the report could not be broken down further as this represented one specification.
- 4.7 Members:

Noted the summary of final performance data provided in section five of the report

Noted the assessment on the extent to which themes drawn out in the 2012 Grants Review were addressed in the 2013-17 Programme as outlined in sections two to four

Noted the lessons learned from the 2013-17 Grants Programme, particularly those identified through the Grants Review 2015-16 as outlined in section four of the report

Endorsed the continued approach to addressing lessons learned as set out in section four (this is also outlined in the report on the 2017-21 Programme on this agenda)

Agreed that officers submit the draft response to the Charity Commission consultation on charities annual submissions, included at Appendix One of the report

## **5. Performance of Grants Programme 2017-21**

5.1 The Strategy Director introduced the report, commenting that it covered Quarters 1 and 2 of 2017/18.

5.2 Members were informed that while Priority 1 and 2 elements of the programme were above profile, Priority 3 (ESF) was underperforming. This had largely been due to changes in ESF eligibility criteria not being understood within London Councils, but it was stressed that project partners had worked hard to address the issues. Historical issues had now been addressed, and regular liaison with partners at Chief Executive level was now taking place as well as re-profiling meetings, and there was a better level of confidence than a few months previously. Consideration had been given to extending the programme for 6 months and utilizing flexibility in the ESF. An issue for the partners was that the current target group was not as broadly defined as the previous programme and employment levels have improved. In January there would be a focus on engagement strategies with partners, including talking to the DWP to improve referrals.

5.3 The Chair thanked the Strategy Director for her explanation, commenting on the similarity to pensions issues where performance sometimes dipped, which was not necessarily representative of the fund's overall health.

5.4 Cllr Massey was pleased to learn of the recovery plan in relation to the ESF element of the programme and also that lessons had been learned. He recognised that although there was quite a volume of information this was useful, and that he encouraged other members to make use of the borough grants officer in their borough. He felt that it was a challenge to get the balance right in terms of the level of information, and that this should be kept under review.

5.5 Cllr Littlewood felt that it was important to be upfront regarding difficulties experienced, and recognised the pressure on partners while the issues were being resolved. He felt that reasonably regular updates should be given to the Committee on this issue and was worried about progress. The Chair agreed that members of the Executive should be updated monthly on progress.

5.6 In response to a question from Cllr Wheale, the Strategy Director confirmed that the issues with ESF related to not correctly picking up the change of London Councils status from co-financier to direct bidder, which meant that the programme needed to be retrofitted, placing pressure on partners. It was also confirmed that management issues had been addressed.

5.7 The Committee:

Noted the outcomes for Priority 1, 2 and 3 projects

Noted the number of interventions delivered in the relevant quarters

Agreed to continue to endorse the approach highlighted in section two of the report relating to the addressing of the issues raised in the Grants Review

Noted the progress on the administration of £100,000 per year for two years on behalf of the Mayor's Office for Policing and Crime (MOPAC) to enhance training to front-line professionals on identifying harmful practices, as set out in section six of the report

Noted the annual performance report provided by London Funders included at Appendix Three of the report

Noted the discussions of the first performance report for the 2017-21 Programme and agreed the format for future reports.

## **6. Thematic Review: No Recourse to Public Funds**

- 6.1 The Committee was informed that this report was the first of the 'thematic review' papers and the choice of 'No Recourse to Public Funds' had been made because of its impact across London. A survey of boroughs had been carried out and the results would be used by the policy team at London Councils for lobbying purposes. The Chair then introduced Pam Saleem and Lubana Kayani from Ashiana Network, who presented to the Committee about the work of the partnership, followed by an address from a recipient of the organisation's services.
- 6.2 Pam Saleem, Housing and Advice Services Manager, explained that the Network had started with one bedspace, but now had 32. Referrals were between the ages of 16 – 35 years; 6 bedspaces were reserved for people with 'No Recourse to Public Funds.'
- 6.3 Ashiana provided advice and counselling services and also legal advice and support for clients dealing with the Home Office, who often had little or no support.
- 6.4 In response to a question from Cllr Comer-Schwarz, Ms Saleem commented that a key difficulty facing the Network was the requirement to assist clients before Home Office approval for public funds could be given, plus the provision of sufficient move on accommodation was also a problem.
- 6.5 Cllr Scott-McDonald asked what had changed regarding the provision of the service since the Network started in 1989. Ms Saleem responded that the main change had been the increasing complexity of issues faced by clients and the increased numbers of women approaching Ashiana with NRPF. Ms Saleem also reported increasing delays in terms of Home Office responses, and increasing pressure on services due to legislative changes relating to public funds.
- 6.6 Cllr Dheer recognised the issues covered by Ms Saleem as important and relevant to his own borough, and across London. He felt that the Grants Committee should lobby the government on the issue of NRPF and immigration law reform, stating for example that in his opinion asylum seekers waiting to hear a decision regarding Public Funds should be able to work. Cllr Comer-Schwarz felt that the bullet points in section 3.12 of the report summarised the lobbying issues well. Cllr Massey suggested that it was more appropriate to raise this issue with Leaders' Committee after raising it with the political groups, and it was agreed that officers should action this via a report to the Corporate Management Board.
- 6.7 It was agreed that Members should feed ideas for future thematic reviews to officers, and for officers to bring suggestions to the next Grants Committee meeting.
- 6.8 Members thanked the representatives from Ashiana and the service recipient for attending the meeting. They agreed that it would be useful to receive updated information on this area via the equalities report.

