

# Executive

8 September 2020 : 9:30

**Location:** Teams Virtual Meeting

**Contact Officer:** David Dent

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## Agenda item

1	Declarations of Interest*	
2	Apologies for Absence:	
3	Minutes of Executive Meeting held on 19 <sup>th</sup> May 2020	
4	Supporting Councils to improve services and practice by addressing Racial Inequality	
5	Local Government Finance – Update	
6	Covid 19 – Recovery and Renewal Overview	
7	Month 3 Revenue Forecast 2020/21	
8	Debtors Update	

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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

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## **Minutes of the Meeting of the Executive**

**Tuesday 16<sup>th</sup> June 2020 09:30 am**

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

### **Present**

<b>Member</b>	<b>Position</b>
Cllr Peter John OBE	Chair
Cllr Teresa O'Neill OBE	
Cllr Claire Holland	
Cllr Darren Rodwell	
Cllr Georgia Gould	
Cllr Ray Puddifoot MBE	
Cllr Muhammed Butt	
Cllr Ruth Dombey	
Cllr Clare Coghill	
Cllr Danny Thorpe	
Cllr Elizabeth Campbell	
Catherine McGuinness	

Cllr Ravi Govindia CBE, Cllr Julian Bell and Cllr Gareth Roberts were in attendance.

London Councils officers were in attendance.

The Chair welcomed Cllr Claire Holland, Deputy Leader of the London Borough of Lambeth, to her first Executive meeting.

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

No apologies for absence were tendered.

### **2. Declaration of interest**

Cllr Bell declared an interest in that he was a member of the Transport for London (TfL) Board.

### **3. Minutes of the Executive Meeting held on 19<sup>th</sup> May 2020**

The minutes of the Executive meeting held on 19<sup>th</sup> May 2020 were agreed as an accurate record of the meeting

### **4. Covid 19 Pandemic: Recovery and Renewal**

The Chief Executive introduced the report, describing the present arrangements for managing Pandemic recovery across London, comprising:

- the London Transition Board, co-Chaired by the Secretary of State for Housing, Communities and Local Government and the Mayor of London, which has been set up to deal with immediate issues around exit from lockdown and transition
- the Recovery Board, jointly chaired by the Chair of London Councils and the Mayor, whose role would cover medium term recovery issues: the Board would also manage two task forces dealing respectively with economic and social recovery, with Cllr Georgia Gould chairing the economic task force and Cllr Ruth Dombey as deputy chair for the social recovery strand.

Feedback had been given to the GLA on the urgent need both to establish clear targets for the Recovery Board and mobilise the two task forces.

The Covid-19 related workstreams for London Councils, approved at the previous Executive meeting, would continue to be reviewed in terms of the outcomes of the Boards.

Members made the following points:

- the Boards should avoid duplication of workloads, and should be responsible for setting their own outcomes and targets as soon as possible
- to make the Boards as effective as possible, some work should take place before the meetings to work out how best contributions could be made from participants, and consideration should be given to setting up subgroups within the Recovery Board
- the Boards needed to be aware of the effective arrangements already in place in boroughs, have an understanding of borough and sub regional relationships, and be aware of parallel work taking place elsewhere, for example the Department for Digital, Culture, Media & Sport's work with the hospitality sector
- a growing number of people who had not previously asked for assistance were now on the cusp of needing help, and this group should be factored in to planning, as well as micro businesses who, up to now, had been able to support themselves, or who were operating in co-working arrangements and therefore not currently receiving support
- the hospitality sector had been one of the hardest hit industries and its revival was crucial in that London depended on tourism. This linked to the need to have transport running effectively
- while a large number of residents could be unemployed as a result of the crisis, there were opportunities for social investment and in retraining people into new jobs linked to London's green agenda
- there were inequality issues arising from the crisis, including the disproportionate impact on BAME communities and people who were digitally excluded
- because of the allocation of discretionary funds according to different boroughs' priorities, businesses may have found that they received different responses from different boroughs.

The Chair also discussed the issue of schools and the issue of their preparedness and ability to be open for all pupils by September, bearing in mind present social distancing rules, which presented difficulties.

Members acknowledged these challenges, commenting that between 40% to 44% of their pupils had now returned to school, many of which had remained open during the crisis. It was also recognised that work needed to be done to restore parental confidence, address the disproportionately smaller percentage of children from BAME households returning to school, and the issue of digital exclusion impacting on home schooling opportunities.

The Chief Executive thanked members for their contributions: he acknowledged the potential for duplication between the Boards which would be addressed by holding 'pre' meeting sessions; the work of the Recovery Board would address the issues of economic and social opportunities and identifying people 'on the cusp'; the linkages between the cultural renaissance of London and the importance of the messaging around transport have featured in discussions with London & Partners; and in terms of the discretionary grants issue, discussions had taken place in other parts of the country on this subject.

Executive noted the transition arrangements set out in the report.

## **5. Local Government Finance – Update**

The Director of Local Government Performance and Finance introduced the report, commenting that:

- the report collated information about the support that the Government had made available to London and the impact on London's authorities since the start of the crisis, and proposed lobbying lines that could be communicated to Government in the coming months
- the largest strand of emergency support provided centrally - £22 billion nationally - had been for business
- £3.2 billion of un-ringfenced emergency funding was the main point of financial support for Covid-19 impact on authorities

- funding for a series of smaller initiatives had also been made available, including £60 million in London for Test and Trace
- in terms of the overall impact assessed by borough survey returns, the total impact for London until the end of the financial year was £1.8billion
- the position to the end of May 2020 was that the total financial pressure across London so far was estimated to be around £600 million. This exceeded the Government emergency funding by around £100 million
- in terms of the Business Rates position the overall impact was £370 million (a correction to the report which stated £30 million)
- regarding the lobbying position, there were three messages; that the money allocated was insufficient; a requirement to stabilise the position of boroughs for the rest of 2020/21; and an understanding that the financial implications of the crisis will last beyond the current financial year
- the Government had announced a plan to ensure financial sustainability of local authorities in the present financial year by addressing the different types of impact, which presented the ability to lobby, noting also that there was a proposed spending review in autumn 2020.

Members made the following comments:

- a short statement should be prepared, setting out why the financial impact on London was different to the rest of the country, citing areas such as tourism and transport as examples; this should be sent to MPs
- the paper should focus on the current financial year and be clear about what London produced for the national economy
- lobbying on this paper should be extended to the party political groups

Members noted the report and endorsed the idea of constructing a brief lobbying paper on the issue.

## **6. Under 18 Travel Issue (oral update)**

The Director of Transport and Mobility provided a verbal update on the changes to under 18 Travel.

Members were informed that:

- the suspension of free travel for under 18s was a condition of an agreement between the Mayor and Department of Transport, with the aim of encouraging more active travel amongst school children, and to reduce the amount of young people using public transport to aid social distancing.
- boroughs had a legal responsibility to provide home to school transport for qualifying pupils but had been able to rely on the free travel provided to under 18s by TfL since 2006
- the Government had confirmed that TfL should continue to meet the cost of boroughs' statutory school travel obligations and that the proposal should be implemented as soon as possible, and by no later than September 2020

A steer was now required from members as to the next steps to be taken, including whether a letter should be sent to the Secretary of State on this issue.

Members made the following comments:

- the free travel option had allowed younger people to have greater mobility across London and the suspension limited their ability to leave their own borough
- the proposals had been introduced before boroughs had the opportunity to hold conversations with parents about the impact of the change on school choices
- a cross party approach to this issue was important
- it would be difficult to achieve the stated aims because no other arrangements for active travel had been put in place
- the interconnectivity of London was important for young people



The Chair thanked members for their comments and asked the Director of Transport and Mobility to draw up a letter to the Secretary of State, which set out the position of supporting a reinstatement of the funding.

## **7. London Councils – Consolidated Pre-Audited Financial Results 2019/20**

The Director of Corporate Resources introduced the report, confirming that:

- the unaudited surplus for the year was marginally over £2.6 million spread across the three committees
- there were uncommitted reserves of £9.7 million, which was a marginally better position than the same time the previous year
- the final figures would be confirmed following the accounts closure, which was carried out remotely this year
- for London Councils the main Covid-19 financial impact had been a loss of income within the Transport and Environment committee budgets, but that there hadn't been no additional expenditure as a result of the Pandemic
- Any changes to the present position as stated in the report would be reported to Executive at its next meeting

Cllr Puddifoot felt that the report showed London Councils to be in a strong financial position in terms of the uncommitted reserves, and he thanked the Finance Team for their work.

Executive noted the detail in the accounts and agreed to receive a further report in November 2020 after the completion of the external audit by Grant Thornton LLP (GT) to adopt the final accounts for 2019/20.

## **8. Urgency Report**

Executive noted the use of London Councils' urgency procedure to approve the appointment of Cllr Matthew Green (City of Westminster) as the Conservative

Party Group Lead Member on Business Engagement, Europe and Good Growth for the period between 1 June 2020 and the Leaders' Committee AGM on 13 October 2020, and the appointment of Cllr Gareth Roberts (LB Richmond Upon Thames) as the new Liberal Democrat Whip, Deputy Group Leader and Liberal Democrat reserve on the Executive.

Cllr Gould asked for an update on Unaccompanied Asylum Seeking Children to be provided to members.

The meeting closed at 10.46.

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### **Action points**

	<b>Item</b>	<b>Action by</b>	<b>Progress</b>
<b>5.</b>	<b>Local Government Finance</b> <ul style="list-style-type: none"><li>a short statement to be written on the financial impact of Covid-19 for London</li></ul>	<b>Corporate Director PaPA</b>	Ongoing
<b>6.</b>	<b>Under 18 Travel Issue</b> <ul style="list-style-type: none"><li>A letter to the Secretary of State to be written setting out the position regarding Under 18 travel</li></ul>	<b>Director of Transport and Mobility</b>	Completed

# Executive

## Supporting Councils to improve services and practice by addressing Racial Inequality

Item no: 4

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

**Date:** 8 September 2020

**Contact Officer:** John.O'Brien@londoncouncils.gov.uk

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**Summary:** This report provides an overview of:

- a) The work that Leaders' Committee initiated in July 2020 to support councils in tackling racial inequality.
- b) An outline of some immediate opportunities for London local government to collaborate and exchange promising practice.
- c) London Councils' corporate engagement with this agenda, as encapsulated in a draft statement.

**Recommendations:** The Executive is asked to:

- 1. Note the progress made to date in co-designing a programme of activity with the Portfolio Holder and senior borough officers.
- 2. Note and comment on the emerging model for the programme of work set out in the diagram at Appendix A.
- 3. Commend the draft statement set out in Appendix B to Leaders' Committee for its consideration.

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# Supporting Councils to improve services and practice by addressing Racial Inequality

## Introduction

1. Leaders' Committee adopted a business plan for 2020/21 at its meeting in July 2020, which set out how the organisation aims to deliver its strategic objectives over the medium term and which commits to us working to build a fairer, more inclusive capital.
2. The plan opened with a section which sought to respond directly the devastating, disproportionate impacts of the Coronavirus on communities, businesses and local government. One stark aspect of this, is the impact on Black, Asian and Minority Ethnic Communities, bringing inequality and specifically racial inequality into sharp focus.
3. A recent Public Health England Review found that in England:  
*After accounting for the confounding effects of age, gender and deprivation, risk of death from coronavirus was twice as high in Bangladeshi groups; and between 10-50% higher in persons from Black, Asian, Indian, and Chinese ethnic groups compared to the White population.*
4. The brutal killing of George Floyd and the subsequent involvement of many Londoners in the Black Lives Matters movement has illustrated the depth and breadth of feeling about disproportionality and racial injustice.
5. At their July meeting, in agreeing the business plan, Leaders instructed officers to:  
*Support service improvement, by collecting and sharing the best emerging local government practice in tackling inequality; co-ordinating, where appropriate, across service areas – with the aim of helping local initiatives to tackle unfair outcomes (e.g. those*

*disproportionately affecting Black, Asian and Minority Ethnic communities) – supported by targeted early intervention.*

## **Emerging Programme of work**

6. London Councils, under the leadership of Cllr Muhammed Butt (*Portfolio Holder for Welfare, Social Inclusion and Empowerment*) is working closely with Chief Executives and other local authority professionals to co-design a programme of activity that will provide effective support to boroughs in taking this agenda forwards. A CELC working group, chaired by Kim Smith (*Chief Executive of Hammersmith and Fulham Council*) is providing managerial leadership and several borough officers have helpfully stepped forwards to provide their help and advice.
7. It is recognised that we are not starting with a blank sheet of paper, indeed many authorities have well developed models of intervention and effective programmes for promoting equalities, which have led to a number of improvements across services and in employment practice. Consequently, we have begun to collate examples of promising practice so that this is available as a resource for other authorities.
8. In addition to locally based practice, a number of professional networks (such as the Association of London Directors of Children's services) are developing their own initiatives to share and promote good practice.
9. It will be important to design London Councils contribution in a way that adds value to these broader initiatives and avoids unnecessary duplication and 'crowding out'.

## **Supporting boroughs to improve services and practice**

10. The co-design process mentioned above has led to the development of a tentative model to frame our work around three main blocks of activity (see *diagram attached as Appendix A*)

- Demonstrating Leadership
- Building Inclusive Workplaces
- Challenging and Improving Practice across Services

11. There are a number of immediate opportunities where London Councils has the levers to act, and hence where we are quickly moving forwards:

- i. London Leadership Programme
  - A review is in train with a view to swiftly adapting the offer to address the need to support the development of a cohort of Black, Asian and Minority Ethnic managerial leaders.
- ii. Good Practice
  - Work is in train to collect promising practice.
  - Discussions have begun on co-designing a 'standard' to support authorities in benchmarking their practice
- iii. Data
  - Work is in train to identify a strategic approach to collecting data that will support practice improvement.
- iv. Procurement practice and social value
  - Early discussions have begun around how authorities can improve their approach to procurement and social value consideration.

## **London Councils**

12. The Executive will be mindful of London Councils own responsibilities as a membership association, a provider of services and an employer. With reference to the three blocks of activities mentioned above, these responsibilities could be framed in the following way:

### **Demonstrating Leadership**

13. A visible way of responding to this challenge would be to reinforce the commitments made in our 2020/21 Business Plan, which commits to us working to build a fairer, more inclusive capital. This is buttressed by more detailed commitments, including: collecting and sharing best emerging local government practice; working with Public Health

England and other partners to identify and tackle the disproportionate impact of COVID 19 on Londoners from Black, Asian and Minority Ethnic communities.

14. Our engagement with the London Recovery Board also provides a potential opportunity to 'build back better' by ensuring that the Board's programme prioritises tackling racial inequality.

### **Building Inclusive Workplaces**

15. London Councils is well placed to work through the Employers Organisation and the network of HR Directors to:
  - collect, analyse and publicise pan London local government workplace ethnicity data.
  - Support the development of inclusive employment policies and practices (e.g. training and mentoring programmes) as well as career progression and recruitment initiatives designed to advance the goal of building more inclusive workplaces at all levels.
16. In addition, the Executive, and organisation's senior managers, will be mindful of the need to continue to strive to create a working environment at London Councils that is free from discrimination in any form and in which our staff and our stakeholders are treated with dignity and respect. The journey towards such an environment will be enhanced by a co-production approach, re-booted through discussions with our staff, in a variety of settings.

### **Challenging and Improving Practice across Services**

17. London Councils collaborative work with Chief Executives and Professional Networks puts us in a good position to help facilitate and support a programme of thematic reviews by CELC Lead Advisers exploring disproportionality issues across a range of service and policy areas and share emerging best practice among member authorities in tackling inequality.

18. The Executive, and organisation's senior managers, will be mindful of the need to continue to challenge our own direct service delivery at London Councils, with a view to identifying disproportionality and improving practice.

## **Conclusion**

19. As requested by Leaders, a programme of work has been initiated over the summer, co-produced with senior managers from our member authorities. This is expected to lead to the delivery of a number of 'quick wins', including the sharpening of the London Leadership Programme.

20. There are, however, several longer-term challenges which will require sustained effort in order to deliver meaningful outcomes. As a first step in this longer-term challenge, the Executive is asked to consider the draft statement *attached at Appendix B*, with a view to asking Leaders' Committee to adopt this as a visible demonstration of their corporate leadership on this agenda.

## **Recommendations**

The Executive is asked to:

1. Note the progress made to date, in co-designing a programme of activity with the Portfolio Holder and senior borough officers.
2. Note and comment on the emerging model for the programme of work set out in the diagram at Appendix A.
3. Commend the draft statement set out in Appendix B to Leaders' Committee for its consideration.

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## **Financial Implications for London Councils**

We are working with the Lead Member to assess the resource implications of this programme of work and will revert to the Executive when the resource implications have been quantified.

## **Legal Implications for London Councils**

None specifically flowing from this paper.



## **Equalities Implications for London Councils**

These are addressed in the body of the report.

