

# Leaders' Committee

3 December 2019 – 11:30 am

At London Councils offices, 59½ Southwark St., London SE1 0AL

Refreshments will be provided

London Councils offices are wheelchair accessible

<b>Labour Group:</b>	Room 2 and 3	10:00
Political Adviser: 07977 401955)		
<b>Conservative Group:</b>	Room 5	10:45
(Political Adviser: 07591 389100)		
<b>Liberal Democrat Group:</b>	Room 4	10:00
(Political Adviser: 07858 924941)		
<b>Contact Officer:</b>	David Dent	
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**Lunch will be provided in Room 4 for members after the meeting**

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- Audit Committee – 18 September 2019
- Grants Executive – 12 September 2019
- TEC Executive – 12 September 2019
- TEC – 10 October 2019
- YPES – 17 October 2019
- CAB – 17 October 2019
- Executive – 12 November 2019

### **\*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

The Chairman to move the removal of the press and public since the following items are exempt from the Access to Information Regulations. Local Government Act 1972 Schedule 12(a) (as amended) Section 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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## London Councils

Minutes of the London Councils Leaders' Committee held on 8 October 2019  
Cllr Peter John OBE chaired the meeting

### Present:

BARKING AND DAGENHAM  
BARNET  
BEXLEY  
BRENT  
BROMLEY  
CAMDEN  
CROYDON  
EALING  
ENFIELD  
GREENWICH  
HACKNEY  
HAMMERSMITH & FULHAM  
HARROW  
HILLINGDON  
HOUNSLOW  
ISLINGTON  
KENSINGTON & CHELSEA  
KINGSTON UPON THAMES  
LAMBETH  
LEWISHAM  
NEWHAM  
REDBRIDGE  
RICHMOND UPON THAMES  
SOUTHWARK  
SUTTON  
TOWER HAMLETS  
WALTHAM FOREST  
WANDSWORTH  
WESTMINSTER  
CITY OF LONDON

Cllr Saima Ashraf (Deputy)  
Cllr Dan Thomas  
Cllr Teresa O'Neill OBE  
Cllr Muhammed Butt  
Cllr Colin Smith  
Cllr Richard Olszewski (Deputy)  
Cllr Tony Newman  
Cllr Julian Bell  
Cllr Ian Barnes (Deputy)  
Cllr David Gardner (Deputy)  
Mayor Philip Glanville  
Cllr Stephen Cowan  
Cllr Graham Henson  
Cllr Ray Puddifoot  
Cllr Steve Curran  
Cllr Richard Watts  
Cllr Elizabeth Campbell  
Cllr Liz Green  
Cllr Jack Hopkins  
Mayor Damien Egan  
Cllr John Gray (Deputy)  
Cllr Jas Athwal  
Cllr Gareth Roberts  
Cllr Peter John OBE  
Cllr Ruth Dombey OBE  
Mayor John Biggs  
Cllr Clare Coghill  
Cllr Ravi Govindia CBE  
Cllr Nickie Aiken  
Simon Duckworth (Deputy)

### Apologies:

BARKING & DAGENHAM  
CAMDEN  
ENFIELD  
GREENWICH  
HARINGEY  
HAVERING  
MERTON  
NEWHAM  
CITY OF LONDON

Cllr Darren Rodwell  
Cllr Georgia Gould  
Cllr Nesil Caliskan  
Cllr Danny Thorpe  
Cllr Joseph Ejiofor  
Cllr Damien White  
Cllr Stephen Alambritis  
Mayor Rokhsana Fiaz  
Catherine McGuinness

Officers of London Councils and the City of London were in attendance.

The Chair commenced the meeting by paying tribute to the former Leader of the London Borough of Islington and previous Vice Chair of London Councils, Steve Hitchins, who had recently died. Cllr Dombey had valued him as a mentor and spoke of the significant contribution that he had made to local government and public services in London, as well as his influential work in encouraging diversity. The Chair asked members to observe a minute's silence in memory of Steve Hitchins.

The Chair welcomed Cllr Daniel Thomas to his first Leaders' Committee meeting, and also warmly welcomed Cllr Athwal. As well as confirming the support that been given from colleagues, he reported that until current issues were resolved, Cllr Athwal would step back from his position as Executive Member for Crime and Public Protection. The Chair proposed that he would take on those responsibilities for an interim period. Cllr Athwal was thanked for his work to date as Portfolio holder.

It was agreed that Councillor John would temporarily take over the responsibilities of the Crime and Public Protection portfolio work and a further report would be made to Leaders' Committee in December.

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

The apologies and deputies listed above were noted. The Chair noted that a number of the absences were due to a clash with the GLA's Homes for Londoners conference.

#### **2. Declarations of interest**

No interests were declared.

#### **3. Minutes of the Leaders' Committee 9 July 2019**

The minutes of Leaders' Committee meeting of 9 July 2019 were agreed as an accurate record.

#### **4. NHS Collaboration**

Cllr Puddifoot introduced the report, noting that progress had been made in London level discussions since the appointment of Sir David Sloman as the new Regional Director for NHS England. Cllr Puddifoot drew attention to the aspirations in paragraph 7 of the report, and the opportunities presented by the NHS Long Term Plan, specifically around borough led integrated delivery of out of hospital care services, a focus on the modernisation of health and care estates, and the use of digital and information technology to enhance services across

health and care. He informed members that the NHS had also been asked to provide a clear plan as to how it intended to deliver new GP services.

Cllr Puddifoot noted that while discussions had been constructive, it was for Leaders to continue to influence the NHS concerning the importance of borough leadership in the local health agenda.

Members made the following points:

- It was important to concentrate on how successful prevention and early intervention should be delivered, the opportunities for collaboration on estates, in particular to deliver GP services, as well as enhancing digital and IT services to enable health and care providers to share information, could be progressed
- The amalgamation of CCGs may lead to a less localised, more pan London approach to health, but the establishment of Primary Care Networks could potentially provide a focused local service and presented a good opportunity for boroughs to engage in more local collaboration on preventative care
- While the NHS had recognised the future role of boroughs, the relationship with CCGs and other governance models was less clear, and therefore the suggestion of an exercise to provide a delivery map, referenced in the report, was supported
- It was important to include political involvement in the new CCG boards
- As well as supporting the benefits of engagement in the governance of CCGs, the need to enhance the role of the Health Well Being Boards was also crucial
- In terms of CCG overspends, it was important for boroughs to be able to input into decisions as to how deficits were to be reduced.

The Chair thanked members for their comments and feedback, and members noted the paper.

## **5. Children's Services – Finance Pressures and Tackling County Lines**

Cllr Aiken introduced the report, and fed back from the recent London Councils summit on 11 September, which had discussed the issue of county lines, noting that:

- All boroughs attending the summit had experienced the impact of county lines, and recognised that the problem also had national implications

- Good relationships had been formed with local authorities, particularly Directors of Children's Services, to address the issue. This made it easier to share good practice from a range of sources, including teachers and parents, and to produce toolkits to share information
- More work was needed to explain the impact of people purchasing drugs for recreational use
- Information sharing regarding transport hubs, and with Transport Police, needed to be developed.

Regarding Children's Services financial issues, Cllr Aiken reported that, following the recent member level event held on 12 September:

- There was recognition among the DCS's of the need to pool resources to improve outcomes for SEN groups and young people
- The ISOS survey results had confirmed members' concerns regarding financial pressures on children's services.

Cllr Aiken reported that three specific ideas had been developed at the event: sharing placements information; developing an NHS protocol for children's services for CCGs; and the development of a Social Work recruitment academy. Boroughs would need to consider whether additional resources might be needed to carry out this work.

In answer to a question from Cllr Govindia regarding county lines activity that impacted beyond London, Cllr Aiken informed members that while a lot of work had been done regarding county lines issues outside the capital, particularly in major cities and coastal towns, London still had over 2000 county lines into other areas.

Members made the following points:

- The high percentage of young people identified in at least one borough that were involved with county lines in some way was noted
- In terms of policing drugs, it was noted that there was a joint approach, with major crimes being policed by Scotland Yard under Organised Crime arrangements
- There were good examples in one borough where a number of people involved in a significant amount of drug crime had been arrested, in part due to the collaborative work between the authority's housing team and local housing associations in sharing

information with the police, and the good relationships between the police and the local VRU

- There should be more emphasis on prevention work for people entering adulthood, citing responses to a recent survey of young people which highlighted a large unmet need in terms of mental health awareness and concerns around suicide or people considering suicide.

Members noted the report and the three proposed areas for priority action.

## **6. Exiting the EU – Update on Local Engagement**

The Chief Executive introduced the report, citing the two strands of work supporting activity: the resilience and contingency work carried out under the auspices of the London Resilience Forum; and the regional information hub that London Councils was providing in London for MHCLG, collating information on behalf of the boroughs and feeding issues of concern for local authorities back into government.

Members were informed that weekly reporting across the network had now resumed and there were regular weekly calls with Borough Liaison Officers. Information from the reporting fed directly into the work on resilience and contingency planning.

John Barradell, Chief Executive of the City of London Corporation, Chair of the Local Authorities' Panel and the Strategic Co-ordination Group (SCG), informed members about the cross cutting pan London resilience work being undertaken, including the thematic approach being adopted by the SCG. The SCG would be formally operating from 14 October and function bi-weekly thereafter.

Members made the following points:

- In terms of Settled Status applications, some delays had been experienced for those EU nationals without an NI number or without regular employment history
- It was important for members to be kept informed of EU Exit preparatory activity, for example members recently became aware of an MoU between hospitals in London regarding medical supplies
- The lack of Settled Status application data at borough level was still a concern

- The issue of food poverty in relation to food banks should be considered, and the impact of any potential rise in food prices and availability of supplies
- A proportion of rough sleepers were likely to have No Recourse to Public Funds. This group should be included when considering issues of vulnerability and Settled Status
- While major food suppliers and larger catering industries would be prepared for the implications of exiting the EU, there was concern that smaller businesses would be much less prepared.

The Chief Executive fed back on the following points:

- There had been one release of Settled Status borough level information in July and the proposal from government was to provide the information on a quarterly basis, although a request had been made for more frequent reporting
- Regarding hardship and food banks, there had been conversations with the Borough Liaison Officers to get further data.

Mr Barradell commented that:

- The opportunity to understand how systems across London inter-related with each other was valuable work, which could have longer-term benefits
- The SCG focused on issues of under two weeks duration which were of a cross cutting nature
- Regarding the SME sector, work was being done with the Federation of Small Businesses and local community and business groups to encourage them to note the information made available by government in this area.

Members noted the report.

## **7. Annual Audit report 2018-19**

The Director of Corporate Resources introduced the Audit report for the 2018/19 financial year issued by KPMG, London Councils' external auditor.

In response to a question raised in advance of the meeting by Cllr Puddifoot, where the reference on page 43 of the papers regarding the audit not yet being completed was noted, Members were informed that the comment was written earlier in September 2019 when the audit letter was at draft stage. KPMG had since signed off each of the three London Councils accounts on 25 September following the 18 September Audit Committee, where the Letter of



Representation was signed. After consulting with KPMG, it was confirmed that the signed audit opinion on each set of accounts provided adequate evidence of the completion of the audit and that no further confirmation would be issued.

Leaders' Committee noted the contents of the Annual Audit report for 2018/19.

## **8. Extending the London HR Metrics Service to other regions**

The Director of Corporate Governance introduced the report, informing members that the HR Metrics service, which provided benchmarking for the benefit of all 33 London local authorities, was highly regarded by boroughs. The South East Employers Organisation had approached London Councils to extend the service for local authorities in the South East region of England, a decision which needed Member approval.

Leaders' Committee agreed to the expansion of the HR Metrics and data sharing service outside of London, and the setting up of a Service Level Agreement and subscription arrangements by London Councils with other regions and local authorities.

## **9. Pledges to Londoners – Update on Progress with Funding London**

The Chair updated members on progress with regard to the Pledges in respect of funding, noting:

- The 6% increase in Core Spending Power next year, which met the Pledge that no borough would lose from the Spending Review, although there remained a £200m funding gap
- The postponement of the Fair Funding Review and the direction of travel towards rebalancing funding away from London to other parts of the country
- There was good recognition by government of the growing crisis in SEND funding via the recent review and the additional £700m to be made available next year
- The limited progress on fiscal devolution, although the Chancellor had announced in the previous week an impending Devolution White Paper.

Cllr Roberts felt that the additional £700m for SEND, although recognising that it had not yet been allocated, should be targeted at those boroughs with the biggest deficits.

## **10. Feedback from Joint Boards**

The Chair fed back on the July 2019 meeting of the **Crime Reduction Board**, which had discussed:

- Drug related crime – some useful information had been provided about police operations in London boroughs although the level of information varied between boroughs
- Violent crime – the Home Office award of £7m to the VRU had been discussed
- Probation transition arrangements – the importance of the involvement of London boroughs in the work of the National Probation Service was emphasised.

Cllr Puddifoot reported the key issues from the **London Health Board**, namely:

- GP shortages
- The London Health and Care Vision
- The London Estates Strategy
- Thrive London
- Health Inequalities Strategy
- London Health Board Conference.

The Chair reported the key points from the 26 September meeting of the **LEAP Board**, which were:

- EU Exit
- Industrial Strategy for London – work was being done to increase the role of boroughs within the Strategy
- UK Shared Prosperity Fund – work was being done in advance of the Fund's introduction towards developing a London delivery model involving both the GLA and boroughs
- Collaboration and co-design, specifically with reference to career advice.

The Chair also reported back on the 3 October meeting of the **Skills for Londoners Board**, which had considered the following:

- A presentation from the Institute of Adult Learning
- Changes to the Adult Education budget

- Measuring the impact of AEB outcomes
- The launch of the Skills for Londoners Call for Action.

Cllr Coghill fed back on the 4 September **Homes for Londoners Board**. The Board had received reports on:

- TFL Residential Development Programme
- Intermediate Housing Policy review
- Homes for Londoners Conference
- GLA Rough Sleeper Winter Programme – there was a discussion about future work, reviewing gaps in services experienced the previous winter and a discussion around drugs and alcohol
- Housing Delivery report.

## **10. Minutes and Summaries**

Leader's Committee agreed to note the minutes and summaries of:

- YPES – 6 June 2019
- TEC – 13 June 2019, subject to the change of 'Pater' Craske to 'Peter' (page 77)
- Grants Committee AGM – 10 July 2019
- Executive – 10 September 2019

The meeting agreed to exclude the press and public.

The meeting ended at 13.10.

# Leaders' Committee

## Pledges to Business

Item no: 4

**Report by:** Stephen King      **Job title:** Head of Business and Enterprise  
**Date:** 3<sup>rd</sup> December 2019  
**Contact Officer:** Stephen King      **Email:** Stephen.king@londoncouncils.gov.uk  
**Telephone:** 020 7934 9670

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**Summary**      This report outlines progress with the development of Pledges to Business – the development of which was one of the 46 commitments made by Leaders in their 'Pledges to Londoners' agreed earlier in the year. The report outlines the Pledges to Business and the approach to supporting boroughs in implementing them.

**Recommendations**      That Leaders' Committee:

1. Notes the report and progress with developing the Pledges to Business.
2. Comments on and endorses the proposed Pledges to Business in Appendix 1.
3. Comments on the implications for boroughs.



# Pledges to Business

## Background

1. The Pledges to Londoners, signed-off by the 33 Leaders and Mayors, has a specific section on supporting business and inclusive growth, stating “*London is the business capital of Europe and the most outward looking global city on the planet. All London boroughs are committed to nurturing that success and ensuring that all Londoners can share in it. We aspire to be the first choice of every London business when it wants a conversation with London government.*” It includes a specific commitment to co-design an action plan with the private sector, setting out a series of pledges for improving London as a place to do business, promoting inclusive growth and ensuring positive dialogue between boroughs and business.
2. London Councils has commissioned research from CEBR on business clusters across London and with a profile for each London borough. A recent survey of London businesses<sup>1</sup> undertaken by London Councils revealed that whilst businesses are generally more satisfied than dissatisfied with key council services, a larger number of business simply do not have a view, suggesting they may be unaware of these services.

## Consultation process

3. London Councils has been developing the Pledges to Business during 2019. There has been consultation on the idea of the Pledges with borough officers and members, as well as the London Business Board, which brings together key business representative bodies in London<sup>2</sup>. Events and workshops have been held with economic development officers and Cabinet Members for economic development. The Pledges to Business have been raised with borough chief executives and sent to relevant borough directors for comment. A draft of the Pledges to Business is set out in Appendix 1.

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<sup>1</sup> Business 1000, October 2019, a joint survey with the London Chamber of Commerce and Industry of over 1000 businesses.

<sup>2</sup> Members of the London Business Board are: London First, London Chamber of Commerce and Industry, and the London branches of the Confederation of British Industry, Federation of Small Business and Institute of Directors.

## Vision

4. The Pledges have been developed with a focus on boroughs' offer to business, rather than boroughs' ask of business. It looks beyond councils' business support services to consider the wider role of boroughs as:
  - **Placemakers and Champions:** Setting a framework for the future development of an area and coordinating investment to deliver this vision.
  - **Convenors of business and the local communities:** Brokering local solutions and agreements.
  - **Regulators:** protecting residents and demanding high standards, but also delivering a quality and joined-up process for those businesses using these services.
  - **Providers of core infrastructure:** providing or helping to facilitate core infrastructure.

The focus is on developing a strong partnership with business, specifically where boroughs and business have common objectives.

## Pledges

5. The Pledges are centred around:
  - **Engagement:** Ensuring effective engagement with business, including customer satisfaction surveys and direct engagement with those using borough services.
  - **Making business simpler:** ensuring that businesses can get a more coordinated approach from boroughs, including enhancing our digital access to borough services.
  - **Cleaner, Greener, Safer:** Collaborating with businesses in areas such as community safety, waste reduction and recycling, air quality and rough sleeping. This includes working with London's more than 60 Business Improvement Districts.
  - **Night-time economy:** Playing a coordinating role in supporting a safe and successful night-time economy.
  - **Business Rates:** Including continuing to lobby for a system that lessens the impact of the national system on London's economy.
  - **Procurement:** Supporting local suppliers and social value outcomes.
  - **Developing a skilled workforce:** Working with employers to ensure a local labour force with the right skills.
6. The Pledges also have a series of asks of business:
  - **Becoming the best employer you can be,** through the adoption of relevant standards.

- **Ensuring an inclusive workforce**, that reflects London's diversity, including engaging with local employment and apprenticeship programmes.
- **Engaging the next generation**, working with schools across London to open-up the world of work.
- **Sustainability**, showing leadership in reducing emissions and waste.
- **Business Champions**, supporting the public sector in making the case for your borough and London.

### Implications for boroughs

7. The Pledges will require processes that ensure that businesses find it easier to navigate boroughs' different services. This will require a commitment from boroughs to engage with business on how they feel the process currently works for them and how it can be improved. There are wider policy issues boroughs will need to consider, for example, balancing the requirements of our regulatory role with our desire to promote vibrant high streets.
8. There are excellent examples of London boroughs working successfully with their businesses (and BIDs) on a diverse range of issues, from aggressive begging, to child protection and improving air quality. London Councils will continue to highlight this good practice, support its wider adoption and set a broader vision for what successful business engagement could be for boroughs.

### Next steps

9. London Councils is planning to launch the Pledges early in 2020, with an endorsement from the London Business Board.
  10. The Pledges to Business will only be successful if it brings about changes and improvements in the boroughs' relationship and work with business. This will require senior political and officer drive and support in each borough. London Councils is considering how best to encourage peer based challenge and support between boroughs to help drive performance and business engagement between boroughs.
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**Financial implications for London Councils**

No immediate implications.

**Legal implications for London Councils**

None

**Equalities implications for London Councils**

None

## Appendix 1

# Pledges to Business

### Vision

London is the business capital of Europe and the most outward looking global city on the planet. All London boroughs are committed to nurturing that success and ensuring that all Londoners can share in the benefits of good growth.

We aspire to be the first choice of every London business when it wants a conversation and to work with London government.

These pledges set out London boroughs' commitment to growing our city's economy for the benefit of Londoners and the roles we play in this.

### The role of boroughs

Boroughs have a central role in creating an environment where business can thrive.

- ***Placemakers & Champions***

Boroughs set out an agreed vision for our area and communities and bring together the resources to deliver this. Through local political leadership, long term consultation and engagement with residents and business, and using local democratic processes, boroughs set and drive a vision for an area. This includes our local development plans and economic development strategies, where we can influence, inform and facilitate economic development.

Boroughs are uniquely placed to secure and drive forward regeneration and local economic development, drawing together external funding and working with the private sector, boroughs can set and coordinate a vision for the economic renewal of an area.

Boroughs via their support for cultural and leisure infrastructure enhance the attractiveness of their area for business and staff, as well as delivering safe and attractive public spaces.

Boroughs promote their local attractiveness, working with partners such as London and Partners, to ensure that the whole of the capital together maintains its "global city status".

- **Convenors of business and the local communities**

Boroughs play an important role in bring together partners, including the business community and local residents, developing a common vision for an area.

The at times competing needs of residents and businesses in a crowded city are best brokered at a local level. Boroughs are in a unique position to develop local solutions and agreements.

Boroughs uniquely have the local knowledge to bring together and connect with London's diverse communities, working with regional and national delivery agencies to shape and influence local service delivery around skills, employment and business support programmes. Boroughs work to ensure that their diverse communities directly benefit from economic growth.

- **Regulators – ensure business friendly services**

Boroughs have an important role in ensuring effective regulation at a local level, protecting and balancing the needs and rights of residents, customers and businesses.

We need to ensure that while not lowering standards for residents our regulatory functions, such as planning, licensing and trading standards, deliver an effective service for business users.

- **Providers of core infrastructure**

Boroughs play a central role in providing and maintaining core infrastructure, from roads and pavements, public transport, lighting, and increasingly in promoting digital services.

## **Section 1: Our Pledges to Business**

### **Engagement**

Meaningful engagement with our business community is fundamental, to:

- Understand businesses' concerns.
- Effectively consult and respond to these concerns where we can.

Boroughs pledge to ensure that we effectively listen to our local businesses using a range of mechanisms, including forums, surveys and direct engagement. Boroughs commitment to ensuring they have a Business Champion, at a senior political and officer level, to drive this engagement and oversee the delivery of the pledges.

### **Making business simpler**

Boroughs will work to improve the access to our services. This will include:

- Better engagement to understand the experience of the users of our services, including undertaking regular customer satisfaction surveys for our business facing services, including our regulatory services such as licencing and environmental health.
- Committing to act on the results of these findings.
- Enhance our digital access to borough business services.
- Developing our single points of access for businesses, helping them navigate borough services.
- Undertake peer-reviews and share good practice to improve our services.

