

Informal Meeting of Members of Leaders' Committee

7 December 2021 (Informal meeting)

Virtual Meeting via 'Teams'

Labour Group:	Teams	10:00
Political Adviser: (07970) 008191		
Conservative Group:	Teams	10:00
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Liberal Democrat Group:	Teams	10:00
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All items for discussion and noting:

Agenda item

1. Apologies for absence

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2. Declarations of Interest*

-
3. Minutes of the Leaders' Committee held on 12 October 2021 (for noting)

-
4. Local Government Finance Update

-
5. Climate Change Strategy

-
6. Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23

-
7. London Councils Grants Scheme - Budget Proposals 2022/23

-
8. Minutes of informal meetings for noting:
 - Executive – 7 September (Informal meeting)
 - Audit Committee – 16 September (Informal meeting)
 - TEC Executive – 9 September 2021 (Informal meeting)
 - Grants Executive – 30 September 2021 (Informal meeting)
 - YPES – 21 October 2021 (Informal meeting)
-

***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

London Councils

Notes of the Informal meeting of the London Councils Leaders' Committee held virtually on 12 October 2021 at 11.30am

Present:

BARKING AND DAGENHAM	Cllr Darren Rodwell
BARNET	Cllr Daniel Thomas
BEXLEY	Cllr Teresa O'Neill OBE
BRENT	Cllr Muhammed Butt
BROMLEY	Cllr Colin Smith
CAMDEN	Cllr Georgia Gould
CROYDON	Cllr Hamida Ali
EALING	Cllr Peter Mason
ENFIELD	Cllr Nesil Caliskan
GREENWICH	Cllr Danny Thorpe
HACKNEY	Mayor Philip Glanville
HAMMERSMITH & FULHAM	Cllr Stephen Cowan
HARINGEY	Cllr Peray Ahmet
HARROW	Cllr Graham Henson
HAVERING	Cllr Damian White
HILLINGDON	Cllr Ian Edwards
HOUNSLOW	Cllr Steve Curran
ISLINGTON	Cllr Kaya Comer-Schwartz
KENSINGTON & CHELSEA	Cllr Elizabeth Campbell
KINGSTON	Cllr Caroline Kerr
LAMBETH	Cllr Matthew Bennett (Deputy)
LEWISHAM	Mayor Damien Egan
MERTON	Cllr Mark Allison
NEWHAM	Mayor Rokhsana Fiaz OBE
REDBRIDGE	Cllr Jas Athwal
RICHMOND UPON THAMES	Cllr Gareth Roberts
SOUTHWARK	Cllr Kieron Williams
SUTTON	Cllr Ruth Dombey OBE
TOWER HAMLETS	Mayor John Biggs
WALTHAM FOREST	Cllr Clare Coghill
WANDSWORTH	Cllr Ravi Govindia CBE
WESTMINSTER	Cllr Tim Mitchell (Deputy)

Apologies:

CITY OF LONDON	Ms Catherine McGuinness
LAMBETH	Cllr Claire Holland
WESTMINSTER	Cllr Rachael Robathan

Officers of London Councils were in attendance.

The Chair welcomed members to the meeting. A one-minute silence was held for the late The Rt Hon James Brokenshire, the MP for Bexley and Sidcup. Mr Brokenshire was a well-respected MP who had a long and distinguished career as a public servant and led on a number of important initiatives such as the Modern Slavery Act 2015.

1. Declarations of interest

There were no declarations of interest.

2. Apologies for absence and notification of deputies

Apologies were as listed above.

3. Minutes of the Leaders' Committee held on 13 July 2021 – for noting

The minutes were noted with the following correction: Cllr Kerr had attended the meeting on 13 July.

4. Afghan Evacuation and UASC

Eloise Shepherd, Strategy Lead for Housing and Planning, introduced this item and said that:

- Following a consultation with boroughs, it has been agreed that London would take part in the Fair Shares scheme, which was based on housing refugees proportionally based on population. Within London, Afghan families would be split evenly between 32 boroughs, with up to two families housed in the City of London.
- MoD have been collecting data on the status and family make-up of people currently residing in the bridging hotels, but the data has not yet been shared with boroughs.
- A working group, chaired by LB Camden, has been set up to share information within boroughs and with central government.
- There were around 13,000 Afghan evacuees currently staying in bridging hotels nationally; 3,600 bed spaces have been procured in London, across

eight boroughs. It was predicted that the bridging hotels would be housing Afghan evacuees for a number of months and boroughs were preparing to support children and families for the whole school year.

- Boroughs were concerned about the funding provision for the Afghan evacuees, particularly in terms of education, health needs and wrap-around support. Home Office had pledged support amounting to £28 per person per night, but a more comprehensive offer was needed.
- Boroughs have received over 200 homelessness applications from Afghan evacuees; 89% were from British nationals.
- This report should be seen in the wider context of pressures on local authorities in relation to the dispersal of asylum seekers and securing accommodation for them.

The London Councils Chief Executive said that an initial discussion has been held with the Home Office regarding the Fair Share proposal and an in-depth discussion was scheduled for 13 October, which would be reported to the working group.

London Councils was also working with the GLA, LGA and other regional authorities, some of which had their own Fair Share agreements.

Members made the following comments:

- Securing a long-term support package from the government was crucial. This support should include support on integration and additional police resources in order to avoid potential racial tensions.
- The voluntary sector was currently playing a major part in providing practical help and emotional support to evacuees.
- There needed to be more clarity on the regulatory framework around the bridging hotels – e.g. there was a possibility that they could be considered an HMO after residents had been there for over three months, in which case different fire safety rules would apply.
- There needed to be enough flexibility in the system for boroughs to be able to provide appropriate housing provision for different family set-ups.
- Placements across the capital should be published and regularly updated to ensure that Fair Share were adhered to.

- It would be helpful to circulate a list of all the priority issues and the names and contact details of the main contacts in each borough and government department to borough leaders.

Action: Strategic Lead for Housing and Planning to circulate a list of issues and contacts to borough leaders.

5. Adult Social Care and NHS Collaboration

Cllr Danny Thorpe, the Portfolio Holder for Health and Care, introduced this report:

- The government planned to invest £5.4 billion in adult social care over the next three years to deliver the following: introduce a cap on personal care costs; provide financial assistance to those without substantial assets; deliver wider support for the social care system and improve the integration of health and care systems.
- However, the plan did not address the significant challenges with workforce shortages in London and the rest of the country. Turnover of staff and vacancy rates were high in all levels of the system, including the London Ambulance Service. The current plans to make Covid vaccines mandatory for all health and care workers might exacerbate the problem of staff shortages.
- Significant amounts of money were currently spent on working age people, including younger people who are transitioning into adult social care. The meeting with the ICS Independent Chairs, due to take place later on in the week, presented an opportunity for boroughs to put across their views on the social care reforms.

Members made the following points:

- This was a significant opportunity for boroughs to influence government policy. London leaders and sub-regional representatives needed to be actively involved in the decision making process from the beginning in order to influence the key decisions at an early stage.
- Boroughs needed to be able to help set the priorities and decide how resources were allocated (e.g. more funding for primary health care,

mental health support and preventative care). Representation and involvement needed to be even across boroughs.

- There were significant on-going liabilities and cost pressures for local authorities relating to people who were discharged from hospitals into care homes. The care home fees negotiated were less favourable than if the local authorities had organised this directly.
- Existing health inequalities in London had been exacerbated by Covid and life expectancy varied significantly by borough.

Action: Cllr Thorpe to raise the borough leaders' concerns and suggestions at his meeting with the with the five ICS Independent Chairs.

6. Rough Sleeping Governance

Cllr Darren Rodwell introduced this report, which outlined a proposal for a new more streamlined and coordinated governance structure for rough sleeping in London. The new structure included key roles for Councillor Rodwell, representatives of the Labour, Conservative and Liberal Democrat groups, the London Housing Directors' Group and senior level London Councils' staff.

Cllr Rodwell and the Deputy Mayor would be chairing a new executive board on rough sleeping, with political representation from the Conservative and Liberal Democrat groups.

Members approved the new governance arrangements.

7. Local Government Finance Update

Paul Honeyben, Interim Director: Local Government Finance & Improvement, introduced this report, which outlined the progress of the 2021 Spending Review, and provided an update on the London business rates pool:

- The Review was due to conclude on 27 October and would be published alongside an Autumn Budget.

- London Councils' representation was submitted on 30 September and included the following key priorities: supporting London's young people into employment, delivering a green recovery, unlocking housing through infrastructure and transport, and supporting 'Global London'.
- The scale of the financial challenges facing London local government over the next three years included £1.2 billion of demand and inflation related pressures, and an estimated £0.5-1 billion of pandemic-related pressures. The overall funding ask was for increases of at least 5% per annum over the next three years (broadly in line with those of the last two years).
- The London Councils submission also emphasised the service areas under the most strain and particularly set out specific factors which make these pressures different in the capital. This included costs associated with homelessness and rough sleeping, unaccompanied asylum seeking children, and the recent Afghan evacuees.
- The submission also outlined the key markers for longer term policy discussions with government, on issues such as youth unemployment, climate change and infrastructure.
- In terms of engagement, the two-page summary has been shared widely with key stakeholders since mid-September including at the Party Conferences. The Deputy Chair had an article published in the MJ, and a social media campaign was recently launched.
- The Elected Officers have made a decision through the London Councils Urgency procedure not to reconstitute the London business rates pool in 2022-23 as the financial case for pooling was too uncertain because of the ongoing pandemic.

The Chair said that constructive conversations with the government were ongoing about some of the Spending Review asks. This included a meeting with the Minister for London, Paul Scully MP, which took place on Monday 11 October.

Members thanked London Councils for their campaigning on this issue. They also commended Cllr Elizabeth Campbell for hosting the London Councils' event at the Conservative Party conference and presenting a cross-party approach for local government funding.

Leaders noted the report and agreed in principle to use any unallocated Strategic Investment Pot funding to reduce any deficit on the 2020-21 London business rates pool, subject to joint agreement with by the Mayor of London, and confirmation from Government that it could be used for this purpose.

8. Feedback from Joint Boards:

Skills for Londoners Board (SfL)

Cllr Nesil Caliskan updated the Leaders Committee on the recent SfL meeting:

- There was a discussion about the government's consultation on FE funding and accountability. The Board was concerned at the proposed reallocation of the Adult Education Budget (AEB) among devolved areas in the context of the levelling up agenda. There was also concern that the government's focus on holding providers to account for solely economic outcomes, rather than social outcomes as well.
- The Board received presentations from the two providers of the Restart programme in London, which is a national three-year employment programme for people unemployed for over a year.
- There was also presentation on research commissioned by the GLA that looked at green skills provision funded by the Adult Education Budget (AEB), apprenticeships and Level 4 and 5 provision and whether this is meeting demand for green skills.
- The GLA had just finished consulting on its AEB Roadmap but was not ready to present the results from the consultation.

London Economic Action Partnership Board (LEAP)

Cllr Elizabeth Campbell gave an update on the recent LEAP meeting:

- The London Councils nominations to the LEAP were Cllr Georgia Gould, Cllr Elizabeth Campbell, Cllr Nesil Caliskan, with Mayor Rokhsana Fiaz representing the LB Newham and the Enterprise Zone.

- The government was currently undertaking a national review of all Local Enterprise Partnerships, including the LEAP. All LEPs have only received half of their core funding to date and there is uncertainty about the future direction of LEPs. Ministerial decisions on the future role of LEPs is expected to be set out in the Levelling Up White Paper.
- Cllr Gould spoke about the close working between the GLA, London Councils and business groups on defining the Recovery Missions' priorities.
- Mayor Rokhsana Fiaz presented on progress on the Enterprise Zone, which had planning secured for seven million square feet of commercial space, 35,000 jobs and 4,000 homes are forecast within the zone, and 60,000 jobs and 25,500 homes in the wider area.

Homes for Londoners Board (HfL)

Cllr Darren Rodwell gave an update on the recent HfL Board meeting:

- The G15 updated on current housing delivery, with a focus on the challenges for the immediate future, which include issues around building safety, challenges for the cross-subsidy model, construction costs, and planning. Current forecasts are for starts of 9,635 homes in London this financial year, of which 7,903 (82%) will be affordable homes.
- Leadership 2025, an initiative with the long-term ambition of supporting the creation of a housing association sector that is diverse at all levels, was continuing to develop their business plan in order to focus on cultural impact and supporting BAME talent.

9. Appointment of Party Lead – Housing

Members noted the proposed appointment of the Conservative Party Group Lead for Housing Cllr Colin Smith (to be agreed through the London Councils' Urgency procedure).

10.Appointment of Party Lead - Schools & Children's Services

Members noted the proposed appointment of the Labour Party Group Lead for Schools and Children's Services Cllr Kieron Williams (to be agreed through the London Councils Urgency procedure).

11.Urgency Report

Members noted the decisions taken through the London Councils' Urgency procedure since the last Leaders' Committee meeting.

12. Minutes of meetings for noting:

Members noted the minutes of the following meetings:

- GLPC – 18 May 2021 (formal meeting)
- TEC AGM – 10 June 2021 (informal meeting)
- Grants Committee AGM – 14 July 2021(informal meeting)
- GLEF AGM – 20 July 2021 (informal meeting)

The meeting finished at 1pm.

Leaders' Committee

Local Government Finance Update

Item 4

Report by: Paul Honeyben **Job title:** Interim Director: Local Government Finance & Improvement

Date: 7 December 2021

Contact Officer: Paul Honeyben

Telephone: 0207 934 9748 **Email:** paul.honeyben@londoncouncils.gov.uk

Summary This report provides a summary of the outcome of Spending Review 2021, published on 27 October, including progress against London Councils' priorities and an overview of the financial outlook facing London local government for the next three years. It concludes with a look ahead to the wider reforms to the finance system due over the course of the Spending Review period.

Recommendations Leaders' Committee is asked to note the contents of the report.

Local Government Finance Update

Introduction

1. On 27 October, the Government published the Autumn Budget and Spending Review 2021, confirming public spending plans for the next three years (2022-23 to 2024-25).
2. London Councils' detailed representation to HM Treasury ahead of the Spending Review led with a focus on London's economic recovery, setting out investible propositions and specific offers to, and asks of, government around four specific areas:
 - supporting London's young people into employment
 - delivering a green recovery
 - unlocking housing through infrastructure and transport
 - supporting "Global London"
3. The fifth priority area was to support robust and innovative local public services, which focused on the service areas under the most strain and which are particularly different in the capital.
4. By 2020, overall resources were already a quarter below where they had previously been in 2010, but London boroughs had 1 million more residents to provide services for. The pandemic has created increased demand for services (particularly social care), and a substantial reduction in income from fees and charges, council tax and business rates.
5. Detailed modelling prior to the Review, taking account growing demand for services, inflation and the ongoing impact of the pandemic, suggested that London boroughs would require between £1.5-2bn of additional funding over the next three years. This underpinned London Councils' ask for an overall funding increase of at least 5% per annum over the SR period. Funding certainty was also a key priority, including over council tax principles and the planned reforms to local government finance.
6. This report provides a summary of the outcome of Spending Review 2021 (SR21), including progress against London Councils' priorities and an overview of the

financial outlook facing London local government for the next three years, including an update on the wider reforms to the finance system due over the course of the Spending Review period.