## **7. Leadership in the Third Sector: Work Plan Progress**

- 7.1 The Chair informed members that a number of meetings had now taken place regarding the work following publication of The Way Ahead; the report to this Committee detailed progress on the workplan previously agreed by Grants Committee.
- 7.2 The Principal Programme Manager reported that: the key findings of the recent survey of boroughs regarding third sector infrastructure had been published in a members' briefing; the boroughs Grant Officers' group had now met four times; and that the Grants programme had been published in open data format on a database run by 360 Giving.
- 7.3 Members were informed that representation was required for The London Hub Advisory group and the The Way Ahead System Change Group. Members agreed the nomination of Cllr Paul McGlone and Cllr Bob Littlewood respectively for those groups, and noted the remainder of the report.

## **8. Month 6 Revenue Forecast 2017/18**

- 8.1 Frank Smith, Director of Corporate Resources, introduced the report, commenting that the Section 48 funded services (Priority 1 and 2) and administrative costs were projected to break even, but overall there was a projected surplus of £541,000 because of slippages in the ESF programme. By the end of the programme this position would have recovered as the project was now up and running, although this may now complete in 2019/2020.
- 8.2 The Director of Corporate Resources explained that projected reserves at the end of 31<sup>st</sup> March 2018 were likely to be £333,000. A question was asked whether the reserve percentage of nearly 5% was appropriate. It was felt by the Director that this could be reviewed now that the monitoring process was in place, which was designed to flag up issues at an early stage, with a policy of withholding payments where problems have occurred, pending investigation.
- 8.3 It was also reported that the most recent Executive Committee meeting had agreed not to return funds back to boroughs and to freeze subscriptions – reserves should remain healthy.
- 8.4 The ESF element of the programme would be completed by 2019/2020 but the financial commitment from the boroughs had now been discharged and all money collected. The performance challenges facing the ESF element of the programme had been discussed earlier in the agenda.
- 8.5 In response to a question from Cllr Scantlebury it was confirmed that the £541,000 surplus was ringfenced to ESF, and that there was no real risk to that ringfencing if the programme was extended, as both the criteria and the claims process had been previously agreed, and was unlikely to change. However there was a potential risk of some future costs being ineligible in light of the rules, and this was being currently looked at.
- 8.6 Cllr Scantlebury felt it important to keep the reserve percentage at a low rate because of the perception from boroughs that the money could be better spent by them. Cllr Massey felt that 3.75% was realistic. The Director of Corporate Resources also commented that administration costs needed to be reviewed. It was confirmed that the administration costs were limited to the grants programme, but were not included in the percentage. These were due to be reviewed in 2018, but it was important that London Councils' administrative overheads should be seen to stand alone from boroughs.
- 8.7 Members noted the report.

## **9. London Councils Grants Scheme – Budget Proposals 2018/19**

- 9.1 The Director of Corporate Resources reported that the overall level of expenditure for 2018/19 was recommended as £8.668 million, which, less any one off payments, was broadly the same as the current expenditure, and was also likely to be the same for 2019/20.
- 9.2 Members agreed the report, which was due to be discussed at Leaders' Committee on 5<sup>th</sup> December 2017

**The meeting finished at 12:25pm**

# Leaders' Committee

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## Report from the Capital Ambition Board Item no: – 13 December 2017

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**Report by:** Ana Gradiska      **Job title:** Principal Governance and Projects Officer

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**Date:** 6 February 2018

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**Contact Officer:** Ana Gradiska