### **Secure the right business spaces**

Boroughs will continue to work to enhance the local business environment. We will:

- Promote access to high-quality business support and mentoring services, either directly or by supporting awareness of external providers to our business community.
- Secure affordable workspace using our planning processes to provide the right spaces for a modern economy, including micro-businesses and flexible working practices.
- Fight against the inappropriate loss of office space and lobby government to tighten the rules around permitted development rights.
- Protect our industrial land and work with partners to enhance and intensify use.

### **Cleaner, greener, safer**

Boroughs will collaborate with business to secure a cleaner, greener, safer borough.

Boroughs will work with their businesses around areas of common interest, investing in our local areas to drive a better environment for business and residents. This will include working on:

- Community safety and tackling violence, including all boroughs to review the opportunities to directly support the establishment of Business Crime Reduction Partnerships.
- Rough sleeping and on-street begging, working with businesses via better sharing of information, collaborating around positive forms of enforcement, and support into services.
- Business space improvements, including public realm, industrial space and shop front improvements, developing local partnerships to drive these investments forward.

- Environmental impact: supporting businesses to put in place more sustainable practices, for example, around ambitious recycling targets and reducing energy usage
- Air quality: raising air quality standards including via freight consolidation and electrical vehicles.
- Parking: Ensuring boroughs have an open and transparent dialogue with businesses about changes in parking practices, including loading and unloading goods.
- Infrastructure improvements, including transport and digital connectivity working with the private sector to unlock the investment needed.
- Use of data: developing platforms and processes to enhance collaboration around using data.

London's network of Business Improvement Districts are important partners in enhancing our key business areas. We will work with BIDs including around enforcement, information sharing, promoting an area and coordinating of capital investment.

### **Evening and Night Time economy**

A successful evening and night time economy has the potential to support the economic and social vibrancy of our town centres and provide a wider range of local employment opportunities. Boroughs will champion the appropriate night time economy, working with key partners such as businesses, TfL and the police. Boroughs will:

- Regularly review their licencing policies to see where a pragmatic approach can deliver economic and social benefit.
- Work with partners to ensure support for Night Time workers, including safety and transport.
- Convene Night Time Economy forums to develop the partnerships to ensure a successful and secure economy to drive forward practical interventions such as lighting, marshals, data sharing.
- Continue to support the Night Time Borough Champions Network.
- Protect and enhance our entertainment and cultural venues.

### **Business rates**

While boroughs collect business rates, the multiplier is set at a national level. Boroughs recognise the impact of recent rises in business rates on London businesses and are committed to:

- Having an open and transparent dialogue with business around business rates.
- Continuing to campaign against the disproportionate share of national business rates paid by London businesses, including demanding London has more control on how these rates are set, in the context of broader reform of business taxation and the funding of local services.
- Campaigning with business partners and others for greater local retention of business rates.
- Consider supporting business, where appropriate, to appeal against unfair valuations from the Valuations Office Agency.
- Engaging with local businesses to help manage the impact where we can, for example via staging payments where appropriate (e.g. payments after Christmas not before for retailers).

### **Procurement**

Boroughs remain major purchasers of goods and services. We will:

- Listen to local businesses and ensure our procurement practices support the local economy, increasing our spend with firms that support our approach to inclusive growth and the delivery of social value objectives.
- Set targets for the level of local spend and the weighting given to social value objectives looking at the best examples where, in some London boroughs, over 25% of their spend is with local firms.
- Offer training to local small businesses so that they are “fit to supply”, including an understanding of how to communicate their social value through the tender processes.
- Work collaboratively to deliver a more consistent approach to procurement across London and promote benchmarking around our levels of local spend.

### **Developing a skilled workforce**

Boroughs via local, sub-regional, and London-wide employment and skills programmes will help in ensuring that businesses have access to a talented local labour force.

Boroughs will:

- Consult and work with partners, such as the FE sector, to ensure we understand and respond to businesses skills needs.
- Support 55,000 disadvantaged Londoners towards a job through the devolved Work and Health employment programme being led by the sub-regional partnerships of boroughs.
- Work with businesses in helping low paid workers to develop their skills and progress in work.
- Lobby for reforms to the Apprenticeship Levy, including ensuring London retains more of its levy to spend meeting London’s needs, integrating with the city’s devolved Adult Education Budget.
- Support micro-businesses and SMEs to access apprenticeship funds.

### **Section 2: Our ask from business**

We recognise the diverse range of pressures facing business and acknowledge that London is an expensive place to do business. Boroughs and businesses interests vitally overlap and via better engagement we can support the delivery of our mutual objectives. Boroughs can play a supportive role in providing the skilled workforce employers need and promoting diversity via supporting local underrepresented young adults to be apprenticeship and employment ready. Businesses’ enhanced employment practices drive not only inclusive growth but also improved staff recruitment and retention. A huge percentage of London’s businesses are small or micro-scale firms, employing a handful of people, who would struggle to take on large numbers of apprenticeships. We recognise each business will have to develop their most appropriate actions, but we call on all businesses to review where they can drive positive changes.

### **Becoming the best employer you can**

We are asking employers to become the best employers they can be, striving to enhance their employment and recruitment practices to promote real, inclusive growth, for the benefit of all London’s communities. We ask businesses to engage with:

- a local business responsibility charter and / or the Mayor’s Good Work Standard.
- using toolkits to look across your responsibilities as an employer including healthy workspaces and family friendly policies and action to reduce environmental impact.
- measuring your progress against these standards and toolkits.

### **An inclusive workforce**

We need businesses to ensure that they are recruiting for inclusive growth. Too many sectors in London have a diversity problem, with a workforce that does not reflect the city’s population. We ask that businesses are:

- Engaging with your local skills and employment programmes.

- Ensuring your recruitment practices are open and accessible to London's diverse population.
- Working with specific initiatives and charities that support underrepresented communities into your sector.
- Taking on local apprenticeships, as well as using your apprenticeship programme and levy, to promote in-work progression.
- Investing in training, supporting the development of their staff.
- Championing good practice within your sector and/or supply chain.

### **Engaging the next generation**

All young Londoners should have access to understanding the world of work, and research shows that the more young people are exposed to the world of work, the more positive their employment outcomes are likely to be. We recognise that engaging with schools is not always straight forward and we ask employers to partner with boroughs and charities that deliver effective brokerage so businesses can:

- Engage with their local schools and for larger firms more widely across London, presenting to young people the huge range of jobs available to them.
- Provide a range of appropriate work experience opportunities.
- Support undergraduates, and specifically those from disadvantaged backgrounds, to progress into appropriate graduate roles.

### **Sustainability**

We all have a responsibility to meet the global challenge of climate change. Boroughs are keen to partner with their business to support them to play their part and make tangible action on their environmental impact. We ask businesses to:

- Show leadership in reducing their emissions, including via their supply chain.
- Work with us in managing their waste better and driving up our recycling levels.
- Improve air quality via green transport and freight consolidation.

### **Local champions**

Boroughs and businesses have most influence when we work together. We are asking our businesses to partner with us to champion their areas. This includes:

- Campaigning with us for infrastructure upgrades, including transport and digital connectivity.
- Working with us to make the case for London, including investment in public services and further devolution and control at a local level of this funding.
- Supporting local campaigns, for example tidy borough clean-ups.
- Working to deliver the affordable homes London's workforce needs as a key priority and continue to campaign for the financial freedoms to enable this.

# Leaders' Committee

## Resource Transfer Supporting Climate Change Policy

Item no: 5

<b>Report by:</b>	Katharina Winbeck	<b>Job title:</b>	Strategic Lead for Transport and Environment Policy
<b>Date:</b>	3 December 2019		
<b>Contact Officer:</b>	Katharina Winbeck		
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### Summary:

This report alerts Leaders Committee to discussions at the Transport and Environment Committee (TEC) concerning action on climate change. These discussions have sought to address the growing desire of Member authorities to increase their activity individually and collectively to address concerns surrounding climate change where a majority of London boroughs have announced climate emergencies.

TEC is developing a programme of proposed work that will support action on climate change and take forward related components of London Councils Pledges to Londoners. TEC is able to fund this work from within its own resources and members of TEC wish to do so. However, climate change related activities are currently outside TEC's authority.

Both the Executive and TEC Executive have principally agreed with the recommendations set out in this report. This paper seeks agreement from Leaders' Committee that this work should be undertaken.

### Recommendations: Leaders Committee therefore is asked to:

- Comment on the proposals for further action on climate change being proposed by the Transport and Environment Committee;
- Agree that this work should be undertaken; and
- Approve the transfer of resources from TEC to the Joint Committee for this purpose.





## Resource Transfer Supporting Climate Change Policy

1. The Climate Change Act (CCA) was enacted by the UK Government in 2008. The CCA committed the UK government by law to reducing greenhouse gas emissions by at least 80 per cent of 1990 levels by 2050. This has since been changed to 100 per cent in June 2019 by the government, committing itself to reach net zero greenhouse gas emissions.
2. The CCA requires the government to set legally binding carbon budgets to act as stepping-stones towards the 2050 target. A carbon budget is a cap on the amount of greenhouse gases emitted in the UK and must be set at least 12 years in advance to allow policymakers, businesses and individuals enough time to prepare. Carbon budgets cover a period of five years and we are currently in the third carbon budget (2018-2022). Once a carbon budget has been set, the CCA places an obligation on the Government to prepare policies to ensure it is met. The first five carbon budgets have been put into legislation and run up to 2032.
3. Recent international reports on climate change have raised public concern on the issue. The October 2018 International Panel for Climate Change (IPCC) special report on 'Global Warming of 1.5 degrees' and the May 2019 UK Committee on Climate Change (CCC) report on 'Net Zero – the UK's contribution to stopping global warming' have been especially influential. Ipsos MORI reported in August 2019 that 85% of Britons were concerned and 52% very concerned about climate change.
4. The government has recently published its response to the 2019 CCC report, reiterating that its Clean Growth Strategy will form the basis for meeting the next two carbon budgets but concedes that further action will be necessary to meet the challenging targets. The Mayor of London, in his Environment Strategy, has committed to the capital to be a 'zero carbon city by 2050 and many boroughs have declared climate emergencies and are in the process of producing action plans to become carbon neutral or zero carbon<sup>1</sup>.
5. The 26<sup>th</sup> Conference of Parties (COP), an annual UN event, which reviews the national communications and emissions of parties to the UN Convention on Climate Change, is expected to take place in the UK, in Glasgow, in November 2020 (the final announcement will be made at COP25 in Santiago, Chile in December). This follows landmark meetings of the COP including Kyoto 1997 and Paris 2015.

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<sup>1</sup> Carbon neutral means that there are likely to still be emissions created which would be offset by other activities, and carbon zero means that there are no emissions created at all.

## **London Councils Actions**

6. Political leaders in individual authorities and many local authority professional groups across London have already taken action. The Chief Executive London Committee (CELC) has set up an Environment sub-group with an initial focus on climate change. The London Directors' Environment Network (LEDNet) has set up a 'climate change cluster', where a group of directors focus on climate change discussions and regularly report back to the whole network for input and review. There is a common desire for improved collaboration on planning and delivering climate action plans.
7. London Councils TEC Executive and full TEC have discussed climate change at its last three meetings. The Executive also discussed this in November and were keen for regular feedback on this topic area. The latest work has proposed a programme of aligned activities developed from wider thinking across London local government.
8. This work will require additional resource, estimated to be a maximum of £289,000 covering a two-year period from February 2020 and this can be funded from uncommitted resources held in a specific reserve within the TEC funding stream. Members of TEC wish to deploy resources to this end. However, climate change related activities are not within the functions delegated to TEC in the TEC Agreement and are therefore currently outside TEC's authority.
9. Leaders' Committee however can agree to undertake the work as outlined in the table below in paragraph 12, with this work being funded by a transfer from TEC specific reserves. Leaders' Committee needs to give approval to accept the transfer of resources from TEC to the Joint Committee for this purpose.

## **Proposed Programme of Activities**

10. Discussions amongst members of TEC and across officer groups in London local government have arrived at an emerging consensus that the programme should encompass three main strands:
  - Boroughs: Support boroughs to put in place climate action plans that are effectively structured, resourced, governed and supported (within and outside the council), based on robust evidence and accompanied by ongoing monitoring.

- Sub-regional and London-wide: Work with boroughs to identify and deliver shared projects that are needed at a sub-regional or London-wide scale to support our collective climate targets.
- National action: Understand the barriers to delivery, and what package of investment, powers and leadership can unlock delivery of climate targets. Work with boroughs, the GLA and national partners to identify and advocate for these.

11. The table below provides an overview of the main areas where London Councils could usefully assist and add value to these goals. The Executive commented on this table and was supportive of a shared ambition for London, recognising that the exact agenda will differ in different locations.

<b>Boroughs</b>	<b>Sub-regional / London-wide</b>	<b>National advocacy</b>
Assist with establishing a robust baseline of emissions as well as KPI framework across London boroughs – this would require consultancy support but should provide increased value for money and ensure consistency compared to boroughs doing this on their own	Assist with energy efficiency projects and programmes, particularly retrofitting. This will require working with several different stakeholders, including the London Housing directors, GLA and others	Lobby for improved fiscal measures to support retrofitting, the installation of renewable technology and EV and other alternative fuel infrastructure
Identify, support and share best practice around establishing a climate change action plan. This would include borough officer and member events	Energy generation including renewable projects and heat networks. Again, this will require working with several different stakeholders, including the GLA	Advocate for improved financing and possibly powers for climate change initiatives, e.g. a new 'green deal'
Signpost boroughs effectively to the current guidance documents produced by several organisations. This would entail the analysis of these guidance documents and recommendations on which ones are suitable to a London borough setting.	Sustainable procurement, including energy – working with the London Energy Project and the Mayors green procurement code team to develop guidance that boroughs can adopt to their local circumstances	Lobby for stronger planning policies to support carbon neutral development
Co-ordinate views and activities of the boroughs through assisting the borough officer network	Influencing and engaging with the planning sector, utilising our links with the planning officer society and other networks	Lobby for stronger, national decarbonisation of transport, including investment into public transport infrastructure

<b>Boroughs</b>	<b>Sub-regional / London-wide</b>	<b>National advocacy</b>
Discuss and work jointly with other stakeholders as appropriate, such as TfL, GLA, Environment Agency, <a href="#">UK 100</a> , LWARB, LGA, <a href="#">ADEPT</a> , <a href="#">LCCP</a> , <a href="#">ALEO</a> , <a href="#">LECF</a> and others.	Continue to work on decarbonising travel in London through encouraging walking and cycling and move to electric and other alternative fuelled vehicles for any necessary car journeys, reduce the impact of delivery vehicles	Develop a collective voice with colleagues on climate asks in advance of COP26
Support training for members and officers on 'carbon literacy', either directly or through sign posting appropriate LGA events	Assess the cost vs impact of different actions that boroughs can undertake on their own or collectively, to identify climate actions that can deliver greatest value for money	Identify the collective gap in climate funding and lobby for this
Provide guidance on procurement, energy efficiency projects, divestment, using carbon offset funds and available funding opportunities	Undertake research to support boroughs to understand the views of different groups of Londoners on climate action, what action they would support and why	

## Next Steps

12. The recommendations of Leaders' Committee will inform the Transport and Environment Committee meeting on 5 December, which will consider a business case for further resources. Once approved, recruitment for a climate change lead officer can begin.

## Recommendations:

Leaders' Committee is asked to:

- Comment on the proposals for further action on climate change being proposed by the Transport and Environment Committee;
- Agree that this work should be undertaken; and
- Approve the transfer of resources from TEC to the Joint Committee for this purpose.

**Financial implications for London Councils**

The Director of Corporate Resources reports that the cost of the draft proposals outlined in this report are estimated to be a maximum of £289,000 over a two-year period and can be funded by a transfer of uncommitted funds from a TEC specific reserve to the Joint Committee, as detailed in paragraphs 8-9 above.

**Legal implications for London Councils**

As outlined in paragraphs 8 and 9 above, climate change related activities are not within the functions delegated to TEC in the TEC Agreement and are therefore currently outside TEC's authority.

However, the proposed activities are within the functions delegated to Leaders' Committee and these can be funded by a transfer of uncommitted funds from a TEC specific reserve to the Joint Committee.

**Equalities implications for London Councils**

None arising from this report

# Leaders' Committee

## London Councils Grants Scheme - Item no: 7(a) Budget Proposals 2020/21

**Report by:** Frank Smith      **Job title:** Director of Corporate Resources  
**Date:** 3 December 2019  
**Contact Officer:** Frank Smith  
**Telephone:** 020 7934 9700      **Email:** Frank.smith@londoncouncils.gov.uk

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**Summary**      This report considers the proposed budget for the London Boroughs Grants Scheme for 2020/21 and makes a recommendation to the Committee on the appropriate level to recommend to constituent councils for approval. These proposals were considered by the Grants Committee at its meeting on 13 November. The Grants Committee agreed to recommend that the Leaders' Committee approve these proposals.

**Recommendations**      The Leaders' Committee is asked to agree:

- an overall level of expenditure of £6.668 million for the Grants Scheme in 2020/21;
- borough contributions for 2020/21 to fully cover the scheme should be £6.668 million;
- that further to the recommendations above, constituent councils be informed of the Committee's recommendation and be reminded that further to the Order issued by the Secretary of State for the Environment under Section 48 (4A) of the Local Government Act 1985, if the constituent councils have not reached agreement by the two-thirds majority specified before 1 February 2020 they shall be deemed to have approved expenditure of an amount equal to the amount approved for the preceding financial year (i.e. £6.909 million);
- that constituent councils be advised that the apportionment of contributions for 2020/21 will be based on the ONS mid-year population estimates for June 2018;
- that subject to the approval of an overall level of expenditure, the Committee agrees to set aside a provision of £435,000 for costs incurred by London Councils in providing staff and other support services to ensure delivery of the Committee's "making of grants" responsibilities; and
- that a decision on options over the level of Grants Committee

reserves relating to priorities 1&2 going forward, projected to be £761,000 (as per Table 1), should be deferred until the meeting of the Grants Executive Committee in February 2020, with proposals being considered by the main Grants Committee meeting in March 2020.

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## Introduction

1. This report details the indicative overall budget requirement for the London Boroughs Grants Scheme for 2020/21 of £6.668 million, a reduction of £241,000 on the total programme of £6.909 million for 2019/20, comprising:
  - The cost of borough pan-London commissioned services of £6.668 million, covering priorities 1 and 2 plus the cost of administering the scheme, equating to £435,000 or 6.5% (4% excluding central recharges of £159,000) of the proposed programme. This sum includes of the membership subscriptions for boroughs for London Funders of £60,000; and
  - A reduction of £241,000 in expenditure following the completion of the S.48 ESF programme which ended in June 2019. In the 2019/20 budget this included £139,000 administration costs, offset by ESF grant of £58,000, and a drawdown of £183,000 from accumulated reserves.
2. The proposed total expenditure budget of £6.668 million will be fully funded by borough contributions of £6.668 million.
3. These proposals were considered by the Grants Committee at its meeting on 13 November. The Grants Committee agreed to recommend that the Leaders' Committee approve these proposals. The Leaders' Committee will need to reach a view on both the appropriate overall level of expenditure and to recommend the budget to constituent Councils.
4. The financial year 2020/21 represents the final year of the four-year programme of commissions provided by the Grants Committee under S.48 of the Local Government Act 1985, as recommended by the Grants Committee and approved by the Leaders' Committee in March 2016.



## **Approval of Expenditure**

5. The statutory basis of the Grants Scheme is Section 48, Local Government Act 1985. Constituent councils agreed to some changes to the operation of the Scheme as part of the establishment of the new ALG on 1 April 2000: these changes mean that the budget for the London Councils Grants Scheme must be approved by the London Councils Leaders' Committee. This will need to happen before any budget that is recommended to constituent councils by the Grants Committee can be formally referred to them as a basis for consideration in their respective councils.
6. The budget proposals contained in this report were considered by the Grants Committee at its meeting on 13 November and the recommendations of the Grants Committee are reflected in this report. If Leaders do not accept the recommendations of the Grants Committee, and instead agree to recommend a different budget figure to Boroughs, the Grants Committee will need to meet urgently to consider the implications for the Grants Programme.
7. Section 48(3) of the Local Government Act 1985 requires that at least two-thirds of the constituent councils in Greater London must approve the proposed overall level of expenditure on grants to voluntary organisations and other costs incurred in "the making of grants". This is not a decision that can be delegated to the Grants Committee although that Committee is able to make decisions with regard to allocation of that expenditure once overall expenditure has been approved. This means that when the Grants Committee decides on an overall level of expenditure, subject to the agreement of the Leaders' Committee, it will recommend it to the London Boroughs and the Cities of London and Westminster and at least 22 of them must agree through their respective decision-making arrangements to ratify and give effect to that overall level of expenditure. Once 22 councils have given their approval, the overall level of expenditure and contributions to it are binding on all constituent councils.

## Timing of Decisions

8. The Committee needs to make its recommendation in good time so that constituent councils are able to consider the budget proposal within their own decision-making arrangements and make a response within the timescales laid down for the Scheme. The Scheme approved by the boroughs provides that constituent councils shall be asked to agree to the Committee's recommended level of overall expenditure not later than the third Friday in January, in this case 17 January 2020. All constituent councils will have received copies of this report and will be informed of the Committee's recommendation as to overall expenditure for next year, once the decision has been taken.
9. The City of London Corporation has been the Designated Council for the Scheme since 1 February 2004. Bearing in mind the issues raised above, it is essential for the Committee to make a recommendation today, to provide sufficient time for constituent councils to consider the matter before the 1 February deadline, and enable the City of London Corporation to approve the levy on constituent councils by the deadline of 15 February 2020.
10. In the event that constituent councils are unable to reach agreement by the two-thirds majority required on an overall level of expenditure before 1 February 2020, the Secretary of State for Housing, Communities and Local Government has powers to intervene and set the budget at the same level as the preceding year. Section 105 of the Local Government Finance Act 1992 inserted a new sub-section (4A) into section 48 of the Local Government Act 1985 which states that:

*"4A. The Secretary of State may by order provide that if -*

- *a scheme requires the total expenditure to be incurred under the scheme in any financial year \_*
  - *in the making of grants; and*
  - *in the discharging by the designated council of its functions under the scheme, to be approved in accordance with the scheme by some or all of the constituent councils; and*

- *the total expenditure to be incurred in any financial year is not approved as required by the scheme before such date as may be specified in relation to that financial year in the order, the constituent councils shall be deemed, subject to any order which has been or may be made under subsection (5) below, all to have given their approval for that financial year to total expenditure of an amount equal to the amount that was approved or, as the case may be, deemed to have been approved for the preceding financial year".*

## **Contributions by constituent councils**

11. Section 48(3) of the 1985 Act provides that the amount of contributions to the London Councils Grants Scheme shall be determined so that expenditure is borne by constituent councils in proportion to the population of their respective areas. Section 48(4) of the 1985 Act states that the population of any area shall be the number estimated by the Registrar-General and certified by him to the Secretary of State.
12. Under The Levying Bodies (General) Regulations 1992, arrangements made under section 48 of the 1985 Act (and also section 88) use total resident population as the means of apportionment and it is no longer necessary for the Registrar General to certify the estimates. The Regulations came into force on 11 December 1992. Regulation 6(8) is of particular importance, stating that:

*"A levying body shall secure that the expenses to be met by levies issued by it under these Regulations by reference to the relevant precepting power conferred by section 48 or 88 of the Local Government Act 1985 are borne by the relevant authorities in a proportion calculated by reference to the total resident population of the area of each relevant authority on 30th June in the financial year beginning two years before the beginning of the financial year in respect of which the levy is issued, as estimated by the Registrar General."*

13. The Designated Council is defined as a levying body further to Sections 74 and 117 of the Local Government Finance Act 1988, which means that the levy will have to be approved formally at a meeting of the Court of Common Council of the Designated Council before the payment requests are sent to constituent councils. The Court of Common Council will consider this matter before the deadline of 15 February 2020. The Levying Bodies (General) Regulations 1992 then require the approved levy to be sent out to constituent councils by 15 February in any year. The term levy refers both to the total contributions from constituent councils and to the apportionment of that total between them.

