

# London Councils

Minutes of the London Councils Leaders' Committee held on 24 March 2015  
Mayor Jules Pipe chaired the meeting

## Present:

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

Cllr Darren Rodwell  
Cllr Richard Cornelius  
Cllr Teresa O'Neill  
Cllr M. A. Butt  
Cllr Stephen Carr  
Cllr Sarah Hayward  
Cllr Tony Newman  
Cllr Julian Bell  
Cllr Doug Taylor  
Cllr Denise Hyland  
Mayor Jules Pipe  
Cllr Stephen Cowan  
Cllr Claire Kober  
Cllr David Perry  
Cllr Roger Ramsey  
Cllr Peter Corthorne  
Cllr Stephen Curran  
Cllr Janet Burgess  
Cllr Nicholas Paget-Brown  
Cllr Kevin Davis  
Cllr Lib Peck  
Mayor Sir Steve Bullock  
Cllr Stephen Alambritis  
-  
Cllr Jas Athwal  
Cllr Lord True  
Cllr Peter John  
Cllr Simon Wales  
-  
Cllr Clyde Loakes  
Cllr Jonathan Cook  
Cllr Philippa Roe  
Mrs Catherine McGuinness  
-

## Apologies:

HILLINGDON  
ISLINGTON  
NEWHAM  
SUTTON  
TOWER HAMLETS  
WALTHAM FOREST  
WANDSWORTH  
CITY OF LONDON  
EQUALITIES  
CAPITAL AMBITION

Cllr Ray Puddifoot MBE  
Cllr Richard Watts  
Mayor Sir Robin Wales  
Cllr Ruth Dombey  
Mayor Lutfur Rahman  
Cllr Chris Robbins  
Cllr Ravi Govindia  
Mr Mark Boleat  
Cllr Marie Pye  
Mr Edward Lord JP OBE CC

Ex officio (under the provisions of Standing Order 2.5)

GRANTS

Cllr Paul McGlone

London Councils officers and Mr Charlie Parker (Chief Executive of City of Westminster, in his capacity as Chair of the London Devolution and Public Service Reform Chief Executives' Sub Group) were in attendance.

### **1. Declarations of interest**

No interests were declared.

### **2. Minutes of Leaders' Committee meeting held on the 10 February 2015**

Leaders' Committee agreed the minutes of Leaders' Committee held on the 10 February 2015.

The Chair informed the meeting that item 8 *Constitutional Matters - Amendments to the Young People's Education and Skills Board constitution* had been withdrawn.

### **3. Devolution and Public Service Reform**

The Chief Executive introduced the item saying:

- It provided an update on recent work on devolution and reform of public services in London following the agreement to a joint approach with the Mayor of London, seeking talks with Government on the scope of London devolution and public service reform
- The Congress Executive, comprising the Mayor of London and the London Councils' Executive reaffirmed the call for fiscal devolution and endorsed the joint work for negotiation with the incoming Government covering:
  - Skills
  - Employment
  - Housing

- Health
- Crime, Community Safety and Criminal Justice
- A more detailed proposition would come back after the General Election encompassing devolution to all levels: the Mayor, boroughs and groups of boroughs.

In response to a question from Cllr Simon Wales (Liberal Democrat, Sutton) about governance, the Chief Executive reported that the work being progressed did not seek to challenge the existing powers of boroughs. Groupings of boroughs, with their own governance arrangements, did exist in varying forms for different functions. These were likely to be very important to a future London devolution settlement. Work had also been commissioned by the Congress Executive on how collectively the overall framework could be subject to shared governance by the Mayor and borough Leaders. This needed to be developed further.

Cllr Phillipa Roe (Conservative, Westminster) pointed out that she thought that the current Mayor was well-disposed towards boroughs and urged that a system of governance be agreed with him.

A number of members including Cllr Lib Peck (Labour, Lambeth), Cllr Sarah Hayward (Labour, Camden) and Cllr Stephen Alambritis (Labour, Merton) expressed their support for the approach being proposed and called for additional capacity to be considered to take the work forward.

