

Executive

8th September 2015: 10:00 am

London Councils is wheelchair accessible

Location: Room 1

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*** 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

**Minutes of the Meeting of the Executive
Tuesday 23 June 2015**

Mayor Jules Pipe was in the chair

Present

Member	Position
Mayor Jules Pipe	Chair
Cllr Claire Kober	Deputy Chair
Cllr Teresa O'Neill	Vice chair
Mr Mark Boleat	Vice chair
Cllr Ruth Dombey	Vice chair
Cllr Lib Peck	
Cllr Julian Bell	
Cllr Philippa Roe	
Cllr Ray Puddifoot MBE	
Mayor Sir Steve Bullock	
Cllr Peter John	

London Councils officers were in attendance as were the following borough chief executives as members of the Devolution and Public Service Reform sub-group:

Mr Andrew Travers - Barnet
Ms Lesley Seary - Islington
Mr Charlie Parker - Westminster
Mr Nick Walkley - Haringey

1. Apologies for absence and announcement of deputies

There were no apologies for absence.

2. Declarations of interest

Cllr Julian Bell declared a disclosable pecuniary interest in item 4 *Right to Buy and Council House Sales* as a tenant of a housing association and indicated he would leave the room when the item was dealt with.

3. Minutes of the Executive Meeting held on 12 May 2015

The minutes of the Executive meeting held on 12 May 2015 were agreed.

Having declared a disclosable pecuniary interest in the following item, Cllr Julian Bell left the meeting.

4. Right to buy and Council House Sales

Mayor Sir Steve Bullock introduced the report saying:

- The government's policies on the right to buy for housing association tenants financed by high-value stock sales would be the subject of much debate over the next six months
- The report highlighted:
 - the potential loss of affordable housing in the capital
 - the implications of the policies for new borough housing investment, it could potentially act as disincentive for boroughs to build
 - the potential for the policy to drain revenue from London which would otherwise be used for new housing in the capital
 - the effect of the policies could potentially be the opposite of what was widely considered to be what was required
- There was a strong political commitment from the government to deliver both policies, although it was still working through their detail – for example, it remained unclear how the government would define 'high value' in a London context, or how void properties would be defined for the purpose of forced sales
- The government had also indicated that the revenue generated by the policy would be used in part to deliver replacements in the same area on a one-for-one basis

- London Councils will explore the scope for a collective response with the Mayor of London and will assess the potential to work with others in the housing sector to ensure that the policy protects the interests of London.
- The Executive may wish to endorse
- the following four principles which had already been supported by the Mayor of London:
 - The policy should deliver an overall increase in housing
 - It should deliver an overall increase in affordable housing
 - It should not result in a diminution of the social mix of London
 - Revenue generated by council house sales should stay in London and be reinvested in housing there
- The Executive may also wish to seek agreement on a policy position regarding the location of replacement homes, having particular reference to the need to maintain the social mix across the capital

Mr Nick Walkley (Haringey Chief Executive) reported on a range of issues and the work of another group he was leading and co-ordinating for London Councils.

- There were two separate policies, RTB and asset sales, that had been joined together in the manifesto
- The officer group would work up a principles paper

Cllr Philippa Roe voiced her concern about nomination rights, given property values in her borough it was going to be difficult to achieve like-for-like replacement there. Cllr Roe reported that to prevent the loss of affordable properties when they were sold on, Westminster was imposing a covenant to keep them affordable.

Cllr Peter John thought that this was an issue that may merit a request for a meeting with the prime minister. An obvious argument for London Councils to make was that funds from London asset sales should be ring-fenced to London, but he was concerned

at the prospects of success since the policy nationwide would need to be financed by London receipts

The Chair agreed and pointed to the lack of consideration being given to the demographic effects of the policy as people on low incomes would be forced out of inner London.

Mr Mark Boleat reminded the Executive when council houses were sold, they were not lost. The same people continued to live in them in the first instance at least. He believed London's housing crisis was wider than simply the question of council/social housing and was wary of the covenant approach as this may frustrate the ambition of the discount.

Cllr Teresa O'Neill said that she did not support the idea of seeking a meeting with the Prime Minister, since the Secretary of State, Greg Clark had shown himself prepared to listen and instead a meeting with him should be sought. Evidence was needed that would show the differential impact across London. She also believed that the practice of companies offering to supply mortgages to facilitate stock sales should be drawn to the government's attention.

Cllr Claire Kober argued that London Councils should have no view on the Right-to-Buy, but should be clear about the negative aspects of proposals for funding this, including the impact on temporary accommodation and low-income families.

Cllr Ray Puddifoot MBE argued that the Secretary of State should be approached with the principles already supported by the Mayor of London and asked how he would see these working as the policy unfolded.

Mayor Bullock concluded by saying that the four principles that he had set out in his introductory comments would be the basis of London Councils public policy position.

The Executive agreed to note the report.

Cllr Julian Bell returned to the meeting.

5. Rebalancing of cultural funding

The Chair introduced the report saying:

- Following pressure to 'rebalance' cultural funding away from London (including a CMS Select Committee Inquiry last year) the Arts Council had announced a shift of 5 percentage points in the distribution of its National Lottery investment away from London over the next three years. This was equivalent to reducing the allocation that goes to London by one sixth (almost 17%)
- National Lottery funding was the only source of Arts Council investment that some boroughs - Bexley, Bromley, Ealing, Enfield, Hillingdon and Sutton - received and many boroughs were not in a position to make up the funding shortfall out of their own funds
- With reductions expected to the Arts Council's budget, there was likely to be more pressure to further rebalance National Lottery funds away from London, as well as grant-in-aid investment (currently unaffected) which supports established arts organisations (known as National Portfolio Organisations)
- London Councils – and partners such as the GLA – had been arguing that 'rebalancing' was not justified, as:
 - Some parts of London (especially outer London) already receive comparatively low levels of investment
 - Londoners are not benefitting proportionately from investment in London-based organisations as most of it goes to organisations (such as the Royal Opera House) that served national and international audiences, not local needs.
- London Councils had also been countering negative coverage of the boroughs who had been singled out for criticism in the 'rebalancing' debate for supposedly low levels of support for arts and culture; criticisms not supported by the data

Mr Mark Boleat reported on a major cultural initiative being undertaken by the City.

Cllr Ruth Dombey said that small amounts of funding could make a huge difference in enabling local communities to support a thriving cultural life.

The Executive agreed that London Councils would continue to make the case both publicly and directly to ACE against further rebalancing of arts and cultural funding away from London. This would involve working with potential partners such as the GLA, and developing a communications strategy to target central government, the arts council, the sector and the media with:

- Additional reports on the support that London boroughs provided for arts and culture and how this compared with other parts of the country
- A report and London Councils on-line policy briefing on the different ways that London boroughs supported arts and culture
- Positive stories in the press about boroughs' support for arts and culture in all its forms, including placing content in a local authority Arts Professional special in the autumn of this year
- Information on the needs of local communities in London which were not being met through ACE funding
- Direct engagement with the Arts Council through our Member representatives on the Arts Council Area Council for London and with ACE's newly appointed Chief Executive, including encouraging him to visit inner and outer London boroughs to see the impact of rebalancing
- In the longer term, working with the newly formed London All-Party Parliamentary Group (APPG) to make the case against further rebalancing of cultural funding.

6. Moving Forward on Health and Care Reform

Cllr Teresa O'Neill introduced the report saying:

- Leaders' Committee had shown its appetite for playing a leading role in health and care reform
- She had met with the chairs of Health and Wellbeing boards
- Discussions at the London Health Board in the previous week reaffirmed joint aspirations of seeking devolution to support reform in London, a commitment that would be pursued further when Cllr O'Neill, the Chair and the Mayor meet Simon Stevens, Chief Executive of NHS England on 30 July
- There was much that could already be done within existing powers and responsibilities to make progress on reforming health and care with some good

foundations to build on – like the Better Care Fund (BCF) and our work in public health reform

- The scale of the financial challenges and quality and access problems in services meant we could not afford to wait for devolution. The ambition and success in driving forward significant improvements in services and efficiency would also strengthen the case for devolution.
- This paper therefore considered three areas for progress this year:
 - strengthening Health & Wellbeing Boards
 - establishing sub-regional working and
 - increasing the scale and pace of integration
- Clearly delivering progress would be primarily driven forward locally, in the way that best suited local circumstances. However, to maximise influence regionally and nationally, there would be real power in some common aspirations and commitments to action. The paper also highlighted some things that could be done to help support local activity.

Cllr Ray Puddifoot pointed out that the plans for delivering health facilities, hospitals, GP surgeries etc, across London were not sufficiently developed. Parts of the health estate were being sold off, perhaps some should be retained.

Cllr Philippa Roe said the report did not specify precisely what was being asked for in terms of devolution and there was clearly a larger conversation to be had.

Cllr Peter John argued that control over CCG budgets would help Health and Wellbeing Boards deliver and questioned how many borough leaders chaired their Health and Wellbeing Boards.

Cllr Julian Bell reported on the work of the West London Alliance and in particular its dissatisfaction at being invited to be merely observers on the commissioning of primary care for GP services.

Cllr O'Neill summed up by saying:

- Not every leader chaired their Health and Wellbeing Board, indeed some did not even put a cabinet member on it

- There were powers around Health and Wellbeing Boards that could be used but were not.

The Executive agreed:

- To a common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform in 2015/16 and that London Councils should refresh the stocktake of London Boards at the end of the year
- That London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in the paper, and
- A common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London in 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.

7. Devolution of infrastructure funding mechanisms

Cllr Claire Kober introduced the item saying:

- The London Infrastructure Plan 2050 identified a £1.3 trillion funding gap in infrastructure needed between 2016 and 2050
- Officers have explored funding mechanisms that were used internationally and put them into a London context in Appendix A while Appendix B explored the possibility of districts outside of London that benefit from infrastructure schemes making a contribution
- All the mechanisms explored would require devolution and the report suggested that the London Finance Commission recommendations could usefully be used as a starting point for this
- The Executive was asked to discuss the mechanisms in Appendix A and whether members consider any of them suitable for funding infrastructure in London
- The Executive was also asked whether, and at what stage, infrastructure funding should become part of London Councils wider devolutions asks.

Cllr Philippa Roe expressed concerns about some of the mechanisms, albeit they were provided by way of reporting international examples as requested. She was cautious about how some of these examples could operate in a London context.

The Chair discussed the feasibility of a parking levy. The Corporate Director, Services pointed out that drives could be included in any levy on parking places and the Chair asked that the issue be further investigated.

The Executive agreed to note the report.

8. London Councils – Consolidated Pre-Audited Financial Results 2014/15

The Director of Corporate Resources introduced the report saying that with a surplus of £2.9m and reserves of £10.2m, although taking into account commitments that figure fell to £6.5m, the position was a healthy one going into the autumn budget round. In response to a question from Cllr O'Neill about the scope that the position afforded in terms of future budget strategy, the Director of Corporate Resources replied that it did provide for a range of options to be developed for the Executive later in the year.

The Executive agreed:

- To note the provisional consolidated outturn surplus of £2.859 million for 2014/15 and the provisional outturn position for each of the three funding streams
- To note the provisional level of reserves of £10.237 million, which reduced to £6.493 million once known commitments of £3.744 million were taken into account
- To note the updated financial position of London Councils as detailed in the report, and
- To receive a further report in November 2015 after the completion of the external audit by PricewaterhouseCoopers (PwC) to adopt the statutory final accounts for 2014/15. The final accounts would be signed off at the meeting of the Audit Committee on 24 September 2015, at which PwC would formally present the Annual Audit Letter for approval.

