

## **Minutes of an Informal Meeting of the Executive**

**Tuesday 9<sup>th</sup> November 2021 09:30 am**

**Cllr Georgia Gould was in the chair**

### **Present**

<b>Member</b>	<b>Position</b>
Cllr Georgia Gould	Chair
Cllr Muhammed Butt	
Cllr Ruth Dombey OBE	Vice Chair
Cllr Danny Thorpe	
Cllr Ravi Govindia CBE	
Mayor Phillip Glanville	
Cllr Jas Athwal	
Cllr Elizabeth Campbell	
Catherine McGuinness	Vice Chair

London Councils officers were in attendance.

### **1. Declaration of interest**

There were no declarations of interest.

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

Apologies for absence were received from Cllr Darren Rodwell, Cllr Nesil Caliskan and Cllr Teresa O'Neill OBE.

### **3. Minutes of the informal Executive Meeting held on held on 7<sup>th</sup> September – to note**

The minutes of the informal Executive meeting held on 7<sup>th</sup> September 2021 were noted.

### **4. Independent Panel on the Remuneration of Councillors**

The Chair invited Mike Cooke, Chair of the Remuneration Panel, to introduce the report. Mr Cooke informed members that two remuneration reports had been submitted for consideration, one for councillors working within boroughs and the other for members in their London Councils roles. He also informed members that helpful feedback had been provided, and that there was a consensus that a range of changes had impacted on members' workloads in recent months, and that their roles had become more demanding and challenging.

Mr Cooke mentioned that, in terms of remuneration, the full impact of the changes could not yet be fully assessed; in addition the impact of the 2022 boundary changes, and the Health and Care Bill, if passed, also needed to be taken into account.

Therefore, it was proposed that the current scheme be held over, subject to the outcome of the national pay award, and that a more detailed review of remuneration be carried out in the summer of 2022 to give boroughs the opportunity for detailed input.

Members supported the proposed 2022 review and made the following points:

- the unavailability of pensions was a factor in some councillors not seeking re-election
- maternity/paternity provision needed to be considered
- consideration needed to be given to establishing that an independent panel should have the powers to determine the allowances which London Boroughs would need to apply
- the high costs of living needed to be taken into account in reviewing the basic allowance

Mr Cooke thanked members for their contributions. Members noted the report and agreed that a full review of remuneration, taking into account the points made by the Executive, should be carried out in the summer of 2022.

## **5. London's Recovery: Update**

London Councils Strategic Director: Recovery and Strategic Lead: Enterprise, Economy and Skills provided an update to members on the range of work being done in relation to London's economic recovery, ahead of the Recovery Board meeting on 1 December. Members were informed that:

- there were signs of gradual recovery in the capital, but still some challenges ahead: although economic output was expected to return to pre pandemic levels by the end of 2021, London's labour market was not expected to recover until the end of 2023, and there were other issues likely to impact such as higher inflation rates and rises in energy costs
- there were concerns about the impact of the end of the furlough scheme on overall employment figures, but it was also recognised that because of the high level of job vacancies in the UK there was the potential to retrain people for new job opportunities
- the Economic Recovery Framework, previously agreed by Leaders Committee, had now been published, and a task and finish group had been set up to oversee the progress of the work and prioritise activity within boroughs.

Members made the following points in response to the presentation:

- London had been disproportionately disadvantaged by the lack of international visitors and the general lack of footfall in the capital
- in London a large proportion of unemployed people were young, and reskilling people for available opportunities was a challenge
- it would be useful to understand how different parts of London were affected by the economic challenges, and also the impacts on different elements of the employment sector, for example the catering trade
- in addition to the unemployment impact on younger people, the needs of those approaching the end of their working life who were being furloughed or made redundant needed to be understood; this was a particular issue in terms of airport employment

- there was a mismatch between the geographic position of job opportunities and where unemployed people were located
- although it was recognised that there were a number of skills/employment initiatives taking place at a sub-regional level, it would be helpful to understand which were having the greatest impact.

Members were informed that part of the Recovery Board's work would be looking at the issue of young people and economic recovery and the wider impact on this group, including a call to action across London for more strategic investment in the youth sector, and a Youth Summit in Summer 2022 in which young people would be involved.

In terms of the Robust Safety Net mission regarding advice, support and assistance, it was recognised that although the Spending Review had not provided funding in this area, Policy into Practice had been commissioned to codesign and pilot an evaluation framework for local welfare assistance, and would be putting out a call for involvement in this work.

Members made the following comments:

- it would be useful to understand the approaches that boroughs were taking to spending the Winter Pressures finance
- the role of Credit Unions should be factored into this work
- expectations of young people needed to be managed in terms of the shortage of resources available to boroughs
- the social value of procurement should be considered in areas like employment and training.

Members were thanked for their comments and noted the update.

## **6. Spending Review 2021**

The Interim Director: Local Government Finance & Improvement introduced the report and presented both the overall picture of the funding position and the progress against London Councils' lobbying priorities.

