

Minutes of the Meeting of the Executive

Tuesday 27 February 2018 9:30 am

Cllr Claire Kober OBE was in the chair

Present

Member	Position
Cllr Claire Kober OBE	
Ms Catherine McGuinness	Vice chair
Cllr Ray Puddifoot MBE	
Cllr Julian Bell	
Mayor Sir Steve Bullock	
Cllr Kevin Davis	
Cllr Clyde Loakes	Substituting for Cllr Lib Peck
Cllr Ravi Govindia CBE	Substituting for Cllr Teresa O'Neill OBE

London Councils officers and Mr Theo Blackwell, the Mayor of London's Chief Digital Officer were in attendance.

1. Apologies for absence and announcement of deputies

Apologies were received from, Cllr Peter John OBE, Cllr Teresa O'Neill OBE, Cllr Ruth Dombey OBE, Cllr Lib Peck and Cllr Darren Rodwell. The deputies listed above were announced.

2. Declaration of interest

Ms Catherine McGuinness declared a pecuniary interest in the exempt item E1 *Southwark Street Site – Review of Lease* and announced her intention to leave the meeting when that item was reached.

3. Minutes of the Executive Meeting held on 16 January 2018

The minutes of the Executive meeting held on 16 January 2018 were agreed.

The Chair pointed out that although this would be the last formal meeting of the Executive before the council elections in May, an informal session was being hosted by the City on 27 March and urged members to inform the City if they would be attending if they had not already done so.

4. Better outcomes for citizens: a London Office for Technology and Innovation

The Director of Finance, Performance & Procurement introduced the item saying that London Councils had been working with the GLA and twenty or more boroughs on a new London Office for Technology Innovation (LOTI) and this report provided an update prior to a finalised proposal being brought to Leaders' Committee in June. He then asked Mr Theo Blackwell, the Mayor of London's Chief Digital Officer to address the Executive.

Mr Theo Blackwell:

- The London Office of Technology and Innovation (LOTI) was set up to promote greater collaboration in the development of digital standards, infrastructure and solutions amongst London's public services
- The GLA and London Councils jointly commissioned a scoping study by Arup, Futuregov and Stance
- Making London the 'smartest' city in the world was an ambition of the Mayor
- A model may be Scotland's digital office that already had 30 of 32 local authorities involved
- GDPR and Cybersecurity were issues better tackled together than individually
- Leadership and capability was important in digital matters, not just at a senior level but amongst middle managers and service directorates
- Work was being done with the Government Digital Service
- The scoping exercise was based on four main areas of work
 - The first area was 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 to agree a future work programme leading to a further offer

- The second area of work was 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 was to run this product for the benefit of practitioners nationwide
- The third area of work was 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 was to assist the GLA Connectivity team with the adoption of standardised leases across London to improve connectivity.

Finally there was a proposal for ongoing work to share best practice on GDPR compliance and cyber-security standards, liaising with London and national bodies in partnership with the CDO. The involvement of the Police, Ambulance Service, TfL and other London bodies would make the sum greater than the individual parts.

Cllr Ray Puddifoot agreed that the logic of the proposals could not be faulted but asked if a basic cost-benefit analysis could be done if boroughs were going to be expected to contribute funds. Mr Blackwell replied that this would feature as part of the more developed proposals that came through to members. The Scottish Digital Office was run for £350,000 but as important as cash was the offer of officer time required.

The Executive agreed to note:

- The report and that
- A fuller report and proposals would be presented to Leaders' Committee in June.

5. Fair Funding Review – update

The Strategic Lead: Finance, Performance & Procurement introduced the report:

This was likely to be the first of a number of regular updates to Leaders' Committee and the Executive in the next 18 months, as the Review progressed.

The Government had now confirmed it would implement 75% business rate retention to the sector but from April 2020. The Review would set the funding baselines for the start of the new system.

The principles were broad and generally agreed across the sector that the new needs assessment should be: simpler, more transparent, contemporary, sustainable (as far as it was practicable to be able to predict future demand), robust and stable.

The Government's planned work programme fell into three categories:

- The assessment of relative need (on which it was currently consulting)
- How to account for relative resources that were raised locally
- How to transition to the new funding baselines.

The timeline set out that:

- Further technical papers on resources and transition would be published between now and the summer
- The structure of the needs and resources assessments would be finalised by spring 2019
- Detailed research into the costs drivers of Children's services and the updated Indices of Deprivation would be ready by the summer of 2019
- The provisional figures would be published in autumn 2019 in the provisional finance settlement (likely December).

As this won't leave much time between that time and implementation in April 2020 it was highly likely that any large changes would be heavily damped in first year

The report set out the main themes from the detailed technical consultation on relative need – which proposed an overarching simplified foundation formula with the main drivers of need being: population, deprivation, rurality, adjusted for area costs.

This would be supplemented by service-specific formulae for the most complex service areas – adults, children's, waste, transport, fire & rescue.

The report went on to outline the broad priorities that would underpin London Councils' response focussing on the key drivers of costs in London:

- Deprivation – highlighting concerns about using income measures which may fail to reflect housing costs in London
- Area Cost Adjustment – important to reflect London's unique property and labour markets and
- The need to reflect population growth through population projections - with the caveat that projections should be robust and accurate.

The response would also set out further concerns regarding the evidence base for rurality as a main cost driver, and the potential for it to be double or triple counted if also included within any deprivation measures or the Area Cost Adjustment (ACA). It would also call for other factors to be included that drove additional costs in urban areas related to population density - day time and night time population and congestion. Importantly it would call for housing/homelessness to have its own specific formula – perhaps the biggest omission from the consultation. And finally it would call for specific recognition of smaller but nonetheless significant areas of spend that have a disproportionate impact in London - such as the impact of No Recourse to Public Funds (NRPF) and Unaccompanied Asylum-Seeking Children (UASC).

