

Executive

Governance in London

Item no: 05

Report by: John O'Brien **Job title:** Chief Executive

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Summary	This report sets out a proposed means for taking forward one of the agreed list of London Councils revised priorities in respect of new ways of working.
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Recommendation	The Executive is asked to comment on the proposed means for taking forward the final item under the heading 'new ways of working' in the revised set London Councils Priorities and on the attached outline brief and potential timing for such a piece of research work.
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1. At its Annual General Meeting in June 2018 the London Councils Leaders' Committee committed to revise its priorities through to 2022. The new Chair of London Councils commenced a process at that meeting of identifying key areas of priority for Leaders and worked with Executive members to develop these further. These were discussed at various meetings of the Executive during the autumn and early winter of 2018/19 and were also the subject of consideration by Leaders at various meetings over a similar period as well.
2. The outcome of that exercise is a series of 46 specific pledges across seven key policy areas that London's local Leaders have jointly agreed to work on together to deliver. The last grouping of Priorities is entitled 'New ways of working'. The final pledge in that grouping was explicitly to reflect a consistent thread from a particular group of Leaders' written contribution to the June discussions – reflecting on London governance issues and, in particular, the governance relationship of the Mayor and boroughs. Members of the Executive discussed this in November and agreed that a useful way of framing this issue would be an exploration of how London's governance now compares to other parts of urban England and whether any lessons can be learned in terms of delivering better results for Londoners. It was thought that it would be useful to take this forward via the stimulation of an independent piece of research work – ideally led through a third party, potentially a think tank
3. It is proposed that London Councils seeks to stimulate this exploration via a third party commissioner. Clearly, it is envisaged that London Councils would be a primary source of financial support for the commissioning of such a piece of work.
4. An outline brief for this piece of work is set out at Appendix 1. This type of brief would allow a focus on how borough Leaders and the Mayor collaborate on the executive governance of London's public services, how that compares now to other parts of urban England and how the scrutiny of London's services now compares to elsewhere. The study would consider the extent to which arrangements in London, or elsewhere, could be adapted as a result of learning obtained from elsewhere.
5. The Executive is asked to consider the attached outline brief, offer views and indicate whether it is happy for officers to work towards stimulating such a piece of work with other partners. The Executive is also invited to consider the potential timing of such a piece of work.

Financial implications for London Councils

Any financial contribution to a third party commissioner, or a direct provider, would be met from the existing commissioning budget.

Legal implications for London Councils

None

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper.

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Background

1. The essential building blocks of London's governance structure have been in place for nearly 20 years:
 - directly elected Mayor (with a clear public leadership role as well as responsibility for a range of pan London statutory strategies)
 - a 25 member Assembly responsible for scrutiny and holding the Mayor to account and for wider scrutiny investigations into key issues of pressing concern for London;
 - 32 multi-purpose London boroughs and the City of London Corporation responsible for securing key local public services. Boroughs are held to account by scrutiny arrangements in their own boroughs;
 - 73 London Members of Parliament
2. The Mayor and Borough Leaders collectively work together in a variety of ways. In the main, these are voluntary arrangements for collaboration. They include:
 - Congress of Leaders and the Mayor (meets twice a year)
 - Congress Executive (meets twice a year and comprises the Mayor, the London Councils Executive and Chairs of Sub-Regional groupings of boroughs)
 - a range of joint Boards where the Mayor and nominated members from London Councils, along with other stakeholders, are focused on promoting London's interests in a number of key areas, eg:
 - London Health Board
 - London Crime Reduction Board
 - London Economic Partnership
 - Homes for Londoners Board
3. There are some pieces of collective governance that have some greater formal underpinning, eg:
 - the London Waste and Recycling Board (which has nominations from London Councils and the Mayor's Office)
 - the decision on the allocation of the Strategic Investment Pot from Business Rate Retention is decided formally by the Lead Authority, but that decision is informed

by a decision making process that requires the positive agreement of two parties
– the Mayor and the boroughs collectively (the borough vote being determined by a specified form of majority);

- the London Councils Transport and Environment Committee (which has 33 Council members and TfL) decides collectively on a number of traffic and transport related issues.

In the main, however, the arrangements described earlier are non-statutory.

4. This collaboration normally has at its root a common desire to win resources, as well as secure greater devolution of power, influence and resource to London – at a pan London level for the Mayor, for groupings of boroughs and for individual boroughs. Other London public service partners also become involved in this activity.
5. In recent years, the desire to secure and drive devolution has led to the development of some radical shifts in the governance of other parts of Urban England. In particular, there has been the establishment of six 'Metro Mayors' covering:
 - Greater Manchester City Region;
 - Liverpool City Region;
 - West Midlands;
 - Tees Valley;
 - West of England;
 - Cambridgeshire and Peterborough

In addition, Sheffield and Rotherham have established a Directly Elected Metro Mayor, but powers are yet to be fully realised. Later in 2019, there will be a North of the Tyne Metro Mayor elected.

6. These Metro Mayors, in the main, govern alongside a 'Combined Authority' comprising representation of all the constituent local authorities in the area covered by the Metro Mayor. Between them, the Mayor and Combined Authorities are responsible for a range of specific functions, including a number around:
 - Growth and Infrastructure;
 - Housing Supply;
 - Wider Public Service Devolution.
7. Precise decision making processes vary but, in essence, the Combined Authority is required to agree a range of items in association with the Mayor. This constitutes a formal piece of joint governance established in statute.

8. Scrutiny arrangements in these areas are a combination of individual councils being held to account by scrutiny in their own authority, allied to varying forms of collective scrutiny of the work of the Metro Mayor and Combined Authority. These collective arrangements are drawn from non Executive parts of the constituent authorities – there is not a separately constituted institution for this purpose.
9. In addition to the governance changes of recent years set out above, the operating environment for public services has been shifting profoundly. There has been nearly a decade of very significant reductions in the financial base for local public services and, from 2020, the Government will be introducing a new funding regime for local government based on retention of 75% of business rate income. Councils are being asked to fund increasing demand for very hard pressed services with fewer resources. New thinking about the role, purpose and operation of sub national Governance is required in these circumstances as well as taking account of the governance, service and community implications of the UK's departure from the European Union.

This Study

10. In the context of changes in urban governance in England in recent years, this study is focused on the following questions:
 - how does London's governance arrangement now compare with those in other metropolitan parts of England?
 - to what degree do the different respective arrangements promote:
 - strong collective executive action by all of those elected to political leadership at council and Metro Mayor/London Mayor level?
 - greater buy-in, understanding and co-ordination on key policy agenda items between all the relevant players in the wider area?
 - clearer understanding of the respective contribution of all relevant players to the combined governance of the wider area?
 - strong collective delivery of services/functions where responsibility is distributed across tiers of government – local and wider metropolitan area;
 - more effective arrangements for promoting integrated approaches to the reform of public services in the wider area?
 - strong overall value for money?
 - effective scrutiny of Metro Mayors/London Mayor?

- to what degree could practice on these issues be adapted between London and other parts of Metropolitan England in an effective way?
 - what other factors – eg size of wider area, number of individual councils, history of how wider area Mayoralty was brought into being, culture of joint working, as well as intensity of shared focus on very specific goals for the wider area – would potentially limit the degree to which such practice can be effectively adapted between London and other Metropolitan Areas, and to what degree?
11. The final report should represent a well evidenced analysis of these questions and provide a valuable contribution to further thinking and reflection by policymakers, practitioners and other interested parties seeking to ensure that London's governance remains fit for the purposes and challenges it faces and that London learns from innovation and practice elsewhere. A series of recommendations for consideration by key stakeholders is required.