### **Appendices:**

- **Appendix A:** Tackling Racial Inequality - emerging work programme
- **Appendix B:** Draft London Councils Statement on Race Equality

# Emerging pan-London work

Supporting the work of individual councils as they seek to address inequality

## Demonstrating Leadership

- *Identifying a CELC Lead?*
- High profile messaging by political and managerial Leaders
- London Councils Business Plan – including BAME equalities initiatives as headline priorities in current business plans
- London Recovery Board
- Working with community sector – listening to local ‘unheard voices’ and nurturing community development
- Pan-London standard/ assurance
  - *Peer review?*

## Accelerating Action to Ensure an Inclusive Workforce (*Work as Large Employers*)

- Undertaking focussed work on race inequality in the workplace
  - Collect, analyse and publish pan-London workforce ethnicity data
  - Increase awareness and buy-in of off-the-shelf standards/ packages to increase external verification and validation of practice
  - Career progression initiatives/ L&D – **Adapting/ developing the London Leadership Programme (LLP)**
  - Recruitment practice – *mutual aid to support diverse recruitment panels?*
  - Sharing inclusive employment policies/ practice (e.g. training and reverse mentoring programmes)
  - Promoting (and linking) diversity networks
- } **best practice compendium/ resources hub**

## Challenging and Improving Practice Across Services

- **Thematic reviews by CELC Lead Advisers** (Adult Care; Children’s Services; Health; Crime and Policing; Employment; Housing and Growth; Skills; Transport; Environment; Finance; Welfare) – exploring disproportionality sector by sector
  - *New pan-London campaigns? New lobbying lines?*
- Support service improvement by collecting and sharing emerging practice in tackling inequality – **best practice compendium/ resources hub**
- *Commissioning and procuring services – leveraging authorities collective buying power?*

## **Appendix B**

### **DRAFT LONDON COUNCILS STATEMENT ON RACE EQUALITY**

#### **Introduction**

In recent months, the brutal killing of George Floyd has brought to the forefront feelings of enormous frustration and anger about the ongoing scale of racial injustice that confronts us. The disproportionate impact of COVID 19 on Black, Asian and other Minority Ethnic communities underscores the longstanding challenge that we must address - making London a fairer place for its citizens.

London Councils is itself reflecting on that challenge and the things that the organisation can do to contribute to addressing that challenge. That includes its day to day work with London's boroughs, our partner organisations and with Londoners, as well as our organisation internally.

This statement captures the state of that reflection to date, but also acknowledges that there is an ongoing and evolving conversation on these issues and that the content will change as that conversation changes.

#### **London Local Government and Racial Inequality**

London Councils recognises that racial inequalities exist in all areas of public life with devastating consequences for far too many Londoners. We pledge to work with our member authorities to create a fairer and more equal society.

As public bodies, we and our member authorities have a legal duty under the Equalities Act 2010 to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations

Councils across the capital along with London Councils itself agree that they can make a difference by committing to lead change across different communities, building more diverse and inclusive workplaces and challenging ourselves and others to identify and remove inequalities in access to services.

By working together and with London's Black, Asian and other Minority Ethnic communities, London local government will work consistently towards the goal of greater equality.

#### **London Councils working with its member authorities**

London Councils will work with its member authorities on this agenda against the same three broad areas of activity as illustrated below.

#### ***Demonstrating Leadership***

We will:

- Reflect the importance of this agenda in our Business and Work Plans. Our 2020/21 Business Plan commits to us working to build a fairer, more inclusive capital and to collecting and sharing best emerging local government practice on tackling inequalities, co-ordinating where appropriate across service areas with the aim of helping local initiatives to tackle unfair outcomes (e.g. those disproportionately affected BAME communities). The importance of this theme is reflected more broadly in the Business Plan and work plans, for example in the work with Public Health England and other

partners to identify and tackle the disproportionate impact of COVID 19 on Londoners from minority ethnic communities.

- Seek to ensure that tackling racial inequality is an issue that is captured in the work of the London Recovery Board.

### ***Building Inclusive Workplaces***

We will:

- Support London local government to collect, analyse and publicise pan London local government workplace ethnicity data.
- Support the development of inclusive employment policies and practices (e.g. training and mentoring programmes) as well as career progression and recruitment initiatives designed to advance the goal of building more inclusive workplaces at all levels.

### ***Challenging and Improving Practice across Services***

We will:

- Facilitate and support thematic reviews by CELC Lead Advisers exploring disproportionality issues across a range of service and policy areas and share emerging best practice among member authorities in tackling inequality.
- Challenge our own direct service delivery at London Councils to identify disproportionality issues and practice that may tackle inequality.

### ***London Councils as an Employer***

London Councils strives to create a working environment that is free from discrimination in any form and in which our staff and our stakeholders are treated with dignity and respect. We recognise that many of our staff, along with those across the capital, are feeling pain and anger as a result of the wider racial injustices highlighted by document. We wish to discuss these feelings with our staff, in a variety of settings, gain a better and deeper understanding of the impact this has on individuals and identify ways in which, in our working environment and lives, we can help colleagues feel that London Councils is striving for fairer outcomes.

We will:

- Prompt wider conversations with staff about the issues that racial inequality raises and identify further steps that we can take to promote equality in the workplace
- Learn from initiatives on successfully building inclusive workplaces that our member authorities implement
- Reaffirm our commitment to training and support, including mandatory equalities training for staff across the organisation to raise awareness of these issues and as a means of tackling inequality in the workplace.

# Executive

## Local Government Finance - update

Item 5

**Report by:** Paul Honeyben      **Job title:** Strategic Lead: Finance & Improvement

**Date:** 08 September 2020

**Contact Officer:** Paul Honeyben

**Telephone:** 0207 934 9748      **Email:** [paul.honeyben@londoncouncils.gov.uk](mailto:paul.honeyben@londoncouncils.gov.uk)

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### Summary

This report updates the Executive on the latest financial impact of COVID-19 on London local government, provides an overview of the key themes that will form the basis of London Councils' representation to HM Treasury ahead of both the Comprehensive Spending Review (CSR) and the fundamental review of business rates in the autumn and seeks a steer on the overall approach to both reviews.

### Recommendations

The Executive is asked to:

- note the latest information on the financial impact of Covid-19;
  - provide a steer on the key priorities on which to focus lobbying efforts with regard to the CSR;
  - agree the broad principle of an ambitious joint London Government response to the Fundamental Review of Business Rates – building on the arguments previously proposed; and
  - comment on the proposed lobbying approaches to both reviews.
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## **Local Government Finance update**

### **Introduction**

1. London boroughs have continued to play a central role in the response to both the public health and economic crises caused by COVID-19. As the focus of activity moves to supporting the recovery, it is clear that both crises continue to result in additional expenditure and significant losses of income for local authorities: they also present clear challenges and opportunities for the future economic and social role of London Government.
2. The Government's initial response has been to provide direct funding and other supportive financial measures to lessen the impact on local government since March. However, this support has not covered the financial impact to date and is well short of the estimated impact over the full financial year. London boroughs are facing great uncertainty and a real test to their financial resilience.
3. The forthcoming Comprehensive Spending Review, due in the autumn, was already going to be a pivotal point for local government finances after a decade in which budgets had fallen by over a quarter and in which London's population grew by more than a million people. It now takes on even greater importance for the financial sustainability of London local government within the broader national context of economic recession and the need to repair the public finances.
4. At the same time the Government is also undertaking a fundamental review of business rates: one of the cornerstones of local government funding, with the deadline for its call for evidence on the subject of 31<sup>st</sup> October, and a final outcome due in the spring.
5. This report updates the Executive on the latest financial impact of COVID-19 on London local government, provides an overview of the key themes that will form the basis of London Councils' representation to HM Treasury ahead of both the CSR and the fundamental review of business rates in the autumn and seeks a steer on the overall approach to both reviews.

## **COVID-19 financial impact on London local government**

### Funding measures announced since March

6. Both the Executive and Leaders' Committee discussed comprehensive finance update reports in June setting out all the funding announcements since the start of the pandemic. Appendix A provides an updated list of all funding measures announced since COVID-19 started and London boroughs' share of each one. London boroughs have received around 16% of all direct funding: in line with London's share of the national population. Since June there have been some further important funding announcements.
7. In July, a third tranche of general emergency funding was announced totalling £500 million nationally, specifically aimed at supporting councils with additional spending pressures. The distribution method used some elements of those proposed in the Fair Funding Review, such as a new Area Cost Adjustment, and drew heavily on expenditure data from the monthly MHCLG surveys. London boroughs received £87 million or 17.7% of the national total (a larger share than the first two tranches - 15.9% and 15.4% respectively).
8. A compensation scheme for lost sales, fees and charges (SF&C) income was also announced, with local authorities forgoing the first 5% of budgeted SF&C income, and the Government compensating authorities for 75p in every pound of losses thereafter. The final detailed guidance is expected to have been published by the end of August, with the first data collection and payments (for the period April to July 2020) due by October. Section 151 officers will be responsible for self-certifying the accuracy and reasonableness of claims against the principles and guidance provided. Initial estimates suggest it may only cover around half (£230 million) of London boroughs' estimated £458 million SF&C income losses.
9. Finally, as part of the same announcement, the Government announced the option for councils to phase the repayment of council tax and business rates deficits over the next 3 years (rather than requiring them to be paid next year). Importantly, however, the decision on how much – if any - compensation the Government will provide for tax losses has been put off until the CSR.

### The July MHCLG survey

10. To date, MHCLG has undertaken four monthly surveys from April to July to gauge the scale of the financial impact of COVID-19 relating to local authority lost income and additional expenditure. A fifth survey was circulated at the end of August, and further surveys are planned in September and October. London Councils has collated survey returns from all 33 authorities for each of the surveys and has been providing monthly summaries to borough Treasurers, Chief Executives and Leaders.
11. While figures continue to be based on estimates with varying assumptions, so should still be treated with caution, there has emerged a degree of consistency as the impact of the pandemic has become clearer.
12. The July survey shows the financial impact of COVID-19 across London boroughs in 2020-21 is forecast to be **£2 billion**, comprising **£1.1 billion in lost income** and **c.£900 million in increased expenditure**. This is an increase from £1.9 billion estimated in June. Taking account of the **£587m in emergency funding** that boroughs have received so far, the estimated funding gap in 2020-21 is **£1.4 billion** across London. Table 1 shows the detailed breakdown of the latest figures.

**Table 1 – C19 financial impact on London boroughs 2020-21 - Latest summary**  
**(July 2020)**

	£m
Additional expenditure – ASC	275
Additional expenditure - Unachieved savings	151
Additional expenditure - All other	471
<b>TOTAL ESTIMATED ADDITIONAL SPENDING</b>	<b>898</b>
Reduced income - Sales, fees and charges	458
Reduced income - Council Tax (local share)	261
Reduced income - NNDR losses other (local share)	211
Reduced income - HRA	89
Reduced income - Commercial Income	58
Reduced income - Other	37
<b>TOTAL ESTIMATED INCOME LOSS</b>	<b>1,114</b>
<b>TOTAL ESTIMATED FINANCIAL IMPACT</b>	<b>2,011</b>
Emergency funding received so far	-587
<b>FUNDING GAP</b>	<b>1,425</b>



13. Almost a third (£275 million) of additional expenditure is within Adult Social Care, with unachieved savings accounting for £151 million, and increased homelessness and rough sleeping costs accounting for almost £100 million. Spending is also estimated to increase by around £50 million in each of the following services: finance & corporate; environment & regulatory; public health and children's social care.
14. Considering the impact since the start of the pandemic in March, lost income and additional spending has so far totalled £1.1 billion, leaving a shortfall of around **£480 million** once the emergency funding has been taken into account.
15. With no indication of the extent of compensation for lost tax income (totalling £472 million) until the CSR, and no compensation for lost income relating to the HRA, commercial or other income (totalling £184 million) London boroughs are facing significant uncertainty over how much of the financial impact of COVID-19 they will ultimately have to bear. This makes the outlook ahead of the CSR extremely challenging.

## **Comprehensive Spending Review 2020**

### Process and Government priorities

16. On 21 July, the Chancellor officially launched the Comprehensive Spending Review 2020 (CSR20), asking for representations by 24<sup>th</sup> September, although no specific date for the end of the review was given. It was confirmed it will set departmental resource budgets for three years (2021-22 to 2023-24) and capital budgets for four years (2021-22 until 2024-25). Based on previous experience, given the deadline for representations, it is likely that the CSR will be announced in November, potentially alongside the Budget.
17. The Government's key priorities for the review include:
  - strengthening the UK's economic recovery from COVID-19 by **prioritising jobs and skills**;
  - **levelling up economic opportunity** across all nations and regions of the country by investing in infrastructure, innovation and people;

- improving outcomes in public services, including supporting the **NHS** and taking steps to cut **crime** and ensure every young person receives a superb **education**;
- making the UK a **scientific superpower**, including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050;
- strengthening the **UK's place in the world**; and
- improving the management and delivery of **existing commitments**, ensuring that all departments have the appropriate structures and processes in place to deliver their outcomes and commitments on time and within budget.

18. While the Chancellor did not fix a set spending envelope, he confirmed that departmental spending (both capital and resource) will grow in real terms across the CSR period. This commitment may be hard to maintain in the context of a sustained economic downturn as a result of COVID-19. However, even with real terms growth in overall spending, the prioritisation of the NHS, Education and Police budgets suggests the outlook will once again be challenging for other “non-protected” budgets including for local government, and the emphasis on “levelling up” presents a particular challenge for London Government collectively.

#### London Councils' submission

19. Given this context, it is proposed that London Councils' submission should – in addition to broad arguments about the funding and finance system for local government - make the case that “levelling up” needs to address inequality of outcomes as well as geography; that such inequality will be exacerbated by COVID-19 without a successful recovery strategy that addresses both economic and social issues, and that investment in London's recovery is essential to secure both economic growth and improvement in social outcomes in the country as a whole.
20. As reflected in the Recovery and Renewal overview paper later on the agenda, it is also proposed to highlight in the submission the important role of London boroughs as agents for London's social and economic recovery, rooted in place,

with a recent proven ability to respond quickly and effectively to emerging need. Depending on the Executive's steer, it may also reflect flexibilities and levers to strengthen community participation; support cross-borough collaboration; and service reform and innovation.

21. **With regard to funding** – it is proposed to set out the scale of the underlying financial challenge facing London local government (estimated to be a £2 billion revenue funding gap over the next 3 years), and the immediate impact of COVID-19 (set out above).
22. In the short term, it will ask for certainty that the impact of Covid-19 in the current year will not be allowed to undermine the financial sustainability of local government in the coming years. This should include:
  - Certainty over the LGF 2021-22 settlement as soon as possible.
  - Compensation in 2021-22 for all lost council tax and business rates income resulting from COVID-19.
  - Compensation for *all* lost sales fees and charges, commercial, HRA and other income lost due to COVID-19.
23. To put London boroughs on a long-term sustainable footing it will ask for:
  - A 3-year settlement including sustained above inflation annual increases.
  - Clarity over the future of the Fair Funding Review and the reforms to the Business Rates Retention scheme.
24. **With regard the local government finance system** - it is clear that before very long there will be major decisions about the future model for social care as well as the future of business rates taxation, particularly in the context of COVID-19 impacts. These decisions, alongside a view about the future role of local government as captured in the forthcoming Devolution and Recovery White Paper, points to the need before too long for there to be a new settlement that underpins the funding of local government going forward, including the potential for new sources of revenue and greater fiscal devolution.

25. It is, therefore, proposed to urge that the Government discuss with the sector and other stakeholders the way in which this new settlement can be debated and established, and over what timescale. In terms of the detail of the submission, it is planned to restate previous calls for the reform of council tax and business rates, cross-referring to the proposals that will be set out in the response to the fundamental review of business rates (see paragraphs 45ff below), and will urge the Government to allow local authorities access to more revenue raising powers, such as: the proceeds of an online sales tax; retention of unspent Apprenticeship Levy funding; devolution of Vehicle Excise Duty to pay for roads maintenance costs; the development of a local Tourism Levy; local retention of Landfill tax; and the ability to set and retain planning fees locally.

### Economic Recovery

26. The submission will emphasise London's importance to the recovery of the whole economy and will – where appropriate – align with the economic missions agreed by the London Recovery Board. It is planned to include, but not be limited to, asks in the following key areas:

27. **The Green economy** – proposals to develop London's low carbon sector and green the economy, including delivering a multi-billion pound place-based infrastructure fund that supports LAs to develop low carbon infrastructure; and to enable councils to use existing funding streams to accelerate low carbon skills development. Proposals will link closely with the developing Green New Deal asks.

28. **Retrofitting** - as a national infrastructure priority, it is planned to welcome the positive approach set out in the Government's "Plan for jobs" and include asks around:

- London receiving its fair share of the existing funds available (£310 million from the Green Homes Grant; £130 million from the Public Sector Decarbonisation Fund; £8 million from the Social Housing Decarbonisation Fund)

- The government retrofitting all domestic and non-domestic buildings to an average level of EPC-B (EPC-C by 2030 for social housing and PRS, and zero carbon schools (costing for this needed).
- Financial support and incentives for councils to encourage private retrofitting.