9. Nominations to Outside Bodies

The Executive agreed to note the report.

The Executive ended at 11:55 having started at 10:40

Action points

Item	Action	Progress
4 Right to buy and Council House Sales <ul style="list-style-type: none">• Circulate a list of participants in the housing officer group• The officer group to work up a principles paper• Seek a meeting with Rt Hon Greg Clark MP• Identify evidence that would show the differential impact across London Councils	PAPA Housing/ Nick Walkley	Update report on agenda
5 Rebalancing of cultural funding <p>Develop a communications strategy to target central government, the arts council, the sector and the media with:</p> <ul style="list-style-type: none">• Additional reports on the support that London boroughs provided for arts and culture and how this compared with other parts of the country• A report and London Councils on-line policy briefing on the different ways that London boroughs supported arts and culture• Positive stories in the press about boroughs support for arts and culture in all its forms, including placing content in a local authority Arts Professional special in the autumn of this year• Information on the needs of local communities in London which were not being met through ACE funding• Direct engagement with the Arts Council through our member representatives on the Arts Council Area Council for London and with ACE's newly appointed Chief Executive, including encouraging him to visit inner and outer London boroughs to see the impact of	PAPA Economy, Culture and Tourism	In progress

- rebalancing
- In the longer term, working with the newly formed London All-Party Parliamentary Group (APPG) to make the case against further rebalancing of cultural funding.

6	Moving Forward on Health and Care Reform	PAPA Health	In hand
	London Councils to develop: <ul style="list-style-type: none"> • A common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform in 2015/16 and that London Councils should refresh the stocktake of London Boards at the end of the year • That London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in the paper and • A common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London in 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models. 		
7	Devolution of infrastructure funding mechanisms	PAPA Transport and Environment	Report going to November Executive
	<ul style="list-style-type: none"> • Investigate the feasibility of placing a levy on all non-domestic, business, parking spaces 		

Executive Committee

Spending Review 2015 submission

Item no: 5

Report by: Paul Honeyben **Job title:** Acting Strategic Lead: Finance, Performance & Procurement

Date: 8th September 2015

Contact Officer: Paul Honeyben

Telephone: 020 7934 9748 **Email:** paul.honeyben@londoncouncils.gov.uk

Summary

Leaders agreed the structure of London Councils' submission to Spending Review 2015 at the July Leaders' Committee. This followed a discussion of future options for local government finance at June Leaders' Committee.

This submission is primarily in respect of the finance and resource issues for London in advance of the Spending Review. It is a separate document from the London proposition on Devolution and Public Service Reform.

The submission puts forward the case for London local government at the forthcoming Spending Review, which will set departmental spending limits for the next four years. It contains a number of specific asks of government relating to funding.

The draft submission is being considered by the Group Leaders in their roles as the relevant portfolio holder and shadow portfolio holder in order that a submission can be made in accordance with the HM Treasury deadline of 4th September. The agreed document will be sent to the Executive in advance of the meeting on 8th September.

Recommendations

- Executive Committee is asked to:
- a) note the content of the draft submission; and
 - b) comment on the asks it contains throughout and offer guidance on future work.
-

Spending Review 2015 submission

Background

1. The Spending Review (SR15) will set the parameters of the public finances and related changes to public service delivery for the period 2016-17 to 2019-20.
2. In June, Leaders commented on a paper which examined the future options for local government finance and, following the Summer Budget, Leaders' Committee agreed the structure of London Councils' submission to Spending Review 2015 at the July Leaders' Committee. This paper was also sent to London Treasurers for comment.

Spending Review submission

3. The draft spending review submission (attached at Annex A) puts forward the case for London local government at the forthcoming Spending Review, focusing on where Government spending priorities should lie for the next four years.
4. It contains a number of specific asks of government relating to funding which are separate from the proposals for devolution and public service reform set out in the *London Proposition*.
5. It outlines the pressures caused by population growth in London and new burdens relating to new government policies, and asks for reform of the finance system to give councils a stable platform to maintain public services, raise productivity and drive economic growth during a period of continued spending reductions.
6. Chapter 1 looks at London's unique circumstances with regard to:
 - its contribution to the wider UK economy;
 - the scale of the financial challenge facing London local government; and
 - the disproportionate growth in demand for public services in London.
7. Chapter 2 outlines how these particular pressures manifest themselves in specific services in London, and what the Government must do to ease this pressure.
8. Chapter 3 sets out the three overarching solutions needed to maintain and improve public service delivery across London:

- devolving power and responsibilities to drive public service reform;
 - reforming the local government financial system; and
 - exploring long term fiscal devolution for London Government.
9. The draft submission will be sent to the portfolio and shadow portfolio holders for finance for comment and agreement by the submission deadline of 4 September. The detailed submission will be sent to Executive members in advance of the meeting on 8 September.

Recommendations

10. The Executive is asked to:
- a) note the content of the draft submission; and
 - b) comment on the asks it contains throughout and offer guidance on future work.

Financial Implications for London Councils

There are no financial implications for London Councils.

Legal Implications for London Councils

There are no legal implications for London Councils.

Equalities Implications for London Councils

There are no equalities implications for London Councils.

Executive

Legislation affecting Housing in London: proposed influencing activity

Item no: 6

Report by: Lizzie Clifford **Job title:** Head of Housing and Planning

Date: 8 September 2015

Contact Officer: Lizzie Clifford

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Summary

This paper updates London Councils Executive on work on the Government's housing policies, particularly:

- Housing association Right to Buy (RtB)
- Forced sale of high value council properties
- 1% social rents cut
- Welfare changes affecting housing

Recommendations

This paper recommends that the Executive:

- supports London Councils' proposals for engagement with officials and parliamentarians in relation to the Housing Bill to propose alternative options that will ensure the interests of London are protected in the implementation of the extended Right to Buy and forced high value council stock sales in the capital.
 - supports London Councils engaging with parliamentarians through the passage of the Welfare Reform and Work Bill to seek to amend the 1% cuts to social rents to reduce the negative impact on London's housing.
 - supports London Councils engaging with parliamentarians through the passage of the Welfare Reform and Work Bill to mitigate the impact of the lower benefit cap on homelessness and temporary accommodation in London
 - notes the potential cumulative impacts of these policies and others discussed in this report and supports London Councils pursuing a range of options for mitigations with government, examples of which are set out below.
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Legislation affecting Housing in London: proposed influencing activity

1. This paper updates London Councils Executive on work on the Government's housing policies, particularly:
 - Housing association Right to Buy
 - Forced sale of high value council properties
 - 1% social rents cut
 - Welfare changes affecting housing
2. At the previous meeting on 23 June 2015, London Councils Executive discussed the implications of the new policy to extend the right to buy to housing association tenants and require councils to sell their high value properties to fund it. The Executive agreed to explore alternative options that could mitigate any adverse impacts on London.
3. The Executive agreed that the policies must deliver:
 - An increase in housing delivery
 - A net increase in affordable housing
 - Protection for London's social mix
 - No outflow of funds from London.

These policies are expected to form part of the Housing Bill to be introduced in the Autumn.

4. More recently, the Summer Budget in July announced further housing changes, in particular including a 1% cut per year to social rents over four years. This introduces further challenges for stock-holding boroughs' and housing associations' investment capacity, and is likely to have significant impacts on London's housing supply pipeline and investment in existing stock.
5. The Budget also included a number of measures designed to reduce expenditure on working-age benefits. Some of these – namely freezing Local Housing Allowance rates, lowering the level of the benefit cap to £23,000 and restricting eligibility to housing benefit for 18-21 year olds – could increase homelessness pressures and the use of temporary accommodation.
6. This report does not cover measures in the Budget to make savings from tax credits.

RtB and high value council stock sales: challenges for London

7. Technical modelling has taken place to explore the extent of stock that may be required to be sold, the likely impacts on London, and the viability of replacing sold stock.
8. The current policy poses considerable risks and challenges for London. Early estimates suggest that between 2,100-4,500 council homes may be required to be sold per year, however this is subject to further detail on the policy from government. To date, estimates suggest a significant outflow of funding to the rest of the country to pay for the policy nationally.
9. We understand that Government is expecting sales to cover the costs of the Right to Buy extension discounts. The higher the number of local authority homes sold, the easier it will be to raise the money needed for Government as well as retain enough to pay for viable replacements. A smaller number of homes sold – although this may reduce the impacts on boroughs' temporary accommodation – would be likely to see a larger proportion of each receipt going towards the Right to Buy, leaving less for replacements.
10. There remains very little detail publically about how the Government intends to implement the stock sales policy, but officers have been in regular discussions with officials. Boroughs may need to be prepared for options that differ from that published in the manifesto briefings before the election. Required sales may be concentrated in the highest value boroughs or spread more evenly across London, which would be likely to necessitate a higher number of sales overall to generate the same funds. Given the contribution needed to pay for housing association Right to Buy, councils may be in a position where they would need to sell more homes if they want to retain sufficient receipts to compensate the HRA and pay for viable replacements after contributing the expected amount for the Right to Buy extension.

Recent activity

11. London Councils Homes for London board members have written to Greg Clark, Secretary of State for Communities and Local Government to set out our position in relation to the asset sales and Right to Buy proposals and raise our concerns about the policy. We requested a meeting to discuss this further, including how it interacts

with the rent cut announcement. The letter was clear about our desire to work with DCLG and Treasury and find a solution that could work better for London.

12. Officers are working closely through a project group that has been convened jointly with GLA, to undertake technical work to assess the impacts of the policy and potential mitigations.
13. London Councils officers have been collating information from boroughs on the anticipated impacts on HRA business plans, borough development capacity, wider housing supply, local temporary accommodation budgets, the housing benefit bill, and London's tenure mix. We have shared this information as appropriate with DCLG and Treasury officials in order to demonstrate the scale of the challenges this policy introduces for London.

Managing replacements

14. It is clear that if forced asset sales go ahead, London boroughs will face considerable challenges in supporting a replacement programme at sufficient scale.
15. Housing associations have completed around 6,000 homes per year in London over the last three years, and councils have completed 850 homes in total over those three years. These numbers demonstrate the extent of the challenge for associations and councils to scale up delivery in a very short space of time in order to deliver a replacements programme potentially of thousands of additional new units per year. In this context there is a risk that replacements will happen at the expense of completions that would otherwise have come forward as additional affordable housing supply.
16. When combined with welfare reforms, reductions of social housing rent, and continued cuts to local authority budgets, the context for delivery is very challenging. It is likely to be difficult to find the sites to replace sold homes, and find partner organisations with the capacity to deliver those homes in a short timescale.
17. Ideally all homes would be replaced within the borough in which they were sold. This would be necessary to ensure retention of London's social mix and avoid creating new complexities of out-of-borough nominations. However, for this to happen there would need to be a close correlation between the location of high value council

homes sold on the one hand, and capacity (physical and financial) to deliver new homes on the other hand. This is unlikely to be possible in many cases, particularly if the design of the policy means that most homes are sold in inner London, where there is likely to be a shortage of available or affordable land.

