

Executive

27 February 2018: 9.30 am

London Councils offices are wheelchair accessible

Location: Room 5

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* 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

Exempt Item

The Chairman to move the removal of the press and public since the following item is exempt from the Access to Information Regulations, under 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).

Exempt Agenda

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E1	Southwark Street Site – Review of Lease
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**Minutes of the Meeting of the Executive
Tuesday 16 January 2018 9:30 am**

Cllr Peter John OBE was in the chair

Present

Member	Position
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 25th 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

	Item	Action	Progress
4.	Equalities Impact Research <ul style="list-style-type: none">• Circulate to members of the Executive information regarding Table 1 <i>Poverty level thresholds (weekly income)</i>• The development of the policy work to be monitored by the Executive and not to go to Leaders' Committee at this stage• Draw on the evidence base which had been collected through the research in developing	PAPA Strategic Policy	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		The evidence base is being used as a foundation for business planning discussions during February 2018.
	<ul style="list-style-type: none"> Include the following wording in the 2018/19 business plan: <i>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).</i> 		
5.	Devolution of the Criminal Justice System	PAPA C&PP	The draft MoU has been amended accordingly
	<ul style="list-style-type: none"> MoU to be pursued without any reference to the Youth Justice pilot. 		Done
AOB	Pensions Common Investment Vehicle (CIV)	Pensions CIV/CX's office/CG	
	<ul style="list-style-type: none"> Circulate a note to members of the Executive, in first instance, in the next 48 hours, and thereafter to all borough leaders. 		

Executive

Better outcomes for citizens: a London Office for Technology and Innovation Item No 4

Report by: Guy Ware **Job title:** Director of Finance,
Performance & Procurement

Date: 27 February 2018

Contact Officer: Guy Ware

Telephone: 020 7934 9675 **Email:** Guy.ware@londoncouncils.gov.uk

Summary:

This report informs Executive of the joint work that has been undertaken by officers of the GLA, London Councils and a number of London boroughs to explore the potential scope for a “London Office of Technology and Innovation” to promote greater collaboration in the development of digital standards, infrastructure and solutions amongst London’s public services.

The GLA’s Chief Digital Officer, Theo Blackwell, will attend to present to report.

Recommendation:

The Executive is asked to:

- Consider and comment on the report
 - Note that a fuller report and proposals will be presented to Leaders’ Committee in June.
-

London Office of Technology and Innovation

Introduction

1. This report informs Executive of the joint work that has been undertaken by officers of the GLA, London Councils and a number of London boroughs to explore the potential scope for a “London Office of Technology and Innovation” to promote greater collaboration in the development of digital standards, infrastructure and solutions amongst London’s public services.

Context

2. During 2017, officers at the GLA and London Councils jointly commissioned a programme of research and engagement to explore collaborative approaches to meeting the challenges, and exploiting the opportunities, of digital technology. The work considered local, national and international examples of good practice in public service innovation and collaborative governance, and sought to test the demand and appetite amongst boroughs for such arrangements to be developed in London.
3. More than twenty boroughs actively participated in the programme through a range of surveys, workshops, and direct one-to-one interviews with Chief Executives and Chief Information/Technology Officers. The headline finding of this programme has been that, despite undoubted progress over recent years, there is a desire to explore further the opportunities for greater collaboration around good practice in product design and testing, procurement and deployment. This would seek to help boroughs tackle core and common challenges, such as the new General Data Protection Regulations (GDPR) and cyber-security threats, as well as create the space and time for interested boroughs to develop and share more intensive and applied innovation in service design.
4. The paper attached at Appendix A presents the GLA Chief Digital Officer’s summary of the work that has been undertaken and the emerging thinking about the approach that could be adopted to promote and facilitate greater digital collaboration to deliver better outcomes for citizens across London

Recommendations

5. The Executive is asked to
 - Consider and comment on the report

- Note that a fuller report and proposals will be presented to Leaders' Committee in June.

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

None

APPENDIX A

Better outcomes for citizens: establishing city-wide digital collaboration through a London Office for Technology and Innovation ('LOTI')

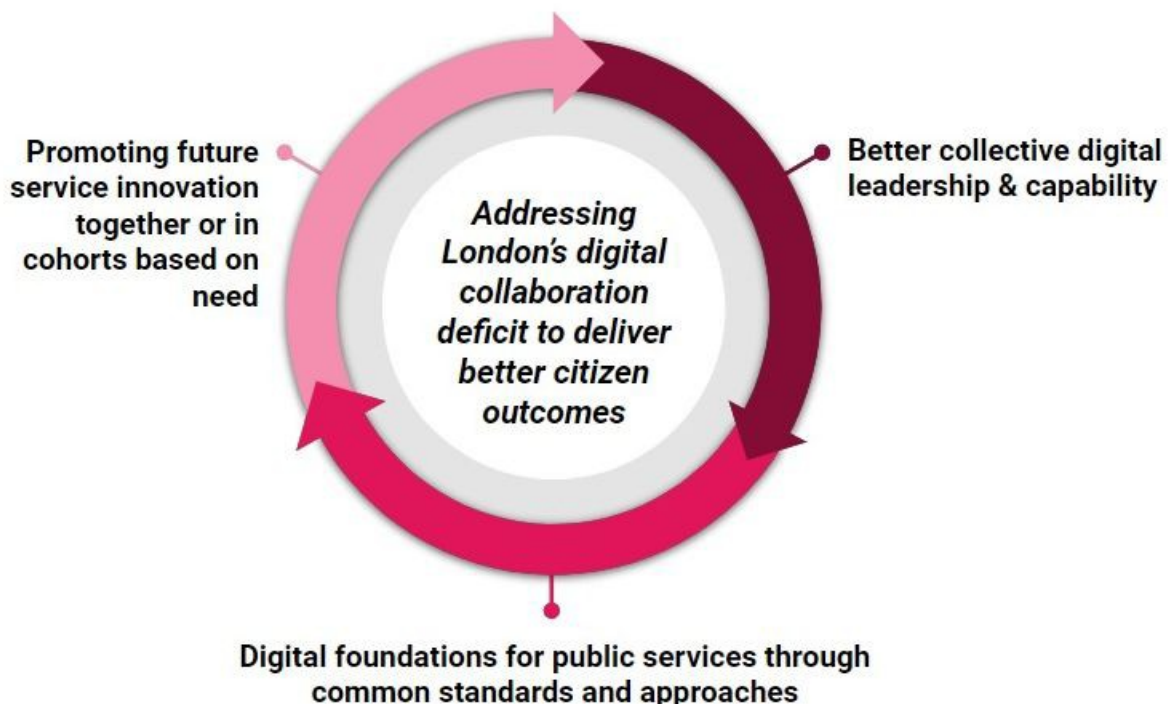
Proposal

To improve the capacity of London's public services to deliver outcomes for citizens it is proposed that London Councils and GLA together continue to work together on a new London Office for Technology and Innovation collaboration. This will be developed over the coming months and a proposition will be brought back to Leaders' Committee.

1.0 Introduction

This paper the London Councils Executive sets out the background, case for and proposal for a city-wide digital collaboration vehicle, provisionally called the 'London Office for Technology & Innovation' (or 'LOTI'), using the current [Digital Office for Scotland](#) model as a basis for future work.

The purpose of a LOTI would be to address the digital collaboration deficit in London's public services by enhancing collective digital leadership; establish where appropriate, common digital foundations and assist, where needed, future service innovation for Londoners.



1.1 Background

Over the past 18 months London Councils and the GLA have explored how councils can work better together to enhance their capability for digital innovation to deliver better citizen-centric services, minimise duplication of effort and drive efficiency. The research involved a London Councils/GLA commissioned scoping study by Arup, Futuregov and Stance conducted across London boroughs in Q3/4 2017. In addition, papers to London chief executives, most recently in January 2018, have helped inform this work.

London's public services have responded with digital strategies, pan-London London Ventures and innovation by boroughs and the work of the GLA's new Chief Digital Officer and team, preparing for a new Smart London Plan in June 2018, and requirements proposed by new and draft GLA statutory strategies. These are also set in the wider context of technology policy developments at a national level and progress by new Metro-Mayors outside of London.

Learning from smart city initiatives domestically and globally shows that for a smart city to be adopted by people and therefore impactful, it cannot be 'top-down'; a more collaborative approach is required. A LOTI provides an important function in a much wider movement to design and focus outcomes and services around the needs of the citizen.

1.2 The problem

London is a global hub for technological innovation, spanning over 40 clusters and major institutions. Over the last decade councils have revolutionised the use of technology to serve citizens more effectively, bringing many transactions online and beginning to embed new applications to solve more complex urban challenges. However, London's complexity is such that a 'collaboration deficit' exists which manifests itself in a number of observable ways:

1. **Fragmentation** – London's public services – City Hall, 33 boroughs, the NHS and functional bodies – and regulated utilities currently present a very confusing picture for public service innovators seeking to learn from each other and scale what works, and for the GovTech and general technology market to understand and navigate. National and international approaches for investment, piloting of best practice – for example in smart city innovation – are currently distributed in a non-strategic manner, leading to lost opportunities for public services. London does not make the most of its advantages as a home to major research institutions and the technology sector.

2. **Inconsistent foundations** - differences across public services hamper the ability to respond to current and new challenges, whether regulatory or civic. For a variety of reasons – cultural, technology legacy, professional – public services use, manage and share data in different ways, often hampering innovation and more effective investment decisions at a time of limited budgets. Adopting new data laws ('GDPR') and the need for cyber-security are London-wide questions for public services which would benefit from consistent responses. Meeting city-wide challenges such as poor air quality, congestion and homelessness will require the promotion, adoption and even development of common standards, without which innovation and citizen-centred design approaches will be limited.
3. **Leadership and capability:** The breadth of change means that capacity within local government to understand, develop and implement new digital approaches is stretched. Addressing this requires leadership across the organisation.

The status quo means public services are less than the sum of their parts, impacting our best efforts to be a smart city and deliver outcomes for citizens. This is not a new observation unique to this research but it absolutely needs to be recognised in order to address citizens' needs in the light of the explosion in the use of data and new digital technologies. There are two main aspects to this:

- Technology preparedness - new business models need to be understood, explored and anticipated;
- Data and digital technology afford public service new opportunities to 'build once and share often', to minimise duplication of effort and drive efficiency and quality of service.

1.4 Existing initiatives

The experience of London Councils investment in city-wide London Ventures programmes contains much practical learning for a future LOTI. London Ventures focuses on identifying potential innovative solutions to public service challenges, and facilitating their adoption by London boroughs. By contrast, the primary role of a LOTI would be to establish common capabilities and standards to enable future innovation. Shared IT services are being progressed across a number of participating boroughs, but are not seen as desirable or practical at a pan-London scale. Existing formal and informal professional networks are perceived as lacking capacity to advance innovation at scale and there is a strong ask from officers for a body to focus on doing rather than convening.

1.5 Scoping exercise

The scoping exercise of London boroughs and public services identified a demand for greater collaboration in leadership and capacity; design and testing; procurement and deployment. This was expressed both in terms of supporting boroughs to:

- Meet core or common challenges faced by all but not dealt with collectively
- Provide space for intensive and applied innovation together or in groups

The most advanced collaborative model in operation is in Scotland, where thirty councils have voluntarily joined forces to drive digital transformation in local services by establishing a partnership – the Digital Office for Scotland – to improve how services work and how councils serve residents. The group of 30 councils are funding the Digital Office - including a Chief Digital Officer and Chief Technology Officer - for the next three years and the new team will be shared by all the participating councils. This model combines a central function conducting projects of general application with discreet use-case development work involving smaller, focused cohorts of councils. We are exploring ways to adapt this model for London over the next three years starting with some foundational work available to all, leading to use-case development by councils committing extra resources.

2.0 LOTI programme of work

Discussion with chief executives, some members and London Councils officers, as well as with the GLA, suggest considering the adoption of two phases: a start-up, leading to the development of a further offer on innovation use-cases.

2.1 Start-up (Year 1)

The initial work being considered has five areas:

01	Establish LOTI ways of working	<ul style="list-style-type: none"> • Vision, MOU between GLA-boroughs • Establish board • Development of additional innovation offer for years 2&3
02	Improve visibility of innovation	<ul style="list-style-type: none"> • Roll-out 'Pipeline' product https://pipeline.localgov.digital/ • Show-and-tell
03	Promote London-wide peer-to-peer networks	<ul style="list-style-type: none"> • Monthly tea-camps for practitioners • Annual London Unconference 2019+
04	Better consistent connectivity measures	<ul style="list-style-type: none"> • Standardised wayleave • Identification of assets for Full Fibre
05	Common approaches to data standards & security	<ul style="list-style-type: none"> • GDPR compliance • Cyber-security standards

The first area is operational: developing potential ways of working including structure, steering group, and MOU outlining roles, responsibilities and expected investment (funding and in-kind, e.g. officer time) between London Councils, individual boroughs and the GLA and agree a future work programme leading to a further offer (see below).

The second area of work is adoption and promotion of Pipeline, a product developed by the LocalGovDigital Makers community and currently in Beta where users can cite and comment on products they are using (e.g. prototype [Using Amazon Alexa skill for waste collection and recycling](#)). The LOTI proposal is to run this product for the benefit of practitioners nationwide.


LocalGov Digital
LocalGovCamp
LocalGov Makers

Pipeline
Home
Categories
All projects
Login
Register

ALPHA This is a prototype, your feedback will help us improve this service.

Using Amazon Alexa skill for waste collection and recycling ALPHA

Estimated Dates	Project Owner	Last Modified
01 January 2018 to 31 March 2018	Oxford City Council	22 January 2018 View History

The LOTI could also work with the GLA, London Councils and boroughs to promote peer-to-peer networks, including taking on the running of the “Unconference” initiated by the GLA for this year, as well as monthly “teacamps”.

The fourth area of work is to assist the GLA Connectivity team with the adoption of standardised leases across London to improve connectivity. Finally we propose ongoing work to share best practice on GDPR compliance and cyber-security standards, liaising with London and national bodies in partnership with the CDO.

2.2 Maturity and future work on innovation use-cases

Years 2 and 3 could continue this foundational work developing into a central research function on digital maturity and to assist with resource pooling around digital strategy development and approaches for agreed areas (e.g. cyber-security, data/GDPR, cloud services and connectivity).

It would also meet the need expressed by a significant cohort of boroughs for more intensive and applied innovation use-cases. The following areas were identified as needs and potential workstreams by more than two boroughs during the scoping:

Workforce skills

It is important to consider the development of a pan-London digital leadership offer in conjunction with GDS Digital Academy and other central government initiatives. Trying to ensure that there is an effective pan-London way to enable placements on Academy courses, assist with course design and develop new products for the market would be valuable.

Common standards

Establishing common standards would help London boroughs to present clear requirements to the market in areas like ‘Internet of Things’ technology, ensure best value for local authorities and joined-up approaches that avoid narrow proprietary solutions and stranded technology. These standards would operate on top of the existing Local Government Service Standard and data standards which promote standardisation and efficiency of service delivery and good service design.

Supporting transition to cloud

London’s councils are continuing to develop their strategic approach for digital change at both a local and city-wide level, presenting an opportunity to explore collectively how this could help councils develop their strategic plans.

Procurement

There is an issue about how to open-up commissioning approaches to bring in greater innovation and opportunities for SMEs. Traditionally, local authorities have operated within a very limited supplier market, with a small number of specialist providers securing the majority of IT contracts. Progress is being made with changing this, but there is still much to be done. It is proposed to engage with technology suppliers to reflect on current commissioning approaches for IT and digital services to identify areas for future focus. This could include broader work with Crown Commercial Services to establish collective procurement arrangements for joint commissioning of digital services, hosting, applications and developmental work around drone readiness and start-up agreements.

5G Preparation

There is a multi-borough involvement in the DCMS 5G citizen testbed - led by Digital Greenwich. The bid to the 5G Fund includes provision for two members of staff to engage Boroughs who want to play their part in the provision of resilient 5G core services and the development of business models for new urban services (e.g. mobility).

Blockchain exploration

A multi-borough research project to establish, pilot and evaluate key applications for distributed ledger technologies as they relate to areas of local government service delivery, smart urban services, and the relationships involved (from commercial to democratic) is being explored.



2.4 Staffing, governance and resource implications

Should a formal proposition be finalized, it is proposed the work programme would be staffed by personnel experienced in local

government digital transformation working via secondment or recruitment on temporary contracts.

A LOTI Director, supported by a Community Manager, would have responsibility for developing the programme of work with a Steering Board developed with representatives from London Councils and the GLA. Other responsibilities would include peer-to-peer communications, as well as running the Pipeline product nationally. A proposition would be likely to include some core contribution from the GLA and London Councils supplemented over time by contributions from boroughs participating in agreed innovative projects.

Projects would be evaluated by GLA Economics for their effectiveness and outcomes delivered at organisation, community and economic level.

Executive

Fair Funding Review - update

Item No 5

Report by: Paul Honeyben **Job title:** Strategic Lead: Finance, Performance & Procurement
Date: 27 February 2018
Contact Officer: Paul Honeyben
Telephone: 020 7934 9748 **Email:** Paul.honeyben@londoncouncils.gov.uk

Summary: This report updates the Executive on the Government's progress with regard to the Fair Funding Review, and includes an overview of the key themes that are likely underpin London Councils' response to the Government's technical consultation on relative need, which has a deadline of 12 March.

Recommendation: Executive is asked to consider and comment on:

- the progress of Fair Funding Review; the direction of travel of London Councils' response to the technical consultation on relative need; and the planned future work programme.

Fair Funding Review – update

Introduction

1. This report provides an update on the Government's progress with regard to the Fair Funding Review of relative needs and resources. It sets out the aims, principles, planned work streams and overall timeline for the Review.
2. It includes a summary of the current technical consultation on relative need and the key themes that will underpin London Councils' response, due on 12 March. It also sets out the next steps for London Councils' work in this area between now and the summer of 2018.

Background

3. Funding baselines for local authorities are based on an assessment of local authorities' relative needs and resources. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.
4. The methodology is very complex and involves 15 relative need formulae and several tailored distributions for services previously supported by specific grants, which determine annual funding allocations for each local authority across England. These formulae involve over 120 indicators of 'need', reflecting factors previously identified as driving the costs of service delivery.
5. In February 2016, in the 2016/17 Local Government Finance Settlement, the then Secretary of State for Communities and Local Government, Greg Clark, first announced the Government's intention to review the way local authorities are funded via a "Fair Funding Review". At the time, this was part of the plans for 100% business rates retention that were expected to be implemented in April 2019.
6. In the summer of 2016, alongside the main consultation on 100% retention, the Government published a call for evidence on the principles of the Fair Funding Review. London Councils responded jointly with the GLA (alongside the joint response to the 100% retention proposals), setting out high level principles that the assessment of need and redistribution should become simpler, more transparent, fairer and more responsive under the new system than currently.

7. Since then, the 2017 general election triggered the fall of the Local Government Finance Bill, that would have made 100% retention possible. Following a period of uncertainty over the summer and autumn, the Government recommitted to further business rates retention for the sector, which will be implemented a year later than originally planned, in April 2020, and will be 75% rather than 100% retention.
8. The Government has confirmed that it intends to implement the new funding baselines, that will be determined by the Fair Funding Review, at the outset of the 75% retention scheme in 2020-21.
9. Work is therefore continuing in parallel to implement these separate but interlinked parts to the local government finance system. Since 2016, this has included a series of technical working groups jointly chaired by the LGA and MHCLG. The Fair Funding Review technical working group has been considering and advising on how the new needs and resources assessment may be undertaken. London Councils is represented on this group, which meets roughly every 6 weeks.