29. **Low carbon infrastructure and decarbonising energy and waste systems:** a series of ambitious asks, such as:

- a potential carbon precept relating to green financing solutions
- support to produce and deliver local energy plans
- Reintroduction of an Urban Community energy fund
- Removal tax burdens to encourage Community Energy Companies
- a fair share from the £2.5 billion Clean Growth Strategy and from income resulting from changes to the Extender Producer Responsibility and waste material Deposit Return schemes.
- Devolution to London of its share of municipal waste landfill tax receipts.
- A commitment to fund separate food waste collection from households and business by 2023.

30. **Housing supply** – calling for:

- flexibility over how long Right to Buy receipts can be retained and used to deliver homes.
- social rent certainty over much longer periods (e.g. 30 years)
- funding for whole-building, holistic fire safety costs resulting from the systemic failings in building and fire safety regulation, including decarbonisation costs
- an income recovery scheme for lost rental income resulting to COVID-19.
- a new financing mechanism for retrofitting buildings in local government

31. **Transport** – it is proposed to include core asks around:

- Supporting London's transport through the recovery – specifically to avoid a car-based recovery and reassure people that the public transport systems are safe to use.

- Commitment to funding key strategic national and regional projects by publishing the National infrastructure Strategy and support for previously stated important sub-regional projects within London.
- The urgent need for investment in roads to address the £1.1 billion maintenance backlog including restating calls for VED devolution.

32. **Employment** – the core arguments will link closely with the “Good Work for All Londoners” and “Digital Inclusion” LRB economic recovery missions. It is likely this will include calls for further devolution of Work & Health programme over a longer timescale, propose arguments for devolution of the Kick Start scheme to address long term unemployment, and – in line with the “15 minute Cities” LRB mission - call for significant investment in London’s High streets and Town centres – referring to similar investment seen in the Town’s Fund.

33. **Skills** – it is proposed to raise concerns about the potential impact of the furlough scheme ending and restate previous arguments for the devolution of skills set out in London Government’s Call for Action on skills (Sept 2019) for a whole systems local approach, including: the restoring the Adult Education Budget to pre-austerity levels; a London Careers service; using any unspent Apprenticeship levy to support a London Apprenticeships service; devolution of Further Education capital funding; responsibility and funding for 16 to 18 year-old skills provision, and funding for traineeships.

34. **UK Shared Prosperity Fund (UKSPF)** – ask the Government to:

- urgently clarify the future funding arrangements for the UKSPF
- Allow devolved areas to collectively determine how best to target this funding.
- Allocate the UKSPF based on a fair measure of need, not just using Gross Value Added.

### Social Recovery

35. It is proposed that the submission will focus on the service areas under the most strain and seek to set out any specific factors which make these pressures different in the capital. It will cross-refer – where appropriate – to the social

missions agreed by the London Recovery Board. It is planned to include, but not be limited to, the following key asks of Government:

**36. Adult social care funding:**

- the Government to set out a long-term vision for social care funding immediately – not by the end of the parliament.
- ASC funding to mirror NHS funding increases so that funding is spent more efficiently within the whole health and care system.
- Immediate support for ASC market and other demand pressures arising from C19 (totaling over £200 million in London this year).
- Medium-term (3 or 4 year) funding allocations to promote more strategic and efficient use of resources and meet the estimated funding gap of £600 million by 2025 resulting from demographic change and new burdens.

**37. Children's social care:**

- Meet the estimated funding shortfall of at least £300 million in London in 2020-21 by providing additional funding for children's social care.
- Ensure that any funding allocated for social care overall is distributed to areas with the greatest need (using both the children's and adult social care relative needs formulae).
- Make a long-term commitment to fund the troubled families programme for the rest of the CSR period.
- Increases the rates of Home Office grant for UASC and former UASC Care Leavers to ensure full cost recovery to London boroughs
- Reform the National Transfer Scheme for supporting an equitable sharing of responsibilities.

**38. Children with Special Educational Needs and Disabilities (SEND) :**

- Provide a statutory override to isolate Direct Schools Grant (DSG) deficits so they do not impact on sign off of general fund accounts.
- Allow local authorities to have full flexibility to transfer funding between the blocks of the DSG with the agreement of the Schools Forum in 2021-22.
- Underwrite DSG deficits caused by High Needs block; and increase High Needs block funding to reflect the annual increases in children with Education Health & Care Plans locally.

- Publish its SEND review asap – and implement policy changes to limit the unsustainable rise in EHCP numbers or provide requisite resources to accompany such rises.

**39. Homelessness & rough sleeping:**

- Provide reassurances that the ongoing costs of COVID-19 on H&RS (totaling almost £100 million) will be met.
- Remove the expectation that core funding (i.e. Settlement Funding Assessment) should be used to fund homelessness costs – and instead replace this with targeted specific grant funding to reflect the high concentration of homelessness in London and other urban areas.
- Deliver significant annual increases to the Flexible Homelessness Support Grant, recognising the higher costs of temporary accommodation in London and meeting the true costs of the Homelessness Reduction Act 2017.
- Reduce the number of different pots of funding so that councils can plan the delivery of homelessness services more strategically for their areas.

**40. People with No Recourse to Public Funds:**

- Provide funding for councils to cover the costs of people with No Recourse to Public Funds on whom London boroughs spend more than £50 million a year.
- end no recourse to public funds (NRPF) condition for at least a year.
- End Habitual Residence Test so EEA citizens don't need to prove their 'right to reside' to access benefits and rights under homelessness legislation.

41. As with last year's Spending Round submission, it is planned to include a short 2-3 page summary document including all of London Councils' key asks alongside the detailed submission. Sign off by Group Leaders will be sought in the usual way ahead of the submission deadline of 24<sup>th</sup> September.

Lobbying

42. Building on the links made through the *Investing in the Future* campaign for SR19, joint lobbying will be undertaken on key issues with the GLA and other



stakeholders, including London business representative groups, the London VCS and London MPs to ensure joined up pan-London arguments are made.

43. London Councils officers are in discussion with GLA officers regarding joint lobbying on common priorities, which could include plans for a joint high-level representation from the Mayor and London Councils Group Leaders.
44. With regard to engaging MPs, officers attended the London APPG discussion on local government finance in June and a briefing was subsequently sent to London MPs to help them in any discussions with Government on local government funding. London Councils' full submission and short key points briefing will be sent to all London MPs in late September. In order to harness their collective lobbying power and reinforce the key messages, similar to last summer's Spending Round, it is proposed that a template letter be sent to Leaders for them to write to their local MPs in October following the submission deadline and in the lead up to decisions being taken ahead of the CSR.

## **Fundamental Review of Business Rates**

45. HM Treasury has published a call for evidence for its Fundamental Review of Business Rates launched at the Budget in March. The objectives of the review are to:
  - reduce the overall burden on businesses;
  - improve the current business rates system; and
  - consider more fundamental changes in the medium-to-long term.
46. Importantly for London local government, the review will have regard to "the role of business rates in the funding of local government and local services, the impact of any changes on business rates retention, and the delivery of existing reforms to the business rates system".
47. The call for evidence focuses on four main areas including:
  - improvements to the Transitional Relief Scheme from April 2021;

- reforms to make the system more sustainable including the basis and frequency of valuation, the effectiveness and operation of different reliefs, how the business rates multipliers should be set, and who pays the tax;
- the administration of the tax, covering the valuation and appeals process; and
- potential alternatives to business rates, particularly taxing land and property.

48. It is seeking responses in two phases:

- With views on the NNDR multiplier and reliefs to be submitted by 18<sup>th</sup> September to inform an interim report in the Autumn.
- Responses on all other sections are invited by 31<sup>st</sup> October, ahead of the review's conclusion in Spring 2021.

### London's response

49. London local government has long held ambitions regarding the devolution of business rates. Both London Finance Commission reports (2013 and 2017) presented clear arguments for full control and retention of the proceeds of business rates; the joint London Councils/GLA response to the Government's consultation on its proposed 100% business rates retention reforms in September 2016<sup>1</sup>, which built on a set of key principles that were agreed by Leaders' Committee and the Mayor of London, represents the most detailed and worked out proposals to date. It called for the decoupling of London's business rates from the rest of the country's and for London Government to have full control over both the setting and distribution of the proceeds of the tax, and a separate London Valuation Office accountable to London Government.

50. However, circumstances have changed since 2016 and the Government's appetite for devolution of business rates has, arguably, diminished, having cancelled its plans for 100% retention by 2020, and twice postponed the implementation of 75% retention, which won't now happen until April 2022 at the earliest. Over the same period, the sustainability of business rates in its current form has been brought sharply into question. The 2017 revaluation again saw a further concentration of

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<sup>1</sup> Available here: <https://www.local.gov.uk/sites/default/files/documents/london-councils-and-gla-j-fde.pdf>

the national tax liability falling on London's businesses, meaning a reduction in bills outside of the capital on average. Successive Chancellors have continued to add more complexity by creating further reliefs for different sectors. All the while, the growth in online sales has continued and retailers with a physical presence (particularly on the high street) have continued to struggle. Most recently, the short-term measures to support businesses through the COVID lockdown – the guarantee of £10 billion of business rates bills through emergency reliefs and shoring up businesses with a further £12 billion through various grant schemes – and, arguably, by the longer-term impact on retail shopping habits and commercial office use, particularly in the centre of cities, have further highlighted the fragility of the tax.

51. All of this emphasises the need for significant reform of the tax to accompany any increase in local control and retention of business rates. The Government's stated aims around improving the current business rates system to make it more sustainable and considering more fundamental changes in the medium-to-long term are therefore welcome. London's long-term ambition for full devolution of the tax should be based on the need for such reform to make the tax simpler and more responsive to local circumstances. A new single business rate system applied to all local economies risks repeating and reinforcing the problems of the current system: reformed business rates in London should reflect the particular circumstances of the capital's economy and commercial property market.
52. The other stated aim of the review - reducing the burden of business rates on businesses (thereby reducing the overall yield) – may well be an important aspect of any successful reform. However, given the current importance of business rates to the funding of local councils, it raises fundamental questions regarding the alternative taxes needed to support local government services, and of who designs and controls such alternatives. It is proposed to argue that a greater local role in the operation of business rates is needed now more than ever if councils are to have the necessary tools and levers to drive the local economic and social recovery in their areas; and that any new taxes that may replace or supplement business rates must also be designed and managed locally for the same reason.

53. London Councils officers have been working closely with GLA officers on the review and it is once again proposed to submit joint London Government responses – building on the previous joint work and the level of ambition set out in 2016. It is proposed that the broad ambitions previously set out will underpin the response to the technical questions regarding reliefs and the multiplier for the initial deadline due on 18<sup>th</sup> September; for which sign off by Group Leaders will be sought in the usual way. It is proposed that a further, fuller report be taken to Leaders' Committee in October regarding the detail of any broader response relating to administration of business rates, and in particular proposing alternative taxes to business rates, in order to inform the second submission due on 31<sup>st</sup> October.

### Lobbying

54. In addition to delivering joint responses to the initial 18<sup>th</sup> September deadline and 31<sup>st</sup> October deadline with the GLA, it is proposed to work closely with London business groups to identify areas of common ground – building on the joint submission to the Treasury Select Committee inquiry on the impact of business rates on ratepayers in spring 2019 agreed by London Councils, the GLA, London First, the Federation of Small Businesses (London Region), and the London Chamber of Commerce and Industry. A meeting is planned in early September to discuss the potential of a high-level joint response – and a verbal update will be provided to the Executive.

55. It is also planned to utilise the upcoming “Business 1000” survey to gain supportive information and data to reinforce the devolution arguments. As the review will report in the Spring, it is proposed to explore with the GLA the potential for commissioning further independent research regarding reform of business rates, and the potential for other taxes to partially take its place.

### **Recommendations**

56. The Executive is asked to:

- note the latest information on the financial impact of COVID-19;
- provide a steer on the key priorities on which to focus lobbying efforts with regard to the CSR;

- agree the broad principle of an ambitious joint London Government response to the Fundamental Review of Business Rates – building on the arguments previously proposed; and
  - comment on the proposed lobbying approaches to both reviews.
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### **Financial Implications for London Councils**

None

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

None

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

None

## Appendix A – All funding measures announced since the start of COVID-19

**Table A1 - COVID-19 Financial measures announced by Government since March**

	Date	Type of funding	England	London Boroughs	% share
C-19 Business Rates reliefs	11-Mar	Compensation	10,130.70	3,040.00	30.0%
Rough Sleeping Fund	16-Mar	New - targeted	3.2	0.9	26.6%
Hardship Fund	24-Mar	Compensation	500	89.5	17.9%
Emergency funding (tranche 1)	27-Mar	New - general	1,600.00	254.2	15.9%
Estimated S.31 grants paid in advance	27-Mar	Cashflow	1,800.00	205.3	11.4%
Small Business Grants Fund and the Retail, Hospitality & Leisure Grants Fund*	01-Apr	Compensation	12,333.50	1,662.40	13.5%
Cashflow measures	16-Apr	Cashflow	3,332.80	871.4	26.1%
Emergency funding (tranche 2)	28-Apr	New - general	1,594.00	245	15.4%
Infection control fund for adult social care	15-May	New - targeted	600	50.7	8.5%
Active Travel Fund*	23-May	New - targeted	221.6	25	11.3%
Reopening High Streets Safely	24-May	New - targeted	50.1	8	16.0%
Test and Trace	10-Jun	New - targeted	300	60.2	20.1%
Welfare support funding	11-Jun	New - targeted	63	10.1	16.1%
Homelessness & Rough Sleeping	23-Jun	New - targeted	105	TBC	TBC
Emergency funding (tranche 3)	11-Jul	New - general	494	87.4	17.7%

\*NB – A Local Authority Discretionary Fund was subsequently announced to be funded from the overall funding included here.

# Executive

## Covid 19 – Recovery and Renewal Overview

Item no: 6

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

**Date:** 8 September 2020

**Contact Officer:** John.O'Brien@londoncouncils.gov.uk

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**Summary:** This report provides an overview of:

- a) The role London local government in the formal Transition and Recovery structures.
- b) The work the Executive commissioned to capture the political and professional learning from member councils on the Covid 19 response.
- c) Potential steps to ensure that borough priorities become more central to London Councils' work on recovery and renewal.

**Recommendations:** The Executive is asked to:

1. Note the update provided in the report attached at appendix A on the Transition Board and the Recovery Board.
  2. Note the finding of the surveys to capture political and professional perspectives from member councils on the Covid 19 response and emerging recovery and renewal strategies; provided in the report attached as appendix B
  3. Comment on the questions set out in paragraph 8.
  4. Give an initial steer on priorities for engagement with:
    - a) The Transition and Recovery Programmes
    - b) The Devolution and Recovery White Paper and other key submissions to Government that have potential strategic impact on London local government.
  5. Consider commissioning Lead Members and officers to 'flesh out' propositions for potential longer-term opportunities arising from the learning associated with the Covid 19 response. You may subsequently wish to consider the balance of our priorities given the competing demands.
-

# Covid 19 – Recovery and Renewal Overview

## Introduction

1. London local government's Covid 19 related work has moved from a response footing to focus on transition issues, with an increasing emphasis on managing the Capital's longer-term recovery and renewal.
2. The report attached at Appendix A provides an overview of London local government's engagement with the formal Transition and Recovery structures. London Councils' Elected Officers continue to play an important leadership role in both Boards and Cllr Peter John co-chairs the Recovery Board.
3. When the Executive considered Recovery and Renewal issues in June 2020, it commissioned officers to work with Portfolio Holders, Lead Chief Executives and other key professional groupings to:
  - I. Capture the political and professional learning from member councils over the past few months and use that to help inform boroughs' consideration of their own recovery strategies.
  - II. Commission interventions that add value to the work of individual councils and groups of councils in their own recovery and renewal work.
  - III. Make the case to Government, the Mayor and others for investing in propositions built on London local government leadership of key recovery and renewal themes, e.g. A locally led Green Recovery proposal.
  - IV. Deploy this additional work to inform the London Recovery Board as well as our own programme of advocacy and reform.

This approach was endorsed by Leaders when they considered Recovery and Renewal matters in July 2020.

4. The work the Executive commissioned to capture political and professional reflections from member councils on the Covid 19 response is encapsulated in the report attached as Appendix B. Several key themes are highlighted in the report, including:
  - The unprecedented degree of challenge presented by the pandemic.



- The personal, social and economic consequences which are expected to be long-lasting.
- Numerous examples of effective cross-borough collaboration.
- An inspiring response from communities, both on a formal and informal level, supported by councils as conveners and enablers of participation and volunteering.
- The comparative success of local government in moving swiftly to respond to fast changing situations – often drawing on innovative ways of working.
- The degree of fiscal challenge that boroughs are likely to face in the future (as referenced in the earlier local government finance paper on today's agenda).