18. If higher value central London boroughs are required to contribute more sales, then out-of-borough delivery is likely to be necessary if London is to achieve sufficient replacements. This may result in boroughs with lower value land being asked to provide capacity for a significant proportion of replacement homes. The policy may also necessitate a review of homelessness and allocations rules if an increasing proportion of central London boroughs' nominations were to be to outer London.
19. If the sales required are distributed more evenly across London boroughs, which may help support more local replacement, it is likely that a higher overall level of sales would be needed in order to raise the funds the Government requires to pay for the Right to Buy extension.
20. Currently there is a significant time-lag between the sale of council homes through RtB and their replacement. The new policy may exacerbate this trend given the anticipated challenges of replacement, with associated impacts on Temporary Accommodation and housing benefit costs.
21. In addition a significant proportion of the costs of replacing sold homes may need to come from borrowing, given that full receipts won't be retained. This is likely to be difficult for several boroughs because of HRA borrowing caps. This implies that a significant proportion of replacements may need to be undertaken by off-balance sheet delivery vehicles or through partnerships with other housing providers.

Alternative proposals

22. It is clear that this is a complex policy agenda and that any alternative proposals are likely still to contain some challenging implications for London local government.
23. There may be an opportunity to present an alternative deal for London to advance the principles agreed by the Executive in June and as set out earlier in this report, where receipts are ring-fenced so that funds remain in the capital. In this scenario, it can be envisaged that Government would require a substantial commitment from

London to use the receipts to increase the supply of housing, for example by delivering more than 1 for 1 replacements.

24. This would be likely to require a very considerable uplift in delivery, and may require some compromises in order to make this achievable. For example, it would be easier to deliver more than 1 for 1 if more replacement homes were built in lower value areas, and it would also be likely to require flexibilities on the rent level or tenure of some replacements. Alongside this, London government would be likely to require a series of other flexibilities that would support boroughs and GLA to work together to deliver a sufficient programme of replacements at an ambitious scale. A partnership approach would be likely to be needed in order to manage these decisions equitably across London and, were it to be considered, London would be likely to want maximum freedom to manage these decisions ourselves within London government – involving the Mayor and boroughs jointly.

Other flexibilities and mitigations

25. London Councils has been exploring a range of other flexibilities that could help make a replacements programme more viable to deliver. These could include:

- Making loan finance available to boroughs who wish to start the development pipeline before sales have taken place, reducing the impacts on temporary accommodation – to be paid back on achieving sales receipt
- Suitable exemptions such as properties in schemes with long-term potential for significant regeneration, new build properties, sheltered and supported housing
- More support for facilitating land assembly and ensuring faster access to public land owned by central Government departments
- Better resourced planning departments supported by more local freedoms on planning fees
- Suitable levels of funding for homelessness prevention, TA and DHP to ensure TA remains viable given likely increases in demand
- Legislate to remove complexities on homelessness placements and discharge of duty, for example those created by the recent Westminster judgment

Other Budget measures

26. In the summer Budget July 2015, the Chancellor also announced a series of additional reforms that have a bearing on housing in London. These include a 1%

annual cut in social rents for 4 years from 2016, replacing the previous CPI+1% rent increase guidance; the four-year freeze in LHA rates; the lowering of the benefit cap from £26,000 to £23,000 in London; and the restriction of eligibility for housing benefit for 18-21 year olds.

Reduction in social rents

27. The Chancellor announced that from 2016/17, social rents would be cut by 1% on the previous year's rent level. The measure was introduced in the Welfare Reform and Work Bill which has already had its second reading in parliament.
28. This policy introduces a new scale of challenge for boroughs in terms of managing their Housing Revenue Account, reducing the revenue they were expecting over the life of the business plan. This introduces a considerable change to the original self-financing settlement which was predicated on higher-than-inflation rent rises over 30 years, and means boroughs will have to rework their investment plans.
29. This reduction in income is likely to make it more difficult for councils to invest in stock improvement, potentially leaving tenants with poorer housing conditions. It will also lead to stock-owning councils having to review their development plans, reducing their ability to invest in new housing at a time when London's housing shortage urgently needs addressing. It is likely to make it harder for both associations and boroughs to finance the replacement of stock that is sold through other policies.
30. London Councils has estimated that the cut could mean that over the 4 years London could see a cumulative loss of around £800m in cash terms to HRA business plans, and an estimated £13bn over the lifetime of the business plan if rents return to CPI + 1% after 4 years. These numbers are based on broad assumptions and officers are currently carrying out further analysis to test the detail. There may be exemptions introduced during the Bill that alter these calculations. It is important to note that we do not yet know what the rent settlement would be after 4 years - it may be that if rents do not return to CPI + 1% then boroughs would be set to lose more.
31. There will be scope to pursue amendments during the passage of the Bill after recess which would mitigate the impact, for example securing exemptions for particular types of properties, or introducing the cut in guidance rather than legislation, which could allow councils to retain more local discretion.

LHA freeze

32. The Budget also included a pledge to freeze a number of working age benefits for four years. This would include the Local Housing Allowance (LHA) rates which determine how much housing benefit can be paid to a household in the private rented sector.
33. LHA rates were reformed in 2011 to link rates to the 30th percentile rent in an area, rather than the 50th percentile rent. This means that theoretically the cheapest 30% of properties in an area should be affordable to a housing benefit recipient rather than half. However, the introduction of caps on different LHA rates, and the limiting of annual increases to 1% in recent years mean that they have not kept pace with rent levels. There is a strong possibility that freezing these rates for the rest of the Parliament will exacerbate this problem to the extent that many parts of London will become essentially unaffordable to private renting households in receipt of housing benefit – the majority of whom are in work.
34. Ministers have confirmed that some of the savings from this policy will be recycled back into housing benefit through the continuation of the 'Targeted Affordability Fund' which has previously allowed some of those LHA rates that had fallen furthest behind rents to increase by more than 1%. London has received a significant share of this fund – which London Councils lobbied for - over the past two years.
35. London Councils is analysing the effect of a freeze on LHA rates with a view to engaging with civil servants and ministers to explore amendments to the policy, and potentially the operation of the Targeted Affordability Fund – that will ease the issue of the unaffordability of London's private rented sector.

Lower benefit cap

36. The Summer Budget also confirmed the Government's intention to lower the benefit cap that applies to the total level of benefit income that certain out-of-work households can receive. From Autumn 2016, that level will be reduced from £26,000 to £23,000 for households in Greater London or £20,000 for those in the rest of the country (and to lower levels for single people without children).

37. London's high rent levels mean that the benefit cap has so far had a particularly pronounced effect in the capital. London currently accounts for almost half of all capped households, but London households have also experienced significantly higher benefit reductions than those in other regions of the country.
38. The proposed differential level of the cap is likely to go some way towards evening out this effect – for example, the Government's impact assessment anticipates London's share of the overall number of capped households to be a little under a quarter once the new levels are introduced. However, lowering the cap from £26,000 to £23,000 will still have a significant effect on London. It is likely that the number of capped households will increase from a current level of around 10,000 to something closer to 29,000.
39. An evaluation of the existing benefit cap has already found that it was having an impact on the homelessness and housing options services of the London boroughs that it examined, whilst also making it harder to source sustainable tenancies for households in temporary accommodation. Indeed, when a household in temporary accommodation is made subject to the benefit cap, this can bring a direct financial burden to the local authority to pay the difference in order to sustain the accommodation. These effects would be amplified by a lower cap level.
40. It is also possible that the number of households in social rented tenancies that fall within the scope of the lower cap level could also begin to increase. If a household in a council tenancy were to be capped and begin to build up rent arrears, the local authority would face a choice of either evicting them – in which case they would become homeless and the borough may have a legal duty to rehouse them – or allowing them to remain in their tenancy whilst arrears build up. Growing arrears would clearly have a further impact on the borough's HRA account therefore investment plans.
41. London Councils is working with a number of officers to better understand the effects of lowering the benefit cap on boroughs. Officers are investigating potential amendments to the policy which would mitigate its effect on homelessness and temporary accommodation use in London whilst also encouraging out-of-work households to find work. Broadly the options for amendments include:
- Proposing the cap level remains unchanged in London
 - Proposing that households in temporary accommodation be exempt from the cap

- Proposing that single parents of young children be exempt from the cap
- Making the case for London Government to be given an enhanced role in commissioning employment support in the capital – particularly for those furthest from the labour market

Eligibility for housing benefit for 18-21 year olds

42. The other Budget measure with the potential to affect housing in London is the proposal to remove housing benefit eligibility from most childless 18-21 year olds who are out of work.
43. Whilst this policy holds the potential to increase homelessness amongst young adults, the Government has pledged that exemptions will be in place for “certain vulnerable groups” so it is currently not possible to predict which groups might be at risk of homelessness. It should be noted that Budget costings stated that the policy is projected to save the relatively small amount of £25m a year by 2017-18, compared to pre-election projections of around £100m.
44. London Councils officers are engaging with civil servants over the exemptions and will revisit this policy once the regulations defining them have been tabled.

Next steps

45. The social rent cut and lower benefit cap policies are introduced in the Welfare Reform and Work Bill which began in the House of Commons and has already had its second reading in parliament. The committee stage of the Bill is scheduled to begin on 10th September which will offer an opportunity to table amendments and engage with Parliamentarians.

Financial Implications for London Councils

There are no financial implications for London Councils.

Legal Implications for London Councils

There are no legal implications for London Councils.

Equalities Implications for London Councils

There are no equalities implications for London Councils.

Executive

Month 3 Revenue Forecast 2015/16

Item no: 7

Report by: Frank Smith

Job title: Director of Corporate Resources

Date: 8 September 2015

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Summary

This report summarises actual income expenditure recorded in the accounts as at 30 June 2015 (Month 3), provides a projected outturn figure for the year and highlights any significant forecast variances against the approved budget. A separate forecast is provided for each of London Councils three funding streams. The executive is also provided with an update on London Councils reserves. The summary forecast outturn position is as follows:

	M3 Actual	Budget	Forecast	Variance
	£000	£000	£000	£000
Total expenditure	95,918	396,253	393,074	(3,179)
Total income	(99,838)	(394,663)	(392,645)	2,018
Use of reserves	-	(1,590)	(2,100)	(510)
Net deficit/(surplus)	(3,920)	-	(1,671)	(1,671)
Net expenditure by Committee				
Grants	(408)	-	(735)	(735)
Transport and Environment	(127)	-	(548)	(548)
Joint	(3,385)	-	(388)	(388)
Net deficit/(surplus)	(3,920)	-	(1,671)	(1,671)

Recommendations

The Executive is asked to note the overall forecast surplus as at 30 June 2015 (Month 3) of £1.671 million and note the position on reserves as detailed in paragraphs 13-15.

Month 3 Revenue Forecast 2015/16

Introduction

1. London Councils revenue expenditure budget for 2015/16, as approved by the Leaders' Committee in December 2014 was £395.086 million. The budget for the Joint Committee was then adjusted to reflect the revised position for the work of the London Health Board (LHB) and the transfer of the HR Metrics service into London Councils, plus £787,000 additional payments in respect of the taxicard contract, making a revised expenditure budget for 2015/16 of £396.253 million.
2. The corresponding revenue income budget approved by the Leaders' Committee in December 2014 was £395.086 million, excluding income from the BPA, which included an approved transfer of £1.389 million from reserves; £825,000 of which related to the return of funds to boroughs from Joint Committee reserves. Additional income from reserves to fund the work of the LHB and contributions to fund the HR Metrics service was then included, together with additional Taxicard funding from the boroughs/TfL of £787,000. Total revised income, therefore, is budgeted to be £396.253 million, of which £1.59 million was transfer from reserves to produce a balanced budget for the year.
3. This report analyses actual income and expenditure after three month of the current financial year and highlights any significant variances emerging against the approved budget. Briefly, after excluding the £1.593 million projected underspend on taxicard, the projected surplus of £1.671 million is broken down as follows:
 - A projected net underspend of £250,000 in respect of officer employee costs;
 - A projected net deficit of £67,000 in respect of TEC traded services;
 - A projected net underspend of £30,000 relating to commissions in respect of the S.48 grants scheme;
 - A net projected underspend of £705,000 relating to slippage in the start of the new 2016+ joint borough/ESF funded programme until January 2016, so this funding will be applied once the programme commences;
 - A forecast underspend of £170,000 and £40,000 in respect of the commissioning budget and improvement and efficiency projects respectively;
 - A forecast underspend of £200,000 in respect of journeys undertaken by independent bus operators as part of the Freedom Pass scheme; and
 - Projected additional income arising from Lorry Control enforcement and replacement Freedom Passes of £281,000 and £136,000 respectively.