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**Telephone:** 020 7934 9781      **Email:** Ana.gradiska@londoncouncils.gov.uk

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**Attendance Members:** Edward Lord OBE JP (City of London - Chair), Cllr Fiona Colley (LB Southwark), Cllr Nicholas Paget-Brown (RB Kensington and Chelsea); **Advisers:** Paul Najsarek, Chief Executive, LB Ealing, John Hooton, Chief Executive, LB Barnet, James Rolfe, Executive Director of Finance, Resources and Customer Services, LB Enfield; **London Councils:** Frank Smith, Director of Corporate Resources, Guy Ware, Director, Finance, Performance and Procurement, Andy Pitcairn, Head of Budgetary Control and Procurement, Thomas Man , Head of Capital Ambition, Lisa Henry, Capital Ambition Programme Manager, Harry Richardson, London Ventures Programme Manager; **EY:** Victoria Evans, Senior Manager, Local Public Services, Shu Fei Wong, Manager, Local Public Services; **Board Secretariat:** Ana Gradiska, Principal Governance and Projects Officer, Joe Harris, Business Administration Apprentice

**The Chair welcomed John Hooton to his first meeting of Capital Ambition.**

### **1. Declarations of Interest**

1.1 There were no declarations of interest.

### **2. Apologies for absence**

2.1 Apologies were received from Cllr David Simmonds CBE (LB Hillingdon) and Cllr Stephen Alambritis (LB Merton).

### **3. Minutes of the meeting held on 18 October 2017**

3.1 The minutes of the non-exempt part of the meeting held on 18 October 2017 were agreed as an accurate record.

### **4. Capital Ambition - Director's Report**

4.1 The report was noted by CAB.

### **5. London Ventures Progress Report**

5.1 The Head of Capital Ambition said that good progress has been made since the October CAB meeting and the London Ventures team had continued to promote and advocate the London Ventures programme with local authorities as well as with other key stakeholders

including social investors. A number of London local authorities have been proactive in their engagement with the programme, and of particular note was the very successful Cornerstone virtual reality launch event at City Hall which had generated a lot of publicity.

- 5.2 The London Ventures team had undertaken a review of the first targeted ventures cycle (which focused on tackling homelessness, temporary accommodation and housing) to inform their approach to the second targeted ventured cycle. The team had a workshop to consider the process in detail and to identify elements that were effective as well as those that could be improved upon. The team felt that having a sponsoring CAB Member and Advisor for the issue being targeted would be very beneficial.
- 5.3 In addition the London Ventures team has been considering the overall thematic area for the next targeted cycle, and through engagement activity with CAB members and advisors as well as other key stakeholders the topic of children and families was identified. A key programme priority over the next few months will be to continue with the initial engagement and to start to build momentum with sector leaders and the relevant pan-London professional network.
- 5.4 It was reported that Cllr David Simmonds CBE and Paul Najsarek had both volunteered to be the CAB sponsors for the next cycle of targeted ventures.
- 5.5 EY added that some of the key highlights of the work carried out since the October 2017 meeting was the increase in the level of local authority engagement, the access to external funding, local authorities providing match funding and sponsorship to support the development of the four targeted ventures concepts. EY recognised the need for raising the profile of the programme so that local authorities could better see the value created by London Ventures. So far, local authorities have committed £200,000 of match funding to support the development of London Ventures concepts and CAB has committed £93,850 for seed funding at the October 2017 meeting.
- 5.6 The Director of Finance, Performance and Procurement said that there was a broad range of activity and initiatives addressing various aspects children and families including initiatives from central government, so it was important for CAB to have clarity as to which aspect of children and families, in order to add value and not replicate work that is already being carried out.
- 5.7 Members:
  - Noted the overview of London Ventures activity since October 2017.
  - Noted the review of the homelessness, temporary accommodation and housing targeted venture process and value generated.
  - Approved the overall theme and approach for the second cycle of targeted ventures.
  - Approved the appointment of David Simmonds CBE and Paul Najsarek as the sponsors for the second cycle of targeted ventures.

## **6. Any Other Business**

- 6.1 None.

**Members resolved to exclude the press and public from the meeting for the exempt part of the meeting.**

The meeting finished at 11.30

**Minutes of the Meeting of the Executive  
Tuesday 16 January 2018 9:30 am**

**Cllr Peter John OBE was in the chair**

**Present**

<b>Member</b>	<b>Position</b>
Cllr Peter John OBE	Deputy chair
Cllr Teresa O'Neill OBE	Vice chair
Cllr Ruth Dombey OBE	Vice chair
Mayor Sir Steve Bullock	
Cllr Darren Rodwell	
Cllr Kevin Davis	

London Councils officers and Cllr Sarah Hayward (Camden), London Councils' Lead Member for Equalities were in attendance.