## **Considerations**

5. The Executive commissioned the above survey with a view to locking in borough priorities as a central focus for London local government's work on recovery and renewal, including London Councils engagement with the GLA as part of the Recovery Programme.
6. Given the unprecedented competing demand on members at a local, cross borough and pan-London level (with multiple Board and Sub Board meetings), the survey results and today's Executive discussion could provide a potentially useful framework for prioritisation of our collective contributions.
7. Members will also be mindful of the broader capacity pressures on all of London local government, including shared resources such as London Councils. The capacity pressures will, of course, become more acute if we need to brigade resources again to respond to a second C19 spike. There is no guarantee that the resources to deliver such a surge in response capacity would automatically be delivered by Government, at a time when local authority income streams remain uncertain.
8. In reflecting on the survey results, it would be helpful if the Executive gave direction on where London Councils should prioritise its work in the future. The following questions, which draw on the survey findings may help focus the discussion:
  - a. Should we seek to build on councils' key role during the Covid 19 response as conveners and enablers of community participation and volunteering?

This may be important given the financial context boroughs are likely to face.

- b. Should we seek to maintain and build on the many excellent examples of cross-borough collaboration in response to the pandemic, by supporting further collaboration across borough groupings where appropriate (potentially providing a platform for further devolution)?
- c. Should we seek to build on the innovative way in which boroughs redirected resources and reshaped services to respond to the pandemic- noting that boroughs demonstrated the ability of local government to grip and use cutting edge technology and social network, in a way which eluded many national agencies?

## Opportunities

9. The Executive may wish to use the early discussion around priorities (paragraph 8) as a guide when considering the following potential opportunities:

A. **Provide a framework for our responses** to the forthcoming Devolution and Recovery White Paper (expected later in September 2020) and other key submissions to Government that have potential strategic impact on London local government (including elements of the CSR submission).

- Given the Government's national priorities, it is recommended that the Executive develop a framework that opens with the case for London Local government, grounded in our role as key delivery agents for London's social and economic recovery, rooted in place, with a recent proven-ability to respond quickly and effectively to emerging need (viz Covid 19).
- This might offer opportunities to spell out the sorts of freedoms and flexibilities that would allow us, as a sector, uniquely placed as we are, to better deliver on economic and social recovery. This may draw on the earlier discussion and might include new levers that would support our role in:
  - a. Convening and enabling of community participation and volunteering.

- b. Supporting cross-borough collaboration (potentially providing a platform for sufficient scale to give Government confidence to allow further devolution).
- c. Service reform and innovation, including the use of technology and social networks in a nimble way which is beyond the reach of leviathan national agencies.

**B. Commission officers to work up longer-term opportunities** – for discussion and potential development by the Executive. These opportunities could include options such as:

- d. Promoting promising/innovative practice on the borough role in catalysing community participation.
- e. Grounding community participation in our wider approach to policy development.
- f. Embedding borough-groupings into future policy and devolution asks – recognising the importance of scale for services – whilst also recognising the importance of joined-up people-centred services
- g. Developing an eye-catching innovation ‘pitch’ – building on and fostering new ways of working and good practice established during the Covid 19 response; potentially supported by a hub that can build on the approach to collaboration and innovation being developed by LOTI.

## **Conclusion**

- 10. Whilst the negative consequences of the pandemic are all too obvious, there are arguably once-in-a-lifetime opportunities to reposition London local government as the primary agents of public service delivery for and with our communities.
- 11. To advance this ambitious agenda, the Executive may wish to press officers to quickly develop ideas for its consideration - including scoping how London Councils could provide a space to enable this agenda to be realised through co-creation with boroughs and borough groupings.

12. If the Executive is minded to take the opportunity to focus on a strategy, such as the one intimated above, it is likely to be necessary to take a view on how much of our collective capacity should be focused on this borough-led strategy and by implication how much such be invested into partnership activities (working with the GLA). We would have to come back to you to discuss how this effects our resources, business plans and existing Pledges.

## **Recommendations**

The Executive is asked to:

1. Note the update provided in the report attached at appendix A on the Transition Board and the Recovery Board.
2. Note the finding of the surveys to capture political and professional perspectives from member councils on the Covid 19 response and emerging recovery and renewal strategies; provided in the report attached as appendix B
3. Comment on the questions set out in paragraph 8.
4. Give an initial steer on priorities for engagement with:
  - The Transition and Recovery Programmes
  - The Devolution and Recovery White Paper and other key submissions to Government that have potential strategic impact on London local government.
5. Consider commissioning Lead Members and officers to ‘flesh out’ propositions for potential longer-term opportunities arising from the learning associated with the Covid 19 response. You may subsequently wish to consider the balance of our priorities given the competing demands.

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## **Financial Implications for London Councils**

Additional expenditure and potential reductions in income from London Councils’ response to the pandemic are being identified and monitored. Each Directorate has an appointed officer responsible for recording these incidences in their respective areas of operation and an overall model is being maintained by the Finance team. This is being

reviewed on a very regular basis. Most of the additional burden will have been incurred from the start of the 2020/21 financial year, so there will be significant opportunity to review income and expenditure to consider the need for any adjustments and the potential use of any uncommitted reserves.

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

None specifically flowing from this paper.

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

None specifically flowing from this paper.

## London local government response to Covid 19: Transition and Recovery arrangements

### Introduction

This report provides an update on progress around London's respective Transition and Recovery arrangements and identifies further opportunities for London local government.

1. London local government has emerged from the immediate response and mitigation phase of the pandemic and is now focusing on the Capital's transition towards recovery. The start of the transition and recovery phase has seen the embedding of two new pan-London structures: the London Transition Board and London Recovery Board. The two multi-agency Boards, characterised by close working across sectors, work – to a degree- in tandem.
2. Both the Executive (June) and Leaders Committees (July) received papers that provided an update on London local government resilience and emergency response to Covid 19 and the next steps towards recovery, including the role of local government and London Councils. A number of important comments were made that informed the London local government perspective and provided direction to the transition and recovery arrangements, such as addressing inequality exacerbated by the pandemic; tackling unemployment and supporting those on the cusp of needing help; focusing on the green agenda; supporting the hospitality sector and high streets. These contributions have helped inform and shape the strategic direction the broader recovery programme. Concurrently London Councils have been developing work, via surveys of borough Leaders and Chief Executives, to understand learning from the Covid 19 response and opportunities for local government in relation to recovery, renewal and public service innovation – these insights are explored in detail in appendix B.
3. This report provides an update on progress of the pan-London transition and recovery arrangements, with a focus on the role London local government has played in these developments. This will provide Executive Members with an opportunity to reflect and comment on arrangements and progress to date, and the role and opportunities for local government in the future. It will also touch upon broader London resilience arrangements and activity.

## **London's Covid 19 Transition and Recovery**

4. The London transition and recovery programme has continued to make important progress to mitigate any immediate challenges emerging in London and to enable the conditions for a robust recovery. Both the London Transition Board (LTB) and London Recovery (LRB) have developed their structures, practical operations and strategic direction with London local government playing a central role in both shaping and leading progress. The section will outline developments and the current state of play within the arrangements and upcoming next steps.

### The London Transition Board

5. The core role of the LTB (co-chaired by the Secretary of State for Housing, Communities and Local Government, and the Mayor of London) is to co-ordinate and oversee a successful transition from emergency response to recovery. The LTB focuses on short term arrangements up to the end of 2020 and leads the Capital's transition out of lockdown and co-ordinates the response to emerging trends, issues and risks as the economy begins to reopen - whilst controlling the virus. London local government is represented on the Board by the London Councils Chairs and Vice Chairs and the Chair of the Chief Executives London Committee.
6. Since the previous update to both the Executive and Leaders Committee in June and July the LTB have further updated and expanded the programme structure and operation. There are now two established streams:
  - London Transition Management Group (TMG) – The format of the TMG has been largely unchanged since the previous update. This is a multi-agency group is chaired on an independent basis by John Barradell, Chief Executive at the City of London Corporation, and is responsible for the oversight of the joint work undertaken across London at both pan-London and sub-regional levels. It is designed to provide assurance to, and deliver the objectives of, the LTB. The TMG effectively subsumed and broadened the strategic and operational activity previously led by the Strategic Coordination Group during the emergency response phase of the pandemic. The work of the TMG is underpinned by a number of sub-groups including the Mortality Management Group including the PMART process, Scientific and Technical Advisory Cell, Communications, Health

and Wellbeing Group, Business Support, Strategy, Performance, Analysis and Research and any Task and Finish Groups.

- Strategy Groups – these newly established groups focus on key system-wide issues with the aim of reviewing activity underway or planned, and identifying and escalating emerging risks, issues and opportunities. The existing Strategy Groups are Outbreak Control, Business Reopening, Health and Social Care, London's Communities, Education (Schools), Arts and Culture – each have their own respective chairs (the Education group is chaired by Cllr Peter John, Chair of London Councils) and participants that bring their own sectoral knowledge to enable critical review, insight and the ability to anticipate issues. The latest LTB meetings have undertaken deep dives that are centred around and led by the groups. The groups are also supported in their activity by the London Transition Management Group or one of its subgroups.
  - A number of leading Members and London Council officers are closely involved in the above structures.
7. Since the Executive Committee in June the LTB have met on several occasions (1 July, 22 July and 12 August) and have undertaken deep dives to understand challenges and establish next steps around key issues – to date the deep dives have been around: Planning and Licensing; Growing public confidence to restart activity; Outbreak Control; Reopening London's Arts & Culture Sector; Transport confidence and business reopening; Autumn return to school, further and higher education.
8. The latest meeting included the deep dive on the autumn return to school, further and higher education, led by Cllr Peter John, which outlined potential challenges including transport, how to manage the skills gap, what needs to be taught in the curriculum, pupil and parent confidence, mental health and safeguarding of pupils, concerns about digital poverty and guidance on wrap-around care.

#### London Recovery Board

9. The LRB, co-chaired by the Chair of London Councils and the Mayor of London, continues to establish strategic direction and priorities for London's long-term recovery. It is important to recognise the distinction between the two Boards –



whilst some themes and issues overlap between short and long-term, the LTB focuses and predominantly leads the short-term activity. The LRB functions in tandem with the Transition Board but with a broader and future thinking focus around social and economic recovery.

10. The LRB actively brings together cross-sectoral representation including local and central government, police, health, business, trade unions and the voluntary, community and faith sector - to lead, develop and establish long-term London recovery and renewal. Its overarching objective is to restore confidence in the city, minimise the impacts on London's most vulnerable communities, and rebuild the city's economy and society.
11. To guide the Recovery work programme and meet the overarching aims agreed by the LRB, the Board adopted a mission-based approach proposed by the London Recovery Taskforce (LRT). The LRT, chaired by Dr Nick Bowes, Mayoral Director of Policy at the Greater London Authority, works to implement the Board's vision. The missions are effectively thematic priorities consisting of several projects and activities. The missions are not exhaustive and do not intend to encapsulate all activity and outcomes required to '**Build Back Better**' – rather they intend to address and focus on key issues arising from the pandemic and enable other programmes of work to develop and progress concurrently.
12. The latest draft missions been developed by the Economic Recovery workstrand (co-chaired by Cllr Georgia Gould and Jules Pipe) and Social Recovery workstrand (co-chaired by Debbie Weekes-Bernard and Cllr Ruth Dombey) in partnership with key stakeholders and were presented the LRB on the 28 July. Feedback from the LRB suggested the missions required further refinement to establish greater focus and prioritisation, as such both workstrands are now working at pace and undertaking a mission refinement process. To inform this process the central engagement team at the Greater London Authority are conducting public engagement through Talk London<sup>1</sup> (an online community for all Londoners to engage on possible future policy decisions) and workstrands will continue discussions with stakeholders to maintain a collaborative approach to the mission development. The refinement process will be completed ahead of the

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<sup>1</sup> [Talk London – London Recovery engagement](#)

next LRB meeting on the 15 September, there will also be a key staging point at the LRT on the 3 September.

13. The following list is the latest draft London Recovery missions – these are likely to be updated over the coming months:

**Mission 1: A Strong Civil Society** - *All Londoners -especially those who suffered unequal impact of Covid-19 -are served by a thriving, diverse and sustainable Civil Society and Faith sector.*

**Mission 2: A robust safety net, a good standard of living and the tools to thrive** - *All Londoners receive the support they need to avoid or be lifted out of poverty, and to relieve hardship*

**Mission 3: No one's health suffers because of who they are, where they live, or if, how and where they work** - *To address the disproportionate impact of Covid-19 on certain groups, and take steps to ensure that the rebuilding of London reduces the gap in healthy life expectancy*

**Mission 4: A new deal for young people** - *Every young Londoner to have the best start in life; to be happy, safe, fulfilled & ambitious –focussing on those facing the greatest barriers to realising their potential.*

**Mission 5: Good Work for All Londoners** - *No Londoner, particularly those people disproportionately affected by the pandemic or BREXIT, is left without access to education, training or a job opportunity.*

**Mission 6: Green New Deal** - *Increase [by %TBD1] the size of London's green economy by 2030, to accelerate job creation and to drive a fair and inclusive recovery from Covid-19 that tackles the climate emergency, eradicates air pollution and builds long-term, community-led resilience.*

**Mission 7: Digital Access for all** - *Every Londoner to have access to connectivity, basic digital, skills and digital employment opportunities and support by 2025*

**Mission 8: '15 minute cities –the city on your doorstep'** - *Thriving, inclusive and resilient high streets and town centres in every London Borough with culture, diverse retail and jobs within walking distance of all Londoners*

14. There are a number of cross-cutting principles that will underpin and be embedded across the missions and at all stages of the recovery programme. These principles are currently categorised as outcome-orientated or input-orientated – how they will be framed and tangibly embedded within the missions is still under development:

Outcome-orientated:

- Equality, Diversity and Inclusion: Recognising and addressing structural inequalities, promoting a fairer, more inclusive London and focusing on supporting the most vulnerable
- Environment: Delivering sustainability, mitigating climate change and improving the resilience of our city
- Health: improving the health and wellbeing of all Londoners

Input-orientated:

- Collaboration: Collaborating and involving London's diverse communities
- Innovation: Innovating and using digital technology and data to meet emerging needs
- Value for money: Ensuring affordability of measures and providing value for money

15. Once the missions have been formally agreed the two workstrands will then endeavour to establish how they will deliver the missions outcomes, including working with key stakeholders, connecting to existing groups and decision-making fora, and indicative timeframes.

#### Pan-London activity: Next steps

16. The LTB and LRB will continue to develop and progress their respective work programmes and London Councils will update the Executive Committee on key developments. Opportunities to further shape and influence the LTB are limited due to its short-term nature, however transition activity and preparations to respond to emerging challenges are well established at a borough level. There remains an important opportunity to both shape the strategic direction of the LRB priorities, particularly during the mission refine process, and establish how best to position London local government in contributing to delivering outcomes and other key activity. For example, aligning delivery with sub-regional and local activity and utilise best practice from local government to shape delivery.

17. The broader role, opportunities and activity distinct to London local government are explored in appendix B to the Chief Executives Overview Report which analyses the findings of the borough Leaders and Chief Executive survey on recovery and renewal.

### **London local government resilience**

18. Boroughs have resilience arrangements in place, complimenting activity and direction within the LTB, to respond to any emerging challenges relating to the pandemic for example each local authority has Local Outbreak Plan in place in addition to other localised arrangements.
19. In addition to Covid 19 specific resilience, arrangements and preparations will be established to respond to broader issues particularly as we approach the end of the Brexit transition period.
20. In addition, **London Councils** has:
- Initiated a review into the “London local government Covid 19 response: Rapid identification of lessons learned”. This will cover rapid, early identification of lessons learned from London local government’s joint working on COVID 19 during the period between March and July 2020 and, in particular, the ways in which the political and professional strands of the collective response worked together. This is not intended to be a full review, but is intended to throw up examples of practice and process that worked well and should be built on in responding to any further waves of COVID 19, as well as issues that need to be addressed in order to strengthen London local government’s response to any future waves of the virus.
  - Conducted surveys of borough Leaders and Chief Executive on the impact of the pandemic on services and local priorities for renewal and ‘Building Back Better’ - to inform the development of recovery/renewal policy.
  - Continued to actively engage with Treasurers, SLT and MHCLG officials to support boroughs prepare and assure their assessment of the financial implications of managing the pandemic, and to analyse and understand the overall impact for London. This will help develop the case to Government around challenges for councils, particularly around loss of income (including Council Tax and business rates), as well as direct costs and undelivered savings. Clearly these issues remain vital going forward and Members may

wish to reflect on finance and resource matters when they come to discuss this paper at the Executive.