4. Table 1 below details the overall forecast position, with Tables 2-4 showing the position for the three separate funding streams.

Table 1 – Summary Income and Expenditure Forecast 2014/15, as at 30 June 2015.

	M3 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	1,216	5,327	5,077	(250)
Running Costs	374	2,505	2,505	-
Central Recharges	-	422	422	-
Total Operating Expenditure	1,590	8,254	8,004	(250)
Direct Services	2,330	10,124	9,770	(354)
Payments in respect of Freedom Pass and Taxicard	89,304	366,110	364,520	(1,590)
Commissioned grants services	1,305	7,505	7,475	(30)
London Funders Group	-	60	60	-
ESF commissions	443	2,380	1,635	(745)
One-off borough payment	825	825	825	-
Improvement and Efficiency work	-	305	265	(40)
YPES Regional/Provider Activities	21	50	50	-
Commissioning and Research	100	640	470	(170)
Total Expenditure	95,918	396,253	393,074	(3,179)
Income				
Contributions in respect of Freedom Pass and Taxicard	(89,892)	(366,381)	(364,888)	1,493
Borough contribution towards grant payments	(2,126)	(8,505)	(8,520)	(15)
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Income for direct services	(1,909)	(10,395)	(10,241)	154
Core Member Subscriptions	(5,517)	(5,888)	(5,888)	-
Borough contribution towards LCP payments	(112)	(222)	(222)	-
Government Grants	-	(1,381)	(998)	383
Interest on Investments	(32)	(75)	(83)	(8)
Other Income	(70)	(341)	(330)	11
Central Recharges	-	(1,295)	(1,295)	-
Transfer from Reserves	-	(1,590)	(2,100)	(510)
Total Income	(99,838)	(396,253)	(394,745)	1,508
Net Expenditure	(3,920)	-	(1,671)	(1,671)
Applied to Funding Streams				
Grants Committee	(408)	-	(735)	(735)
Transport and Environment Committee	(127)	-	(548)	(548)
Joint Committee Functions	(3,385)	-	(388)	(388)
Net Expenditure	(3,920)	-	(1,671)	(1,671)

Revenue Forecast Position as at 30 June 2015 – Grants Committee

5. Table 2 below summarises the forecast outturn position for the Grants Committee:

Table 2 – Summary Forecast – Grants Committee

	M3 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	97	378	371	(7)
Running Costs	-	46	46	-
Central Recharges	-	131	131	-
Total Operating Expenditure	97	555	548	(7)
Commissioned grants services	1,305	7,505	7,475	(30)
London Funders Group	-	60	60	-
ESF commissions – 2013-15	443	500	1,165	665
ESF commissions – 2016+	-	1,880	470	(1,410)
Total Expenditure	1,845	10,500	9,718	(782)
Income				
Borough contributions towards commissioned services	(2,126)	(8,505)	(8,520)	(15)
Borough contributions towards the administration of commissions	(124)	(495)	(495)	-
ESF Grant – 2013-15	-	(250)	(618)	(368)
ESF Grant – 2016+	-	(1,000)	(249)	751
Interest on Investments	(3)	-	(3)	(3)
Other Income	-	-	-	-
Transfer from Reserves	-	(250)	(568)	(318)
Total Income	(2,253)	(10,500)	(10,453)	47
Net Expenditure	(408)	-	(735)	(735)

6. The projected surplus of £735,000, is broadly split between the following:

- A projected underspend of £30,097 in respect of S.48 borough funded commissioned services relating to 2015/16;
- A projected breakeven position relating to the residual payments in respect of the 2013-15 borough/DWP ESF programme, where projected total payments to providers of £1.165 million are funded by ESF grant of £582,000, a transfer from accumulated ESF reserves of £568,000 and borough contributions received in advance in 2014/15 of £15,000;
- A projected net underspend of £705,000 due to slippage in anticipated payments made in respect of the new 2016+ programme, based on the assumption that the new application for approved ESF funding from the GLA/LEP is successful and that the new programme becomes operational in January 2016 and that the funding will be applied at this point; and
- A projected breakeven position in respect of the overall administration of all commissions.

Revenue Forecast Position as at 30 June 2015 – Transport and Environment Committee

7. Table 3 below summarises the forecast outturn position for the Transport and Environment Committee:

Table 3 – Summary Forecast – Transport and Environment Committee

	M3 Actual	Budget	Forecast	Variance
Expenditure	£000	£000	£000	£000
Employee Costs	160	624	559	(65)
Running Costs	20	68	68	-
Central Recharges	-	50	50	-
Total Operating Expenditure	180	742	677	(65)
Direct Services	2,286	9,976	9,622	(354)
Research	8	40	40	-
Payments in respect of Freedom Pass and Taxicard	89,304	366,110	364,520	(1,590)
Total Expenditure	91,778	376,868	374,859	(2,009)
Income				
Contributions in respect of Freedom Pass and Taxicard	(89,892)	(366,381)	(364,888)	1,493
Income for direct services	(1,902)	(10,313)	(10,159)	154
Core Member Subscriptions	(97)	(97)	(97)	-
Government Grants	-	-	-	-
Interest on Investments	(5)	-	(5)	(5)
Other Income	(9)	(77)	(66)	11
Transfer from Reserves	-	-	(192)	(192)
Total Income	(91,905)	(376,868)	(375,407)	1,461
Net Expenditure	(127)	-	(548)	(548)

8. The projected surplus of £548,000 is made up of the following:

- A projected overall deficit of £67,000 in respect of TEC parking traded services, after considering the level of borough/TfL/GLA usage volumes during the first quarter. This is attributable to a number of areas.
 - Firstly, there is a projected net deficit of £76,000 in respect of parking and traffic appeals. The number of notice of appeals and statutory declarations received over the first three months amounts to 11,986, giving a projected number for the year of 47,944, 21,490 less than the budgeted figure of 69,434. The current throughput of appeals is 2.87 appeals per hour, compared to a budget figure of 3.03, but meaningful comparisons are difficult during this early stage of the year as the adjudicators fees paid in April and May relate to hours worked hearing appeals during February and March, which relates to the previous financial year. In addition, services were interrupted at the end of June to cover both the move of the appeals hearing centre from Angel Square to Chancery Exchange and the change of parking managed services provider from Capita to Northgate. A more robust comparison should be

available at the half-year stage, when a fuller picture of the emerging number of appeals for the year can be captured.

- Secondly, the transaction volumes for other parking systems used by boroughs and TfL over the first quarter are broadly as per budget, resulting in a projected net surplus of £9,000. On the expenditure side, this takes into account the differing unit cost pricing structures under the expired Capita contract and the new pricing structure offered by Northgate. On the income side, unit cost recharges to boroughs were set by the Committee in December 2014 for the whole year with the change in contractor taken into consideration in calculating the charges. As for appeals, there has been some disruption to the services provided during the changeover of the contractor and this might lead to a slight variation in the above forecast over the second quarter.
- A projected underspend of £22,000 in respect of employee costs. The cost of staff providing direct services (included within the direct services administration charge) is estimated to overspend by £28,000, although this is offset by an underspend on staffing costs attributable to non-operational and policy staff of £50,000. In addition, the maternity cover budget is estimated to be underspent by £15,000.
- A projected underspend of £200,000 in respect of the £2.2 million budget for payments to independent bus operators, based on initial trends emerging in the early stages of the financial year.
- Residual expenditure on the 2015 Freedom Pass issue is estimated to be £192,000, which will be fully funded from Committee reserves. Total spend on the reissue exercise is estimated to be £2.612 million, £529,000 less than the budget sum of £3.141 million earmarked by the Committee in July 2014.
- Based on income collected during the first quarter and the continuing trend into July, receipts from Lorry Control PCN income are forecast to exceed the budget of £550,000 by £281,000.
- Based on income collected during the first quarter and the continuing trend into July, income receipts from replacement Freedom Passes are forecast to exceed the budget of £500,000 by £136,000.

- Investment income on Committee reserves is estimated to generate £5,000 in the current year, against a zero budgetary provision.

Revenue Forecast Position as at 30 June 2015 – Joint Committee Core Functions

9. Table 4 below summarises the forecast outturn position for the Joint Committee core functions:

Table 4 – Summary Forecast – Joint Committee core functions

	M3 Actual	Budget	Forecast	Variance
Expenditure				
Employee Costs	959	4,325	4,147	(178)
Running Costs	354	2,391	2,391	-
Central Recharges	-	241	241	-
Total Operating Expenditure	1,313	6,957	6,779	(178)
Direct Services	44	148	148	-
Commissioning and Research	92	600	430	(170)
Improvement and Efficiency work	-	305	265	(40)
YPES Regional/Provider Activities	21	50	50	-
One-off borough payment	825	825	825	-
Total Expenditure	2,295	8,885	8,497	(388)
Income				
Income for direct services	(7)	(82)	(82)	-
Core Member Subscriptions	(5,296)	(5,296)	(5,296)	-
Borough contribution towards YPES payments	(180)	(180)	(180)	-
Borough contribution towards LCP payments	(61)	(222)	(222)	-
Government Grants	-	(131)	(131)	-
Interest on Investments	(24)	(75)	(75)	-
Other Income	(61)	(264)	(264)	-
Central Recharges	-	(1,295)	(1,295)	-
Transfer from Reserves	-	(1,340)	(1,340)	-
Total Income	(5,680)	(8,885)	(8,885)	-
Net Expenditure	(3,385)	-	(388)	(388)

10. A surplus of £388,000 is projected against the approved budget in respect of the joint committee core functions. Employee costs are projected to underspend by £178,000, primarily due to holding off recruiting to certain current vacant posts.
11. In addition, there is a forecast underspend of £170,000 and £40,000 in respect of the commissioning budget and improvement and efficiency projects respectively.

Externally Funded Projects

12. The externally funded projects are estimated to have matched income and expenditure of just over £4.5 million for 2015/16, although this will increase if the bids for new funding from the ESF 2016+ programme are successful. This is based on a review of the indicative budget plans held at London Councils by the designated project officers, which confirms that there is no projected net cost to London Councils for running these projects during 2015/16.
- However, a fuller picture of transactions relating to these activities will be included in the Month 6 forecast report to be present to the November Executive meeting.