Aims, principles and timeline

10. The Government has stated that the aims of the Review are to:
 - **set new funding baselines** for local authorities in England, aiming for implementation in 2020/21;
 - **replace the current methodology** for determining funding baselines, which is considered out-of-date and complex;
 - design a new '**relative needs assessment**' methodology by considering factors that drive the costs of service delivery and how to put these together analytically into new funding formulas;
 - consider how to make a fair **adjustment for 'relative resources'** (e.g. council tax), and how to **transition to new allocations** quickly;
 - focus primarily on services currently funded through the settlement (rather than those outside of it, such as Public Health); and
 - be developed through close collaboration with local government.
11. The principles by which the Government will undertake the work of the review are:
 - **Simplicity** - an opportunity to identify the most important factors that drive need to spend in a way that is simple and practicable.

- **Transparency** – it should be straightforward for those affected by the relative needs assessment to understand local allocations so that they can hold their local representatives to account for the decisions that they make.
- **Contemporary** - using the most up-to-date data available and data that can be regularly updated at planned intervals.
- **Sustainability** - an evidence-based approach will be deployed to identify the factors which drive costs for local authorities today *and* in the future. The new funding formula must, as far as is practicable, anticipate future demand for services.
- **Robustness** - taking into account the best possible objective analysis; and
- **Stability** - the funding formula should support predictable, long-term funding allocations, including transitional arrangements and alignment with multi-year settlements.

12. To achieve these objectives, the Review will cover three broad work streams - the measurement of relative need, the treatment of relative resources, and the approach to transition to the new funding baselines.

13. The Government's overall timetable, working toward publication of final baselines in the 2020/21 Local Government Finance Settlement, is set out below.

Table 1 – Fair Funding Review timetable

Date	Milestone
March 2018	Technical consultation on relative need closes
Spring/Summer 2018	MHCLG issues series of technical papers on relative need, resources and transition
Summer 2018	Finalise overall structure and leading options for needs and resources assessments
Spring 2019	Finalise options for needs and resources
Summer 2019	Conclusion of detailed research project into Children's Services
Summer 2019	Indices of Deprivation data sets updated
December 2019	Provisional 2020/21 Local Government Finance Settlement
April 2020	75% retention scheme begins and with new funding baselines

14. This is an ambitious timetable with a lot of complex work to be completed in a relatively short period of time, including a detailed research project looking into what

drives the costs of children's services and the updating of the Indices of Deprivation by the summer of 2019.

15. The fact that the first time local authorities will see their proposed new funding baselines will not be until December 2019 in the provisional 2020/21 local government finance settlement – just four months before they are implemented – is a cause for concern as councils will have increasingly less certainty about funding allocations for medium terms financial plans. The Government has stated that it intends to introduce transitional arrangements that are fair, transparent and easily understood so that budgetary impacts can be accommodated. It is, therefore, likely that the first year of the new scheme will see heavily damped transition to the new funding baselines to reduce volatility.

Technical consultation on relative need

16. As part of the first work stream, in December, the Government published a detailed technical consultation specially looking at relative need with a deadline of 12 March.
17. The consultation sets out how the Government is planning to update its measurement of relative need across local government, identifying a preferred approach to simplifying the needs assessment by focussing on the most important cost drivers and reducing the number of formulae involved.
18. The approach put forward is to develop an overarching “foundation formula” that would include a small number of key cost drivers, such as population, deprivation, and rurality, adjusted for area costs, with a series of service-specific formulae for the major services that have more distinct cost drivers and require a more detailed approach. The consultation identifies these as: adult social care; children's services; highways maintenance and public transport; waste collection and disposal; fire and rescue; and legacy capital financing. It considers what the key cost drivers in each of these service areas are and whether any other service areas warrant their own specific formula.
19. The final part of the consultation looks at the different statistical and other techniques that could be used to calculate the relative weightings between these service specific formulae.

20. The Government plans to follow this consultation with a series of technical papers that will consider other aspects of the review, including topics such as:

- the **structure of formulae for service specific cost drivers** that may be included in the relative needs assessment;
- the **assessment of the relative resources** of local authorities, including how income from council tax will be taken into account; and
- **transitioning to the new funding distribution.**

London Councils' response and future work

21. London Councils broadly agrees with the overarching principles of the Review, and few would argue with the overall objective of balancing needs and resources in a manner that is as simple and transparent as possible. However, the means of delivering this will be much debated and will cover, as is clear from the current consultation, a lot of technical and extremely complex territory.

22. London Councils' response to the technical consultation is likely to focus on the importance of the key factors that best reflect the drivers of cost in the capital. In broad terms, these are that: London has high levels of relative deprivation; it costs more to deliver local services in the capital, because of its unique labour and property markets; and any formula should reflect the fact that London's population will continue to grow at twice the rate of the rest of the country over the next 20 years.

High levels of deprivation

23. Deprivation is the key driver of need in many demand-led services. Generally speaking, London has higher levels of relative deprivation than other areas, although this varies from borough to borough and, of course, within each borough. The response will seek to raise concerns that the higher costs of housing in London are not properly reflected in the current formulae (e.g. while average incomes in London are relatively high, average incomes after housing costs are below national average, with implications for rates of in-work poverty), and will call for any income-related data that may be used in the formula, such as the 2019 Indices of Deprivation, to reflect those higher housing costs.

Rapidly changing population

24. One of the principles set out for the Review for London is the “sustainability” principle. It is positive that the Government has set out the intention that “the new funding formula must, as far as is practicable, anticipate future demand for services”. London’s population has grown by 13% since 2010: over twice the rate of the rest of the country. It is forecast to continue to do so over the next 20 years. It is, therefore, vital that the new formulae (both the foundation formula and service-specific formulae) build in future growth through projections not static population figures. However, a caveat to this is that if projections are built into the formula they must be robust and account for “hard to count” areas better. London’s high levels of migration mean it has many of the most undercounted local authorities in the country.

Higher costs of delivering services

25. The response will also argue that any new formula must reflect an accurate and up to date Area Cost Adjustment. The current ACA reflects higher labour and business rates costs. Since 2013, when the current ACA was updated, London’s economy has grown faster than that of the rest of the country. It is, therefore, important that any new ACA continues to reflect the different costs of labour and property in the capital. London Councils will advocate the continuing of such an area cost adjustment, but that it should reflect the most up to date data as some of the data that underpin the current ACA is over 10 years old.

26. The response is likely to raise questions regarding the proposals for rurality as one of the key drivers within the overarching foundation formula. It will be important to avoid the potential to double count the impact of sparse areas that would also be reflected within deprivation measures and, potentially, an area cost adjustment.

27. It will also raise concerns about the hidden service areas that are not currently reflected in the funding formula, such as the additional costs of those with No Recourse to Public Funds (which costs £50 million per annum across London) and the disproportionate impact of Unaccompanied Asylum Seeking Children in the capital.

28. A further concern that will be raised is that the proposals do not include a separate formula for homelessness and temporary accommodation, which currently causes significant additional costs to London boroughs' general funds.

Next steps

29. London Councils' future lobbying, with regard to relative need, will focus on these key areas, which explain why differences in funding levels per head of population are the obvious outcome of a system designed to equalise local councils' ability to deliver the services their populations need.

30. London Councils will respond to the technical consultation by 12 March and will respond to the technical papers planned for publication between the spring and the summer.

31. The broader approach to lobbying, including the priorities for resource equalisation and transition, will be developed in the coming months. Discussions are planned with CELC and SLT towards the end of April, and a set of firm lines and approaches to the key issues in the Fair Funding Review will be in place for Leaders to consider and agree in June. It is also proposed that the Congress of Leaders and the Mayor agree a concerted London position on this at its meeting in July.

Recommendations

32. The Executive is asked to consider and comment on:

- the progress of Fair Funding Review; the direction of travel of London Councils' response to the technical consultation on relative need; and the planned future work programme.

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

None

Executive

Draft London Plan 2017 Consultation

1. Strategic planning in London is the shared responsibility of the Mayor of London and London's boroughs. The GLA produces the 'The London Plan' which is the strategic plan for London, setting out an economic, environmental, transport and social policy framework for development
2. Boroughs' local development documents have to be 'in general conformity' with the London Plan, and policies within the London Plan need to be taken into account when planning decisions are taken in any part of London.
3. The 2016 consolidation London Plan is still the adopted strategic plan for London. However, the 2017 Draft London Plan is now a material consideration (a matter that should be taken into account in deciding a planning application or on an appeal against a planning decision) in planning decisions and its policies will gain more weight in decision making as it moves through the process to full adoption (outlined below).
4. The 2017 Draft London Plan was published 29 November 2017. The period of consultation on the Plan (which the appended document is in response to) will run until 2nd March 2018. In autumn 2018, the draft plan will enter its Examination in Public stage (a public inquiry where an independent planning inspector will test the document to see if it meets the requirements of relevant legislation). The publication of the Plan is scheduled for autumn 2019.
5. Jules Pipe (Deputy Mayor for Planning, Regeneration & Skills) carried out consultation sessions at the Leaders' Committee meeting in December 2017 and in a private meeting of borough leaders in February 2018. These meetings have enabled Leaders to directly share perceptions of the draft Plan with the Deputy Mayor. The attached response incorporates many of these comments.
6. GLA officers have carried out consultation events in many areas of London, enabling feedback from the public and borough officers. London Councils has organised focused London Plan meetings with officer networks in all relevant policy areas, where key concerns and analysis of the draft Plan were shared, as well as pan London policy issues being identified.

7. The draft London Councils' response to the draft Plan has been assembled following engagement with officer networks and reflection on the discussions that Leaders have had with the Deputy Mayor, Jules Pipe. It has been shared with a range of members of the London Councils Executive with relevant portfolio and shadow portfolio responsibilities as detailed previously.

8. The consultation response will need to be submitted by the 2nd March 2018.

Recommendations and decisions:

The Executive is asked to discuss and offer any final guidance on the London Councils consultation response to the Draft London Plan 2017.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

► Draft London Plan 2017

► London Councils Consultation Response

1.0 Introduction to the London Councils response to the draft London Plan 2017

The draft London Plan 2017 sets out an ambitious vision to meet the challenges of continued population growth. The draft Plan is far more radical than previous iterations and its policies are more prescriptive. If the policies set out within the plan are implemented as currently set out, there will be significant changes to the way that the planning system functions in London.

London's boroughs broadly support the ambitions and direction of travel of the draft Plan. Boroughs are keen to work effectively with the Greater London Authority (GLA) to designate clear roles and responsibilities, especially around ensuring housing growth for a growing population and the provision of supporting infrastructure.

London Councils agrees that housing delivery is a key priority and that there is a need for collaboration with the GLA to ensure need is met. However, it is important that adequate mechanisms are in place so supporting physical and social infrastructure can be delivered alongside housing growth. It is also essential for the draft Plan to anticipate how London will accommodate new jobs over the long term timescales of the plan.

1.1 A more prescriptive approach to planning

Previous iterations of the London Plan have set strategic policies which boroughs have interpreted and fitted to local circumstance. Many policies set out in this draft Plan are more prescriptive and leave less room for local interpretation and decision making. Underpinning this approach is the significant rise in the pan-London housing target from 42,388 homes to 65,000. While boroughs support the ambition of higher housing delivery, housebuilders in London have been unable to achieve even the lower target and adequate levels of affordable housing have not been provided.

While the new approaches to providing affordable housing outlined here and recent supplementary planning guidance document are welcome (explored in greater detail below), we believe that the GLA should continue to work with boroughs to increase the delivery of genuinely affordable housing.

The Strategic Housing Market Assessment (SHMA) identifies that to meet housing need in London, 47% of new housing should be low cost rented. There is currently a large disconnect between the types of housing required and the housing tenures that are delivered. The GLA and boroughs need to

consider jointly how a greater amount of social and low cost rented units can be delivered in London to meet identified need.

Without significant national reform to increase land supply and diversify the housebuilders operating within the sector, it is unrealistic to expect that changes to policy within the London Plan alone will ensure that this higher target is achieved; London Councils believes that the GLA needs to work together with boroughs, housebuilders, housing associations and Government to ensure that not only is delivery maximised but that supporting infrastructure is also provided.

London's boroughs are already significantly under-resourced. Many of the proposed policies within the draft London Plan will increase the pressures, particularly on planning departments, which also struggle with acute skills shortages. For example, the new approaches to design and density will require the increased use of design reviews and the publication of design codes, which are resource intensive. The GLA can work with London Councils to consider how boroughs can be suitably resourced to meet and discharge additional responsibilities set out in the Draft Plan before imposing these requirements.

1.2 A reliance on the implementation of large scale infrastructure projects to achieve policy objectives

The ability to realise the proposed policies set out in the draft plan hinges on ensuring the delivery of large scale infrastructure projects such as Crossrail 2 (CR2) and the Bakerloo Line extension. These projects require a large proportion of national funding which has not yet been committed by Government. There is a risk that if these projects do not receive Government funding they will not go ahead and this will make elements of the Plan undeliverable.

These large scale infrastructure projects are also long term and there is a mismatch in the timescales between when project such as CR2 will be open to the public (2033) and when new targets for housing delivery and other key areas will have a strong weighting in planning decisions. Boroughs are united in their desire to see new large and small scale transport infrastructure implemented in London and there needs to be stronger alignment between London boroughs, the GLA, Transport for London and national Government on transport infrastructure with greater transparency.

1.3 Ensuring that appropriate social infrastructure is delivered alongside housing growth

The high housing targets set out mean that need for social infrastructure to support population growth is increasingly important. This will require increased financial investment. There is a worry that a reliance on smaller sites for housing will mean that the provision of social infrastructure via planning obligations may fall and it is important that the plan ensures that smaller sites provide adequate contributions. Boroughs are keen to work with the GLA to develop new models for the delivery of social infrastructure, such as schools, nurseries and community and healthcare facilities so that the needs of London's growing population are met.

There is also a need to balance the requirements for new housing with land for a myriad of other uses, including employment uses. Where appropriate, boroughs can work with the proposed policies and support mixed use developments including on strategic industrial land. The long term timescale of the

Plan means that the GLA and boroughs need to collaborate to ensure that policy is sufficiently flexible to accommodate future jobs. It is important that boroughs have flexibility in setting local policy on employment (especially on employment strategic industrial land) rather than this being determined by the Plan.

1.4 Increased pressure on borough resources

As already noted, many proposals within the London Plan increase pressure on borough resources. The Plan places additional burdens on boroughs such as the need to produce multiple design codes for their areas, increased use of design reviews and additional monitoring burdens. Borough planning departments are under significant resource pressure and the GLA should, it is argued, support boroughs to lobby for the additional 20% increase in planning application fees proposed in the Housing White Paper 2017 in order to help meet the additional burdens set out in the draft London Plan.

2.0 Executive Summary

This summary analyses key policy areas impacted by the draft Plan and sets out key asks of the GLA.

2.1 Housing

There is concern that the pan London and individual borough housing targets may well be overly ambitious given that housebuilders have not been able to build at a level to meet previous lower targets (23,230 homes were built in 2016/17). For this level of increase in development to be achieved, there would need to be a shift in the construction market to ensure increased activity from small developers, councils and housing associations. This will take a significant amount of time to realise. We therefore believe that the housing targets could be set in stages to reflect the time it will take for the market to adapt.

New policy sets an expectation that 38% of the overall annual housing target across London (24,573 units) will be delivered on small sites (defined as developments of up to 25 units on sites with an area of up to 0.25 hectares.) The majority of this delivery would take place in suburban areas with 71% of the small sites target being dispersed across outer London boroughs. The small sites policy includes a presumption in favour of development on small sites within 800m of a rail station or town centre boundary. This means that proposed developments will be granted planning permission unless their adverse impacts significantly and demonstrably outweigh their benefit.

The methodology set out in the Strategic Housing Land Availability Assessment (SHLAA) used to calculate small sites targets is opaque and has led to significant targets for some boroughs which are not, seemingly, based on previous development trends. There was very limited consultation on the modelling used to provide small sites targets for boroughs. Further consultation is necessary to establish realistic targets. The small sites target is also a crude device for leveraging delivery on this kind of land. Sites are often complex, but also can be opportunities for creative development which may not necessarily be purely based on the delivery of numbers of residential units (e.g. through innovation in design or mixed use development). Strict numerical targets could limit opportunities for other uses which would not be possible on other sites.

Planning applications for development on small sites are often as contentious and complex as those for larger ones. Significantly increasing development on small sites is therefore likely to further stretch the resources of planning departments. Policy further states that boroughs 'should be unable to refuse permission for small developments on the grounds of infrastructure capacity'. While it may be true that a single small site development may have little impact on existing infrastructure, the cumulative impact of many small developments will be substantial. It will be useful to consider how the infrastructure needs of these sorts of developments can be met, both for new residents and for the existing community.

There is general support for the approaches to delivering affordable housing set out in the Plan. Boroughs are generally supportive of the strategic aim to deliver 50% affordable housing and the new fast-track planning application approach (with no viability assessments required) for development schemes that provide 35% or more affordable housing in prescribed tenures on private land and 50% or more on public land.

However, with the SMHA identifying that 47% of new housing should be developed in low cost rental tenures to meet housing need in London, this mechanism alone will not provide sufficient affordable housing to meet need. Additionally, there are concerns that an overly prescriptive, blanket approach may not allow for sufficient variation according to different housing markets in different areas of London. It may be useful to, for example, allow public sector landowners to apply the 50% threshold over a suite of sites, which is the approach TfL have taken.

2.2 Infrastructure and environment

The draft Plan's focus on the delivery of major infrastructure projects such as CR2 and the Bakerloo Line extension. Delivering the policies in the draft Plan hinges on these projects being provided and acting as a catalyst for regeneration. However, Government funding has not yet been confirmed for these projects and it would be useful to consider how targets can be met should this funding not be forthcoming.

The draft Plan aims to reduce car use by linking new developments to areas with existing public transport infrastructure. This includes a presumption in favour of development on small sites which are within 800 meters of railway/underground stations, town centres or in an area with a Public Transport Accessibility Level (PTAL: a measure which rates locations by distance from frequent public transport services) of 3-6.

PTAL ratings are a crude tool and do not measure the capacity of existing stations to handle an increase in demand for services. Suburban rail stations are often poorly served by rail infrastructure with only 2-4 train services running per hour and have capacity issues at peak times. PTAL ratings do not differentiate between the regularity of services serving suburban rail stations compared to services for stations served by the underground. The GLA and TfL need to provide evidence that rail stations in outer boroughs have the capacity to take on a substantial increase in users before proposing significant

new levels of housebuilding around these areas. To better demonstrate connectivity, it may be a useful opportunity to refine PTAL to achieve more sophistication and, therefore, better targeted development.

New policy aims to limit the number of car parking spaces installed in new developments and to increase the proportion of cycle parking around new shops and homes. Given that levels of access to public transport infrastructure vary in each borough, London Councils believes that draft policy could provide more flexibility around the provision of car-parking and that local plans should be the key policy framework for addressing this issue.

The policy requirement to provide the infrastructure for electric vehicle charging is welcome. As is the introduction of the target for London to become zero carbon by 2050. The new detailed heating hierarchy for new developments will support the target of achieving at least 35% average on-site carbon emission reductions compared to the Building Regulations 2013. However, stronger policy on the London's circular economy and its ability to reduce the amount of waste that the City produces would be welcome.

2.3 Economic Development, Heritage and Culture

The draft Plan sets out a clear policy direction for economic development over the next twenty years. The focus on protecting and expanding office and industrial space in London is welcome. However, balancing the needs for employment and industrial land with land use for housing will be a core challenge. London Councils believes that the GLA needs to provide further clarity on how the retention and protection of industrial and employment land will be compatible with the increases in housing targets.

