

London Councils

Notes of the informal Meeting of the London Councils Leaders' Committee held on 27 July 2022

Present:

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

Cllr Saima Ashraf (Deputy)
Cllr Barry Rawlings
Cllr Teresa O'Neill OBE
Cllr Mili Patel (Deputy)
Cllr Georgia Gould (Chair)
Mayor Jason Perry
Cllr Nesil Caliskan
Cllr Anthony Okereke
Mayor Philip Glanville
Cllr Peray Ahmet
Cllr Paul Osborn
Ray Morgon
Cllr Ian Edwards
Cllr Shantanu Rajawat
Cllr Kaya Comer-Schwartz
Cllr Elizabeth Campbell
Cllr Alison Holt (Deputy)
Cllr Claire Holland
Mayor Damien Egan
Mayor Rokhsana Fiaz
Cllr Kam Rai
Cllr Gareth Roberts
Cllr Kieron Williams
Cllr Ruth Dombey OBE
Cllr Grace Williams
Cllr Simon Hogg
Cllr Adam Hug
Christopher Hayward

Apologies:

BARKING & DAGENHAM
BRENT
BROMLEY
KINGSTON
REDBRIDGE
TOWER HAMLETS

Cllr Darren Rodwell
Cllr Muhammed Butt
Cllr Colin Smith
Cllr Andreas Kirsch
Cllr Jas Athwal
Lutfur Rahman

Officers of London Councils were in attendance.

1. Apologies for absence and notification of deputies

Apologies were as listed above.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of the Leaders Committee on 7 June 2022 (AGM and business)

Members noted the Leaders Committee minutes of 7 June 2022 (AGM and business)

4. Shared Ambitions Roadmap for Delivery

The Chair congratulated Leaders across London and London Councils staff for the huge effort in drawing the roadmap together. The Chief Executive introduced the paper, informing members that the roadmap drew on the shared political vision of boroughs to direct London Councils policy and lobbying work over the next two years, which would see London Councils as a trusted partner with a range of partners. Members were also informed that:

- The six themes within the roadmap had been updated to reflect conversations at the recent Executive meeting in areas such as cost of living and the rebalancing of health and wellbeing priorities
- The roadmap recognised the changing context of operation; the roadmap and milestones could therefore be adapted should there be a political need to do this
- The strategic framework allowed London Councils staff to use borough resources effectively, while being realistic about where the greatest differences could be made

Members made the following points:

- Having a shared narrative was important because of the need to lobby Government with one voice, as evidenced by the work during the pandemic, and to make the case for the complexity of London. It was also important for boroughs to learn from each other in a changing environment
- Boroughs were clearly different to each other, but it was important to recognise the need for boroughs to be London focused in its lobbying asks, and to emphasise the fact that they delivered in terms of direct services like Taxicard but also in areas such as HIV prevention, climate issues etc.

Members noted and approved the Shared Ambitions milestones.

5. Local Government Finance Update

The Chair recognised the financial pressures facing boroughs and its residents and the potential negative impact on its ambitions. The Chief Executive introduced the report, providing background for the benefit of newer Leaders. Members were informed that:

- The original financial settlement for 2022/23 saw an uplift in funding; however, this did not take account of financial losses sustained through the pandemic, assumed a level of inflation of around 5%, and did not factor in the £3-400 million borough savings that needed to be delivered
- Although a fundamental review of local government funding was originally planned, the resultant one year settlement had resulted in uncertainty for boroughs; it was now unlikely that the proposed Fair Funding Review and Business Rates Reset would go ahead; there was a suggestion that there might be some redistribution of the New Homes Bonus and, in particular the £800 million Services Grant
- Inflation had significantly risen since the point of the agreement, which had created a further loss of £100 million from the uplift. The inflationary pressures included uplifts in pay and running costs which are estimated could create a gap of around £400 million in 2022-23. Extensive lobbying had taken place to highlight these issues, both in the public domain and with the Government
- Nationally a pay offer had been made which would increase the costs for boroughs and would be above what had been planned for in boroughs' budgets. London Councils were analysing this to look at the cumulative impact for London and would share the information in the next two weeks
- There were additional financial pressures in terms of: the High Needs block of the DSG, where many boroughs were carrying deficits (a DLUHC survey was being carried out and London Councils would work with boroughs on the returns); Adult Social Care funding reforms, which had been delayed following lobbying, and where concerns existed that existing funding was insufficient for the reforms required; the impact of the 2021 census, which showed London's population on census day was around 300,000 lower than the previous ONS estimate, which could impact on funding; and the current Homeless Prevention Grant consultation, which included changes that would reduce funding for London.
- In terms of the medium to long term position, London Councils was looking at opportunities for sustainable, longer term simplified funding for local government, including greater financial autonomy for London and how it worked with other core cities and London partners.

Members made the following points:

- In terms of lobbying, it was important to make clear the deep impact of the financial position on communities and areas such as homelessness, housing and social care. It was also important to seek cross party agreement on the key asks in relation to the cost of living crisis

- The costs to boroughs associated with work related to climate change should also be taken into account
- It was important to maintain political lobbying channels despite the current and forthcoming changes in Government

The Chief Executive responded noting:

- The positive suggestion that the paper be turned into a lobbying document not just for DLUHC (a suggestion was made that the paper could be sent to Paul Scully, DLUHC Minister, as well as the DFE and DHSC). A meeting was also being held with HM Treasury's Local Government team in August
- The requirement for the paper to address the funding issues in terms of real impact on people and communities was noted
- A private Leaders and CE session was to be held to investigate learning from each other and to find out what boroughs were doing in terms of the current financial position
- The position on the pay offer would be confirmed but it was felt that the impact was contained within the £400 million gap.

Leaders' Committee noted the contents of the report.

6. UK Shared Prosperity Fund

This paper would now be discussed in the private session after the meeting.

7. TfL Funding – verbal update

The Director of Transport and Mobility provided an update to members on the present funding situation, informing them that:

- TfL had agreed a number of short-term funding deals. The deal hoped for with TfL on 24 June had not happened, although an extension to 13 July with £40 K borough funding had been agreed, followed by a further funding extension
- On 22 July DfT had written to TfL with an offer. TfL were asking for a further financial extension while they considered the offer
- Specific borough funding for transport had reduced over the past 4 years by 75%, which had impacted on investment, staffing and commencement of projects. These issues had been highlighted in cross party lobbying, as well as making the argument for a long term funding deal

- It was recognised that this was a priority both for TfL and the DfT. It was noted that £9.4 m had been made available in March and the July allocations of £40 K presented a further opportunity for negotiation

Members noted the update.

8. Minutes and Summaries of Informal Meetings

Members noted the minutes and summaries of the following meetings:

- TEC – 24 March 2022
- Executive – 21 June 2022
- YPES – 23 June 2022

9. Urgency

Members noted the urgency on relation to decisions taken following the meeting of London Councils Executive on 21 June 2022

The meeting ended at 12:25.