Spending Review 2021 - outcome

Youth unemployment

7. While there were some welcome announcements on adult skills funding overall (including, £2.8bn of capital investment, and £560m for the “Multiply” numeracy programme, £1.6bn by 2024-25 for 16-19 year olds’ education and £2.7bn for apprenticeships), there was nothing to signal any reform of the system or changes to national programmes to make them more tailored for London, which had been sought.
8. London Councils also sought clarity on the UK Shared Prosperity Fund (UKSPF) ahead of SR21 and asked for London to receive as much funding as it did from the previous EU structural funds, and for this to be devolved to local areas. The overall amount of funding £2.6bn over three years, was confirmed, with confirmation that each nation will receive the same scale of funding received previously from EU Funds, but with no such guarantee over regional allocations. The methodology for distribution is still to be confirmed.

Green Recovery

9. There were few new climate change funding announcements that had not been previously set out in the Net Zero Strategy and the Heat and Buildings Strategy, published earlier in October. While £1.8bn was confirmed, through the £950m Home Upgrade Grant and £800m Social Housing Decarbonisation Fund, to support low-income households to make the transition to net zero, this falls short of the amounts pledged in the Conservative manifesto, which London Councils had urged the Government to confirm in the SR.
10. Other notable announcements included £1.4bn to help decarbonise the public sector estate in England and £1.5bn of investment for net zero innovation. However, London Councils’ joint ask with Core Cities for £30m of upfront investment to support

the continuation of the UK Cities Climate Investment Commission work was unsuccessful.

Housing and transport infrastructure

11. Around £1.8bn of new funding was confirmed to support housing supply, including £300m locally-led grant funding distributed to Mayoral Combined Authorities and local authorities to unlock smaller brownfield sites for housing and £1.5bn to regenerate underused land. However, London Councils' key asks on greater flexibility over Right to Buy receipts, longer term certainty over social rents and funding to compensate councils for the impact of covid-19 on the HRA, were not successful.
12. Around £3bn was confirmed to remove unsafe cladding from the highest-risk buildings over the SR21 period, supported by revenues raised from the new Residential Property Developer Tax. While unlikely to fully compensate councils for the costs of fire safety, which London Councils had called for ahead of the SR, this is a welcome announcement.
13. SR21 did not confirm any new transport funding for London, and there was no funding settlement for TfL despite its latest funding deal being due to expire on 11 December. There were, however, positive announcements relating electric vehicle infrastructure (£620m for public charge points in residential areas and targeted plug-in vehicle grants; and £817m of capital funding). Again, this broadly aligns with one of London Councils' asks regarding EV funding.

Global London

14. SR21 confirmed the Thames Freeport (including sites in Dagenham, Tilbury, and London Gateway) could begin operating from November, delivering over 21,000 jobs. While nothing London-specific was confirmed, the £20bn investment in R&D by 2024-25, £1.2bn to improve digital infrastructure, £160m for new and innovative industries, and £1.4bn Global Britain Investment Fund to support the UK's life sciences, all align with London Councils' asks to support key growth sectors in the

capital. However, there was no specific funding to support tourism and the visitor economy, which was highlighted as a priority ahead of the SR.

Service-specific funding

15. London Councils' fifth priority ahead of the Review focused on funding to deliver robust and innovative local public services.

16. There were some notable announcements including:

- a top up of around £70m per annum for the Supporting Families programme (on top of the existing £165m per annum);
- £639m by 2024-25 to combat rough sleeping including continuing the Rough Sleeping Initiative and continuing the Homelessness Prevention Grant;
- £500m for Start for Life family hubs; and
- £259m for secure and open residential children's homes (of which London may receive around £40m).

17. However, there was limited progress in other areas, with only an inflationary increase to Public Health Grant (worth around £50m over 3 years to London boroughs) and no specific funding relating to UASC or local welfare provision. There was no confirmation of a clear plan for resolving High Needs funding deficits, although £2.6bn of capital funding was announced over 3 years for 30,000 SEND places nationally. Finally, there was no confirmation of longer-term support for London boroughs in relation to the resettlement of Afghan evacuees.

Core local government funding

18. With regard to core local government funding, the SR provided a good indication of the overall funding envelope, setting out indicative figures for Core Spending Power (CSP) for the next three years. It also confirmed expected council tax principles for the next three years, of a 2% main referendum threshold and 1% adult social care precept.

19. CSP is forecast to increase by an annual average of 3% per annum in real terms, totalling £8.5bn over the next three years at the England level (see Table 1 below).

This includes £1.5bn per annum (£4.5bn over three years) of new grant funding. It also includes £2bn by 2024-25 (a cumulative £3.6bn over three years) intended to cover the costs of the adult social care funding reforms announced in September. Excluding that funding, which won't address underlying social care demand pressures, the average annual increase is 1.8% in real terms, which assumes all authorities raise council tax by the maximum permitted.

Table 1 – Local Government Core Spending Power (cash values)

	2021-22 Baseline	2022-23	2023-24	2024-25	Cash change (2021-22 to 2024-25)	Average annual change (real terms) 2021-22 to 2024-25
Core Spending Power	50.4	53.7	56.6	58.9	8.5	3.0%
o/w ASC reform	-	0.2	1.4	2.0	2.0	
o/w Remaining CSP	50.4	53.5	55.2	56.9	6.5	1.8%

20. While the distribution of around 80% of CSP for 2022-23 can be reasonably estimated, around 20% of grant funding (including the Improved Better Care Fund, Social Care Grant, New Homes Bonus, the new ASC reform funding and the additional £1.5bn per annum) remains to be confirmed at the Provisional Local Government Finance Settlement (PLGFS) in December.

21. It is estimated London boroughs will receive around £1bn increase in funding through CSP and around £50m from the Public Health Grant (the largest grant outside of CSP). Overall, this £1.1bn falls short of the estimated £1.5-2bn of financial pressures facing London boroughs identified by London Councils ahead of SR21.

22. London Councils' response broadly welcome the new funding, but has also highlighted that this is unlikely to cover the scale of the financial pressures facing London local government, including:

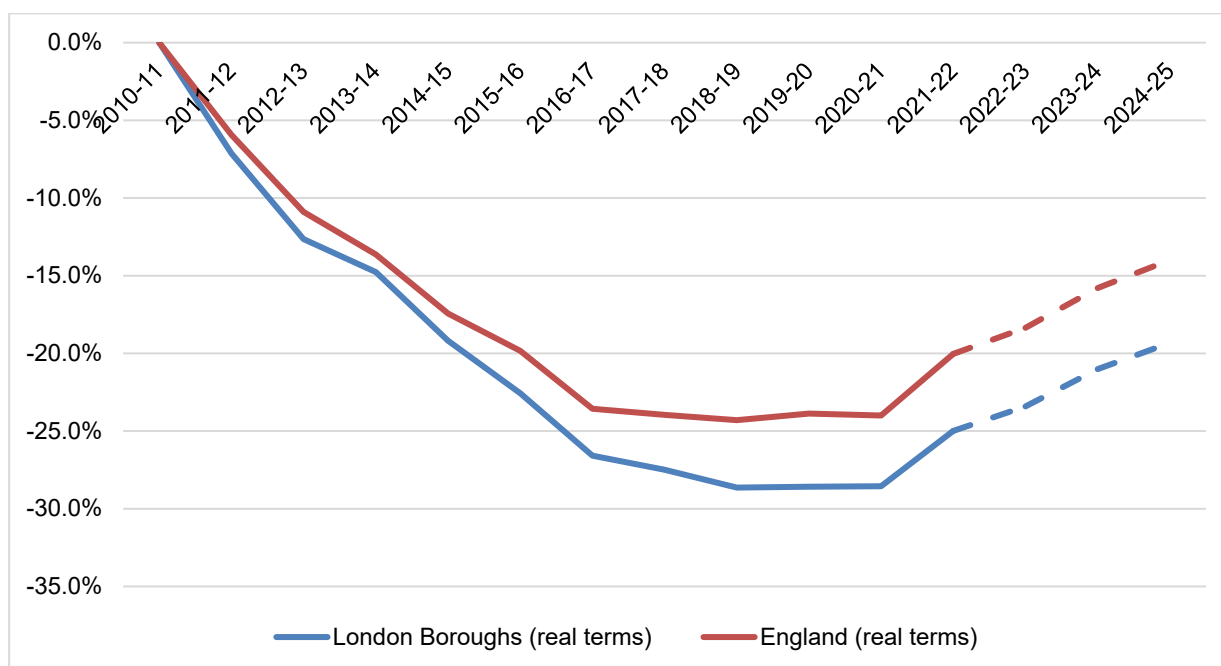
- a. the costs of implementing the ASC funding reforms;
- b. inflationary pressures - including the impact of the increase in National Insurance Contributions for local government supply chains, the national

living wage increase, and rising inflation (with growing speculation that this may peak at 5% in 2022); and

- c. the impact of council tax and business rates losses due to the pandemic (the 25% uncompensated from 2020-21, and the entirety of losses from 2021-22), which will impact on budgets in 2022-23 and 2023-24 and are estimated to be £300-400 million across London boroughs.

23. Therefore, despite the increase in local government funding confirmed in SR21, London boroughs are likely to face considerable budget pressures over the next three years, and even using Core Spending Power as presented (inclusive of the ASC reform funding) it will remain almost a fifth lower than in 2010 in real terms (see Chart 1 below).

Chart 1 - Cumulative real terms % change in Core Spending Power - London boroughs vs England - 2010 to 2025



Source: DLUHC, LG Finance Settlements and SR21

Local government finance reform

24. Looking beyond 2022-23, while the Spending Review provided a degree of certainty about the overall funding envelope for local government and council tax principles for

2023-24 and 2024-25, there remains a significant level of uncertainty regarding the distribution of funding in those years. This is because the scope and timeline for the planned reforms to local government finance - the Relative Review of Needs and Resources (the “Fair Funding Review”) and the reset of business rates retention baselines – were not confirmed, as London Councils had sought prior to the Review.

25. The Secretary of State for Levelling up Housing and Communities, Michael Gove, did however, appear before the Housing, Communities and Local Government Select Committee on 8 November and confirmed that the Government intends to proceed with caution on implementing 75% business rates retention, indicating that plans to deliver this policy had been halted. The rationale provided was that “it goes against the broader principle of levelling up to move precipitately to a system whereby 75% of business rates is retained, because that works against the process of redistributing money to those who need it most, particularly in the wake of covid, which has reinforced some inequalities”¹.
26. Regarding the wider reforms to the system, the Secretary of State confirmed the Government is still considering when these can be delivered and confirmed further details would be set out at the PLGFS, which is expected to be in mid-December.
27. The Spending Review did not address the more fundamental challenge of how to fund local government sustainably over the longer term. The outcome of the Treasury’s Fundamental Review of Business Rates was published alongside the SR, but rather than fundamental reform, it continued the recent trend of making minor reforms to the existing tax, particularly adding further centrally determined reliefs and discounts. These included:
- freezing business rates for all businesses in 2022-23;
 - a new temporary relief for retail, hospitality and leisure properties for 2022-23 (of 50% for properties up to £110,000);
 - a new relief to support investment in property improvements;
 - a new exemption and relief to support green technologies; and
 - a 100% relief for eligible heat networks from 2023 to 2035.

¹ <https://committees.parliament.uk/oralevidence/2980/pdf/>

28. It was confirmed that local government will be fully compensated for these reforms. The review also confirmed the move to 3 yearly revaluations from 2023, and that the Government will consult shortly on introducing an Online Sales Tax.

Next steps

29. Further work will be undertaken to build on the positive announcements in the Spending Review and further develop the offers and investable propositions in relation to London's recovery and the delivery of strong and robust local services.
30. Officers will continue to seek clarity over funding ahead of the provisional local government finance settlement in December and provide analysis and briefings for London borough officers, members and London MPs following its publication. Officers will respond to the consultation on the provisional settlement in the new year, after which lobbying will be undertaken to influence the final settlement in February 2022.
31. When further detail is known regarding the timeline and the scope of the wider reforms to the local government finance system, further reports will be provided to the Executive and Leaders' Committee in the new year, seeking a steer on London Councils' priorities and approach to lobbying.

Recommendations

32. Leaders' Committee is asked to note the contents of the report.

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Leaders' Committee

Climate Change Strategy

Item

5

Report by: Kate Hand **Job title:** Head of Climate Change

Date: 07 December 2021

Contact Officer: Kate Hand

Telephone: 020 7934 9898 **Email** kate.hand@londoncouncils.gov.uk
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Summary: This report provides an update on London Councils' climate advocacy work in the run up to COP26, outlines the refreshed Government climate policy suite and key outcomes of COP, and concludes with considerations for evolving London Councils' Climate Change Programme Strategy.

Recommendations: The Committee is asked to:

1. Note the paper; and
2. Comment on the proposals for the development of London Councils' Climate Change Programme Strategy (paragraphs 19 – 26)

Climate Change Strategy

1. London Councils is delivering an ambitious 2021/22 climate change strategy, approved by London Councils' Executive and Transport and Environment Committee (TEC) in early 2021. An update report on the climate strategy was submitted to Leaders' Committee in March 2021 and Executive in September 2021.
2. This report provides an update on London Councils' climate advocacy work in the run up to and during COP26, outlines the refreshed Government climate policy suite and key outcomes of COP, and concludes with considerations for evolving London Councils' Climate Change Programme Strategy.

London Councils' climate advocacy

3. London Councils' climate advocacy work has been guided by an overall narrative, agreed with the GLA in April (Appendix 1), and a set of four major asks, agreed by TEC in June: recognising the critical role of local government; supporting the UK Cities Climate Investment Commission (CCIC) and supporting green skills; providing long-term financing and regulatory support for domestic retrofitting; and enabling transport infrastructure to support a green recovery.
4. In pursuit of these aims, officers have engaged with Government departments directly and with partners, made the case through successful parliamentary engagement, and hosted or secured speaking slots at influential events that have enabled us to build support for our core messages.
5. We have successfully made the case for the central role of local government in delivering net zero, through engagement with the National Audit Office, the Environmental Audit Select Committee, DLUHC Minister Eddie Hughes MP and Permanent Secretaries across five different government departments, working with partners including the LGA. See also paragraph 13 on the Net Zero Strategy, below.
6. We have worked closely with Core Cities and the Connected Places Catapult to establish the UK CCIC, and through innovative research, widespread stakeholder engagement and

a series of six public events through the year – culminating in an event in the COP26 Blue Zone with Helen Whately MP (Exchequer Secretary) – we have secured significant private and public sector support for our proposals for accelerating private finance into place-based net zero investment.