- Continued to monitor key economic concerns across boroughs, making the case for support to local businesses and the self-employed and convening Economic Development Leads.
- Worked with members and professional networks to initiate the development of learning points for future collaborative working with the NHS in London.
- Continued to help harness London local government's wider managerial and professional capacity. Helping interpret the data which is being collected to provide a stock-take for LLAG and the SCG.
- Worked with Housing Directors to help support boroughs in taking the next steps for rough sleepers that are currently placed in temporary accommodation.
- Worked with Government and TfL to articulate borough concerns around the impact of changes to the concessionary travel arrangements and to support boroughs in developing next steps.
- Working with other funders and the voluntary and community sector to continuously assess the stability of the sector (staffing, funding, increased demand on services), support contingency plans in response to the needs of Londoners and provide links across local, sub-regional, pan-London and national support structures.
- Worked with MOPAC and the MPS to monitor community tension and promote constructive local dialogue between the MPS, councils and communities.

## **Conclusion**

21. London boroughs continue to make a significant contribution to the capital's resilience. To provide assurance to Leaders it will be important to continue monitoring the progress and development of the London transition and recovery programme. As London local government continues its involvement and leadership there will be opportunities, particularly in longer-term recovery, to best position boroughs to deliver key outcomes and lead in the renewal of service delivery.

## **Recommendations**

The Executive Committee is asked to:

1. Note the progress and updates on pan-London Transition and Recovery arrangements.
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## Borough Covid 19 recovery and renewal survey findings

### Introduction

This report analyses findings from borough Leaders and Chief Executive surveys on London local government response, recovery and renewal from Covid 19.

1. In June the Executive Committee received a report on London local government resilience specifically in relation to the immediate Covid 19 response – this detailed developments, progress and next steps around the Capitals transition towards recovery. Following this the Executive commissioned London Councils to conduct a survey of all London boroughs to help inform London local governments perspective on recovery, to learn from experiences and practice during the emergency response phase and to develop an understanding of opportunities distinct to local government within the context of recovery and renewal.
2. London's transition from immediate response and mitigation to recovery and renewal created the scope to understand and identify opportunities for public service innovation and reform that reflected the 'new normal' and built on the integral role of local government during the emergency response. Over July London Councils surveyed both borough Leaders and Chief Executives primarily to collate and develop perspectives on the future of the Capitals Covid 19 recovery, the survey also aimed to compliment and build on ongoing discussions and existing contributions. The survey presented an opportunity to assemble broader learning and possibly forestall any additional initiatives by establishing a framework that regional and national partners can learn from.
3. This report will analyse the survey findings, highlighting emerging themes, challenges and opportunities that will shape the London local government perspective. This will comprise of lessons learned during the emergency response phase and identify themes around challenges and successes, followed by the key opportunities for innovation and renewal. These themes and insights will shape possible next steps and establish what activity can be taken forward from a pan-London perspective.

## **Leader and Chief Executive survey analysis**

4. Borough Leaders and Chief Executives were asked to complete complementary surveys. The Leaders survey was designed to invite their strategic perspectives, including on opportunities for public service innovation and reform, together with identifying necessary freedoms and flexibilities that could help unlock new and improved service delivery. To complement this, the Chief Executive survey explored broader perspectives around emergency response and recovery, seeking to understand strategic perspectives on the key issues and challenges that need to be addressed as we transition to the recovery phase and to draw out emerging thinking on the practices, activities or processes that might best be restored, retained and reinvented. Combined, the surveys served as complimentary and the findings will be analysed together by drawing upon consistent themes and responses across the surveys. The survey findings also sought to build on existing work around these issues and topics at both a borough and sub-regional level.
5. The Leaders survey supplemented earlier discussions at the Executive and Leaders Committee and received 10 responses (33% response rate) and the Chief Executives survey received 18 responses (55% response rate) but both receive a rich range of perspectives from boroughs in different sub-regions and from inner and outer London. This helped establish more representative themes and insights.
6. The responses will be analysed in three sections: learning during the emergency response phase, key themes for London's recovery (separated into economic and social) and opportunities for public service innovation and reform. The analysis will focus mainly on the key themes.

### **Learning during emergency response phase: challenges and success**

7. To establish the experiences and learning from the response phase boroughs were asked to identify the most significant challenges and success during the initial response to the pandemic (which was described roughly as the period of 1 March to the 1 June). Boroughs described a noticeably broader range of challenges compared to successes which reflected the level of complexity they



faced in establishing their response and the different experiences they had based on the needs of their locality.

8. The following are the key challenges identified by local government:
9. **Public health response and Shielding Hubs.** The most common and difficult challenge for boroughs was establishing a robust public health response within local areas, including the setting up of Shielding Hubs and supporting wider health needs for communities and residents.
10. Boroughs led on establishing Shielding Hubs which aimed to provide support to shielding residents within local authority geographies. Hubs had to be developed at pace to ensure vulnerable people had access to the help they required within the context of changing, and sometimes unclear, commitments from Government. Initially boroughs were expected to provide support to tackle social isolation as many shielding residents lost access to key social and community structures during lockdown, however many boroughs quickly found themselves conduct activity beyond those expectations and establish processes and committed resource to deliver food packages and medicines. To establish the necessary procedures boroughs worked closely with partners, particularly the voluntary, community and faith sector (VCS), to quickly mobilise staff and residents to provide urgent support. Furthermore, this support often spanned beyond the shielding cohort to include other vulnerable residents (e.g. those in poverty or with mental health difficulties).
11. **Agile working and staff mobilisation.** From an organisational perspective, boroughs had to quickly adapt their traditional ways of working to become agile and virtual workplaces effectively overnight – this includes the capacity to enable new ways of working and support staff in making this transition. At the beginning of the pandemic boroughs were equipped differently to enable and establish agile working practice across the organisation – whilst some organisations found it easier than others to make this shift the pace and scale proved challenging across the board.
12. Additionally, within the context of lockdown and the need for staff to shield and self-isolate, it was difficult for local authorities to redeploy and mobilise staff. For key frontline staff, particularly in social care, it was essential to keep them safe and maintain a base to ensure they were able to continue deliver essential services.

13. **Maintaining social care provision.** Building on the challenges relating to adopting new ways of working and staff mobilisation boroughs had to establish new ways to enable frontline staff to continue face to face service provision and deliver services in new ways, whilst ensuring there is enough capacity in the system to ensure vulnerable residents were not left behind. The most considerable challenge was supporting care homes and tackling outbreaks, as experienced at a national level. Local authorities had to respond outbreaks and help maintain infection control within care settings.
14. There were also concerns around the availability of care placements, relating to the capacity of the care system to respond. At a pan-London level the 'Proud to Care' recruitment campaign was launched to bolster the sustainability of the sector during the peak of the pandemic.
15. In addition to the key themes list above there were several of other challenges described by boroughs:
- Uncertainty around future funding and sustainability, particularly in relation to the loss of income and increased expenditure (see items 5 and 6 for more)
  - The impact on local economies both the implications for residents – namely increasing numbers of people requiring support (e.g. due to unemployment, poverty) - and the challenges for businesses (particularly the retail and hospitality sector) and high streets.
  - Early and significant challenges around the lack of available Personal Protection Equipment (PPE) for frontline staff.
  - Unclear guidance from the centre: at times boroughs had difficulty keeping key services operating within the context of changing and complex guidance and direction.
16. Boroughs also identified several key successes and achievements that were also recognised as means to help pave the way to rethink and deliver public services in the future:
17. **Establishing Shielding Hubs.** Whilst this was also recognised that the establishment of Shielding Hubs was a challenge, it was clear that Hubs were a significant success during the emergency response phase. Boroughs prided on the ability to mobilise staff, residents and communities at pace, and establishing the organisation structures and mechanism to ensure smooth

operation e.g. setting up contact centres, signposting, virtual working. This resulted in delivering to around 120,000 food requests (from non-shielding residents) and providing direct support to around 60,000 shielded residents across London.

18. The success of the Hubs presents is a way of operating and working with communities that can be, and already has been, developed and embedded within local authorities. For instance, Camden Council developed a digital platform during the response called Beacon that has developed a federated response across internal services and voluntary sector providers to match support with need. This platform builds on the improved use of data and collaboration with the voluntary sector to support residents in a locality.
19. **New and improved partnership working and collaboration.** It was quickly recognised that partnerships and collaboration were vital to the emergency response phase – this was demonstrated both within sectors (e.g. between boroughs; sub-regional working) and across sectors and communities (e.g. with the VCS, health, police, businesses). This proved essential for the successful and maintained delivery of key services (e.g. shielding hubs, social care, food provision, communications), helped address the digital divide across communities, improved commissioning and procurement processes and resulted in the establishment of mutual aid and community groups in response to the new and emerging patterns of inequality with different localities.
20. **New ways of working and workforce flexibility.** This theme was well characterised as embedding a 'One team' approach across the organisation. Many boroughs described a successful, but challenging shift to agile and virtual working including the ability to develop virtual service delivery (e.g. virtual library, online learning, customer services, virtual cultural offers – the City of London developed platforms that enable them to remain engaged with cultural audiences e.g. Our City Together<sup>1</sup> and Barbican's Cinema on Demand<sup>2</sup>) that residents were able to adapt to. This shift has helped accelerate digitisation and the provision of online services within boroughs.
21. Staff mobilisation was also considered a challenge, but many boroughs recognised the success in ensuring frontline staff remain accessible to

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<sup>1</sup> <https://www.ourcitytogether.london/>

<sup>2</sup> <https://www.barbican.org.uk/whats-on/series/cinema-on-demand>

residents, redeploying staff across services and re-prioritising service delivery to effectively respond to the pandemic and the needs within their communities.

22. In addition to the key themes list above there were several other successes described by boroughs:

- Maintaining key service delivery within the context of essential service re-prioritisation and reduced workforce capacity. In London Borough of Barking and Dagenham an early decision was made to grant a 10 per cent increase to the fees paid to care providers to maintain the sustainability of provision - other examples include maintaining refuse collection, social work, safeguarding and support for at-risk children and adults.
- Communicating effectively to communities, businesses and residents – adapting and using a range of communication channels and working with partners to target different communities.

#### Key themes for London's recovery

23. To reflect the strategic direction of the London Recovery Board (see appendix A) boroughs were asked to identify the key issues and components that should inform and shape London's economic and social recovery. These themes cover both short and long-term timeframes, recognising there is a transitional process involved in a successful recovery.

The key economic recovery themes are:

24. **Unemployment and welfare provision.** The most significant theme recognised as playing a central feature in economic recovery was the anticipated increase in unemployment and the number of residents requiring welfare support. It is crucial that support is available for those who may become unemployed and substantial direct investment and resource needs dedicating to employment support, training, upskilling and apprenticeships. Whilst provisions are required to the newly unemployment there must be accompanying work to prevent any future unemployment, for instance supporting business to prevent further closures and ensuring they can continue operating but also, in the longer-term, support new businesses and emerging markets.

25. Furthermore, unemployment in conjunction with other factors, will have subsequent impacts on the demand for welfare provision and support – for instance increasing Universal Credit claimants, debt support and hardship support - which will require additional resource particularly from public and voluntary sector organisations.
26. **Supporting businesses and high streets.** This is an extremely different time for businesses, particularly local businesses, and for high streets. Both lockdown and decreased consumer confidence has had a significant impact for business operations and trading, with specific concerns for the tourism, culture and hospitality sectors. There must be a focus supporting business and preventing future closures where possible, local authorities also have a role in helping them to remain open securely and adhering to the latest guidance. There is also recognition that new businesses and market opportunities may emerge in the future that must also be enabled and supported.
27. There is also an opportunity to invest in local high streets and communities – building on the idea of '15 minute cities'. High streets can be used as hubs to generate business, employment and wellbeing. Combined, supporting businesses and rethinking opportunities on high street will also help re-establish and improve consumer confidence. For example, the new Start Up Richmond programme is supporting businesses and high streets by providing targeted support, webinars, and 1-2-1 mentoring for affected businesses.
28. **Establishing a Green Economy.** As London restarts the economy there is an important opportunity to embed the principles of the green agenda and establish a genuine Green Economy during the recovery phase. Boroughs describe a range of activities and priorities though should underpin a Green Economy including green jobs, zero-carbon economy, promoting and establish active travel, retrofitting and green energy and supporting businesses to have a genuine role in the green economy.
29. **Young people.** This recognised the significant economic impact on young people and a sense of prioritisation to ensure initiatives and opportunities are available for them to enter or re-enter the job market. Contributions included training, a focus on increasing job prospects and targeted support for vulnerable young people.

The key social recovery themes are:

30. **Health and Wellbeing.** The pandemic amplified pre-existing health inequalities and exacerbated the need to tackle disparities within different groups (this included disparities around access to health care and health outcomes e.g. the disproportionate impact of Covid 19 on 'BAME' people). Furthermore, the true extent of the long-term health impacts of the pandemic are unknown and there is an expectation that there will be more challenges ahead. Therefore, a clear mission must be established to tackle existing inequalities, prepare for future challenges (e.g. outbreak prevention and management; post-Covid waiting lists; winter preparedness) but also ensure the health and care sector have the capacity and resource to respond. It is also important to support people's wellbeing including support to reintegrate former shielding residents into the local community and providing access to and encouraging physical activities (e.g. parks and open spaces).
31. **Mental Health.** There was a particular focus on tackling immediate mental health challenges resulting from the pandemic. At the forefront were those caused by bereavement and supporting those individuals, families and communities – with consideration of faith communities – who have experienced loss. But this also encompasses challenges for young people, marginalised groups, those who have had Covid 19 and the impact of lockdown in relation to social isolation, unemployment, education absence. There was overall recognition there are many immediate implications to tackle in the first instance, in addition to existing longer-term and pre-existing challenges.
32. **Tackling homelessness.** Local government had a crucial role in accommodating rough sleepers during lockdown and working with partners to ensure they had access to wider support (e.g. mental health, substance misuse). As London transitions to recovery there is recognition that a considerable challenge will be to keep the homeless accommodated and ensuring they do not return to the streets but also to support people from being evicted within the context of an extremely challenging economic climate.
33. The emerging economic and social present a broad range of priorities but reflect the breadth of issues, challenges and activity that must be undertaken to ensure London can recover and '**Build Back Better**'. These key themes

have been used to inform and shape the strategic direction of the London Recovery Board, co-chaired by Cllr Peter John, and are, for the most part, reflected within the emerging missions. However, some of the specific activity and priorities are best progressed and delivered by local government, providing particular and distinct opportunities for boroughs.

#### Opportunities for public service innovation and reform

34. London local government quickly rose to the challenge of responding to the pandemic and demonstrated its important leadership role to help keep the Capital and communities safe, mobilising communities and working collaboratively and effectively during pandemic. There is now an opportunity to reflect on the success of local government and learn from good practice but also build on the momentum generated from this success. This is an opportunity to rethink the way local government operates, how it works with partners and communities and delivers services. Boroughs were asked about key opportunities for public services innovation and reform including the freedom and flexibilities necessary to unlock this and - building on the delivery and practice during the emergency response phase - what practices, activities and processes can, should or will be restored, retained, or reinvented in the context of a 'new normal'.
35. This section will bring together the key ideas and opportunities that are distinct to local government and could be explored taken further as we continue to shape London's recovery and renewal.
36. **Collaboration.** Before delving into specific areas and opportunities for public service innovation and reform collaboration emerged as a central theme that should underpin the work and role of local government in recovery and future service delivery. The success of collaborative structures during the pandemic presents an opportunity to rethink how local government approach and build on collaboration, joint working and partnerships. Collaboration in this respect is also multifaceted – it encompasses retaining the partnerships forged during the emergency response phase between local authorities both at a sub-regional level and pan-London level; with other public sector bodies particularly within the health sector; the joint working established with the VCS to reach

out to and mobilise communities and engaging with communities themselves to encourage and enable active community participation. Services areas across local government collaborated innovatively and flexibly, with a strong sense of shared purpose through the professional networks. This is also the opportunity to reinvent the approach to collaboration by sharing learning and good practice, developing new collaborative processes and increasing community engagement. Some of this will be explored in greater detail but the consensus among response was that working together across sectors is essential.

**37. Community participation.** Building on the underpinning theme of collaboration the response to the pandemic amplified the need to reinvent the way local government works with communities. This opportunity is borne out of the successful Shielding Hubs. Community participation and active citizenship was integral to the support provided to vulnerable residents – residents and communities quickly responded to calls to action to help others in their local communities including delivering medicines and food packages to both shielding and non-shielding residents and providing social interaction (often over the phone) to help tackle social isolation. The myriad of activities and gestures of good will demonstrated the willingness for people and communities to help each other and themselves – the role of local government was to facilitate or act as an ‘enabler’ to local communities and through this role boroughs reported a strengthening of the civic bond and building of trust between councils and their residents. As reference in paragraph 18 boroughs have already built on the momentum behind Shielding Hubs to develop community hubs, but at a pan-London level this momentum could be part of a paradigm shift that positions London local government as a key enabler that empowers communities and genuinely involves them in local decisions and solutions.