The plan's twenty year timeframe means that policy needs to be sufficiently flexible to accommodate the jobs of the future. Policy in the plan may be regarded as being too prescriptive in this regard and could limit the types of development proposals that can be accepted in strategic infrastructure locations. As mixed use residential development is considered acceptable in strategic industrial locations, it is possible that current industrial uses within these areas may be undermined. Policy within the draft Plan could give boroughs greater flexibility to select the types of development that are considered acceptable in individual strategic industrial locations.

The economic development policies in the draft Plan also put significant emphasis on boroughs undertaking new mapping and planning activity. For example, boroughs will have to map and define strategic infrastructure locations and monitor development inside them. This additional mapping and monitoring activity will place further increased pressure on borough resources.

It is welcome that there is a dedicated heritage and culture chapter in the plan which recognises the role that culture has in building communities, local economies and attracting talent. The establishment and promotion of Cultural Enterprise Zones (CEZ), cultural quarters and affordable artist workspace in the plan can be supported. However, further clarity on how CEZs can operate in areas without grant funding, as well as in respect of the mechanisms that boroughs can use to ensure there is affordable workspace for artists in areas through the planning system, would both be welcome.

2.4 Education

While the objectives of the education policies set out in the London Plan can be welcomed, some of the mechanisms are overly prescriptive. In respect of school places, the Plan does not need to prescribe that local authorities should '*identify and address local needs and any shortages in supply*', as they already do this as part of their statutory duty. It would be helpful for this policy to be clarified. Boroughs are supportive of the proposal that they should work sub-regionally and across borough boundaries where there is a shared need, and there are many current examples of boroughs coordinating in this way when planning school places.

London Councils does not support the proposal that every borough should identify sites for future schools in their local plans. Some local authorities already do this but it may not be appropriate for all boroughs due to different priorities for land. Competing pressures may also mean that prioritising education land for providing childcare on-site is not always the best approach to service quality. Creating new childcare provision within schools should be encouraged where there is need and space, but local authorities need the flexibility to determine what would be best for their local communities.

The Education Skills Funding Agency (ESFA) approves new free schools, often purchasing land. It does not necessarily consult with local authorities consistently through this process. It would be helpful if the Plan recognised this reality for the boroughs. Locating education facilities in areas of need is one of London Councils' central policy positions on school places planning and we welcome its inclusion in the Plan. Building new schools in areas where there is no demand for places can destabilise the school system, making some schools financially unviable.

2.5 Public Health

The draft policies in the plan are broadly welcome and boroughs, the NHS and the GLA can work closely together to form strategies to ensure that health and social care needs are met on both a local and wider London basis. London health and social care partners are now signatories to a Health and Care Devolution Memorandum of Understanding, which opens up the opportunity for London to go further and faster through closer integration of commissioning, regulation and workforce and to bring forward prevention responses and make decisions around surplus land use.

It is particularly welcome that the plan sets an objective that 10% of new housing should be wheelchair accessible. However, over the coming years the growth in people living with physical disabilities in London will rise at a faster rate than other regions in the UK. It is, therefore, important that this policy is monitored and there is scope to increase the percentage of new wheel chair accessible housing to meet needs into the future. A surplus of accessible housing will, of course, also help to ease the pressure on social care and health.

3.0 Analysis of Key Policies

3.1 Chapter 1: Planning London's Future (Good Growth Policies)

London's boroughs broadly support the direction of travel set out here and boroughs are keen to collaborate with the GLA to meet the objectives set out. However, London Councils identifies that these six underpinning policies could be adapted and improved to better meet the policy objectives of London boroughs.

Policy GG1 Building strong and inclusive communities

There is strong support for the principal of this overarching policy. However, the policy only mentions the pressing need to deliver more affordable housing within the supporting text. Given that the SMHA has identified that 47% of all homes should be low cost rented (i.e. socially rented), London Councils believe that the policy could be reworded to prioritise the delivery of affordable housing which is essential to building strong and inclusive communities.

Policy GG2 Making the best use of land

The aims of this policy has broad support from boroughs who are keen to explore intensifying land to create high-density, mixed use places wherever appropriate, and welcome the references to green infrastructure and urban greening in this context. However, it is important that boroughs retain the flexibility within this policy to protect and enhance the characters of certain neighbourhoods through local policy.

Policy GG3: Creating a healthy city

Creating a healthy City is essential to ensuring a sustainable future for London. Given that London's boroughs are responsible for 95 per cent of the capital's roads, they are key to delivering the Healthy Streets agenda in London. Boroughs are delivering on this objective already, installing green infrastructure, improving the accessibility of their streets, and encouraging cycling and walking.

Policy GG4 Delivering the homes Londoners need

This policy sets a strategic target of delivering 50% affordable housing, which is supported by boroughs. The wording around build out rates will facilitate boroughs, housebuilders and the GLA working together to ensure the faster delivery of housing. The Policy could go further to ensure that new housing deliver is linked to existing and planned public transport networks and to ensure that new residential development mitigates its impact on local environmental quality.

It is also important that this overarching policy recognises the need for social infrastructure to be provided alongside housing growth to meet the needs of London's growing population, as stated elsewhere.

Policy GG5 Growing a good economy

The objectives of this policy echo the aims and ambitions of London's boroughs, focusing on ensuring that town centres remain diverse spaces, increasing the provision of affordable housing and

workspaces, and improving infrastructure. This policy aims to conserve and enhance London's global economic competitiveness. Paragraph D could be amended to ensure that sufficient high-quality and affordable housing, as well as environmentally sustainable physical and social infrastructure (with a particularly emphasis on multifunctional green infrastructure) is provided to support growth.

As stated, the GLA should consider how these policies will work in unison. For example some boroughs may struggle to balance the need to increase housing supply with preserving affordable office and industrial space. This is particularly problematic in light of the continuing loss of valued office space under permitted development rights.

In other areas supporting the creation of pan-London infrastructure such as CR2 will impact on local ability to meet housing targets. This work must be underpinned by a programme of joint working with the GLA, as well as an understanding that boroughs should have the flexibility and freedom to meet the needs of residents.

Policy GG6 Increasing efficiency and resilience

This policy focuses on ensuring new developments are built and planned in a way that enables the city to deal with external threats, both environmental and social, and contribute toward making London a zero carbon city by 2055. London Councils supports the GLA's aim to contribute to the city's ability to withstand extreme weather events such as heatwaves and flooding due to climate change, whilst also improving its resilience to terrorism. However, with pressure on borough resources, it is important that National Government, the GLA, London's boroughs and other key stakeholders collaborate with boroughs to ensure that these aims are achieved.

The policy includes welcome support for the low carbon circular economy; this will become ever more important as London boroughs work to address sustainable economic growth and waste reduction targets by becoming more efficient.

3.2 Chapter 2: Spatial Development Patterns

The policies within this chapter can be mainly supported by boroughs. Opportunity areas, growth areas and housing zones are identified collaboratively with London's boroughs, which are keen to use these areas to carry out large scale regeneration and maximise the delivery of market and affordable housing.

Policy within this chapter demonstrates that the achievability of proposed policies set out in the London Plan hinges on ensuring the delivery of large scale infrastructure projects such as CR2 and the Bakerloo line extension. Concerns on deliverability should these projects be unfunded is expressed above.

Given the extent of London's expected population growth and its status as an economic hub which draws in commuters from surrounding areas, collaboration with the WSE is essential.

Policy SD1 Opportunity Areas

Boroughs are best placed to comment on specific Opportunity Areas. London Councils believes that Opportunity Areas are an effective tool in enabling regeneration. However, with further pressure on borough resources the GLA can work with boroughs to ensure that opportunity areas are adequately resourced with staff who are skilled in both planning for and enabling the delivery of large scale development

Policies SD2 Collaboration in the Wider South East and SD3 Growth Locations in the Wider South East and Beyond

These policies are focused on the relationship between the GLA and Wider South East (WSE) partners and not the key role that outer London boroughs already play in collaboration with local authorities adjacent to London. These relationships may become particularly important if the Government brings forwards its plans to introduce 'statements of common ground' to be written up between neighbouring local authorities on key planning issues. This policy should identify that the GLA, London boroughs and WSE authorities are equal partners in planning for and delivering infrastructure and housing if policies within the plan are to be met.

Policy SD8 Town Centres: Development Principles and Development Plan Documents

While the principals set out in this policy can be welcomed, it makes no reference to residential Permitted Development Rights which can enable commercial and other uses to be converted to residential use without a full planning process. These rights are having a harmful impact on available and affordable commercial space in London and can only be protected by Article 4 directions. It would be useful for the plan to allude to the impacts of these rights, and for the GLA to state that they will work with boroughs to ensure that impacts of Permitted Development Rights will be mitigated where possible. The GLA can also consider joining with boroughs to limit and reduce the impact and scope of Permitted Development Rights on office space..

The policy also encourages the redevelopment of retail and leisure parks to deliver housing intensification. While in many cases boroughs may find it beneficial to locate housing delivery in existing retail and leisure parks, it may not be suitable in all cases. The policy recognises that out-of-centre and edge-of-centre retail and leisure parks are often 'low density and car dependent' and locating housing in such locations is likely to increase car use. This prescriptive policy erodes boroughs ability to reject housing development in retail and leisure parks and the policy can be reworded to allow boroughs increased the flexibility to assess and identify suitable development sites for housing.

Policy SD10 Strategic and local regeneration

Boroughs support the aims of the policy and are working with local communities to identify areas suitable for regeneration. The Strategic Areas for Regeneration map is a useful addition to policy which boroughs can use to facilitate the selection of areas for regeneration. However, this map should not limit boroughs ability to select other areas for regeneration, particularly where new transport infrastructure is planned which can act as a catalyst.

Many boroughs have much experience in carrying out successful regeneration (including meaningful end to end consultation) and it would be useful for the GLA to work with boroughs and produce a best practice guide to local regeneration which highlights best practice and differentiates between local regeneration and the new 'Better homes for local people' best practice guide to estate regeneration. This policy of course does not sit alone and all the policies impacting estate regeneration should pull together to achieve the best result for all, including the communities in that area.

3.3 Chapter 3: Design

A significant shift in policy in this draft plan is an increase in focus on ensuring good design within the built environment. This approach will be welcomed by boroughs, who share the GLA's objective of ensuring good design. However, there are concerns that policies within this section may erode the ability of boroughs to protect and enhance the character of their neighbourhoods, especially to prevent high density development on small sites in suburban locations.

As already noted, policy within this chapter further proposes significant additional burdens for borough planning departments. For example, the design led approach to development management encourages boroughs to produce multiple design codes and increase the use of design reviews as well as carrying out more detailed monitoring of policy. The resources of borough planning departments are significantly stretched and further Government funding cuts will increase pressure. Producing design codes and the process of design review is also resource intensive, and the GLA could carry out an impact assessment which assesses boroughs ability to meet policy and add this to the evidence base.

Permitted Development Rights, which allow residential development to be delivered in certain circumstances without going through the full planning process, are having a harmful impact on the quality of design in boroughs. See SD8 for more on Permitted Development Rights.

Policy D1 London's form and characteristics

Boroughs are supportive of the principles set out in this policy. The promotion of active frontages in town centre locations can be particularly supported, as can a requirement for development to be street-based with clearly defined public and private environments.

However, this policy is potential contradictory as it states development should optimise density but also respond to the local context by delivering buildings and spaces that 'respond successfully to the identity and character of the locality.' Given the wording of policy H2 which states that local character will need to 'evolve over time and change in appropriate locations to accommodate additional housing provision' further explanation of the weight that should be given to local character in planning decisions will need to be detailed in the full Plan.

Policy D2 Delivering good design

All stakeholders can strongly support the principles of delivering good design. It is important however to note that design is subjective. The forthcoming codes should be flexible and fluid enough to support good design in a range of areas and not stifle creativity and new approaches, now and in the Plan's twenty year life. Additionally, this policy proposes significant additional burdens on borough plan making. Boroughs already carry out detailed analyses of neighbourhoods within their area. Capturing

all of the initial valuation requirements set out in the policy for each neighbourhood areas and keeping this information up to date will be resource intensive. Extra resource provided by the GLA, possibly in the form of an expanded centralised monitoring team that works with boroughs to capture required data, would be welcomed. This is in addition to asks already made in terms of design codes and resource.

The policy further proposes that boroughs should use the design review process in addition to the boroughs' planning and urban design officers and pre-application advice. While many boroughs already have effective design review processes, there will be resource implications for others. The recent GLA guidance on design reviews is welcome. However, where boroughs are successfully delivering high quality development without the use of the design review process, they should not be forced to undertake design reviews additionally. It would be useful for the GLA to work with boroughs to monitor the use of design codes and design reviews in London and continue to provide best practice guidance and additional resource to support planning departments (via Public Practice and other initiatives) where appropriate.

The policy advocates the use of 3D virtual reality and other interactive digital models to inform and engage Londoners in the planning process. The software and technology needed to provide such interactive models is very expensive, and borough planning departments cannot provide such technology themselves. London Councils advocates the use of such technology where is funded by developers.

Policy D3 Inclusive Design

London Councils is supportive of this policy. The focus on fire safety is particularly welcome as this is of paramount important to boroughs. Ensuring that an inclusive design statement is submitted as part of a planning application should facilitate the successful assessment of a development.

Policy D4 Housing quality and standards

The space and design standards set out in this policy are helpful. It is important that new development, including development that comes forward as part of office/retail to residential Permitted Development Rights, comply with these space standards.

Policy D5 Accessible Housing

While the overall aims of this policy are positive, the objective that only 10% of new housing should be wheelchair accessible may be too low. Over the coming years the growth in people living with physical disabilities in London will rise at a faster rate than other regions. It is therefore important that new housing developments meet the needs of London's growing population. As recognised in recent GLA guidance, in addition to the growth amongst people with physical disabilities, the number of older people and people with multiple complex long term conditions who may need accessible housing is also rising. This will impact on how much accessible housing that London needs.

Having a surplus of accessible housing will also help to ease the pressure on social care and health. Often delays in getting people out of hospital can be caused having to refurbish homes to make them accessible before people can be moved back. This can also result in people being moved out of their

homes in to residential home settings which are more costly and also can impact health and care outcomes.

Policy D6 Optimising housing density

London Councils agrees with many of the aims of this policy, and it is important, although having regard to the character of local areas, to increase housing density in London to meet needs. There are few other potential avenues for increasing supply. Diversifying measures of housing density by requiring housebuilders not just to examine units per hectare but also assess the number of habitable rooms per hectare in a development proposal will improve design and tenure mix of developments.

The policy requires housebuilders to provide a development management plan if a development is over proposed densities in different PTAL locations (110 units per hectare in PTAL areas 0-1, 240 Units per hectare in PTAL areas 2-3 and 405 units per hectares in PTAL areas 4-6). While this will give boroughs an element of control over the design of high density development, there is little detail about the types of information that need to be submitted with development management plans and further clarity is required.

There was broad support for the density matrix in boroughs (although it is conceded that many developments did not comply with density set out in the matrix) as it could be used to control proposals with inappropriately high/low densities. The density matrix is absent from the draft plan and the impacts of deleting it will need to be monitored by boroughs and the GLA and if there is a rise of harmful, very high density development it could be re-established in alterations.

The policy is also unclear about what constitutes optimal density on developments. It gives weight to the context of the site (with further detail set out in policy D1) but states that making the most efficient use of land will mean development at densities above those of the surrounding area on most sites. Boroughs agree that there is a need to densify areas, but such a strongly worded policy in developing at densities above those of the surrounding area will reduce their ability to reject harmful development that does not protect or enhance the character of neighbourhoods and insufficiently takes into account the characters of different areas.

The policy states that the density of development proposals should be based on, and linked to, the provision of future levels of planned infrastructure rather than existing levels. Given the lack of certainty around the Government funding and the delivery of large transport infrastructure such as CR2 and the Bakerloo line extension much development is likely to be contingent on the future provision of this infrastructure. As stated elsewhere this requires further thought and constitutes considerable risk to delivery of the Plan.

As policy in this plan dictates that much of the increase in development is to be focused on smaller sites in outer London Boroughs within 800m of a rail connection or a town centre. The draft policy states that development proposals must make the most efficient use of land and be developed at the optimum density. The optimum density of a development should result from a design-led approach to determine the capacity of the site. Boroughs accept that there is often a need to increase density in London to meet new housing targets; however the weight of local policy to protect and enhance neighbourhoods

will be eroded by this policy. Boroughs are also concerned optimising housing density may lead to difficulties in securing family sized units on development sites.

It is important that the GLA release supplementary planning guidance on design to provide further information on these policies and further outline the process of design led development in practice.

There are also concerns around the infrastructure element of this policy. The policy states that minor developments will only have incremental impacts on local infrastructure that should be addressed by borough infrastructure delivery plans and that boroughs should not normally refuse permission for smaller development 'on the grounds of infrastructure capacity'. Policy H2 small sites promotes the increased development of small sites of up to 25 units. The small housing targets accounts for 38% of London's overall housing target and represents over 70% of the target in some boroughs.

While small sites development may have an incremental impact on one off sites, the cumulative impact of many small developments will have a substantial impact on infrastructure. Developments of 10-25 units also have an impact on local infrastructure such as the need to plan for school places and healthcare facilities. In areas where it can be shown that the cumulative impact on small developments is having a harmful impact on local infrastructure capacity borough should have the ability to refuse planning permission or work with the GLA to find ways to ensure that the necessary infrastructure is provided.

Policy D7 Public Realm

London Councils is supportive of the Mayor's intention to publish a Public London Charter. This will set out the rights and responsibilities for the users, owners, and managers of public open spaces irrespective of land ownership. It is important to ensure that public spaces are inclusive, and open to all. London Councils would support the use of the charter to validate decisions around maintaining quality public realm spaces. The charter could particularly be used to enable boroughs to refuse planning applications for the provision of unnecessary street furniture, which can clutter open spaces and act as a deterrent to walking and cycling.

Boroughs are supportive of applications that improve the viability of open spaces, such as performance space and pocket parks, which can lower levels of childhood obesity and provide an alternative to traditional outdoor activities.

London Councils is also supportive of increasing the number of water fountains to reduce the increased waste from single-use plastic bottles. Boroughs should be encouraged to identify where water fountains can be provided within planning applications in areas such as shopping and town centres. The management and maintenance of any additional water facilities will require extra resources and the GLA can advise boroughs on how best this can be funded.

We welcome the mention of reducing air pollution through the installation of green infrastructure on new developments. Further air quality policies are outlined elsewhere in the draft plan and linking requirements for air quality in the public realm to other policies within this plan would be welcome.

Policy D8 Tall Buildings

It is welcome that boroughs are able to define tall buildings based on a local context. The heights will not only vary in different parts of London but also within boroughs so flexibility in local policy over definition is important.

The policy states that boroughs should identify on maps in development plans the locations where tall buildings will be an appropriate form of development in principle, and should indicate the general building heights that would be appropriate. This will require boroughs to undertake urban design analysis to identify locations suitable for tall buildings across their areas. This is another additional burden for boroughs which will have significant resource implications for boroughs at a time when resources are limited. This Plan could set less prescriptive policy around tall buildings indicating that such mapping work is not a requirement but rather advisory and subject to resources and need.

This policy of course operates in conjunction with many others which may have a bearing on building height (e.g. on densification). It is important these all work together, and are live to local considerations and needs.

Policy D9 Basement Development

It is welcome that the London Plan recognises that basement development is an issue and particularly relevant in inner boroughs with high land values. Boroughs are already taking their own approaches to basement developments and establishing policies and guidance to mitigate negative impacts.

Where appropriate, boroughs are also issuing article four directions to prevent Permitted Development Rights enabling basement development. London Councils supports the GLA's position that boroughs should have the ability to restrict large scale basement development where this type of development is likely to cause unacceptable harm and can support them in applying to the Secretary of State for Article 4 directions.