Reserves

13. The forecast reserves position for each of the three funding streams for the current year and is illustrated in Table 6 below:

Table 6 – Forecast reserves after all current commitments

	Transport and Environment Committee (£000)	Joint Committee (£000)	Grants Committee (£000)	Total (£000)
Unaudited General Reserve at 31 March 2015	2,291	6,622	455	9,368
Unaudited Specific/ESF reserve at 31 March 2015	-	-	869	869
Provisional reserves at 31 March 2015	2,291	6,622	1,324	10,237
Committed in setting 2015/16 budget	-	(564)	(250)	(814)
One-off payment to boroughs 2015/16	-	(825)	-	(825)
Balances c/f into 2015/16	(64)	-	-	(64)
Potential ESF grants commitments in 2015/16	-	-	(318)	(318)
Provisional commitments for 2016/17 and 2017/18	-	(1,018)	-	(1,018)
Provision for 2015 Freedom Pass issue	(192)	-	-	(192)
Provision for new appeals hearing centre	-	-	-	-
Projected surplus/(deficit) 2015/16	548	388	735	1,671
Uncommitted reserves	2,583	4,603	1,491	8,677

14. The current level of commitments from reserves, as detailed in Table 6, come to £3.231 million over the short-medium term and are detailed in Table 7 below:

Table 7 – Commitments from Reserves

	2015/16	2016/17	2017/18	Total
	£000	£000	£000	£000
Approved transfer from JC general reserves	164	164	-	328
Approved transfer from TEC general reserves	-	-	-	-
TEC system developments	64	-	-	64
Accumulated YPES regional funds	150	150	604	904
Slippage of ESG grants funding	568	-	-	568
2015 Freedom Pass Issue	192	-	-	192
One-off repayment to boroughs in 2015/16	825	-	-	825
New appeals hearing centre	-	-	-	-
Support to the health transition process	250	100	-	350
Totals	2,213	414	604	3,231

15. Included within the projected surplus figure of £1.491 million for the Grants Committee is a sum of £1.006 million relates to borough contributions towards the funding of ESF commissions, £705,000 of which is projected to arise in 2015/16 due to the anticipated slippage in the start of the new 2016+ ESF programme. If the bid for new ESF funding is unsuccessful, there is the option of returning all residual ESF related funds held in reserves back to boroughs.

Conclusions

16. This report highlights the projected outturn position for the current year, based on transactions undertaken up until 30 June 2015 (month 3), together with known future developments. At this point, a forecast underspend of £1.671 million is projected for 2015/16, across the three funding streams. Uncommitted reserves are currently projected to be just under £8.7 million by the end of the current financial year.
17. The next forecast will be presented to the Executive in November, which will highlight the projected position at the half-way stage of the 2015/16 financial year.

Recommendations

18. The Executive is asked to note the overall forecast surplus as at 30 June 2015 (Month 3) of £1.671 million and note the position on reserves as detailed in paragraphs 13-15.

Financial Implications for London Councils

No additional implications other than detailed in the body of the report.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

None

Background Papers

London Councils Revenue Forecast File 2015/16

Executive

Debtors Update Report

Item no: 8

Report by: David Sanni **Job title:** Head of Financial Accounting

Date: 8 September 2015

Contact Officer: David Sanni

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Summary

This report details the level of outstanding debt owed to London Councils from all sources as at 31 July 2015. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 December 2014.

A summary of the level of London Councils outstanding debts as at 31 July 2015 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 July 2015

Period	Borough / TfL / GLA Debts £000	Other Debts £000	Total Debts £000
Debts invoiced up to 31/12/2014	-	70	70
Debts invoiced between 1/1/2015 to 31/7/2015	3,182	428	3,610
Total	3,182	498	3,680

Recommendations

The Executive is asked:

- To note the level of outstanding debt of £347.38 in relation to borough, TfL and GLA invoices raised up until 31 December 2014, a reduction on the outstanding figure of £1.481 million reported to the Executive at it's meeting on 3 March 2015;
- To note the level of outstanding debt of £3.182 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2015;

- To note the level of outstanding debt of £497,977.23 in relation to other debtors invoices raised up until 31 July 2015; and
 - To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 9 of this report.
-

Debtors Update Report

Introduction

1. London Councils' Executive received a report at its meeting on 3 March 2015 which detailed the level of outstanding debt due from member boroughs, TfL and the GLA for invoices raised up to 31 December 2015. The position reported to this meeting is illustrated in Table 2 below:

Table 2 – Outstanding Borough/TfL and GLA debt invoiced up until 31 December 2014, as reported to the Executive on 3 March 2015

Debtor	Debt Amount (£)
Member boroughs	1,479,862.72
TfL	1,498.97
GLA	-
Total	1,481,361.69

Current Position

2. The current position in respect of outstanding debt due from member boroughs, TfL and the GLA up to 31 December 2014 is detailed in Table 3 below:

Table 3 – Outstanding Borough/TfL and GLA debt invoiced up until 31 December 2014, as at 31 July 2015

Debtor	Debt Amount (£)
Member boroughs	347.38
TfL	-
GLA	-
Total	347.38

3. The outstanding balance consists of one invoice which has now been paid.

Borough/TfL/GLA Debt 1 January to 31 July 2015

4. Appendix A to this report shows the level of outstanding debt owed to London Councils by its member boroughs and TfL/GLA over the period 1 January to 31 July 2015, which totals £3.182 million. This debt is profiled as illustrated in Table 4 below:

Table 4 – Outstanding Borough/TfL and GLA debt 1 January to 31 July 2015

Debtor	0-30 days (£000)	30-60 Days (£000)	60-90 Days (£000)	Over 90 Days (£000)	Total (£000)
Member boroughs	2,538	78	80	484	3,180
TfL	-	-	2	-	2
GLA	-	-	-	-	-
Total	2,538	78	82	484	3,182

5. Under the terms of the Financial Services SLA with the City of London, reminders in respect of unpaid invoices are sent out to debtors by the City on behalf of London Councils after 21 and 35 days. If a debt is still outstanding after 42 days, it is handed back over to London Councils for further action to be taken. Finance officers are, therefore, actively pursuing the debt of £566,000 that has been outstanding for over 60 days. The aim is to ensure that the majority of the unpaid debt at any point in time has been outstanding for less than 30 days, with a minimal amount being outstanding for between 30 and 60 days. Boroughs, TfL and GLA are urged to ensure that any disputed amounts are promptly reported back to London Councils, detailing the full nature of the dispute. In cases where the value and/or number of outstanding invoices owed by a borough are unacceptably high, the debts are referred to the Chief Executive and Borough Treasurer through contact from London Councils Chief Executive and /or Director of Corporate Resources to assist in the recovery of the funds.

Significant Borough/TfL/GLA Debtors

6. The significant individual borough, TfL and GLA debtors within the outstanding balances over 60 days are detailed below, updated reflect further payments received in the period to 25 August:

- **LB of Brent – £20,732.39 - 7 invoices (Now £18,507.33 – 3 invoices)**

The balance is made up of seven invoices that relate to the concessionary fares administration charges for 2015/16 (£8,674.00), contribution to the discretionary ESF match funded programme (£8,333.33), charges for TEC parking services for abandoned/untaxed vehicles (£1,525.06), annual parking core subscription 2015/16 (£1,500.00) and the annual contribution to the Andy Ludlow Homelessness Awards (£700.00). Three invoices that relate to TEC parking services for abandoned and untaxed vehicles amounting to £1,526.06, plus the invoice of £700 for the Andy Ludlow Award have been paid. The borough's Chief Finance Officer has been advised of a number of the remaining debts and finance officers are currently liaising with colleagues in the borough to ensure the debts are settled as soon as possible.

- **RB of Greenwich - £81,255.00 – 4 invoices (Now £79,931.00 – 2 invoices)**

The balance is made up of four invoices that relate to the subscription to London Councils Grants Committee for the first quarter of 2015/16 (£70,572.00), the registration of PCN debts at the county court for April 2015 (£9,359.00), the annual contribution to the Andy Ludlow Homelessness Awards (£700.00) and a regional GLPC job evaluation course (£624.00). The latter two invoices have now been paid and borough officers have confirmed that the Grants Committee subscription will also be paid in August 2015. Finance officers will continue to liaise with colleagues in the borough to ensure the remaining debts are settled as soon as possible.

- **LB of Hounslow - £30,000.00 – 1 invoice**

The balance is made up of one invoice that relates to the London LGPS Common Investment Vehicle (CIV) implementation fund. The payment of this contribution is subject to approval by a borough committee that will sit in September 2015. The invoice will be paid once the committee approves the contribution.

- **RB of Kensington & Chelsea - £65,384.50 – 2 invoices (Now £8,674 – 1 invoice)**

The balance consists of two invoices that relate to the Taxicard subscription for the first quarter of 2015/16 (£56,710.50) and the concessionary fares administration charges for 2015/16 (£8,674.00). The borough's Town Clerk has been informed of the outstanding invoices, and the first outstanding amount has now been paid. Finance officers shall continue to liaise with colleagues in the borough to ensure the remaining debt is settled as soon as possible.

- **RB of Kingston - £41,937.05 – 1 invoice**

The balance consists of one invoice that relates to a contribution to the discretionary European Social Fund (ESF) match funded grant programme. Finance officers are currently liaising with colleagues in the borough to ensure the debt is settled as soon as possible.

- **LB of Lambeth - £153,129.80 – 9 invoices (Now £41,890.80 – 7 invoices)**

The balance consists of ten invoices that relate to the annual subscription to London Councils Joint Committee for 2015/16 (£109,739.00), the annual subscription to London Councils Ltd (£39,280.80), job evaluation courses (£1,560), annual parking

core subscription 2015/16 (£1,500.00), annual contribution to the Andy Ludlow Homelessness Awards (£700.00) and the registration of PCN debts at the county court for April 2015 (£350.00). The annual subscription to London Councils Joint Committee and the annual parking core subscription have been paid leaving a balance of £41,890.80. The borough's Strategic Director, Enabling has been informed of the remaining debts and finance officers shall continue to liaise with colleagues in the borough to ensure they are settled as soon as possible.

- **LB of Newham - £91,776.37 – 3 invoices (Now £85,976.37 – 2 invoices)**

The balance is made up of three invoices that relate to the subscription to London Councils Grants Committee for the first quarter of 2015/16 (£85,060.00), the annual subscription to London Care Services for 2015/16 (£5,800.00) and TEC parking services for abandoned/untaxed vehicles for the fourth quarter of 2014/15 (£916.37). The annual subscription to London care Services has now been paid. The borough's Executive Director of Resources and Commercial Development has been informed of the outstanding invoices and finance officers shall continue to liaise with colleagues in the borough to ensure they are settled as soon as possible.

7. The total value of the debts detailed in paragraph 6 above is £306,916.55 and consists of 17 invoices. A further sum of £238,086.86 covering 14 invoices has been paid in the period 1-25 August. If these amounts are excluded from all the debts that are over 60 days old which total £566,584.63, a sum of £21,581.22 remains outstanding in respect of 18 invoices, an average of £1,198.96 per invoice outstanding. In addition to the reminders sent out by the City of London, the borough officers have also been contacted by letters and telephone but some of the debts still remain unpaid. Finance officers will continue to chase up these debts with the relevant borough officers with a view to clearing as much as possible in the period up until 30 September 2015.

Other Debtors

8. Appendix B to this report shows the level of outstanding debt owed to London Councils by third parties other than member boroughs, TfL and the GLA at 31 December 2014. An aged analysis of these debts is summarised in table 5 below:

Table 5 – Non-borough/TfL/GLA outstanding debt as at 31 December 2014

	Total Debt (£)	No. of invoices

2012/13 debts	57,010.25	1
2013/14 debts	704.39	1
2014/15 debts	221,064.89	16
2014/15 debts between 60 – 90 days old	286.20	1
2014/15 debts between 30 – 60 days old	170,077.80	7
2014/15 debts 30 days or less	48,833.70	14
Total	497,977.23	40

9. The significant individual debtors within the outstanding balances over 60 days are:

- **British Parking Association (BPA) - £202,077.60 – 5 invoices**

This balance is made up of invoices that relate to the operation of the Parking on Private Land Appeals (POPLA) service. London Councils is actively seeking to resolve this issue with the BPA as the end of the contract period on 30 September approaches.