7. In concert with the Retrofit London programme lead boroughs, Enfield and Waltham Forest, we have published a widely supported Retrofit London Housing Action Plan, profiled the programme with BEIS and DLUHC and secured their membership of the programme Steering Group, and hosted a successful programme launch event, joined by Deputy Mayor Shirley Rodrigues amongst others. We have also engaged with BEIS to address concerns around their Green Homes Grants Local Authority Delivery scheme in particular, and have seen some real improvements in further stages of retrofitting funding.
8. London boroughs have shown their ambitions around active travel during and post pandemic and have delivered schemes in record numbers, albeit the very difficult financial landscape. TEC members and officers have engaged extensively with DfT officials to describe the impact the short-term funding deals have not only on TfL but on boroughs as well and these discussions are ongoing. TfL has supported our ask to government to decouple Healthy Streets funding from the wider negotiations and we continue to press this point. Boroughs have continued to deliver on EV infrastructure and government has made additional funding available through the Spending Review, which is open to London's boroughs.
9. Together with addressing these priority areas, we have supported boroughs to adopt common messages and branding with our [Climate Advocacy Toolkit](#), and developed a public-facing climate communications brand: '#BeTheSolution'. Kingston has led the way with their #BeTheSolution campaign on active travel to encourage more walking and cycling, developed as part of the Low Carbon Transport programme. Together with our polling on Londoners' attitudes to climate change, this work is helping to show that London communities want to see action on climate change, and that boroughs are delivering it.

10. We launched our polling at our very well-attended Borough Climate Conference in October, where we also heard keynote remarks from Mayor Glanville and Deputy Mayor Rodrigues and showcased the work of the seven climate change programmes. A key message of that event is that boroughs want to build on successes to date, with ‘faster and better’ action going forward.¹
11. Finally, we have continued to build our collaboration with the GLA under the Green New Deal mission. Our joint paper to the September London Recovery Board meeting was welcomed, including our proposals to use new green jobs and skills research to identify and focus on key green economy sectors, and to host a Summit on retrofitting in early 2022 to accelerate progress and set out a roadmap to 2030. We will also be strengthening our collaboration around green finance, as a shared priority. This joint partnership was profiled at the London Climate Summit in late October, which set out London’s offer on net zero and acted as a springboard into COP26.²

UK government climate policy suite

12. Since our report to Leaders’ Committee in March, the Government has published its Decarbonising Transport Strategy, Net Zero Strategy, Heat and Buildings Strategy and the Net Zero Review (from Treasury). Together, these articulate the Government’s approach to meeting its 2030 and 2035 carbon emissions reduction targets, building on the Prime Minister’s 10 Point Plan for a Green Industrial Revolution.
13. The Net Zero Strategy in particular clearly recognises the ‘essential’ role of local government in delivering on net zero, the need for clarity around funding streams and greater capacity and takes steps to meet our asks for better coordination and dialogue. London Councils will actively engage with these processes going forward, seeking to develop action-orientated mechanisms to enable local government to deliver. This includes areas where our role is not yet clearly defined, for example around building the local green economy and skills. The direction on key areas such as planning, the role of

¹ [About Climate Change | London Councils](#)

² [The London Climate Summit - YouTube](#)

hydrogen and behaviour change, are yet to be determined. We will continue to embed thinking around our seven climate change programmes, and their ability to act as exemplars for long-term, cross-cutting delivery.

14. The funding picture is less supportive, with limited new funds announced for local government net zero delivery, and less overall funding for areas like retrofitting than had been pledged. However, £300m was put forward to support the delivery of food waste services by local authorities. The Budget and Spending Review had very limited focus on net zero – for London or elsewhere – and did not meet the £30m ask from the UK CCIC, which would enable the partnership to develop a model that can ultimately draw in many times this amount in private sector investment, nor our request for support for the seven climate change programmes.

COP26 outcomes

15. COP26, hosted in Glasgow from 30th October – 13th November, produced a number of important outcomes. Most importantly, it is seen to have kept the Paris Agreement ambition not to exceed 1.5°C alive, although as COP President Alok Sharma admitted, ‘the pulse is weak.’ If countries meet their conditional and unconditional ‘Nationally Determined Contributions’ (to reducing emissions under the Climate Convention) for 2030, projected warming falls to 2.4°C; if longer-term promises are achieved – e.g. the UK’s target of net zero by 2050, projected warming falls to 1.8°C.
16. The formal negotiations managed to conclude the ‘Paris Rulebook’ (which outlines, for example, how countries should account for emissions, the use of carbon markets and rules on transparency) and to adopt the Glasgow Climate Pact. The Pact is a political decision that aims to achieve more ambitious climate action, including urging parties to come back to COP27 with stronger carbon emissions reduction targets, calling on parties to ‘at least double their collective provision of climate finance for adaptation’, and highlighting ‘the urgent need for multilevel and cooperative action’, which includes the role of local government.

London Councils climate programme strategy

17. As outlined above, London Councils has achieved excellent outcomes in its key climate advocacy priorities in 2021; we will need to work to maintain the same momentum post-COP, and to build on these successes to secure delivery of the detailed policy framework and funding that can enable boroughs to deliver on their net zero targets. Our existing priorities will need to evolve to reflect new government policy and opportunities, to reach new audiences and influencers (including parliamentarians) with compelling evidence of the need for change, and to reflect the breadth of our seven climate change programmes, whilst focusing resources to achieve tangible, positive outcomes.
18. In particular, green finance and work through the UK CCIC will continue to be a priority. We will use the momentum generated through COP and stakeholder engagement to accelerate identification of capacity needs within local government and funding to test our 'Net Zero Districts' demonstrators.
19. Strong partnerships have been a feature of our work in 2021, and will continue to be critical to our success, in London and on the national stage. We are already in the process of building some of these, for example with business organisations around commercial retrofit, with Sub-Regional Partnerships on green skills and employment, and with London's higher education institutions on data and practice across our net zero ambitions.
20. Equally, we should continue to make the case to Londoners for climate action, and the role of the boroughs. In 2022, we will develop and expand the reach of #BeTheSolution as a tool for boroughs, and develop narratives that support all Londoners to take action and move along a pathway to a sustainable lifestyle that responds to their needs and situation.
21. We will also seek to reach councillors with a wider suite of portfolios, to support understanding of how climate action plays into areas as diverse as education, public health and innovation.
22. In 2020 – 21, we have supported the lead boroughs to establish the seven climate change programmes, engage across their peers and draw in external partners, and we have established a governance structure that enables us to address cross-cutting issues and

ensure the programmes are more than the sum of their parts. By the end of the year, we expect that six out of the seven programmes will have a complete action plan. The programmes are essential vehicles for our collective delivery, and in 2022 we need to support them to begin delivering action that can further build our collective capacity and effectiveness on net zero. To do this, we will need to support the programmes to address core capacity and funding needs, share learning across all London' boroughs and partners, as well as highlighting the achievements to a wide audience.

23. We will transition the Emissions Accounting Task and Finish Group into a standing Working Group, which will support reporting based on the approach agreed at October TEC, address outstanding areas for which there is no agreed approach, including investments, and provide ongoing peer support between boroughs for this new area of work.

24. Finally, we will support work to ensure that London Councils is 'walking the talk' on climate, including agreeing an overarching climate change ambition for the organisation and support to staff and members to positively contribute to this agenda regardless of their position and circumstances.

Recommendations

25. The Committee is asked to:

- i. Note the paper; and
- ii. Comment on the proposals for the development of London Councils' Climate Change Programme Strategy (paragraphs 19 – 26)

Financial Implications

26. There are no specific financial implications arising from this report

Legal Implications

27. There are no specific legal implications arising from this report

Equalities Implications

28. There are no specific implications for equalities arising from this report

Appendix 1: Climate change narrative

1. We have a shared vision for a more connected city that is greener and lower carbon, more equal, healthy and resilient, and where all London's residents, business and diverse communities can thrive.
2. To deliver this vision, in 2021 we will be:
 - Working with Londoners to put their hopes, concerns and activities at the heart of London's climate action
 - Supporting our burgeoning green economy to help us build back better from Covid-19, creating markets for local businesses, good jobs for Londoners and innovation
 - Making the case that London should be a leading engine for the green recovery that supports and works alongside other cities, regions and international partners, putting a just transition at the centre of how we do this
 - Working in partnership with our diverse communities including young people, our businesses and the government

Leaders' Committee

Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23 Item no: 6

Report by: David Sanni **Job title:** Acting Director of Corporate Resources

Date: 7 December 2021

Contact Officer: David Sanni

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Summary

This report proposes the level of boroughs subscriptions and charges to be levied in 2022/23, together with the consolidated revenue income and expenditure budget for 2022/23. The report also updates the Leaders' Committee on the current level of London Councils reserves after considering all current and proposed commitments and the timetable for the overall budget approval process. These proposals were considered by London Councils Executive at its meeting on 9 November and were agreed for submission to this Committee for final consideration and approval.

Recommendations

Members of Leaders' Committee are asked to note and discuss the recommendations set out in this report. All decisions will be made following the meeting under the Committee's urgency procedure. The Leaders' Committee is asked to approve the following borough subscription and charges:

- The proposed Joint Committee subscription for boroughs of £161,958 per borough for 2022/23, no change from 2021/22 (paragraph 19);
- The proposed Joint Committee subscription for MOPAC of £15,410 for 2022/23, no change from 2021/22 (paragraph 20);
- An overall level of expenditure of £6.668 million for the Grants Scheme in 2022/23, no change from 2021/22; and
- Borough contributions for 2022/23 to fully cover the Grants

scheme of £6.668 million, the same level as for 2021/22 (paragraphs 21-23).

The Leaders' Committee is also asked to endorse the following subscription and charges for 2021/22 for TEC, which were considered by the TEC Executive Sub-Committee on 17 November, before being presented to the main meeting of TEC on 9 December for final approval:

- The Parking Core Administration Charge of £1,500 per borough and for TfL (2021/22 - £1,500) (paragraph 24);
- No charge to boroughs in respect of the Freedom Pass Administration Charge, which is covered by replacement Freedom Pass income (2021/22 – no charge) (paragraph 26);
- The net Taxicard Administration Charge to boroughs of £338,000 in total (2021/22 - £338,000); (paragraph 27);
- No charge to boroughs and TfL in respect of the Lorry Control Administration Charge, which is fully covered by estimated PCN income (2021/22 – no charge) (paragraph 28);
- The Parking Enforcement Service Charge of £0.3751 per PCN, which will be distributed to boroughs and TfL in accordance with the number of PCNs issued in 2020/21 (2021/22 - £0.3596 per PCN; paragraphs 29-30);
- The Parking and Traffic Appeals Charge of £29.36 per appeal or £25.55 per appeal where electronic evidence is provided by the enforcing authority (2021/22 - £27.84/£24.06 per appeal). For hearing Statutory Declarations, a charge of £23.64 for hard copy submissions and £22.88 for electronic submissions (2021/22 - £22.15/£21.40 per SD) (paragraphs 33-34);
- Congestion Charging Appeals including the ULEZ scheme – to be recovered on a full cost recovery basis, as for 2021/22, under the current contract arrangement with the GLA (paragraph 35);
- The TRACE (Electronic) Charge of £7.53 per transaction (2021/22 - £7.53) (paragraphs 31-33);
- The TRACE (Fax/Email) Charge of £7.70 per transaction, which is levied in addition to the electronic charge of £7.53 per transaction, making a total of £15.23 (2021/22 - £15.23) (paragraphs 36-37); and

- The TEC Charge of £0.175 per transaction (2021/22 - £0.175) (paragraphs 36-37).

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

- The provisional consolidated revenue expenditure budget for 2022/23 for London Councils of £254.846 million, as per Table 4 at paragraph 39 and Appendix A of this report;
- The provisional consolidated revenue income budget for 2022/23 for London Councils of £252.967 million, also as per Table 4 at paragraph 39 and Appendix B;
- Agree the shared ambitions for London Councils as set out in paragraph 2;
- Create a one-off Digital Enablement Fund of £100,000 from uncommitted joint committee reserves; and
- Within the total income requirement, the use of London Councils reserves of £1.879 million in 2022/23, as detailed in paragraph 58.

The Leaders' Committee is also asked to note:

- The position in respect of forecast uncommitted London Councils reserves as at 31 March 2022, as detailed at paragraphs 56-62; and
 - The positive statement on the adequacy of the residual London Councils reserves issued by the Acting Director of Corporate Resources, as detailed in paragraphs 63-64.
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Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23

Introduction

1. This paper sets out the key features included in the budget proposals for 2022/23. It presents the level of boroughs subscriptions and charges to be levied along with the consolidated revenue income and expenditure budget for 2022/23.
2. It reflects the discussions with Leaders on the Shared Ambitions for London and for London Councils which aim to transform it into an organisation that:
 - provides political leadership based on shared values;
 - is a trusted partner for central government, the GLA, other cities, business and VCS;
 - focusses on pan-London efforts where they add real value;
 - champions innovation and leading practice; and
 - promotes collaboration and coalitions of the willing.
3. It aims to make the best use of available resources by focusing on those key policy areas that are most important to members which include:
 - Post pandemic recovery work;
 - Jobs, skills and employment;
 - Climate change;
 - Infrastructure including housing, transport and digital;
 - Health and wellbeing – including adult social care.
4. In order to achieve the Shared Ambitions, London Councils has to become:
 - Strategic and influential;
 - Bold and responsive; and
 - Modern and digital.

Budgetary pressures

5. The COVID-19 pandemic continues to have an impact on London Councils finances during 2021/22 and this is expected to carry on into 2022/23. Whilst

most income streams have recovered, income from the hire of meeting rooms and from letting of office space is still below expected targets.

6. The financial benefits of adopting agile working arrangements at the Southwark Street offices has not been realised as the on-going pandemic has affected plans to attract new income paying tenants to occupy freed up space within the building. The rental income had been projected to accrue at an estimated rate of £250,000 in 2020/21 rising to £550,000 by 2023/24 which would reduce the use of uncommitted reserves to balance the joint committee budget.
7. A review of London Councils operating model including an examination of overhead costs will be carried out to ensure that its financial arrangements remain sustainable. In the meantime, officers will continue to explore how to put the available space in the Southwark Street offices to best use during this post pandemic recovery period in order to generate additional income.
8. Other significant budgetary pressures that will have an impact on the 2022/23 revenue budget include:
 - An estimated amount of £150,000 due to 2% pay award, subject to negotiations, from April 2022;
 - An estimated increase of £9,000 in employers national insurance contributions 1.25% for 2022/23;
 - Further inflationary increases on contract commitments for 2022/23; and
 - A reduction of £160,000 in income from letting office space at the Southwark Street offices as referred to above.

Savings, Efficiencies and Developments

9. There has been a reduction of £47,000 in the annual depreciation charge due to a further review of proposed building improvements to determine if worth proceeding due to impact of Covid-19 pandemic on commercial property market.
10. A new programme director post to co-ordinate and support work with member boroughs on the delivery of the seven programmes on climate change and other

initiatives in this area, ensuring learning and leading practice is shared with all boroughs, is funded from uncommitted TEC Reserves, subject to approval from TEC.