Policy D10 Safety, Security and resilience to emergency

Although generally supported, this policy does not address the question of who will fund protective measures in new developments. Boroughs planning departments have intense pressure on resources, and it is likely that such provisions will need to be provided by planning obligations on development. However, these can have an impact on the viability. The GLA should clarify how it expects safety and security provisions on development to be funded.

Policy D11 Fire Safety

It is welcome that this policy will require all major developments to be submitted with a Fire Statement (an independent fire strategy produced by a suitably qualified assessor). Fire safety is of paramount importance to boroughs and this policy is very welcome. However, the GLA needs to clarify and define the distinct roles of planning and of building control, and the relationship between them to best enhance public safety. Assessing fire safety will be a new role for development control officers and they may not have the correct expertise. Therefore, the GLA could also fund training for borough officers in order

for them to comprehend and assess the quality of fire statements that are submitted with major planning applications.

Policy D12 Agent of Change

The Agent of Change principle should also apply to other nuisances, such as smells and vibration. This is particularly relevant where housing development is granted permission close to waste or sewerage sites that do emit odour and may also have larger volumes of heavy goods traffic. London's current waste and sewerage sites may need to expand in the future, given population growth. Neighbouring development therefore needs to be mindful to these requirements and should not force them out due to heightened and or new local opposition.

Policy D13 Noise

The impact noise can have on people's wellbeing cannot be overlooked and London Councils supports the draft Plan noise policy. The shift to more sustainable modes of travel as well as electric vehicles could be a major contributor to noise reduction from traffic and policies that support this shift are welcomed.

However, we feel this could be a very difficult outcome to quantify so would welcome more information from the Mayor on how this might be done. It will require regular measurement of noise levels at designated quiet areas, which assumes a network of monitoring stations, currently unfunded.

London Councils supports the principle of good acoustic design and believes that this should include potential negative impacts of increasing take up of 'time of use tariffs' which could result in the greater use of more appliances at later times, such as at night, which can result in night noise for neighbouring properties.

London Councils agrees with the promotion of more quiet and tranquil spaces across London. As funding will be challenging, we want the Mayor to explore, through the Green Spaces Commission, the opportunities for innovative funding models.

3.4 Chapter 4: Housing

Boroughs are keen to work with the GLA to meet increased housing targets. The policy in this section is significantly more radical than previous versions of the London Plan and it will be challenging for London as a whole to meet the new housing targets. The total target for London is now for 65,000 new homes a year, a large increase from the existing London Plan target of 42,388. Delivery remained at around 23,000 homes per annum in 2016/17

The justification for the new 65,000 home target is based on a detailed analysis of potential housing capacity in London through the Strategic Housing Land Availability Assessment (SHLAA). There is a focus on increasing housing delivery in outer boroughs where targets have risen on average 97% from those set out in the previous London Plan (compared with just an average 4% increase for inner London boroughs, whose housing targets have been traditionally higher in previous plans).

In total, 61% of the overall housing target is distributed in outer boroughs with 39% being in inner boroughs. Much of this increase is based on the potential capacity of small sites (38% of the overall housing target). For this target to be met the GLA and boroughs need to focus on ensuring that an adequate number of skilled construction workers are operating in London and that innovative models of delivery such as modular housing are embraced.

While boroughs welcome the ambition, they are concerned about the reality of meeting these targets, especially as lower previous targets haven't been met. A fundamental shift in the construction market is required for this target to be met with small developers, boroughs and housing associations all contributing significantly higher levels of housebuilding than they are currently. In the best case scenario this alteration to construction target will take a number of years, and it will be difficult for many boroughs to meet new increased housing targets by 2020.

Policy H1 Increasing housing supply

This important policy has increased the housing target in London from target from 42,388 homes to 65,000 per annum for boroughs. The justification for this target increase is the objective to meet London's housing need within its borders. This aim is supported by boroughs who want to see a significant increase in market and affordable housing delivery across London.

The location of where new housing growth is to be located has also undergone a significant shift in this iteration of the London Plan. Housing targets for outer London boroughs now represent 61% of the overall target, having represented just 47% of the overall target in the previous plan. Outer boroughs are keen to work with the GLA to ensure that this higher target is met; especially as such a transition will require new and innovative models of delivery to enable a sustainable increase in housing density in suburban areas and ensure that appropriate levels of new social infrastructure are provided. However, there is significant concern from outer boroughs that they were not fully consulted on how such targets were set and that the evidence and methodology that has been used is not transparent.

The policy states that boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites with existing or planned PTAL levels 3-6 or within 800 meters of Tube/Rail station or town centre boundary. While boroughs believe that increasing housing density around transport nodes is the correct option for housing growth in London, there are concerns around the capacity of suburban infrastructure to handle such levels of growth.

PTAL ratings are a crude tool and do not measure the capacity of existing stations to handle an increase in demand for services caused by new house building. Suburban rail stations are often poorly served by rail infrastructure with trains at 2-4 per hour and running at full capacity at peak times. PTAL ratings do not differentiate between the regularity of services serving suburban rail stations and the regularity of services for underground railway stations which are well served. The GLA and TFL can collaborate to provide evidence that rail stations in outer boroughs have the capacity to handle a significant increase in passengers.

Boroughs also have concerns that this is strongly worded policy and will erode boroughs ability to resist inappropriate conversions of units and high density development in areas of diverse character which surround transport hubs and town centres. While boroughs agree that many of these areas are suitable

for development, existing local policies will be superseded by this policy and this will impact upon boroughs ability to be able to protect and enhance the character of neighbourhoods

The conversion of single larger units into multiple smaller is encouraged by the policy and there are concerns that this will minimise the stock of family sized units in London. While it is important that housing supply is increased, it must not come at the detriment of much needed family sized units. Policy within this plan also restricts boroughs being able to set prescriptive policies on the sizes of market units and this will further erode family size housing stock. Boroughs and the GLA should work together to monitor housing stock in areas and have the ability to refuse conversions in areas where there is high demand for larger units.

Policy H2 Small Sites

This policy aims to significantly increase the supply of housing in London on small sites. Small sites are defined as developments of 25 units or below on sites with an area of 0.25 hectares or below. The draft plan has introduced targets for development on small sites in London. The target for small site development has been derived from the SHLAA. The SHLAA is meant to be a collaborative process between boroughs and the GLA. However, boroughs are very concerned that there was very limited collaboration in assessing the capacity of small sites within the SHLAA and that the methodology is based solely on modelling (rather than borough-led data input on available site and development trends).

This modelling has led to an expectation that 38% of the overall annual housing target will be delivered on small sites. The modelling is based on an assumption that 1% of the existing stock of houses will increase in density in areas which benefit from PTALs 3 to 6 or are within 800m of a tube station, rail station or town centre boundary. This assumption does not appear to be based on site data and development trends. The GLA needs to be transparent with boroughs over the justification for this assumption.

This 24,600 target per annum is also not divided equally across London and outer boroughs are expected to deliver 68% the total small sites targets. Some outer boroughs have small sites targets which are over 70% of their total housing target. This is a new approach to development and will be based around mainly residential conversions, extensions, demolition and rebuild of properties to achieve this target and a presumption in favour of development will apply on small sites with PTAL 3-6 or within 800m of a tube/rail station or town centre.

Boroughs have significant concerns about this small sites policy. The policy will erode boroughs' ability to reject inappropriate development on small sites due to the presumption in favour of development. While boroughs agree that there is capacity to increase development on small sites, this encompassing approach with very high targets will enable the loss of family sized housing stock in London. While this will increase the number of units built, it will work against the objective creating mixed and balanced communities.

Small sites also typically yield fewer contributions toward infrastructure and affordable housing than large sites. The Plan encourages the provision of a monetary contribution for affordable housing in lieu for sites under 10 units instead of on site provision and with a smaller development area CIL levels are

also lower. If the level of small development increases to meet the targets set out in the Plan, the cumulative impact of small developments will place a large burden on social infrastructure and significantly more will need to be provided. The GLA can work with boroughs to guarantee that policy mechanisms are in place which ensure that boroughs are able to secure appropriate levels of social infrastructure and affordable housing from small sites development.

The policy also applies a presumption in favour of infill development within the curtilage of houses within areas with a PTAL rating of 3-6 or within 800 meters from a town centre or rail infrastructure. Boroughs have concerns that over development in the curtilage of dwellings within these areas will lead to the unacceptable loss of green space and gardens. Conversely, policy G4 of the draft Plan aims to aim to protect and enhance small open spaces including gardens. The full London Plan needs to better clarify the policy position on development in the curtilage dwellings which are in close proximity to transport nodes and town centres, and proposed future GLA design guidance can make clear what kind of development is acceptable in these areas.

Policy H3 Monitoring Housing Targets

It is welcome that proposed policies states that progress towards meeting housing targets will not be measured on completions alone but will take into account the net pipeline of approved homes. Boroughs are not major developers, and the main contribution they make towards meeting housing targets is ensuring that planning permission is granted for appropriate developments. Boroughs and the GLA can collaborate to ensure a bespoke London solution to the proposed national housing delivery test, which ensures that boroughs aren't unfairly penalised for housebuilders' failure to build out granted planning permissions.

While many boroughs believe that the small sites targets are unachievable and have concerns about the methodology used to calculate them, the recognition that 'contributions towards small site targets are likely to increase over time' is welcome. The construction market (especially the number of smaller developers) will take time to adjust to new pan-London policy which encourages development on small sites and it is likely that it will take a number of years before high targets in some boroughs can be met. Boroughs are keen to continue to work with the GLA's small sites, small developers program to ensure the delivery of housing on small borough owned sites.

Policy H4 Meanwhile use

Meanwhile use sites can significantly increase the delivery of housing in the short term (before the permanent development of a site) and it is welcome that the draft Plan recognises this and encourages development. London Councils agrees that meanwhile sites can be particularly suitable for precision manufactured development and modular housing, especially for use in affordable tenures.

A key barrier that prevents the delivery of modular housing on meanwhile use sites is novelty within the planning system. Boroughs, London Councils and the GLA can work together to provide best practice planning guidance for modular developments on meanwhile use sites. This guidance could focus on ensuring that the product granted temporary planning permission is policy compliant, of a high quality and appropriate for its location. The temporary permission or the meanwhile use itself must also not act as a barrier for the permanent development of the site and returning the land to the original purpose.

Policy H5 Delivering affordable housing

London's boroughs are supportive of the ambitious strategic target for 50% of new housing delivered across London to be affordable. As previously stated in the London Councils response to the Mayor's recent Affordable Housing and Viability Supplementary Planning Guidance, there is broad support across London for the threshold approach to securing affordable housing and policy around encouraging the use of grant to secure further affordable housing. While the threshold approach to securing affordable housing may mean that some individual privately owned sites may not secure the maximum level of affordable housing, the approach is likely to increase provision across the board and delivery will be speeded up.

There is concern from some boroughs that a requirement for them to deliver 50% affordable housing across their land portfolio may hinder development schemes in their pipeline. This policy can be clarified to make clear whether this portfolio approach to affordable housing provision development will apply to development carried out by housing companies which are owned by London's boroughs and on joint venture sites.

This is a particular concern on estate regeneration sites that there is contradictory policy between this policy and policy H10. Policy H10 sets less demanding targets for estate regeneration stating that where loss of existing affordable housing is proposed this should generally involve uplift in affordable housing provision (referring to demolition and replacement). The policy further indicates that the delivery of additional affordable housing should be maximised.

London Councils believes that estate regeneration schemes should be assessed on the basis of policy H10 rather than policy H5 and this should be made clear in each of the policies. When considering individual estate regeneration schemes or larger regeneration programmes on public land, it may not be possible in each case to deliver 50% affordable housing. What can be achieved will depend on the tenure of existing homes on the site, and whether they need to be replaced or refurbished. The GLA should clarify this position in the published plan and link the Plan to guidance in the Good practice guide to estate regeneration document, currently out for consultation. London Councils will be responding separately to the proposals set out in that document.

The SHMA identifies that to meet housing need in London, 65% of the housing delivered in London needs to be in affordable tenures and that 47% housing should be low cost rented. There is currently a disconnect between the types of affordable housing that are required and the tenures that affordable units are being delivered in. The GLA and boroughs need to jointly consider how a greater amount of social and low cost rented units can be delivered.

Policy H6 Threshold Approach to Planning Applications

London Councils supports the GLA's aim to increase certainty to developers and boroughs and to speed up development by proposing a threshold approach to viability. This new route for viability would work by limiting the viability information that applicants need to provide if they deliver at least 35% affordable housing in prescribed tenures as part of their developments. Limiting the need for a viability assessment when this benchmark is met will make the development process speedier and less complex.

High land values in some boroughs will make it difficult to incentivise applicants to use the threshold approach to viability in the short term. Instead it is likely that the majority of applicants will choose to submit full viability assessments. It could be useful for the GLA to set out an impact assessment which provides information to justify a pan London 35% threshold figure and provides an estimated number of future applications which will use this approach across London.

As stated in the response to policy H5, there is concern from some boroughs that a requirement for them to provide 50% affordable housing to qualify for the fast track application process may hinder development schemes in their pipeline. While boroughs agree that affordable housing should be maximised on public land, this policy can be clarified to make clear whether this portfolio approach to affordable housing provision development will apply to development carried out by housing companies which are owned by London's boroughs and on joint venture sites.

Policy H7 Affordable housing tenure

This policy offers a more prescriptive approach to securing affordable housing tenure than has previously been set out in London Plans. To achieve the threshold approach to fast-track planning applications where a 35% threshold of affordable housing is met on site, developers must provide affordable housing in the following tenures: 30% low cost rented housing, 30% shared ownership housing and the remaining 40% of the affordable housing contribution will be of the boroughs choice.

Boroughs are generally supportive of the threshold approach to securing affordable housing and the tenure split. However, Given the SHMA view that 47 per cent of all homes should be low cost rented, the affordable housing targets could be reconfigured to focus more on delivering low cost rental housing (which includes socially rented housing) into the future.

London Living Rent is a complex product with uses ward level analysis of incomes and property values to calculate rental discount. The Mayor has published benchmark London living rent values for every ward in London. Ward level boundaries are arbitrary in terms of incomes and property values and this can create biases in locations where two neighbouring wards may be recognizable as a single neighbourhood. Ward level analysis also means that relatively high incomes are needed to pay for London Living Rent levels in parts of London. However, it is accepted that there is no methodology for setting rents which is not flawed and the aims of London Living Rent as an affordable product which can support home ownership in the long term can be welcomed by boroughs.

It is important that London Living Rent and shared ownership products provided by the Mayor work in collaboration with borough intermediate housing waiting lists. As identified in the consultation document, these affordable housing products should be available to households earning under £60,000. However, this eligibility should not detract from borough waiting lists that prioritise households which qualify for intermediate housing.

Shared ownership products also require high incomes in areas of London where house prices are high and may not be suitable in meeting the needs of the majority of households on waiting lists. The Mayor's Supplementary Planning Guidance (SPG) on Affordable Housing and Viability recognises that shared ownership may not be appropriate where capital values of homes exceed £600,000, but this recognition is absent from the new London Plan.

Policy in the plan states that boroughs can set their own eligibility/income cap criteria for shared ownership products, but goes out to say that these should be released to the London-wide eligibility criteria after a 3-month period, and should not apply to resales and relets. This policy is prescriptive, and boroughs could be given flexibility to set caps and criteria for affordable housing and that pan London policy should only be applied where GLA funding for affordable housing is provided.

Policy H8 Monitoring affordable housing

Boroughs often record data on affordable housing delivery through annual monitoring reports and will continue to do so, meeting the criteria set out in this draft policy.

Lack of available land for affordable housing development in boroughs and restrictions around the ability to combine monetary contributions in lieu with grant and right to buy receipts mean that boroughs can struggle to spend affordable housing contributions. The GLA can work with boroughs and registered providers in order to establish how these in lieu monetary contributions can best be spent to maximise the supply of affordable housing.

Policy H9 Vacant Building Credit

London Councils supports the GLA's position on vacant building credit in London and agrees that its use would only be acceptable in very limited circumstances.

Policy H10 Redevelopment of existing housing and estate regeneration

London Councils will be responding separately to the consultation on 'Better Homes for Local People' the GLAs good practice guide to estate regeneration.

Estate Regeneration is an essential component of meeting housing need. It is a complex process and each development must take account of specific circumstances. These can include factors such as the needs for local infrastructure, appropriate tenure mix and unit size, appropriate intensification, place making, viability and the ability to link developments to other opportunities in the surrounding area. Development must take place in a way which is collaborative and meaningful with tenants and communities. Genuine engagement and co design should happen through the process. Appropriate methods of ensuring this collaboration will vary from site to site and good practice examples from boroughs can helpfully be recorded by the Mayor. It is important to embed co design and engagement from start to finish rather than relying on a tick box or binary approach.

The goal of regeneration should always be more and better quality affordable housing. Achieving this is bespoke to particular areas, therefore tenants should not necessarily be given a one size fits all approach to fit across the whole of London. This provision of affordable housing on estate regeneration schemes should be a matter for local policies, collaboration and decision making in each borough.

Policy H11 Ensuring the best use of stock

London Councils is supportive of this policy and agree that the number of vacant dwellings in London should be reduced where possible. Boroughs are already using all the tools at their disposal such as

increased rates of council tax, grant and loan schemes, all the way through to Empty Dwelling Management Orders where appropriate to bring empty homes back in into use and will continue to do so. The GLA recent research into overseas investors in London's new build housing market estimated that the propensity to leave homes empty or under-used in some way is greater among properties of higher values, in small prime areas of London. The GLA and boroughs that contain areas of high value property can work together to alleviate issues to do with overseas investors leaving properties empty.

London Councils agrees that the use of dwellings as short-term holiday rentals can have a detrimental impact on the supply of homes. The GLA can work with boroughs and the providers of short-term holiday lets online platforms (such as Airbnb) to ensure that users are properly policed and not letting homes for more than 90 days.

Policy H12 Housing Size Mix

London Councils are concerned that the high housing targets and policy focus on the conversion of units on small sites will erode the stock of larger family sized units in London. The SHMA identifies that 45% of annual housing need in London is for units that are two bedrooms and above and that 40% of affordable housing need (for intermediate and low cost rental products) is for units of 2 bedrooms and above. Ensuring that an appropriate mix of housing sizes is delivered across boroughs is essential to delivering mixed and inclusive communities. London Councils is supportive of the delivery of all unit types and recognises that the conversion of larger dwellings into smaller units is appropriate in some locations. However, it is important that boroughs and the GLA monitor housing stock, particularly on smaller sites in outer boroughs to ensure that there is not a harmful overall impact.

The policy states that boroughs should not set prescriptive dwelling size mix requirement (in terms of number of bedrooms) for market and intermediate homes. This wording may weaken the ability of boroughs' to protect and enhance the character of certain neighbourhood and is likely to lead to smaller units being delivered. London Councils believes that the policy recognise evidence produced in local strategic housing market assessment and that the provision of homes of different sizes should be informed by local circumstances. In particular, there is a need to retain and deliver family sized units for use as temporary accommodation as anecdotal evidence from boroughs suggests that the most common need for new homeless households is for 2 to 3 bedroom units.

Policy H13: Build to Rent

London Councils is broadly supportive of the build to rent policy. Build to rent homes can play an important role in creating the mixed communities needed to alleviate London's housing crisis. Build to rent can also create additional affordable housing in London, and due to rental market absorption rates can be delivered faster than traditional market housing. However, alterations to the policy could improve it to better reflect borough priorities.

The definition of build to rent is prescriptive. The policy identifies that developments of only 50 units and above will qualify as build to rent and that developments that are below 50 units should be treated as build for sale. The policy could be amended to allow some flexibility for smaller rental schemes which still meet all the other criteria in the build to rent definition set out in the policy.

