

London Councils

Notes of the Informal meeting of the London Councils Leaders' Committee held virtually on 7 December 2021 at 11.30am

Present:

BARKING AND DAGENHAM	Cllr Darren Rodwell
BARNET	Cllr Daniel Thomas
BEXLEY	Cllr David Leaf (Deputy)
CAMDEN	Cllr Georgia Gould
CROYDON	Cllr Hamida Ali
EALING	Cllr Peter Mason
ENFIELD	Cllr Nesil Caliskan
GREENWICH	Cllr Danny Thorpe
HACKNEY	Mayor Philip Glanville
HARROW	Cllr Graham Henson
HILLINGDON	Cllr Ian Edwards
HOUNSLOW	Cllr Steve Curran
ISLINGTON	Cllr Kaya Comer-Schwartz
KENSINGTON & CHELSEA	Cllr Elizabeth Campbell
KINGSTON	Cllr Tim Cobbett (Deputy)
LAMBETH	Cllr Claire Holland
LEWISHAM	Mayor Damien Egan
MERTON	Cllr Mark Allison
NEWHAM	Mayor Rokhsana Fiaz OBE
REDBRIDGE	Cllr Jas Athwal
RICHMOND UPON THAMES	Cllr Gareth Roberts
SUTTON	Cllr Jayne McCoy (Deputy)
TOWER HAMLETS	Mayor John Biggs
WALTHAM FOREST	Cllr Grace Williams
WANDSWORTH	Cllr Ravi Govindia CBE
WESTMINSTER	Cllr Rachael Robathan
CITY OF LONDON	Ms Catherine McGuinness

Apologies:

BEXLEY	Cllr Teresa O'Neill OBE
BRENT	Cllr Muhammed Butt
HARINGEY	Cllr Peray Ahmet
HAVERING	Cllr Damian White
SOUTHWARK	Cllr Kieron Williams
SUTTON	Cllr Ruth Dombey OBE

Officers of London Councils were in attendance.

The Chair welcomed members to the meeting.

1. Declarations of interest

There were no declarations of interest.

2. Apologies for absence and notification of deputies

Apologies were as listed above.

3. Minutes of the Leaders' Committee held on 12 October 2021 – for noting

The minutes of 12 October 2021 were noted subject to the following correction: Cllr Grace Williams to replace Cllr Clare Coghill as the London Borough of Waltham Forest attendee.

4. Local Government Finance Update

London Councils Interim Director, Local Government, Finance and Improvement, summarised the overall outcome of the recent Spending Review and the position regarding London Councils five core priorities. Members were informed that, in terms of the Spending Review 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 green recovery, and 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, and there had been positive discussions with BEIS in this regard)
- in terms of housing and transport, £1.8bn had been made available for affordable housing supply and £3bn for the removal of unsafe cladding, and £1.5bn was to be made available for electric vehicle support; a medium-term funding deal was still outstanding with TfL
- In terms of the Global London asks, there was positive news in terms of the opening of the Thames Freeport and significant investment in Research and Development, digital infrastructure and life sciences
- London received the lowest allocation of any English region from the Levelling Up and Community Renewal Funds and there were concerns as the latter

was the pilot for the £2.6bn UK Shared Prosperity Fund to be rolled out over the next three years

- Regarding Investment in Local Government services, the new investment in children's services and rough sleeping was welcomed, although there had been limited success in other areas where the capital faced disproportionate pressures.

In terms of the longer-term funding outlook for Local Government:

- the Core Spending Power increase to £8.5bn included £2bn funding to implement the adult social care funding reforms, which was not 'new' money, and as such would not meet demand pressures
- council tax principles for the next three years had been confirmed with a rise of up to 3% available to boroughs
- £1.5bn per annum of new grant funding had been announced, the distribution of which remained to be confirmed. However, this needed to cover a number of growing pressures, such as the potential wider impact of social care reform, increased demand for services and lost income arising from the pandemic, and wider inflationary pressures from the increases in the national living wage and National Insurance contributions
- 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
- beyond 2022/23 there remained uncertainty about the distribution of resources because the planned reforms to local government finance remained unconfirmed; it was also confirmed that the Government would not be implementing the previously planned 75% Business Rates retention scheme
- once the scope of the reforms was known, further reports would be made to Executive and the Leaders' Committee.

Members made the following comments:

- boroughs were experiencing severe budget pressures, particularly in adult social care, and in some cases support organisations were being funded by boroughs to keep them operational. Also as well as the financial impact of

Covid there were other pressures, such as a big increase in the numbers of people in temporary accommodation

- in terms of the Spending Review, there was a need to drill down into health costs, in that the vision of the new White Paper needed to be supported by financial input. There was also a need for members to be informed about the position regarding future hospital provision agreed by the Government and the likelihood of receiving finance attached to this
- with regard to lobbying, it was important to emphasise the consequences of underfunding boroughs in terms of the impact on peoples' lives. It was also important to identify advocates in Government
- much of the funding was now in the form of 'pots', where eligibility for London was not always clear. It would be useful to track the pots and their relationship to the Shared Prosperity Fund.
- also, the allocation of money in pots was not how London had traditionally received funding. Boroughs needed to be nimble in responding to a potentially competitive approach to finances arising from any local government settlement
- the issues of asylum seekers in London included a lack of consistency between the way various groups were housed and supported, and a lack of information received from the Home Office; boroughs wanted a much more developed collaborative approach
- there were rising numbers of children and young people requiring SEND services and it was important for the Government to carry out its proposed SEND review
- the need for a viable deal for TfL was important in terms of the capital's infrastructure
- the Minister for London had written to boroughs separately asking for their post Covid priorities: however, it was hoped that London could make a combined response to this request.