### Summary Timetable

14. To summarise, the timetable for the approval of the budget for 2020/21 is expected to be as follows:

Date	Action
13 November 2019	Grants Committee considered proposed budget and borough contributions for 2020/21 detailed in this report and made recommendations to Constituent Councils, subject to approval of Leaders' Committee.
3 December 2019	This Committee is asked to approve the level of budget and borough contributions for 2020/21, as recommended by the Grants Committee on 13 November.
4-6 December 2019	Constituent Councils formally notified of the approved level of budget and borough contributions for 2020/21.
09 December 2019 – 31 January 2020	Constituent Councils to individually ratify the overall level of expenditure for 2020/21 through their respective decision-making arrangements.
1-15 February 2020	The City of London Corporation, as the Designated Councils for the Grants Scheme, approves the levy for 2020/21 on Constituent Councils.
15 February 2020	Constituent Councils informed of level of approved expenditure and borough contributions for 2020/21.

### Budget Proposal for 2020/21

15. Appendix A to this report sets out detailed information relating to the proposed budget for 2020/21. The budget assumes:

- A core, pan-London scheme of services to meet agreed service priorities 1 and 2 of £6.233 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;
- Therefore, an indicative gross commissioning budget of £6.233 million, a reduction of £102,000 on the equivalent figure for the current year. This relates in full to the priority 3 S.48 ESF programme which ended in June 2019; and

- In addition to the indicative gross grant payments budget of £6.233 million, the proposal includes a provision for grants administration of £435,000 which amounts to 6.5% (4% excluding central recharges) of the boroughs grants budget of £6.668 million.

## **Administration of Commissions**

16. The staffing costs figures within the proposed 2020/21 budget options reflects direct staffing costs delivery the S.48 Priority 1 and 2 programme, together with the apportionment of time spent on Grants Committee activities by other London Councils staff, such as Grants Committee servicing and Public Affairs. The staffing budget also includes a £10,000 provision for maternity cover and the vacancy level of 2%.
17. In addition, an apportionment of time spent by Corporate Resources, Corporate Governance other than Committee Servicing, the Chief Executive's office, and London Councils Political Advisors are included in the central recharges figure for supporting the Committee's functions, as well as a notional rental figure for office space occupied at Southwark Street.
18. All estimates of administration expenditure levels have previously been based upon a threshold of 5% of the budget for payments to commissions in respect of the borough funded S.48 scheme, as agreed by Grants Committee in the review of non-grants expenditure levels conducted in early 2009. However, with recent cost pressures, it continues to be challenging to contain all administrative costs within the 5% envelope, especially after the introduction of the new monitoring arrangements in April 2013 and the increase in central costs following the review of the recharge model during 2013/14 following an objection to London Councils accounts. The recharges model has been further developed in 2019/20 to take account of some central overheads which were previously not being charged to Grants. Administrative expenditure for the S.48 commissions, therefore, now equate to 6.5% (or 4% excluding central recharges) of the boroughs S.48 budget of £6.668 million, amounting to £435,000 in total for 2020/21.

## ESF Grant Reserves position

19. Following the closure of the S.48 ESF programme in June 2019, accumulated reserves in relation to S.48 ESF remain at approximately £1.019 million, subject to finalisation of final payments to providers. The Grants Committee at its meeting on 13 November gave an 'in principle' decision to allocate this underspend to commission support in the shape of increasing immigration advice for service users with No Recourse to Public Funds, subject to a Leaders' Committee decision. This is subject to a separate report on this agenda at item 7(b) and should this gain approval, the budget will be adjusted accordingly.

## Use of Reserves

20. Table 1 below updates the Committee on the revised estimated level of balances as at 31 March 2020, if all current known liabilities and commitments are considered, plus the projected underspend of £40,000 for 2019/20:

**Table 1 – Estimated Uncommitted Reserves as at 31 March 2020**

	<b>Borough</b>	<b>ESF</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Audited reserves as at 1 April 2019	721	1,330	2,051
Approved for use in 2019/20	-	(311)	(311)
Projected surplus/(deficit) for the year	40	-	40
<b>Projected reserves as at 31 March 2020</b>	<b>761</b>	<b>1,019</b>	<b>1,780</b>

21. At its meeting in September 2013, the Grants Executive agreed that it would be appropriate to retain a minimum level of reserves equating to 3.75% of the S.48 borough programme. Based on a proposed borough programme of £6.668 million, this equates to £250,000 for 2020/21. If the recommendations contained in this report are approved by this Committee, the revised projected position on reserves would be as detailed in Table 2 below:

**Table 2 – Estimated Uncommitted Reserves as at 1 April 2020**

	<b>Borough</b>	<b>ESF</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Projected reserves as at 31 March 2020</b>	<b>761</b>	<b>1,019</b>	<b>1,780</b>
ESF commitments 2020/21	-	-	-
<b>Projected reserves as at 1 April 2020</b>	<b>761</b>	<b>1,019<sup>1</sup></b>	<b>1,780</b>
<b>Indicative total expenditure 2020/21</b>	<b>6,668</b>	<b>-</b>	<b>6,668</b>

<sup>1</sup> subject to a decision made by members at this meeting with respect to item 7(b).

<b>Forecast reserves as a % of indicative expenditure</b>	<b>11.41</b>	<b>-</b>	<b>26.69</b>
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22. The projected residual level of S.48 reserves of £761,000, or 11.41%, of the £6.668 million S.48 programme, therefore, is in excess of the 3.75% benchmark. In addition, residual S.48 ESF reserves of £1,019,000 are subject to a separate report and member decision of this meeting following the end of the programme in June 2019.

## **Borough Contributions**

23. Paragraphs 11 to 13 of this report set out the legal position relating to contributions payable by constituent councils to the London Councils Grants Scheme. Contributions for 2020/21 have been calculated using the ONS mid-year population estimates for June 2018 and are set out in Appendix B.

## **Summary**

24. This report considers the proposed budget for the Grants Scheme for 2020/21 and makes a recommendation to the Committee on the appropriate level to recommend to constituent councils for approval, following recommendation made by the Grants Committee at its meeting on 13 November. Specifically, the report proposes to continue with an overall level of expenditure in 2020/21 of £6.668 million, which requires borough contributions of £6.668 million (refer to Appendix B), the same level of contribution as for the current year.

25. The financial year 2020/21 represents the final year of the four-year programme of commissions provided by the Grants Committee under S.48 of the Local Government Act 1985, as recommended by the Grants Committee and approved by the Leaders' Committee in March 2016.

## **Recommendations**

26. The Leaders Committee is asked to agree:

- an overall level of expenditure of £6.668 million for the Grants Scheme in 2020/21;
- borough contributions for 2020/21 should be £6.668 million to fully cover the cost of the scheme;

- that further to the recommendations above, constituent councils be informed of the Committee's recommendation and be reminded that further to the Order issued by the Secretary of State for the Environment under Section 48 (4A) of the Local Government Act 1985, if the constituent councils have not reached agreement by the two-thirds majority specified before 1 February 2020 they shall be deemed to have approved expenditure of an amount equal to the amount approved for the preceding financial year (i.e. £6.909 million);
- that constituent councils be advised that the apportionment of contributions for 2020/21 will be based on the ONS mid-year population estimates for June 2018;
- that subject to the approval of an overall level of expenditure, the Committee agrees to set aside a provision of £435,000 for costs incurred by London Councils in providing staff and other support services to ensure delivery of the Committee's "making of grants" responsibilities; and
- that a decision on options over the level of reserves relating to priorities 1&2 going forward, projected to be £761,000 (as per Table 1), should be deferred until the meeting of the Executive Committee in February 2020, with proposals being brought back to a later meeting of this Committee for approval.

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## **Appendices**

Appendix A – Proposed revenue income and expenditure budget 2020/21;

Appendix B – Proposed borough subscriptions 2020/21;

## **Background Papers**

Grants Committee Budget Working Papers 2019/20 and 2020/21;

Grants Committee Final Accounts Working Papers 2018/19;

Grants Committee Revenue Budget Forecast Working Papers 2019/20; and

London Councils Consolidated Budget Working Papers 2019/20 and 2020/21.



## Appendix A

**Grants Committee Income and Expenditure Budget 2020/21**

<b>Expenditure</b>	<b>Revised Budget 2019/20 £000</b>	<b>Developments £000</b>	<b>Inflation £000</b>	<b>Original Budget 2020/21 £000</b>
<b>Payments in respect of Grants</b>				
London Councils Grants Programme	6,173	0	0	6,173
Membership Fees to London Funders (for all boroughs)	60	0	0	60
European Social Fund Co-Financing	102	-102	0	0
<b>Sub-Total</b>	<b>6,335</b>	<b>-102</b>	<b>0</b>	<b>6,233</b>
<b>Operating (Non-Grants) Expenditure</b>				
<b>Contractual Commitments</b>				
Maintenance of GIFTS Grants IT system	10	0	0	10
	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Salary Commitments</b>				
Officers	299	-75	4	228
Members	19	0	0	19
Maternity provision	10	0	0	10
	<b>328</b>	<b>-75</b>	<b>4</b>	<b>257</b>
<b>Discretionary Expenditure</b>				
Staff training/recruitment advertising	7	0	0	7
Staff travel	2	0	0	2
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Total Operating Expenditure</b>	<b>347</b>	<b>-75</b>	<b>4</b>	<b>276</b>
<b>Central Recharges</b>	<b>227</b>	<b>-68</b>	<b>0</b>	<b>159</b>
<b>Total Expenditure</b>	<b>6,909</b>	<b>-245</b>	<b>4</b>	<b>6,668</b>
<b>Income</b>				
<b>Core borough subscriptions</b>				
Contribution to grant payments	6,173	0	0	6,173
Contribution to non-grants expenditure	495	0	0	495
	<b>6,668</b>	<b>0</b>	<b>0</b>	<b>6,668</b>
<b>Other Income</b>				
ESF Grant Income	58	-58	0	0
	<b>58</b>	<b>-58</b>	<b>0</b>	<b>0</b>
<b>Transfer from Reserves</b>	<b>183</b>	<b>-183</b>	<b>0</b>	<b>0</b>
<b>Central Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income</b>	<b>6,909</b>	<b>-241</b>	<b>0</b>	<b>6,668</b>
<b>Net Expenditure</b>	<b>0</b>	<b>4</b>	<b>-4</b>	<b>0</b>

Borough Subscriptions 2020/21

ONS Mid- 2017 Estimate of Population (’000)	%	2019/20 Base Borough Contribution (£)		ONS Mid- 2018 Estimate of Population (’000)	%	2020/21 Base Borough Contribution (£)	Base Difference from 2019/20 (£)
253.36	2.84%	191,438	Inner London	262.23	2.94%	196,291	4,853
7.65	0.09%	5,780	Camden	8.71	0.10%	6,520	740
282.85	3.18%	213,721	City of London	286.19	3.21%	214,227	506
275.93	3.10%	208,492	Greenwich	279.67	3.14%	209,346	854
183.00	2.05%	138,274	Hackney	185.43	2.08%	138,803	529
235.00	2.64%	177,565	Hammersmith and Fulham	239.14	2.68%	179,007	1,442
155.74	1.75%	117,677	Islington	156.20	1.75%	116,923	-754
324.05	3.64%	244,851	Kensington and Chelsea	325.92	3.66%	243,966	-885
301.31	3.38%	227,669	Lambeth	303.54	3.41%	227,214	-455
314.23	3.53%	237,431	Lewisham	317.26	3.56%	237,484	53
307.96	3.46%	232,694	Southwark	317.71	3.57%	237,821	5,127
323.26	3.63%	244,254	Tower Hamlets	326.47	3.66%	244,378	124
244.80	2.75%	184,970	Wandsworth	255.32	2.87%	191,119	6,149
Westminster							
3,209.14	36.02%	2,424,817		3,263.79	36.64%	2,443,099	18,283
			Outer London				
210.71	2.37%	159,212	Barking and Dagenham	212.00	2.38%	158,692	-520
387.80	4.35%	293,021	Barnet	392.14	4.40%	293,535	515
246.12	2.76%	185,968	Bexley	247.26	2.78%	185,086	-882
329.10	3.69%	248,667	Brent	330.80	3.71%	247,619	-1,048
329.39	3.70%	248,886	Bromley	331.10	3.72%	247,844	-1,042
384.84	4.32%	290,784	Croydon	385.35	4.33%	288,453	-2,331
342.74	3.85%	258,973	Ealing	341.98	3.84%	255,988	-2,985
332.71	3.73%	251,395	Enfield	333.87	3.75%	249,917	-1,477
271.22	3.04%	204,933	Haringey	270.62	3.04%	202,572	-2,361
248.88	2.79%	188,053	Harrow	250.15	2.81%	187,249	-804
256.04	2.87%	193,463	Havering	257.81	2.89%	192,983	-480
302.34	3.39%	228,447	Hillingdon	304.82	3.42%	228,172	-275
269.10	3.02%	203,331	Hounslow	270.78	3.04%	202,691	-640
174.61	1.96%	131,935	Kingston upon Thames	175.47	1.97%	131,348	-587
206.05	2.31%	155,691	Merton	206.19	2.31%	154,343	-1,348
348.00	3.91%	262,948	Newham	352.01	3.95%	263,496	548
301.79	3.39%	228,032	Redbridge	303.86	3.41%	227,453	-578
195.68	2.20%	147,855	Richmond upon Thames	196.90	2.21%	147,389	-466
203.24	2.28%	153,568	Sutton	204.53	2.30%	153,100	-467
275.51	3.09%	208,175	Waltham Forest	276.70	3.11%	207,123	-1,052
5,615.87	63.04%	4,243,335		5,644.34	63.36%	4,225,053	-18,283
8,825.01	99.07%	6,668,152	Totals	8,908.13	100.00%	6,668,152	0

6,668,152

6,668,152

# Leaders' Committee

Addressing issues related to No Recourse to Public Funds to support Grants Programme work to Combat Homelessness and Tackle Domestic Violence

Item: 7(b)

**Report by:** Yolande Burgess

**Job title:** Strategy Director

**Date:** 3 December 2019

**Contact Officer:** Yolande Burgess

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## Summary

The Priority 3 strand of the 2017-21 Grants Programme, which completed delivery at the end of June 2019, has under-delivered against original targets, and has underspent by £1,019,000. This underspend is returned to the Grants Programme.

Since February 2019, Grants Committee and Grants Committee Executive have been discussing reinvesting the underspend to better meet demand across Priority 1 and 2: Combatting Homelessness and Tackling Sexual and Domestic Violence

Information from boroughs and delivery partners highlighted that the increase in people with No Recourse to Public Funds presenting with a need for support continues to grow, and that investment in immigration advice would provide support to this group of service users.

Since February 2019, an evidence base to show demand and supply from several sources, has been provided to Grants Committee.

Following discussions in November 2019, subject to addressing some final requests for information and concerns, Grants Committee agreed, in principle, to reinvest the Priority 3 underspend with existing Priority 1 and 2 grant holders, to support service users with No Recourse to Public Funds. Specifications and a strategy for commissioning this support from existing grant holders would be subject to approval by the Grants Committee. Leaders' Committee approval is required to the use of Grants Programme resources for such a purpose.

**Recommendations** Leaders' Committee is asked to agree the recommendation from the Grants Committee that £1,019,000 Priority 3 underspend is used to increase Priority 1 and 2 grants for the sole purpose of increasing immigration advice for service users with No Recourse to Public Funds. Specifications and a strategy for commissioning this support from existing grant holders would be subject to approval by the Grants Committee.

## **1 Background**

- 1.1 The Priority 3 strand of the 2017-2021 London Councils Grants Programme – *Tackling poverty through employment* – completed delivery at the end of June 2019.
- 1.2 The programme was funded by the Grants Committee and was match-funded by European Social Funds (ESF). The programme under-deliver against the original targets and has underspent by £1,019,000. This underspend is returned to the Grants Programme.
- 1.3 Grants Committee Executive first discussed options for redeploying the Priority 3 related underspend in February 2019 and took options to full Grants Committee in March 2019. Additional support for those with No Recourse to Public Funds (NRPF), particularly considering the growing numbers of those with NRPF being supported under Priority 1 and 2, was taken forward for further investigation. Following more detailed discussion in July and November 2019 (and Grants Committee Executive in September), Grants Committee members agreed that the Priority 3 underspend should be reinvested with existing Priority 1 and 2 grant holders, to support service users with NRPF.

## **2 The impact of NRPF**

- 2.1 The cost to local authorities in London of providing statutory support to people with NRPF is in excess of £50 million a year.
- 2.2 Through the Grants Programme, delivery partners are currently supporting approximately 400 vulnerable people with NRPF every quarter, and the number is increasing. Many of the people our delivery partners support face challenging personal circumstances, which are compounded by their NRPF status.
- 2.3 The issues of NRPF, homelessness and domestic violence are interrelated. Shelter has estimated that up to 20 per cent of Grants Programme beneficiaries have NRPF or complex problems with immigration status. Over 600 women a year with NRPF are affected by domestic violence, including women who have been trafficked into the UK for sexual exploitation. There are also links to modern slavery and exploitation, where insecure immigration status and NRPF can act as a barrier to accessing help and support, placing potential victims at further risk of exploitation.

### **3 Key issues related to NRPF**

3.1 To establish the key issues and explore possible interventions and actions to relieve the impact of NRPF on individuals and boroughs, expert advice was sought from a variety of stakeholders. Discussions have taken place (and/or are on-going) with:

- 3.1.1 borough officers
- 3.1.2 the NRPF Network - a network of local authorities and partner organisations focusing on the statutory duties to migrants with care needs who have no recourse to public funds
- 3.1.3 the London Modern Slavery Leads group - a network of borough and CCG officers
- 3.1.4 the Law Centres Network - which supports a national network of Law Centres that work with some of the most vulnerable and disadvantaged people in society
- 3.1.5 London Funders - a membership network for funders and investors in London's civil society
- 3.1.6 the Home Office - the Modern Slavery Unit
- 3.1.7 Trust for London - an independent charitable foundation tackling poverty and inequality in London
- 3.1.8 the Greater London Authority - Senior Policy Officers
- 3.1.9 the Migration Exchange Funder Network - an informal network of independent funders, which aims to improve the lives of migrants and receiving communities in the UK.
- 3.1.10 the Paul Hamlyn Foundation - an independent grant-making foundation in the UK that aims to help people overcome disadvantage and lack of opportunity
- 3.1.11 London Councils Principal Policy and Project Officers - policy leads for Violence Against Women and Girls, Female Offending, Modern Slavery, Migration, Social Integrating, Equalities and Civil Society
- 3.1.12 The Advice Services Network - the umbrella body for independent advice services in the UK, supporting national networks of not-for-profit organisations providing advice and help on the law, access to services and related issues
- 3.1.13 Refugee Action - provides support and resources for organisations working with refugees, asylum-seekers and migrants across the UK.

## **4 Immigration advice and lack of capacity**

- 4.1 The key issue that all stakeholders raised was lack of capacity to meet demand for immigration advice.
- 4.2 Stakeholders also noted that there has been a significant increase in individuals presenting with NRPF and complex circumstances – both in immigration terms and personal circumstances.
- 4.3 Grants Programme delivery partners, through discussions for the mid-programme review in late 2018, also highlighted the increasing number of people presenting with complex and enduring issues.
- 4.4 The lack of capacity to meet demand for immigration advice has the two-fold impact of placing individuals at increased risk of becoming destitute, which in turn puts greater pressure on local authority resources.
- 4.5 There is not enough quantitative data available to establish accurately a potential financial return on investment figure, however; available research does show that the lack of capacity to meet demand for immigration advice places individuals at increased risk of becoming destitute, which in turn puts greater pressure on local authority resources.
- 4.6 The NRPF Network collects and publishes data from 59 local authorities (29 London boroughs subscribe) using the NRPF Connect database. This database provides information about the households that requested, and were provided with, social services' support in the financial year 2018-19. Key findings from the data include:
  - 4.6.1 requests for financial support to local authorities from people with the NRPF condition increased by 17 per cent compared to 2017-18
- 4.7 The data clearly shows that local authorities are facing an increasing number of requests for support. It demonstrates that there continues to be a significant number of people unable to access mainstream services due to their immigration status and who need to navigate complex rules regarding their entitlement to services.
- 4.8 . Additionally, being excluded from employment and mainstream benefits for lengthy periods of time negatively impacts on the wellbeing and integration of children and adults who have a future in the UK.
- 4.9 NRPF Network caseload data indicates that the majority (67 per cent) of households receiving financial support were families supported under S17 of the Children Act 1989,

19 per cent of households were vulnerable adults supported under the Care Act 2014, and 14 per cent were unaccompanied migrant children or care leavers.

- 4.10 An increase in advice services, particularly in services that can resolve lower-complexity immigration issues, has the potential to make a significant impact. Recent studies have highlighted how small projects have helped individuals to navigate the system with the Home Office more effectively.

## **5 Awarding Grants**

- 5.1 To ensure that additional provision of immigration advice services is locked into Priority 1 and Priority 2 activity, and to enable the swift release of funding, the grant agreements that are in place with existing Priority 1 and Priority 2 delivery partners can be renegotiated to include this additional provision. This would be subject to agreement by the Grants Committee.
- 5.2 In framing this proposed way forward, consideration has been given to information from a range of sources - current Grants Programme performance, Section 48 grant making powers, the examination of demand for immigration advice services for users with NRPF, consultation with partners through the mid-programme review, consultation with boroughs through the NRPF Network, consultation with the Modern Slavery Network, Borough Grants Officers and Grants Committee members. Legal advice has been sought on this process to ensure that the proposed use of funds envisaged by the Committee represents proper management of the funds.
- 5.3 Priority 1 and Priority 2 delivery partners will need to meet requirements set out in a specification before additional grant funding is considered. Recommendations for will be made to Grants Committee (or Grants Executive dependent on timing) for approval prior to the award of funding.