11. A one-off contribution of £100,000 from uncommitted joint committee reserves for a new Digital Enablement Fund to modernise London Councils' digital infrastructure and processes to enhance collaboration with member boroughs, partners and stakeholders.

12. The learning and development budget has been increased by £66,000 to £130,000 to ensure officers have the right skills to fulfil London Councils' Shared Ambitions. This has been met by repurposing existing budgets.

Summary Budget Outlook

13. For the current year, the Leaders' Committee and TEC approved the total use of uncommitted general reserves of £1.530 million (£605k and £726k respectively) to balance the budget. In addition, TEC subsequently approved the transfer of resources from its special projects specific reserve to fund the climate change/EV/car club policy work and system developments in 2021/22, which is estimated to amount to £641k. The intention was to reduce the take from uncommitted Joint Committee reserves in the period up until 2023/24 and move towards delivering a balanced budget, with the only on-going commitment from Joint Committee reserves being the annual sum of £100,000 earmarked by members to support collaborative work on the health agenda. However, the financial benefits of adopting agile working arrangements as detailed in paragraph 6 have not been realised.

14. This report proposes the level of borough subscriptions and charges to be levied in 2022/23, together with the indicative consolidated revenue income and expenditure budget for 2022/23. The proposals include:

- A Joint Committee core subscription of £161,958 (2021/22: £161,958) per borough;
- TEC parking core administration of £1,500 (2021/22: £1,500) per borough;

- Total S48 commissioned services and administration subscription of £6,668,000 an average of £202,000 (2021/22: £202,000) per borough;
- a proposed transfer from uncommitted TEC reserves of £1.156 million (2021/22: £925,000).
- a proposed transfer from uncommitted core JC reserves of £723,000 (2021/22: £605,000).
- A Consolidated Expenditure Budget of £254.8 million (Revised 2021/22: £336 million)
- A Consolidated Income budget of £252.9 million (Revised 2021/22: £332.9 million)
- The use of reserves of £1.9 million (Revised 2021/22: £3.1 million)

15. The timetable for the approval of the budget for 2022/23 is as follows:

- 9 November – The London Councils Executive considered the proposals as outlined in this report and agreed to recommend the proposals to this Committee for final consideration and approval;
- 17 November - TEC Executive Sub-Committee considered the indicative budget and borough charges for 2022/23 and make recommendations to the main TEC Committee meeting on 9 December for approval;
- 24 November – Grants Committee considered and agreed the indicative grants budget and borough contributions for 2022/23, and recommended that the Leaders' Committee approve these proposals at this meeting in a separate report on this agenda;
- 7 December - Leaders' Committee considers this report on the indicative consolidated budget and borough charges for 2022/23, and a separate report seeking approval of the grants budget and borough contributions for 2022/23. This report includes the indicative budget and borough charges for TEC which the Leaders' Committee is asked to endorse; and
- 9 December – main TEC Committee – considers recommendations of TEC Executive Sub-Committee and any views arising from the Leaders' Committee and approves the final budget and charges for 2022/23. The views of the Leaders' Committee will be reported orally to the main TEC meeting.

Movement on core subscriptions and other charges

16. The reduction in core subscriptions and charges since 2010/11 (covering the period between 2011/12 and 2022/23):

- Joint Committee core subscription has reduced by £96,005 (37%);
- TEC core parking subscription has been reduced by £500 (25%);
- Payments for commissioned services funded by the Grants Committee have reduced by an annual average of £565,667 per borough (75%);
- Payments for the administration of commissioned services have reduced by an average of £30,152 per borough (70%); and
- The three main TEC administrations charges for direct services – Freedom Pass, Taxicard and Lorry Control, have reduced by between 7% and 100%.

17. A further sum of £8.7 million has been repaid to member boroughs from uncommitted reserves over the period 2011/12 to 2021/22. The total accumulated benefit to boroughs arising from the reduction in the main borough subscriptions, charges and one-off repayments equates to £249 million (an average of £8.7 million per borough). Employee numbers have reduced by 39% over this period.

Proposed borough subscriptions and charges

18. The following paragraphs detail the proposed borough subscriptions and charges for 2022/23.

Joint Committee Core Subscription

19. As detailed in the first bullet point of paragraph 9 above, the proposed amount to be levied on member boroughs in respect of the JC core and associated functions in 2022/23 is £161,958, the same level as for 2021/22. This includes a sum of £5,455 per borough as a contribution towards the continued funding of the YPES.

20. In line with the overall standstill position, it is proposed that the 2022/23 Joint Committee subscription for MOPAC be £15,410, the same level as for the current year.

Commissioned services funded by the Grants Committee 2022/23

21. The overall budget for commissioned services for the current year, as agreed by the Leaders' Committee in December 2020, is £6.668 million. At its meeting on 24 November 2021, the Grants Committee agreed to a S.48 borough funded grants programme of £6.668 million for 2022/23, which is the first year of the new four-year programme of commissioned services agreed by the Leaders' Committee in December 2019, following recommendations by the Grants Committee. The original decision was for 2021-2025, however due to the extension of the current programme as a result of Covid-19, the new programme now runs from 2022-2026.

22. Following consideration by the Grants Committee at its meeting on 24 November, the Leaders' Committee is, therefore, asked to approve the budget for the Grants Committee for 2022/23 as shown in the Table 1 below:

Table 1 – Indicative Grants Budget 2022/23

	2021/22 Indicative £000	2021/2 Budget £000	Variance £000
LC S.48 grants programme	6,233	6,233	-
Sub-Total	6,233	6,233	-
Grants Administration – LC S.48	435	435	-
Total expenditure	6,668	6,668	-
Financed by:			
Borough contributions to grant payment	(6,173)	(6,173)	-
Borough contributions to grants administration	(495)	(495)	-
Total borough contributions	(6,668)	(6,668)	-
Total Income	(6,668)	(6,668)	-
Transfer from Reserves	-	-	-
Net expenditure	-	-	-

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

- A core, pan-London scheme of commissioned services to meet service priorities agreed by the Grants Committee of £6.233 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;

- A provision for grants administration of £435,000 or 6.5% (4.4% excluding central recharges of £143,000) for the S.48 borough programme of £6.668 million, reflecting the actual cost of the current contract management and monitoring arrangements for commissions; and
- A total borough contribution of £6.668 million which will be apportioned in accordance with the ONS 2020 mid-year population data.

TEC Core Parking Subscription

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

TEC Direct Services

25. TEC currently provides three direct services on behalf of boroughs, one of which is also provided to TfL, which are recouped by an annual administration fee – the Freedom Pass, Taxicard and the London Lorry Control Scheme (LLCS). In overall terms, a sum of £338,000 needs to be recouped from boroughs in 2022/23, the same as for the current year. The proposed level of charge for each direct service, compared to those for the current year are detailed in Table 2 below:

Table 2 – Proposed TEC Direct Services Administration Charge 2022/23

Charge	Basis	2021/22 (£)	2020/21 (£)	Variance (£)	%
Freedom Pass	Per borough	Nil	Nil	-	-
Taxicard	Total	338,000	338,000	-	-
Lorry Control	Average	Nil	Nil	-	-

26. The **administration of the Freedom Pass** covers London Councils costs in negotiating the annual settlements and managing the relationships with transport operators and other contractors. After considering the overall income requirement for TEC, the proposed charge for 2022/23 remains at zero per borough, as the cost of administering the scheme continues to be met from income collected in respect of lost and damaged freedom passes. This position is reviewed on an

ongoing basis to ensure forecast income streams continue to cover the costs of administering the scheme.

27. The **administration of the Taxicard Scheme** covers London Councils costs in processing and issuing passes to members and managing the relationships with various contractors. After considering the overall income requirement for TEC, the proposed net cost to be charged to boroughs in 2022/23 is £338,000, no change on the total charge for 2021/22. This proposal includes the use of uncommitted TEC reserves of £150,000 to maintain the unit charge at this level. The active Taxicard total membership as at 30 September 2021 is 57,426, compared to 58,534 as at 30 September 2020, a marginal decrease of 1,108, or 1.9% which reflects the continuing impact of Covid-19. The decrease in the spreading base and the recommended use of reserves of £150,000 has increased the underlying subsidised unit cost of a scheme member from £5.78 to £5.89 per member.

28. The **Lorry Control administration charge** total charge is calculated in the same manner as the Freedom Pass and taxicard administration charge, although it is apportioned to boroughs in accordance with the ONS mid-year population figures for, in the case of 2022/23, June 2020. The total cost of administering the scheme is estimated to be £767,635 in 2022/23, compared to £769,704 in 2021/22. This figure includes a sum of £50,000 that has been retained in anticipation of further development of the scheme in 2022/23. After consideration of projected income of £1 million from the enforcement of the scheme, it is proposed that there will be no borough or TfL contribution in 2022/23, as for the current year. Again, this position will be reviewed annually to ensure forecast income streams continue to cover the costs of administering the scheme.

TEC Traded Services

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

covers the fixed costs of the parking related services - principally the LT- covering the actual cost of the appeals hearing centre and the fixed cost of the parking managed services contract.

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

Table 3 – Proposed TEC Traded Services Unit Charges 2022/23

Charge	2022/23 (£)	2021/22 (£)	Variance (£)	%
Parking Enforcement Service Charge (total charge)	0.3751	0.3596	0.016	4.4
Environment and Traffic Adjudicators (ETA) Appeals (Hard Copy)	29.36	27.84	1.52	5.46
ETA Appeals (Electronic)	25.55	24.06	1.50	6.23
ETA Statutory Declarations (Hard Copy)	23.64	22.15	1.48	6.68
ETA Statutory Declarations (Electronic)	22.88	21.40	1.48	6.91
TRACE Electronic	7.53	7.53	-	-
TRACE Fax	7.70	7.70	-	-
TEC	0.175	0.175	-	-

31. The **Parking Enforcement Service Charge** is allocated to users in accordance with the number of PCNs issued. For 2022/23, expenditure of £3.173 million needs to be recouped, compared to £3.060 million for 2021/22; an increase of £113,000, which reflects inflationary increases along with additional costs associated with the extension to the ULEZ scheme.

32. After top-slicing the amount for the estimated fixed costs of £1.188 million attributable to the contract with the GLA/TfL in respect of road user charging appeals (RUCA) and ULEZ, a total of £1.984 million remains to be apportioned through the 5.289 million PCN's issued by boroughs and TfL in 2020/21 in respect of parking, bus lane and moving traffic offences, compared to 6.187 million issued in 2019/20. The reduction in the number of PCNs issued over the two comparative years reduces the cost spreading base, which leads to a marginal increase in the actual unit charge to boroughs and TfL of £0.016 per PCN, or 4%, from £0.3596 to £0.3751 per PCN for 2022/23. In addition, under the terms of the contract with Northgate, there is a separate fixed cost identified in respect of the borough use of

the TRACE and TEC systems. For 2021/22, this sum was £97,000 and is estimated to increase to £98,000 in 2022/23. This sum will be apportioned to boroughs in accordance with volumes of transaction generated on each system by users.

33. The estimated volume of Environment and Traffic Adjudicators (ETA) appeals for 2022/23, based on indicative volumes to date in 2021/22, is 48,820, compared to the budgeted figure of 43,995 for the current year. The actual number of appeals represented by corresponding financial transactions posted in the accounts in 2020/21 was 39,076 including Statutory Declarations, Moving Traffic Offences and Lorry Control Appeals, however, this was significantly impacted upon by the national lockdown and ETA appeals have now steadily increased.

34. The average throughput of appeals to date for the current year is 3.53 appeals heard per hour, compared to 3.79 appeals per hour when the current year budget was set in December 2020. This average figure takes account of all adjudicator time spent on postal and personal appeal hearing and also non-appeal 'duty adjudicator' activities. The slight decrease in throughput is attributable to several reasons including the impact that Covid-19 has had on working arrangements. Based on this forecast figure and allowing for increased to National Insurance, it is proposed that the indicative hard copy unit ETA appeal cost for 2022/23 is £29.36, an increase of £1.52 or 5.4% on the charge of £29.36 for 2021/22. For appeals where electronic evidence is provided by an enforcing authority, it is proposed that the unit cost will increase by £1.50 or 6.2% to £25.55. The lower charge to boroughs recognises the reduced charge from the contractor for processing electronic appeals, demonstrating that there remains a clear financial incentive for boroughs to move towards submitting electronic evidence under the current contract arrangements. As for 2022/23, boroughs will pay a differential charge for the processing of ETA statutory declarations. For hard copy statutory declarations, the proposed unit charge will be £23.64 compared to the charge of £22.15 for the current year, which represents an increase of £1.48, or 6.7%. For electronic statutory declarations, the proposed unit charge will be £22.88, an increase of £1.48, or 6.9% on the electronic appeal unit charge of £21.40 for the current year.

35. For RUCA Appeals, the estimated volume of appeals for 2022/23, based on 2021/22 actual volumes to date and taking in to account the expansion to the scheme from 25 October 2021 is 24,244, compared to 19,478 for the current year. Under the terms of the contract, TfL/GLA will reimburse London Councils on a cost-recovery basis for the variable cost of RUCA appeals, ensuring that a break even position continues in respect of these variable transactions. The rechargeable level of fixed costs associated with this contract is £1.188 million for 2022/23; a significant increase of £352,000 on the 2021/22 budgeted level of £836,000, which reflects the associated costs forecasted as a result of the scheme expansion.

36. In respect of **all other parking traded services**, the variable charges form part of the parking managed service contract provided by the contractor, Northgate, the volumes of which are again not controlled by London Councils; the individual boroughs are responsible for using such facilities. The volumes are based on those currently being processed by the contractor and are recharged to the boroughs, TfL and the GLA as part of the unit cost charge. Trends suggest that transaction volumes appear to be reducing for the use of the TRACE electronic systems but are increasing for the use of the TEC system.

37. The estimated decrease in expenditure between 2021/22 and 2022/23 based on the actual transaction volumes and estimated movement in contract prices is £6,151. The corresponding estimated effect on income, between 2021/22 and 2022/23, is a decrease of £62,422, leading to a net overall reduction in budgeted income of £56,271.

38. The charging structure historically approved by TEC for the provision of the variable parking services (excluding appeals) includes a contribution to overheads in each of the charges made to boroughs and other users for these services.

Proposed revenue budget for 2022/23

39. Based on the proposed level of subscription and charges, as detailed in paragraphs 18-38 above, the proposed revenue budget position for 2022/23, is

summarised in Table 4 below. A detailed breakdown of proposed expenditure and income is shown at Appendices A and B to this report.

Table 4 – Proposed revenue budget 2022/23

	Joint Committee	Grants Committee	TEC	Total
	£000	£000	£000	£000
Indicative Expenditure	9,684	6,523	237,835	254,042
Central Recharges	123	145	536	804
Total Expenditure	9,807	6,668	238,371	254,846
Indicative Income	(6,702)	(6,668)	(237,215)	(250,585)
Central Recharges	(2,382)	-	-	(2,382)
Sub-total	(9,084)	(6,668)	(237,215)	(252,967)
Use of Reserves	(723)	-	(1,156)	(1,879)
Total Income	(9,807)	(6,668)	(238,371)	(254,846)
Indicative Net Position	-	-	-	-

40. The detailed breakdown of the proposed budgets for the Joint Committee, Grants Committee and TEC funding streams for 2022/23 is outlined in paragraphs 41-54 below.