**38. Digital and technological innovation (new ways of working).** The local government Covid 19 response saw greater and more innovative use of technology and the increasing digitalisation of local government services (also see paragraphs 11 and 20). This presents an opportunity to reinvent local government operation and service delivery. The necessary and successful shift to agile and virtual working enabled local authorities and their staff to be



more flexible around the way they work, for example spending little to no time in the office and hosting formal meetings such as committee, cabinet and Councils meetings online. The proliferation of agile working removes the need for physical meetings which also eliminates barriers for sub-regional and pan-London work. There was particular appetite to retain remote working and flexibility for staff.

39. Staff and residents also demonstrated incredible flexibility in service delivery and developing virtual solutions. It was recognised that some services need to maintain face to face delivery and that there are challenges around digital exclusion that must be addressed. For example, Wandsworth Council, with Battersea Power Station, collaborated with local community partners to launch the Power to Connect campaign to raise awareness of the issues around digital exclusion and to support local families across Wandsworth. The outputs from this work included the provision additional IT equipment with 1044 laptops being provided. But there is an opportunity to channel shift which will encourage residents to utilise digital platforms and enable services to become increasingly digital where feasible or possible. An example of this could be to modernise registrars' processes to reduce the need for face-to-face contact.
40. During the response there was also improved information and data sharing both across local government and other sectors. The processes for data collection during the emergency response phase was described as more efficient and effective which could help inform the way we approach data in the future.
41. **Health and care integration.** The demand on health and care services created during the pandemic have amplified the need for improved working between the two sectors including scope for improved adult social care provision within the context of cross border health provision. This provides useful context for the existing work which is being led by Cllr. Sir Ray Puddifoot in partnership with the NHS.
42. **Physical building space.** Linked to the new ways of working, local government can rethink the use of physical building space and public assets. The success of agile working has demonstrated that the need to frequently access physical office space will be reduced in the future – this is reflected both in the increased uptake of remote working and the need for continued

social distancing measures in local authorities and within other sectors and organisations. This presents an opportunity to reinvent the use of public assets and making the case to rationalise the number of public buildings and focus on multi-use hubs or co-locating offices as opposed to single-service buildings.

43. Whilst some of these opportunities for innovation and reform have already gained momentum further freedoms and flexibilities are required to develop and embed existing, emerging and new activity. Boroughs identified necessary freedoms and flexibilities required to help unlock public service innovation, including:

- **Funding and budgeting flexibilities** (also see items 5)– including longer term funding solutions and greater funding sustainability; investment into high streets; investment into prevention; greater power to raise new revenue streams and income sources.
- **Corporate freedoms and flexibilities** – including more flexible use of corporate estates; less Government involvement in operational issues.
- **Economy and skills devolution** – including local government leading employment and skills opportunities at a pan-London and sub-regional level to help tackle unemployment and support local employment needs; freedoms to shape the school curriculum to compliment local economic ecosystems; devolution of welfare support and taxation to regions or sub-regions; clarity around local, regional and national boundaries for skills and training.

44. Some of these freedoms and flexibilities can be progress at different levels and channels but it is important to identify where London local government can best add value to unlock activity and establish what could be prioritised.

## Conclusion

45. Given the rich contributions from boroughs to the survey and the growing evidence base for borough innovation and agility in responding to the pandemic, members may want to draw on these findings and data to inform their consideration of next steps as part of the discussion under the Chief Executive's overview report.

## **Recommendations**

The Executive Committee is asked to:

1. Note the findings of the borough Leaders and Chief Executive surveys.
  2. Comment on the findings as part of the discussion under the Recovery and Renewal overview report.
-

# Executive

## Month 3 Revenue Forecast 2020/21

Item no: 7

**Report by:** Frank Smith      **Job title:** Director of Corporate Resources  
**Date:** 8 September 2020  
**Contact Officer:** Frank Smith  
**Telephone:** 020 7934 9700      **Email:** frank.smith@londoncouncils.gov.uk

### Summary

This report summarises actual income expenditure recorded in the accounts as at 30 June 2020 (Month 3), 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:

	<b>M3 Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total expenditure	92,450	381,464	377,258	(4,206)
Total income	(92,999)	(379,942)	(374,885)	5,057
Use of reserves	-	(1,522)	(2,482)	(960)
<b>Net deficit/(surplus)</b>	<b>(549)</b>	<b>-</b>	<b>(109)</b>	<b>(109)</b>
Net expenditure by Committee				
Grants	49	-	(2)	(2)
Transport and Environment	(137)	-	(180)	(180)
Joint	(461)	-	73	73
<b>Net deficit/(surplus)</b>	<b>(549)</b>	<b>-</b>	<b>(109)</b>	<b>(109)</b>

**Recommendations** The Executive is asked to note the overall forecast surplus as at 30 June 2020 (Month 3) of £109,000 and note the position on reserves as detailed in paragraphs 18-19.

## Introduction

1. London Councils revenue expenditure budget for 2020/21, as approved by the Leaders' Committee in December 2019, was £383.171 million. The budget was then adjusted to reflect the decision of TEC to bring forward underspends of £91,000 that arose in 2019/20 into the current year. In addition, the TEC budget was reduced by a further £1.029 million on confirmation of the finalised funding available from boroughs and TfL for the Taxicard Scheme in 2020/21 and £1.222 million for Rail Delivery Group payments in respect of the Freedom Pass. Finally following agreement by members £452,000 of unspent budget in relation to the Challenge Implementation Fund was carried forward, making a revised expenditure budget for 2020/21 of £381.464 million.
2. The corresponding revenue income budget approved by the Leaders' Committee in December 2020 was £383.171 million, which included an approved transfer of £979,000 from reserves. Additional transfers from reserves of £543,000 were made to cover carry forward expenditure (see paragraph 1), plus reduced Taxicard funding from the boroughs of £1.029 million. Finally, there was a reduction in Borough contributions to the Rail Delivery Group element of the Freedom Pass of £1.222 million. Total revised income, therefore, is budgeted to be £381.464 million, of which £1.522 million is an approved transfer from reserves to produce a balanced budget for the year.
3. This report analyses actual income and expenditure after three months of the current financial year and highlights any significant variances emerging against the approved budget and includes an estimate of the financial effects of the COVID-19 pandemic.
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 2020/21, as at 30 June 2020.**

	<b>M3 Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee Costs	1,400	5,847	5,662	(185)
S.48 Employee Exit Costs	15	-	15	15
Running Costs	768	3,624	3,399	(225)
Central Recharges	199	795	795	-
<b>Total Operating Expenditure</b>	<b>2,382</b>	<b>10,266</b>	<b>9,871</b>	<b>(395)</b>
Direct Services	1,943	9,959	9,300	(659)
Payments in respect of Freedom Pass and Taxicard	86,406	353,780	349,743	(4,036)
Commissioned grants services	1,475	6,173	6,173	-

Commissioned grants services NRPFs	171	-	945	945
London Funders Group	-	60	60	-
Improvement and Efficiency work	25	182	125	(57)
YPES Regional/Provider Activities	10	50	50	-
Challenge Implementation Fund	28	452	452	-
Commissioning and Research	20	542	539	(3)
<b>Total Expenditure</b>	<b>92,450</b>	<b>381,464</b>	<b>377,258</b>	<b>(4,206)</b>
<b>Income</b>				
Contributions in respect of Freedom Pass and Taxicard	(86,777)	(353,910)	(350,026)	3,884
Borough contribution towards grant payments	(1,600)	(6,173)	(6,173)	-
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Income for direct services	(2,065)	(10,626)	(9,982)	644
Core Member Subscriptions	(1,436)	(5,744)	(5,744)	-
Borough contribution towards LCP payments	(341)	(496)	(340)	156
Government Grants	-	-	-	-
Interest on Investments	(4)	(75)	(18)	57
Other Income	(33)	(487)	(171)	316
Central Recharges	(563)	(2,251)	(2,251)	-
Transfer from Reserves	-	(1,522)	(2,482)	(960)
<b>Total Income</b>	<b>(92,000)</b>	<b>(381,464)</b>	<b>(377,366)</b>	<b>4,097</b>
<b>Net Expenditure</b>	<b>(549)</b>	<b>-</b>	<b>(109)</b>	<b>(109)</b>
<b>Applied to Funding Streams</b>				
Grants Committee	49	-	(2)	(2)
Transport and Environment Committee	(137)	-	(180)	(180)
Joint Committee Functions	(461)	-	73	73
<b>Net Expenditure</b>	<b>(549)</b>	<b>-</b>	<b>(109)</b>	<b>(109)</b>

## Revenue Forecast Position as at 30 June 20 – Grants Committee

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

**Table 2 – Summary Forecast – Grants Committee**

	<b>M3 Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee Costs	64	257	257	-
S.48 Staff Exit costs	15	-	15	15
Running Costs	8	19	19	-
Central Recharges	40	159	159	-
<b>Total Operating Expenditure</b>	<b>127</b>	<b>435</b>	<b>450</b>	<b>15</b>
S.48 Commissioned services	1,475	6,173	6,173	-

S.48 Commissioned services - NRPF	171	-	945	945
London Funders Group	-	60	60	-
<b>Total Expenditure</b>	<b>1,773</b>	<b>6,668</b>	<b>7,628</b>	<b>960</b>
<b>Income</b>				
Borough contributions towards commissioned services	(1,600)	(6,173)	(6,173)	-
Borough contributions towards the administration of commissions	(124)	(495)	(495)	-
Interest on Investments	-	-	(2)	(2)
Other Income	-	-	-	-
Transfer from Reserves	-	-	(960)	(960)
<b>Total Income</b>	<b>(1,724)</b>	<b>(6,668)</b>	<b>(7,630)</b>	<b>(962)</b>
<b>Net Expenditure</b>	<b>49</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>

6. The projected surplus of £2,000 will be monitored throughout the year however factors that impact on the overall net expenditure to budget which is explored in more detail in the narrative below, is broadly split between the following:
- Expenditure in relation S.48 ESF staff exit payments of £15,000. The programme completed in 2019/20 and these were previously unbudgeted but are fully funded by unspent S.48 ESF grant held in reserves;
  - Members agreed that unspent S.48 ESF grant is to be utilised for priority 1 & 2 providers to support advice around No Recourse for Public Funds (NRPF). It is forecasted that £945,000 will be paid to providers in 2020/21;
  - Expenditure in relation to the above NRPF payments will be transferred from S.48 ESF reserves held by the Grants Committee;
  - An additional sum of £2,000 from investment income is forecasted to be received on Committee reserves, not previously budgeted for.

#### Revenue Forecast Position as at 30 June 2020 – Transport and Environment Committee

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

**Table 3 – Summary Forecast – Transport and Environment Committee**

	<b>M3 Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
<b>Expenditure</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee Costs	173	757	729	(28)
Running Costs	27	253	253	-
Central Recharges	122	486	486	-
<b>Total Operating Expenditure</b>	<b>322</b>	<b>1,496</b>	<b>1,468</b>	<b>(28)</b>
Direct Services	1,934	9,959	9,300	(659)

Research	0	40	37	(3)
Payments in respect of Freedom Pass and Taxicard	86,405	353,780	349,743	(4,037)
<b>Total Expenditure</b>	<b>88,661</b>	<b>365,275</b>	<b>360,548</b>	<b>(4,727)</b>
<b>Income</b>				
Contributions in respect of Freedom Pass and Taxicard	(86,777)	(353,910)	(350,026)	3,884
Income for direct services	(1,993)	(10,525)	(9,881)	644
Core Member Subscriptions	(24)	(97)	(97)	-
Government Grants	-	-	-	-
Interest on Investments	(1)	-	(5)	(5)
Other Income	(3)	(73)	(49)	24
Transfer from Reserves	0	(670)	(670)	-
<b>Total Income</b>	<b>(88,798)</b>	<b>(365,275)</b>	<b>(360,728)</b>	<b>4,547</b>
<b>Net Expenditure</b>	<b>(137)</b>	<b>-</b>	<b>(180)</b>	<b>(180)</b>

8. The projected surplus of £180,000 is made up broadly of the following:

- A projected overall deficit of £44,000 in respect of TEC parking traded services, after considering an estimate of the level of borough/TfL/GLA usage volumes during the first quarter. The level of appeals heard has dramatically reduced in the first quarter due to the nationwide COVID-19 lockdown. This has had a significant impact on the level of income and expenditure within traded services. Some level of recovery has been built into the forecasted figures. The variance is attributable to several areas.
  - Firstly, there is a projected net surplus of £15,000 in respect of environmental and traffic appeals. This is made up of a reduction in appeals income of £309,000 less net reduction in costs of £324,000 on Northgate unit charges and adjudicator fees. As stated above the estimated number of notice of appeals and statutory declarations received over the first three months was impacted upon by the lockdown. Further analysis of the full year forecasted appeals will be reported at the 6 monthly forecast report, when more accurate data is available.
  - Secondly, the transaction volumes for other parking systems used by boroughs and TfL over the first quarter are projected to result in a net deficit of £61,000;



- Finally, the other Northgate fixed costs i.e. excluding the above, are forecasted to underspend by £2,000, which reflects a lower than anticipated inflation factor applied to the annual contract increase compared to when the budget was set.
- An underspend of £148,000 on the cost of administering the Hearing Centre at Chancery Exchange where the above appeals are heard. This is largely as a result of an additional £100,000 being included in the approved budget in anticipation of a rent increase, in accordance with the lease. Following completion of a rent review, a new lease was signed at no increase in cost;
- There is a forecasted £28,000 underspend on non-operational staffing costs inclusive of the maternity provision, which will continue to be monitored and reported on throughout the year;
- The level of trips made in the claims submitted by the independent bus operators has been severely impacted upon by the COVID-19 lockdown. A recovery scenario has been built into the forecast; however, the anticipated annual expenditure is forecast to be £785,000 compared to an annual budget of £1.3 million, a projected reduction of £515,000. A detailed review of the claims received over the coming months will indicate more accurate levels and the true position of any increase of trips following lockdown which may impact this variance. This will be reported in the 6-monthly report in November;
- A projected underspend of £172,000 in respect of the £1.518 million budget for the issuing/reissuing costs of Freedom Passes. This however is based on invoices received in the early part of the year so may fluctuate as the year progresses. This budget will therefore be monitored and managed throughout the financial year;
- Based on income collected during the first quarter, income receipts from replacement Freedom Passes have been severely impacted by the lockdown. Of the £750,000 annual budget, forecasted receipts are anticipated to be in the region of £334,000 a reduction of £406,000 net of bank charges, which includes a post

lockdown recovery amount of £100,000. Due to level of uncertainty in the current climate it is likely that this variance will fluctuate throughout the year;

- Charges are currently not being enforced for replacement Taxicards. This has resulted in reduction against the income budget of £18,000;
- Enforcement of the London Lorry Control Scheme ceased during the period from 17 March 2020 to 15 June 2020 in order to ease pressures during the lockdown. The number of PCNs issued have returned to normal levels since; however the impact of the first quarter has resulted in a projected reduction of income of approximately £250,000 against an annual budget of £1million;
- A forecasted amount of interest on investments of £5,000.

#### Revenue Forecast Position as at 30 June 2020 – Joint Committee Core Functions

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

**Table 4 – Summary Forecast – Joint Committee core functions**

	<b>M3 Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>				
Employee Costs	1,164	4,833	4,676	(157)
Running Costs	732	3,352	3,127	(225)
Central Recharges	38	150	150	-
<b>Total Operating Expenditure</b>	<b>1,933</b>	<b>8,335</b>	<b>7,953</b>	<b>(382)</b>
Direct Services	-	-	-	-
Commissioning and Research	20	502	502	-
Improvement and Efficiency work	25	182	125	(57)
YPES Regional/Provider Activities	10	50	50	-
Challenge Implementation Fund	28	452	452	-
<b>Total Expenditure</b>	<b>2,016</b>	<b>9,521</b>	<b>9,082</b>	<b>(439)</b>
<b>Income</b>				
Income for direct services	(72)	(101)	(101)	-
Core Member Subscriptions	(1,288)	(5,152)	(5,152)	-
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Borough contribution towards LCP payments	(341)	(496)	(340)	156
Government Grants	-	-	-	-
Interest on Investments	(3)	(75)	(11)	64

Other Income	(30)	(414)	(122)	292
Central Recharges	(563)	(2,251)	(2,251)	-
Transfer from Reserves	-	(852)	(852)	-
<b>Total Income</b>	<b>(2,476)</b>	<b>(9,521)</b>	<b>(9,009)</b>	<b>512</b>
<b>Net Expenditure/(Income)</b>	<b>(461)</b>	<b>-</b>	<b>73</b>	<b>73</b>

10. There is a projected deficit of £73,000 is forecast in respect of the joint committee core functions. Employee costs are projected to underspend by £157,000, primarily due to deferring recruitment to certain vacant posts or time lag during recruitment campaigns, which has been compounded during the lockdown period.
11. There is an anticipated underspend of £225,000 on running costs against an annual budget of £3.352 million. Whilst this projected underspend is spread across several budgets, the COVID-19 lockdown has particularly impacted upon the levels of expenditure. Savings on general office running costs of approximately £90,000 are anticipated along with a reduction in meeting support costs of £15,000 as a result of being unable to host external meetings, which has led to a projected reduction in income as detailed in paragraph 14.
12. Whilst transactions processed during this early stage of the year suggest an underspend of £57,000 in respect of the improvement and efficiency budget, this is an area which will be subject to developing proposals throughout the year. Similarly, the commissioning budget of £502,000 is currently forecasted to be fully spent, despite low expenditure in the first quarter of the year. It is anticipated that this budget will be called upon to support the boroughs through the COVID-19 pandemic and recovery. Costs of potential projects are inherently difficult to predict therefore members will be advised throughout the year on how expenditure against this budget is developing.
13. A forecasted amount of interest on investments of £11,000 which is £64,000 below the approved budget largely as a result of historically low interest rates.
14. Other income is forecasted to be £292,000 less than budget for the year. This budget line has been seriously impacted upon by the COVID-19 pandemic and lockdown. It is estimated that £170,000 for rental income from leasing out of vacant office space at Southwark Street will not be realised. Receipts in relation to room bookings, where external organisations hire out London Councils' meetings rooms, are forecasted to be

nil against a budget of £100,000. However, this is netted off against other savings such as general support costs of £15,000 as noted above in paragraph 11.