## **6 Recommendations**

### **6.1 Leaders' Committee is asked to**

- 6.1.1 Agree the recommendation from the Grants Committee that £1,019,000 Priority 3 underspend is used to increase Priority 1 and 2 grants for the sole purpose of increasing immigration advice for service users with No Recourse to Public Funds. Specifications and a strategy for commissioning this support for existing grant holders would be subject to approval by the Grants Committee.

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### **Financial Implications for London Councils**

As detailed in the budget proposals for 2020/21 for the London Boroughs Grants Scheme which was considered by this meeting at item 7(a), the Director of Corporate Resources reports that there is £1,019,000 of Borough contributions remaining following the completion of the Priority 3 programme. These funds are held in Committee Reserves and are subject to a Member decision on their future application.

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

London Councils manages the London Councils Grants Programme on behalf of all the boroughs and the City of London. The Programme makes grants to voluntary organisations to deliver improved outcomes for Londoners.

The Programme operates within a scheme made under Section 48 of the Local Government Act 1985. It is a collective scheme i.e. all the boroughs fund the Programme, through a levy contribution based on the boroughs proportion of the capital's population. Boroughs must exercise their functions in respect of the scheme 'with due regard to the needs of the whole of Greater London'.

Leaders' Committee determines the principles and priorities of the Programme and the overall budget of the Programme. The Grants Committee commissions services, makes awards of funding, manages projects' performance and may advise Leaders' Committee on the Programme.

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

London Councils' funded services provide support to people within all the protected characteristics (Equality Act 2010), and targets groups highlighted as particularly hard to reach or more affected by the issues being tackled. Funded organisations are also required to submit equalities monitoring data, which can be collated across the grants scheme to provide data on the take up of services and gaps in provision to be addressed. The grants team reviews this data annually.

## **Background documents**

Grants Committee Executive, 7 February 2019 Item 4 - ESF Match Funded Priority 3: Tackling Poverty Trough Employment

Grants Committee, 20 March 2019, Item 6 - Priority 3: Options for anticipated underspend

Grants Committee (AGM), 10 July 2019, Item 13 - Priority 3 Underspend: addressing issues related to No Recourse to Public Funds

**Priority 1: Combatting Homelessness - Shelter, STAR Project**

I came to the UK from Bangladesh on a student visa to study. My wife and two children (aged 3 and 4) joined me shortly after. When my student visa expired, I applied for a Family visa. This was rejected five times as I was unable to afford the fee to pay for the application to be submitted. I finally managed to borrow some money to do this, but it was rejected once more.

Whilst I was studying, I was working in Asda until my contract ended. Since then I have been relying on friends and family for financial support. We have had a very unsettled housing situation and frequently have had to move to different properties, relying on friends for help. We are now living in one room in a shared house and share a kitchen and bathroom with other people. My family and friends have been helping me pay the rent, but it is becoming increasingly difficult to rely on this. This summer, the landlord decided to not renew our tenancy and we are now facing eviction. We couldn't afford to find somewhere else to live and so our landlord has been harassing us continuously to encourage us to leave. He most recently has removed the front door to the property in an effort to get us out quicker. I have had to use the door to our room to replace the front door leaving my family and I without privacy.

Since getting help from Shelter things are getting better for my family and I. Shelter contacted the environmental health department at our council, and the private housing team about my landlord. They discovered that the landlord did not have the correct licence to rent the property as a housing in multiple occupation (HMO) and have been to inspect the property. They have said that they will take action against the landlord.

Most importantly, we are now at risk of homelessness and I am still having to borrow money from family and friends to afford rent and food. Shelter have helped me get assistance from the no recourse to public funds team at my council and children's services have said that they will help accommodate myself and my family when we finally are lawfully evicted and have to leave this property. In addition, they have helped me to get support from an organisation called RISE who help people in my situation find work and they have provided me with foodbank vouchers.

Shelter has also made sure that I am getting the proper immigration advice and have linked me in with a pro bono solicitor who has taken on my appeal against the Home Office.

Shelter is still working with my family and myself to help us through this situation.

**Priority 2: Solace Women's Aid - Ascent Housing Project**

I first called the Advice line with the help of my friend who speaks English, as my English is very limited. I called after I had just fled from my husband who had locked me in the house for three days with no food. I managed to leave by threatening to call the police, he then left the keys, and then I managed to make my escape.

I had suffered verbal, emotional, financial and physical abuse from him, and he was very controlling, not allowing me to learn English or work in my profession as an artist. After I fled, I was staying with a friend but had to leave due to overcrowding, I was then having to sleep outside in the park and on the night bus. I had support from an IDVA then I was referred to the Housing Project to work with a worker around housing support. I had previously approached several councils who found me not eligible for housing support due to having no recourse to public funds. I was also found to be not meeting the threshold for support from Adult Social Care, even though I am disabled and 62 years old. I was due to have a heart operation and an

operation on my arm and couldn't recover from the operations having nowhere to live. I was so sad to become homeless as previously I had worked for over 40 years as an art lecturer and artist, now the only place I had to stay was the streets.

When I was referred to the Housing Project, the worker set up an appointment with a solicitor who took on my case with legal aid. He suggested that I could make a homelessness application as I would be eligible as a self-employed EU National. The worker managed to secure the Ascent No Recourse Fund run by Southall Black Sisters for my accommodation and I was able to stay for 6 weeks in basic hotel accommodation with some subsistence paid for, so I no longer had to sleep on the night bus and in airports. Then the worker supported me to apply as homeless to the council, who accepted interim duty and housed me in a self-contained flat.

# Leaders' Committee

## Grants Programme 2021-25

Item: 7(c)

**Report by:** Yolande Burgess      **Job title:** Strategy Director  
**Date:** 3 December 2019  
**Contact Officer:** Yolande Burgess  
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### Summary

The current London Borough Grants Programme is a four-year programme that is due to complete at the end of March 2021. The programme operates across three priority areas:

- Priority 1 - Combatting Homelessness
- Priority 2 - Tackling Sexual and Domestic Violence
- Priority 3 - Tackling Poverty through Employment

Following discussions in July and September, Grants Committee, in November 2019, agreed that there should be a 2021-25 Grants Programme. Grants Committee agreed that the current principles governing the Programme remained fit for purpose. The Committee considered the existing three Programme Priorities and reflected on the broader Pledges to Londoners that Leaders have committed to. Following that, it concluded that Combatting Homeless and Tackling Sexual and Domestic Violence remained important Priorities but should be reviewed through consultation to establish the specific services that will support boroughs best. The Committee concluded that Tackling Poverty through Employment should be reviewed with a view to establishing a more focussed programme on Tackling Youth Poverty.

### Recommendations

Leaders' Committee is asked to:

- agree that a 2021-2025 Grants programme is established based largely on the current Programme Priorities
- agree that a 2021-2025 Grants programme is established based on the current level of funding - £26.7million over four years, subject to annual agreement of the Grants Budget



## **1 Background**

- 1.1 London Councils manages the London Borough Grants Programme on behalf of all the boroughs and the City of London Corporation. The Programme makes grants to voluntary organisations to deliver improved outcomes for Londoners.
- 1.2 The Programme operates within a scheme made under Section 48 of the Local Government Act 1985. It is a collective scheme, i.e. all the boroughs fund the Programme, through a levy contribution based on the boroughs proportion of the capital's population. Boroughs must exercise their functions in respect of the scheme 'with due regard to the needs of the whole of Greater London'.
- 1.3 Leaders' Committee determines the principles and priorities of the Programme and its overall budget. The Grants Committee commissions services, makes awards of funding, manages the performance of projects and may advise Leaders' Committee on the progress of the Programme.
- 1.4 The agreed principles under which the Programme operates are:
  - 1.4.1 Commissioning services that deliver effectively and can meet the outcomes specified by London Councils, rather than funding organisations
  - 1.4.2 Commissioning services where there is clear evidence of need for services that complement borough and other services to support organisations that deliver services
  - 1.4.3 Commissioning services where it is economical and efficient to deliver services on a London wide basis or where mobility is key to delivery of a service to secure personal safety
  - 1.4.4 Commissioning services that cannot reasonably be delivered locally, at a borough or sub-regional level
  - 1.4.5 Commissioning services that work with statutory and non-statutory partners and contribute to meeting the objectives of the Equality Act 2010.
- 1.5 Grants Committee, at its 2019 AGM, did not propose any amendments to the principles.
- 1.6 The existing Programme Priorities were agreed by Leaders in 2016 following an extensive review of the Grants Programme in 2015, which included a wide-ranging public consultation. The current Programme Priorities are:
  - 1.6.1 Priority 1 - Combatting Homelessness
  - 1.6.2 Priority 2 - Tackling Sexual and Domestic Violence
  - 1.6.3 Priority 3 - Tackling Poverty through Employment

## **2 Proposed Priorities**

- 2.1 At the November meeting of Grants Committee, members agreed to recommend a 2021-25 Grants Programme, with priorities that focussed on Combatting Homelessness and Tackling Sexual and Domestic Violence. Specific services would be commissioned following consultation. In addition, it concluded that Priority 3 should be slightly re-focussed to Tackling Youth Poverty.

## **3 Response Fund**

- 3.1 Grants Committee re-affirmed its view that a sustained four-year grant period was a positive commitment and would help to maintain support for the boroughs and very vulnerable residents, as well as having the potential to leverage in other funds.
- 3.2 Grants Committee would also like the ability to respond to changing needs in London during a four-year programme cycle. This could be achieved through re-repurposing an element of reserves as a 'response fund' that would still operate within the agreed Priorities set by Leaders' Committee. Should Leaders' Committee agree to proceed with the 2021-25 Programme, more specific proposals about the principle and operation of a Response Fund would be developed for consideration by Grants Committee and Leaders' Committee.

## **4 Recommendations**

- 4.1 To meet the timetable to enable a Grants Programme to start from April 2021 (see Appendix A), Leaders' Committee is asked to:
- 4.1.1 agree that a 2021-2025 Grants programme is established based largely on the current Programme Priorities
  - 4.1.2 agree that a 2021-2025 Grants programme is established based on the current level of funding - £26.7million over four years, subject to annual agreement of the Grants Budget



Date	Activity
July 2019 (actioned)	Grants Committee (AGM) - Consider report on developing a 2021-25 Grants Programme
Sept 2019 (actioned)	Grants Executive Committee Meeting - Consider and shape report on proposed approach
Sept 2019 (actioned)	London Councils - Legal advice regarding consultation and developing a new programme
Nov 2019 (actioned)	Grants Committee - Consider consultation questions for boroughs and stakeholders - Recommend to Leaders' Committee a 2021-25 Programme
Dec 2019	Leaders' Committee Consider Grant Committee's recommendations for 2021-25 programme
From Dec 2019 to Jan 2020	London Councils - Consultation launched - Research of external context (policy, need, current borough provision) - Equalities Impact Assessment completed
Jan-Mar 2020	London Councils - Develop specifications with borough officers and stakeholders
Feb 2020	Grants Executive Committee - Consider draft specifications
Jan-Mar 2020	London Councils - Undertake further work specified by Grants Executive Committee
Mar 2020	Grants Committee Meeting - Consider draft specifications
Apr-Jul 2020	London Councils - Finalise specifications with Grants Committee and instigate open and competitive process to award 2021-25 Grants Commissions
October 2020	London Councils - Prepare recommendations flowing from open and competitive process.
Nov 2020	Grants Committee Meeting - Agree awards and recommend budget to Leaders' Committee
Dec 2020	Leaders' Committee - Agree budgets
March 2021	Grants Committee Meeting
April 2021	New projects start

## **Financial Implications for London Councils**

A decision on the funding for any future programme will need to be agreed by Leaders' Committee.

## **Legal Implications for London Councils**

London Councils manages the London Councils Grants Programme on behalf of all the boroughs and the City of London. The Programme makes grants to voluntary organisations to deliver improved outcomes for Londoners.

The Programme operates within a scheme made under Section 48 of the Local Government Act 1985. It is a collective scheme i.e. all the boroughs fund the Programme, through a levy contribution based on the boroughs proportion of the capital's population. Boroughs must exercise their functions in respect of the scheme 'with due regard to the needs of the whole of Greater London'.

Leaders' Committee determines the principles and priorities of the Programme and the overall budget of the Programme. The Grants Committee commissions services, makes awards of funding, manages projects' performance and may advise Leaders' Committee on the Programme.

## **Equalities Implications for London Councils**

In reaching decisions for the implementation of any future grants programme, the Committee is required to have due regard to its obligations under the Equalities Act 2010, particularly the Public Sector Equalities Duty.

London Councils' funded services provide support to people within all the protected characteristics (Equality Act 2010), and targets groups highlighted as particularly hard to reach or more affected by the issues being tackled. Funded organisations are also required to submit equalities monitoring data, which can be collated across the grants scheme to provide data on the take up of services and gaps in provision to be addressed. The grants team reviews this data annually.

## **Background Documents**

Grants Committee (AGM), 10 July 2019, Item 14 - Grants Programme 2021-25

Grants Committee, 13 November 2019, Item 9 - Grants Programme 2021-25

# Leaders' Committee

## Proposed Revenue Budget and Borough Subscriptions and Charges 2020/21

Item no: 8

**Report by:** Frank Smith      **Job title:** Director of Corporate Resources  
**Date:** 3 December 2019  
**Contact Officer:** Frank Smith  
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### Summary

This report proposes the level of boroughs subscriptions and charges to be levied in 2020/21, together with the consolidated revenue income and expenditure budget for 2020/21. The report also updates the Leaders' Committee on the current level of London Councils reserves after considering all current and proposed commitments and the timetable for the overall budget approval process. These proposals were considered by the London Councils Executive at its meeting on 12 November and this package was agreed for submission to this Committee for final consideration and approval.

### Recommendations

The Leaders' Committee is asked to approve the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2020/21, no change on the charge of £161,958 for 2019/20 (paragraph 14);
- The proposed Joint Committee subscription for MOPAC of £15,410 for 2020/21, no change on the charge of £15,410 for 2019/20 (paragraph 15);
- An overall level of expenditure of £6.668 million for the Grants Scheme in 2020/21, a reduction of £241,000 on the total budget of £6.909 million for 2019/20; and
- Borough contributions for 2020/21 to fully cover the scheme of £6.668 million, the same level as for 2019/20 (paragraphs 16-18).

The Leaders' Committee is also asked to endorse the following subscription and charges for 2020/21 for TEC, which were be considered by the TEC Executive Sub-Committee on 14 November, and which will be

presented to the main meeting of TEC on 5 December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2019/20 - £1,500) (paragraph 19);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2019/20 – no charge) (paragraph 21);
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2019/20 - £338,182); (paragraph 22);
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2019/20 – no charge) (paragraph 23);
- The Parking Enforcement Service Charge of £0.3708 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2018/19 (2019/20 - £0.3760 per PCN; paragraphs 26-27);
- The Parking and Traffic Appeals Charge of £27.35 per appeal or £23.63 per appeal where electronic evidence is provided by the enforcing authority (2019/20 - £28.75/£25.08 per appeal). For hearing Statutory Declarations, a charge of £21.78 for hard copy submissions and £21.04 for electronic submissions (2019/20 - £23.23/£22.50 per SD) (paragraphs 28-29);
- Congestion Charging Appeals including the ULEZ scheme – to be recovered on a full cost recovery basis, as for 2019/20, under the current contract arrangement with the GLA (paragraph 30);
- The TRACE (Electronic) Charge of £7.53 per transaction (2019/20 - £7.53) (paragraphs 31-33);
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which is levied in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2019/20 - £15.23) (paragraphs 31-33); and
- The TEC Charge of £0.175 per transaction (2019/20 - £0.175) (paragraphs 31-33).

On the basis of the above proposed level of subscriptions and charges, the Leaders' Committee is asked to approve:

- The provisional consolidated revenue expenditure budget for 2020/21 for London Councils of £383.171 million, as per Table 4 at paragraph 34 and Appendix A of this report;
- The provisional consolidated revenue income budget for 2020/21 for London Councils of £382.192 million, also as per Table 4 at

paragraph 34 and Appendix B;

- Within the total income requirement, the use of London Councils reserves of £979,000 in 2020/21, as detailed in Table 11 at paragraph 53.

The Leaders' Committee is also asked to note:

- The position in respect of forecast uncommitted London Councils reserves as at 31 March 2020, as detailed at paragraphs 51-59; and
  - The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources, as detailed in paragraphs 58-59.
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# **Proposed Revenue Budget and Borough Subscriptions and Charges 2020/21**

## **Introduction**

1. This paper outlines the background and context to setting the London Councils budget for 2020/21 and sets out a proposed approach. It reflects the impact of several budgetary pressures that will impact on 2020/21, which are highlighted in detail at paragraph 2. The proposed approach reflects the content of recent informal discussions amongst members of the Executive. These centred around:

- seeking to absorb additional budgetary pressures in the 2020/21 budget;
- seeking to establish a trajectory for generating more commercial income from letting space freed up as a result of a shift to more agile working. These changes to ways of working, building improvements and letting space were discussed with members of the Executive in June 2018 and again, informally, in October 2019;
- broader need for a more strategic consideration of the resources of the organisation during the next year to help inform budget preparation for 2021/22.

## **Budgetary pressures**

2. There are several significant budgetary pressures that will impact on the London Councils revenue budget for 2020/21. These are:

- An estimated 2% officer pay award, subject to negotiations, from April 2020 will add approximately £135,000 to the overall salaries bill for London Councils;
- In addition, staff salary progression through the approved staff structure amounts to a net additional £58,000 in 2020/21;
- A net increase in the expenditure budget to the City of London Corporation to cover an increase in the IT SLA of £58,000;
- Additional IT development costs in association with the London Councils website budget of £45,000;
- Additional depreciation costs of £68,000 largely as a result of estimated capital expenditure to be incurred in 2019/20 in relation to the completion of the agile working project and other building works throughout the Southwark Street building;

- CPI in the year to August 2019 is now running at 1.7%, meaning that there will be increased pressure on overall contract prices and in respect of cost of the four SLAs for support services provided by the City of London;
- The Chancery Exchange offices, where the London Tribunals hearing centre is based, will be subject to a rent review in March 2020, which will result in additional costs within the TEC committee estimated to be in the region of £100,000; and
- A reduction of £241,000 in grants expenditure following the completion of the S.48 ESF programme which ended in June 2019.

3. Savings/efficiencies have been identified from within existing approved resources to mitigate the overall effect of the above cost pressures. These include:

- The removal of the Challenge Implementation Fund budget of £525,000, with a corresponding reduction in the transfer from reserves to fund this;
- Estimated additional income of £250,000 realising agreed aspirations in respect of the letting of freed up office space, offset by a reduction of meeting room income (£300,000 less £50,000) based on the assumption that the agile working extension is completed during 2019/20. This budget will be built up to a maximum of £550,000 over a 4-year period up until 2024/25, with a corresponding reduction in the take from reserves over this period; and
- Additional central recharge income of £489,000 accruing to the Joint Committee from increased charges to the TEC and Grants funding streams, arising from a review of the recharge model and the depreciation of the capital costs for the planned refurbishment work at Southwark Street.

4. The expenditure budget for the Joint Committee reflects planned improvements to the communal areas at Southwark Street, such as reception and the WC facilities, as well as the extension of agile working arrangements. The financial effect of this project is reflected in increased depreciation charges of £68,000 in 2020/21 and £145,000 from 2021/22 onwards, up until the end of the current leasehold arrangement with the City of London in March 2026. The increased depreciation charge arises from the capitalisation of the cost of the improvement and refurbishment works, estimated to be £383,000 in the current year and £409,000 in 2020/21, which includes all associated staffing costs, design fees and overall project management costs.

5. A proportion of the increased depreciation charge indicated above will be recharged to the TEC and Grants funding streams and to externally funded projects to generate income to the Joint Committee, estimated to be £17,000 in 2020/21 and £36,000 in 2021/22 and a full year.
6. The move to introduce agile working arrangements throughout the building is expected to free up office space for letting to generate rental income. This is estimated to raise £250,000 in 2020/21, increasing by £100,000 per annum over the next three financial years up until 2024/25 to reach an estimated ceiling of £550,000. Over this period of estimated increased rental income, the call on uncommitted JC reserves will reduce accordingly, so by 2024/25, the only on-going current commitment from Joint Committee reserves will be the annual sum of £100,000 earmarked by members to support collaborative work on the health agenda.
7. London Councils has made significant savings since 2011/12. If the proposals outlined in this report are agreed by the Leaders' Committee in December, these savings will amount to £59.8 million, with a further £165 million of savings related to payments to commissions made by the Grants Committee. Overall savings through this period equate to £6.8 million per borough.
8. During 2020 Members of the Executive have indicated that they will wish to give further consideration to the future focus, capacity and resources of the organisation. This reflects an informal discussion among Executive members in October 2019. That consideration will inform budget planning for 2021/22 onward. Members indicated that they wished to see every effort made to absorb budget pressures in framing the proposed Revenue Budget and Borough Subscriptions and Charges for 2020/21.
9. This report, therefore, proposes the level of borough subscriptions and charges to be levied in 2020/21, together with the indicative consolidated revenue income and expenditure budget for 2020/21. The proposals include:
  - A Joint Committee core subscription of £161,958 per borough, the same level as for 2019/20;
  - A TEC parking core administration charge of £1,500 per borough, the same level as for 2019/20;



- Total S.48 grants administration costs of £435,000, equating to an average cost of £13,182 per borough, the same level as for 2019/20;
- An overall reduction in the level of the proposed transfer from uncommitted reserves of £745,000. The total sum proposed to be transferred from uncommitted reserves is a maximum of £979,000, compared to £1.724 million for the current year.

10. The timetable for the approval of the budget for 2020/21 following this meeting is as follows:

- 12 November – The London Councils Executive considered the proposals as outlined in this report and agreed to recommend the proposals to this Committee for final consideration and approval;
- 13 November – Grants Committee considered and agreed the indicative grants budget and borough contributions for 2020/21, and recommended that the Leaders' Committee approve these proposals at this meeting in a separate report on this agenda;
- 14 November - TEC Executive Sub-Committee considered the indicative budget and borough charges for 2020/21 and make recommendations to the main TEC Committee meeting on 5 December for approval;
- 3 December - Leaders' Committee considers this report on the indicative consolidated budget and borough charges for 2020/21, and a separate report seeking approval of the grants budget and borough contributions for 2020/21. This report includes the indicative budget and borough charges for TEC which the Leaders' Committee is asked to endorse; and
- 5 December – main TEC Committee considers recommendations of TEC Executive Sub-Committee and any views arising from the Leaders' Committee and approves final budget and charges for 2020/21. The views of the Leaders' Committee will be reported orally to the main TEC meeting.