Grants Committee

41. The provisional position for the Grants Committee for 2022/23 is as follows:

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

	£000
Expenditure:	
Revised budget 2021/22	6,668
Proposed budget 2022/23	6,668
Budget Movement	-
Income	
Revised budget 2021/22	(6,668)
Proposed budget 2022/23	(6,668)
Budget Movement	-
Net Budget Movement	-

Transport and Environment Committee

42. Excluding the position for the payments to transport operators in respect of the Freedom Pass and Taxicard, which are dealt with in paragraphs 44-52 below, the provisional position for TEC for 2022/23 is detailed in Table 6 below:

Table 6 – Indicative TEC budget movements for 2022/23

Expenditure:	£000
Revised budget 2021/22	14,874
Proposed budget 2022/23	15,231
Budget Movement	357
Income	
Revised budget 2021/22	(14,874)
Proposed budget 2022/23	(15,231)
Budget Movement	(357)
Net Budget Movement	-
Developments – expenditure:	
Increase in Freedom Pass administration	1
Increase in Taxicard administration	32
Decrease in Lorry Control administration	(143)
Increase in London Tribunals administration	112
Decrease in non-operational staffing costs	(13)
Volumes changes – Adjudicators fees	542
Volume changes – Northgate variable costs	(34)
Other running costs	4
Increase in payments between committees and other 3 rd parties in relation to Environmental Initiatives	269
Decrease in one off 2021/22 system developments	(382)
Decrease in central recharges not included in Direct Services	(31)
Budget Movement on expenditure	357
Developments – income:	
Increase in income from replacing lost/faulty freedom passes	(150)
London Lorry Control Scheme PCN income	-
Volumes changes – appeals income	(514)
Volume changes – other parking services income	62
Increase in income for Health Emergency Badges	(1)
Reduction in income for replacement Taxicards	-
Increase in income for fixed parking costs	(113)
Other adjustments	-
Reduction in Miscellaneous income	7

Proposed decrease in transfer from general reserve	352
Budget Movement on income	(357)
Net Budget Movement	-

43. The proposals for the level of subscription and charges for TEC related services in 2022/23, which are detailed in paragraphs 26-38 above, provide the rationale for the majority of the budget movements detailed in Table 6.

Freedom Pass

44. The main settlement with TfL for concessionary travel is still being negotiated. The early estimates indicate a cost of £201.593 million, representing a provisional reduction of £74.382 million, or 26.95%, on the figure of £275.975 million for 2021/22. The reduction is significant and represents estimates considering the ongoing COVID-19 pandemic. This reduction is provisional and officers continue to negotiate with TfL on the final settlement figure.

45. The Rail Delivery Group (RDG) settlement is still being negotiated. Early estimates are for a reduction of costs of £6.559 Million, reducing this part to £10.000 million compared to the budget of £16.559 million for the current year. However, officers are continuing to negotiate regarding the price per journey to be paid and will update TEC accordingly in December.

46. The budget for payments to other bus operators for local journeys originating in London has been maintained at £1.1 million, following projections for 2022/23, based on the 2020/21 outturn position and the current year to date.

47. The budget for the freedom pass issuing costs was £1.518 million for 2021/22. For 2022/23, it is proposed that the budget remains at this level, which will include the cost of an annual pass eligibility review that yields significant cost savings to boroughs.

48. For income in respect of replacement Freedom Passes, current trends indicate that income is forecasted to recover to pre-lockdown levels. The 2022/23 income budget has therefore been increased to £750,000 and there is no proposed

change to the unit cost of £12 for a replacement pass. As stated in paragraph 25, it is proposed that the in-house cost of administering the Freedom Pass scheme will be fully funded by this income stream in 2022/23.

49. As agreed by TEC in December 2014, any annual surplus arising from both the freedom pass issuing costs budget of £1.518 million (paragraph 47 above) and replacement freedom passes income budget of £750,000 (paragraph 48 above) will be transferred to a specific reserves to accumulate funds to offset the cost of future major pass renewal exercises. As detailed in Table 9 at paragraph 56, the current balance on the specific reserve is £2.129 million, £792,000 of which relates to Freedom Pass.
50. Final negotiations on the actual amounts payable to operators will be completed in time for the meeting of main TEC Committee on 9 December; any late variations to these provisional figures will be tabled at this meeting.
51. A summary of the provisional freedom pass costs for 2022/23, compared to the current year, can be summarised in Table 7 below. The total cost of the scheme is fully funded by boroughs and the estimated cost payable by boroughs in 2022/23 is £214.211 million, compared to £295.152 million payable for 2021/22. This represents a reduction of £80.9 million or 27.4% which reflects significant reductions in anticipated usage of the schemes due to the ongoing impact of the Covid-19 pandemic.

Table 7 – Comparative cost of Freedom Pass 2022/23 and 2021/22

Estimated Cost of Freedom Pass	2021/22(£000)	2021/22 (£000)
TfL Settlement	201,593	275,975
RDG Settlement	10,000	16,559
Non TfL Bus Operators Settlement	1,100	1,100
Freedom Pass Issue Costs	1,518	1,518
Total Cost	214,211	295,152

Taxicard

52. it is assumed that TfL will provide an estimated fixed contribution of £8.859 million, no change in the figure for 2021/22. The total borough contribution towards the Taxicard scheme in 2022/23 is estimated to be £1.588 million, the same as for the

current year, although the decision on boroughs' contributions is a matter for boroughs to take individually and will be confirmed in February 2022. The indicative budgetary provision for the taxicard trips contract with ComCab (London), will, therefore, be an amalgam of the TfL and borough funding, currently equating to £10.447 million for 2022/23, the same figure as for the current year. However, several factors such as usage of the scheme particularly considering the ongoing impact of Covid-19 could influence the final outturn position for 2022/23.

Joint Committee

53. The provisional position for the Joint Committee for 2022/23 is as follows:

Table 8 – Indicative Joint Committee budget movements for 2022/23

	£000
Expenditure:	
Revised budget 2021/23	9,784
Proposed budget 2022/23	9,807
Budget Movement	23
Income	
Revised budget 2021/23	(9,784)
Proposed budget 2022/23	(9,807)
Budget Movement	(23)
Net Budget Movement	-
Developments - expenditure:	
Increase in net salary costs	308
Increase in City of London SLAs	30
Decrease in depreciation provision	(47)
Net increase in Southwark Street premises related costs	17
Net increase in running costs including supplies and services and learning & development	14
Reduction in budgets carried forward in to 2021/22	(378)
Decrease in Central Recharges	(33)
Budget Movement on expenditure	23
Developments - income:	
Decrease in use of reserves	283
Net Increase in income from tenants and funded groups and central recharges	(19)

Increase in Investment income	(10)
Transfer between committees - TEC	(277)
Budget Movement on income	(23)
Net Budget Movement	-

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

- **Increase in salary cost** - this covers the following salary related costs of the Joint Committee:
 - An estimated 2% pay award for 2022/23, which is subject to negotiations, will add £91,000 to total salary costs included members allowances;
 - In addition, staff salary progression through the approved staff structure plus other changes to specific posts and roles amounts to a net additional £25,000 in the JC salaries budget for 2022/23;
 - An increase to the 2022/23 base budget to cover the rise in employers national insurance contributions of 1.25%, totalling £5,000
 - Finally, costs associated with additional environmental policy work, which are funded by TEC, of £176,000.
- **Depreciation charge** – There have been delays and reductions to the planned capital expenditure building works at Southwark Street during 2021/22. As a result, there is a net reduction of £47,000 depreciation charge in 2022/23;
- **Increase in City of London SLA costs** – An increase to the SLA costs of £30,000 due to the increase to the new ICT SLA.
- **Increase in Southwark Street premises costs** – Marginal inflationary increases to premises costs of £17,000;
- **Additional Running Costs** – Small inflationary increases to supplies and services totalling £14,000;
- **Central Recharge expenditure** – A reduction of central recharges costs within the joint committee due to annual movement of costs being recharged.

- **Increase in proposed use of reserves** – The 2021/22 budget report, presented to Leaders' Committee in December 2020, allowed for £605,000 use of uncommitted reserves to balance the budget. This was increased to £1.006 million during the year largely to take in to account unspent 2020/21 budgets to be carried forward in to 2021/22 as agreed by members. It was anticipated that the budget gap would be closed in the medium term, however delays in sourcing additional tenants to Southwark Street along with a reduction in external room booking income, both of which have been impacted upon by Covid-19, coupled with general inflationary increases means that for 2022/23 £623,000 of uncommitted reserves are required. This will be further increased by £100,000 should members agree to a one-off transfer from uncommitted reserves to support Digital Enablement (paragraph 11).
- **Net Increase in income from tenants, funded groups and central recharges** – Net income from funded groups and central recharges across the committees has resulted in a small increase of £19,000 largely due to additional policy posts being funded by TEC, extension of the ULEZ scheme and the spreading of central costs which have increased in line with inflation.
- **Increase in Investment Income** – A small increase in investment income receivable to reflect current rates of return being achieved on cash balances.
- **Transfer between committees (TEC)** – Income for specific Environment Policy work to be funded from TEC as agreed by TEC members in 2019 and 2021, which is matched by expenditure.

Externally Funded Projects

55. In addition to the proposed expenditure of £254.346 million for largely borough funded activity, expenditure on activities financed through external contributions is currently projected to be in excess of £3.8 million in 2022/23, with funding being received through various external sources to fully fund the projects, ensuring no cost to boroughs. Once confirmation of continued and any additional funding into 2022/23 is received from funders over the coming months, budget plans for

expenditure will be revised accordingly to ensure that they match the available funding.

Updated position on Reserves

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

Table 9 – Current Uncommitted Reserves

	Transport and Environment Committee (£000)	Joint Committee (£000)	Grants Committee (£000)	Total (£000)
General Reserve at 1 April 2021	3,877	6,344	1,363	11,584
Specific reserves at 1 April 2021	2,129	-	-	2,129
Provisional reserves at 1 April 2021	6,006	6,344	1,363	13,713
Committed in setting 2021/22 budget	(925)	(605)	-	(1,530)
Balances b/f into 2021/22	(141)	(378)	-	(519)
NRPF grants commitments in 2021/22	-	-	(327)	(327)
Youth Homelessness Hub 2021/22	-	-	(300)	(300)
Use of TEC priority projects reserves in 2021/22	(442)	-	-	(442)
Support for Covid-19 recovery work	-	(23)	-	(23)
Provisional other commitments for 2022/23 -2023/24	(696)	(200)	-	(896)
Projected surplus/(deficit) for 2021/22	717	557	(31)	1,243
Provisional Uncommitted reserves	4,519	5,695	705	10,919

57. The current level of commitments from reserves, as detailed in Table 9, come to £4.037 million and are detailed in full in Table 10 below:

Table 10– Current Commitments from Reserves

	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000
Balances b/f from 2020/21	519	-	-	519
Approved transfer from JC general reserves	505	-	-	505
Approved transfer from TEC general reserves	925	-	-	925
NRPF grants funding	327	-	-	960
Youth Homelessness Hub	300	-	-	300
Support to the health agenda	100	100	100	300
Support for Covid-19 recovery	23	-	-	23
TEC priority projects	442	275	421	1,138
Totals	3,141	375	521	4,037

58. After considering the budget proposals outlined in this report and the recommended use of reserves of £1.879 million, which is made up of previously approved resources of £275,000 for TEC priority projects and £100,000 contribution to the Health agenda included in table 10 above and £1.504 million in general reserves in Table 11, the level of uncommitted reserves reduces to £9.415 million, as detailed below:

Table 11 - Estimated Uncommitted Reserves as at 1 April 2022

	Transport and Environment Committee (£000)		Joint Committee (£000)	Grants Committee (£000)	Total (£000)
	General	Specific	General	S.48	
Projected uncommitted reserves (Table 10)	3,532	987	5,695	705	10,919
Proposal included in 2022/23 budget figures	(881)	-	(623)*	-	(1,504)
Transfer to Specific Reserves	-	-	-	-	-
Estimated residual uncommitted reserves	2,651	987	5,072	705	9,415

*Includes £100,000 for digital enablement

59. For the Grants Committee, the Grants Executive in September 2013 agreed that the level of reserves to cover the S.48 borough funded commissions (priorities 1 and 2) should be set at 3.75% of the budget, which will equate to £250,000 in respect of a proposed budget of £6.668 million for 2022/23. The forecast level of

uncommitted reserves of £705,000 is, therefore, in excess of this benchmark at 10.57% of the proposed budget.

60. For TEC, uncommitted general reserves are forecasted to be £3.532 million as at 31 March 2022 and reflects the forecast surplus on general reserves of £717,000 for the current year.

61. After considering the proposed use of general TEC reserves of £1.156 million in setting the 2022/23 budget, subject to agreement of main TEC meeting on 9 December, uncommitted general TEC reserves are forecast reduce to £2.651 million, or 17.4% of proposed operating and trading expenditure of £15.231 million.

62. For the Joint Committee functions, uncommitted general reserves are projected to be £5.072 million if the proposals in this report are approved. In a period of continuing financial constraint for London local government, and as demonstrated in the recent past, there is continued value in holding a reasonable level of reserves as a contingency. This will also facilitate a period of transition for the organisation, both in terms of working with members to fulfil the Shared Ambitions for London and London Councils and managing the impact of the Covid-19.

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

64. If the Leaders' Committee/TEC approves the use of uncommitted reserves of £1.879 million for 2022/23, as detailed in this report, residual uncommitted reserves would reduce to £8.428 million. This would represent 33.1% of total operating and trading expenditure in 2022/23 of £25.473 million. The comparable figures reported to this committee 12 months ago and following in year revised budget movements was projected uncommitted reserves of £7.868 million, which equated to 32.6% of provisional operating and trading expenditure of £24.108 million for 2021/22. This position maintains healthy reserves position, particularly

in the current economic climate. The Acting Director of Corporate Resources is, therefore, content to issue a positive statement on the adequacy of the residual London Councils reserves for 2022/23.

Conclusions

65. This report proposes the level of boroughs subscriptions and charges to be levied in 2022/23, together with the consolidated revenue income and expenditure budget for 2022/23. The report also updates the Leaders' Committee on the current level of London Councils reserves after considering all current and proposed commitments, plus the timetable for the overall budget approval process. These proposals were considered by the London Councils Executive at its meeting on 9 November and this package was agreed for submission to this Committee for final consideration and approval.

Summary

66. This report proposes the level of boroughs subscriptions and charges to be levied in 2022/23, together with the consolidated revenue income and expenditure budget for 2022/23.

67. The subscription and budget proposals for 2022/23 relating to the Grants Committee, as contained in this report, were considered by the Grants Committee at its meeting on 24 November. The Grants Committee recommended that the Leaders' Committee approve the budget proposals as laid out in this report and which are also subject to a separate report on this agenda.