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

Apologies were received from Cllr Claire Kober OBE, Ms Catherine McGuinness, Cllr Ray Puddifoot MBE, Cllr Lib Peck and Cllr Julian Bell. No deputies were announced.

**2. Declaration of interest**

No interests were declared

**3. Minutes of the Executive Meeting held on 14 November 2017**

The minutes of the Executive meeting held on 14 November 2017 were agreed.

**4. Equalities Impact Research**

The Chair invited Cllr Sarah Hayward, London Councils' Lead Member for Equalities to introduce the report, she did as follows:

- The report introduced an equalities research report, attached as an appendix, which was commissioned from the Learning and Work Institute in 2017
- The research reviewed the local equalities implications of recent and emerging changes in relation to three themes:
  - employment and skills
  - social security policy
  - housing and homelessness
- The work was designed to inform London Councils business planning process for 2018/19 onwards
- The wide-ranging work was narrowed down in the recommendations
- There was a more detailed section on welfare reform and in-work poverty
- The housing section looked at the right-to-rent and discrimination for which it was difficult to get evidence. Landlords had been reluctant to provide information and the evidence from tenants was anecdotal; more research was needed.

Cllr Teresa O'Neill responded:

- She thought it was valuable piece of work and felt it would be worthwhile trying to track changes in the impact of the issues discussed in the report over time
- However, she thought, if the report was going to be distributed more widely than the Executive, the language needed to be reviewed so that it did not detract from the central messages of the report. Certain sections need much more nuanced expression in order to read well with key audiences and help achieve the objectives that would underpin this work

Cllr Hayward agreed with these points.

Cllr O'Neill went on to say that five boroughs voted to leave (the European Union) and they should be treated in a more nuanced way.

Cllr Kevin Davis expressed his surprise at the narrowness between the figures for inner and outer London in the Table 1 *Poverty level thresholds (weekly income)* and asked

where the information had come from and if there was any data that would show if the gap was narrowing?

Cllr Hayward replied that the information had come from the Joseph Rowntree Foundation (JRF) and the Head of Strategic Policy undertook to circulate it to members of the Executive.

Cllr Davis went on to say that there was a new model of working, especially found among young people, of doing a number of part-time jobs while living at home and this needed to be taken into account in the analysis.

Cllr Darren Rodwell pointed to the extent to which the black economy had become significant with people making money through rent-a-bed arrangements – a three bedroom house in his borough had been raided and was found to have 36 people living in it. This needed to be looked at in equalities terms and the unofficial economy tackled.

Cllr Hayward replied that the 'gig' economy and to a lesser extent the black economy were driving in-work poverty and would be considered when developing the strategy in 2018/19. She asked the Executive for a steer on how much housing abuses such as bed-renting should be looked at and the Executive agreed to leave it to her discretion. She went on to say that London Councils could lead by example and challenge other public sector employers in the area.

Cllr Dombey said it was important that London Councils did what it could to lead by example. The Chair asked whether London Councils was an accredited London Living wage payer and was told it did meet the criteria but was not accredited. He also asked what Investors in People (IIP). London Councils was not IIP accredited and Cllr Rodwell expressed his opposition to this. The Chair concluded by agreeing that the development of the strategy should be monitored by the Executive and did not need to go to Leaders' Committee at this stage.

The Executive agreed:

- to draw on the evidence base which had been collected through the research in developing the London Councils Business Plan and Equality Objectives for 2018/19 onwards

- to include the following within the 2018/19 business plan the wording: *Promoting the local authority role in providing joined-up support in relation to poverty, in-work poverty, homelessness prevention and welfare (including access to Universal Credit).*

## **5. Devolution of the Criminal Justice Service**

The Chief Executive introduced the report:

- The overarching Memorandum of Understanding (MoU) on further devolution to London, which had been agreed between Government, the Mayor and London Councils in March 2017, included a commitment to agreeing a specific Criminal Justice MoU
- In October 2017, Leaders' Committee delegated authority to the three London Councils Member-level representatives on the LCRB, Cllr Kober, Cllr Peck and Cllr Cornelius to consider and approve the final MoU. The current ambition was for the working text to be agreed with officials by the end of January 2018
- Currently Youth Justice provision was a borough responsibility and was funded by the Youth Justice Board. Ms Sophie Linden Deputy Mayor for Policing and Crime wanted to understand where the boroughs stood on Youth Justice reform involving its delivery by groups of boroughs. Crime and Public Protection portfolio-holder, Cllr Lib Peck decided to test the appetite for the proposals before the MoU was finalized and she requested a paper proposing a pilot, which was attached to the report as an appendix

Cllr Rodwell expressed his concern over the possibility of MOPAC taking over Youth Justice. He pointed to the experience of other pilots – such as the BCU changes – where roll out sometimes appeared to precede evaluation.