- **Repayment of ESF Community Grants - £18,123.29 – 6 invoices**

Table 6 below contains a list of organisations awarded community grants under the discretionary ESF co-financing programme that have been asked to repay their unused grant funding. London Councils' officers are liaising with the organisations to establish if there are any underlying reasons why these debts have not been paid. Where appropriate, the cases will be referred to the City of London Solicitor's Department for advice on the course of legal action to be taken to recover the debts.

Table 6 – List of Community Grant debtors

Name of organisation	Outstanding repayment at 31 December 2014
CDI London	1,485.75
Community Business Enfield	6,249.82
Creative Innovation	704.39
Kimbanguist Association of London	6,009.50
London Bangla Press Club	2,860.29
Mosaada Centre for Single Women	1,517.93
Total	18,123.29

- **Uganda Community Relief Association (UCRA) - £57,010.25 – 1 invoice**

The balance is made up of one invoice that relates to the repayment of funds awarded under the ESF Co-financing programme. The repayment invoice was issued as London Councils' officers acquired evidence to suggest that there had been double funding of UCRA's project by London Councils and the UK Border Agency.

UCRA disputed the invoice and the case was referred to the City of London Solicitor's Department to take legal action to recover the outstanding debt. UCRA made a counter claim for £ 43,745 in respect of unpaid grant funding relating to an eligible contractual period of the project. Representatives of both parties attended a mediation meeting in February 2015 and further negotiations are still taking place.

10. The City of London's role in raising London Councils' debtor invoices is detailed in paragraph 5 of this report. For those debts that have reached the 42 day cut-off point, letters are prepared seeking immediate payment, otherwise London Councils will consider taking further action. The Finance Section undertakes prompt follow up action as soon as the debt is referred back by the Corporation.

Summary

11. This report details the level of outstanding debt owed to London Councils from all sources as at 31 July 2015. This report also details the reduction in the level of outstanding debt due from boroughs, TfL and the GLA in the period to 31 December 2014.

12. A summary of the level of London Councils outstanding debts as at 31 July 2015 is shown in Table 1 below:

Table 1- Summary of London Councils Outstanding Debts at 31 December 2014

Period	Borough / TfL / GLA Debts	Non-borough / TfL / GLA Debts	Total Debts
	£000	£000	£000
Debts invoiced up to 31/12/2014	-	70	70
Debts invoiced between 1/1/2015 to 31/7/2015	3,182	428	3,610
Total	3,182	498	3,680

Recommendations

13. The Executive is asked:

- To note the level of outstanding debt of £347.38 in relation to borough, TfL and GLA invoices raised up until 31 December 2014, a reduction on the outstanding figure of £1.481 million reported to the Executive at their meeting on 3 March 2015;

- To note the level of outstanding debt of £3.182 million in respect of borough, TfL and GLA invoices raised in the period 1 January to 31 July 2015;
 - To note the level of outstanding debt of £497,977.23 in relation to other debtors invoices raised up until 31 July 2015; and
 - To note the specific action being taken in respect of significant debtors, as detailed in paragraph 6 and 9 of this report.
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Financial Implications for London Councils

The financial implications are incorporated into the body of the report.

Legal Implications for London Councils

None.

Equalities Implications for London Councils

None.

Appendices

Appendix A: Outstanding Borough/TfL/GLA debts invoiced from 1 January to 31 July 2015

Appendix B Outstanding Other debts at 31 July 2015

Background Papers

London Councils Debtors working papers 2015/16

Report to Executive on 3 March 2015

Appendix A - Outstanding Borough/TfL/GLA debts invoiced from 1 January to 31 July 2015

Number	Customer Name	Type	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
4142731	LB of Barking & Dagenham	1	83338	15/04/2015	10.40	10.40	107				10.40
4147949	LB of Barking & Dagenham	1	83338	01/07/2015	51,966.00	51,966.00	30	51,966.00			
4149161	LB of Barking & Dagenham	1	83338	15/07/2015	20,331.57	20,331.57	16	20,331.57			
4149383	LB of Barking & Dagenham	1	83338	17/07/2015	267.24	267.24	14	267.24			
LB of Barking & Dagenham Total					72,575.21	72,575.21		72,564.81	0.00	0.00	10.40
4146221	London Borough of Barnet	2	65237	03/06/2015	5,800.00	5,800.00	58		5,800.00		
4149162	London Borough of Barnet	2	65237	15/07/2015	36,593.05	36,593.05	16	36,593.05			
4150122	London Borough of Barnet	2	65237	29/07/2015	1,092.20	1,092.20	2	1,092.20			
London Borough of Barnet Total					43,485.25	43,485.25		37,685.25	5,800.00	0.00	0.00
4136521	London Borough of Bexley	3	82583	12/01/2015	180.00	180.00	200				180.00
4147951	London Borough of Bexley	3	82583	01/07/2015	63,274.00	63,274.00	30	63,274.00			
4149163	London Borough of Bexley	3	82583	15/07/2015	12,734.57	12,734.57	16	12,734.57			
London Borough of Bexley Total					76,188.57	76,188.57		76,008.57	0.00	0.00	180.00
4136816	London Borough of Brent	4	80673	15/01/2015	1,143.42	1,143.42	197				1,143.42
4138771	London Borough of Brent	4	80673	13/02/2015	267.24	267.24	168				267.24
4142733	London Borough of Brent	4	80673	15/04/2015	114.40	114.40	107				114.40
4143423	London Borough of Brent	4	80673	27/04/2015	8,674.00	8,674.00	95				8,674.00
4144019	London Borough of Brent	4	80673	05/05/2015	8,333.33	8,333.33	87			8,333.33	
4145436	London Borough of Brent	4	80673	22/05/2015	700.00	700.00	70			700.00	
4145587	London Borough of Brent	4	80673	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4147952	London Borough of Brent	4	80673	01/07/2015	84,820.00	84,820.00	30	84,820.00			
4148081	London Borough of Brent	4	80673	03/07/2015	11,041.50	11,041.50	28	11,041.50			
4148554	London Borough of Brent	4	80673	08/07/2015	8,333.33	8,333.33	23	8,333.33			
4148576	London Borough of Brent	4	80673	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149164	London Borough of Brent	4	80673	15/07/2015	33,106.17	33,106.17	16	33,106.17			
4149632	London Borough of Brent	4	80673	22/07/2015	5,800.00	5,800.00	9	5,800.00			
4150128	London Borough of Brent	4	80673	29/07/2015	8.60	8.60	2	8.60			
London Borough of Brent Total					166,091.99	166,091.99		145,359.60	0.00	10,533.33	10,199.06
4149184	London Borough of Bromley	5	78518	15/07/2015	5,800.00	5,800.00	16	5,800.00			
London Borough of Bromley Total					5,800.00	5,800.00		5,800.00	0.00	0.00	0.00
4142737	London Borough of Camden	6	73305	15/04/2015	728.00	728.00	107				728.00
4145439	London Borough of Camden	6	73305	22/05/2015	700.00	700.00	70			700.00	
4145600	London Borough of Camden	6	73305	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4146198	London Borough of Camden	6	73305	03/06/2015	14,714.00	14,714.00	58		14,714.00		
4148084	London Borough of Camden	6	73305	03/07/2015	57,795.25	57,795.25	28	57,795.25			
4149155	London Borough of Camden	6	73305	15/07/2015	2,250.00	2,250.00	16	2,250.00			
4149166	London Borough of Camden	6	73305	15/07/2015	267.24	267.24	16	267.24			
4149167	London Borough of Camden	6	73305	15/07/2015	58,255.37	58,255.37	16	58,255.37			
London Borough of Camden Total					136,209.86	136,209.86		118,567.86	14,714.00	2,200.00	728.00
4146201	Croydon Council	7	71501	03/06/2015	12,579.00	12,579.00	58		12,579.00		
4147955	Croydon Council	7	71501	01/07/2015	99,656.00	99,656.00	30	99,656.00			
4148063	Croydon Council	7	71501	03/07/2015	12,943.00	12,943.00	28	12,943.00			
4148586	Croydon Council	7	71501	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149169	Croydon Council	7	71501	15/07/2015	27,991.78	27,991.78	16	27,991.78			
Croydon Council Total					155,419.78	155,419.78		142,840.78	12,579.00	0.00	0.00
4149172	London Borough of Ealing	8	88277	15/07/2015	32,021.86	32,021.86	16	32,021.86			
London Borough of Ealing Total					32,021.86	32,021.86		32,021.86	0.00	0.00	0.00
4142739	London Borough of Enfield	9	95679	15/04/2015	2,914.43	2,914.43	107				2,914.43
4149174	London Borough of Enfield	9	95679	15/07/2015	19,310.72	19,310.72	16	19,310.72			
4149436	London Borough of Enfield	9	95679	20/07/2015	1,599.80	1,599.80	11	1,599.80			
4149783	London Borough of Enfield	9	95679	24/07/2015	7,777.78	7,777.78	7	7,777.78			