London Councils is particularly supportive of the build to rent approach to fast track applications set out in this document. The provision of 35% or more affordable housing on build to rent schemes is welcome. However, proposes that 30% affordable housing will take the form of London Living Rent units and just 5% will be in other tenures. On suitable development schemes boroughs could be given more flexibility to negotiate the provision of other affordable housing tenures with lower levels of rent where this better meets local need. However, it is appreciated that this is a new tenure and the GLA's aim is to increase certainty to ensure that a pipeline of build to rent homes is delivered.

The policy also does not provide any guidance on nominations. As the management of both market and affordable units will be carried out by the developer (or a contractor hired by them) it is understandable that they will want control over which tenants they let properties to. However, the GLA can support boroughs which have published intermediate housing waiting lists to have greater control over nominations rights for the discounted market rent units provided as part of a scheme.

London Councils supports the placing of covenants on build to rent development to ensure that they remain in single ownership and that units cannot be sold in a certain time period. With the understanding that this is a new market for London, London Councils believes that a 15 year covenant period should be a transitional arrangement and there is scope to extend this to 20 or 25 years when the market has further matured.

A clawback mechanism that works for boroughs is important and individual boroughs will add their own specific comments on this point. However, it is important that the affordable housing element on build to rent developments is in perpetuity be it through retained on site provision of units or financial contributions.

Built to rent in this form is a relatively new tenure in London. It may be useful to consider lessons learned in other countries (in particular about the delivery of affordable supply). Additionally while London Councils is supportive of the tenure, there can be specific design challenges that we should endeavour to fully understand and ameliorate if appropriate – for example the difficulties of providing dual aspect supply in this kind of development.

Policy H14: Supported and specialised accommodation

Supported housing plays a crucial role in assisting Londoners with wide-ranging and often complex needs, including mental health support, shelter for homeless households, elderly care and refuge for survivors of domestic violence. Around 28,000 units of supported housing are owned by Registered Providers in London. However, there is a trend towards the decommissioning of schemes that is eroding London's stock. There is an urgent need to ensure both sufficient funding for the current stock, and to give providers the confidence to deliver new schemes.

It is welcome that the Plan recognises that boroughs are the best placed to undertake assessments of the short and long term needs for supported and specialised accommodation in their areas. Under national policy local authorities will have to carry out a supported housing needs assessment for their area and produce a 5-year strategic plan.

It is important that the assessment and audit that the borough does must be informed by statutory partners such as the NHS to help inform the building of the evidence based. Policy within the London Plan can encourage statutory partners to work with local authorities to build the evidence.

Policy H15 Specialist older persons

This policy rightly identifies that London is facing a large increase in the number of older people and therefore it is critical that the housing available is responsive to the varied needs of an aging population. Ensuring that the right specialist older persons housing is in place will also help to ease the pressures in the NHS helping to address the delays in transfers of care - social care delays are often attributed to the failure to find the right care home for an older person leaving hospital.

Due to the wide discrepancy in land costs across London, it has become increasingly unviable for the private sector to develop residential homes in the inner London boroughs. The trend has been that the outer London boroughs now host the majority of specialist older persons housing while there is a dearth of supply in inner London boroughs.

While the onus is on boroughs to plan, audit and manage the local care market, this will be difficult for some areas due to the lack of resource and the private sector will not be encouraged to invest in this particular sector. The GLA can outline how it plans to work with boroughs and intervene in the market to ensure that sufficient older persons housing is provided in each London borough.

Policy H16 Gypsy and Traveller Accommodation

The majority of London's boroughs are already planning to meet the identified need for permanent gypsy and traveller pitches in line with national policy. There are concerns that the prescriptive policy set out is not consistent with national requirements. The definition set out in the London Plan includes 'those who have ceased to travel permanently' and 'those who have a cultural preference not to live in bricks and mortar accommodation'

The inclusion of 'those who have ceased to travel permanently' in the GLA definition of Gypsy and Travellers is contradicts the national definition provided in the Planning Policy for Traveller Sites which was amended in 2015 to exclude this group.

The inclusion 'those who have a cultural preference not to live in bricks and mortar accommodation' is of concern. 'Preference' is not currently considered to be an aspect of housing need for any group in national policy, and its inclusion could have far-reaching implications for boroughs. There are many other groups, including other groups who have protected characteristics in terms of the Equality Act 2010, who would have some justification for claiming a preference for a particular housing type.

The London Plan's proposed definition would be likely to lead to a significant increase in the assessed need for pitches. The effect of the definition would be that any individual or household could state a cultural preference not to live in bricks and mortar accommodation, and boroughs would need to plan to meet that preference. This would create expectations that simply cannot be met in terms of site availability and cost for boroughs. The Mayor's estimate that there are 30,000 gypsies and travellers in London contrasts markedly with the 2011 Census count of 8,196 usual residents who identified as gypsies or Irish travellers.

London Councils believes that the GLA should collaborate with boroughs to carry out a new pan-London assessment of pitch needs on the basis of the national definition of gypsies and travellers. The Mayor can also provide guidance on how needs can be met on a pan-London basis. This could include making suitable GLA land available for pitches and providing grant to boroughs to make land available where required.

Policy H17 Purpose built student accommodation

London Councils supports the aim of this new policy to deliver student accommodation which contributes to mixed and balanced communities in London. It is also welcome that the Plan is taking a to threshold approach to student housing applications, ensuring that detailed viability information is required for schemes not providing at least a 35% affordable student accommodation.

London Councils agrees with the principal that the use of such accommodation should be only for students and linked to one or more specified high educational institutions. The policy states that if an application is not secured specifically for students, or linked to a higher education facility then 'it should not be considered as purpose-built student accommodation or meeting a need for purpose-built student accommodation' but instead be considered as an application for large-scale purpose-built development as set out in policy H18. While London councils agrees that student accommodation should be linked to education establishments, the demand for student accommodation is very high across London and the impacts of this policy on the availability of student accommodation will need to be monitored and altered if there is harmful effect on development.

Policy H18 Large-Scale purpose-built shared living

London Councils is supportive of the Mayor's position that large-scale purpose-built shared living development should be considered as Sui Generis in the planning system. Individual boroughs should make decision whether this type of development is appropriate within their areas and whether it can play a role in meeting housing need.

The criteria for large-scale purpose-built developments set out in the policy are clear and can be welcomed by boroughs. It is important that these units cannot be considered a self-contained and that facilities and services provided in the development are genuinely shared between residents. It is also important that relevant space standards for these types of units are met.

London Councils is supportive of the proposal that this type of development should deliver cash in lieu contribution towards conventional use class C3 affordable housing. London Councils believes that upfront cash in lieu payment should be required in the majority of cases and that in perpetuity annual payments should only be used where developers can prove this is the only viable method of payment.

3.5 Chapter 5: Social Infrastructure

London's growing population means that the provision of new social infrastructure, such as schools and healthcare facilities, is increasingly important. Boroughs are already setting out needs assessments of social infrastructure in development plans but providing adequate social infrastructure will require increased financial investment. There is a need to ensure that contributions from new development

provide adequate social infrastructure and a focus on small development sites may impact on finances and land available to do so.

Boroughs are keen to work with the GLA to develop new models for the delivery of social infrastructure to ensure that the needs of London's growing population are met.

Policy S2: Health and social care facilities

This policy should state that health and social care facilities rents, including in private developments, should be provided at affordable levels, as without this their long term provision is in doubt. Health and social care provision also needs to be factored into the balance of what should be (and can be) delivered through planning obligations.

London Councils supports the principle of colocation of health facilities, although it is complex to make this happen in practice because of the different funding and decision making structures/arrangements of different providers/organisations.

Criterion A - Boroughs should work with their CCGs to understand the implications of lease expiry on primary care premises leased from the commercial centre, as well as impacts on the primary care estate of retiring single-handed practices where the GP owns the premises.

Criterion A (5) - Welcome shared use of infrastructure assets, although this may be problematic in practice. For example, some boroughs' experience has been that as the NHS reimburses GP practice rent, but it will not reimburse rent for other health uses, such as community healthcare, commissioned by the CCG. With GP practices unable to take on the risk associated with a lease, this is a significant barrier to sensible co-location of services.

Lastly, the London Estates Board provides a vital opportunity to improve partnership working with the wider public estate in London. Central to the success of the new approach will be the ability to engage with all boroughs on plans which affect their residents and their local systems. London Councils will work with partners in the NHS to ensure that boroughs have an equal and influential role in the work of the LEB going forward and welcome the Mayor's support in this.

Policy S3 Education and childcare facilities

The London Plan does not need to prescribe that local authorities should '*identify and address local needs and any shortages in supply*', as they already do this as part of their statutory duty on places planning. It would be helpful to clarify this role in the Plan. However, the London boroughs support the proposal that they should work sub-regionally and across borough boundaries, where there is a shared need, and there are many current examples of boroughs coordinating in this way when planning places.

London Councils does not support the proposal that every borough should identify sites for future schools in their local plans. Some local authorities already do this but it may not be appropriate for all boroughs due to different priorities for land.

Competing pressures may also mean that local authorities may not want to prioritise education land for providing childcare on-site. London struggles with scarcity of adequate sites for schools; therefore some primary schools may not be able to fit a nursery class on to a small site. Equally, the new early years funding formula does not make it financially viable for some schools to create new nurseries on-site. Creating new childcare provision within schools should be encouraged where there is need, space and appropriate funding levels, but local authorities need the flexibility to determine what would be best for their local communities.

Local authorities do not have much influence over the development of new primary schools in the current system. The Education Skills Funding Agency (ESFA) approves new free schools, often purchasing land, and does not consult with local authorities consistently throughout this process. It would be helpful if the London Plan recognised this reality for the boroughs, as many of the policies set out in this section are more directly related to the ESFA's role. This is particularly the case for the points in B relating to quality, as many boroughs have significant concerns about the quality of some new schools approved by the ESFA.

Locating education facilities in areas of need is one of London Councils' central policy positions on school places planning and London Councils welcomes its inclusion in the London Plan. Building new schools in areas where there is no demand for places can destabilise the school system, making some schools financially unviable.

London Councils supports the proposals set out under B as a framework for developers to take into account when planning a new school, and to ensure that developers put quality at the forefront of new school developments. However, we would support the addition of a caveat that it may not be possible to meet each of these criteria in every case due to site and time restrictions.

London Councils believes that the following should be added to the list set out under B:

- Ensure that quality is built in to every new school development.
- Aim for all new secondary schools to be at least 6 Forms of Entry, where appropriate for the local context. Smaller schools risk compromising the curriculum offer and can make schools financially unviable.
- Design new provision to be as flexible as possible to accommodate different teaching methods and potential changes in demand for places.

It is helpful that the London Plan recognises the need for additional childcare and provision for Special Educational Needs and Disabilities (SEND) pupils, as this is where the London boroughs are now feeling significant additional pressure, as well as rising demand at secondary level in the majority of London boroughs. Some councils are still experiencing rising demand at primary level as well. It is important that the London Plan recognises this context.

The London Plan's data on need for school places is taken from 2015, and therefore does not reflect the current places challenge for the capital. London Councils' analysis from September 2017 from *Do the Maths* predicts that 63,710 places will be needed in London by 2022, which equates to 27,376

places at primary and 36,335 at secondary. We estimate that London will need the equivalent of 72 new secondary schools between 2017-2023.

It is important that the London Atlas be updated if it is to be a useful tool in terms of school places planning. The latest performance data on the site is from 2015.

Policy S4: Play and informal recreation

This policy is unnecessarily prescriptive. The Mayor has no statutory duties in relation to play, yet proposes to ensure that all boroughs undertake audits and produce strategies on play. Many boroughs already undertake strategies and audits, but for many others this will be an additional burden at a time of considerable financial constraint.

Policy S5: Sports and recreation facilities

The objectives of this policy can be supported but there is concern that a lack of resources may hinder them from carrying out regular assessments of sports and recreation facilities in their area. The Plan must specify what is meant by “regular” assessments of sports and recreation facilities and highlight how the Mayor intends to support boroughs in undertaking regular assessments

The Mayor could benefit from highlighting the work being undertaken by boroughs and offer a means to support the boroughs in undertaking or updating similar strategies, as a means to incorporate the London Plan in to each borough’s Local Plan.

3.6 Chapter 6: Economy

The focus of this chapter on protecting and growing office and industrial spaces in London is welcome and reflects boroughs’ aspirations. It goes much further than previous plans in clearly stating the importance of employment spaces and explicitly addressing their loss. However, further clarity is required on how boroughs can balance the need to provide land for employment and residential uses. Policy within this chapter also places significant additional burdens on boroughs in the plan making process.

A focus on intensification of town centre spaces, with greater mixed-use developments (discussed throughout the Plan but particularly in Policies E1 and E7) raises a number of practical questions of how boroughs can balance land use for economic growth and housing delivery. We are keen to work with the Mayor to consider how increased co-location of office and residential space could operate, and believe that this is an area of work where greater collaboration between the boroughs and the GLA could be of particular benefit.

Policy E1 Offices

This policy sets out a welcome plan for sustaining and growing office space in London, which fits with London Council’s concerns about the loss of workspace over recent years.

Local areas may need GLA support to implement Article 4 Directions to remove Permitted Development Rights where appropriate – this can be a difficult process and some areas have faced opposition from government. Moreover, the plan should explore other methods of preserving and growing office space in London beyond Article 4 Directions, which although they are an important tool, they are only one method and can be difficult to obtain. This could include work to increase densification of existing office space, or to develop previously unused space such as railway arches or wharves.

Some boroughs raised concerns regarding the release of office space ‘where viable’, which raises the question of who decides viability. This activity needs to be carried out jointly between the GLA and the boroughs, as local authorities will have a greater understanding of local complexities and need.

Policy E2: Low-cost business space

These policies reflect London Council's concerns regarding the loss of low cost business space in the capital, and the work that many boroughs are already undertaking to create affordable workspace through Section 106 clauses and other developer agreements. The ambition of these policies is therefore welcome.

The Mayor should consider how wider plans may impact on the provision of affordable workspace. For example, the Mayor places a strong emphasis on developing smaller plots of land for housing. Due to their size local authorities may find it more difficult to place ‘reasonable’ expectations on them regarding S106 obligations. If smaller sites become the main focus of development and regeneration teams in local authorities this could require increased resource to ensure that affordable workspace provision is maintained, or the introduction of new affordable space decreases. This point is also considered in the earlier response to Policy H2 Small Sites.

The policy requires applicants to demonstrate that where a proposal involves loss of B1 office floor space, suitable alternative B1 accommodation (in terms of type, specification, use and size) is available in reasonable proximity to the development proposal. It also encourages relocation support arrangements to be put in place prior to the commencement of development where existing businesses are affected by a development proposal. This policy makes the assumption that businesses which are affected by the proposal are in need of relocation support in all cases and this may put unnecessary burden on the applicants to provide support to those which do not need it.

The policy requires proposals for new B1 business floor space greater than 2,500 sqm to consider the scope to provide a proportion of flexible workspace suitable for micro, small and medium sized enterprises. The flexibility for boroughs to apply proportions of SME work space on a case by case basis for each development proposal will be of benefit in negotiations with developers. However, it creates a level of uncertainty with regards as to what is an acceptable level of contribution and the impacts of this policy will need to be monitored by GLA and boroughs.

The policy also states that in order to establish the reasonable prospect of workspace being used for business purposes in cases where redevelopment is proposed there should be evidence of vacancy and marketing for at least 12 months. Boroughs have taken differing approaches to assessing the

suitability of redevelopment schemes and workspace and greater flexibility over vacancy and marketing time periods would be welcome.

Policy E3 Affordable workspace

London Councils is concerned that this policy may be complex to implement. The policy states that 'the affordable workspace elements of a mixed-use scheme should be operational prior to the residential elements being occupied.' We welcome the goal of stopping developers from making provision for this space but then leaving it empty for a long period, but this seems like a particularly rigid policy which could slow movement on development activity.

The policy should be more explicit as to what rental levels and lease arrangements constitute affordable space. Without this it will be difficult for boroughs to secure and effectively monitor the provision of this affordable space on an ongoing basis. It is important also to note that affordable workspace can be very varied in usage which may have an impact on the policy (e.g. it may be performance space).

Greater consideration should also be made on how these changes will be achieved while also delivering the Mayor's ambitious housing delivery plan, there is a finite amount of room for such work with all the competing priorities. We look forward to working with the GLA to explore further how this works in practice.

Policy E4: Land for industry, logistics and services to support London's economic function

This policy is a welcome recognition of the significant loss of industrial space in the capital. This is relatively prescriptive and provides specific guidance on the approach to be taken by each borough on planning and monitoring industrial floor space.

As stated elsewhere, a key issue is how the retention or expansion of industrial land is compatible with other land pressures around housing.

The Plan indicates a new approach to be taken to retain industrial land (of policy E7). London boroughs would like to work with the GLA to identify practical ways to deliver intensification and co-location with other uses.

Overall, while London Councils welcomes the overall direction of travel, it asks that the GLA works with the boroughs to help them to develop the tools and resources that will be required to develop a pan-London approach to monitoring and retaining/expanding industrial space. This could require significant resource in a time of increasing financial pressure.

Policy E5: Strategic Industrial Locations (SILs).

As this is a twenty year Plan it should be sufficiently flexible to accommodate the jobs of the future. In the current draft, E5C and E5D limits what development proposals can be accepted by boroughs in SILs. This also presents risk of SILs being undermined in mixed-use space by the introduction of residential use which can lead to land values and rents rising, displacing industrial tenants. The Plan should give boroughs greater flexibility around use classes and SILs, so that they can maximise the use of land.

This policy also sets out a plan to require boroughs to use local development plans to map and define SILs. While the main thrust of this policy is welcome, intensive mapping activity and policy development may be resource intensive, and difficult for boroughs to deliver alongside other commitments.

However, as also stated in response to E3, the requirement for replacement industrial, storage and distribution uses to be operational in advance of any residential component being occupied may harm the delivery of large sites which are likely to be delivered in phases due to site/delivery constraints and we therefore suggest the wording should be amended to avoid this unintended outcome.

Policy E7: Intensification, colocation and substitution of land for industry, logistics and services to support London's economic function

The objectives of this policy can be supported. The intensification and colocation of uses on industrial sites is method of increasing housing supply and protecting employment space can be explored further in London. Boroughs should assess each application for intensification and colocation on sites on individual merits and set proactive policy which will enable development where suitable. Policy that ensure that there is no overall net loss of industrial floor space in the intensification or colocation of development Strategic Infrastructure Locations or Local Strategic Infrastructure sits is important in protecting industrial uses and is welcomed by boroughs.

However, the requirement for replacement industrial, storage and distribution uses to be operational in advance of any residential component being occupied may harm the delivery of large sites. These are likely to be delivered in phases due to site and market constraints and we therefore suggest the wording of the policy could be made more flexible to avoid this unintended outcome.

We support the Mayor's commitment to preserve industrial space, but boroughs should have the flexibility to recognise potential long term changes in manufacturing and production methods. Intensification of space may in future require different kinds of spaces to be developed, and possibly in some areas less space will be needed. The policy should have the flexibility to recognise this.

The proposal that development plans and planning frameworks should consider collaboration with neighbouring authorities within and outside London, if used appropriately, could help areas take a more flexible approach to industrial space that more closely meets local needs.

Policy E8: Sector growth opportunities and clusters.

The contents of these policies are welcome, particularly the concept of Strategic Outer London Development Centres (SOLDC) that promotes a more polycentric view of London. However, it will be important that the SOLDCs reflect local priorities. The SOLDC concept needs to be supported by Mayoral infrastructure priorities and investment decisions, as well as local ones.