Following the submission of the consultation response, the next steps were to continue to develop broader lobbying lines which would include further dialogue with Chief Executives and Treasurers in the Spring and would culminate in a report to Leaders' Committee in June, before aiming to agree a concerted London position with the Mayor in July.

The Chair pointed out that:

- The issue should be placed in the wider context of the difficulties that Northamptonshire County Council had faced as well as Surrey and other counties
- Lobbying was going to be important in the context of various positions and models being advanced from within the sector some of which were rather partial in terms of their coverage of the issues
- An approach needed to be developed that worked at a technical and tactical level, without London appearing to be self-serving.
- Cllr. Govindia agreed with this point and said it would be important to understand the source and nature of pressure that would be applied to ministers on this issue.

The Executive agreed to note:

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

6. Draft London Plan consultation

The Corporate Director, Policy and Public Affairs introduced the item saying:

- The deadline for the submission of London Councils response was Friday 2 March so this meeting represented the last opportunity for members to advise on the final shape of the response.
- The draft response had been shared with relevant portfolio-holders and the vast majority of comments made had been included in the response
- The Examination in Public (EiP) in the Autumn would provide another opportunity to forward views.

Cllr Puddifoot argued that on issues such as Housing and Parking there should be a blunt response making clear that the approach to those issues was over-ambitious.

Building at twice the rate we currently do may be possible, but three times was over-ambitious.

Cllr Govindia expressed his reservations about the Draft Plan emphasis on housing numbers and their deliverability and argued for greater flexibility on space standards to help achieve the stated aim of housing Londoners.

The Chair agreed that with some boroughs the housing targets could look so ambitious as to appear unachievable while with other boroughs they were less of an issue. We needed to reflect the broader contexts however, of the need to build at a level not reached since the war and the need to avoid perceptions of reluctance on our part being seen as the boroughs being 'in denial' over the housing crisis. She went on to say that targets that focused on numbers may miss the question of the importance of housing type.

Mayor Sir Steve Bullock commented:

- It was widely accepted that we need to build 67,000 homes a year but have never reached half that figure
- The London that will develop over the next 10 or 20 years will be radically different to the London of today.

In response to a question from Cllr Govindia about permitted development rights for rapid charging points, Cllr Julian Bell confirmed that there had been a robust discussion with the Mayor at the Congress on the issue of the GLA seeking powers for TfL to circumvent existing planning laws in order to promote their installation. Regrettably, London Councils would object to any such amendment being advanced to the Automated and Electric Vehicle Bill currently going through Parliament. He pointed out that there was already a forum through which that aim could be secured – The Ultra-Low Emissions Steering Group.

The Executive agreed:

- To note the report and
- London Councils' consultation response to the Draft London Plan 2017

attached as an appendix to the report.

7. Month 9 Revenue Forecast 2017/18

The Director of Corporate Resources introduced the report saying it:

- Summarised actual income and expenditure recorded in the accounts as at 31 December 2017 (Month 9)
- Provided a projected outturn figure for the year and highlighted any significant forecast variances against the approved budget
- A separate forecast was provided for each of London Councils three funding streams
- Also provided with an update on London Councils' reserves.

Cllr Puddifoot asked whether it was correct to not include accrued M9 income and expenditure in the actuals to date column in tables in the report? The Director of Corporate Resources concurred and, on reflection, agreed that they should be included in this and all future reports. He went on to give some account of the forecast underspend of £2.972 million projected for 2017/18, across the three funding streams – Leaders' Committee (expenditure on employment was being controlled by the policy on vacant posts), TEC (a surplus on Trading Standards) and Grants (the final ESF programme). Uncommitted reserves were currently projected to be just over £6.2 million by the end of the current financial year and Cllr Puddifoot commended it as a good report.

The Executive agreed 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 the report.

8. Debtors Update Report

The Director of Corporate Resources also introduced this report saying it detailed the level of outstanding debt owed to London Councils from all sources as at 31 December 2017 as well as the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 July 2017. In response to questions from members of

the Executive, he reassured members that shortfalls on payments for parking services were normally accounted for by short-term issues in boroughs – for example, changes in personnel rather than any serious attempt to avoid payment.

The Executive agreed to note:

- The level of outstanding debt of £27,906 (at the time of publishing the report) 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
- 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
- The level of outstanding debt of £36,793 in relation to other debtors invoices raised up until 31 December 2017 and
- The specific action being taken in respect of significant debtors, as detailed in the report.

The Chair moved the exclusion of the press and public since the next item was exempt from the Access to Information Regulations, Local Government Act 1972 Schedule 12(a) as amended, as it contained material covered by section 3 *Information relating to the financial or business affairs of any particular person (including the authority holding that information)*.

Ms Catherine McGuinness declared a pecuniary interest and left the meeting.

The meeting ended at 10:30am.

Action points

	Item	Action	Progress
4.	Better outcomes for citizens: a London Office for Technology and Innovation <ul style="list-style-type: none"> A fuller report and proposals to be presented to Leaders' Committee in June. 	CG	This is on the 6 th June 2018 agenda
7.	Month 9 Revenue Forecast 2017/18 <ul style="list-style-type: none"> Include accrued M9 income and expenditure in the actuals to date column in tables in this and future reports 	Corporate Resources	To be reflected in the forecast report to be reported to the Executive in September 2018 (M3 2018/19).