### **Current position on core subscriptions and other charges**

11. Members are reminded that since 2010/11 (covering the eight-year period between 2011/12 and 2019/20):

- The Joint Committee core subscription has been reduced by £96,005 or 37%;
- The TEC core parking subscription has been reduced by £500 or 25%;
- Payments for commissioned services funded by the Grants Committee have reduced from an annual average of £754,545 per borough to £188,879, an annual average reduction of £565,667 per borough or 75%;

- Payments for the administration of commissioned services have reduced from an average of £43,333 per borough to an average of £13,182, an average reduction of £30,152 per borough or 69.6%;
- The three main TEC administrations charges for direct services – Freedom Pass, Taxicard and Lorry Control, have reduced by between 11% and 100%; and
- The administration costs of the London Tribunal have reduced by £842,334 and savings of £3.05 million have been realised in respect of unit cost charges to boroughs for use of parking services, including appeals.

12. A further sum of £8.7 million has been repaid to member boroughs from uncommitted reserves over the period 2011/12 to 2019/20. The total accumulated benefit to boroughs, therefore, arising from the reduction in the main borough subscriptions and from charges for direct service charges since 2010/11, plus one-off repayments to date, equates to £54 million, with an additional overall reduction of £146.4 million that relates to payments to commissions funded by the Grants Committee. The total accrued benefit to boroughs is, therefore, £200.402 million, an average of £6.07 million per borough. In addition, staffing numbers have reduced by 39% over this period.

### **Proposed borough subscriptions and charges**

13. The following paragraphs detail the proposed borough subscriptions and charges for 2020/21.

### **Joint Committee Core Subscription**

14. As detailed in the first bullet point of paragraph 9 above, the proposed amount to be levied on member boroughs in respect of the JC core and associated functions in 2020/21 is £161,958, the same level as for 2019/20. This includes a sum of £5,455 per borough as a contribution towards the continued funding of the YPES.

15. In line with the overall standstill position, it is proposed that the 2020/21 Joint Committee subscription for MOPAC be £15,410, the same level as for the current year.

### **Commissioned services funded by the Grants Committee 2020/21**

16. The overall budget for commissioned services for the current year, as agreed by the Leaders' Committee in December 2018, is £6.909 million, inclusive of gross ESF expenditure of £241,000. The residual S.48 ESF programme, which was funded by ESF grant and residual funds held in the Grants Committee reserve, ended in June 2019. At

its meeting on 13 November 2019, the Grants Committee agreed to a S.48 borough funded grants programme of £6.668 million for 2020/21, which is the final year of the four-year programme of commissioned services agreed by the Leaders' Committee in March 2016, following recommendations by the Grants Committee.

17. Following consideration by the Grants Committee at its meeting on 13 November, the Leaders' Committee is, therefore, asked to approve the budget for the Grants Committee for 2020/21 as shown in the Table 1 below:

**Table 1 – Indicative Grants Budget 2020/21**

	<b>2020/21 Indicative £000</b>	<b>2019/20 Budget £000</b>	<b>Variance £000</b>
LC S.48 grants programme	6,233	6,233	-
LC S.48 ESF grants programme	-	102	(102)
<b>Sub-Total</b>	<b>6,233</b>	<b>6,335</b>	<b>(102)</b>
Grants Administration – LC S.48	435	435	-
Grants Administration – LC S.48 ESF	-	139	(139)
<b>Total expenditure</b>	<b>6,668</b>	<b>6,909</b>	<b>(241)</b>
<b>Financed by:</b>			
Borough contributions to grant payment	(6,173)	(6,173)	-
Borough contributions to grants administration	(495)	(495)	
<b>Total borough contributions</b>	<b>(6,668)</b>	<b>(6,668)</b>	<b>-</b>
ESF grant	-	(58)	58
<b>Total Income</b>	<b>(6,668)</b>	<b>(6,726)</b>	<b>58</b>
<b>Transfer from Reserves</b>	<b>-</b>	<b>(183)</b>	<b>183</b>
<b>Net expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>

18. The key features of the proposed budget in Table 1 are:

- A core, pan-London scheme of commissioned services to meet service priorities agreed by the Grants Committee of £6.233 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;
- A reduction in expenditure of £241,000 in relation to the residual commitments for S.48 ESF commissioned services, which ended in 2019/20;
- An indicative gross commissions payments budget, therefore, of £6.233 million;

- A provision for grants administration of £435,000 or 6.5% (or 4.1% excluding central recharges of £159,000) for the S.48 borough programme of £6.668 million, reflecting the actual cost of the current contract management and monitoring arrangements for commissions; and
- A total borough contribution of £6.668 million which will be apportioned in accordance with the ONS 2018 mid-year population data.

### TEC Core Parking Subscription

19. This subscription is currently £1,500 per borough and there is little scope to reduce this minimal charge to boroughs, so, as agreed by the Leaders' Committee in November 2010, efforts continue to be concentrated on further efficiencies in the overhead cost for TEC direct services and systems charges, which are explored below.

### TEC Direct Services

20. TEC currently provides three direct services on behalf of boroughs, one of which is also provided to TfL, which are recouped by an annual administration fee – the Freedom Pass, Taxicard and the London Lorry Control Scheme (LLCS). In overall terms, a sum of £338,182 needs to be recouped from boroughs in 2020/21, the same as for the current year. The proposed level of charge for each direct service, compared to those for the current year are detailed in Table 2 below:

**Table 2 – Proposed TEC Direct Services Administration Charge 2020/21**

Charge	Basis	2020/21 (£)	2019/20 (£)	Variance (£)	%
Freedom Pass	Per borough	Nil	Nil	-	-
Taxicard	Total	338,182	338,182	-	-
Lorry Control	Average	Nil	Nil	-	-

21. The **administration of the Freedom Pass** covers London Councils costs in negotiating the annual settlements and managing the relationships with transport operators and other contractors. After considering the overall income requirement for TEC, the proposed charge for 2020/21 remains at zero per borough, as the cost of administering the scheme continues to be met from income collected in respect of lost and damaged freedom passes. This position is reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

22. The **administration of the Taxicard Scheme** covers London Councils costs in processing and issuing passes to members and managing the relationships with various contractors. After considering the overall income requirement for TEC, the proposed net cost to be charged to boroughs in 2020/21 is £338,182, no change on the total charge for 2019/20. This proposal includes the use of uncommitted TEC reserves of £101,000 to maintain the unit charge at this level. The active Taxicard membership as at 30 September 2019 has decreased by 4,308 from 68,860 to 64,552 due to officers carrying out a review of members to establish if they are still active. This decrease in the spreading base has, therefore, increased the notional unit cost of a permit from £4.91 to £5.24 per member.

23. The **Lorry Control administration charge** is calculated in the same manner as the Freedom Pass and Taxicard administration charge; although it is apportioned to boroughs in accordance with the ONS mid-year population figures. In the case of 2020/21, the population data for 2018 is used. The total cost of administering the scheme is estimated to be £754,773 in 2020/21, compared to £742,951 in 2019/20. This figure includes a sum of £50,000 that has been retained in anticipation of further review and development of the scheme in 2020/21. After consideration of projected income of £1 million from the enforcement of the scheme, it is proposed that there will be no borough or TfL contribution in 2020/21, as for the current year. Again, this position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

### **TEC Traded Services**

24. A further range of services provided by TEC relate to various parking and traffic activities, primarily the London Tribunals (LT). A unit charge for each of these 'traded' services is made to the users, which covers the marginal costs of these services. The volumes of these transactions are solely generated by each borough; London Councils has no influence on the levels generated. In addition, an amount apportioned by the number of PCNs issued by each borough and TfL, covers the fixed costs of the parking related services - principally the LT- covering the actual cost of the appeals hearing centre and the fixed cost of the parking managed services contract.

25. The proposed level of charge for each traded service, compared to those for the current year is detailed in Table 3 below:

**Table 3 – Proposed TEC Traded Services Unit Charges 2020/21**

<b>Charge</b>	<b>2020/21 (£)</b>	<b>2019/20 (£)</b>	<b>Variance (£)</b>	<b>%</b>
Parking Enforcement Service Charge (total charge)	0.3708	0.3760	(0.005)	(1.4)
Environment and Traffic Adjudicators (ETA) Appeals (Hard Copy)	27.35	28.75	(1.40)	(4.9)
ETA Appeals (Electronic)	23.63	25.08	(1.45)	(5.8)
ETA Statutory Declarations (Hard Copy)	21.78	23.23	(1.45)	(6.2)
ETA Statutory Declarations (Electronic)	21.04	22.50	(1.46)	(6.5)
TRACE Electronic	7.53	7.53	-	-
TRACE Fax	7.70	7.70	-	-
TEC	0.175	0.175	-	-

26. The **Parking Enforcement Service Charge** is allocated to users in accordance with the number of PCNs issued. For 2020/21, expenditure of £3.084 million needs to be recouped, compared to £2.687 million for 2019/20; an increase of £397,000. The increase is largely due to previously unbudgeted costs associated with the introduction of the Ultra Low Emissions Zone (ULEZ) scheme along with the estimated impact of a rent review which is due in March 2020 on the Hearing Centre premises budget.

27. After top-slicing the amount for the estimated fixed costs of £875,000 attributable to the contract with the GLA/TfL in respect of road user charging appeals (RUCA) and ULEZ, a total of £2.209 million remains to be apportioned through the 5.958 million PCN's issued by boroughs and TfL in 2018/19 in respect of parking, bus lane and moving traffic offences, compared to 5.616 million issued in 2017/18. The slight increase in the number of PCNs issued over the two comparative years increases the cost spreading base, which together with a reduction in the total costs of the London Tribunal attributable to ETA appeals, leads to a marginal reduction in the actual unit charge to boroughs and TfL of £0.005 per PCN, or 1.4%, from £0.376 to £0.3708 per PCN for 2020/21. In addition, under the terms of the contract with Northgate, there is a separate fixed cost identified in respect of the borough use of the TRACE and TEC systems. For 2019/20, this sum was £94,000 and is estimated to increase to £95,000 in 2020/21. This sum will be apportioned to boroughs in accordance with volumes of transaction generated on each system by users.

28. The estimated volume of Environment and Traffic Adjudicators (ETA) appeals for 2020/21, based on indicative volumes to date in 2019/20, is 44,722, compared to the budgeted figure of 41,694 for the current year. The actual number of appeals represented

by corresponding financial transactions posted in the accounts in 2018/19 was 42,721 including Statutory Declarations, Moving Traffic Offences and Lorry Ban Appeals. This indicates that the current number of ETA appeals has steadily increased.

29. The average throughput of appeals to date for the current year is 3.78 appeals heard per hour, compared to 3.41 appeals per hour when the current year's budget was set in December 2018. This average figure takes account of all adjudicator time spent on postal and personal appeal hearing and also non-appeal 'duty adjudicator' activities. The increase in throughput is attributable to continued system and service improvements that now feed through into the processing figures. Based on this forecast figure, it is proposed that the indicative hard copy unit ETA appeal cost for 2020/21 is £27.35, a reduction of £1.40 or 4.86% on the charge of £28.75 for 2019/20. For appeals where electronic evidence is provided by an enforcing authority, it is proposed that the unit cost will reduce by £1.45 or 5.77% to £23.63. The lower charge to boroughs recognises the reduced charge from the contractor for processing electronic appeals, demonstrating that there remains a clear financial incentive for boroughs to move towards submitting electronic evidence under the current contract arrangements. As for 2020/21, boroughs will pay a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £21.78 compared to the charge of £23.23 for the current year, which represents a reduction of £1.45, or 6.24%. For electronic statutory declarations, the proposed unit charge will be £21.04, a reduction of £1.46, or 6.50% on the electronic appeal unit charge of £22.50 for the current year.
30. For RUCA Appeals, the estimated volume of appeals for 2020/21, based on current volumes to August 2019 is 20,784, compared to 9,158 for the current year. The original estimate for 2019/20 did not consider the new Ultra Low Emission Zone (ULEZ) scheme which came in to force in April 2019 therefore is not comparable to the 2020/21 estimate. The actual number of RUCA Appeals represented by corresponding financial transactions posted in the accounts for 2018/19 was 9,644, including Statutory Declarations. Again, this excludes ULEZ appeals which hadn't come in to force at this stage. Under the terms of the contract, TfL/GLA will reimburse London Councils on a cost-recovery basis for the variable cost of RUCA appeals, ensuring that a break even position continues in respect of these variable transactions. The rechargeable level of fixed costs associated with this contract is £875,000 for 2020/21; a £300,000 increase on the 2019/20 budgeted level of £575,000, due to the significant increase in caseload resulting from the introduction of the ULEZ scheme.

31. In respect of **all other parking traded services**, the variable charges form part of the parking managed service contract provided by the contractor, Northgate, the volumes of which are again not controlled by London Councils; the individual boroughs are responsible for using such facilities. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs, TfL and the GLA as part of the unit cost charge. Current trends during the first half of 2019/20 suggest that transaction volumes appear to be reducing for the use of the TRACE electronic and Fax systems but are increasing for the use of the TEC system.
32. The estimated decrease in expenditure between 2019/20 and 2020/21, due to the projected transaction volumes and contract price changes for these services is £4,290. The corresponding estimated effect on income, between 2019/20 and 2020/21, based on the current projected transaction volumes for 2019/20 is a decrease of £19,806, leading to a net overall decrease in budgeted income of £15,516.
33. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a contribution to overheads in each of the charges made to boroughs and other users for these services.

#### **Proposed revenue budget for 2020/21**

34. Based on the proposed level of subscription and charges, as detailed in paragraphs 13-33 above, the proposed revenue budget position for 2020/21, is summarised in Table 4 below. A detailed breakdown of proposed expenditure and income is shown at Appendices A and B to this report.

**Table 4 – Proposed revenue budget 2020/21**

	<b>Joint Committee</b>	<b>Grants Committee</b>	<b>TEC</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Indicative Expenditure	8,919	6,509	366,948	382,376
Central Recharges	150	159	486	795
<b>Total Expenditure</b>	<b>9,069</b>	<b>6,668</b>	<b>367,434</b>	<b>383,171</b>
Indicative Income	(6,632)	(6,668)	(366,855)	(380,155)
Central Recharges	(2,037)	-	-	(2,037)
<b>Sub-total</b>	<b>(8,669)</b>	<b>(6,668)</b>	<b>(366,855)</b>	<b>(382,192)</b>
Use of Reserves	(400)	-	(579)	(979)
<b>Total Income</b>	<b>(9,069)</b>	<b>(6,668)</b>	<b>(367,434)</b>	<b>(383,171)</b>
<b>Indicative Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



35. The detailed breakdown of the proposed budgets for the Joint Committee, Grants Committee and TEC funding streams for 2020/21 is outlined in paragraphs 36-49 below.

### Grants Committee

36. The provisional position for the Grants Committee for 2020/21 is as follows:

**Table 5 – Indicative Grants Committee budget movements for 2020/21**

	<b>£000</b>
<b>Expenditure:</b>	
Revised budget 2019/20	6,909
Proposed budget 2020/21	6,668
Budget Movement	(241)
<b>Income</b>	
Revised budget 2019/20	(6,909)
Proposed budget 2020/21	(6,668)
Budget Movement	241
<b>Net Budget Movement</b>	<b>-</b>
<b>Developments - expenditure:</b>	
Reduction in payments to S.48 ESF commissions	(102)
Decrease in S.48 ESF administration costs	(139)
<b>Total</b>	<b>(241)</b>
<b>Developments - income:</b>	
Reduction in ESF grant income	58
Reduction in transfers from accumulated S.48 ESF reserves	183
<b>Total</b>	<b>241</b>
<b>Net Budget Movement</b>	<b>-</b>

### Transport and Environment Committee

37. Excluding the position for the payments to transport operators in respect of the Freedom Pass and Taxicard, which are dealt with in paragraphs 39-47 below, the provisional position for TEC for 2020/21 is detailed in Table 6 below:

**Table 6 – Indicative TEC budget movements for 2020/21**

<b>Expenditure:</b>	<b>£000</b>
Revised budget 2019/20	12,778
Proposed budget 2020/21	14,008
Budget Movement	1,230
<b>Income</b>	
Revised budget 2019/20	(12,778)

Proposed budget 2020/21	(14,008)
Budget Movement	(1,230)
<b>Net Budget Movement</b>	<b>-</b>
<b>Developments – expenditure:</b>	
Increase in Freedom Pass administration	2
Increase in Taxicard administration	5
Increase in Lorry Control administration	7
Increase in London Tribunals administration	385
Increase in Health Emergency Badge administration	1
Increase in non-operational staffing costs	28
Volumes changes – Adjudicators fees	244
Volume changes – Northgate variable costs	100
Decrease in other running costs	(1)
Increase in central recharges not included in Direct Services	409
<b>Sub-Total</b>	<b>1,180</b>
<b>Inflation:</b>	
Salary costs	37
Northgate contract costs	13
Other	-
<b>Budget Movement on expenditure</b>	<b>1,230</b>
<b>Developments – income:</b>	
Increase in London Lorry Control Scheme PCN income	(100)
Volumes changes – appeals income	(358)
Volume changes – other parking services income	20
Increase in income for Health Emergency Badges	(2)
Reduction in income for replacement Taxicards	-
Increase in income for fixed parking costs	(398)
Other adjustments	-
Proposed increase in transfer from general reserve	(392)
<b>Budget Movement on income</b>	<b>(1,230)</b>
<b>Net Budget Movement</b>	<b>-</b>

38. The proposals for the level of subscription and charges for TEC related services in 2020/21, which are detailed in paragraphs 21-33 above, provide the rationale for the majority of the budget movements detailed in Table 6.

### Freedom Pass

39. The main settlement with TfL for concessionary travel on its service is estimated to be £318.764 million, representing a provisional reduction of £2.149 million, or 0.67%, on the figure of £320.913 million for 2019/20.

40. The Rail Delivery Group (RDG) settlement is still being negotiated. This year, the RDG has proposed moving to a model that uses Oyster card data (as opposed to the previous survey-based models) which will increase the RDG element of the settlement. Early estimates are for additional costs of £1.933 Million, increasing this part to £21.886 million compared to the budget of £19.953 million for the current year. However, officers are continuing to negotiate regarding the price per journey to be paid and will update TEC accordingly once this is finalised.
41. The budget for payments to other bus operators for local journeys originating in London has been maintained at £1.3 million, following projections for 2020/21, based on the 2018/19 outturn position plus taking into consideration a wider decline in bus ridership.
42. The budget for the freedom pass issuing costs was £1.518 million for 2019/20. For 2020/21, it is proposed that the budget remains at this level, which will include the cost of an annual pass eligibility review that yields significant cost savings to boroughs.
43. For income in respect of replacement Freedom Passes, current trends indicate that significant income continues to accrue, and in fact, increase. However due to the bulk renewal process, which is due to take place in 2020, it is anticipated that fewer replacement cards will be issued. The 2020/21 income budget is being held at £750,000 and there is no proposed change to the unit cost of £12 for a replacement pass. As stated in paragraph 20, it is proposed that the in-house cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2020/21.
44. As agreed by TEC in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 42 above) and replacement freedom passes income budget of £750,000 (paragraph 43 above) will be transferred to a specific reserves to accumulate funds to offset the cost of future major pass reissue exercises. The current balance on the specific reserve is £3.995 million (after considering a projected surplus of £442,000 in respect of the current year), as detailed in Table 9 at paragraph 51. The estimated cost of the 2020 bulk renewal process is currently £1.176 million, which will be funded from the specific reserve.

45. Final negotiations on the actual amounts payable to operators should be finalised in time for this meeting and the main TEC Committee on 5 December; any late variations to these provisional figures will be tabled at these meetings.
46. A summary of the provisional freedom pass costs for 2020/21, compared to the current year, can be summarised in Table 7 below. The total cost of the scheme is fully funded by boroughs and the estimated cost payable by boroughs in 2020/21 is £343.468 million, compared to £343.684 million payable for 2019/20. This represents a reduction of £216,000 or 0.06%.

**Table 7 – Comparative cost of Freedom Pass 2020/21 and 2019/20**

<b>Estimated Cost of Freedom Pass</b>	<b>2020/21(£000)</b>	<b>2019/20(£000)</b>
TfL Settlement	318,764	320,913
RDG Settlement	21,886	19,953
Non TfL Bus Operators Settlement	1,300	1,300
Freedom Pass Issue Costs	1,518	1,518
<b>Total Cost</b>	<b>343,468</b>	<b>343,684</b>

### **Taxicard**

47. It is assumed that TfL will provide an estimated fixed contribution of £9.360 million, no change in the figure for 2019/20. The total borough contribution towards the Taxicard scheme in 2020/21 is estimated to be £2.116 million, the same as for the current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2020. The indicative budgetary provision for the taxicard trips contract with CityFleet Networks Limited, will, therefore, be an amalgam of the TfL and borough funding, currently equating to £11.476 million for 2020/21, the same figure as for the current year. However, several factors such as usage of the scheme could influence the final outturn position for 2020/21.

### **Joint Committee**

48. The provisional position for the Joint Committee for 2020/21 is as follows:

**Table 8 – Indicative Joint Committee budget movements for 2020/21**

	<b>£000</b>
<b>Expenditure:</b>	
Revised budget 2019/20	9,436
Proposed budget 2020/21	9,069
<b>Budget Movement</b>	<b>(367)</b>
<b>Income</b>	

Revised budget 2019/20	(9,436)
Proposed budget 2020/21	(9,069)
<b>Budget Movement</b>	<b>367</b>
<b>Net Budget Movement</b>	<b>-</b>
<b>Developments - expenditure:</b>	
Increase in net salary costs	117
Increase in City of London SLAs	68
Decrease in depreciation provision	(53)
Net increase in Southwark Street premises related costs	9
Decrease in improvement and efficiency fund	(38)
Increase in Supplies and Services	59
Removal of Challenge Implementation Fund	(525)
Reduction in Commissioning and Research	(53)
Reduction in Central Recharges	(37)
<b>Sub-total</b>	<b>(453)</b>
<b>Inflation</b>	
Salary costs	90
Other	(4)
<b>Budget Movement on expenditure</b>	<b>(367)</b>
<b>Developments - income:</b>	
Decrease in use of reserves	954
Decrease in room hire charges	50
Net Increase in income from tenants and funded groups	(220)
Increase in central recharges income	(417)
<b>Total</b>	<b>367</b>
<b>Net Budget Movement</b>	<b>-</b>

49. The key elements included within the net budget movement are detailed below:

- **Increase in salary cost** - this covers the following salary related costs of the Joint Committee:
  - An estimated 2% pay award for 2020/21, which is subject to negotiations, will add £90,000 to total salary costs;
  - In addition, staff salary progression through the approved staff structure amounts to a net additional £52,000 in 2020/21JC salaries budget for 2020/21;
  - Finally, the net impact of general staff structure changes, identified during the current financial year, which are covered by virements from existing joint committee budgets of £65,000.