Number	Customer Name	Type	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
London Borough of Enfield Total					31,602.73	31,602.73		28,688.30	0.00	0.00	2,914.43
4140028	Royal Borough of Greenwich	10	124082	09/03/2015	624.00	624.00	144				624.00
4142268	Royal Borough of Greenwich	10	124082	13/04/2015	70,572.00	70,572.00	109				70,572.00
4144275	Royal Borough of Greenwich	10	124082	08/05/2015	9,359.00	9,359.00	84			9,359.00	
4145445	Royal Borough of Greenwich	10	124082	22/05/2015	700.00	700.00	70			700.00	
4147045	Royal Borough of Greenwich	10	124082	16/06/2015	5,800.00	5,800.00	45		5,800.00		
4147958	Royal Borough of Greenwich	10	124082	01/07/2015	70,572.00	70,572.00	30	70,572.00			
4148067	Royal Borough of Greenwich	10	124082	03/07/2015	3,409.00	3,409.00	28	3,409.00			
4148087	Royal Borough of Greenwich	10	124082	03/07/2015	33,421.50	33,421.50	28	33,421.50			
4149176	Royal Borough of Greenwich	10	124082	15/07/2015	6,966.11	6,966.11	16	6,966.11			
4149444	Royal Borough of Greenwich	10	124082	20/07/2015	52.20	52.20	11	52.20			
4149799	Royal Borough of Greenwich	10	124082	27/07/2015	624.00	624.00	4	624.00			
Royal Borough of Greenwich Total					202,099.81	202,099.81		115,044.81	5,800.00	10,059.00	71,196.00
4147959	London Borough of Hackney	11	37291	01/07/2015	68,807.00	68,807.00	30	68,807.00			
4148552	London Borough of Hackney	11	37291	08/07/2015	312.00	312.00	23	312.00			
4148574	London Borough of Hackney	11	37291	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149197	London Borough of Hackney	11	37291	15/07/2015	37,016.09	37,016.09	16	37,016.09			
London Borough of Hackney Total					108,385.09	108,385.09		108,385.09	0.00	0.00	0.00
4145774	L. B. Hammersmith and Fulham	12	101404	28/05/2015	700.00	700.00	64			700.00	
4148089	L. B. Hammersmith and Fulham	12	101404	03/07/2015	49,513.50	49,513.50	28	49,513.50			
4149198	L. B. Hammersmith and Fulham	12	101404	15/07/2015	56,102.76	56,102.76	16	56,102.76			
L. B. Hammersmith and Fulham Total					106,316.26	106,316.26		105,616.26	0.00	700.00	0.00
4140092	London Borough of Haringey	13	79442	09/03/2015	54.00	54.00	144				54.00
4145448	London Borough of Haringey	13	79442	22/05/2015	700.00	700.00	70			700.00	
4145615	London Borough of Haringey	13	79442	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4146213	London Borough of Haringey	13	79442	03/06/2015	8,897.00	8,897.00	58		8,897.00		
4147961	London Borough of Haringey	13	79442	01/07/2015	70,411.00	70,411.00	30	70,411.00			
4147998	London Borough of Haringey	13	79442	01/07/2015	312.00	312.00	30	312.00			
4148069	London Borough of Haringey	13	79442	03/07/2015	22,799.00	22,799.00	28	22,799.00			
4148090	London Borough of Haringey	13	79442	03/07/2015	7,190.50	7,190.50	28	7,190.50			
4148573	London Borough of Haringey	13	79442	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149199	London Borough of Haringey	13	79442	15/07/2015	50,093.66	50,093.66	16	50,093.66			
London Borough of Haringey Total					164,207.16	164,207.16		153,056.16	8,897.00	2,200.00	54.00
4147962	London Borough of Harrow	14	79451	01/07/2015	65,065.00	65,065.00	30	65,065.00			
4148070	London Borough of Harrow	14	79451	03/07/2015	13,986.00	13,986.00	28	13,986.00			
4148565	London Borough of Harrow	14	79451	08/07/2015	624.00	624.00	23	624.00			
4149360	London Borough of Harrow	14	79451	17/07/2015	21,618.12	21,618.12	14	21,618.12			
London Borough of Harrow Total					101,293.12	101,293.12		101,293.12	0.00	0.00	0.00
4149175	London Borough of Havering	15	67402	15/07/2015	267.24	267.24	16	267.24			
4149202	London Borough of Havering	15	67402	15/07/2015	8,810.69	8,810.69	16	8,810.69			
London Borough of Havering Total					9,077.93	9,077.93		9,077.93	0.00	0.00	0.00
4143451	London Borough of Hillingdon	16	71486	27/04/2015	20,351.50	20,351.50	95				20,351.50
4148093	London Borough of Hillingdon	16	71486	03/07/2015	9,349.50	9,349.50	28	9,349.50			
London Borough of Hillingdon Total					29,701.00	29,701.00		9,349.50	0.00	0.00	20,351.50
4137262	London Borough of Hounslow	17	67448	22/01/2015	30,000.00	30,000.00	190				30,000.00
4146621	London Borough of Hounslow	17	67448	10/06/2015	508.79	508.79	51		508.79		
4149204	London Borough of Hounslow	17	67448	15/07/2015	29,272.49	29,272.49	16	29,272.49			
London Borough of Hounslow Total					59,781.28	59,781.28		29,272.49	508.79	0.00	30,000.00
4139595	London Borough of Islington	18	5693	04/03/2015	32.21	32.21	149				32.21
4149159	London Borough of Islington	18	5693	15/07/2015	5,800.00	5,800.00	16	5,800.00			
London Borough of Islington Total					5,832.21	5,832.21		5,800.00	0.00	0.00	32.21
4143467	Royal Borough of Kensington & Chelsea	19	111455	27/04/2015	8,674.00	8,674.00	95				8,674.00
4143481	Royal Borough of Kensington & Chelsea	19	111455	27/04/2015	56,710.50	56,710.50	95				56,710.50

Number	Customer Name	Type	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
4147968	Royal Borough of Kensington & Chelsea	19	111455	01/07/2015	41,595.00	41,595.00	30	41,595.00			
4148095	Royal Borough of Kensington & Chelsea	19	111455	03/07/2015	47,132.50	47,132.50	28	47,132.50			
4149206	Royal Borough of Kensington & Chelsea	19	111455	15/07/2015	47,757.16	47,757.16	16	47,757.16			
Royal Borough of Kensington & Chelsea Total					201,869.16	201,869.16		136,484.66	0.00	0.00	65,384.50
4144012	Royal Borough of Kingston	20	75215	05/05/2015	41,937.05	41,937.05	87			41,937.05	
4148073	Royal Borough of Kingston	20	75215	03/07/2015	6,006.00	6,006.00	28	6,006.00			
4148594	Royal Borough of Kingston	20	75215	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149207	Royal Borough of Kingston	20	75215	15/07/2015	18,411.35	18,411.35	16	18,411.35			
Royal Borough of Kingston Total					68,604.40	68,604.40		26,667.35	0.00	41,937.05	0.00
4136527	London Borough of Lambeth	21	3330	12/01/2015	312.00	312.00	200				312.00
4140050	London Borough of Lambeth	21	3330	09/03/2015	312.00	312.00	144				312.00
4140051	London Borough of Lambeth	21	3330	09/03/2015	312.00	312.00	144				312.00
4142478	London Borough of Lambeth	21	3330	13/04/2015	624.00	624.00	109				624.00
4143252	London Borough of Lambeth	21	3330	22/04/2015	39,280.80	39,280.80	100				39,280.80
4143274	London Borough of Lambeth	21	3330	22/04/2015	109,739.00	109,739.00	100				109,739.00
4144285	London Borough of Lambeth	21	3330	08/05/2015	350.00	350.00	84			350.00	
4145460	London Borough of Lambeth	21	3330	22/05/2015	700.00	700.00	70			700.00	
4145669	London Borough of Lambeth	21	3330	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4146222	London Borough of Lambeth	21	3330	03/06/2015	350.00	350.00	58		350.00		
4147973	London Borough of Lambeth	21	3330	01/07/2015	83,991.00	83,991.00	30	83,991.00			
4148074	London Borough of Lambeth	21	3330	03/07/2015	13,993.00	13,993.00	28	13,993.00			
4148097	London Borough of Lambeth	21	3330	03/07/2015	288.50	288.50	28	288.50			
4149208	London Borough of Lambeth	21	3330	15/07/2015	36,332.09	36,332.09	16	36,332.09			
London Borough of Lambeth Total					288,084.39	288,084.39		134,604.59	350.00	2,550.00	150,579.80
4138140	London Borough of Lewisham	22	39651	04/02/2015	6,797.00	6,797.00	177				6,797.00
4149782	London Borough of Lewisham	22	39651	24/07/2015	4,833.00	4,833.00	7	4,833.00			
4150139	London Borough of Lewisham	22	39651	29/07/2015	4,833.00	4,833.00	2	4,833.00			
London Borough of Lewisham Total					16,463.00	16,463.00		9,666.00	0.00	0.00	6,797.00
4145725	City of London	23	5408	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4149236	City of London	23	5408	15/07/2015	11,124.31	11,124.31	16	11,124.31			
City of London Total					12,624.31	12,624.31		11,124.31	0.00	1,500.00	0.00
4140530	London Borough of Merton	24	65185	17/03/2015	217.80	217.80	136				217.80
4146994	London Borough of Merton	24	65185	16/06/2015	217.80	217.80	45		217.80		
4148100	London Borough of Merton	24	65185	03/07/2015	21,519.75	21,519.75	28	21,519.75			
London Borough of Merton Total					21,955.35	21,955.35		21,519.75	217.80	0.00	217.80
4142313	London Borough of Newham	25	54574	13/04/2015	85,060.00	85,060.00	109				85,060.00
4142747	London Borough of Newham	25	54574	15/04/2015	916.37	916.37	107				916.37
4144627	London Borough of Newham	25	54574	13/05/2015	5,800.00	5,800.00	79			5,800.00	
4147977	London Borough of Newham	25	54574	01/07/2015	85,060.00	85,060.00	30	85,060.00			
4148954	London Borough of Newham	25	54574	13/07/2015	267.24	267.24	18	267.24			
4149277	London Borough of Newham	25	54574	16/07/2015	67,508.97	67,508.97	15	67,508.97			
4149450	London Borough of Newham	25	54574	20/07/2015	713.40	713.40	11	713.40			
London Borough of Newham Total					245,325.98	245,325.98		153,549.61	0.00	5,800.00	85,976.37
4148126	London Borough of Redbridge	26	87468	03/07/2015	16,872.75	16,872.75	28	16,872.75			
4149173	London Borough of Redbridge	26	87468	15/07/2015	267.24	267.24	16	267.24			
4149348	London Borough of Redbridge	26	87468	17/07/2015	32,651.04	32,651.04	14	32,651.04			
London Borough of Redbridge Total					49,791.03	49,791.03		49,791.03	0.00	0.00	0.00
4147982	LB of Richmond Upon Thames	27	92507	01/07/2015	51,164.00	51,164.00	30	51,164.00			
4148079	LB of Richmond Upon Thames	27	92507	03/07/2015	2,086.00	2,086.00	28	2,086.00			
4148129	LB of Richmond Upon Thames	27	92507	03/07/2015	18,687.50	18,687.50	28	18,687.50			
4149213	LB of Richmond Upon Thames	27	92507	15/07/2015	10,581.97	10,581.97	16	10,581.97			
LB of Richmond Upon Thames Total					82,519.47	82,519.47		82,519.47	0.00	0.00	0.00
4146981	London Borough of Southwark	28	8589	16/06/2015	5,800.00	5,800.00	45		5,800.00		

Number	Customer Name	Type	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late	0-30 days	30-60 days	60-90 days	Over 90 days
4148082	London Borough of Southwark	28	8589	03/07/2015	14,658.00	14,658.00	28	14,658.00			
4148135	London Borough of Southwark	28	8589	03/07/2015	32,561.25	32,561.25	28	32,561.25			
4149218	London Borough of Southwark	28	8589	15/07/2015	30,723.33	30,723.33	16	30,723.33			
London Borough of Southwark Total					83,742.58	83,742.58		77,942.58	5,800.00	0.00	0.00
4149219	London Borough of Sutton	29	39800	15/07/2015	5,400.85	5,400.85	16	5,400.85			
London Borough of Sutton Total					5,400.85	5,400.85		5,400.85	0.00	0.00	0.00
4145716	London Borough Tower Hamlets	30	9237	27/05/2015	1,500.00	1,500.00	65			1,500.00	
4147986	London Borough Tower Hamlets	30	9237	01/07/2015	72,951.00	72,951.00	30	72,951.00			
4148139	London Borough Tower Hamlets	30	9237	03/07/2015	32,960.50	32,960.50	28	32,960.50			
4148584	London Borough Tower Hamlets	30	9237	08/07/2015	2,250.00	2,250.00	23	2,250.00			
4149220	London Borough Tower Hamlets	30	9237	15/07/2015	45,460.98	45,460.98	16	45,460.98			
London Borough Tower Hamlets Total					155,122.48	155,122.48		153,622.48	0.00	1,500.00	0.00
4145468	London Borough of Waltham Forest	31	39794	22/05/2015	700.00	700.00	70			700.00	
4147988	London Borough of Waltham Forest	31	39794	01/07/2015	71,053.00	71,053.00	30	71,053.00			
4147995	London Borough of Waltham Forest	31	39794	01/07/2015	312.00	312.00	30	312.00			
4148141	London Borough of Waltham Forest	31	39794	03/07/2015	2,825.00	2,825.00	28	2,825.00			
4148995	London Borough of Waltham Forest	31	39794	13/07/2015	267.24	267.24	18	267.24			
4149229	London Borough of Waltham Forest	31	39794	15/07/2015	32,453.58	32,453.58	16	32,453.58			
4149451	London Borough of Waltham Forest	31	39794	20/07/2015	1,014.80	1,014.80	11	1,014.80			
London Borough of Waltham Forest Total					108,625.62	108,625.62		107,925.62	0.00	700.00	0.00
4147311	London Borough of Wandsworth	32	93501	22/06/2015	5,800.00	5,800.00	39		5,800.00		
4147989	London Borough of Wandsworth	32	93501	01/07/2015	83,082.00	83,082.00	30	83,082.00			
4149233	London Borough of Wandsworth	32	93501	15/07/2015	30,218.49	30,218.49	16	30,218.49			
London Borough of Wandsworth Total					119,100.49	119,100.49		113,300.49	5,800.00	0.00	0.00
4143271	City of Westminster	33	65194	22/04/2015	39,280.80	39,280.80	100				39,280.80
4144468	City of Westminster	33	65194	11/05/2015	456.00	456.00	81			456.00	
4145470	City of Westminster	33	65194	22/05/2015	700.00	700.00	70			700.00	
4146235	City of Westminster	33	65194	03/06/2015	17,829.00	17,829.00	58		17,829.00		
4147990	City of Westminster	33	65194	01/07/2015	60,627.00	60,627.00	30	60,627.00			
4148086	City of Westminster	33	65194	03/07/2015	20,608.00	20,608.00	28	20,608.00			
4149004	City of Westminster	33	65194	13/07/2015	267.24	267.24	18	267.24			
4149234	City of Westminster	33	65194	15/07/2015	75,307.58	75,307.58	16	75,307.58			
4150135	City of Westminster	33	65194	29/07/2015	533.40	533.40	2	533.40			
City of Westminster Total					215,609.02	215,609.02		157,343.22	17,829.00	1,156.00	39,280.80
4145726	Transport For London	37	382905	27/05/2015	1,500.00	1,500.00	65			1,500.00	
Transport For London Total					1,500.00	1,500.00		0.00	0.00	1,500.00	0.00
Grand Total					3,182,427.24	3,182,427.24		2,537,894.40	78,295.59	82,335.38	483,901.87