Policy E9: Retail, markets and hot food takeaways

London Councils strongly supports resisting new hot food takeaways within 400m of a school, as well as resisting the over-concentration of takeaways in all areas. Many boroughs are seeking to introduce similar policies within Local Planning documents. It would be beneficial for the Plan to indicate how the GLA will support boroughs to implement the 400 metre limit

There is concern that over-concentrations of uses such as betting shops, pawnbrokers, pay-day loan stores and amusement centres can have a negative impact on mental and physical health and for this reason the plans recommendation that planning applications for such uses are subject to a health impact assessment is welcome.

The Healthy Catering Commitment (HCC) can play a key role in improving the food offer in London and both the Mayor and boroughs need to work to raise the profile of HCC across food businesses in London.

Policy E11 Skills and opportunities for all

This policy is a welcome call for greater cross-borough working on coordinating training and apprenticeship S106 obligations, creating a more uniform approach to the drafting S106s across the capital to help deliver more successful employment outcomes. We welcome this, and argue that employment and training targets should focus less on the number of training starts and more on long terms goals such as job outcomes. However, we feel strongly that this should be a borough-led project, supported by the GLA.

The findings of the construction skills and employment research report submitted to the Homes for Londoners board should be recognised by the GLA and boroughs, and form part of future policy where suitable.

3.7 Chapter 7: Heritage and Culture

London boroughs welcome the inclusion of a dedicated Heritage and Culture section of the London Plan for the first time. Boroughs are keen to work with the GLA on improving and diversifying London's cultural offer.

As well as financial challenges faced by local government when supporting culture and the arts, London has seen many venues close in the last decade and has a limited night-time transport system offer compared to other world leading cities. With the introduction of night-tube and the introduction of Cultural Enterprise Zones, London is taking important steps to supporting and sustaining the cultural offer of the capital.

While there is broad support for the principles outlined here, challenges still remain regarding funding for the sector and managing Night Time Economy (NTE) development in a way that minimises impact on residents and neighbourhoods. London boroughs look forward to working with the GLA to develop policies that balance city-wide culture and heritage priorities with the needs of local communities and neighbourhoods.

Policy HC5 Supporting London's culture and creative industries

The broad aims of this policy can be supported. However, there remains a question of what support is offered to those boroughs that do not have a CEZ (Creative Enterprise Zones) grant allocated by the GLA. The policy also suggests boroughs integrate transport, digital and other infrastructure when

establishing a CEZ. The London Plan does not detail how boroughs can work with TfL in order to align transportation with the CEZ where improvements are necessary. It is also unclear what levers boroughs have to provide affordable workshops for artists, who have an income of around £10,000 per annum. The London Plan can helpfully provide further clarity on these points.

Policy HC6: Supporting the Night Time Economy

This policy states that boroughs should promote the NTE by developing plans, improving access and safety and diversifying the range of activities available to address the cumulative impact of high concentrations of licensed premises. While boroughs in many cases support the NTE in their areas, there are of course management considerations.

Ensuring venues are well served with transport is a top priority. The GLA should develop proposals in the plan on how TfL services can be aligned to local strategy decisions. The GLA can also set up a framework of consultation between boroughs and the metropolitan police to ensure safety in the NTE.

The policy states that areas in close proximity to an existing cluster or concentration of NTE uses are presumed as suitable for 24 hour activities and that new residential accommodation needs to be assessed on a case-by-case basis. This broad aims of this policy can be supported. However, it is up to boroughs to “balance the needs of residents with the economic benefits of promoting a night-time economy” and this would apply to all relevant planning applications near concentrations of NTE uses. The GLA can clarify whether this ‘balancing test’ applies regardless of whether a development is located outside or within one of the centres shown in Figure 7.7 in the plan. London Councils believes that the promotion of night time activity must also include the need to fully consider impacts on residential amenity in the locality.

Some boroughs have expressed reservations about the NTE because of the impact it has on services such as health and policing. There is also strong resistance from residential neighbourhoods impacted by noise issues, including at the margins of areas designated as NTE. The plan would benefit from considering how best practice could be developed in minimising the impact of the NTE on both of these points.

Policy HC7 Protecting Public Houses

This policy suggests boroughs should protect public houses where they have a heritage, economic, social or cultural value and supports proposals for new public houses to stimulate town centre regeneration, cultural quarters, the NTE or mixed-use development. The plan states applications that propose the loss of public houses should be refused unless there is authoritative marketing evidence that demonstrates that there is no realistic prospect of the building being used as a pub in the foreseeable future.

Whilst we welcome the protection of public houses, one or more of these values could be prescribed to any public house. The plan should consider scenarios where the loss of a public house could be of benefit, such as in the development of a larger cultural or NTE offer within an area. Boroughs have in

many cases supported the retention of public houses in specific and general terms and will continue to do so at a local level.

3.8 Chapter 8: Green Infrastructure and Natural Environment

The efforts to make London a greener city and recognise the many benefits that green infrastructure can bring and the importance of protecting and enhancing the natural environment are supported. Having a strong and thriving natural environment can help boost biodiversity, provide habitats for wildlife and provide space for people to enjoy and spend time which has been shown to improve health and wellbeing. Green infrastructure in urban areas can improve resilience to extreme weather events and poor air quality.

Key to this issue is the intense funding pressures that local authorities and public organisations currently face given they are the key stakeholders for managing and delivery green spaces. Boroughs, in many cases, are stretched beyond capacity which is impacting on their ability to maintain services at current or improved levels. With the competing pressures on land for housing, it is essential that London maintains a large network of high quality green infrastructure to ensure it continues to deliver a wide-range of benefits to society. Overall, boroughs welcome this strong suite of environment policies, which are broadly cross-referenced throughout the Plan. In particular, new policies on the circular economy and air quality, and the strengthened policies on green infrastructure are welcomed. However, there is concern that the reduction in interim targets for the mid-2020s could lead to delayed action on long-range but important transport and climate change targets.

Policy G1 Green infrastructure

The majority of boroughs have strong policies that seek to increase greening so this policy is welcome. However, the resource pressures facing boroughs means it may be difficult for some to produce individual green infrastructure strategies. Instead a better approach may be for boroughs to participate in reviews of sub area frameworks of the All-London Green Grid that are applicable in their areas. Many of the key opportunities for establishing, or extending, green infrastructure networks are already set out in these frameworks. Potentially, this could include greater detail and updates about individual projects and proposals at borough levels.

Policy G4 Local green and open space

The matter of including appropriate designations and policies for the protection of green and open spaces is not relevant solely to areas where deficiencies currently exist. Growth in numbers of residents, workers and visitors will place additional pressure on existing spaces in London. They will therefore need to be protected as a resource to address future needs. Open spaces in inner London areas are a finite resource and it is difficult to secure significant new areas of ground level open space.

The proposal that Development Plans and Opportunity Area Frameworks should ensure that future green and open spaces are planned for in areas with the potential for substantial change is supported.

However, the Plan should be clear that green and open space contributions should be required for all developments subject to the need they generate.

There is a concern about the ability of the interim thresholds to be achieved where no green roofs will be provided. On many sites, it will not be practical to provide the types of green suggested due to site characteristics. Measures such as trees and hedges (due to the site area covered) are likely to have a limited impact on the overall urban greening factors applied to a scheme. Rather than introducing a policy requirement at this stage – which seems to give a unjustifiably high rating for amenity grassland - we consider it would be better to defer the setting of factors to the boroughs, allowing area wide circumstances to be taken into account. It would also be helpful if the policy could provide assurance that offsets, such as tree planting, in a different part of a borough to the site of the proposed scheme, comply with the statutory tests set out in paragraph 204 of the National Planning Policy Framework.

Currently, boroughs can negotiate what is appropriate for a site taking into account the precise nature of the scheme, how it will be occupied and managed and circumstances of individual sites and buildings. It is vital that the urban greening factors cannot be used as a way for applicants to justify they do not need address the impact of their occupants on existing public open spaces.

Policy G5 Urban greening

This policy is welcomed, including the introduction of the urban greening factor. It should however note the importance of avoiding invasive non-native species in the context of increasing greening, which are a significant global and national driver of biodiversity decline.

Major development proposals should contribute to the greening of London by including urban greening as a fundamental element of site and building design, and by incorporating measures such as high-quality landscaping (including trees), green and brown roofs, green walls and nature-based sustainable drainage. Greening should contribute to local and national biodiversity objectives and air quality through appropriate choice of species, and should comply with legislation relating to avoidance of invasive non-native species.

This section highlights that green infrastructure should be seen as integral to new developments rather than an 'add-on' due to the social and economic benefits it can provide.

Policy G6 Biodiversity and access to nature

This policy contains a welcome reference to identifying deficiencies in access to nature and opportunities to address them, and to positively considering proposals with new habitat or which access to nature deficiency. However, in order to protect London's existing biodiversity it is vital that boroughs assess direct, indirect and cumulative impacts on nature from development proposals.

Policy G7 Trees and woodlands

It would be helpful for this policy to state that not all trees are of equal value. For example, it will not always be appropriate to protect dead or dying trees and it may be possible to increase biodiversity

value through removing existing species and planting replacement native trees or trees with greater mass.

3.9 Chapter 9: Sustainable Infrastructure

We broadly welcome the proposals in this chapter and the recognition of the need for infrastructure to be planned holistically. We have suggested a number of amendments to better strengthen the London Plan and make sure that the planning system delivers the necessary infrastructure for London.

Policy SI1 Air Quality

This policy can be welcomed with some amendments. There are proposals within the draft Environment Strategy that are not reflected by policy SI1 in the draft Plan, for example: Proposal 4.2.3e (of the draft London Environment Strategy) in relation to policies to reduce the impact of new industrial and waste sites on local air quality and Proposal 4.1.1b in relation to protecting London's schoolchildren by reducing their exposure to poor air quality at school and on their journey to and from school.

The draft Plan states that "*development proposals should not: create unacceptable risk of high levels of exposure to poor air quality*", the Plan needs to define what high levels are, and could be interpreted as meaning some exposure over the legal limit values is acceptable. This would not be supported and actively goes against the standards boroughs have been working towards.

The draft Plan should provide a non-exhaustive list of design solutions and assign preference not only for these solutions but when these solutions conflict with other policies. For example, filtered mechanical ventilation requires non openable windows to be effective, the Plan also has a requirement for amenity space which will result in non-openable windows not being feasible; clarity is sought on which policy takes priority. Additionally, there is ambiguity with regards to what the draft Plan defines as "large numbers of people" and further clarification is sought here.

As has been mentioned above, we are concerned with the lack of emphasis on reducing pollution exposure to school children given their vulnerability to the impacts of poor air quality. We question the wording in policy SI1 2 specifically "likely to be used by large numbers of people" as it suggests future vulnerable users will have to be of a certain quantum before consideration of air pollution is required. The policy also fails to provide concrete enforceable proposals in relation to protecting the vulnerable and does not deliver on the Mayor's Environment Strategy proposal (4.1.1b) relating to protecting London's school children. A more prescriptive approach is needed.

The air quality positive approach is introduced in the draft Plan as a requirement for major developments to actively contribute to improving air quality, however the plan fails to define the approach or how measures aimed to actively reduce air pollution will be measured and assessed.

The requirement for Air Quality Assessments (AQAs) is highly welcomed as it finally confirms that mitigation needs to be considered at the design stage rather than retrospectively via planning conditions. However, the exemption of an assessment based on the development demonstrating air quality neutrality is a concern, as AQAs are to also determine the suitability of a site for the proposed development; this is not determined via an air quality neutral assessment. We therefore suggest that "*unless they can demonstrate that transport and building emissions will be less than the previous or existing use*" is removed from the policy wording.

The draft Plan states that “Development proposals should ensure that where emissions need to be reduced, this is done on-site. Where it can be demonstrated that on-site provision is impractical or inappropriate, off-site measures to improve local air quality may be acceptable, provided that equivalent air quality benefits can be demonstrated.” *Can the document provide further detail about what will be needed to demonstrate that on-site provision is impractical or inappropriate?*

More generally, there is no mention of Air Quality Management Areas (AQMA). Instead it appears that AQMAs have been replaced with Air Quality Focus Areas (AQFA). This is not a welcomed change as AQFAs focus on TfL routes and omit other areas with exceedances. TfL who produced the AQFA confirm that their list is not an exhaustive list of London’s hotspot locations. This change therefore weakens air quality policy in relation to new developments as it omits exceedance areas of concern to each borough. The draft Plan should therefore revert back to using AQMAs.

There is also a lack of clarity on the proposal to allow developers to provide air quality mitigation measures off-site if it isn’t practicable to do so on-site. It doesn’t provide enough detail as to what kinds of mitigation measures are acceptable.

The introduction of air quality offset funds is complex in nature given that a development has both direct (travel to and from the development, boilers) and indirect (material used, electricity) impacts on air quality. A development’s direct impact on air pollution will contribute to levels in the immediate area, which could result in that area potentially breaching EU air pollution limits, whilst at the same time, the developer has discharged their responsibility through offsetting the impact somewhere else.

Paragraph 9.1.2 of the draft Plan states that “*new developments, as a minimum, must not cause new exceedances of legal air quality standards, or delay the date at which compliance will be achieved in areas that are currently in exceedance of legal limits*” this is a supported aim, however, unless there is a requirement for a cumulative assessment, most developments will show via their assessments that they are not causing new exceedances or delaying when compliance will be achieved.

It is welcoming that the draft Plan requires the inclusion of emergency generators in air quality assessments; this is supported and is already being required by many local authorities. Given the impact of diesel on human health and the uncertainty of how often emergency generators are used and tested, the draft Plan should have a stricter policy in relation to generators being used as fixed plant on any future development.

Policy SI2 Minimising greenhouse gas emissions

London Councils supports this policy and welcomes the energy hierarchy and the heating hierarchy, although there is a question as to why the interim target of 60% emissions reductions by 2025 has been lost.

Policy SI3 Energy Infrastructure and S14 Managing heat risk

This policy is welcomed but, similar to the above, the loss of the target for 25% heat and power to be generated in London by 2025 is concerning. Sub policy D aims to place limitations on CHP emissions in heat network priority areas, which is helpful; however, focussing solely on heat network priority areas omits other areas which are known to experience pollution exceedances. It is therefore preferable to

use AQMA designations to ensure all exceedance areas are covered by this positive policy. The development of a heating hierarchy is also welcomed, as are the proposals for minimising internal heat generation through energy efficient design.

Policy SI5 Water Infrastructure

The aim of this policy can be welcomed including the new reference to eliminating misconnections. However, only encouraging new developments to provide smart metering and other water efficiency measures at the same time as saying London is in a water-stressed area perhaps does not go far enough. Policy on retrofitting water meters as part of refurbishment would be beneficial and the London Plan should comply with Building Research Establishment Environmental Assessment Method (or 'BREEAM') standards.

The policy also needs to clarify the meaning of the following text 'Development proposals should: 1) seek to improve the water environment...' (p.336). It is unclear if this means supporting the achievement of 'good ecological status' for surface water as per the Water Framework Directive.

Policy SI6 Digital Connectivity Infrastructure

This policy is of concern to boroughs and could be improved. The Interim National Infrastructure Assessment provided for government by the National Infrastructure Commission states that 'the process of obtaining planning permission and rights of way ("wayleaves") for digital infrastructure can add significant costs and delays to network enhancements. Cutting these overhead costs would be one of the lowest cost ways of delivering better digital infrastructure quickly'. We suggest that the London Plan pre-empts any changes to national planning policy by supporting the standardised wayleave toolkit produced by the City of London that can be used by all local authorities.

Policy SI8 Waste Capacity and Net Waste Self-Sufficiency

This policy sets out the Carbon Intensity Floor at 400g of CO₂ per kWh of electricity generated. However, this isn't classed as low carbon according to measures used by Ofgem. London Councils believe that the plan can take a longer term view of reducing carbon setting out timescales for how it should be reduced in the future.

Policy SI11 Hydraulic fracking

London Councils welcomes the policy on fracking as being well aligned with the national and London targets around climate change and local environmental quality. In particular the note in the policy that it is highly unlikely a suitable site would occur in London due to its geological structure is useful.

Policy SI13 Sustainable Drainage

We have concerns with this policy. The proposed new drainage hierarchy appears muddled, with references to blue roofs at both the top and halfway down the hierarchy. It is unclear why discharge to an open watercourse is at hierarchy 4, and why it features higher than the other forms of rainwater

attenuation. The references to refusing proposals that incorporate impermeable surfaces are welcome, although the phrase ‘where appropriate’ could be removed, to be replaced with ‘unless they can be shown to be unavoidable’. The wording in paragraph 9.13.2 that “developments should aim to achieve greenfield run-off” is disappointing. Lower rates of runoff are often achievable but are not offered by developers because of this wording. In some parts of London that have been developed for centuries, it is very difficult to agree what the greenfield nature of a site would be, and this becomes a theoretical exercise.

Policy SI16 Waterways – use and enjoyment

This is welcomed, including the reference to improving and expanding the Thames Path and towpaths, which will support walking in London.

3.10 Chapter 10: Transport

London Councils welcomes the draft Plan’s move towards a more integrated and holistic approach to land use and transport infrastructure. We also welcome the focus on encouraging more walking, cycling and public transport use and recognise the role that development can play in making this happen. London boroughs are vital partners to achieving this, as the highway authority for 95 per cent of the road network and the role they play in planning London’s spaces.

Policy T2: Healthy streets

The Mayor’s Healthy Streets Approach is intended to make London a healthier, more sustainable, safer, more connected and more successful city. However, while the Healthy Streets Approach is beneficial and already in use to varying extents by many boroughs, not all the indicators are always relevant, so the Plan needs to demonstrate a greater degree of flexibility regarding the use of the Approach. The GLA can provide further guidance indicating how the Healthy Streets Approach should be used and delivered in practice.

Policy T5: Cycling

The higher cycle parking standards in inner London can be welcomed. However, the parking standards remain lower for outer London which seems directly contrary to the Mayor’s objectives for more sustainable travel. Outer London increasingly is developing its own hubs and therefore some of these sorts of targets are best applied locally to reflect significant variance.

We would like to see added to Policy T5 consideration on how residents, workers or visitors access a site in ways that promote walking and cycling, and not solely driving to a site.

Policy T8: Aviation

We support this; and the principles of avoiding noise impacts from aviation. The issue of noise from helicopters and other light aircraft is something that impacts significantly on residents. The control for managing this lies with the Civil Aviation Authority, and the Mayor should look to engage with them to minimise unnecessary flights over residential areas.

Policy T9: Funding transport infrastructure through planning

The policy states that Mayoral Community Infrastructure 2 (MCIL2) will be introduced in April 2019 to raise funds for CR2 – but if no agreement on CR2 funding is agreed then the funding is to be used for non-specified strategic transport projects. The Mayor needs to be open about what these alternative transport projects would in order to justify the implementation of MCIL2.

3.11 Chapter 11: Funding the London Plan

Boroughs appreciate the need to deliver higher housing targets but London Boroughs are uncertain that the current mechanisms for securing funding towards social infrastructure are sufficient to meet the needs of a rising population. The London Plan must set out how the GLA is planning to ensure that an adequate level of social infrastructure is funded and provided alongside housing growth.

The London Plan provides no sensitivity analysis which costs the considerable extra burdens put on boroughs as a result of draft policy in this London Plan and assesses whether boroughs have the means to meet requirements set out in the Plan. Analysis of costs would be a useful addition to the evidence base.

Policy DF1: Delivery of the plan and planning obligations

This policy pushes back against viability objections to planning gain, and notes the community infrastructure levy, which is welcome. The accompanying text sets out in detail a) the funding gap for London, b) the Mayor's desire for devolution of fiscal powers, and c) the alternatives to greater public sector funding, namely land value capture, private sector investment, and variously reducing demand.