15. £452,000 of the 2019/20 unspent Challenge Implementation Fund budget has been rolled forward in to 2020/21, as approved by members in June. As the agile and other building works at Southwark Street continue, it is anticipated that this budget will be fully utilised during the year.

16. There is a forecasted deficit on income in respect of London Care Placements (LCP) of £156,000. This is a result of some boroughs opting out of the scheme. However, the remaining income is at a level which covers the full LCP costs and with prior year surpluses being held there is a low risk of the service not remaining self-funding.

### **Externally Funded Projects**

17. The externally funded projects are estimated to have matched income and expenditure of just over £4 million for 2020/21, including funding for the borough (non-S.48) ESF programme and the London Office of Technology and Innovation (LOTI). 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 2020/21; any underspend on the external funds received will be carried forward to be utilised in the next financial year. A fuller picture of transactions relating to these activities will be included in the Month 6 forecast report to be present to the November Executive meeting.

### **Reserves**

18. The forecast reserves position for each of the three funding streams for the current year and beyond is illustrated in Table 5 below:

**Table 5 – Forecast reserves after all current commitments**

	<b>Transport and Environment Committee (£000)</b>	<b>Joint Committee (£000)</b>	<b>Grants Committee (£000)</b>	<b>Total (£000)</b>
General Reserve at 1 April 2020	3,889	5,573	820	10,282
Specific/ESF reserve at 1 April 2020	2,741	-	1,074	3,815
<b>Provisional reserves at 1 April 2020</b>	<b>6,630</b>	<b>5,573</b>	<b>1,894</b>	<b>14,097</b>
Committed in setting 2020/21 budget	(579)	(400)	-	(979)
Balances c/f into 2020/21	(91)	-	-	(91)
Potential ESF costs/NRPF grants commitments in 2020/21	-	-	(960)	(960)
Provisional other commitments for 2020/21 -2022/23	(1,500)	(652)	-	(2,152)
Projected surplus/(deficit) for the year	180	(73)	2	109
<b>Uncommitted reserves</b>	<b>4,640</b>	<b>4,448</b>	<b>936</b>	<b>10,024</b>

19. The current level of commitments from reserves, as detailed in Table 5, come to £4.182 million over the short-medium term and are detailed in Table 6 below:

**Table 6 – Commitments from Reserves 2020-2023**

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balances b/f from 2019/20	543	-		543
Approved transfer from JC general reserves	300	-		300
Approved transfer from TEC general reserves	579	-	-	579
Slippage of ESF grants funding used for NRPF	960	-	-	960
Support to the health transition process	100	100	100	300
TEC priority projects	750	750	-	1,500
<b>Totals</b>	<b>3,232</b>	<b>850</b>	<b>100</b>	<b>4,182</b>

## Conclusions

20. This report highlights the projected outturn position for the current year, based on transactions undertaken up until 30 June 2020 (month 3), together with known future developments. At this point, a forecast underspend of £109,000 is projected for 2020/21 across the three funding streams. There remains a level of financial uncertainty as a result of the ongoing COVID-19 pandemic and, therefore, this

projected underspend position is likely to vary during the anticipated recovery period and as organisational priorities are reviewed during the remainder of the financial year. Uncommitted reserves are currently projected to be just over £10 million by the end of the current financial year, which, given the current situation, remains a healthy and relatively stable position.

21. The next forecast will be presented to the Executive in November, which will highlight the projected position at the half-way stage of the 2020/21 financial year.

### **Recommendations**

22. The Executive is asked to note the overall forecast surplus as at 30 June 2020 (Month 3) of £109,000 and note the position on reserves as detailed in paragraphs 18-19.

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### **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 2020/21.

# Executive

## Debtors Update Report

Item no: 8

**Report by:** David Sanni      **Job title:** Chief Accountant  
**Date:** 8 September 2020  
**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 July 2020. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 December 2019.

A summary of the level of London Councils outstanding debts as at 31 July 2020 is shown in Table 1 below:

**Table 1- Summary of London Councils Outstanding Debts at 31 July 2020**

<b>Period</b>	<b>Borough / TfL / GLA Debts £000</b>	<b>Other Debts £000</b>	<b>Total Debts £000</b>
Debts invoiced up to 31/12/2019	-	8	8
Debts invoiced between 1/1/2020 – 31/7/2020	1,830	221	2,051
<b>Total</b>	<b>1,830</b>	<b>229</b>	<b>2,059</b>

### Recommendations

The Executive is asked:

- To note that all borough, TfL and GLA debts raised up to 31 December 2019 and reported to the Executive at its meeting on 3 March 2020 have been paid;
- To note the level of outstanding debt of £1.83 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2020;
- To note the level of outstanding debt of £229,000 in relation to other debtors invoices raised up until 31 July 2020;
- To note that the impact of the Covid-19 pandemic on the finances

of member boroughs, TfL and GLA has not led to an increase in the value of unpaid invoices; and

- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 5, 6, and 9 of this report.
-



# Debtors Update Report

## Introduction

1. London Councils' Executive received a report at its meeting on 3 March 2020 which detailed the level of outstanding debt due from member boroughs, TfL and the GLA for invoices raised up to 31 December 2019. The position reported to this meeting is illustrated in Table 2 below:

**Table 2 – Outstanding Borough/TfL and GLA debt invoiced up until 31 December 2019, as reported to the Executive on 3 March 2020**

Debtor	Debt Amount (£)
Member boroughs	434,607.53
TfL	-
GLA	24,000.00
<b>Total</b>	<b>458,607.53</b>

2. All the debts have been settled.

## Borough/TfL/GLA Debt 1 January to 31 July 2020

3. Appendix A to this report shows the level of outstanding debt owed to London Councils by its member boroughs, TfL and GLA issued over the period 1 January to 31 July 2020, which totals £1.83 million. This debt is profiled as illustrated in Table 3 below:

**Table 3 – Outstanding Borough/TfL and GLA debt 1 January to 31 July 2020**

Debtor	0-30 days (£000)	30-60 Days (£000)	60-90 Days (£000)	Over 90 Days (£000)	Total (£000)
Member boroughs	1,284	26	253	160	1,723
TfL	105	-	-	2	107
GLA	-	-	-	-	-
<b>Total</b>	<b>1,389</b>	<b>26</b>	<b>253</b>	<b>162</b>	<b>1,830</b>

4. 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 £415,000 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**

5. The significant individual borough, TfL and GLA debtors within the outstanding balances over 60 days are detailed below:

- **LB of Brent - £30,830 – 2 invoices (Now nil)**

The balance was made up of two invoices that relate to the subscription to the Taxicard scheme for the first quarter of 2020/21 (£16,850) and annual subscription to London Care Services for 2020/21 (£13,980). Both invoices were paid in August 2020.

- **LB of Camden - £138,574 – 2 invoices (Now nil)**

The balance was made up of two invoices that relate to the Non-TfL concessionary fares charge for the first quarter of 2020/21 (£97,988) and the subscription to the Taxicard scheme for the first quarter of 2020/21 (£40,586). Both invoices were paid in August 2020.

- **RB of Greenwich - £17,580 – 2 invoices (Now £13,980 – 1 invoice)**

The balance was made up of two invoices that relate to the annual subscription to London Care Services for 2020/21 (£13,980) and annual contribution to the HR metrics service (£3,600). The invoice for HR Metrics was paid in August 2020. The borough's Director of Finance has been informed of the outstanding balance and finance officers shall continue to liaise with colleagues in the borough to ensure the debt is settled.

- **LB of Havering - £58,517.35 – 4 invoices (Now £24,814 – 1 invoice)**

The balance was made up of four invoices that relate to the subscription to the Taxicard scheme for the first quarter of 2020/21 (£24,814), TEC parking services for the fourth quarter of 2019/20 (£18,223.35), annual subscription to London Care Services for 2020/21 (£13,980) and the annual parking core subscription for 2020/21 (£1,500). Three of the invoices were paid in August 2020 with only the TEC parking services still outstanding. The borough's Chief Operating Officer has been informed of the unpaid invoice and finance officers shall continue to liaise with colleagues in the borough to ensure the debt is settled.

- **LB of Hillingdon - £12,544 – 1 invoice (Now nil)**

The balance was made up of one invoice that relates to the registration of PCN debts at Northampton County Court for April 2020. The invoice was paid in August 2020.

- **LB of Islington - £ 45,880 – 2 invoices (Now £45,640 – 1 invoice)**

The balance was made up of two invoices that relate to the registration of PCN debts at Northampton County Court for April 2020 (£45,640) and job evaluations (£240). The invoice for job evaluations was paid in August 2020 and the borough's Corporate Director, Resources has been informed of the outstanding balance and finance officers shall continue to liaise with colleagues in the borough to ensure the debt is settled.

- **RB of Kensington and Chelsea - £ 29,231 – 1 invoice (Now nil)**

The balance was made up of one invoice that relates to the Grants Committee subscription for the first quarter of 2020/21. The invoice was paid in August 2020.

- **London Borough of Tower Hamlets - £50,679 – 1 invoice (Now nil)**

The balance was made up of one invoice that relates to the Non-TfL concessionary fares charge for the first quarter of 2020/21. The invoice was paid in August 2020.

- **City of Westminster - £14,377 – 1 invoice (Now nil)**

The balance was made up of one invoice that relates to the subscription to the Taxicard scheme for the first quarter of 2020/21. The invoice was paid in August 2020.

6. The total value of the debts detailed in paragraph 5 above is £398,212.35 and consists of 16 invoices. If these amounts are excluded from all the debts that are over 60 days old which total £414,714.97 a sum of £16,502.62 remains outstanding in respect of four invoices, an average of £4,125.66 per invoice outstanding. In addition to the reminders sent out by the City of London, the borough officers have also been contacted by email and telephone but some of the debts remain unpaid. Finance officers will continue to chase up these debts with the relevant borough officers with a view to clearing as much as possible in the period up until 30 September 2020.
7. The impact of the Covid-19 pandemic on the finances of member boroughs, TfL and GLA has not led to an increase in the value of unpaid invoices. Borough officers have continued to pay invoices on a timely basis. The equivalent value of debts over 60 days old at 31 July 2019 was £578,697.67 which is £163,982.70 more than the position at 31 July 2020.

### **Other Debtors**

8. 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 July 2020. An aged analysis of these debts is summarised in table 4 below:

**Table 4 – Non-borough/TfL/GLA outstanding debt as at 31 July 2020**

	<b>Total Debt (£)</b>	<b>No. of invoices</b>
2014/15 debts	2,256.00	1
2019/20 debts	7,677.60	5
2020/21 debts 61 to 90 days old	150.00	1

2020/21 debts 31 to 60 days old	135,336.60	5
2020/21 debts 30 days or less	83,483.30	16
<b>Total</b>	<b>228,903.50</b>	<b>28</b>

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

- **Kimbanguist Association of London - £2,256.00 – 1 invoice**

The balance was made up of one invoice that relates to the refund of unused ESF community grant funding. The organisation was awarded a community grant of £12,019 under the discretionary ESF co-financing programme in February 2014 and was paid an initial advance of £6,009.50. 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 organisation failed to comply with the terms of the grant and was asked to refund the advance it received. The organisation claimed that it was unable to settle the debt in one payment and agreed to pay monthly instalments of £100.00. Finance officers will continue to monitor the repayment of this debt.

- **Sylhet Bawl Shangith Ghosti - £6,225.00 – 1 invoice**

The balance was made up of one invoice that also relates to the refund of unused ESF community grant funding. The organisation was awarded a community grant of £12,450 under the discretionary ESF co-financing programme in April 2018 and was paid an initial advance of £6,225.00. In September 2019, an invoice was issued to recover the advance funding as the organisation failed to comply with the terms of the grant. The organisation disputed the invoice claiming that it had complied with the requirements of the funding agreement. Grants officers are reviewing the evidence submitted by the organisation to support the delivery of the project and will continue to liaise with the debtor to resolve the matter.

- **Tanium UK Ltd - £1,425.60 – 3 invoices**

The balance was made up of three invoices that relate to the hire of meeting rooms at the Southwark Street offices. Finance officers are liaising with the company to ensure the debt is settled as soon as possible.

10. The City of London's role in raising London Councils' debtor invoices is detailed in paragraph 4 of this report. For those debts that have reached the 42 day cut-off point, letters or emails are issued to the debtor 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

11. This report details the level of outstanding debt owed to London Councils from all sources as at 31 July 2020. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 December 2019.

12. A summary of the level of London Councils outstanding debts as at 31 July 2020 is shown in Table 1 below:

**Table 1- Summary of London Councils Outstanding Debts at 31 July 2020**

<b>Period</b>	<b>Borough / TfL / GLA Debts</b>	<b>Other Debts</b>	<b>Total Debts</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Debts invoiced up to 31/12/2019	-	8	8
Debts invoiced between 1/1/2020 – 31/7/2020	1,830	221	2,051
<b>Total</b>	<b>1,830</b>	<b>229</b>	<b>2,059</b>

## **Recommendations**

The Executive is asked:

- To note that all borough, TfL and GLA debts raised up to 31 December 2019 and reported to the Executive at its meeting on 3 March 2020 have been paid;
- To note the level of outstanding debt of £1.83 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2020;
- To note the level of outstanding debt of £229,000 in relation to other debtors invoices raised up until 31 July 2020;
- To note that the impact of the Covid-19 pandemic on the finances of member boroughs, TfL and GLA has not led to an increase in the value of unpaid invoices; and
- To note the specific action being taken in respect of significant debtors, as detailed in paragraph 5, 6, and 9 of this report.