Cllr Peter John (Labour, Southwark) saw Leaders' Committee as a useful model in terms of governance but asked for consideration of the issue to be broadened out beyond it.

Mr Charlie Parker argued:

- The point about the need for resources was a good one and contributions may be needed from individual boroughs
- There would be close scrutiny by Government of any proposals developed and agreed
- Government officials would test any model from a range of perspectives from accountability through to viability.

The Chair summed up, arguing that as well as the work streams already mentioned, there was a need to progress straw models of governance, if for no other reason, to allay fears about borough powers being drawn upwards. He saw three immediate areas of concern:

- Housing – determining the extent to which this was a real devolution issue, or the extent to which it was a public policy challenge that any initiative of this type in London needed to address itself to
- The governance that would obtain between groupings of councils, including at the sub-regional level
- The shared governance that would obtain between the Mayor and borough leaders at a pan-London level in respect of the overall framework of a London devolution settlement.

Leaders' Committee agreed to:

- Note the endorsement of the joint work between the Mayor of London and London Councils - to pursue devolution and reform at the Congress Executive on 3 March 2015
- Note the joint work that had been initiated to:
  - Develop a platform to support negotiation with Government after the 2015 General Election and in the run up to the likely Comprehensive Spending Review
  - Explore the potential for streamlined governance in relation to newly devolved responsibilities.

#### **4. No Recourse to Public Funds**

The Chair introduced the report saying the number of clients with No Recourse to Public Funds (NRPF) was growing rapidly and placing increasing service and financial pressure on local authorities particularly in London.

Mayor Sir Steve Bullock (Labour, Lewisham) agreed, pointing out that in 2008 his borough had accepted four NRPF cases, a figure that had risen to 132 by 2013.

Leaders Committee agreed to endorse the decision of the Executive for London Councils officers to take forward the following series of actions:

- Maintain pressure to accelerate the discussions on funding through both political and officer engagement
- Continue work to challenge and influence current Home Office policies and practices, which gave rise to increasing pressure on local authorities
- Maintain dialogue with the Home Office and DCLG through the London representatives of the NRPF Steering Group
- Continue to work with the NRPF Network and London boroughs to develop a strong evidence base that fully articulated the level and nature of the financial impact on London local government from NRPF clients and
- Undertake a round of influencing and public affairs engagement to ensure that there was a wider understanding of the pressure on London boroughs from those with NRPF. Some escalation to member level may be required to support this.

## **5. Assessing Future Funding Options for Local Government**

The Corporate Director, Policy and Public Affairs introduced the report saying:

- The Autumn Statement 2014 had provided a broad indication of the public finances up to 2020 and it was clear that local government, and the wider public finances, faced a period of prolonged financial austerity
- Recently, there had been a number of reports and contributions on the future of the current local government finance system and the options for reform
- The report sought guidance on the views of Leaders' Committee on the future funding options set out in it.

Cllr Darren Rodwell (Labour, Barking and Dagenham) pointed to the wide disparities between boroughs and also other local authorities outside London, each having their own particular pressures and Cllr Richard Cornelius (Conservative, Barnet) agreed.

The Chair raised the issue of the balance between funding for assessed need and funding based on incentives. This raised the issue of damping and the need for real transparency about actual levels of need and how the system had damped these. If some transitional damping mechanism had been applied, then they should be explicit and not used at the expense of individual boroughs.

Cllr Corthorne (Conservative, Hillingdon) talked about the need for the system to resist costs being shunted to local government.

Cllr Roe pointed out that her authority, Westminster, received 1m visitors a day placing a substantial unfunded cost on it and Cllr Kevin Davis (Conservative, Kingston) described the steps his borough was seeking to take to change its funding regime from Government but acknowledged that the same would not necessarily work in another borough.

Cllr. Carr (Conservative, Bromley) suggested that future work by London Councils should probe the relationship that now existed between funding and statutory duties.

Cllr Cornelius said that the system needed to catch up with the churn and changing demography of London.