- **Depreciation charge** – An additional charge of £68,000 is estimated to arise in 2020/21 in relation to capital expenditure of building works at Southwark Street during 2019/20, however this is a reduction on what was originally anticipated during the 2019/20 revised budget due to potential slippage in the building works. As a result, there is a net reduction of £53,000;
- **Additional City of London SLA costs** – Additional net increase of £68,000 in SLA budget due to increase IT SLA fees payable in 2020/21
- **Increase in Southwark Street premises costs** – Marginal inflationary increases to other premises costs of £9,000;
- **Improvement & Efficiency fund** – Reduction of £38,000 to fund staff structure changes as detailed above;
- **Additional Supplies and Services** – Additional £45,000 budget include for Website development in 2020/21 along with other small inflationary increases;
- **Challenge Implementation Fund reduction** – Removal of the Challenge implementation Fund budget of £525,000, with a corresponding reduction in the transfer from reserve to fund this (see below);
- **Commissioning & Research** – Reduction of £53,000 to fund staff structure changes as detailed above;
- **Additional income from tenants** – The planned move to introduce agile working arrangements throughout the building is estimated to free up office space for letting to generate rental income of £250,000 in 2020/21, less a reduction in other funded groups income of £30,000.
- **Central Recharge expenditure** – A reduction of central recharges costs within the joint committee due to a change in the methodology from deskpace to FTE's which attracts an overall lower level of recharge.
- **Increase in central recharge income** – A detailed review of how London Councils apportions its central costs between the three committees has identified some

overheads, which are attributed to members of staff working on Grants and TEC related activities, were not being fully passed to those committees. This has now been amended and the net additional £417,000 in central recharge income reflects this;

- **Decrease in room hire income** – A reduction in income collectable from hiring out meeting rooms at the Southwark Street offices. This reflects the planned decommissioning of two meeting rooms as part of the overall building works in line with outcomes of the challenge programme and requirements of the agile working agenda;
- **Decrease in proposed use of reserves** – the proposed transfer from Joint Committee reserves for 2020/21 is £400,000, a £954,000 decrease on the figure of £1.354 million for the current year. This is in part a reversal of the estimated deficit on joint committee functions in 2019/20 of £347,000, which has now been addressed and removal of the reserves contribution to the Challenge Implementation Fund which has now ended.

### Externally Funded Projects

50. In addition to the proposed expenditure of £383.171 million for largely borough funded activity, expenditure on activities financed through external contributions is currently projected to be in excess of £3.5 million in 2020/21, with funding being received through various external sources to fully fund the projects, ensuring no cost to boroughs. Once confirmation of continued funding into 2020/21 is received from funders over the coming months, budget plans for expenditure will be revised accordingly to ensure that they match the available funding.

### Updated position on Reserves

51. The current position on the overall level of London Councils reserves is detailed in Table 9 below, which includes the forecast outturn position for the current year at the half-year stage:

**Table 9 – Current Uncommitted Reserves**

	<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 2019	3,936	5,186	721	9,843
Specific/ESF reserve at 1 April 2019	3,553	-	1,330	4,883
<b>Provisional reserves at</b>				

<b>1 April 2019</b>	<b>7,489</b>	<b>5,186</b>	<b>2,051</b>	<b>14,726</b>
Committed in setting 2019/20 budget	(187)	(1,354)	(183)	(1,724)
Balances c/f into 2019/20	(133)	-	-	(133)
Potential ESF grants commitments in 2019/20- 2020/21	-	-	(128)	(128)
Provisional other commitments for 2020/21 -2021/22	(1,926)	-	-	(1,926)
Projected surplus/(deficit) for the year	595	1,155	40	1,790
<b>Uncommitted reserves</b>	<b>5,838</b>	<b>4,987</b>	<b>1,780</b>	<b>12,605</b>

52. The current level of commitments from reserves, as detailed in Table 9, come to £3.911 million and are detailed in full in Table 10 below:

**Table 10– Current Commitments from Reserves**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balances b/f from 2018/19	133	-	-	133
Approved transfer from JC general reserves	729	-	-	729
Approved transfer from TEC general reserves	187	-	-	187
Slippage of ESG grants funding	311	-	-	311
Challenge Implementation Fund	525	-	-	525
Support to the health transition process	100	-	-	100
2020 Freedom Pass reissue	-	1,176	-	1,176
TEC priority projects	-	750	-	750
<b>Totals</b>	<b>1,985</b>	<b>1,926</b>	<b>-</b>	<b>3,911</b>

53. After taking into account the budget proposals outlined in this report and the recommended use of reserves of £979,000, the level of uncommitted reserves reduces to £11.626 million, as detailed in Table 11 below:

**Table 11 - Estimated Uncommitted Reserves as at 1 April 2020**

	<b>Transport and Environment Committee (£000)</b>		<b>Joint Committee (£000)</b>	<b>Grants Committee (£000)</b>		<b>Total (£000)</b>
	<b>General</b>	<b>Specific</b>	<b>General</b>	<b>S.48</b>	<b>ESF</b>	
<b>Projected uncommitted reserves (Table 10)</b>	<b>3,769</b>	<b>2,069</b>	<b>4,987</b>	<b>761</b>	<b>1,019</b>	<b>12,605</b>
Proposal included in 2020/21 budget figures	(579)	-	(400)	-	-	(979)
Transfer to Specific Reserves	-	-	-	-	-	-



<b>Estimated residual uncommitted reserves</b>	<b>3,190</b>	<b>2,069</b>	<b>4,587</b>	<b>761</b>	<b>1,019</b>	<b>11,626</b>
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54. For the Grants Committee, the Grants Executive in September 2013 agreed that the level of reserves to cover the S.48 borough funded commissions (priorities 1 and 2) should be set at 3.75% of the budget, which will equate to £250,000 in respect of a proposed budget of £6.668 million for 2020/21. The forecast level of uncommitted reserves of £761,000 is, therefore, in excess of this benchmark at 11.41% of the proposed budget. In addition, residual S.48 ESF reserves of £1.019 million are retained following the end of the programme. The residual S.48 ESF reserves are subject to a recommendation by the Grants Committee to Leaders' Committee and are included as a separate item on this agenda.
55. For TEC, uncommitted general reserves are forecasted to be £3.769 million as at 31 March 2020 and reflects the forecast surplus on general reserves of £153,000 for the current year.
56. After considering the proposed use of general reserves of £579,000 in setting the 2020/21 budget (all, subject to agreement of main TEC meeting on 5 December), uncommitted general reserves are forecast reduce to £3.190 million, or 22.8% of proposed operating and trading expenditure of £14.008 million. The full TEC Committee will be considering options for the level of uncommitted reserves in the short-term at its meeting on 5 December, taking into account a number of significant service developments over the next 12 months. In addition, it will consider use of the special projects fund held in the Specific Reserve, an element of which relating to climate change is being considered by Leaders' as a separate item on this agenda.
57. For the Joint Committee functions, uncommitted general reserves are projected to be £4.587 million if the proposals in this report are approved. In a period of continuing financial constraint for London local government, and as demonstrated in the recent past, there is continued value in holding a reasonable level of reserves as a contingency. This will also facilitate a period of transition for the organisation, both in terms of the direction of travel relating to redefined priorities and pledges and the completion of the outcomes of the London Councils Challenge work.

58. Under existing CIPFA guidance, the Chief Financial Officer of an organisation is advised to make an annual statement on the adequacy of the level of an organisation's reserves. This is achieved by expressing the total level of estimated uncommitted reserves as a percentage of operating costs.

59. If the Leaders' Committee/TEC approves the use of uncommitted reserves of £979,000 for 2020/21, as detailed in this report, residual uncommitted reserves would reduce to £11.626 million. This would represent 49.4% of total operating and trading expenditure in 2020/21 of £23.512 million. The comparable figures reported to this committee 12 months ago was projected uncommitted reserves of £7.165 million, which equated to 30.7% of provisional operating and trading expenditure of £23.312 million for 2019/20. This position maintains the desire expressed at recent meetings of the Executive for a healthy reserves position, particularly in the current economic climate. The Director of Corporate Resources is, therefore, content to issue a positive statement on the adequacy of the residual London Councils reserves for 2020/21.

## **Conclusions**

60. This report proposes the level of boroughs subscriptions and charges to be levied in 2020/21, together with the consolidated revenue income and expenditure budget for 2020/21. The report also updates the Leaders' Committee on the current level of London Councils reserves after considering all current and proposed commitments, plus the timetable for the overall budget approval process. These proposals were considered by the London Councils Executive at its meeting on 12 November and this package was agreed for submission to this Committee for final consideration and approval.

## **Summary**

61. This report proposes the level of boroughs subscriptions and charges to be levied in 2020/21, together with the consolidated revenue income and expenditure budget for 2020/21.

62. The subscription and budget proposals for 2020/21 relating to the Grants Committee, as contained in this report, were considered by the Grants Committee at its meeting on 13 November. The Grants Committee recommended that the Leaders' Committee approve the budget proposals as laid out in this report and which are also subject to a separate report on this agenda.

63. The subscription and budget proposals for 2020/21 relating to the Transport and Environment Committee were considered by the TEC Executive Sub-Committee at its meeting on 14 November and will be put before the main TEC meeting on 5 December for final approval. The Leaders' Committee is, therefore, asked to endorse the provisional TEC figures as laid out in this report.

## **Recommendations**

64. The Leaders' Committee is asked to approve the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2020/21, no change on the charge of £161,958 for 2019/20. (paragraph 14);
- The proposed Joint Committee subscription for MOPAC of £15,410 for 2020/21, no change on the charge of £15,410 for 2019/20 (paragraph 15);
- An overall level of expenditure of £6.668 million for the Grants Scheme in 2020/21, which represent a £241,000 reduction on the total budget of £6.909 million for 2019/20 due to the finalisation of the ESF programme in the current financial year; and
- Borough contributions for 2020/21 should be £6.668 million to fully cover the cost of the Grants scheme, no change from 2019/20 (paragraphs 16-18).

65. The Leaders' Committee is also asked to endorse the following subscription and charges for 2020/21 for TEC which were considered by the TEC Executive Sub-Committee on 14 November, and which will be presented to the main meeting of TEC on 5 December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2019/20 - £1,500) (paragraph 19);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2019/20 – no charge) (paragraph 21);
- The net Taxicard Administration Charge to boroughs of £338,182 in total (2019/20 - £338,182); (paragraph 22);

- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2019/20 – no charge) (paragraph 23);
- The Parking Enforcement Service Charge of £0.3708 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2018/19 (2019/20 - £0.3760 per PCN; paragraphs 26-27);
- The Parking and Traffic Appeals Charge of £27.35 per appeal or £23.63 per appeal where electronic evidence is provided by the enforcing authority (2019/20 - £28.75/£25.08 per appeal). For hearing Statutory Declarations, a charge of £21.78 for hard copy submissions and £21.04 for electronic submissions (2018/19 - £23.23/£22.50 per SD) (paragraphs 28-29);
- Congestion Charging Appeals including ULEZ – to be recovered on a full cost recovery basis, as for 2019/20, under the current contract arrangement with the GLA (paragraph 30);
- The TRACE (Electronic) Charge of £7.53 per transaction (2019/20 - £7.53) (paragraphs 31-33);
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which is levied in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2019/20 - £15.23) (paragraphs 31-33); and
- The TEC Charge of £0.175 per transaction (2019/20 - £0.175) (paragraphs 31-33).

66. Based on the above proposed level of subscriptions and charges, the Leaders' Committee is asked to approve:

- The provisional consolidated revenue expenditure budget for 2020/21 for London Councils of £383.171 million, as per Table 4 at paragraph 34 and Appendix A of this report;
- The provisional consolidated revenue income budget for 2020/21 for London Councils of £383.171 million, also as per Table 4 at paragraph 34 and Appendix B;
- Within the total income requirement, the use of London Councils reserves of £979,000 in 2020/21, as detailed in Table 11 at paragraph 53.

67. The Leaders' Committee is also asked to note:

- The position in respect of forecast uncommitted London Councils reserves as at 31 March 2020, as detailed at paragraphs 51-57; and
  - The positive statement on the adequacy of the residual London Councils reserves issued by the Director of Corporate Resources, as detailed in paragraphs 58-59.
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### **Financial Implications for London Councils**

As detailed in the body of the report.

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

None

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

None

### **Appendices**

- Appendix A – the provisional consolidated revenue expenditure budget for London Councils for 2020/21;
- Appendix B – the provisional consolidated revenue income budget for London Councils for 2020/21.

### **Background Papers**

London Councils budget working papers 2010/11 to 2020/21.

**Proposed Consolidated Expenditure Budget  
2020/21**

	<b>Jt Ctte £000</b>	<b>Grants £000</b>	<b>TEC £000</b>	<b>Total £000</b>
<b>Payments in respect of Concessionary Fares</b>				
TfL	0	0	318,764	318,764
RDG	0	0	21,886	21,886
Other Bus Operators	0	0	1,300	1,300
Freedom Pass survey and reissue costs	0	0	1,518	1,518
Freedom Pass Administration	0	0	505	505
Comcab	0	0	11,476	11,476
Taxicard Administration	0	0	580	580
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>356,029</b>	<b>356,029</b>
<b>Payments for commissioned services</b>				
S.48 pan-London commissions	0	6,173	0	6,173
Subscription to London Funders Group	0	60	0	60
S.48 ESF pan-London commissions	0	0	0	0
<b>Sub-Total</b>	<b>0</b>	<b>6,233</b>	<b>0</b>	<b>6,233</b>
<b>TEC Trading Account Expenditure</b>				
Payments to Adjudicators- ETA	0	0	779	779
Payments to Adjudicators - RUCA	0	0	519	519
Northgate variable contract costs - ETA	0	0	305	305
Northgate variable contract costs - RUCA	0	0	180	180
Northgate variable contract costs - Other	0	0	205	205
Payments to Northampton County Court	0	0	4,000	4,000
Lorry Control Administration	0	0	754	754
ETA/RUCA Administration	0	0	3,084	3,084
HEB Administration	0	0	41	41
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>9,868</b>	<b>9,868</b>
<b>Total Direct Services</b>	<b>0</b>	<b>6,233</b>	<b>365,897</b>	<b>372,130</b>
<b>Operating Expenditure</b>				
<b>Contractual Commitments</b>				
Capital Ambition legacy project costs	82	0	0	82
Contribution to LOTI	100	0	0	100
YPES Regional/Provider Activities	50	0	0	50
Southwark Street Leasehold Costs	1,357	0	0	1,357
Leases for photocopiers	29	0	0	29
HR Metrics Infinistats contract	35	0	0	35
Northgate Fixed Costs	0	0	95	95
External audit fees	39	0	0	39
CoL Finance/Legal/HR/IT SLA	517	0	0	517
Depreciation	200	0	0	200
Grants GIFTS system support	0	10	0	10
<b>Sub-Total</b>	<b>2,409</b>	<b>10</b>	<b>95</b>	<b>2,514</b>
<b>Salary Commitments</b>				
Officers	4,568	228	708	5,504
Members	215	19	19	253
Maternity provision	50	10	30	90
<b>Sub-Total</b>	<b>4,833</b>	<b>257</b>	<b>757</b>	<b>5,847</b>
<b>Discretionary Expenditure</b>				
Staff training/recruitment advertising	110	7	0	117
Staff travel	16	2	0	18
Other premises costs	286	0	0	286
SS ICT support	59	0	0	59
Supplies and service	704	0	159	863
Research	402	0	40	442
Contributiobn to Health related work	100	0	0	100
<b>Sub-Total</b>	<b>1,677</b>	<b>9</b>	<b>199</b>	<b>1,885</b>
<b>Total Operating Expenditure</b>	<b>8,919</b>	<b>276</b>	<b>1,050</b>	<b>10,246</b>
<b>Central Recharges</b>	<b>150</b>	<b>159</b>	<b>486</b>	<b>795</b>
<b>Total Expenditure</b>	<b>9,069</b>	<b>6,668</b>	<b>367,434</b>	<b>383,171</b>

## Item 8

## Appendix B

## Proposed Consolidated Income Budget 2020/21

	Jt Ctte £000	Grants £000	TEC £000	Total £000
Borough contributions to TfL	0	0	318,764	318,764
Borough contributions to ATOC	0	0	21,886	21,886
Borough contributions to other bus operators	0	0	1,300	1,300
Borough contributions to surveys/reissue costs	0	0	1,518	1,518
Borough contributions to freedom pass administration	0	0	0	0
Income from replacing lost/faulty freedom passes	0	0	750	750
Income from replacing lost/faulty taxicards	0	0	18	18
Borough contributions to Comcab	0	0	2,116	2,116
TfL contribution to Taxicard scheme	0	0	9,360	9,360
Borough contributions to taxicard administration	0	0	324	324
TfL Contribution to taxicard administration	0	0	124	124
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>356,160</b>	<b>356,160</b>
Borough contribution to grants payments	0	6,233	0	6,233
ESF Grant Income	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>6,233</b>	<b>0</b>	<b>6,233</b>
<b>TEC trading account income</b>				
Borough contributions to Lorry Control administration	0	0	0	0
London Lorry Control PCN income	0	0	1,000	1,000
Borough ETA appeal charges	0	0	967	967
TfL ETA appeal charges	0	0	118	118
GLA RUCA appeal income	0	0	699	699
Borough fixed parking costs	0	0	2,069	2,069
TfL fixed parking costs	0	0	235	235
GLA fixed parking costs	0	0	875	875
Borough other parking services	0	0	562	562
Northampton County Court Recharges	0	0	4,000	4,000
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>10,525</b>	<b>10,525</b>
<b>Sub-Total</b>	<b>0</b>	<b>6,233</b>	<b>366,685</b>	<b>372,918</b>
<b>Core borough subscriptions</b>				
Joint Committee	5,119	0	46	5,165
Grants Administration	0	435	0	435
TEC (inc TfL)	0	0	51	51
LFC/MPA subscription	33	0	0	33
<b>Sub-total</b>	<b>5,152</b>	<b>435</b>	<b>97</b>	<b>5,684</b>
<b>Other Borough charges</b>				
Borough contributions towards LCP functions	496	0	0	496
Borough contributions towards YPES functions	180	0	0	180
Borough contributions to HR Metrics service	101	0	0	101
<b>Sub-total</b>	<b>777</b>	<b>0</b>	<b>0</b>	<b>777</b>
<b>Other Income</b>				
Investments	75	0	0	75
Room bookings and conferences	100	0	0	100
Letting of office space	250	0	0	250
Deskspace charge to funded groups	214	0	0	214
Sales of publications	18	0	0	18
Employment services trading account income	38	0	0	38
TfL secretariat recharge	0	0	31	31
Sales of Health Emergency badges	0	0	42	42
Miscellaneous income	8	0	0	8
<b>Sub-total</b>	<b>703</b>	<b>0</b>	<b>73</b>	<b>776</b>
<b>Transfer from Reserves</b>	<b>400</b>	<b>0</b>	<b>579</b>	<b>979</b>
<b>Central Recharges</b>	<b>2,037</b>	<b>0</b>	<b>0</b>	<b>2,037</b>
<b>Total Income Base Budget</b>	<b>9,069</b>	<b>6,668</b>	<b>367,434</b>	<b>383,171</b>

# Leaders' Committee

## Minutes and Summaries

Item no: 9

**Report by:** Lisa Dominic **Job title:** Senior Governance Support Officer

**Date:** 3<sup>rd</sup> December 2019

**Contact Officer:** Christiane Jenkins

**Telephone:** 020 7934 9540 **Email:** [Christiane.jenkins@londoncouncils.gov.uk](mailto:Christiane.jenkins@londoncouncils.gov.uk)

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### Summary

Summaries of the minutes of London Councils

**Recommendations** Leader's Committee is recommended to note the attached minutes:

- Audit Committee – 17 September 2019
- Grants Executive – 17 September 2019
- TEC Executive – 18 September 2019
- TEC – 10 October 2019
- YPES – 17 October 2019
- CAB – 17 October 2019
- Executive – 12 November 2019



## **Minutes of the Meeting of the Audit Committee 18 September 2019**

Cllr Roger Ramsey was in the Chair

### **Members Present:**

Cllr Roger Ramsey (LB Havering)  
Cllr Stephen Alambritis (LB Merton)  
Cllr Yvonne Johnson (LB Ealing)  
Cllr Robin Brown (LB Richmond)  
Cllr Victoria Mills (LB Southwark)

### **In Attendance:**

Martha Franco-Murillo, Senior Auditor, City of London  
Stephen Lucas, Senior Manager, KPMG

London Councils' officers were in attendance.

#### **1. Apologies for Absence**

There were no apologies for absence.

#### **2. Declarations of Interest**

There were no declarations of interest.

#### **3. Minutes of the Audit Committee meeting held on 21 June 2019**

The minutes of the Audit Committee meeting held on 21 June 2019 were agreed as being an accurate record.

#### **4. Annual Audit Report 2018/19**

The Audit Committee received a report that informed members of the annual audit report to those charged with governance (ISA260) prepared by KPMG, London Councils' external auditor, in respect of the 2018/19 financial year.

David Sanni, Chief Accountant, London Councils, introduced the annual audit report for 2018/19. He said that the draft letter of representation could be found at Appendix B (page 27) of the report and would be signed off by Frank Smith, Director of Corporate Resources.

Stephen Lucas, Senior Manager, KPMG, said that the annual audit had gone very smoothly, and he thanked the London Councils' finance team for this. He said that page 17 of the report contained details of the committees' pension assets and liabilities. He informed members that adjustments had been made to reflect the impact of the McCloud and Sargeant Court ruling in June 2019 (page 22), which related to age discrimination in the implementation of changes to the Judicial and Fire Pensions schemes. The adjusted audit differences amounted to a credit of £150,000. Stephen Lucas informed Committee that there were no problems with regards to fraud risks, and he was content that any potential risks had been addressed.

The Chair asked whether the pensions liability rating "4" on page 19 of the report, was too optimistic. Stephen Lucas said that this related to the previous year and was within the acceptable range of expectations for KPMG. Councillor Brown asked whether anything surprising had arisen

from the annual audit report. Stephen Lucas confirmed that there were no surprises and that this had been a very straightforward audit. The Chair thanked KPMG for all their work undertaken on behalf of the London Councils Audit Committee.

The Audit Committee:

- Noted the contents of the annual audit report included at Appendix A; and
- Approved the draft letter of representation included at Appendix B of the report.

## **5. Financial Accounts 2018/19**

The Audit Committee received a report that presented members with the financial accounts 2018/19.

David Sanni introduced the report, which contained the three consolidated statement of accounts, namely, London Councils' Joint Committee, Transport and Environment Committee (TEC) and the Grants Committee.

David Sanni informed members that there was an audited surplus of £2.519 million for the year, after transfers from reserves (Table 2) in the report. He said that the actuarial gains on pension assets/liabilities had been included in Table 3 of the report. The consolidated audited usable reserves as at 31 March 2019 came to £14.726 million and could be found in Table 5 of the report. Frank Smith confirmed that the outturn position had already been presented to the various London Councils' committees.