The Interim Director, Local Government, Finance and Improvement thanked members for their comments, and confirmed that the focus on need and the growth in inequalities as a result of the pandemic were central to the lobbying in respect of the Fair Funding Review.

Catherine McGuinness reported that seven boroughs had put together a proposal for a short term Business Rates pool for 2022/23 which would likely save £35m. The boroughs involved were Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest, with the City of London. The proposal was subject to a sign off from Treasury; it was not intended to replace any pan London pooling proposals in the future.

Members noted the rest of the report.

5. Climate Change Strategy

Mayor Phillip Glanville introduced the report, thanking the staff of London Councils and key members for their work at COP26 in particular. He informed members that:

- the report provided an update on the climate change strategy which looked at work pre and post COP26
- six out of the seven collaborative programmes had agreed action plans, which was unique among Core Cities
- there was good recognition at Whitehall for the work being done, and it was hoped to develop this relationship and those with the Net Zero Local Government Forum, BEIS and the UKCCIC
- there were not likely to be further funding announcements from Government, and so there was a need to ensure that the commitments made at COP 26 were honoured and the work embedded with UK local government and Core Cities
- the resources required were being reviewed to co-ordinate the seven thematic programmes, and funding was being sought for Demonstrators
- the partnership nature of the work was emphasised; 32 of the London Boroughs were involved in at least one of the programmes.

Members supported the work being done and made the following points:

- there was a risk that at the conclusion of COP the focus for climate work could be lost: there should be resources for future events while also ensuring that boroughs learn from each other's work
- there should be clarity about the costs of the work, for example retro fitting which was expensive but only had impact at scale

- the use of public transport was seen as green, therefore the finance settlement for TfL was essential
- it was felt that while there was a lot of delivery at local level there was an absence of a central national strategy on investment
- it was important to build on the inclusion of local government in the final COP agreement so that the work of boroughs is recognised
- it was important to be joined up in thinking about climate issues. For example in London tackling climate change was tied in to the built environment and there was a need to be creative in the asks to the government
- the issue of an online sales tax, linked to rebates for physical businesses, should be investigated.

Mayor Glanville thanked members for their responses and confirmed that:

- a number of initiatives had been set up following COP to retain momentum, including the #Bethesolution campaign, the Kingston led active travel work, work on green finance, the ongoing EV projects, and a retrofit summit in February 2022
- in terms of funding and the move to a Green Capital, there was a will to lobby Government for additional resources. The recent submission regarding the Spending Review included a strong green input, and there was ongoing work to look at private finance, as well as the Green New Deal
- the issue of online Sales Tax would be considered, noting that the sub regional partnership were active in this area, linking business, built environment and greening the economy.

Members noted the report.

6. Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23

The Chief Executive introduced the report, informing members that:

- Executive had previously agreed that the revenue budget and borough subscription levels should be submitted to Leaders' Committee for comment and approval
- members were asked to agree the Shared Ambitions, previously discussed, and to note that the budget was a standstill position, using reserves to set out a balanced budget as in previous years
- next year members would be presented with a medium term financial strategy as part of the budget proposals to recognise the longer term financial position
- in setting the budget account had been taken of the pressures that needed to be addressed and a need to reflect the shared ambitions; some reductions had also been made
- the main subscriptions remained unchanged and the Acting Director of Corporate Services had confirmed that the £8.4m reserves ensured that London Councils were in a healthy financial position for the future.

Members noted the recommendations set out in the report in respect of the borough subscriptions and charges. All decisions would be made following the meeting under the Committee's urgency procedure.

7.London Councils Grants Scheme – Budget proposals 2022/23

The Acting Director of Corporate Resources introduced the report, informing members that:

- the Grants Committee budget had been considered and agreed by the Grants Committee on 24 November
- it was a standstill budget, with total expenditure of £6.7m funded by borough contributions
- the report included the timetable of ratification of the budget by boroughs, concluding in January 2022 with the City of London approving the levy as the designated Council under the legislation
- the projected level of uncommitted reserves was £703k.

Members thanked the staff of London Councils for the preparation of the budget, recognising the Grants programme as an effective example of cross party working.

Members were informed that, as in the previous programme, projects concentrated on homelessness and domestic and sexual violence priorities, and aimed to fund projects which had a pan London impact and were innovative, community based initiatives.

In response to a question on the monitoring of projects, it was confirmed that there had been a shift in focus away from fixed monitoring periods to ongoing monitoring.

Members of Leaders' Committee noted the recommendations set out in this report. All decisions would be made following the meeting under the Committee's urgency procedure.

8. Urgency Report

Members noted the items on London Children's Services Innovation and Improvement Alliance, and decisions taken following the Meeting of Members of London Councils Leaders' Committee on 12 October, which were approved under the urgency procedure.

9. Minutes of meetings for noting:

Members noted the minutes of the following meetings:

Executive – 7 September (Informal meeting)

- Audit Committee – 16 September (Informal meeting)
- TEC Executive – 9 September 2021 (Informal meeting)
- Grants Executive – 30 September 2021 (Informal meeting)
- YPES – 21 October 2021 (Informal meeting)

The meeting finished at 12.30 pm.