Leaders' Committee agreed that officers prepare a range of background papers now to ensure that any discussions required for the CSR can be fully informed following the outcomes of the General Election.

## **6. Planning for Housing Delivery**

Cllr Claire Kober (Labour, Infrastructure and Regeneration, Haringey) introduced the report saying:

- The paper put forward a strategic approach to supporting London boroughs as they sought to secure affordable housing delivery through the planning system
- The London planning policy context had changed significantly in recent years, with the introduction of the NPPF, further incremental policy reforms and the revised

London Plan, which increased borough housing targets by around a quarter (including for affordable housing)

- London Councils had made the case for the retention of borough powers over planning to help support London's growth and housing market – for example around permitted development rights and short-term lets. There was now a need for a more systematic programme of activity to make a positive case for how the planning system could support delivery in this new policy context
- This might include:
  - Agreeing to support development of a more comprehensive and effective approach to managing Section 106 agreements and development viability negotiations
  - Promoting a wider understanding of how boroughs were using their planning powers and resources to support growth in their areas
  - Supporting development of wider London Councils proposals for planning reform which would assist boroughs in enabling additional and accelerated housing delivery
- Leaders were invited to consider supporting a programme of London Councils activity around these broad themes, with a particular focus on affordable housing delivery.

Cllr Tony Newman (Labour, Croydon) commended the report but argued for firmer action on permitted development which, he argued, all parties opposed

Cllr Sarah Hayward (Labour, Camden) saw the importance of providing for retention of funds secured from Right-to-Buy sales as an important part of any strategy.

Mrs Catherine McGuinness (Independent, City) argued for a more holistic approach to housing in the work being undertaken. It should look at the lack of a broad range of housing, not just affordable. The housing issue was beginning to affect businesses.

Cllr Nicholas Paget-Brown (Conservative, Royal Borough of Kensington and Chelsea) said that the Vacant Building Credit would work against his densely-populated borough and cautioned that amenities needed to be protected as well as housing built.

Cllr Cornelius:

- Pointed to the differences between boroughs both physically and politically
- Wanted an end to the separate Housing Revenue Account (HRA), in most boroughs housing could be a successful stand-alone business
- Did not want a pan-London housing body.

Cllr Steve Cowan (Labour, Hammersmith and Fulham) described the problems caused by converting office buildings to residential, one block in his borough increased in value from £27m to £54m with none of the profit going to help local public services and most of it going abroad.

Cllr John pointed out that only 18,000 homes were built in London last year, well below the Mayor's annual target and he felt this could only be rectified with greater collaboration around this issue.

Cllr Roe accepted that there may be a need for greater collaboration but not one that dictated what type of housing was built. Sovereignty on such decisions, she was clear, must remain in the boroughs and other members including Cllrs Rodwell and Wales concurred on the sovereignty point.

Cllr Kevin Davis (Conservative, Royal Borough of Kingston) reminded members that house-building had infrastructure implications and saw Housing as a problem beyond London and Cllr Carr (Conservative, Bromley) agreed, saying that while tackling housing supply, demand should be better-managed as well and solutions should reach across the whole of the south-east.

The Chair said it had been a consensual discussion and asked Cllr Kober to sum up which she did saying:



- A range of views had been expressed which crossed party lines
- On Permitted Development, there was a need to strengthen the case on office-residential conversions and it would be helpful to draw out other examples
- She accepted Cllr Hayward's point about Right-to-Buy receipts and Ms McGuinness's on the intermediate end of the housing market which was a priority for the London Housing Board
- Rising population had an impact on amenities and wider community benefit needed to be taken into account
- A further report would be brought to Leaders' Committee in the late summer or early autumn.

Leaders' Committee agreed to:

- Support development of a more comprehensive and effective approach to managing Section 106 agreements and development viability negotiations
- Promote a wider understanding of how boroughs were using their planning powers and resources to support growth in their areas
- Support development of wider London Councils proposals for planning reform which would assist boroughs in enabling additional and accelerated housing delivery.

