

**Minutes of the Meeting of the Executive  
Tuesday 20 January 2015, London Councils offices**

**Mayor Jules Pipe was in the chair**

**Present**

<b>Member</b>	<b>Position</b>
Mayor Jules Pipe	Chair
Cllr Claire Kober	Deputy chair
Mr Mark Boleat	Vice chair
Cllr Lib Peck	
Mayor Sir Steve Bullock	
Cllr Peter John	
Cllr Julian Bell	
Cllr Philippa Roe	
Cllr Ray Puddifoot MBE	
Cllr Ravi Govindia	Substituting for Cllr Teresa O'Neill

London Councils officers were in attendance.

**1. Declarations of interest**

No interests were declared.

**2. Apologise for absence**

Apologies were received from Cllr Ruth Dombey and Cllr Teresa O'Neill for whom Cllr Ravi Govindia was substituting

**3. Minutes of the Executive Meeting held on 20 November 2014,**

The minutes of the Executive meeting held on 20 November 2014 were agreed.

**4. Freedom Pass 2015 Reissue Update**

Cllr Julian Bell introduced the report saying:

- London Councils was in the process of reissuing almost a million Freedom Passes

- The passes, which had a five year life, expire on 31 March 2015
- The response rate had been encouraging so far with 65% of those written to having already responded
- Online renewal was the least costly method and when the budget for the reissue was drawn up this was estimated to be 50% of renewals but in fact 70% had used this method
- Those who do not renew will be given a short period of grace when they will be allowed to continue to travel using their pass.

The Executive agreed to note the progress on the Freedom Pass 2015 reissue since the last report to the Transport and Environment Committee in December 2014.

## **5. Crossrail 2 Update**

Cllr Claire Kober introduced the report saying:

- Crossrail 2 had been described by the Mayor of London as being one of the most important infrastructure projects for London in the near future. It was fundamental to dealing with London's projected population growth – estimated to be about 10 million people by 2030
- In 2013 the Treasury challenged London to identify ways in which at least 50% of the cost for Crossrail 2 could be found by London itself. TfL commissioned PwC to provide answers to this challenge last year.
- Their report to TfL suggested that the cost of Crossrail 2 would be £27.5 billion (up from £20.9 billion previously) and they made a number of suggestions of how Crossrail 2 could be part funded by money raised in London.
- These included many of the mechanisms that were used to fund Crossrail 1, such as Mayoral Community Infrastructure Levy (CIL), Business Rate Supplement and project generated revenue.
- London Councils officers had undertaken some preliminary research and had included a list of examples mainly from other countries that could also be explored to bridge some of the funding gap.
- It was not clear when Government would make a decision about funding Crossrail 2. TfL had received £2m in the last spending review to undertake a

more detailed business case for it, which would form part of the case to government and this was planned to be ready before the 2015 spending review.

- The Department for Transport was currently consulting on safeguarding the regional route, which was the preferred route for London local government due to its wider benefits for relatively little additional costs. This consultation was due to close on 29 January and once a safeguarding direction has been issued, would protect the surface and underground route from development
- The report gave Crossrail 2 a benefit to cost ratio of 1.8:1, rising to 2:1 if the wider benefits were considered. This had improved on re-calculation to 2.8:1

Cllr Peter John argued that other possible transport initiatives should not be forgotten, for example the £4½bn Bakerloo Line extension that would open up a whole corner of SE London and bring with it 40,000 new homes.

Cllr Ray Puddifoot MBE argued for the need for a wider vision for transport and housing for London and Cllr Philippa Roe thought it should dovetail into the LEP's Infrastructure Development Plan

Cllr Kober summed up by saying:

- She would support pursuing a piece of work looking at how transport projects could be funded in a sustainable manner befitting a World City such as London
- A report should go to Leaders' Committee later in the year taking account of further discussions with TfL, further work by London Councils on wider funding options and broader progress on the London devolution proposition.

The Executive agreed to note the report.

## **6. Managing Temporary Accommodation Cost Pressures**

Mayor Sir Steve Bullock introduced the report saying:

- Rising private rents, a shortage of supply and continuing homelessness had meant growing pressure on temporary accommodation availability in recent years

and this had meant that most boroughs were facing rising temporary accommodation expenditure

- Nightly paid accommodation was one part of the overall supply of temporary accommodation. It could be shared or self-contained accommodation, let on a nightly basis with a charge per night, and was particularly poor value for money compared to other types of accommodation
- London borough expenditure on this type of accommodation had risen by over 150% since 2010/11
- Nightly paid accommodation was often over the limit for what could be claimed back through DWP temporary accommodation subsidy and so ate into borough budgets and it was this that was driving the over-spends in many cases
- In response to concern about rising costs, work was undertaken at the request of London Housing Directors in March 2014 to explore and assess the nightly-paid temporary accommodation market in greater detail. It was concluded that significant variations in rents were being paid by boroughs to procure nightly accommodation.
- Housing Directors concluded that a pan-London response was needed to benchmark information and help ensure that individual boroughs were not unreasonably charged for nightly accommodation. The London sub-regional housing managers collated information and were sharing information with a view to helping reduce costs over the longer term.
- Work of this type had not been tried before, and it would take commitment to continue in times where local challenges arose. If some boroughs continued to pay higher costs then the project would not succeed.
- This work would not solve all of London's Homelessness problems but without any action the situation was only going to get worse

Cllr Ravi Govindia suggested that, in the long run, there needed to be a recognition that not all of London's housing need would be accommodated within the city's boundaries.