Cllr Ruth Dombey argued that there was a definite change in the dynamic of deprivation in outer London and agreed with Cllr Rodwell about changes to footprint for the youth justice service. She did not think the pilot should be set up. Cllr O'Neill also shared this view.

Cllr Davis argued that it would be reasonable to indicate a willingness to keep the issue under review in future, but there was agreement by all members of the Executive that the MoU should be pursued without any reference to the Youth Justice pilot.

Before the item was concluded Cllr Davis suggested that the Probation Service was in a mess and cited a case where his borough had not been provided with important information by the service on an individual who had been released into the borough.

With the exception of the youth justice proposals referred to above, the Executive agreed to note the report.

## **6. Devolution and Public Service Reform**

The Corporate Director, Policy and Public Affairs introduced the report saying it provided an update on London government's work on devolution and public service reform – including updates regarding the progress against the Memorandum of Understanding with Government on further devolution to London, particularly in relation to:

- **Further Business Rates retention:** Today was transition day with formal agreements were going through boroughs
- **Adult Education Budget and wider skills devolution:** the Government had been pressed to accelerate the process but there was a new Secretary-of-State. Governance had been agreed comprising four representatives of the sub-regions and the London Councils portfolio-holder being part of that. Powers were to be devolved to the Mayor under provisions in the 1999 Greater London Authority Act
- **The London Work and Health Programme:** Launches in each of the sub-regional areas were now set
- **Industrial Strategy:** No tangible issues to report
- **Health devolution:** Try to encourage locally led attempts to make use of the leverage this now provided
- **Housing:** New targets had been set by both central government and the Mayor, in his draft London Plan.

Cllr O'Neill commented:

- On Business Rate retention, a two-year period for the pilots had been discussed but it was formally set up as one. In response, officers said that HM Treasury had consciously to maintain the formal position of a one-year agreement, but that 10 pilots were announced in the Local Government Finance Settlement in addition to the one in London it would be surprising if London could not secure agreement to the pilot continuing into 2019/20 if it so wished
- On health devolution she was concerned about the asymmetry between STP footprints and those coming under a single accountable officer in her area
- Some boroughs were committing to sub-regional partnerships but stepping away from the full consequences of this.

The Executive agreed to note the report.

## **7. Provisional Local Government Finance Settlement 2018-19**

Director of Finance, Performance and Procurement introduced the report saying:

- That today was the day that the consultation on the Provisional Settlement closed and a response had been prepared closely following the points made in the report
- This year's Settlement was the third of the current four year Spending Review period (2016-17 to 2019-20). For those authorities that had accepted the Government's four year offer, the Provisional Settlement confirmed Revenue Support Grant allocations for the next two years 2018-19 and 2019-20
- The most notable announcement was the increase in the council tax referendum threshold from 2% to 3% in both 2018-19 and 2019-20. The reason given by government was "in recognition of higher than expected inflation and the pressures on services such as social care and policing". London Councils estimated that an additional 1% increase would, if adopted by all London boroughs, raise approximately £32 million in 2018-19 and £35 million in 2019-20. This is in the context of £540m more of savings being implemented by boroughs in the current year

- The Government confirmed its intention to implement a system of 75% business rates retention across local government in 2020-21: lower than the 100% it had previously aimed for prior to the general election. It confirmed that this would include rolling in RSG, Rural Services Delivery Grant, GLA Transport Grant and Public Health Grant, and did not refer to any transfer of new responsibilities
- London Councils had long called for not only 100% retention for the sector but, full control over the setting and proceeds of business rates within the capital in line with the previous work of the London Finance Commission
- The Government also published, alongside the provisional settlement, a consultation on the Fair Funding Review, which would be implemented at the same time as the new 75% retention system in 2020-21.
- The February meeting of the Executive would receive a further report on the next consultation on the Fair Funding Review and the broader approach to be adopted to this.