Appendix B - Outstanding Other Debts at 31 July 2015

Number	Customer Name	Customer Number	Transaction Date	Original Amount (£)	Balance Due (£)	Days Late
4082586	Uganda Community Relief Association (UCRA)	573677	24/10/2012	57,875.25	57,010.25	1,010
2012/13 debts				57,875.25	57,010.25	
4117848	Creative Innovation	576747	17/03/2014	3,204.39	704.39	501
2013/14 debts				3,204.39	704.39	
4124370	Mosaada Centre for Single Women	575711	25/06/2014	1,517.93	1,517.93	401
4126673	CDI London	577555	30/07/2014	1,485.75	1,485.75	366
4129152	Community Business Enfield	577767	10/09/2014	6,249.82	6,249.82	324
4129154	London Bangla Press Club	577768	10/09/2014	2,860.29	2,860.29	324
4137007	Turning Point Care Ltd	482127	19/01/2015	288.00	288.00	193
4137218	British Parking Association	286343	21/01/2015	92,570.40	92,570.40	191
4137221	British Parking Association	286343	21/01/2015	82,130.40	82,130.40	191
4137936	The Homefinding and Fostering Agency	578499	30/01/2015	96.00	96.00	182
4138317	Foster Care Associates Limited	578555	06/02/2015	96.00	96.00	175
4138338	Channels & Choices Kent LLP	578565	09/02/2015	192.00	192.00	172
4139773	Banya Family Placement Agency Ltd	583405	05/03/2015	96.00	96.00	148
4139969	Cambian Healthcare Limited	583425	09/03/2015	96.00	96.00	144
4140378	Kimbanguist Association of London	583505	16/03/2015	6,009.50	6,009.50	137
4140779	British Parking Association	286343	20/03/2015	97,774.91	9,125.60	133
4140782	British Parking Association	286343	20/03/2015	107,163.78	9,125.60	133
4140784	British Parking Association	286343	20/03/2015	103,113.84	9,125.60	133
2014/15 debts				501,740.62	221,064.89	
4145742	Calder Conferences Ltd	575018	27/05/2015	286.20	286.20	65
2015/16 debts between 60 - 90 days old				286.20	286.20	
4146175	London Asylum Seekers Consortium (Lasc)	427415	03/06/2015	273.60	252.00	58
4146675	Mayor's Office for Policing and Crime	572072	10/06/2015	160,000.00	160,000.00	51
4146982	Countryside Properties Plc	578004	16/06/2015	2,000.00	2,000.00	45
4147289	HR Solutions (GB) Limited	529973	22/06/2015	420.00	420.00	39
4147292	London Work Based Learning Alliance	563629	22/06/2015	924.00	924.00	39
4147295	Calder Conferences Ltd	575018	22/06/2015	481.80	481.80	39
4147554	Derry City Council &	522913	26/06/2015	6,000.00	6,000.00	35
2015/16 debts between 30 - 60 days old				170,099.40	170,077.80	
4147947	West Midlands Employers	578456	01/07/2015	192.60	192.60	30
4147992	Swanlea School	421262	01/07/2015	312.00	312.00	30
4148004	NUS Services Ltd	575505	01/07/2015	216.00	216.00	30
4148553	Achieving for Children	577620	08/07/2015	5,800.00	5,800.00	23
4148589	Xantura Limited	573216	08/07/2015	27,360.00	27,360.00	23
4148953	Peter Bedford Housing Association	405619	13/07/2015	408.00	408.00	18
4149180	Peterborough City Council	577052	15/07/2015	5,800.00	5,800.00	16
4149350	Bournemouth University	481054	17/07/2015	780.00	780.00	14
4149396	West Midlands Employers	578456	17/07/2015	135.00	135.00	14
4149405	UK Power Networks (Operations) Ltd	469639	17/07/2015	979.20	979.20	14
4149454	Hertfordshire County Council	123033	20/07/2015	5,800.00	5,800.00	11
4149498	London Waste & Recycling Board	550109	20/07/2015	668.40	668.40	11
4149631	South East Employer's Organisation	467145	22/07/2015	144.00	144.00	9
4149761	London Asylum Seekers Consortium (Lasc)	427415	24/07/2015	238.50	238.50	7
2015/16 debts 30 days or less				48,833.70	48,833.70	
Total other debts at 31 July 2015				782,039.56	497,977.23	

Executive

Business Planning Timetable for 2016/17 Item no: 9

Report by: Christiane Jenkins **Job title:** Director of Corporate Governance
Date: 8 September 2015
Contact Officer: Christiane Jenkins
Telephone: 020 7934 9540 **Email:** christiane.jenkins@londoncouncils.gov.uk

Summary This report outlines the proposed business planning timetable for 2016/17, including planned consultation with Members.

Recommendations The Executive is asked to:

- Note the process and timetable for delivering London Councils corporate business plan for 2016/17

Business Planning and Performance Reporting

1. London Councils develops a high level corporate business plan, which is approved by the Executive and noted by Leaders' Committee each year.
2. Attached at Appendix One is a timetable for the development of the 2016/17 corporate business plan. The timetable has been developed in order to:
 - Prompt discussions and decisions at key points in the process;
 - Encourage clarity of process and responsibilities;
 - Identify opportunities for engagement of officers and members;
 - Define points for cascading information throughout the organisation;
 - Ensure deadlines are met and the plan is agreed in an appropriate timescale.
3. The timetable offers a guide to the significant activities and deadlines required to agree the plans which will drive London Councils work in the future. It is not an exhaustive list of activities.
4. It is proposed that, as in previous years, meetings between Portfolio Holders, the Chair and relevant Officers will be scheduled between November 2015 and January 2016.

Recommendations

The Executive is asked to:

- Note the process and timetable for delivering the corporate business plan for 2016/17

Equalities Implications:

The 2016/17 corporate business plan and directorate work plans will undertake projects and activities which will have elements which look to further the case for certain groups, but equalities implications will be identified within each of the work areas as appropriate. There are no direct equalities implications arising from this report for London Councils staff.

Financial Implications:

There may be financial implications arising from the identification of priority services, programmes and projects. Budget limitations will be considered as part of the development of the overall corporate business plan and directorate delivery plans.

Legal Implications:

London Councils has no specific legal requirement to consult on its corporate business plan. However, it has a general legal requirement, reflected in its constitution, to represent the interests of its member authorities.

Appendices:

Appendix One: Business Planning Timetable 2016/17

Appendix One

Business Planning Timetable 2016/17

Summary:

Directorate planning window:	October – November 2015
Portfolio holder engagement:	November 2015 – January 2016
CMB review progress:	January – February 2016
Draft version for feedback by Executive:	1 March 2016
Final version for noting by Leaders:	22 March 2016

Activity	Purpose	Deadline	Responsible Officer/s
Directorate / team level discussions	Provide opportunity for staff to contribute to development of priorities and planned work To identify priorities and pressures for 2016/17	October - November 2015	Corporate Directors; NB – Corporate Directors will need to specify timescales within this window to enable all the planning activities they wish to undertake
Consultation with portfolio holders – meetings between Chair, Portfolio Holder, Chief Executive & appropriate Corporate Director	Ensure engagement and agreement on general direction and priority work areas for 2016/17	November 2015 to January 2016	Corporate Directors
Draft Budget Report to Executive	For discussion and recommendation to Leaders' Committee	17 November 2015	Frank Smith
Update at Senior Managers Workshop on priorities identified in each Directorate	Share information on priorities and pressures & preparation for portfolio holder meetings	10 December 2015	Corporate Directors
Budget report to Leaders	For approval of 2016/17 budget	8 December 2015	Frank Smith
CMB discussion on progress of planning process	Update on development of priorities, including progress of portfolio holder engagement	January/February 2016	Corporate Management Board
CMB comments on draft plan for Executive	To review draft plan before it goes to Executive	January/February 2016	Christiane Jenkins
Intranet update	Update staff on progress	By end February 2016	Christiane Jenkins / Communications
Draft Business Plan Report to Executive	For feedback and approval	Report deadline: 22 February 2016 Meeting: 1 March 2016	Christiane Jenkins
Final Business Plan Report to Leaders	For noting	Meeting: 22 March 2016	Christiane Jenkins

Executive (sitting as the Appointments Panel)

Nominations to Outside Bodies

Item no 10

Job title:

Report by: Derek Gadd

Head of Governance

Date: 8 September 2015

Contact Officer: Derek Gadd

Telephone: 020 7934 9505

Email: derek.gadd@londoncouncils.gov.uk

Summary:

This report provides the Executive in its capacity as the Appointments Panel, with details of London Councils' nominations/appointments made to outside bodies.

Recommendations:

The Executive is recommended to note the nominations/appointments made by the Chief Executive on behalf of London Councils:

London Land Commission.

Mayor Sir Steve Bullock (Lewisham, Lab)

Nominations to Outside Bodies

Background

1. In 2002, London Councils' Elected Officers, acting in their capacity as its Appointments Panel, agreed to delegate the making of nominations to outside bodies to the Chief Executive within agreed guidelines and on Nolan principles and on the basis that they were reported to the next available meeting of the Appointments Panel. The guidelines were refined in 2012 with a fresh set of principles.

Nominations

2. The only new nomination made by the Chief Executive is to the London Land Commission.

London Land Commission.

Mayor Sir Steve Bullock (Lewisham, Lab)

Financial Implications:

Where remunerated, payments are made by the appointing body and there are, therefore, no financial implications arising directly from this report.

Legal Implications:

In making appointments London Councils complies with relevant legislation. It also seeks to comply with the 'Nolan' Seven Principles of Public Life.

Recommendations:

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