Councillor Johnson asked where London Councils kept the pension funds. David Sanni confirmed that the pensions were held by the London Pensions Fund Authority (LPFA), and this was where the monthly contributions were made. Councillor Brown asked about the provision of the European Social Fund (ESF). David Sanni said that there were two parts to this programme – one part was funded by the Grants' Committee, and the other discretionary part was funded by the boroughs. He said that some costs of the scheme were not fully covered by the ESF matched grant funding. A review of balances held for previous ESF schemes would be carried out to identify funds that could be used to offset the deficit.

The Chair asked why there had been an increase in the level of debtors and if it was due to amounts owed by the GLA. David Sanni informed members that the GLA had now settled all of its debts. He said that other debts had increased, including the European Social Fund scheme (£2 million), where grant funding had not been received. Frank Smith, Director of Corporate Resources, London Councils, said that the Grants Committee's funding to the ESF ended on 30 June 2019 but there were claims for ESF grant which were still outstanding and had not yet been paid.

Frank Smith said that one of the larger debts was for Taxicard in TEC. He explained to members that there was an underspend in Taxicard last year, and this meant that there was a reduced amount that needed to be claimed from Transport for London (TfL). However, a new arrangement for claiming their contribution was introduced in 2018/19 and as a result of this, it was taking TfL longer than usual to pay for its share of the Taxicard scheme. Frank Smith informed members that a report on outstanding debts had recently been discussed at London Councils' Executive.

The Audit Committee approved London Councils' Consolidated Statement of Accounts for 2018/19, the Transport and Environment Committee's Statement of Accounts for 2018/19 and the Grants Committee's Statement of Accounts for 2018/19.

## **6. London Councils' Corporate Risk Register**

The Audit Committee received a report that provided members with the London Councils' Corporate Risk Register.

Christiane Jenkins, Director of Corporate Governance, London Councils, introduced the report, which went to Audit Committee every year in September. She said that the following changes had been made since the report was last seen by this Committee in September 2018:

### Corporate Risk 2: Business Continuity Plan

The wording had been revised to reflect that the Business Continuity Plan had been updated and approved by London Councils' Corporate Management Board (CMB).

### Corporate Risk 4: Pan London Mobility Services

The residual rating had been increased from a "2" rating to a "4" rating to reflect performance issues with the new Taxicard contract.

### Corporate Risk 5: London Tribunals

The wording had been revised to include the new Ultra Low Emission Zone (ULEZ) penalty charge appeal work being undertaken by London Tribunals.

### Corporate Risk 9: Emerging Priorities and Pledges

The residual risk had been reduced from a "6" rating to a "4" rating to reflect the priorities and pledges had all been agreed and were now at the implementation/delivery stage.

### Corporate Risk 10: London Councils' Challenge Process

Residual risk had also been reduced from a "6" rating to a "4" rating to reflect the progress that had been made, and the roll-out of the agile working pilot to the rest of London Councils.

Councillor Robin Brown asked for more details regarding the risks to the Taxicard contract. Stephen Boon, Chief Contracts Officer, London Councils, explained that the Taxicard contract had been re-let and a new pricing structure had been implemented (a fixed rate per mile, rather than the meter amount). He said that performance had dropped off in the first few months of the new pricing system. In July 2019, the meter pricing for drivers was reinstated. Uptake had since increased (200 to 300 drivers were needed in order for the scheme to be effective).

The Audit Committee noted the London Councils' Corporate Risk Register for 2019/20, as at Appendix 2 in the report.

## **7. Internal Audit Reviews**

The Audit Committee received a report that provided members with an update of the internal audit work that had been undertaken since the last Audit Committee meeting on 21 June 2019.

David Sanni introduced the report and informed members that this was an update on the internal audit plans for 2018/19 and 2019/20. He said that Appendix B (page 67) was the final report on London Councils' Information Governance and General Data Protection Regulations (GDPR). David Sanni confirmed that a sound control environment was in place. London Councils was awaiting formal sign-off for the HR system elements for GDPR which was under the remit of the City of London.

The Chair said that there had been delays in carrying out a number of reviews in previous years. David Sanni said that a number of the reviews included in the 2019/20 plan had already commenced and that Internal Audit were on course to complete the plan in the current year. The Chair said that he welcomed these improvements. He said that the GDPR report was very thorough and reflected well on what London Councils was currently undertaking. The Chair said

that the City of London needed to be chased-up with regards to the sign-off for the HR system elements for GDPR.

The Audit Committee:

- Noted that the Business Continuity Arrangements review, deferred from 2018/19 to the 2019/20 audit plan, will be reported as part of the 2019/20 audit plane, following agreement with London Councils' officers; and
- Agreed to remind the City of London that it needed to sign-off the HR system elements for GDPR.

## **8. Business Continuity Plan (BCP)**

The Audit Committee considered a report that presented members with a revised version 4.0 of the Business Continuity Plan (BCP) document that had been produced and approved by the London Councils' Corporate Management Board (CMB) on 5 June 2019.

Frank Smith introduced the BCP report. He said that it was beneficial to review the BCP, in light of the new IT infrastructure programme and the implementation of agile working at London Councils. He informed members that a pilot had taken place on agile working on the 3<sup>rd</sup> floor at London Councils, and this would be rolled-out to the rest of the building over the next 9 months.

Councillor Johnson asked whether the information on staff members' laptops and smart phones could be wiped clean in the event of the computer or mobile phone being lost or stolen. Roy Stanley, ICT and Facilities Manager, London Councils, confirmed that any information on lost or stolen laptops and mobile phones could be deleted. The Chair said that the report on the BCP was very thorough. He asked whether there was a sufficient supply of laptops and smart phones for London Councils' staff. Roy Stanley said that were enough laptops and smart phones for all staff.

The Audit Committee noted the revised Business Continuity Plan, as at Appendix A of the report. Plan

## **9. Dates of the Audit Committee Meetings for 2020/21**

The Audit Committee received a report that notified members of the proposed Audit Committee meeting dates for 202/21.

The Audit Committee agreed the proposed dates of the Audit Committee for 2020/21.

**The meeting finished at 11:03am**

### **Action Points**

	Action	Progress
<b>Internal Audit Reviews (carried over from minutes of 20 June 2019)</b>	<i>Agreed that evidence would be provided for the management accounts and proper scrutiny on the grants work.</i>	Completed
<b>7. Internal Audit Reviews</b>	<i>Agreed to ask the City of London to sign-off the HR systems elements for GDPR</i>	

## **LONDON COUNCILS GRANTS COMMITTEE EXECUTIVE MEETING**

Minutes of the Grants Committee Executive meeting held in Room 7, London Councils, on Wednesday 12 September 2019

Members	Mayor Philip Glanville (Chair)	LB Hackney
	Cllr. Saima Ashraf (Vice Chair)	LB Barking and Dagenham
	Cllr. Paul Ellis (Vice Chair)	LB Wandsworth
	Cllr. Gareth Roberts (Vice Chair)	LB Richmond
	Cllr. Charlene McLean	LB Newham
	Cllr. Jonathan Slater	LB Lewisham
	Cllr. David Leaf	LB Bexley

### **London Councils officers**

Yolande Burgess, Strategy Director  
Frank Smith, Director of Corporate Resources  
Sam Armitt, ESF Technical Adviser  
Daniel Houghton, Liberal Democrat Political Advisor  
Jade Appleton, Conservative Political Advisor  
Mehboob Khan, Labour Political Advisor  
Ana Gradiska, Principal Governance and Projects Officer

The Chair welcomed members and officers to the meeting, and said he was pleased at the high turnout.

### **1 Apologies for Absence**

- 1.1 Apologies were received from Cllr Miranda Williams (RB Greenwich), Cllr Iain Bott (City of Westminster) and Dhruv Patel (City of London).

### **2 Deputies and Declarations of Interest**

- 2.1 There were no deputies or declarations of interest.

### **3 Minutes of the Grants Executive held on 7 February 2019**

- 3.1 Members agreed the minutes of the meeting which took place on 7 February 2019.

### **4 Minutes of Grants Committee AGM held on 10 July 2019 (for noting)**

- 4.1 Members noted the minutes of the Grants Committee AGM which took place on 10 July 2019.

### **5 Month 3 Revenue Forecast 2019/20**

- 5.1 The Director of Resources introduced this report, which outlined the actual income and expenditure against the approved income and expenditure in the budget to the end of June

2019. The report also provided a forecast of the outturn position for 2019/20 for both actual and committed expenditure. The Director of Resources added that:

- 5.1.1 at this stage, the projected surplus is £36,000 for the year, which relates to Priority 1 and 2 activities
- 5.1.2 the projected S.48 ESF programme reserves (Priority 3), which have now been audited by external auditors, is £972,000, subject to adjustment as final claims are processed
- 5.1.3 the projected £759,000 held in respect of S.48 reserves (Priorities 1 and 2) is currently c.£500,000 above the £250,000 reserves benchmark established by this committee in September 2013 - Members had expressed a wish for this benchmark to be reviewed in due course
- 5.1.4 one of the options proposed was for the Priority 1 and 2 reserves to be held as a contingency to be applied during the course of the new 2021-25 grants programme - this would be discussed further at the November grants meeting
- 5.1.5 London Councils' committee reserves are ringfenced for each of the statutory committees (e.g. Grants, TEC or the Joint Committee). In certain circumstances, reserves can be transferred between committees, subject to appropriate member approvals. In 2011, this supported in the Grants Committee work, as reserves from TEC and the Joint Committee were transferred to the Grants Committee following a judicial review on proposed reductions to the grants programme. In terms of potential future transfers required in respect of Challenge related works, it is now unlikely that there would be any call on the Grants Committee reserves for this purpose and proposed works on the Southwark Street building would likely feed through in increased central recharges.

## **6 Grants Programme 2021-25**

- 6.1 The Chair said that the draft 2021-25 programme was received positively in his political group. He drew members' attention to the recommendations in the report, which included discussing the various options concerning priority 3, "Tackling Poverty". He added that members had expressed a wish to include emerging priorities in the programme.
- 6.2 The Director of Strategy said that the steer from the Grants Committee AGM was that priorities 1 and 2 should continue to be the core priorities, as they fit in with the Leaders' pledges to Londoners and were best carried out through a pan-London vehicle. General employment projects, delivered through Priority 3, were now mainly embedded within the boroughs.
- 6.3 Members agreed that the core aim of Priority 3, Tackling Poverty, could lead to other programmes of activity, rather than general employment projects, for example projects aimed at tackling youth violence, through relieving youth poverty. Cllr Leaf suggested that there may be gaps in borough provision in terms of young offenders work which Priority 3 could potentially fill.
- 6.4 The Chair noted that, increasingly, 16 to 18-year-olds not engaged in employment, education or training (NEETS) were falling through the net, as they were usually too young for job brokerage programmes and lacked the skills for apprenticeships.
- 6.5 The Strategy Director noted the reported problem of schools illegally off-rolling pupils, and a reported increase in parents being asked to home educate their children.

- 6.6 Cllr Leaf said that the challenge of youth obesity, food poverty, and poor health outcomes all related to Priority 3, Tackling Poverty.
- 6.7 In answer to Cllr Ashraf's question about whether there could be a priority that focused solely on young people, the Strategy Director noted that all priorities had service areas which focused on particular aspects of support/services e.g. providing refuge provision under Priority 2, tackling youth homelessness under Priority 1.
- 6.8 Cllr Ellis said that outer borough members needed assurances that the work was evenly distributed in the boroughs, as in the past, most resources were concentrated on inner London. The Chair agreed and said that the London landscape had changed in the last 10 years and that many outer London boroughs were now experiencing similar problems to those in inner London, in part due to significant numbers of Londoners being relocated from inner to outer boroughs.
- 6.9 The Strategy Director was tasked with drafting some initial proposals for Priority 3, focusing on tackling youth poverty, to present to November Grants Committee.

**The meeting ended at 3.00pm**

# Leaders' Committee

## Report from the TEC Executive Sub Committee – 12 September 2019

Item no:

**Report by:** Alan Edwards      **Job title:** Governance Manager  
**Date:** 3 December 2019  
**Contact Officer:** Alan Edwards  
**Telephone:** 020 7934 9911      **Email:** Alan.e@londoncouncils.gov.uk

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**Summary:** Summary of the minutes of the London Councils' TEC Executive Sub Committee held on 12 September 2019.

**Recommendations:** For information.

**1. Attendance:** Cllr Julian Bell (LB Ealing – Chair), Cllr William Huntington-Thresher (LB Bromley), Cllr Denise Scott-McDonald (RB Greenwich), Cllr Wesley Harcourt (LB Hammersmith & Fulham), Cllr Claire Holland (LB Lambeth), Cllr Zulfiqar Ali (LB Newham), Cllr Richard Livingstone (LB Southwark), Cllr Manuel Abellan (LB Sutton), Cllr Guy Humphries (LB Wandsworth - Deputy) and Cllr Tim Mitchell (City of Wandsworth).

**2. Apologies for Absence**

Apologies for absence had been received from Cllr Claudia Webbe (LB Islington), Cllr Richard Field (LB Wandsworth), and Alastair Moss (City of London).

**3. LEDNet & Association of Directors of Public Health (ADPH) Air Quality Position**

The TEC Executive Sub Committee received a report that provided members with the combined views of the London Environment Directors' Network (LEDNet) and the Association of Directors of Public Health – London (ADPH) on how tackling air quality could most effectively be achieved.

Dagmar Zeuner, Director of Public Health, London Borough of Merton, introduced the report and made some of the following comments:

- The purpose of the position statement was to have a shared narrative when it came to tackling air pollution, to lobby, and to bring together professionals in order to reach more people
- Air pollution affected the health of children, and impaired cognitive behaviour and caused problems with regards to sedentary behaviour, like obesity and mental health
- There were a number of untapped resources and supply chains that could help with tackling air pollution – the NHS has a long-term plan and was now committed to dealing with air pollution. LEDNet and ADPH were working at a London level

Dipti Patel, Vice Chair of LEDNet, made the following comments:

- Air quality was getting worse and one of the recommendations was advocating for at least 2.5% of UK annual GDP to be spent on tackling air quality and climate change in the UK
- Children needed to be protected from air pollution
- A "Healthy Streets" approach was being implemented to help deal with air pollution



The TEC Executive Sub Committee: **(i)** agreed that adjustments would be made to the LEDNet and ADHP joint position on air quality and this would be shared the Cahir and vice chairs of TEC, and **(ii)** noted and commented on the report.

#### **4. Climate Change – Borough Actions So Far & Future Activity**

The TEC Executive Sub Committee received a report that provided members with an update on the work that London Councils had carried out to support local authorities to develop their climate change programmes, including an overview of and outcomes from the recent workshop for lead climate change officers.

Owain Mortimer, Principal Policy Officer, London Councils, introduced the report and made the following comments:

- The report provided a brief update since the discussions that took place on the climate emergency at the TEC Executive Sub Committee on 18 July 2019
- Engagement between London Councils and UK:100 had continued to take place.
- A workshop had taken place with borough officers to identify joint issues and solutions, and how best London Councils could provide support.
- This was the first step at bringing officers and other parties together.
- At the last TEC meeting, 16 boroughs had declared a climate emergency. Now 24 boroughs had declared a climate emergency.

The TEC Executive Sub Committee: **(i)** agreed to provide members with details relating to borough positions on the climate emergency, and **(ii)** agreed that a more detailed report on climate change would be presented to members at the full TEC meeting on 10 October 2019.

#### **5. The Final Report of the Task & Finish Group on Car Clubs**

The TEC Executive Sub Committee considered a report that informed members of the Task and Finish Group that was brought together by London Councils' officers to provide an in-depth analysis of the current state of Car Clubs in London, and to identify ways in which car sharing could contribute in responding to environmental, population growth and congestion challenges.

Paulius Mackela, Principal Policy and Projects Officer, London Councils, introduced the report, and made the following comments:

- This was the first milestone for the future mobility agenda
- A previous update on the Task and Finish Group on Car Clubs was presented to the TEC Executive Sub Committee on 18 July 2019
- The recommendations came from the Task and Finish Group, and not London Councils
- There were 6 categories on each recommendation. They were as follows: Understanding Car Sharing, Data and Evidence Base, Operational Arrangements, Low Emission Zones, EVs and Car Sharing, Coordinating London's Car Sharing Policy and On-going Engagement between Car Clubs and Government

The TEC Executive Sub Committee: **(i)** agreed that any decisions made regarding the funding of a part-time officer be taken to the TEC Executive on 14 November 2019, **(ii)** agreed that the car club companies be made aware of any "asks" made of them, with regards to the future funding of a part-time officer role, **(iii)** noted that external sources of funding should be looked into, as well as the role of IT in order to make things more efficient, and **(iv)** agreed the final recommendations put forward by the Task and Finish Group on Car Clubs.

#### **5. Future Mobility Agenda: Task & Finish Group on Smart Mobility and Mobility as a Service (MaaS)**

The TEC Executive Sub Committee received a paper that informed members of the significant positive impacts on the efficiency, environmental performance and safety of the transport network. TEC was well placed to play a stronger role in understanding the potential of Smart Mobility and Mobility as a Service (MaaS) platforms in the capital and it was proposed that a Task and Finish Group be set-up to look to help shape this policy agenda going forward.

Paulius Mackela introduced the “Future Mobility Agenda” report, which was the next focus of the Task and Finish Group. He said that the structure of the report would be the same as the car clubs and would comprise of up to 15 members and identify the role of the London boroughs and local government going forward. The final report from this Task and Finish Group would be presented to the TEC Executive Sub Committee on 6 February 2010.

The TEC Executive Sub Committee: **(i)** agreed to bring a more detailed report on the Task and Finish Group on Smart Mobility and MaaS to the TEC Executive Sub Committee on 14 November 2019, and **(ii)** agreed the purpose, topics, size, composition and timescales of the proposed Task and Finish Group on Smart Mobility and MaaS.

## **7. Transport & Mobility Performance Information**

The TEC Executive Sub Committee considered a report that detailed the London Councils’ Transport and Mobility Services performance information for Quarter 1 in 2019/20.

Spencer Palmer, Director of Transport and Mobility, London Councils, introduced the report which provided the performance information for Quarter 1 for 2019/20.

Spencer Palmer said that although customer satisfaction remained very high, targets were still struggling to be met in Freedom Pass section of the report, resulting in the three “red” ratings. He said that measures had been put in place to rectify this but pointed out that customer service standards were set quite high compared to other local authority services. He said that he would be reviewing these standards in the future. The two “red” ratings for the Taxicard section of the report were still mainly the result of the new contract changes, especially the move to a fixed price structure as requested by customers.

Spencer Palmer said that the “red” rating for the London Lorry Control Scheme was due to the relatively low number of appeals received, which caused the performance against these targets to fluctuate.

The TEC Executive Sub Committee noted the report.

## **8. TEC Month 3 Revenue Forecast 2019/20**

The TEC Executive Sub Committee received a report that outlined actual income and expenditure against the approved budget to the end of June 2019 for TEC and provided a forecast of the outturn position for 2019/20.

Frank Smith, Director of Corporate Resources, London Councils, introduced the report and informed members that, at this early stage, there was currently a budget surplus forecast of £299,000. He said that there were projected surpluses from the Committee’s trading activities, as well as from the London Lorry Control Scheme PCN income and income from replacement Freedom passes.

Frank Smith said that the TEC budget was in a healthy position. The TEC reserves continued to breach the agreed 15% upper benchmark, and the decrease in costs for the 2020 Freedom Pass re-issue exercise (£3 million down to £1 million) had contributed further to this position.

The TEC Executive Sub Committee: **(i)** noted that the gross expenditure budgets by £3.125 million was an underspend, and not an overspend (paragraph 3, page 2 – Variance from Budget), **(ii)** noted the projected surplus of £299,000 for the year, and the forecast net underspend of £3.505 million for overall Taxicard trips, as detailed in the report, and **(iii)** noted the projected level of Committee reserves, as detailed in paragraph 5 of the report, and the commentary on the financial position of the Committee included in paragraphs 6 to 8.

## **9. Minutes of the TEC Executive Sub Committee held on 18 July 2019**

The minutes of TEC Executive Sub Committee held on 18 July 2019 were agreed as an accurate record.

The meeting finished at 11:35am

# Leaders' Committee

## Report from the Transport & Environment Committee – 10 October 2019

Item no:

**Report by:** Alan Edwards      **Job title:** Governance Manager  
**Date:** 3 December 2019  
**Contact Officer:** Alan Edwards  
**Telephone:** 020 7934 9911      **Email:** Alan.e@londoncouncils.gov.uk

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**Summary:** Summary of the minutes of the London Councils' Transport & Environment Committee held on 10 October 2019

**Recommendations:** For information.

**1. Attendance:** Cllr Syed Ghani (LB Barking & Dagenham), Cllr Krupa Sheth (LB Brent), Cllr William Huntington-Thresher (LB Bromley), Cllr Paul Scott (LB Croydon, Deputy), Cllr Julian Bell (LB Ealing - Chair), Cllr Denise Scott-McDonald (LB Greenwich), Cllr Jon Burke (LB Hackney), Cllr Kirsten Hearn (LB Haringey), Cllr Chloe Smith (LB Harrow, Deputy), Cllr Claudia Webbe (LB Islington), Cllr Hilary Gander (LB Kingston), Cllr Jackie Meldrum (LB Lambeth, Deputy), Cllr Martin Whelton (LB Merton), Cllr James Asser (LB Newham), Cllr Martin Elengorn (LB Richmond-upon-Thames), Cllr Richard Livingstone (LB Southwark), Cllr Manuel Abellan (LB Sutton), Cllr David Edgar (LB Tower Hamlets), Cllr Clyde Loakes (LB Waltham Forest), Cllr Richard Field (LB Wandsworth), Cllr Tim Mitchell (City of Westminster), and Alex Williams (Transport for London).

**2. Apologies for Absence:** Cllr Dean Cohen (LB Barnet), Cllr Peter Craske (LB Bexley), Cllr Stuart King (LB Croydon), Cllr Varsha Parmar (LB Harrow), Cllr Claire Holland (LB Lambeth), Cllr Brenda Dacres (LB Lewisham), Cllr John Howard (LB Redbridge), Cllr Alex Ehmann (LB Richmond) and Alastair Moss (City of London).

**3. Environment & Traffic Adjudicators Annual Report**

The Committee received and noted the statutory joint Annual Report by the Environment and Traffic Adjudicators for the 2018/19 reporting year.

**4. Crossrail Update**

This item was withdrawn.

**5. London Waste & Recycling Board (LWARB) 2020 Strategy**

The Committee received a report that provided members with a summary update on the London Waste and Recycling Board activities. It was suggested that London Councils' TEC would receive these updates on a six-monthly basis to improve visibility of LWARB's activities.