## **7. Business Plan 2015/16**

The Chief Executive introduced the report saying that it outlined the themes, projects and work programmes which would form the content of London Councils Business Plan for 2015/16.

It had been developed following a series of meetings between portfolio holders and the Chair. The draft business plan and work programmes were considered by the Executive on 3 March 2015.

Cllr Cornelius said that, notwithstanding his concern for the financial well-being of London Councils, its budget should reflect the diminishing budgets of boroughs. As a consequence, he would like to see consideration be given to a saving of 50% over the next four years

Leaders' Committee agreed to note the content of London Councils Business Plan for 2015/16

**Item 8** was withdrawn

## **9 Minutes and Summaries**

Leaders' Committee agreed to note the minutes and summaries:

- Draft TEC Executive Sub-Committee – 12 February 2015
- Draft CAB – 18 February 2015
- Draft Pensions CIV Sectoral Joint Committee – 23 February 2015

Leaders' Committee agreed to the removal of the press and public since the items next due for consideration were exempt from the Access to Information Regulations under paragraph 3 of Schedule 12(a) of the Local Government Act 1972 (as amended) *Information relating to the financial or business affairs of any particular person (including the authority holding that information)*. resolved to exclude the press and public.

The meeting ended at 12.40p.m.

## **Action Points**

<b>Item</b>		<b>Action</b>	<b>Progress</b>
<b>3.</b>	<b>Devolution and Public Service Reform</b> <ul style="list-style-type: none"><li>• A more detailed proposition to come back after the General Election encompassing devolution to all levels: the Mayor, boroughs and groups of boroughs with shared governance of the overall framework</li><li>• Three immediate areas of concern:</li></ul>	<b>PAPA Strategic policy</b>	Work continues with Councils, groupings of councils and the Mayor of London

	<ul style="list-style-type: none"> <li>○ Housing – determining the extent to which this was a real devolution issue, or the extent to which it was a public policy challenge that any initiative of this type in London needed to address itself to</li> <li>○ The governance that would obtain between groupings of councils, including at the sub-regional level.</li> <li>○ The shared governance that would obtain between the Mayor and borough leaders at a pan-London level in respect of the overall framework of a London devolution settlement.</li> </ul>		
4.	<p><b>No Recourse to Public Funds</b></p> <ul style="list-style-type: none"> <li>• Maintain pressure to accelerate the discussions on funding through both political and officer engagement</li> <li>• Continue work to challenge and influence current Home Office policies and practices, which gave rise to increasing pressure on local authorities</li> <li>• Maintain dialogue with the Home Office and DCLG through the London representatives of the NRPF Steering Group</li> <li>• Continue to work with the NRPF Network and London boroughs to develop a strong evidence base that fully articulated the level and nature of the financial impact on London local government from NRPF clients and</li> <li>• Undertake a round of influencing and public affairs engagement to ensure that there was a wider understanding of the pressure on London boroughs from those with NRPF. Some escalation to member level may be required to support this.</li> </ul>	<b>PAPA Finance, Performance &amp; Procurement</b>	Ongoing.
5.	<p><b>Assessing Future Funding Options for Local Government</b></p> <ul style="list-style-type: none"> <li>• Officers to prepare a range of background papers on local government finance options now to ensure that any discussions required for the CSR can be fully informed</li> </ul>	<b>PAPA Finance, Performance &amp; Procurement</b>	Analysis and modelling being developed.

	following the outcomes of the General Election.		
<b>6.</b>	<b>Planning for Housing Delivery</b> <ul style="list-style-type: none"> <li>• A further report to be brought to Leaders' Committee in the late summer or early autumn</li> <li>• Develop a more comprehensive and effective approach to managing Section 106 agreements and development viability negotiations</li> <li>• Promote a wider understanding of how boroughs were using their planning powers and resources to support growth in their areas</li> <li>• Develop wider London Councils proposals for planning reform which would assist boroughs in enabling additional and accelerated housing delivery.</li> </ul>	<b>PAPA Housing</b>	In hand