Members were informed that:

- Core Spending Power would increase by £8.5bn (3% per annum on average) nationally over three years, although this included funding to implement the adult social care funding reforms, which won't meet demand pressures
- council tax principles for the next three years had been confirmed
- £1.5bn per annum of new grant funding would have to cover demand for services and lost income arising from the pandemic and wider inflationary pressures from the national living wage and increases in National Insurance Contributions to local government suppliers
- a small increase in the Public Health grant of £50m for London was expected over 3 years
- contrary to paragraph 8 of the report, it was felt that that available money would not now meet the estimated underlying demand and inflationary pressures boroughs were facing
- in terms of money asked for as part of the Spending review, of the £1.5 - £2bn requested it was likely that London would receive around £1.1bn
- in considering overall departmental budgets, the Department for Health and Social Care received by far the biggest increase in spending
- in addition, there had been no confirmation when the Fair Funding Review and Business Rates Reset might occur, meaning a one-year rather than three-year local government finance settlement is now likely.

In terms of London Councils' Spending Review lobbying priorities:

- very little of the skills and employment funding had been targeted towards young people, with the exception of apprenticeships.
- little progress had been made regarding the green recovery, although £1.8bn had been made available for home upgrade grants
- no funding had been made available for the UK Cities Climate Investment Commission work (although it was hoped that private sector finance might be forthcoming following on from negotiations at COP26)

- in terms of housing and transport, £1.8bn had been made available for affordable housing supply and the removal of unsafe cladding, and while £1.5bn was to be made available for electric vehicle support, a medium-term funding deal was still outstanding with TfL
- London would receive very little funding from both the £1.7bn Levelling Up fund (just £65m) and the £200m Community Renewal Fund (just £3.8m), and there were concerns as the latter is the pilot for the £2.5bn UK Shared Prosperity Fund to be rolled out over the next three years.

Members made the following points:

- in terms of future UK Shared Prosperity Fund allocations, it would be advantageous to concentrate lobbying on individual Government Departments (including the Department of Levelling Up) in that there was a lack of understanding of the role of London local government
- as government had indicated no support for devolution of Vehicle Excise Duty to support road maintenance costs, a review of future transport funding should be commissioned via TEC
- more effective working with Core Cities was vital in terms of attracting private finance in areas such as retrofitting
- ministers should be encouraged to visit boroughs more, to understand the work of local government; this could potentially be brokered via CELC.

Members thanked London Councils for the presentation and noted the contents of the report.

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#### **7a. Month 6 Revenue Forecast 2021/22**

The Acting Director of Corporate Resources introduced the report which presented the forecast outturn results for the current financial year based on the position at the end of Quarter 2, highlighting significant variances against the original budget and the position regarding reserves. The report showed:

- a projected overall surplus of £1.2m across the three funding streams

- the key variances were due to underspends on employee and general running costs, and an underachievement on the hire of meeting rooms and the letting out of office space.

In response to a question regarding the loss of income shown in the Forecast, it was explained that this was a combination of challenges in letting office space, an underspend of employee costs and other running cost underspends.

Members noted the report.

### **7b. Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23**

The Acting Director of Corporate Resources introduced the report which proposed the revenue budget, subscriptions and charges for the forthcoming financial year, and had been prepared in the context of the Shared Ambitions agreed with Leaders, directing resources to the policy areas most important to members. It also took on board changes to the organisation needed to achieve the Shared Ambitions.

The key budget pressures were:

- the impact that the pandemic had on income streams
- a 2% pay award, subject to negotiation
- a 1.25% increase in employers National Insurance contributions
- establishing a new Programme Director for the delivery of the seven key programmes, funded from TEC reserves
- a one-off contribution to set up a new digital enablement fund to modernize London Councils digital processes
- an increase of the learning and Development budget to ensure that officers had the right skills to fulfill London Councils shared ambitions.

Overall it was reported that the budget was a 'standstill' one, with no changes to core Committee contributions. There were marginal changes to some of the TEC charges, which would be considered by TEC separately at their next meeting.

It was reported that the total expenditure budget was £254.8m funded by an income budget of £252.9m and use of reserves of £1.9m. Overall there was an increase of £349k in comparison to the previous year via an increase in the use of reserves. However it was confirmed that the current levels of reserves stood London Councils in good stead to cope with pandemic recovery and to realise the member defined Shared Ambitions.

In response to a comment regarding the digital reforms at London Councils, it was confirmed that LOTI would be involved in this work; their user centred design approach was recognised as an example of good practice.

Members noted the report.

## **8. Nominations to Outside Bodies**

The Director of Corporate Governance informed members that this report provides the Executive in its capacity as the Appointments Panel, with details of London Councils' nominations/appointments recently made to outside bodies.

Members noted the nominations/appointments made by the Chief Executive on behalf of London Councils.

Prior to the meeting's close the issue of returning to the office was raised by a member. It was confirmed that some work would be done to understand the return to work position of the London boroughs which would be reported back. It was also confirmed that London Councils CMT were meeting in the office weekly and that all staff were required to attend the office at least twice a month, although in practice many people came into the office far more frequently.

Executive shared their own positions regarding staff returning to work at their offices. It was agreed that the subject of how future meetings of Leaders



Committee and the Executive could be held would be discussed at a future meeting.

The meeting ended at 10:45.