68. The subscription and budget proposals for 2021/22 relating to the Transport and Environment Committee were considered by the TEC Executive Sub-Committee at its meeting on 17 November and will be put before the main TEC meeting on 9 December for final approval. The Leaders' Committee is, therefore, asked to endorse the provisional TEC figures as laid out in this report.

Financial Implications for London Councils

As detailed in the body of the report.

Legal Implications for London Councils

None

Equalities Implications for London Councils

None

Appendices

- Appendix A – the provisional consolidated revenue expenditure budget for London Councils for 2022/23.
- Appendix B – the provisional consolidated revenue income budget for London Councils for 2022/23.

Background Papers

London Councils budget working papers 2010/11 to 2022/23.

Item 6 Appendix A

Proposed Consolidated Expenditure Budget
2022/23

	Jt Ctte £000	Grants £000	TEC £000	Total £000
Payments in respect of Concessionary Fares				
TfL	0	0	201,593	201,593
RDG	0	0	10,000	10,000
Other Bus Operators	0	0	1,100	1,100
Freedom Pass survey and reissue costs	0	0	1,518	1,518
Freedom Pass Administration	0	0	521	521
Comcab	0	0	10,447	10,447
Taxicard Administration	0	0	630	630
Sub-Total	0	0	225,809	225,809
Payments for commissioned services				
S.48 pan-London commissions	0	6,173	0	6,173
Subscription to London Funders Group	0	60	0	60
S.48 ESF pan-London commissions	0	0	0	0
Sub-Total	0	6,233	0	6,233
TEC Trading Account Expenditure				
Payments to Adjudicators- ETA	0	0	937	937
Payments to Adjudicators - RUCA	0	0	917	917
Northgate variable contract costs - ETA	0	0	311	311
Northgate variable contract costs - RUCA	0	0	140	140
Northgate variable contract costs - Other	0	0	204	204
Payments to Northampton County Court	0	0	4,000	4,000
Lorry Control Administration	0	0	768	768
ETA/RUCA Administration	0	0	3,172	3,172
HEB Administration	0	0	43	43
Sub-Total	0	0	10,492	10,492
Total Direct Services	0	6,233	236,301	242,534
Operating Expenditure				
Contractual Commitments				
Capital Ambition legacy project costs	82	0	0	82
Contribution to LOTI	100	0	0	100
YPES Regional/Provider Activities	50	0	0	50
Southwark Street Leasehold Costs	1,377	0	0	1,377
Leases for photocopiers	19	0	0	19
HR Metrics Infinistats contract	35	0	0	35
Northgate Fixed Costs	0	0	98	98
External audit fees	48	0	0	48
CoL Finance/Legal/HR/IT SLA	527	0	0	527
Depreciation	144	0	0	144
Grants GIFTS system support	0	10	0	10
Sub-Total	2,382	10	98	2,490
Salary Commitments				
Officers	5,194	242	773	6,209
Members	223	19	20	262
Maternity provision	50	10	30	90
Sub-Total	5,467	271	823	6,561
Discretionary Expenditure				
Learning and Development /recruitment advertising	180	7	0	187
Staff travel	17	2	0	19
Other premises costs	297	0	0	297
SS ICT support	61	0	0	61
Supplies and services	680	0	159	839
Digital Enablement	100	0	0	100
Research	400	0	40	440
Contribution to Health related work	100	0	0	100
Climate Change	0	0	345	345
Other 3rd party payments	0	0	68	68
Sub-Total	1,835	9	612	2,456
Total Operating Expenditure	9,684	290	1,533	11,507
Central Recharges	123	145	536	804
Total Expenditure	9,807	6,668	238,371	254,846

Item 6 Appendix B

Proposed Consolidated Income Budget 2022/23

	Jt Ctte £000	Grants £000	TEC £000	Total £000
Borough contributions to TfL	0	0	201,593	201,593
Borough contributions to ATOC	0	0	10,000	10,000
Borough contributions to other bus operators	0	0	1,100	1,100
Borough contributions to surveys/reissue costs	0	0	1,518	1,518
Borough contributions to freedom pass administration	0	0	0	0
Income from replacing lost/faulty freedom passes	0	0	750	750
Income from replacing lost/faulty taxicards	0	0	18	18
Borough contributions to Comcab	0	0	1,588	1,588
TfL contribution to Taxicard scheme	0	0	8,859	8,859
Borough contributions to taxicard administration	0	0	324	324
TfL Contribution to taxicard administration	0	0	124	124
Sub-total	0	0	225,874	225,874
Borough contribution to grants payments	0	6,233	0	6,233
ESF Grant Income	0	0	0	0
Sub-total	0	6,233	0	6,233
TEC trading account income				
Borough contributions to Lorry Control administration	0	0	0	0
London Lorry Control PCN income	0	0	1,000	1,000
Borough ETA appeal charges	0	0	1,072	1,072
TfL ETA appeal charges	0	0	176	176
GLA RUCA appeal income	0	0	1,057	1,057
Borough fixed parking costs	0	0	1,807	1,807
TfL fixed parking costs	0	0	275	275
GLA fixed parking costs	0	0	1,188	1,188
Borough other parking services	0	0	504	504
Northampton County Court Recharges	0	0	4,000	4,000
Sub-total	0	0	11,079	11,079
Sub-Total	0	6,233	236,953	243,186
Core borough subscriptions				
Joint Committee	5,119	0	46	5,165
Grants Administration	0	435	0	435
TEC (inc TfL)	0	0	51	51
MPA subscription	17	0	0	17
Sub-total	5,136	435	97	5,668
Other Borough charges				
Borough contributions towards LCP functions	496	0	0	496
Borough contributions towards YPES functions	180	0	0	180
Borough contributions to HR Metrics service	101	0	0	101
Sub-total	777	0	0	777
Other Income				
Investments	75	0	0	75
Room bookings and conferences	100	0	0	100
Building Overhead charge to funded groups	205	0	0	205
Sales of publications	18	0	0	18
Employment services trading account income	38	0	0	38
TfL secretariat recharge	0	0	31	31
Sales of Health Emergency badges	0	0	43	43
Miscellaneous income	8	0	0	8
Contribution from TfL for Environmental Policy priorities	0	0	91	91
Transfer from TEC Committee	345	0	0	345
Sub-total	789	0	165	954
Transfer from Reserves	723	0	1,156	1,879
Central Recharges	2,382	0	0	2,382
Total Income Base Budget	9,807	6,668	238,371	254,846

Leaders' Committee

London Councils Grants Scheme - Budget Proposals 2022/23

Item no: 7

Report by: David Sanni **Job title:** Acting Director of Corporate Resources

Date: 7 December 2021

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Summary This report considers the proposed budget for the Grants Scheme for 2022/23 and makes a recommendation to the Committee on the appropriate level to recommend to constituent councils for approval. These proposals were considered by the Grants Committee at its meeting on 24 November. The Grants Committee agreed to recommend that the Leaders' Committee approve these proposals.

Recommendations Members of Leaders' Committee are asked to note and discuss the recommendations set out in this report. All decisions will be made following the meeting under the Committee's urgency procedure. These recommendations are to agree:

- an overall level of expenditure of £6.668 million for the Grants Scheme in 2022/23;
- borough contributions for 2022/23 to fully cover the scheme should be £6.668 million;
- that further to the recommendations above, constituent councils be informed of the Committee's recommendation and be reminded that further to the Order issued by the Secretary of State for the

Environment under Section 48 (4A) of the Local Government Act 1985, if the constituent councils have not reached agreement by the two-thirds majority specified before 1 February 2022 they shall be deemed to have approved expenditure of an amount equal to the amount approved for the preceding financial year (i.e. £6.668 million);

- that constituent councils be advised that the apportionment of contributions for 2022/23 will be based on the ONS mid-year population estimates for June 2020; and
 - that subject to the approval of an overall level of expenditure, the Committee agrees to set aside a provision of £435,000 for costs incurred by London Councils in providing staff and other support services to ensure delivery of the Committee's "making of grants" responsibilities.
-

London Councils Grants Scheme - Budget Proposals 2022/23

Introduction

1. This report details the indicative overall budget requirement for the London Boroughs Grants Scheme for 2022/23 of £6.668 million, the same as the current year, comprising the cost of borough pan-London commissioned services of £6.668 million, covering priorities 1 and 2 plus the cost of administering the scheme, equating to £435,000 or 6.5% (4.3% excluding central recharges of £145,000) of the proposed programme. This sum includes the annual membership subscriptions for boroughs for London Funders of £60,000.
2. The proposed total expenditure budget of £6.668 million will be fully funded by borough contributions of £6.668 million.
3. These proposals were considered by the Grants Committee at its meeting on 24 November 2021. The Grants Committee agreed to recommend that the Leaders' Committee approve these proposals. The Leaders' Committee will need to reach a view on both the appropriate overall level of expenditure and to recommend the budget to constituent Councils.
4. The financial year 2022/23 represents the first year of the new four-year programme of commissions provided by the Grants Committee under S.48 of the Local Government Act 1985, as recommended by the Grants Committee and approved by the Leaders' Committee in December 2019. The original decision covered the period from 2021 to 2025, however, due to the extension to the current programme as a result of Covid-19 the new programme covers 2022 to 2026.
5. Leaders' Committee agreed the two priority areas for investment through the new grants programme: combatting homelessness and tackling domestic and sexual abuse.
6. Following this, the Grants Committee set out its expectations for that investment and the impact it is seeking for the boroughs through a comprehensive pan-London prospectus, namely:
 - a reduction in pressure on public services;

- prevention of homelessness through effective support and advice, and minimising the effects of homelessness where it cannot be prevented;
- increased awareness of violence against women and girls, making early intervention and prevention a priority for all services; and
- high quality, specialist and culturally responsive services and support for London's residents.

Approval of Expenditure

7. The statutory basis of the Grants Scheme is Section 48, Local Government Act 1985. Constituent councils agreed to some changes to the operation of the Scheme as part of the establishment of the new ALG on 1 April 2000: these changes mean that the budget for the London Councils Grants Scheme must be approved by the London Councils Leaders' Committee. This will need to happen before any budget that is recommended to constituent councils by the Grants Committee can be formally referred to them as a basis for consideration in their respective councils.
8. The budget proposals contained in this report were considered by the Grants Committee at its meeting on 24 November and the recommendations of the Grants Committee are reflected in this report. If Leaders do not accept the recommendations of the Grants Committee, and instead agree to recommend a different budget figure to Boroughs, the Grants Committee will need to meet urgently to consider the implications for the Grants programme.

9. Section 48(3) of the Local Government Act 1985 requires that at least two-thirds of the constituent councils in Greater London must approve the proposed overall level of expenditure on grants to voluntary organisations and other costs incurred in “the making of grants”. This is not a decision that can be delegated to the Grants Committee although that Committee is able to make decisions with regard to allocation of that expenditure once overall expenditure has been approved. This means that when the Committee decides on an overall level of expenditure, subject to the agreement of the Leaders’ Committee, it will recommend it to the London Boroughs and the Cities of London and Westminster and at least 22 of them must agree through their respective decision-making arrangements to ratify and give effect to that overall level of expenditure. Once 22 councils have given their approval, the overall level of expenditure and contributions to it are binding on all constituent councils.

Timing of Decisions

10. The Committee needs to make its recommendation in good time so that constituent councils are able to consider the budget proposal within their own decision-making arrangements and make a response within the timescales laid down for the Scheme. The Scheme approved by the boroughs provides that constituent councils shall be asked to agree to the Committee's recommended level of overall expenditure not later than the third Friday in January, in this case 21 January 2022. All constituent councils will have received copies of this report and will be informed of the Committee's recommendation as to overall expenditure for next year, once the decision has been taken.
11. The City of London Corporation has been the Designated Council for the Scheme since 1 February 2004. Bearing in mind the issues raised above, it is essential for the Committee to make a recommendation today, to provide sufficient time for constituent councils to consider the matter before the 1 February deadline and enable the City of London Corporation to approve the levy on constituent councils by the deadline of 15 February 2022.

12. In the event that constituent councils are unable to reach agreement by the two-thirds majority required on an overall level of expenditure before 1 February 2022 the Secretary of State for Housing, Communities and Local Government has powers to intervene and set the budget at the same level as the preceding year. Section 105 of the Local Government Finance Act 1992 inserted a new sub-section (4A) into section 48 of the Local Government Act 1985 which states that:

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

- *a scheme requires the total expenditure to be incurred under the scheme in any financial year _*
 - *in the making of grants; and*
 - *in the discharging by the designated council of its functions under the scheme, to be approved in accordance with the scheme by some or all of the constituent councils; and*
- *the total expenditure to be incurred in any financial year is not approved as required by the scheme before such date as may be specified in relation to that financial year in the order, the constituent councils shall be deemed, subject to any order which has been or may be made under subsection (5) below, all to have given their approval for that financial year to total expenditure of an amount equal to the amount that was approved or, as the case may be, deemed to have been approved for the preceding financial year".*

Contributions by constituent councils

13. Section 48(3) of the 1985 Act provides that the amount of contributions to the London Councils Grants Scheme shall be determined so that expenditure is borne by constituent councils in proportion to the population of their respective areas. Section 48(4) of the 1985 Act states that the population of any area shall be the number estimated by the Registrar-General and certified by him to the Secretary of State.

14. Under The Levying Bodies (General) Regulations 1992, arrangements made under section 48 of the 1985 Act (and also section 88) use total resident population as the means of apportionment and it is no longer necessary for the Registrar General to certify the estimates. The Regulations came into force on 11 December 1992. Regulation 6(8) is of particular importance, stating that:

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

15. The Designated Council is defined as a levying body further to Sections 74 and 117 of the Local Government Finance Act 1988, which means that the levy will have to be approved formally at a meeting of the Court of Common Council of the Designated Council before the payment requests are sent to constituent councils. The Court of Common Council will consider this matter before the deadline of 15 February 2022. The Levying Bodies (General) Regulations 1992 then require the approved levy to be sent out to constituent councils by 15 February in any year. The term levy refers both to the total contributions from constituent councils and to the apportionment of that total between them.

Summary Timetable

16. To summarise, the timetable for the approval of the budget for 2022/23 is expected to be as follows:

Date	Action
24 November 2021	Grants Committee considered the proposed budget and borough contributions for 2022/23 detailed in this report and makes recommendations to Constituent Councils, subject to approval of Leaders' Committee.

7 December 2021	This Committee is asked to approve, via urgency procedure, the level of budget and borough contributions for 2021/22, as recommended by the Grants Committee on 24 November.
8-10 December 2021	Constituent Councils formally notified of the approved level of budget and borough contributions for 2022/23.
10 December 2021 – 31 January 2022	Constituent Councils to individually ratify the overall level of expenditure for 2022/23 through their respective decision-making arrangements.
1-15 February 2022	The City of London Corporation, as the Designated Councils for the Grants Scheme, approves the levy for 2022/23 on Constituent Councils.
15 February 2022	Constituent Councils informed of level of approved expenditure and borough contributions for 2022/23

Budget Proposal for 2022/23

17. Appendix A to this report sets out detailed information relating to the proposed budget for 2022/23. The budget assumes:

- A core, pan-London scheme of services to meet agreed service priorities 1 and 2 of £6.233 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;
- In addition to the indicative gross grant payments budget of £6.233 million, the proposal includes a provision for grants administration of £435,000 which amounts to 6.5% (4.3% excluding central recharges) of the boroughs grants budget of £6.668 million.