The Chair reported on a meeting that Cllr Govindia and himself had had with the Secretary-of-State for Housing, Communities and Local Government (DHCLG), Rt Hon Sajid Javid MP when he had raised the funding of Children's Services, Adult Care, Housing and Homelessness as well as fire safety

Cllr O'Neill commented that in relation to the consultation response in the settlement

- It was worth recording that the decision not to make further changes to the New Homes Bonus was a positive factor
- There was a need to discuss planning fees and the Better Care Fund

The Chair suggested a debate was likely on responsibility for adult social care and he would be interested to see the social care green paper due to be published in the summer. The London local government view of this needed to be heard as part of that.

Cllr Davis commented that as RSG disappeared, discussion of it became less relevant but his borough was one of those facing negative RSG. He was informed this impacted on about four boroughs. The Government was seeking to find ways of mitigating the impact of this.

Cllr Dombey asked about resources for implementing the Homelessness Reduction Act. Officers reported the London figures, as collected by London Councils, which showed a very significant gap between provision and cost on the ground. This had been raised consistently with ministers.

The Executive agreed to note the report.

## **8. General Data Protection Regulation (GDPR) Update**

The Director of Corporate Resources introduced the report:

- London Councils was currently making good progress in preparing for the General Data Protection Regulations (GDPR), which are effective from 25<sup>th</sup> May 2018
- Successful partnership work had been carried out with the London Fire Brigade in determining the impact of GDPR
- GDPR is not a huge change for organisations that have been doing existing data protection work well
- London Councils have a GDPR improvement plan and an officer board monitoring it. Progress had been shared with Internal Audit at the City
- All areas of high risk have been identified and some low-risk also
- In relation to two major contracts being retendered - for Taxicard and Freedom Pass, the impact of GDPR on those relationships has been included within the appropriate tender/contract documentation
- Standard clauses for contracts need to be written in for existing and new contracts and it was hoped that these would be provided via standard clauses provided by the Government/Information Commissioner
- The Information Commissioner wants to see evidence of the preparedness of organisations for the impact of GDPR, including a record of regular staff training
- It was hoped that specific consent to hold existing personal data was not going to be needed from individual holders of a Taxicard which would mean writing to every one of the existing 67,000 card holders, which would cost around £30,000 in postage costs alone.

The Executive agreed to note the report and the work being done in preparing for the General Data Protection Regulation (GDPR) and regarding the Data Protection Bill.

## 9. AOB

Cllr O'Neill asked if she could raise the Pensions Common Investment Vehicle (CIV) and made the following points:

- She had been proud of London Councils' achievement in securing agreement from the boroughs to create it
- However, she was concerned about the danger of certain rumours eroding confidence in the CIV. It was important that leaders should be kept informed of developments. She asked for the CIV to provide an update for leaders.

The Chief Executive:

- Undertook to discuss her points with Lord Kerslake, chair of the Pensions CIV
- Pointed out that a report was going to the March meeting of the Pensions CIV with governance options and a financial strategy
- Agreed, in the light of a point made by Cllr John on the urgency of the matter to get a note round to members of the Executive, in first instance, in the next 48 hours.

The meeting ended at 10:50am.

## Action points

	<b>Item</b>	<b>Action</b>	<b>Progress</b>
<b>4.</b>	<b>Equalities Impact Research</b> <ul style="list-style-type: none"><li>• Circulate to members of the Executive information regarding Table 1 <i>Poverty level thresholds (weekly income)</i></li><li>• The development of the policy work to be monitored by the Executive and not to go to Leaders' Committee at this stage</li><li>• Draw on the evidence base which had been collected through the research in developing</li></ul>	<b>PAPA Strategic Policy</b>	Further information is being sought and should be available for circulation during February 2018

the London Councils Business Plan and Equality Objectives for 2018/19 onwards

- Include the following wording in the 2018/19 business plan: *Promoting the local authority role in providing joined-up support in relation to poverty, in-work poverty, homelessness prevention and welfare (including access to Universal Credit).*

**5. Devolution of the Criminal Justice System**

- MoU to be pursued without any reference to the Youth Justice pilot.

**PAPA C&PP**

**AOB Pensions Common Investment Vehicle (CIV)**

- Circulate a note to members of the Executive, in first instance, in the next 48 hours, and thereafter to all borough leaders.

**Pensions  
CIV/CX's  
office/CG**

The evidence base is being used as a foundation for business planning discussions during February 2018.

The draft MoU has been amended accordingly

Completed