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## **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 January to 31 July 2020  
Appendix B: Outstanding Other Debts at 31 July 2020

## **Background Papers**

London Councils Debtors working papers 2020/21  
Report to Executive on 3 March 2020

**Appendix A - Outstanding Borough/TfL/GLA debts invoiced from 1 January to 31 July 2020**

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
4273247	LB of Barking & Dagenham	83338	15/06/2020	2,000.00	2,000.00	46		2,000.00		
4274892	LB of Barking & Dagenham	83338	23/07/2020	15,284.21	15,284.21	8	15,284.21			
	<b>LB of Barking &amp; Dagenham Total</b>			<b>17,284.21</b>	<b>17,284.21</b>		<b>15,284.21</b>	<b>2,000.00</b>	<b>0.00</b>	<b>0.00</b>
4272668	London Borough of Barnet	65237	03/06/2020	13,980.00	13,980.00	58		13,980.00		
4274893	London Borough of Barnet	65237	23/07/2020	35,531.97	35,531.97	8	35,531.97			
	<b>London Borough of Barnet Total</b>			<b>49,511.97</b>	<b>49,511.97</b>		<b>35,531.97</b>	<b>13,980.00</b>	<b>0.00</b>	<b>0.00</b>
4270959	London Borough of Bexley	82583	21/04/2020	7,307.62	7,307.62	101				7,307.62
4274894	London Borough of Bexley	82583	23/07/2020	6,890.39	6,890.39	8	6,890.39			
	<b>London Borough of Bexley Total</b>			<b>14,198.01</b>	<b>14,198.01</b>		<b>6,890.39</b>	<b>0.00</b>	<b>0.00</b>	<b>7,307.62</b>
4271289	London Borough of Brent	80673	29/04/2020	16,850.00	16,850.00	93				16,850.00
4272363	London Borough of Brent	80673	27/05/2020	13,980.00	13,980.00	65			13,980.00	
4273820	London Borough of Brent	80673	02/07/2020	61,905.00	61,905.00	29	61,905.00			
4274002	London Borough of Brent	80673	06/07/2020	4,585.00	4,585.00	25	4,585.00			
4274888	London Borough of Brent	80673	22/07/2020	3,600.00	3,600.00	9	3,600.00			
4274895	London Borough of Brent	80673	23/07/2020	24,104.96	24,104.96	8	24,104.96			
	<b>London Borough of Brent Total</b>			<b>125,024.96</b>	<b>125,024.96</b>		<b>94,194.96</b>	<b>0.00</b>	<b>13,980.00</b>	<b>16,850.00</b>
4271292	London Borough of Bromley	78518	29/04/2020	6,195.00	6,195.00	93				6,195.00
4274896	London Borough of Bromley	78518	23/07/2020	7,817.33	7,817.33	8	7,817.33			
	<b>London Borough of Bromley Total</b>			<b>14,012.33</b>	<b>14,012.33</b>		<b>7,817.33</b>	<b>0.00</b>	<b>0.00</b>	<b>6,195.00</b>
4271295	London Borough of Camden	73305	29/04/2020	40,586.00	40,586.00	93				40,586.00
4271799	London Borough of Camden	73305	13/05/2020	97,988.00	97,988.00	79			97,988.00	
4274897	London Borough of Camden	73305	23/07/2020	38,170.17	38,170.17	8	38,170.17			
	<b>London Borough of Camden Total</b>			<b>176,744.17</b>	<b>176,744.17</b>		<b>38,170.17</b>	<b>0.00</b>	<b>97,988.00</b>	<b>40,586.00</b>
4274898	Croydon Council	71501	23/07/2020	22,344.45	22,344.45	8	22,344.45			
4275436	Croydon Council	71501	31/07/2020	550.00	550.00	0	550.00			
	<b>Croydon Council Total</b>			<b>22,894.45</b>	<b>22,894.45</b>		<b>22,894.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274901	London Borough of Ealing	88277	23/07/2020	35,312.92	35,312.92	8	35,312.92			
	<b>London Borough of Ealing Total</b>			<b>35,312.92</b>	<b>35,312.92</b>		<b>35,312.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274902	London Borough of Enfield	95679	23/07/2020	15,195.44	15,195.44	8	15,195.44			
	<b>London Borough of Enfield Total</b>			<b>15,195.44</b>	<b>15,195.44</b>		<b>15,195.44</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4271425	Royal Borough of Greenwich	124082	04/05/2020	3,600.00	3,600.00	88			3,600.00	
4272412	Royal Borough of Greenwich	124082	27/05/2020	13,980.00	13,980.00	65			13,980.00	
4273826	Royal Borough of Greenwich	124082	02/07/2020	53,557.00	53,557.00	29	53,557.00			
4274005	Royal Borough of Greenwich	124082	06/07/2020	37,575.00	37,575.00	25	37,575.00			
4274903	Royal Borough of Greenwich	124082	23/07/2020	4,319.58	4,319.58	8	4,319.58			
	<b>Royal Borough of Greenwich Total</b>			<b>113,031.58</b>	<b>113,031.58</b>		<b>95,451.58</b>	<b>0.00</b>	<b>17,580.00</b>	<b>0.00</b>
4274904	London Borough of Hackney	37291	23/07/2020	24,630.95	24,630.95	8	24,630.95			
	<b>London Borough of Hackney Total</b>			<b>24,630.95</b>	<b>24,630.95</b>		<b>24,630.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274010	L. B. Hammersmith and Fulham	101404	06/07/2020	15,114.00	15,114.00	25	15,114.00			
4274905	L. B. Hammersmith and Fulham	101404	23/07/2020	26,240.79	26,240.79	8	26,240.79			
4275434	L. B. Hammersmith and Fulham	101404	31/07/2020	925.00	925.00	0	925.00			



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
	<b>L. B. Hammersmith and Fulham Total</b>			<b>42,279.79</b>	<b>42,279.79</b>		<b>42,279.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274015	London Borough of Haringey	79442	06/07/2020	14,714.00	14,714.00	25	14,714.00			
4274907	London Borough of Haringey	79442	23/07/2020	28,069.70	28,069.70	8	28,069.70			
	<b>London Borough of Haringey Total</b>			<b>42,783.70</b>	<b>42,783.70</b>		<b>42,783.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274908	London Borough of Harrow	79451	23/07/2020	24,768.23	24,768.23	8	24,768.23			
	<b>London Borough of Harrow Total</b>			<b>24,768.23</b>	<b>24,768.23</b>		<b>24,768.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4270905	London Borough of Havering	67402	20/04/2020	1,500.00	1,500.00	102				1,500.00
4270979	London Borough of Havering	67402	21/04/2020	18,223.35	18,223.35	101				18,223.35
4271338	London Borough of Havering	67402	29/04/2020	24,814.00	24,814.00	93				24,814.00
4271977	London Borough of Havering	67402	18/05/2020	13,980.00	13,980.00	74			13,980.00	
4272897	London Borough of Havering	67402	08/06/2020	2,000.00	2,000.00	53		2,000.00		
4273834	London Borough of Havering	67402	02/07/2020	48,246.00	48,246.00	29	48,246.00			
4274018	London Borough of Havering	67402	06/07/2020	12,654.00	12,654.00	25	12,654.00			
4274909	London Borough of Havering	67402	23/07/2020	16,690.60	16,690.60	8	16,690.60			
	<b>London Borough of Havering Total</b>			<b>138,107.95</b>	<b>138,107.95</b>		<b>77,590.60</b>	<b>2,000.00</b>	<b>13,980.00</b>	<b>44,537.35</b>
4271559	London Borough of Hillingdon	71486	05/05/2020	12,544.00	12,544.00	87			12,544.00	
4274910	London Borough of Hillingdon	71486	23/07/2020	9,527.40	9,527.40	8	9,527.40			
	<b>London Borough of Hillingdon Total</b>			<b>22,071.40</b>	<b>22,071.40</b>		<b>9,527.40</b>	<b>0.00</b>	<b>12,544.00</b>	<b>0.00</b>
4274911	London Borough of Hounslow	67448	23/07/2020	19,600.20	19,600.20	8	19,600.20			
	<b>London Borough of Hounslow Total</b>			<b>19,600.20</b>	<b>19,600.20</b>		<b>19,600.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4271561	London Borough of Islington	5693	05/05/2020	45,640.00	45,640.00	87			45,640.00	
4272370	London Borough of Islington	5693	27/05/2020	240.00	240.00	65			240.00	
4272905	London Borough of Islington	5693	08/06/2020	2,000.00	2,000.00	53		2,000.00		
4273837	London Borough of Islington	5693	02/07/2020	44,752.00	44,752.00	29	44,752.00			
4274026	London Borough of Islington	5693	06/07/2020	9,233.00	9,233.00	25	9,233.00			
4274076	London Borough of Islington	5693	07/07/2020	23,584.00	23,584.00	24	23,584.00			
4274418	London Borough of Islington	5693	13/07/2020	3,600.00	3,600.00	18	3,600.00			
4274912	London Borough of Islington	5693	23/07/2020	39,972.24	39,972.24	8	39,972.24			
4274974	London Borough of Islington	5693	23/07/2020	13,980.00	13,980.00	8	13,980.00			
	<b>London Borough of Islington Total</b>			<b>183,001.24</b>	<b>183,001.24</b>		<b>135,121.24</b>	<b>2,000.00</b>	<b>45,880.00</b>	<b>0.00</b>
4270196	Royal Borough of Kensington & Chelsea	111455	06/04/2020	29,231.00	29,231.00	116				29,231.00
4273838	Royal Borough of Kensington & Chelsea	111455	02/07/2020	29,231.00	29,231.00	29	29,231.00			
4274923	Royal Borough of Kensington & Chelsea	111455	23/07/2020	23,750.90	23,750.90	8	23,750.90			
	<b>Royal Borough of Kensington &amp; Chelsea Total</b>			<b>82,212.90</b>	<b>82,212.90</b>		<b>52,981.90</b>	<b>0.00</b>	<b>0.00</b>	<b>29,231.00</b>
4274031	Royal Borough of Kingston	75215	06/07/2020	46,399.00	46,399.00	25	46,399.00			
4274926	Royal Borough of Kingston	75215	23/07/2020	13,844.94	13,844.94	8	13,844.94			
	<b>Royal Borough of Kingston Total</b>			<b>60,243.94</b>	<b>60,243.94</b>		<b>60,243.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4273840	London Borough of Lambeth	3330	02/07/2020	60,992.00	60,992.00	29	60,992.00			
4274932	London Borough of Lambeth	3330	23/07/2020	36,317.66	36,317.66	8	36,317.66			
	<b>London Borough of Lambeth Total</b>			<b>97,309.66</b>	<b>97,309.66</b>		<b>97,309.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274937	London Borough of Lewisham	39651	23/07/2020	9,013.94	9,013.94	8	9,013.94			
	<b>London Borough of Lewisham Total</b>			<b>9,013.94</b>	<b>9,013.94</b>		<b>9,013.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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
4270925	City of London	5408	20/04/2020	1,500.00	1,500.00	102				1,500.00
4275007	City of London	5408	23/07/2020	25,092.10	25,092.10	8	25,092.10			
4275051	City of London	5408	24/07/2020	2,000.00	2,000.00	7	2,000.00			
	<b>City of London Total</b>			<b>28,592.10</b>	<b>28,592.10</b>		<b>27,092.10</b>	<b>0.00</b>	<b>0.00</b>	<b>1,500.00</b>
4274938	London Borough of Merton	65185	23/07/2020	18,105.77	18,105.77	8	18,105.77			
	<b>London Borough of Merton Total</b>			<b>18,105.77</b>	<b>18,105.77</b>		<b>18,105.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4272884	London Borough of Newham	54574	08/06/2020	2,000.00	2,000.00	53		2,000.00		
4274037	London Borough of Newham	54574	06/07/2020	17,065.00	17,065.00	25	17,065.00			
4274998	London Borough of Newham	54574	23/07/2020	33,629.58	33,629.58	8	33,629.58			
	<b>London Borough of Newham Total</b>			<b>52,694.58</b>	<b>52,694.58</b>		<b>50,694.58</b>	<b>2,000.00</b>	<b>0.00</b>	<b>0.00</b>
4275000	LB of Richmond Upon Thames	92507	23/07/2020	12,133.69	12,133.69	8	12,133.69			
	<b>LB of Richmond Upon Thames Total</b>			<b>12,133.69</b>	<b>12,133.69</b>		<b>12,133.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4275001	London Borough of Southwark	8589	23/07/2020	18,212.23	18,212.23	8	18,212.23			
4275442	London Borough of Southwark	8589	31/07/2020	550.00	550.00	0	550.00			
	<b>London Borough of Southwark Total</b>			<b>18,762.23</b>	<b>18,762.23</b>		<b>18,762.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4271879	London Borough Tower Hamlets	9237	14/05/2020	50,679.00	50,679.00	78			50,679.00	
4273854	London Borough Tower Hamlets	9237	02/07/2020	59,455.00	59,455.00	29	59,455.00			
4274049	London Borough Tower Hamlets	9237	07/07/2020	17,426.00	17,426.00	24	17,426.00			
4274572	London Borough Tower Hamlets	9237	15/07/2020	3,600.00	3,600.00	16	3,600.00			
4275003	London Borough Tower Hamlets	9237	23/07/2020	17,614.96	17,614.96	8	17,614.96			
	<b>London Borough Tower Hamlets Total</b>			<b>148,774.96</b>	<b>148,774.96</b>		<b>98,095.96</b>	<b>0.00</b>	<b>50,679.00</b>	<b>0.00</b>
4275004	London Borough of Waltham Forest	39794	23/07/2020	33,320.54	33,320.54	8	33,320.54			
4275048	London Borough of Waltham Forest	39794	24/07/2020	2,000.00	2,000.00	7	2,000.00			
	<b>London Borough of Waltham Forest Total</b>			<b>35,320.54</b>	<b>35,320.54</b>		<b>35,320.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4274079	London Borough of Wandsworth	93501	07/07/2020	32,000.00	32,000.00	24	32,000.00			
4275005	London Borough of Wandsworth	93501	23/07/2020	24,730.39	24,730.39	8	24,730.39			
	<b>London Borough of Wandsworth Total</b>			<b>56,730.39</b>	<b>56,730.39</b>		<b>56,730.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
4271371	City of Westminster	65194	30/04/2020	14,377.00	14,377.00	92				14,377.00
4273405	City of Westminster	65194	22/06/2020	3,600.00	3,600.00	39		3,600.00		
4274052	City of Westminster	65194	07/07/2020	3,807.00	3,807.00	24	3,807.00			
4275433	City of Westminster	65194	31/07/2020	550.00	550.00	0	550.00			
	<b>City of Westminster Total</b>			<b>22,334.00</b>	<b>22,334.00</b>		<b>4,357.00</b>	<b>3,600.00</b>	<b>0.00</b>	<b>14,377.00</b>
4270926	Transport For London	382905	20/04/2020	1,500.00	1,500.00	102				1,500.00
4275008	Transport For London	382905	23/07/2020	105,992.21	105,992.21	8	105,992.21			
	<b>Transport For London Total</b>			<b>107,492.21</b>	<b>107,492.21</b>		<b>105,992.21</b>	<b>0.00</b>	<b>0.00</b>	<b>1,500.00</b>
	<b>Grand Total</b>			<b>1,830,174.41</b>	<b>1,830,174.41</b>		<b>1,389,879.44</b>	<b>25,580.00</b>	<b>252,631.00</b>	<b>162,083.97</b>

# Appendix B - Outstanding Other Debts at 31 July 2020

Number	Customer Name	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late
4140378	Kimbanguist Association of London	583505	16/03/2015	6,009.50	2,256.00	1,964
<b>2014/15 debts</b>				<b>6,009.50</b>	<b>2,256.00</b>	
4255952	Sylhet Bawl Shangith Ghosti	594556	11/09/2019	6,225.00	6,225.00	324
4269655	Barnet, Enfield and Haringey Mental Health Trust	532074	24/03/2020	27.00	27.00	129
4269837	Tanium UK Ltd	595770	27/03/2020	900.00	660.00	126
4269838	Tanium UK Ltd	595770	27/03/2020	525.60	525.60	126
4269990	Tanium UK Ltd	595770	31/03/2020	240.00	240.00	122
<b>2019/20 debts</b>				<b>7,917.60</b>	<b>7,677.60</b>	
4271769	Middlesex Learning Trust	591679	13/05/2020	150.00	150.00	79
<b>2020/21 debts over 60 days</b>				<b>150.00</b>	<b>150.00</b>	
4273249	Blue Prism Ltd	584757	15/06/2020	8,400.00	8,400.00	46
4273355	Barnet, Enfield and Haringey Mental Health Trust	532074	17/06/2020	297.00	297.00	44
4273408	Barnet, Enfield and Haringey Mental Health Trust	532074	22/06/2020	216.00	216.00	39
4273515	LEDNET	595529	26/06/2020	122,343.60	122,343.60	35
4273516	Housing Ombudsman Service	573487	26/06/2020	4,080.00	4,080.00	35
<b>2020/21 debts over 30 days</b>				<b>135,336.60</b>	<b>135,336.60</b>	
4274000	Prevista Ltd	477088	06/07/2020	42,919.95	42,919.95	25
4274381	Inclusive Media Solutions Ltd	594555	13/07/2020	3,000.00	3,000.00	18
4274382	The Cornerstone partnership	594418	13/07/2020	3,000.00	3,000.00	18
4274385	EveryLife Technologies Ltd	591644	13/07/2020	3,000.00	3,000.00	18
4274388	Xantura Limited	573216	13/07/2020	3,600.00	3,600.00	18
4274402	The Cornerstone partnership	594418	13/07/2020	2,000.00	2,000.00	18
4274405	Xantura Limited	573216	13/07/2020	2,400.00	2,400.00	18
4274406	Inclusive Media Solutions Ltd	594555	13/07/2020	2,000.00	2,000.00	18
4274413	EveryLife Technologies Ltd	591644	13/07/2020	2,000.00	2,000.00	18
4274414	Fiscal Technologies Ltd	588363	13/07/2020	2,400.00	2,400.00	18
4274416	Blue Prism Cloud Limited	596013	13/07/2020	8,400.00	8,400.00	18
4274889	Oxygen Finance Ltd	575294	22/07/2020	5,238.35	5,238.35	9
4274890	Oxygen Finance Ltd	575294	22/07/2020	3,000.00	3,000.00	9
4274906	The Whittington Hospital NHS Trust	583782	23/07/2020	135.00	135.00	8
4274970	Suffolk (TMO) Tenant Management Organisation	593696	23/07/2020	150.00	150.00	8
4274972	Poplar Harca	430662	23/07/2020	240.00	240.00	8
<b>2020/21 debts 30 days and below</b>				<b>83,483.30</b>	<b>83,483.30</b>	
<b>Total other debts at 31 July 2020</b>				<b>232,897.00</b>	<b>228,903.50</b>	