Administration of Commissions

18. The staffing costs figures within the proposed 2022/23 budget options reflects direct staffing costs delivery the S.48 Priority 1 and 2 programme, together with the apportionment of time spent on Grants Committee activities by other London Councils staff, such as Grants Committee servicing and Public Affairs. The staffing budget also includes a £10,000 provision for maternity cover and the vacancy level of 2%.
19. In addition, an apportionment of time spent by Corporate Resources, Corporate Governance other than Committee Servicing, the Chief Executive's office, and London Councils Political Advisors are included in the central recharges figure for supporting the Committee's functions, as well as a notional rental figure for office space occupied at Southwark Street.
20. All estimates of administration expenditure levels have previously been based upon a threshold of 5% of the budget for payments to commissions in respect of the borough funded S.48 scheme, as agreed by Grants Committee in the review of non-grants expenditure levels conducted in early 2009. However, with recent cost pressures, it continues to be challenging to contain all administrative costs within the 5% envelope, especially after the introduction of the new monitoring arrangements in April 2013 and the increase in central costs following the review of the recharge model during 2013/14 following an objection to London Councils accounts. Administrative expenditure for the S.48 commissions, therefore, now equate to 6.5% (or 4.3% excluding central recharges) of the boroughs S.48 budget of £6.668 million, amounting to £435,000 in total for 2022/23.

Use of Reserves

21. Table 1 below updates the Committee on the revised estimated level of balances as at 31 March 2022, if all current known liabilities and commitments are considered, plus the projected overspend of £31,000 for 2021/22, highlighted in paragraph 19 above:

Table 1 – Estimated Uncommitted Reserves as at 31 March 2022

	Borough	NRPF	Total
	£000	£000	£000

Audited reserves as at 1 April 2021	1,034	327	1,361
Approved for use in 2021/22	(300)	(327)	(627)
Projected surplus/(deficit) for the year	(31)	-	(31)
Projected reserves as at 31 March 2022	703	-	703

22. At its meeting in September 2013, the Grants Executive agreed that it would be appropriate to retain a minimum level of reserves equating to 3.75% of the S.48 borough programme. Based on a proposed borough programme of £6.668 million, this equates to £250,000 for 2022/23. If the recommendations contained in this report are agreed by this Committee, the projected position on reserves is detailed in Table 2 below:

Table 2 – Estimated Uncommitted Reserves as at 1 April 2022

	Amount
	£000
Projected reserves as at 31 March 2022	703
Commitments in 2022/23	-
Projected reserves as at 1 April 2022	703
Indicative total expenditure 2021/22	6,668
Forecast reserves as a % of indicative expenditure	10.54

23. The projected residual level of S.48 reserves is £703,000, or 10.54% of the £6.668 million S.48 programme, which is in excess of the 3.75% benchmark.

Borough Contributions

24. Paragraphs 11 to 13 of this report set out the legal position relating to contributions payable by constituent councils to the London Councils Grants Scheme. Contributions for 2022/23 have been calculated using the ONS mid-year population estimates for June 2020 and are set out in Appendix B.

Summary

25. This report considers the proposed budget for the Grants Scheme for 2022/23 and makes a recommendation to the Committee on the appropriate level to recommend to constituent councils for approval, following recommendation made by the Grants Committee at its meeting on 24 November. Specifically, the report proposes to continue with an overall level of expenditure in 2022/23 of £6.668 million, which requires borough contributions of £6.668 million (refer to Appendix B), the same level of contribution as for the current year.
26. The financial year 2022/23 represents the first year of the new four-year programme of commissions provided by the Grants Committee under S.48 of the Local Government Act 1985, as recommended by the Grants Committee and approved by the Leaders' Committee in December 2019.

Appendices

Appendix A – Proposed revenue income and expenditure budget 2022/23;

Appendix B – Proposed borough subscriptions 2022/23;

Background Papers

Grants Committee Budget Working Papers 2020/21 and 2022/23;

Grants Committee Final Accounts Working Papers 2020/21;

Grants Committee Revenue Budget Forecast Working Papers 2021/22; and

London Councils Consolidated Budget Working Papers 2021/22 and 2022/23.

Grants Committee Income and Expenditure Budget 2022/23

Expenditure	Revised Budget 2021/22 £000	Developments £000	Inflation £000	Original Budget 2022/23 £000
Payments in respect of Grants				
London Councils Grants Programme	6,173	0	0	6,173
Membership Fees to London Funders (for all boroughs)	60	0	0	60
Youth Homelessness Hub	300	-300	0	0
No recourse to public funds programme	327	-327	0	0
Sub-Total	6,860	-627	0	6,233
Operating (Non-Grants) Expenditure				
Contractual Commitments				
Maintenance of GIFTS Grants IT system	10	0	0	10
	10	0	0	10
Salary Commitments				
Officers	218	5	19	242
Members	19	0	0	19
Maternity provision	10	0	0	10
	247	5	19	271
Discretionary Expenditure				
Staff training/recruitment advertising	7	0	0	7
Staff travel	2	0	0	2
	9	0	0	9
Total Operating Expenditure	266	5	19	290
Central Recharges	169	0	-24	145
Total Expenditure	7,295	-622	-5	6,668
Income				
Core borough subscriptions				
Contribution to grant payments	6,173	0	0	6,173
Contribution to non-grants expenditure	495	0	0	495
	6,668	0	0	6,668
Transfer from Reserves	0	0	0	0
Central Recharges	0	0	0	0
Total Income	6,668	0	0	6,668
Net Expenditure	-627	622	5	0

Borough Subscriptions 2022/23

ONS Mid-2019 Estimate of Population ('000)	%	2021/22 Base Borough Contribution (£)		ONS Mid-2020 Estimate of Population ('000)	%	2022/23 Base Borough Contribution (£)	Base Difference from 2021/22 (£)
Inner London							
270.03	3.01%	200,915	Camden	279.52	3.10%	207,038	6,123
9.72	0.11%	7,233	City of London	10.94	0.12%	8,102	869
287.94	3.21%	214,243	Greenwich	289.03	3.21%	214,088	-155
281.12	3.14%	209,167	Hackney	280.94	3.12%	208,093	-1,074
185.14	2.07%	137,755	Hammersmith and Fulham	183.54	2.04%	135,951	-1,804
242.47	2.71%	180,407	Islington	248.12	2.76%	183,779	3,372
156.13	1.74%	116,168	Kensington and Chelsea	156.86	1.74%	116,189	22
326.03	3.64%	242,585	Lambeth	321.81	3.57%	238,367	-4,218
305.84	3.41%	227,561	Lewisham	305.31	3.39%	226,143	-1,419
318.83	3.56%	237,225	Southwark	320.02	3.55%	237,037	-188
324.75	3.62%	241,626	Tower Hamlets	331.97	3.69%	245,890	4,264
329.68	3.68%	245,296	Wandsworth	329.74	3.66%	244,235	-1,061
261.32	2.92%	194,432	Westminster	269.85	3.00%	199,877	5,444
3,299.00	36.81%	2,454,612		3,327.64	36.96%	2,464,789	10,176
Outer London							
212.91	2.38%	158,412	Barking and Dagenham	214.11	2.38%	158,589	177
395.87	4.42%	294,546	Barnet	399.01	4.43%	295,545	999
248.29	2.77%	184,738	Bexley	249.30	2.77%	184,658	-80
329.77	3.68%	245,366	Brent	327.75	3.64%	242,767	-2,599
332.34	3.71%	247,274	Bromley	332.75	3.70%	246,470	-804
386.71	4.32%	287,731	Croydon	388.56	4.32%	287,809	78
341.81	3.81%	254,320	Ealing	340.34	3.78%	252,091	-2,229
333.79	3.72%	248,359	Enfield	333.59	3.71%	247,088	-1,271
268.65	3.00%	199,886	Haringey	266.36	2.96%	197,291	-2,595
251.16	2.80%	186,875	Harrow	252.34	2.80%	186,907	32
259.55	2.90%	193,119	Havering	260.65	2.90%	193,064	-55
306.87	3.42%	228,326	Hillingdon	309.01	3.43%	228,887	561
271.52	3.03%	202,026	Hounslow	271.77	3.02%	201,298	-728
177.51	1.98%	132,074	Kingston upon Thames	179.14	1.99%	132,691	617
206.55	2.30%	153,682	Merton	206.45	2.29%	152,920	-762
353.13	3.94%	262,749	Newham	355.27	3.95%	263,146	397
305.22	3.41%	227,100	Redbridge	305.66	3.40%	226,401	-699
198.02	2.21%	147,336	Richmond upon Thames	198.14	2.20%	146,763	-572
206.35	2.30%	153,534	Sutton	207.71	2.31%	153,849	315
276.98	3.09%	206,089	Waltham Forest	276.94	3.08%	205,130	-959
5,662.99	63.19%	4,213,540		5,674.85	63.04%	4,203,363	-10,176
8,961.99	100.00%	6,668,152	Totals	9,002.49	100.00%	6,668,152	0

6,668,152

6,668,152

Leaders' Committee

Urgency Report

Item no: 8

Report by: Lisa Dominic **Job title:** Governance Support Officer
Date: 7 December 2021
Contact Officer: Christiane Jenkins
Telephone: 020 7934 9540 **Email:** Christiane.jenkins@londoncouncils.gov.uk

Summary	London Councils' urgency procedure was used to approve: <ul style="list-style-type: none">• London Children's Services Innovation and Improvement Alliance• Decisions taken following the Meeting of Members of London Councils Leaders' Committee on 12 October
Recommendations	Leaders' Committee is asked to note the decisions taken under the urgency procedure.

1.0 London Children's Services Innovation and Improvement Alliance

1.1 Introduction

The London Innovation and Improvement Alliance (LIIA) is the Association of London Directors of Children's Services (ALDCS) sector-led improvement partnership and is hosted by London Councils.

The LIIA has recently secured new funding in partnership with the London Violence Reduction Unit (VRU) to deliver a borough-led violence reduction programme across the City. Along with receiving a grant to support the delivery of the violence reduction programme, the LIIA also wishes to consolidate core DfE grant funding through London Councils, with Camden passing the full amount to London Councils.

1.2 Reason for Urgency

London Councils will receive the following funds –

- The Home Office/Youth Endowment Fund - £660,000 provided via the Violence
- Reduction Unit, £300,000 in year one.
- The DfE LIIA Recover Plan Grant - £640,000.

In accordance with London Councils Financial Regulations, all externally funded projects greater than £250,000 must be agreed by London Councils Leaders' Committee. A member decision was therefore required that London Councils can receive this grant funding from the GLA and other funding sources.

The urgency was approved by Elected Members on 26th November 2021

2.0 Decisions taken following Leaders' Committee held on 12 October 2021

2.1 Summary and Reason for Urgency

The modifications introduced by the emergency Regulations (SI 2020/392), made under section 78 of the Coronavirus Act 2020, 2020 Regulations expired on 6 May 2021 meaning that formal meetings may not take place

virtually. This means that in order to participate in discussions and vote on decisions or recommendations, Members must again be present physically at the meeting at which business is considered.

In considering the implication of this in the current circumstances, London Councils' Executive Members agreed on 11 May 2021 that until the legislation is changed, formal committee business is to be dealt with by holding an informal virtual meeting in the first instance to ascertain the general view of a committee or sub-committee with a formal decision to be then taken under delegated authority by way of London Councils' Urgency Procedure.

2.2 Items agreed following the meeting of Leaders on 12 October 2021

Item 3 – Minutes of Leaders' Committee: 13 July 2021

Agreed the minutes of the Leaders' Committee meeting of 13 July 2021.

Item 4 – Afghan Evacuation and UASC

Endorsed the next steps with regards to the resettlement of Afghan evacuees, as detailed in the report and the Leaders' Committee discussion.

Item 5 – Adult Social Care and NHS Collaboration

Endorsed the asks put forward by London Councils in the Spending Review submission in relation to the adult care reforms, as detailed in the report and the Committee discussion.

Item 6 – Rough Sleeping Governance

Approved the new governance arrangements for Rough Sleeping.

Item 7 – Local Government Finance update

Agreed in principle to use any unallocated Strategic Investment Pot funding to reduce any deficit on the 2020-21 London business rates pool, subject to joint agreement with by the Mayor of London, and confirmation from Government that it can be used for this purpose.

Item 9 – Appointment of Party Lead – Housing

Agreed the appointment of Cllr Colin Smith (LB Bexley) as the Conservative Party Lead for Housing.

Item 10 – Appointment of Party Lead - Schools & Children's Services

Agreed the appointment of Cllr Kieron Williams (LB Southwark) as the Labour Party Lead for Schools and Children's Services.

The Urgency was approved on 26th November 2021

3.0 Recommendation

Leaders' Committee is asked to note the above decisions taken under the urgency procedure.

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

Leaders' Committee

Minutes and Summaries

Item no: 9

Report by: Lisa Dominic **Job title:** Senior Governance Support Officer
Date: 7 December 2021
Contact Officer: Christiane Jenkins
Telephone: 020 7934 9540 **Email:** Christiane.jenkins@londoncouncils.gov.uk

Summary Summaries of the minutes of London Councils

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

- Executive – 7 September (Informal meeting)
- Audit Committee – 16 September (Informal meeting)
- TEC Executive – 9 September 2021 (Informal meeting)
- Grants Executive – 30 September 2021 (informal meeting)
- YPES – 21 October 2021 (Informal meeting)
- Executive – 9 November 2021 (Informal meeting)

Minutes of an Informal Meeting of the Executive

Tuesday 7th September 2021 09:30 am

Cllr Georgia Gould was in the chair

Present

Member	Position
Cllr Georgia Gould	Chair
Cllr Teresa O'Neill OBE	Vice Chair
Cllr Muhammed Butt	
Cllr Ruth Dombey OBE	Vice Chair
Cllr Nesil Caliskan	
Cllr Danny Thorpe	
Mayor Phillip Glanville	
Cllr Jas Athwal	
Cllr Elizabeth Campbell	
Catherine McGuinness	Vice Chair

London Councils officers were in attendance.

The Chair thanked Frank Smith, London Councils Director of Corporate Resources, as this was to be his last meeting. On behalf of members, Frank was congratulated on his 21 years' service at London Councils and the support he had provided to the organisation.

The Chair also welcomed Cllr Nesil Caliskan to her first Executive meeting, confirming that Cllr Caliskan would be the lead member for skills and employment.

1. Declaration of interest

There were no declarations of interest.

2. Apologies for absence and announcement of deputies

Apologies for absence were received from Cllr Darren Rodwell and Cllr Damian White.

3. Minutes of the informal Executive Meeting held on 22nd June – to note

The minutes of the informal Executive meeting held on 22nd June 2021 were noted.