The policy is welcome but, as stated above and elsewhere, there are concerns over whether current mechanisms for ensuring the provision of social infrastructure are sufficient given the funding gap. The Policy could be more explicit in identifying that applicants should take account of borough plans as well as the London Plan to ensure a balanced approach to infrastructure funding. Other options could be considered, such as payment for an ecosystem services model that mitigates carbon improve air quality and improves health. Existing carbon offset funds should be considered as part of this overall approach.

London Councils agrees with the findings of the London Finance Commission 2017 and supports the devolution of fiscal powers, property taxation and exploring effective ways of Land Value Capture. Government may also wish to consider devolving specific funding streams and taxes linked to certain services and activities. For example, environmental taxes, could fund the growing cost of waste management. In return, there could be performance targets that would aim to incentivise improved recycling rates and other activities that impact on climate emissions. While not all services are suitable for target-driven mechanisms, for example social care, some are more naturally linked to such models of financial risk and reward. With a resource base that is more responsive to economic cycles, property taxes are especially appropriate for funding investment in infrastructure and housing.

London has already seen successful use of mechanisms that deliver additional growth in business rates, such as the Business Rate Supplement, which funded Crossrail, and the Tax Increment Financing schemes which are helping to fund redevelopments at Brent Cross and Nine Elms. Retention-sharing mechanisms like this could be adapted for other infrastructure projects with other

types of taxation. For example, as part of the evidence to support the funding of CR2, London Councils has looked at a scheme which could involve a share of the uplift in stamp duty land tax rather than business rates, if this can be attributed locally. Early estimates suggest this could generate significant contribution if permitted. As the Government will get a 'return on its investment' for funding major infrastructure projects such as CR2 in London, it is in the best interests of local and central government to allow areas to be able to use a share of this uplift in order to unlock funding and help pay for such developments up front.

Initial assessments suggest that the returns on capital investment in London will be very large, even taking Brexit into account. London is a highly attractive global city for in-migration and its exceptionally large and dense employment agglomeration encourages high productivity levels. London's economy could fund its infrastructure investment requirements from the tax on the growth that that same investment will generate. The growth should also pay for the additional public services that a larger population will demand, and it will enable London to grow its contribution to the national exchequer. Thus London's investment could be self-funded and provide a national dividend.

London is heavily reliant on financial transfers from national government compared other international comparator cities. Fiscal devolution would enable accountability, transparency and align spending to Londoners' priorities.

The policy also refers to the role that large sites can play in delivering necessary health and education infrastructure without identifying what constitutes a large site.

Transport and affordable housing are rightly recognised as key priorities. However, boroughs need to take a balanced approach to setting regulation 123 lists for CIL to ensure that the full range of infrastructure needs can be met. The investment priorities of borough need to take account of future needs and these can vary from transport and infrastructure.

The policy states that 'boroughs are also encouraged to take account of part D in developing their CIL charging schedule and regulation 123 list'. This contradicts the approach to economic viability set out in the Government guidance on CIL rates. It places too much prominence on the viability of development on individual sites rather than looking at viability across a borough. There is concern that the current wording may undermine the ability of boroughs to argue that, while a particular site may be unviable due to CIL rates, development sites across the borough may still be viable and therefore the levels of CIL needed to fund necessary infrastructure can be charged. This could ultimately lead to a reduction in the amount of CIL that can be collected and infrastructure funded.

3.12 Chapter 12: Monitoring

Policy M1: Monitoring

The objectives of the policy to improve the monitoring of development in London are welcome. However, given the low level of resources in borough planning departments, the GLA must ensure that monitoring is not over burdensome for local authorities. A centralised GLA team with responsibility for monitoring data from London boroughs would go some way to alleviating concern about resources.

It is welcome that green cover and sustainable drainage are to be measured but they are not formally part of the Key Performance Indicators at this point – this should be addressed. Nature deficiency could also be a key measure included in monitoring.

Currently there is also no information regarding the specific monitoring of small sites as a subset of overall borough housing targets, and the linkages between this target and the economic policy aim of increasing SME builders.

Executive

Month 9 Revenue Forecast 2017/18

Item no: 7

Report by: Frank Smith **Job title:** Director of Corporate Resources
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Summary

This report summarises actual income and expenditure recorded in the accounts as at 31 December 2017 (Month 9), provides a projected outturn figure for the year and highlights any significant forecast variances against the approved budget. A separate forecast is provided for each of London Councils three funding streams. The Executive is also provided with an update on London Councils reserves. The summary forecast outturn position is as follows:

	M9 Actual	Budget	Forecast	Variance
	£000	£000	£000	£000
Total expenditure	283,987	388,087	385,671	(2,416)
Total income	(286,377)	(385,459)	(386,015)	(556)
Use of reserves	-	(2,628)	(2,628)	-
Net deficit/(surplus)	(2,390)	-	(2,972)	(2,972)
Net expenditure by Committee				
Grants	(555)	-	(755)	(755)
Transport and Environment	(619)	-	(1,059)	(1,059)
Joint	(1,216)	-	(1,158)	(1,158)
Net deficit/(surplus)	(2,390)	-	(2,972)	(2,972)

Recommendations The Executive is asked to note the overall forecast surplus as at 31 December 2017 (Month 9) of £2.972 million and note the position on reserves as detailed in paragraphs 16-17.

Month 9 Revenue Forecast 2017/18

Introduction

1. London Councils revenue expenditure budget for 2017/18, as approved by the Leaders' Committee in December 2016 was £387.45 million. The budget was then adjusted by £637,000 to reflect the decision of this Committee to bring forward the £29,000 underspend in respect of NOTIFY into 2017/18 and TECs decision to bring forward underspends of £227,000 that arose in 2016/17 into the current year. In addition, the budget was increased by a further £222,000 on confirmation of the finalised funding available from boroughs and TfL for the Taxicard Scheme in 2017/18. Finally, the budgets for the HR Metrics Service and London Care Placements were increased by £16,000 and £143,000 respectively to reflect revised service levels, the latter following a meeting the ALDCS in March 2017, making a revised expenditure budget for 2016/17 of £388.087 million.
2. The corresponding revenue income budget approved by the Leaders' Committee in December 2016 was £387.45 million, which included an approved transfer of £2.372 million from reserves; £826,000 of which related to a further return of funds to boroughs from reserves. Additional transfers from reserves of £256,000 were made to cover carry forward expenditure (see paragraph 1), plus additional Taxicard funding from the boroughs of £95,000 and from TfL of £127,000. Additional contributions from funders for the HR Metrics Service and London Care Placements of £16,000 and £143,000 respectively were also added to the budget in line with current service levels. Total revised income, therefore, is budgeted to be £388.087 million, of which £2.628 million is an approved transfer from reserves to produce a balanced budget for the year.
3. This report analyses actual income and expenditure at the three-quarter year stage of the current financial year and highlights any significant variances emerging against the approved budget.
4. Table 1 below details the overall forecast position, with Tables 2-4 showing the position for the three separate funding streams.

Table 1 – Summary Income and Expenditure Forecast 2017/18, as at 31 December 2017.

	M9 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	3,755	5,618	5,125	(493)
Running Costs	1,528	3,376	3,597	221
Central Recharges	-	616	616	-
Total Operating Expenditure	5,283	9,610	9,338	(272)
Direct Services	6,794	8,277	9,017	740
Payments in respect of Freedom Pass and Taxicard	266,018	359,781	358,438	(1,343)
Commissioned grants services	4,630	6,173	6,173	-
London Funders Group	-	60	60	-
ESF commissions	526	1,880	1,210	(670)
One-off borough payments	486	826	826	-
Improvement and Efficiency work	25	265	159	(106)
YPES Regional/Provider Activities	35	50	50	-
Challenge Implementation Fund	-	525	17	(508)
Commissioning and Research	190	640	383	(257)
Total Expenditure	283,987	388,087	385,671	(2,416)
Income				
Contributions in respect of Freedom Pass and Taxicard	(268,001)	(359,838)	(359,115)	723
Borough contribution towards grant payments	(5,803)	(7,173)	(7,596)	(423)
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Income for direct services	(5,978)	(8,748)	(9,887)	(1,139)
Core Member Subscriptions	(5,586)	(5,706)	(5,710)	(4)
Borough contribution towards LCP payments	(511)	(496)	(511)	(15)
Government Grants	-	(1,000)	(665)	335
Interest on Investments	(66)	(75)	(81)	(6)
Other Income	(252)	(273)	(300)	(27)
Central Recharges	-	(1,970)	(1,970)	-
Transfer from Reserves	-	(2,628)	(2,628)	-
Total Income	(286,377)	(388,087)	(388,643)	(556)
Net Expenditure	(2,390)	-	(2,972)	(2,972)
Applied to Funding Streams				
Grants Committee	(555)	-	(755)	(755)
Transport and Environment Committee	(619)	-	(1,059)	(1,059)
Joint Committee Functions	(1,216)	-	(1,646)	(1,646)
Net Expenditure	(2,390)	-	(2,972)	(2,972)

Revenue Forecast Position as at 31 December 2017 – Grants Committee

5. Table 2 below summarises the forecast outturn position for the Grants Committee:

Table 2 – Summary Forecast – Grants Committee

	M9 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	300	423	436	13
Running Costs	17	18	18	-
Central Recharges	-	189	189	-
Total Operating Expenditure	317	630	643	13
Commissioned grants services	4,630	6,173	6,173	-
London Funders Group	-	60	60	-
ESF commissions – 2016+	526	1,880	1,210	(670)
One-off payment to boroughs	156	156	156	-
Total Expenditure	5,629	8,899	8,242	(657)
Income				
Borough contributions towards commissioned services	(5,803)	(7,173)	(7,596)	(423)
Borough contributions towards the administration of commissions	(371)	(495)	(495)	-
ESF Grant	-	(1,000)	(665)	335
Interest on Investments	(10)	-	(10)	(10)
Other Income	-	-	-	-
Transfer from Reserves	-	(231)	(231)	-
Total Income	(6,184)	(8,899)	(8,997)	(98)
Net Expenditure	(555)	-	(755)	(755)

6. The projected surplus of £755,000, is broadly split between the following:

- A projected breakeven position in respect of S.48 borough funded commissioned services relating to 2017/18;
- A projected net surplus position of £758,000 in respect of anticipated payments made in respect of the S.48 ESF programme, after taking into account borough contributions and ESF grant; and
- A projected marginal overspend position of £3,000 in respect of the overall administration of all commissions.

7. In addition, liabilities of £754,577 relating to 25 outstanding payments due to commissions in respect of 2016/17 were set up during the accounts closure process. Payments of £635,565 have been released to date during 2017/18, and with no further payments anticipated, a sum of £119,012 has been recycled back through revenue to S.48 reserves.

Revenue Forecast Position as at 31 December 2017 – Transport and Environment Committee

8. Table 3 below summarises the forecast outturn position for the Transport and Environment Committee:

Table 3 – Summary Forecast – Transport and Environment Committee

	M9 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	465	675	617	(58)
Running Costs	179	387	360	(27)
Central Recharges	-	90	90	-
Total Operating Expenditure	644	1,152	1,067	(85)
Direct Services	6,777	8,211	9,000	789
Research	3	40	40	-
Payments in respect of Freedom Pass and Taxicard	266,018	359,781	358,438	(1,343)
One-off payment to boroughs	-	340	340	-
Total Expenditure	273,442	369,524	368,885	(639)
Income				
Contributions in respect of Freedom Pass and Taxicard	(268,001)	(359,838)	(359,115)	723
Income for direct services	(5,886)	(8,650)	(9,789)	(1,139)
Core Member Subscriptions	(97)	(97)	(97)	-
Government Grants	-	-	-	-
Interest on Investments	(11)	-	(11)	(11)
Other Income	(66)	(84)	(77)	7
Transfer from Reserves	-	(855)	(855)	-
Total Income	(274,061)	(369,524)	(369,944)	(420)
Net Expenditure	(619)	-	(1,059)	(1,059)

9. The projected surplus of £1.059 million is made up of the following:

- A projected overall surplus of £245,000 in respect of TEC parking traded services, after considering an estimate of the level of borough/TfL/GLA usage volumes during the year to date. This is attributable to a number of areas.
 - Firstly, there is a projected net surplus of £221,000 in respect of parking and traffic appeals. The estimated number of notice of appeals and statutory declarations received to date amounts to 31,330, giving a projected number for the year of 41,773, 1,187 more than the budgeted figure of 40,586. The current indicative throughput of appeals is 3.59 appeals per hour, compared to a budget figure of 2.7.
 - Secondly, the transaction volumes for other parking systems used by boroughs and TfL to date are projected to result in a net deficit of £15,000; and

- Finally, the fixed cost element of the RUCA contract with the GLA/TfL is projected to generate additional income of £42,000, due to an increased share of the rechargeable costs of Chancery Exchange attributable to RUCA activities.
- A projected marginal underspend of £4,000 in respect of employee costs. The cost of staff providing direct services (included within the direct services administration charge) is estimated to overspend by £25,000, although this is offset by an underspend on staffing costs attributable to non-operational and policy staff of £21,000. In addition, the maternity cover budget is estimated to be underspent by £30,000.
- A reduction of £34,000 in respect of the estimated Business Rates payable in respect of the hearing centre at Chancery Exchange, arising from the actual bill for 2017/18 being less than the projected increase calculated at the budget setting stage in November 2016.
- A £27,000 underspend in respect of the IT systems development budget for 2017/18, for which TEC will be asked to carry forward into 2018/19 in accordance with usual practice;
- A projected underspend of £400,000 in respect of the £1.7 million budget for payments to independent bus operators, which is based on claims to date and a forecast of 4% increase on average fares. In addition, four of the current operators are new and although there is an assumed 1% increase in journeys on these routes, it is difficult to accurately predict future trends as it takes time for the new operators to build up patronage. However, there is an overall underlying reduction in bus ridership that contributes to smaller claims from operators.
- A projected underspend of £67,000 in respect of the £1.518 million budget for the issuing/reissuing costs of Freedom Passes and undertaking the mid-term review during 2017/18.
- Based on income collected to date, receipts from Lorry Control PCN income are forecast to accrue additional receipts of £75,000 against the budget of £800,000.
- Based on income collected to date, income receipts from replacement Freedom Passes are forecast to exceed the budget of £600,000 by £173,000. For replacement Taxicards, there is a projected deficit on the £24,000 income budget of £5,000 for the year.

Revenue Forecast Position as at 31 December 2017 – Joint Committee Core Functions

10. Table 4 below summarises the forecast outturn position for the Joint Committee core functions:

Table 4 – Summary Forecast – Joint Committee core functions

	M9 Actual	Budget	Forecast	Variance
	£000	£000	£000	£000
Expenditure				
Employee Costs	2,990	4,520	4,072	(448)
Running Costs	1,332	2,971	3,219	248
Central Recharges	-	337	337	-
Total Operating Expenditure	4,322	7,828	7,628	(200)
Direct Services	17	66	17	(49)
Commissioning and Research	187	600	343	(257)
Improvement and Efficiency work	25	265	159	(106)
YPES Regional/Provider Activities	35	50	50	-
Challenge Implementation Fund	-	525	17	(508)
One-off borough payment	330	330	330	-
Total Expenditure	4,916	9,664	8,544	(1,120)
Income				
Income for direct services	(92)	(98)	(98)	-
Core Member Subscriptions	(5,118)	(5,114)	(5,118)	(4)
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Borough contribution towards LCP payments	(511)	(496)	(511)	(15)
Government Grants	-	-	-	-
Interest on Investments	(45)	(75)	(60)	15
Other Income	(186)	(189)	(223)	(34)
Central Recharges	-	(1,970)	(1,970)	-
Transfer from Reserves	-	(1,542)	(1,542)	-
Total Income	(6,132)	(9,664)	(9,702)	(38)
Net Expenditure	(1,216)	-	(1,158)	(1,158)

11. A projected surplus of £1.646 million is forecast in respect of the joint committee core functions, attributable to:

- Employee costs are projected to underspend by £256,000, primarily due to high staff turnover and holding off recruiting to certain current vacant posts. In addition, London Councils were informed after the current year's budget was set that there would be no lump sum payment required for 2017/18 to the LGPS administered by the LPFA in respect past service pension costs, which creates a surplus of £142,000. Finally, it is estimated that the maternity cover budget of £50,000 will not be required during the year ;
- There is a projected deficit of £248,000 in respect of the property costs for the Southwark Street site. Proposals for the leasehold arrangements for the site are

subject to a separate report on the agenda for the exempt part of this meeting.

Projected additional costs in 2017/18, as detailed in the exempt report, are offset by a £102,000 excess budget relating to the estimated business rates increase for this site effective from the start of the year;

- The Access Europe contract ceased on 31 July 2017, leading to an underspend of £49,000; and
- A projected surplus of £34,000 in respect of other income, mainly attributable to additional income from the hire of meeting rooms at Southwark Street, plus projected additional income from subscribers in respect of London Care Placements of £15,000.

12. In addition, from transactions processed in the year to date and projected commitments, there are forecast underspends of £257,000 in respect of the commissioning budget and £106,000 in respect of improvement and efficiency work. In addition, a sum of £508,000 in respect of the Challenge Implementation Fund is projected to be carried forward into the 2018/19 financial year, in accordance with the principle agreed by the Leaders' Committee in December 2017 as part of the 2018/19 budget setting process and will reduce the call on the overall use of Joint Committee reserves in 2018/19. All of these areas continue to be subject to developing proposals following a direction of travel set by members during the course of the year. These costs may, therefore, still be liable to fluctuate during the final quarter as new priorities are identified and come on stream, thereby incurring in-year costs.

13. The surplus positions outlined above are offset by a projected shortfall of £15,000 in respect of investment income.

Externally Funded Projects

14. The externally funded projects are estimated to have matched income and expenditure of just over £3.56 million for 2017/18, including funding for the borough (non S.48) ESF programme. This is based on a review of the indicative budget plans held at London Councils by the designated project officers, which confirms that there is no projected net cost to London Councils for running these projects during 2017/18.

Reserves

15. The forecast reserves position for each of the three funding streams for the current year and beyond is illustrated in Table 6 below:

Table 6 – Forecast reserves after all current commitments

	Transport and Environment Committee (£000)	Joint Committee (£000)	Grants Committee (£000)	Total (£000)
General Reserve at 1 April 2017	3,341	5,417	443	9,748
Specific/ESF Reserve at 1 April 2017	1,734	-	1,575	3,308
Total reserves at 1 April 2017	5,075	5,417	2,018	12,510
Committed in setting 2017/18 budget	(288)	(1,183)	(75)	(1,546)
One-off payment to boroughs 2017/18	(340)	(330)	(156)	(826)
Approved reserves c/f into 2017/18	(227)	(29)	-	(256)
Potential ESF grants commitments in 2018/19 and 2019/20	-	-	(1,333)	(1,333)
Provision for 2020 Freedom Pass reissue exercise	(2,774)	-	-	(2,774)
Provision for TEC priority projects	(340)	-	-	(340)
Write back of 2016/17 grants liabilities	-	-	119	119
Proposal included in 2018/19 budget figures	(289)	(1,007)	(1,000)	(2,296)
Forecast surplus/(deficit) 2017/18	1,059	1,158	755	2,972
Provisional reserves c/f into 2018/19	(27)	-	-	(27)
Uncommitted reserves	1,849	4,026	328	6,203

16. The current level of commitments from reserves, as detailed in Table 6, come to £9.398 million over the short-medium term and are detailed in Table 7 below:

Table 7 – Commitments from Reserves 2017-2020

	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000
Approved resources b/f from 2016/17	256	-	-	256
Provisional resources b/f from 2017/18	-	27	-	27
Approved transfer from JC general reserves	164	300	-	464
Approved transfer from TEC general reserves	288	289	-	577
Accumulated YPES funds	293	82	-	375
Slippage of ESG grants funding	-	1,000	1,333	2,333
One-off repayment to boroughs	826	-	-	826
Challenge Implementation Fund	525	525	-	1,050
Support to the health transition process	201	100	-	301
2020 Freedom Pass reissue	-	574	2,200	2,774
TEC priority projects	-	340	-	340
Support to 3 rd sector via City Bridge Trust	75	-	-	75
Totals	2,628	3,237	3,533	9,398

Conclusions

17. This report highlights the projected outturn position for the current year, based on transactions undertaken up until 31 December 2017 (month 9), together with known future developments. At this point, a forecast underspend of £2.972 million is projected for 2017/18, across the three funding streams. Uncommitted reserves are currently projected to be just over £6.2 million by the end of the current financial year.
18. The next financial report will be presented to the Executive in June 2018, which will highlight the provisional financial results for the 2017/18 financial year, prior to external audit.