In response to a question from Cllr Puddifoot the Head of Housing and Planning clarified that benchmarking had taken place in sub-regions, and rents could be subject to review in future to ensure that they did not become unreasonable. Cllr Puddifoot also asked whether there could be individual opt-outs in extreme cases.

Cllr Roe argued that the management of housing need should be looked at on a broader basis - in her borough, Westminster, one third of those housed had less than a year's association with the borough.

Cllr Kober suggested that government should be lobbied on this and Mayor Bullock concluded by saying:

- It was not only the absence of transport links that could cause problems for low-income workers but the cost of transport; the lower paid often could not afford to move out of central London because the cost of getting to their workplace could become prohibitive
- He had sympathy for the central London boroughs where the high cost of building units impacted on viability
- It was a complex city-wide problem that could not be solved in one borough

The Executive agreed to confirm its support for this work, including providing support to boroughs which may have been facing challenges in implementation.

## **7. Nominations to Outside Bodies**

The Chief Executive introduced the report saying that it put forward nominations to outside bodies since the last meeting.

The Executive agreed to note the nominations/appointments made by the Chief Executive on behalf of London Councils.

## **8. Devolution and Public Service Reform – Update**

The Chair introduced the report saying:

That since Leaders' Committee in December the work that he and Cllr Roe had been leading on had made progress on three fronts:

- Engagement with government

- Chief Executive led borough working on detailed propositions
- Increased political oversight of these developments

On the first front, engaging government, a letter had been sent jointly with the Mayor of London to the Chancellor seeking a meeting to begin a dialogue on public service reform specifically in five areas:

- Skills
- Employment
- Complex dependency
- Housing
- Health

With Cllr Roe, he had met Rt Hon Greg Clark MP, minister for Cities, on 7 January. At that meeting:

- The joint approach to the Chancellor was discussed
- The focus on public service reform through tangible and practical steps that delivered something for government was clarified
- The minister agreed – subject to confirmation from the Chancellor - to support discussions on a London Deal that was outside the Growth Deal process.
- In that context the minister would sanction senior level meetings of officials for detailed conversations.

Separately, on 5 January, he, Cllrs Roe and Ruth Dombey had written to Chief Secretary to the Treasury, Rt Hon Danny Alexander MP, following the Autumn Statement response to the Transformation Challenge Panel Report reinforcing similar points.

On the second front, developing propositions, Cllr Roe and himself had met the Chief Executive's Devolution & Public Service Reform group in November and sought their support for the development of detailed propositions supporting the political initiative agreed with the Mayor of London.

Consequently, Mr Jeff Jacobs from the GLA and some of his other colleagues had joined that group. A sub-group led by the Chief Executive of the City of Westminster council,

had been set up to lead the development of more detailed propositions for each of the five themes agreed by Leaders' Committee.

- This work would form the basis for discussions with officials prior to the election.
- The intention was to lock in a foundation within Whitehall for more substantive discussions that could be constructed rapidly once a new government had emerged after the general election on May 7.
- It was already becoming clear that there may be a need for an additional theme to develop a proposition on public service reform for parts of the criminal justice system.

On the third front, increased political oversight, it was increasingly clear that each theme raised different types of challenges. There would be questions both about the level of ambition that was felt to be practical and also about how London would govern delivery of these different propositions.

- The process with chief executives would lead to local consideration with members.
- It was important that Portfolio-holders also met those relevant chief executives who are leading different streams of the work. So, this would involve at least Cllr Teresa O'Neill, Cllr Ray Puddifoot, Cllr Peter John, Mayor Sir Steve Bullock and Cllr Lib Peck if they were agreeable.

He concluded by arguing that, realistically, the objective was to develop propositions before the General Election that demonstrated that London – the Mayor and Borough Leaders – were serious and credible. The detailed evolution of those and real negotiation would come after a General Election alongside the Spending Review this summer.

Cllr Roe added that she had been pleasantly surprised at how positive the minister, Greg Clark had been, he had completely accepted the argument that the Mayor of London was not the answer alone and they would also need the London boroughs. However, he was also anxious to reward success and in that context was concerned that London was not meeting its housing targets

The Chair also offered a note of caution in that the minister wanted to see more of an offer on housing and saw the need for the boroughs to be more creative on planning, including greater contestability in the provision of Planning services within the Capital – even amongst boroughs.

Cllr John also expressed his concern over planning, saying that some boroughs were simply not building new homes and that developers wanted greater consistency which could be achieved, perhaps, across an area crossing borough boundaries.

Cllr Roe largely agreed but argued that the sovereignty and identity of boroughs needed to be maintained, there were huge differences within boroughs let alone from one borough to the next.

Mr Mark Boleat asserted that greater devolution to London as a whole was required in those areas but London government needed to be alive to the scale of the challenge it faced.

Cllr Lib Peck argued that clarity and consistency was the key to a planning system working properly. The viability test was not widely understood which made it difficult to explain planning decisions to residents.

The Executive agreed to:

- Note the progress made, including the work which was in hand to develop operational detail to support negotiations with Government.
- Note the preparations that may be required locally to harness devolution and sharpen the offer to Government, such as co-operation across borough groupings to collect intelligence on employers' skills needs;
- Continue broader influencing work around the wider devolution agenda in the run up to the 2015 General Election and the likely Comprehensive Spending Review.



## Action Point

	Item	Action	Progress
5.	<b>Crossrail 2 Update</b> <ul style="list-style-type: none"><li>Pursue a piece of work looking at how transport projects could be funded in a sustainable manner befitting a World City such as London</li></ul>	<b>Transport and Env'ment</b>	In progress