Liz Green, Chair of LWARB, introduced the presentation, stating that LWARB is seeking views on its next business plan and wanted to report back to members about the flats recycling work that LWARB was undertaking before handing over to Antony Buchan, Head of Programme, Resource London, who made the following comments:

## New Business Plan

- LWARB was established in 2008 and had four local authority members on its Board, along with two independents, and Shirley Rodrigues, the Deputy Mayor for Environment and Energy.
- Significant investment in waste infrastructure had taken place over the past 10 years. Significant support was also being provided to enable London's route to a more circular economy, with a greater focus on waste reduction.
- Part of the post 2020 focus would be to help support local authorities to tackle the climate emergency and help reduce consumption-based CO<sub>2</sub> emissions and restrict global warming to 1.5C.
- There is a £7.5 million budget to help achieve the aims of LWARB. The last funding received from Central Government was in 2015, and LWARB is now securing private sector funding.

The Committee: **(i)** noted that the draft LWARB Business Plan would be presented to the Board on 31 October 2019, and **(ii)** noted that the next LWARB update would be presented to TEC on 26 March 2020.

## 6. Chair's Report

The Committee received a report that updated members on transport and environment activity since the last TEC meeting on 13 June 2019 and provided a forward look until the next TEC meeting on 5 December 2019.

The Committee: **(i)** noted that any changes to the corridor formula for borough LIP funding had been deferred until 2022. There would be no changes to LIP funding until then (subject to any external funding influences like Crossrail or a no-deal Brexit), and **(ii)** noted the report.

## 7. Electric Vehicle Coordination Function

The Committee considered a report that provided members with an overview of the proposed electric vehicle (EV) coordination function activities for review and feedback.

Katharina Winbeck, Strategic Lead, Environment, Transport and Infrastructure, London Councils, introduced the report and informed members that there had been a great deal of activity in the roll out of EV infrastructure this year and in order for this to continue, a form of co-ordination function was required. She said that the role of GULCS Senior Lead was paid for up to March 2020, and it would be very beneficial for this to continue beyond this date.

The Committee: **(i)** agreed that relevant TEC members would progress sign-off and return the proposed amendment to the LCTEC agreement for their borough by the end of 2019. This would give London Councils permission to actively participate in the delivery of the EV coordination function. (The following boroughs had not yet signed the variation to the TEC Agreement: Bexley, Brent, Bromley, Greenwich, Hammersmith & Fulham, Haringey, Havering, Hillingdon, Kensington & Chelsea, Lambeth, Newham, Southwark, Sutton, Tower Hamlets, Waltham Forest and the City of London), **(ii)** agreed to bring a report to look at resourcing the EV coordination function to the TEC Executive Sub Committee on 14 November 2019, and **(iii)** reviewed and provided feedback on the proposed activities of the electric vehicle coordination function provided in Appendix B.

## 8. Climate Change Update

The Committee received a report that outlined a programme of activities where London Councils could usefully support boroughs' individual and collective actions on climate change in the interest of value for money and efficiencies. This work area was within the functions delegated to Leaders' Committee.

Katharina Winbeck said that 25 boroughs, had now declared a climate emergency. She said that London Councils would be coordinating some work on climate change policy on behalf of the boroughs, initially focusing on getting an accurate and robust baseline. The table in paragraph 14 of the report outlines some ways in which London Councils could help support local authorities. Katharina Winbeck said that this table would need to be signed off by Leaders' Committee before the work was taken forward

The Committee: **(i)** noted that the climate change proposals would have to be signed off by Leaders' Committee, prior to going back to TEC, **(ii)** noted that if Leaders' Committee agree to the climate change proposals, the issue of how to resource these proposals will need to be addressed, potentially either by a

recharge to TEC from the Joint (Leaders) Committee, or by a transfer from TEC Uncommitted Reserves to the Joint Committee, and (iii) agreed to refer to climate change as a climate change “emergency” in future wording.

## **9. Traffic Signals Budget 2020/21**

The Committee considered a report that set out the cost to boroughs of maintaining traffic signals in London in 2020/21 based on the “actual cost” model agreed in December 2018, and recommended a new four-year transitioned approach for the apportionment of the costs to each authority based on the average of controller site locations and mid-2018 Office of National Statistics population statistics.

The Committee: (i) Agreed the total cost to boroughs for maintaining traffic signals in London for 2020/21, which was £11,019,852.37 as shown in Appendix 1, (ii) agreed that this cost was apportioned between boroughs based on controller site locations and mid-2018 Office of National Statistics population calculations, as shown in Appendix 2, (iii) agreed to a four-year transition period to help smooth the impact of resulting significant cost changes for many boroughs, as outlined in Appendix 3, and (iv) noted that any borough queries about potential errors found with the TfL data and calculations would be investigated and where necessary, retrospective adjustments would be made to the following year’s apportionment calculations.

## **10. Safe Speeds in London Review**

The Committee received a report that provided members with an update on the legal advice received from Counsel regarding the constraints on the ability of local authorities to enforce speeding limits in London.

Spencer Palmer introduced the report, which listed a number of options for Committee to consider. He informed members that further legal advice on what could or could not be carried out had been sought.

The Committee: (i) Agreed to lobby Central Government for the new primary legislation required for partial decriminalisation to allow local authorities to enforce some (but not all) speeding offences. The steering group to look into the definition of what partial decriminalisation should include, (ii) agreed to support TfL and the MPS plans for boroughs to play a more active role in where speed enforcement took place and where cameras were located, (iii) agreed to explore the development of borough-led pilots of increased speed data and intelligence gathering for sharing with the police to pursue prosecutions or to inform subsequent police deployments, (iv) agreed to pursue the borough provision of speed awareness courses in conjunction with the lobbying for partial decriminalisation, (v) agreed to support TfL and the MPS with regards to their speed awareness publicity campaigns, (vi) agreed to continue to support TfL with the implementation of their speed enforcement action plan, (vii) agreed to support TfL in delegating speed enforcement powers to Police Community Support Officers (PCSOs) and for the TEC Chair to send a letter of support to the Mayor and the Met Police Commissioner outlining this support, (viii) agreed to continue to support TfL in developing the revised methodology for safety cameras with boroughs on London roads, (ix) agreed to support the development of TfL proposals for borough funded cameras, at locations chosen by boroughs, to help implement trials in a small number of boroughs before further roll-out is considered, and (x) agreed to support the trialling of ‘moveable’ camera technologies to enhance enforcement opportunities and build flexibility into the network.

## **11. Freedom Pass Progress Report**

The Committee received a report that provided members with an update on the 2019 mid-term review of the eligibility and the 2020 renewal of Freedom passes.

Stephen Boon, Chief Contracts Officer, London Councils, introduced the report. He said that members were being asked to decide on whether or not to automatically send new passes to people that had not used their passes in the last year. Councillor Huntington-Thresher felt that a one-year period of inactivity to not automatically renew a pass was too short, especially if a passholder had been in hospital for a long period of time. He said that where renewal letters were sent to those that appear to have changed address, the letter should also state that if the person no longer used their pass, then they need not reapply.

The Committee: (i) noted the information and advice for their authorities within the report, (ii) agreed not to automatically renew passes for pass holders that had not used their Freedom pass for **two** years, and

in instances where it was necessary to write to pass holders to verify that they were still eligible, to state in this letter that the pass holder need not reapply if they no longer used their pass, and (iii) agreed to support their borough concessionary travel teams in respect of Disabled Persons' Freedom Pass renewals and agreed that London Councils would ask each individual authority to ensure borough resources were in place to undertake the 2020 review of disabled pass holders.

**12. Taxicard Update**

The Committee considered and noted a report that provided members with a progress update on the implementation of the new Taxicard contract. It highlighted savings made to date, some issues with performance and analysed the reasons, setting out the mitigating steps that were being taken to improve the situation.

**13. Minutes of the TEC Main Meeting held on 13 June 2019**

The minutes of the TEC Main meeting held on 13 June 2019 were agreed as an accurate record.

**14. Minutes of the TEC Executive Sub Committee held on 12 September 2019**

The minutes of the TEC Executive Sub Committee meeting held on 12 September 2019 were noted.

**The meeting finished at 16:53pm**

# Young People's Education and Skills Board

<b>Date</b>	17 October 2019	<b>Venue</b>	London Councils
<b>Meeting Chair</b>	Cllr Georgia Gould, Leader of Camden Council and London Councils Lead Member for Employment and Skills		
<b>Contact Officer</b>	Peter O'Brien		
<b>Telephone</b>	020 7934 9743	<b>Email</b>	<a href="mailto:peter.obrien@londoncouncils.gov.uk">peter.obrien@londoncouncils.gov.uk</a>

## Present

Cllr Georgia Gould	Leader of Camden Council and London Councils Lead Member for Employment and Skills
Gail Tolley	London Borough of Brent (Representing the Association of London Directors of Children's Services]
John Prior	Orchard Hill College (representing NATSPEC)
Kate Myhill	Greater London Authority (GLA, standing in pro tem for Deputy Mayor of London Joanne McCartney)
Dr Sam Parrett OBE	London South East Colleges Group (representing Association of Colleges [AoC] – General Further Education Colleges)
Yolande Burgess	London Councils

## Officer

Peter O'Brien	London Councils
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## Apologies

Arwel Jones	Association of School and College Leaders (ASCL)
Ben Anderson	Landsec (Employer Representative)
Dave Keogh / Brian McKeown	Department of Work and Pensions
Dr Graeme Atherton	Access HE
Mary Vine-Morris	AoC London Region
Michael Heanue	GLA/London Economic Action Partnership
Cllr Nickie Aitken	Leader, Westminster City Council (Conservative member representative)
Sarah Wilkins	GLA
Tim Shields	London Borough of Hackney (representing the Chief Executive London Committee (CELC))

## 1 Welcome, Introductions and apologies

- 1.1 The Chair welcomed Board members, especially those attending for the first time.
- 1.2 The meeting agreed to take the presentation supporting item 5 on the agenda before moving to other items on the agenda and to discuss the paper on the Skills and Employment Call for Action (item 4) after agenda item 6.

## 2 London Post-16 Trajectories Review

- 2.1 Yolande Burgess explained that the report was now expected to be launched and published at Skills London on 18 November 2019, when it will be circulated to the Board. Yolande presented highlights and recommendations from the report, which the Board agreed to take forward in conjunction with the Skills and Employment Call for Action (see below).

### **3 Declarations of interest**

- 3.1 There were no declarations of interest.

### **4 Minutes of previous meeting and actions arising**

- 4.1 The notes of the previous meeting were agreed.
- 4.2 An updated progress report on actions agreed at the Board meeting held on 6 June will be incorporated into the post-meeting note.

### **5 Policy Update**

- 5.1 Peter O'Brien spoke to the paper that had been sent with the agenda and tabled a supplement (paper 6(s)) and update on London Ambitions (both tabled papers will be incorporated into the post-meeting note).
- 5.2 Peter read out comments from Sarah Wilkins about the London Ambitions update, which Sarah had submitted in her absence. The Board was asked to provide comments on the London Ambitions paper by 29 November.
- 5.3 The Board agreed to take forward the actions identified in the Policy Update, Supplement and updated London Ambitions report in conjunction with the Call for Action (see below).
- 5.4 Peter reminded attendees that the meeting was taking place during Colleges Week and drew members' attention to the Association of Colleges' on-going campaign for a sustained increase in FE funding.

**Action: Board members to provide comments on the London Ambitions update to Peter O'Brien by 29 November.**

**Action: Yolande Burgess to ask the London Councils Communications Team to circulate the Board's Policy Updates to policy leads in boroughs**

### **6 Skills and Employment Call for Action**

- 6.1 After discussing the paper introduced by Yolande Burgess, the Board agreed the following:
- The Young People's Education and Skills Team should prepare a detailed policy framework showing how the actions recommended in the Trajectories Review, London Ambitions update and the Call for Action could be taken forward
  - The above policy framework should be prepared in conjunction with the Policy and Public Affairs Division at London Councils
  - The proposed policy framework should also recommend how the young people's education and skills agenda could be better advanced through different working arrangements between London Councils and the Skills for Londoners Board.

**Action: Young People's Education and Skills team to produce a policy framework to take forward the recommendations arising from the Trajectories Review, London Ambitions update and the Call for Action.**

**Action: Yolande Burgess to convene a meeting with Gail Tolley and John Prior, together with nominees from the GLA, to agree a specific programme of action on careers guidance.**

### **7 Performance Update**

- 7.1 Peter O'Brien informed the Board that the provisional figures on attainment at Key Stages 4 and 5 and destinations of students after these key stages had been published immediately prior to the meeting; an analysis of both would be sent with the post-meeting note.

- 8 There was no other business

**Date of the next meeting: Thursday 30 January 2020 at 10:00 in London Councils**



# Leaders' Committee

## Report from the Capital Ambition Board Item no: meeting on 17 October 2019

**Report by:** Ana Gradiska      **Job title:** Principal Governance and Projects Officer  
**Date:** 3 December 2019  
**Contact Officer:** Ana Gradiska  
**Telephone:** 020 7934 9781      **Email:** Ana.gradiska@londoncouncils.gov.uk

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**Summary:** Summary of the minutes of the London Councils' Capital Ambition Board held on 17 October 2019

**Recommendations:** For information.

**Members** Cllr Steve Curran (Chair, LB Hounslow), Cllr Kevin Davis (LB Richmond upon Thames) Cllr Victoria Mills (LB Southwark), Cllr David Simmonds CBE (LB Hillingdon); **London Councils** Frank Smith, Director of Corporate Resources, Thomas Man, Head of Capital Ambition, Anton Nisbeth, Capital Ambition Programme Manager, Ana Gradiska, Principal Governance and Projects Officer; **EY** Victoria Evans, Director, Amy Luca, Manager; autonoMe: William Britton, CEO, Laura Ladd, Director of Business and Development; everyLIFE: Duncan Campbell, Director, Nicola Swift, Business Development Manager.

### 1. Declarations of Interest

1.1 There were no declarations of interest.

### 2. Apologies for absence

2.1. Apologies were received from Cllr Stephen Alambritis (LB Merton), Andrew Blake-Herbert (Chief Executive, LB Havering), John Hooton (Chief Executive, LB Barnet), Sarah Ireland (Director, Corporate and Commercial, RB Kingston upon Thames), Paul Najsarek (Chief Executive, LB Ealing) and Jon Rowney (Executive Director, Corporate Services, LB Camden) and Guy Ware (Director of London Government Performance and Finance, London Councils).

### 3. Minutes of the meeting held on 15 May 2019

3.1 The minutes were agreed as an accurate record of the meeting held on 15 May 2019.

### 3. Presentations from London Ventures partners

4.1 Thomas Man, Head of Capital Ambition, introduced the venture partners autonoMe and everyLIFE to the Board members, who then gave presentations on their respective projects.

## **5. Capital Ambition – Director’s Report and London Ventures Progress Report**

- 5.1 The Head of Capital Ambition introduced this report which provided a summary of Capital Ambition funded activity. In summary the report included updates on the procurement of London Ventures programme support, general London Ventures programme activity since May 2019, Changes to CAB’s Terms of Reference and to London Councils’ constitutional documents.
- 5.2 Since the last Board meeting in May 2019, a number of key activities have taken place including:
- The successful completion of the programme management and delivery support for London Ventures 2019-20 procurement. The procurement was approved using the urgency procedure by CAB and the contract was awarded to EY.
  - The commercial deals for Blue Prism and Oxygen Finance were approved using the urgency procedure.
  - London Ventures introductory meetings have been arranged with a number of London boroughs that have undergone changes at senior leadership level over the last year. Meetings have already been held with LB Bexley, Bromley, Lambeth and Newham with more being planned for the next few months.
  - The GDPR addendum for the previous contract was finalised and signed by London Councils and EY.
  - A roundtable event for Xantura was held at the London Fire Brigade headquarters with a number of boroughs attending as well as the Department for Education. There were very well received presentations from LB Barking and Dagenham and Thurrock Council on how they are implementing and using the Xantura capability.
  - EY held two innovation events giving London Ventures partners an opportunity to showcase their offer to a broad and diverse range of stakeholders including local authorities.
  - Sessions were held with the Procurement Network, Pan London Transformation Network and a number of local authorities to discuss children and families targeted ventures activity as well as making introductions to specific venture partners. The LAs included: Croydon, Enfield and various WLA members.
  - LB Ealing has signed up with Fiscal Technologies.
- 5.3 The current financial position at 30 September 2019 indicated that there was a potential unallocated balance of £32,347 by the end of March 2021.
- 5.4 The three behavioural science projects funded by the Board should be reporting back to members at the December meeting.
- 5.5 As part of the deliverables for the current London Ventures contract EY were required to produce a one-year delivery plan to set out they key activities and milestones for the London Ventures programme. The delivery plan set out the five key workstreams to be delivered by August 2020:
- 5.6 Members were provided with a detailed update on the first cycle of targeted ventures work that they seed funded the development of detailed concepts. In summary both PLACE and Capital Letters were progressing positively with established entities to take the work forward. Both transition insurance and predictive analytics concepts while not having further longevity did have some notable achievements including the securing of £3.6 million of MHCLG grant funding for transition insurance.
- 5.7 Capital Ambition Board members noted the amendments to their terms of reference agreed at Leaders’ Committee AGM on 4 June 2019.
- 5.8 As part of the current London Ventures contract, EY were tasked with the development of funding models to support the future financial sustainability of the London Ventures programme. EY and London Councils officers proposed holding a workshop in November 2019 to provide members and advisers with an opportunity to have an in-depth discussion of the funding proposals and options that were being developed and how they could be delivered.

- 5.9 The Chair offered to host the workshop in LB Hounslow.
- 5.10 The Chair stated that there was a need to accelerate and expand the promotion and advocacy of the London Ventures programme across London. If the programme was going to raise its levels of success then it needed to demonstrate the successes of the venture partners through case studies and examples. CAB could then support greater promotion of the programme through an advocacy campaign.
- 6. Any other business**
- 6.1 Members congratulated Victoria Evans and Any Luca on their promotions within EY.

**Members resolved to exclude the press and public from the meeting for the exempt part of the meeting.**

**Minutes of the Meeting of the Executive**  
**Tuesday 12<sup>th</sup> November 2019 10:00 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 Nickie Aiken	
Cllr Julian Bell	
Cllr Darren Rodwell	
Cllr Clyde Loakes	Substitute
Cllr Ray Puddifoot MBE	
Catherine McGuinness	

Cllr Ravi Govindia CBE was in attendance.  
London Councils officers were in attendance.

The Chair opened the meeting by congratulating Cllr Rodwell on his award as Local Government Information Unit (LGIU) Leader of the Year, and also Cllr Aiken on her selection as a Parliamentary candidate for the Cities of London and Westminster.

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

Apologies were received from Cllr Muhammed Butt, Cllr Ruth Dombey OBE, Cllr Georgia Gould and Cllr Clare Coghill for whom Cllr Clyde Loakes was substituting.

**2. Declaration of interest**

There were no declarations of interest.

**3. Minutes of the Executive Meeting held on 10<sup>th</sup> September 2019**

The minutes of the Executive meeting held on 10<sup>th</sup> September 2019 were agreed as an accurate record of the meeting

**4. Climate Change Policy**

Cllr Bell introduced the report, informing members that:

- Climate change had increased in importance for most local authorities, and the issue had also been discussed at London Councils' Transport and Environment Committee (TEC) in terms of how boroughs could be supported in implementing their Climate Emergency Action Plans

- The programme of work being developed, estimated to cost a maximum of £289,000, could be funded from TEC's own resources. However, climate change related activities were outside that Committee's formal authority
- The report therefore required in principle approval from the Executive to take a full report to Leaders' Committee requesting that this work should be undertaken

Members made the following points:

- An effective method of regular reporting back to Executive and, on occasion, to Leaders' Committee on the development of this work, over and above receiving minutes of meetings, was required
- In addition to the baseline of emissions mentioned in the table of goals within the report, there should also be a baseline of boroughs' own performance measures in reducing their overall carbon footprint
- Consideration should be given to the focus on a range of alternative fuels, for example hydrogen, in addition to that on electric charging points
- Consideration should be given to responding to some of the wider London challenges such as the increase in road traffic occasioned by rise of online deliveries and taxi services
- There needed to be a recognition that the issue would need to be addressed differently in different boroughs and that some things that could help mitigate climate change effects – eg investment in major public transport infrastructure – was beyond the direct control of individual boroughs
- There should be a good level of ambition in the work and 'polluter pays' principles should be considered
- It would be important for the work to coalesce around two or three big things that boroughs could exercise most influence over. That may not be straightforward, but it was important to reach some common lines as well as supporting boroughs' own work in this area.

Members agreed the recommendation for a report to be taken to Leaders' Committee on 3<sup>rd</sup> December 2019 regarding the funding of the climate change work, and the Chair thanked the Executive for their input to shape future work on the subject.

#### **5a. Audited Accounts 2018/19**

The Director of Corporate Resources introduced the accounts, which followed on from the report of the Auditor's Letter to Leaders' Committee at its last meeting and now included the adjustments agreed with KPMG.

Members agreed to adopt the Accounts.

#### **5b. Month 6 Revenue Forecast 2019/20**

The Director of Corporate Resources reported a marginal increase in the overall forecast surplus, primarily as a result of TEC's income projections becoming clearer.

Members noted the revenue forecast position as at 30 September 2019.

#### **5c. Proposed Revenue Budget and Borough Subscriptions and Charges 2020/21**

The Director of Corporate Resources introduced the proposed budget for 2020/20, noting that it:

- Absorbed all the budgetary pressures anticipated in the next financial year
- Included proposed additional income arising from a smarter use of the Southwark Street building via adaptations, building improvements and the rollout of agile working
- Highlighted the strategic discussions members of the Executive had commenced about the future capacity and resourcing of the organization that would need to be reflected in budgetary planning from 2021/22 onward.

Members were informed that there were no increases in the contributions and charges to boroughs in 2020/21 and there were also recommended reductions on appeal charges within TEC, and in the call on reserves which had been reduced by £745,000. Proposed draft Grants Committee and TEC budgets would be discussed by those Committees in the days following this meeting.

Subject to agreement regarding the budgets, there would be uncommitted reserves of approximately £10 million.

Referring to paragraph 12 of the report, Cllr Puddifoot recognised that boroughs were now contributing significantly less than in the past as a result of London Councils reducing its overall costs and congratulated the team for its work in establishing the strong financial position demonstrated in the 2020/21 budget.

In response to a question from Cllr Aiken regarding a fall in the number of Parking Charge Notices issued by boroughs and the subsequent impact on borough income, it was pointed out that as part of the TEC budget setting process account was taken of emerging trends arising from volumes generated by parking systems, including the issuing of PCNs.

Members recommended the revenue budget and subscriptions for 2020/21 as set out in the report.

The meeting ended at 10.30am

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**Action points**

	<b>Item</b>	<b>Action by</b>	<b>Progress</b>
<b>4.</b>	<b>Climate Change Policy</b> <ul style="list-style-type: none"><li>• Report back on progress with climate change work to be made to Executive on a regular basis</li></ul>	<b>Strategic Lead for Transport and Environment Policy</b>	Ongoing