Recommendations

19. The Executive is asked to note the overall forecast surplus as at 31 December 2017 (Month 9) of £2.972 million and note the position on reserves as detailed in paragraphs 16-17, which shows indicative uncommitted reserves of £6.203 million.

Financial Implications for London Councils

No additional implications other than detailed in the body of the report.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

None

Background Papers

London Councils Revenue Forecast File 2017/18

Executive

Debtors Update Report

Item no: 8

Report by: David Sanni **Job title:** Head of Financial Accounting

Date: 27 February 2018

Contact Officer: David Sanni

Telephone: 020 7934 9704 **Email:** david.sanni@londoncouncils.gov.uk

Summary

This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2017. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 July 2017.

A summary of the level of London Councils outstanding debts as at 31 December 2017 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 December 2017

Period	Borough / TfL / GLA Debts £000	Other Debts £000	Total Debts £000
Debts invoiced up to 31/7/2017	28	11	39
Debts invoiced between 1/8/2017 – 31/12/2017	1,383	26	1,409
Total	1,411	37	1,448

Recommendations

The Executive is asked:

- To note the level of outstanding debt of £27,906 in relation to borough, TfL and GLA invoices raised up until 31 July 2017, a reduction on the outstanding figure of £3.237 million reported to the Executive at its meeting on 12 September 2017;
- To note the level of outstanding debt of £1.383 million in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2017;
- To note the level of outstanding debt of £36,793 in relation to

other debtors invoices raised up until 31 December 2017; and

- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 8 of this report.
-

Debtors Update Report

Introduction

1. London Councils' Executive received a report at its meeting on 12 September 2017 which detailed the level of outstanding debt due from member boroughs, TfL and the GLA for invoices raised up to 31 July 2017. The position reported to this meeting is illustrated in Table 2 below:

Table 2 – Outstanding Borough/TfL and GLA debt invoiced up until 31 July 2017, as reported to the Executive on 12 September 2017

Debtor	Debt Amount (£)
Member boroughs	2,835,927.06
TfL	115,519.77
GLA	285,158.30
Total	3,237,158.30

Current Position

2. The current position in respect of outstanding debt due from member boroughs, TfL and the GLA up to 31 July 2017 is detailed in Table 3 below:

Table 3 – Outstanding Borough/TfL and GLA debt invoiced up until 31 July 2017, as at 31 December 2017

Debtor	Debt Amount (£)
Member boroughs	27,905.75
TfL	-
GLA	-
Total	27,905.75

3. The balance consists of one invoice that was paid in January 2018.

Borough/TfL/GLA Debt 1 August to 31 December 2017

4. Appendix A to this report shows the level of outstanding debt owed to London Councils by its member boroughs and TfL/GLA issued over the period 1 August to 31 December 2017, which totals £1.383 million. This debt is profiled as illustrated in Table 4 below:

Table 4 – Outstanding Borough/TfL and GLA debt 1 August to 31 December 2017

Debtor	0-30 days (£000)	30-60 Days (£000)	60-90 Days (£000)	Over 90 Days (£000)	Total (£000)
Member boroughs	635	382	34	-	1,051
TfL	-	-	-	-	-
GLA	332	-	-	-	332
Total	967	382	34	-	1,383

5. Under the terms of the Financial Services SLA with the City of London, reminders in respect of unpaid invoices are sent out to debtors by the City on behalf of London Councils after 21 and 35 days. If a debt is still outstanding after 42 days, it is handed back over to London Councils for further action to be taken. Finance officers are, therefore, actively pursuing the debt of £34,000 that has been outstanding for over 60 days. The aim is to ensure that the majority of the unpaid debt at any point in time has been outstanding for less than 30 days, with a minimal amount being outstanding for between 30 and 60 days. Boroughs, TfL and GLA are urged to ensure that any disputed amounts are promptly reported back to London Councils, detailing the full nature of the dispute. In cases where the value and/or number of outstanding invoices owed by a borough are unacceptably high, the debts are referred to the Chief Executive and Borough Treasurer through contact from London Councils Chief Executive and /or Director of Corporate Resources to assist in the recovery of the funds.

Significant Borough/TfL/GLA Debtors

6. All borough debts over 60 days were paid by 1 February 2018.

Other Debtors

7. Appendix B to this report shows the level of outstanding debt owed to London Councils by third parties other than member boroughs, TfL and the GLA at 31 December 2017. An aged analysis of these debts is summarised in table 5 below:

Table 5 – Non-borough/TfL/GLA outstanding debt as at 31 December 2017

	Total Debt (£)	No. of invoices
2013/14 debts	200.00	1
2014/15 debts	11,005.82	2
2017/18 debts between 61 – 90 days old	1,636.00	7
2017/18 debts between 31 – 60 days old	9,919.20	8
2017/18 debts 30 days or less	14,032.20	12
Total	36,793.22	30

8. The significant individual debtors within the outstanding balances over 60 days are:

- **Repayment of ESF Community Grants - £11,205.82 – 3 invoices**

Table 6 below contains a list of three organisations awarded community grants under the discretionary ESF co-financing programme that have been asked to repay their unused grant funding.

Table 6 – List of Community Grant debtors

Name of organisation	Outstanding repayment at 31 December 2017
Community Business Enfield	6,249.82
Creative Innovation	200.00
Kimbanguist Association of London	4,756.00
Total	11,205.82

ESF Community Grants are awarded to voluntary organisations for projects which help unemployed and economically inactive people move into or closer to the labour market. The organisations were asked to repay their grant funding as they had not complied with the terms of their grant funding. The organisations initially refused to refund their grant awards and were referred to the City of London Solicitor's Department for legal action to be taken to recover the funds. Creative Innovation and the Kimbanguist Association of London have agreed to settle their debts by paying monthly instalments. Negotiations continue to take place between London Councils' officers and Community Business Enfield.

9. The City of London's role in raising London Councils' debtor invoices is detailed in paragraph 5 of this report. For those debts that have reached the 42 day cut-off point, letters are prepared seeking immediate payment, otherwise London Councils will consider taking further action. The Finance Section undertakes prompt follow up action as soon as the debt is referred back by the Corporation.

Summary

10. This report details the level of outstanding debt owed to London Councils from all sources as at 31 December 2017. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 July 2017.

11. A summary of the level of London Councils outstanding debts as at 31 December 2017 is shown in Table 1 below::

Table 1- Summary of London Councils Outstanding Debts at 31 December 2017

	Borough / TfL / GLA Debts	Non-borough / TfL / GLA Debts	
Period			Total Debts
	£000	£000	£000
Debts invoiced up to 31/7/2017	28	11	39
Debts invoiced between 1/8/2017 – 31/12/2017	1,383	26	1,409
Total	1,411	37	1,448

Recommendations

12. The Executive is asked:

- To note the level of outstanding debt of £27,906 in relation to borough, TfL and GLA invoices raised up until 31 July 2017, a reduction on the outstanding figure of £3.237 million reported to the Executive at its meeting on 12 September 2017;
- To note the level of outstanding debt of £1.383 million in respect of borough, TfL and GLA invoices raised in the period 1 August to 31 December 2017;
- To note the level of outstanding debt of £36,793 in relation to other debtors invoices raised up until 31 December 2017; and
- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 8 of this report.

Financial Implications for London Councils

The financial implications are incorporated into the body of the report.

Legal Implications for London Councils

None.

Equalities Implications for London Councils

None.

Appendices

- Appendix A: Outstanding Borough/TfL/GLA debts invoiced from 1 August to 31 December 2017
- Appendix B: Outstanding Other Debts at 31 December 2017

Background Papers

London Councils Debtors working papers 2017/18

Report to Executive on 12 September 2017

Appendix A - Outstanding Borough/TfL/GLA debts invoiced from 1 August to 31 December 2017

Number	Customer Name	Customer Number	Transaction Date	Original Amount	Balance Due	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
4209569	LB of Barking & Dagenham	83338	06/11/2017	29.75	29.75	55		29.75		
	LB of Barking & Dagenham Total			29.75	29.75		0.00	29.75	0.00	0.00
4211608	London Borough of Barnet	65237	06/12/2017	32,000.00	32,000.00	25	32,000.00			
4212466	London Borough of Barnet	65237	18/12/2017	10,000.00	10,000.00	13	10,000.00			
	London Borough of Barnet Total			42,000.00	42,000.00		42,000.00	0.00	0.00	0.00
4212454	London Borough of Bexley	82583	18/12/2017	96.00	96.00	13	96.00			
	London Borough of Bexley Total			96.00	96.00		96.00	0.00	0.00	0.00
4209252	London Borough of Brent	80673	01/11/2017	36,566.85	652.00	60		652.00		
4209572	London Borough of Brent	80673	06/11/2017	14.96	14.96	55		14.96		
4212600	London Borough of Brent	80673	20/12/2017	3,000.00	3,000.00	11	3,000.00			
4212612	London Borough of Brent	80673	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	London Borough of Brent Total			41,581.81	5,666.96		5,000.00	666.96	0.00	0.00
4212588	London Borough of Bromley	78518	20/12/2017	271.80	271.80	11	271.80			
	London Borough of Bromley Total			271.80	271.80		271.80	0.00	0.00	0.00
4212449	London Borough of Camden	73305	18/12/2017	3,000.00	3,000.00	13	3,000.00			
	London Borough of Camden Total			3,000.00	3,000.00		3,000.00	0.00	0.00	0.00
4211612	Croydon Council	71501	06/12/2017	15,944.00	15,944.00	25	15,944.00			
	Croydon Council Total			15,944.00	15,944.00		15,944.00	0.00	0.00	0.00
4211613	London Borough of Ealing	88277	06/12/2017	20,304.00	20,304.00	25	20,304.00			
4211910	London Borough of Ealing	88277	11/12/2017	251,000.00	251,000.00	20	251,000.00			
4211912	London Borough of Ealing	88277	11/12/2017	135.00	135.00	20	135.00			
	London Borough of Ealing Total			271,439.00	271,439.00		271,439.00	0.00	0.00	0.00
4207227	Royal Borough of Greenwich	124082	03/10/2017	27,905.75	27,905.75	89			27,905.75	
	Royal Borough of Greenwich Total			27,905.75	27,905.75		0.00	0.00	27,905.75	0.00
4211617	London Borough of Hackney	37291	06/12/2017	35,200.00	35,200.00	25	35,200.00			
4212624	London Borough of Hackney	37291	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	London Borough of Hackney Total			37,200.00	37,200.00		37,200.00	0.00	0.00	0.00
4211619	L. B. Hammersmith and Fulham	101404	06/12/2017	15,200.00	15,200.00	25	15,200.00			
4212620	L. B. Hammersmith and Fulham	101404	20/12/2017	2,000.00	2,000.00	11	2,000.00			
	L. B. Hammersmith and Fulham Total			17,200.00	17,200.00		17,200.00	0.00	0.00	0.00
4209470	London Borough of Haringey	79442	03/11/2017	234.00	234.00	58		234.00		
4210379	London Borough of Haringey	79442	16/11/2017	269.40	269.40	45		269.40		
4210844	London Borough of Haringey	79442	22/11/2017	96.00	96.00	39		96.00		
4211427	London Borough of Haringey	79442	01/12/2017	352.80	352.80	30	352.80			
4211636	London Borough of Haringey	79442	06/12/2017	41,080.00	41,080.00	25	41,080.00			
	London Borough of Haringey Total			42,032.20	42,032.20		41,432.80	599.40	0.00	0.00
4211637	London Borough of Harrow	79451	06/12/2017	31,416.00	31,416.00	25	31,416.00			
	London Borough of Harrow Total			31,416.00	31,416.00		31,416.00	0.00	0.00	0.00
4209282	London Borough of Hillingdon	71486	01/11/2017	14,593.41	14,593.41	60		14,593.41		
	London Borough of Hillingdon Total			14,593.41	14,593.41		0.00	14,593.41	0.00	0.00
4211644	London Borough of Hounslow	67448	06/12/2017	18,032.00	18,032.00	25	18,032.00			
	London Borough of Hounslow Total			18,032.00	18,032.00		18,032.00	0.00	0.00	0.00
4211470	London Borough of Islington	5693	04/12/2017	10,000.00	10,000.00	27	10,000.00			
	London Borough of Islington Total			10,000.00	10,000.00		10,000.00	0.00	0.00	0.00

Number	Customer Name	Customer Number	Transaction Date	Original Amount	Balance Due	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
4209310	Royal Borough of Kingston	75215	01/11/2017	16,748.65	16,748.65	60		16,748.65		
	Royal Borough of Kingston Total			16,748.65	16,748.65		0.00	16,748.65	0.00	0.00
4207239	London Borough of Lambeth	3330	03/10/2017	5,344.50	5,344.50	89			5,344.50	
4209721	London Borough of Lambeth	3330	08/11/2017	26,320.00	26,320.00	53		26,320.00		
4209860	London Borough of Lambeth	3330	09/11/2017	256,340.00	256,340.00	52		256,340.00		
4211461	London Borough of Lambeth	3330	04/12/2017	900.00	900.00	27	900.00			
4211647	London Borough of Lambeth	3330	06/12/2017	32,368.00	32,368.00	25	32,368.00			
	London Borough of Lambeth Total			321,272.50	321,272.50		33,268.00	282,660.00	5,344.50	0.00
4211649	London Borough of Lewisham	39651	06/12/2017	13,504.00	13,504.00	25	13,504.00			
	London Borough of Lewisham Total			13,504.00	13,504.00		13,504.00	0.00	0.00	0.00
4209296	London Borough of Newham	54574	01/11/2017	1,083.58	1,083.58	60		1,083.58		
4209324	London Borough of Newham	54574	01/11/2017	52,093.75	52,093.75	60		52,093.75		
4212092	London Borough of Newham	54574	13/12/2017	16,000.00	16,000.00	18	16,000.00			
	London Borough of Newham Total			69,177.33	69,177.33		16,000.00	53,177.33	0.00	0.00
4208394	LB of Richmond Upon Thames	590587	18/10/2017	900.00	900.00	74			900.00	
4209327	LB of Richmond Upon Thames	92507	01/11/2017	11,308.61	11,308.61	60		11,308.61		
4210866	LB of Richmond Upon Thames	92507	22/11/2017	2,185.58	2,185.58	39		2,185.58		
4211651	LB of Richmond Upon Thames	92507	06/12/2017	6,016.00	6,016.00	25	6,016.00			
	LB of Richmond Upon Thames Total			20,410.19	20,410.19		6,016.00	13,494.19	900.00	0.00
4212585	London Borough of Southwark	8589	20/12/2017	10,000.00	10,000.00	11	10,000.00			
4212617	London Borough of Southwark	8589	20/12/2017	20,000.00	20,000.00	11	20,000.00			
	London Borough of Southwark Total			30,000.00	30,000.00		30,000.00	0.00	0.00	0.00
4212605	London Borough of Sutton	39800	20/12/2017	3,000.00	3,000.00	11	3,000.00			
	London Borough of Sutton Total			3,000.00	3,000.00		3,000.00	0.00	0.00	0.00
4211922	London Borough of Waltham Forest	39794	11/12/2017	20,000.00	20,000.00	20	20,000.00			
	London Borough of Waltham Forest Total			20,000.00	20,000.00		20,000.00	0.00	0.00	0.00
4211661	London Borough of Wandsworth	93501	06/12/2017	19,992.00	19,992.00	25	19,992.00			
	London Borough of Wandsworth Total			19,992.00	19,992.00		19,992.00	0.00	0.00	0.00
4212597	Greater London Authority	402282	20/12/2017	332,413.16	332,413.16	11	332,413.16			
	Greater London Authority Total			332,413.16	332,413.16		332,413.16	0.00	0.00	0.00
	Grand Total			1,419,259.55	1,383,344.70		967,224.76	381,969.69	34,150.25	0.00

Appendix B - Outstanding Other Debts at 31 December 2017

Number	Customer Name	Customer Number	Transaction Date	Original Amount	Balance Due	Days Late
4117848	Creative Innovation	576747	17/03/2014	3,204.39	200.00	1,385
2013/14 debts				3,204.39	200.00	
4129152	Community Business Enfield	577767	10/09/2014	6,249.82	6,249.82	1,208
4140378	Kimbanguist Association of London	583505	16/03/2015	6,009.50	4,756.00	1,021
2014/15 debts				12,259.32	11,005.82	
4207189	Waste & Resources Action Programme (WRAP)	573111	02/10/2017	450.00	450.00	90
4208232	Dawson Books	451747	16/10/2017	35.00	35.00	76
4208234	Dawson Books	451747	16/10/2017	35.00	35.00	76
4208239	East Sussex County Council	82316	16/10/2017	444.00	444.00	76
4208371	Epic Elm C.I.C	577804	18/10/2017	240.00	240.00	74
4208424	Sharing Bananas	590575	18/10/2017	216.00	216.00	74
4209159	Tempo Housing	590634	30/10/2017	216.00	216.00	62
2017/18 debts over 60 days				1,636.00	1,636.00	
4209455	Oxygen Finance Ltd	575294	03/11/2017	6,000.00	6,000.00	58
4209461	Local Government Association	358901	03/11/2017	64.80	64.80	58
4209525	Metropolitan Police Service	590668	06/11/2017	121.20	121.20	55
4209533	Bournemouth University	481054	06/11/2017	624.00	624.00	55
4209728	Bournemouth University	481054	08/11/2017	312.00	312.00	53
4209754	British Parking Association	286343	08/11/2017	1,572.00	1,572.00	53
4209765	British Parking Association	286343	08/11/2017	289.20	289.20	53
4210873	Bournemouth University	481054	22/11/2017	936.00	936.00	39
2017/18 debts over 30 days				9,919.20	9,919.20	
4211413	Thames Water Utilities Ltd	9121	01/12/2017	1,071.60	1,071.60	30
4211462	East Sussex County Council	82316	04/12/2017	301.50	301.50	27
4211883	London Waste & Recycling Board	550109	11/12/2017	295.80	295.80	20
4211917	Calder Conferences Ltd	575018	11/12/2017	561.00	561.00	20
4211923	National Anti Fraud Network	590968	11/12/2017	1,173.60	1,173.60	20
4211954	Home Office	110521	11/12/2017	267.00	267.00	20
4211958	Home Office	110521	11/12/2017	267.00	267.00	20
4211964	Electrical Safety First	577947	11/12/2017	408.00	408.00	20
4211966	Thames Water Utilities Ltd	9121	11/12/2017	112.20	112.20	20
4211967	Bournemouth University	481054	11/12/2017	312.00	312.00	20
4212599	Gmb Union	583067	20/12/2017	262.50	262.50	11
4212621	London Communications Agency	433938	20/12/2017	9,000.00	9,000.00	11
2017/18 debts 30 days or less				14,032.20	14,032.20	
Total other debts at 31 December 2017				41,051.11	36,793.22	