4. Spending Review 2021

The Interim Director: Local Government Finance & Improvement introduced the report, which included the Government's timetable for the Review, emerging priorities for representation to Government and the planned approach to lobbying. He reported that the process for the Review would be announced soon, and there would be a short window for representations. A three-year review was still expected. The outlook for public spending suggested cuts of between 3 and 5% for non-protected departments.

In terms of the report, it was broken down into:

- the investment case, which would reflect the themes from the London Recovery Board and focus on investible propositions including specific offers to government to bolster specific asks (paragraphs 10 – 16 of the report);
- the overall financial challenge facing local government, estimated to be up to £2bn over the Review period in London, which included income losses due to the pandemic, and a request for funding increases of 5% overall per annum, as well as greater funding certainty;
- a breakdown of the key service pressures in areas such as adult social care, public health and children's services. It also made a positive case for devolution in public health and local welfare, together with a request for appropriate funding.

In terms of lobbying and engagement the report would include a 2 side summary to brief key stakeholders, and it was proposed to provide Leaders with a template

letter to enable them to brief MPs. Other lobbying included meetings with core Cities and the GLA, as well the Minister for London in the leadup to the review.

Members thanked London Councils for the quality of the report and the London focus of the work. They also made the following comments:

- it was questioned when the impacts of the pandemic would become normalised within boroughs' business?
- regarding lobbying, it was important for people to understand the uniqueness of London in relation to the rest of the country;
- the rough sleeping section should make mention of youth homelessness;
- more emphasis should be made around the local authorities' preventative role in terms of public health. It was suggested that beyond the scope of the response to this Review, there might be some future work to evidence to government an understanding of the health pressures and a demonstration of the benefits that boroughs could bring in terms of health prevention;
- in the reform of public finance element of the report there should be more focus on the reform of Business Rates;
- the publication of the two-page summary should coincide with party conferences;
- it was questioned whether the issue of TfL funding was planned to be included?

In response to the comments the Interim Director agreed with the points made and confirmed that:

- Covid impacts were included in the overall 5% plus funding ask, but it was still appropriate to focus strongly on Covid income losses as a separate issue;
- there were markers in the report around the Business Rates review, but it was planned to carry out more specific policy development regarding business rates and the LG finance system more widely following the Spending Review;

- regarding TfL there was supportive narrative about sustainable funding but currently no specific ask. There was a focused decoupling of LIP funding from TfL to provide more certainty.

Members noted the report.

5. Economic Recovery Framework: Jobs

The Chair introduced the report, noting the large amount of work done in this area, the endorsement of the economic framework at Leaders' Committee and the strategy and vision for recovery. The Chair also mentioned the disproportionate economic impact of the pandemic on some groups of Londoners and industries such as aviation, and the work done by London Councils to support people back into work by taking a 'No Wrong Door' approach to co-ordinating skills and employment support.

London Councils' Strategic Lead: Enterprise, Economy and Skills also commented that there was continuing uncertainty about the London employment market (although there had been a decrease in unemployment numbers), particularly in that 345,000 Londoners were still on furlough. These issues were reflected in some of the Spending Review asks. Lobbying was also essential regarding the distribution of the UK Shared Prosperity Fund and the potential national reallocation of the Adult Education Budget (AEB).

It was noted that over 1 million Londoners were currently receiving Universal Credit and that all sub regions of the capital were experiencing a slower economic recovery in comparison to the rest of the country; it was therefore important to recognise, in terms of Fund allocations, that London had been disproportionately economically affected by the pandemic.

Members were also informed that the unemployment figures in London under-reported those taking on additional jobs for economic reasons, and there was a duty to articulate the issues surrounding the unofficial employment market. The need to ensure that the Government employment programmes provided sustainable employment, and for consistency within the integration hubs, was also noted.

Members made the following comments:

- it was felt that those on the Kickstart scheme had developed high levels of resilience, which should be taken into account when preparing the next cohort of the scheme;
- there was the opportunity for airports to follow the lead of London City Airport in 'greening' their businesses, and linking this work to employment opportunities;
- traditionally in outer london boroughs there had been a lower unemployment rate. The rise of people out of work/on furlough in these boroughs included many older people, and particular consideration needed to be given to assisting this group back into the job market;
- to mitigate the impact on those who had been on furlough for some time, and who might be at risk of unemployment, work should be done to offer available employment courses to this group;
- it was also noted that in some cases people on furlough were experiencing debt, such as rents arrears etc and this position needed to be considered at the end of the furlough period;
- in terms of recovery, there was a need to focus on the employment sectors most affected and the causes eg businesses that were suffering because of supply chain issues.

Members recognised that outer London small and micro business were often employers of older people from different ethnic backgrounds. The closure of such businesses placed additional pressure on those made unemployed in terms of language and literacy barriers.

Members noted the report.

6. Climate Change Advocacy

Mayor Glanville introduced the report, thanking London Councils staff for their work in this area. He informed members that the overall Climate Change strategy had been reported to Executive in January 2021, that an update was provided in

June, and that since that meeting there had been a number of events and engagements, and work towards creating a platform for private sector investment which would launch at COP26.

The report also considered initiatives that would help to create changes in Londoners' climate behaviours in areas like active travel, and the development of a set of tools that could be used by all boroughs, with consistent branding.

Polling work with businesses and Londoners was about to take place, and a Retrofit London Programme was to be published in October. London Councils and boroughs would also be involved in October's London Climate Summit.

In response to a question about the issue of green financing, members were informed that the City of London would be hosting a session at COP26 on green financing solutions and looking at how to work effectively with the Green Finance Institute.

It was also noted that green private finance options were constantly tested with London borough Treasurers with a view to the creation of a financial platform, based on need, which hopefully could eventually be funded by the government. also It was suggested that work should be done to examine investment currently being made by boroughs, for example on housing stock, to ensure that it was contributing to net zero targets.

Leaders were asked to use the tools consistently and would be provided with a 1 to 2 page briefing note for members. Leaders were also welcomed to get involved with the London Climate Summit in October, and to use social media, where possible, to amplify the messages for London.

Members noted the report.

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7. Month 3 Revenue Forecast 2021/22

The Chief Accountant introduced the report which presented the forecast outturn results for the current financial year based on the position at the end of Quarter

1, highlighting variances against the original budget and the position regarding reserves. The report showed:

- a projected overall surplus of £840k
- that there were no new variances attributable to COVID 19 this year
- that some of the reductions in TEC income streams that arose in 2020/21 due to COVID 19 had not recurred in the current financial year
- a projected value of uncommitted reserves of £10.5m, which remained a healthy position to meet future challenges

In response to a question about the extent of reserves held, members were informed that while the level of reserves were always reviewed as part of the budget process, reserves decisions were taken in the light of the London Councils commitments and priorities required by members and would in any event be agreed by members within the budget setting process.

Members noted the report.

8. Debtors Update

The Chief Accountant introduced the report which provided an update on the level of debt owed to London Councils as at 31 July 2021.

The report showed that:

- A total of £2.8m was owed by member boroughs, TfL and the GLA, although there had been a reduction to the balance since the report was written, reducing the debt to approximately £1m
- debts over 60 days had reduced by £600k and were now £240k
- debts owed by other organisations had also reduced and were now approximately £102k

London Councils thanked the Treasurers of London boroughs for continuing to pay invoices on a timely basis under the present circumstances.

Members noted the report.

9. Nominations to Outside Bodies

The Director of Corporate Governance reported that the report on nominations to outside bodies was being provided for information purposes.

Members noted the report.

The meeting ended at 10:45.

Minutes of the Informal Meeting of the Audit Committee held Virtually on 16 September 2021

Cllr Roger Ramsey was in the Chair

Members Present:

Cllr Roger Ramsey (LB Havering)
Cllr Muhammed Butt (LB Brent)
Cllr David Gardner (RB Greenwich)
Cllr Stephen Alambritis (LB Merton)
Cllr Robin Brown (LB Merton)

In Attendance:

Matt Lock, Head of Audit & Risk Management, City of London Corporation
Martha Franco-Murillo, Senior Auditor, City of London Corporation
Ciaran T McLaughlin, Director, Grant Thornton UK LLP
Ibukun Oluwasegun, Grant Thornton UK LLP

London Councils' officers were in attendance.

The Chair informed members that this would be an informal meeting of the Audit Committee and that any decisions taken would be agreed via the London Councils' Urgency Procedure following the meeting.

1. Apologies for Absence

There were no apologies for absence.

2. Declarations of Interest

There were no declarations of interest.

The Chair informed members that this would be Frank Smith's last meeting of the Audit Committee as he was retiring on 3 October 2021. He said that Frank Smith had attended over a 1,000 London Councils' committee meetings and would be greatly missed by this Audit Committee and London Councils as a whole. Frank Smith said that it had been a pleasure working for London Councils. He said that he had given more than 38 years' service and was a firm advocate for local government in London. Frank Smith wished London Councils all the best for the future.

3. Minutes of the Audit Committee meeting held on 17 June 2021

The Chair said that the action to email the Audit Committee members the revised wording of the Annual Governance Statement had been completed.

As this was an informal meeting of the Audit Committee, the minutes of the meeting held on 17 June 2021 were noted by the Committee and would be agreed by London Councils' Urgency Procedure following the meeting.

4. Draft Annual Audit Report 2020/21

The Audit Committee received a report that presented members with the annual audit report to those charged with governance (ISA260) prepared by Grant Thornton, London Councils' external auditor, in respect of the 2020/21 financial year.

The Chair informed the Audit Committee members that David Sanni would be the Acting Director of Corporate Resources once Frank Smith retired. David Sanni, Chief Accountant, London Councils, said that the report presented the audit findings by Grant Thornton - London Councils' external auditors. He said that there were still some areas that were outstanding.


Ciaran McLaughlin, Director, Grant Thornton UK, introduced the report and made some of the following comments:

- The report provided an update on audit findings for work on the 2020/21 accounts.
- A letter will be sent to the London Pension Fund Authority (LPFA) seeking assurances over the validity and accuracy of information included in the IAS19 pension valuation report.
- The London Councils Ltd accounts had been completed and signed off.
- The review of significant risks included risks relating to the fraudulent recognition of revenue, which is a standard audit consideration. Given the nature of London Councils income streams, such as borough subscriptions, and the culture and governance arrangements within the organisation, the risk of fraud has been rebutted.
- Audit testing had been carried out on management override of controls including the review of journals and journal listings. Audit work was still in progress and there were no issues identified so far.
- The next significant risk considered was the pension scheme deficit. There were no matters arising. There was a pension deficit across all authorities, although the increase in London Councils' deficit was large in comparison and more work needed to be carried out.
- Grant Thornton was still working through the key judgements and estimates. Grant Thornton was satisfied that the process for dilapidation and external decoration provisions for the Limited Company were adequate.
- Testing had been completed for the European Social Fund (ESF) Grants in the Grants Committee.
- Sufficient work had been carried out with regards to management's going concern assessment, and there were no matters to bring to the Audit Committee's attention.
- There were no significant facts or matters that impacted on Grant Thornton's independence as auditors, and Grant Thornton had complied with the Financial Reporting Council's Ethical Standards.
- No audit adjustments had been identified to date (Appendix A), which was very positive.

The Chair asked when the outstanding areas of work in the report would be completed. He said that the previous year's audit had been completed in December/January. Ciaran McLaughlin said that the work should be completed by the end of October 2021. The Chair asked if the amount of additional fees is likely to change. Ciaran McLaughlin said that the additional costs of £7,800 should not increase at this stage, although there was more work to do, including the AR27 to finish off.

Ciaran McLaughlin said that the total actuarial loss was £16.5 million compared to a £4.5 million gain from the previous year. David Sanni said that the pension liability had increased to £42 million, which was up from the £24 million last year. Ciaran McLaughlin confirmed that the gross pension liability was £105 million. Councillor Brown said that the pension liability was considerably underfunded in that case, as the gap was large. The Chair said that there had been increase in the pension deficit, which needed to be monitored.

Councillor Gardner said that the values of pensions fund assets had increased over the last 12 months. He said that he thought that the audit was supposed to be completed by the end of September 2021. Councillor Gardner said that London Councils had come out of the audit favourably. Ciaran McLaughlin confirmed that there was no statutory deadline for London Councils' accounts to be completed. He said that Grant Thornton was not in a position to sign-off the accounts by 30 September 2021, and that it would take longer to do so. Ibukun Oluwasegun, Audit Manager, Grant Thornton UK said the misstatement was a result of the incorrect classification of a £951 debtor in the balance sheet of the limited company accounts.

Frank Smith, Director of Corporate Resources, London Councils, said that, with regards to pensions, the amounts shown in the accounts would never be fully payable. He said that this would only happen if London Councils ceased to exist as an organisation. The LPFA would then have to start a cessation order which would result in the calculation of a cessation value. 

The Audit Committee noted the contents of the annual audit report included at Appendix A.

5. Financial Accounts 2020/21

The Audit Committee received a report presenting the statement of accounts for 2020/21 for approval. The accounts to be noted (and approved via the London Councils' Urgency Procedure following the meeting) comprised of London Councils Consolidated Statement of Accounts for 2020/21, London Councils Transport and Environment Committee Statement of Accounts for 2020/21 and London Councils Grants Committee Statement of Accounts for 2020/21.

David Sanni introduced the report that presented the three sets of accounts (Grants, TEC and Consolidated) to the Audit Committee for 2020/21. He informed members that there was a pre-audited surplus in the consolidated accounts of £1.983 million (Table 1). Table 3 showed the adjusted position for 2020/21 as shown in the statutory accounts which included the actuarial loss on pensions assets/liabilities. Finally, Table 5 showed the usable reserves at 31 March 2021, which amounted to £13.713 million (consolidated). The Chair said that he would have to certify the accounts on behalf of the Audit Committee when the audit was completed.

Councillor Gardner thanked David Sanni for the accounts. He asked why reserves had been used in setting the annual budget and if this practice was sustainable. Councillor Gardner also asked why the actual use of reserves differed from the budgeted amount. The Chair informed members that the London Councils' Leaders Committee had agreed the budget, along with the use of reserves. David Sanni confirmed that there would be a budget setting exercise in November 2021, before boroughs set their budgets, and the level and use of reserves would be considered.

Frank Smith said that Table 2 showed a surplus of £1.983 million, and Table 4 in the report showed a breakdown of how it arose. Frank Smith said that 2020/21 was an extraordinary year owing to the effects of Covid-19. There were reductions on income from the London Lorry Control Scheme (LLCS), the replacement of Freedom passes and the hire of meeting rooms at the Southwark Street offices. London Councils' premises requirements will be considered as part of a review of future operating models.

As this was an informal meeting of the Audit Committee, any decisions/approval of the accounts would be agreed by the London Councils' Urgency Procedure following the meeting.

The Audit Committee:

- Noted the statement of accounts, as detailed at Appendices A to C of this report subject to the satisfactory conclusion of outstanding audit work detailed on Item 4 of the Committee agenda.

6. Risk Management: Corporate Risk Register

The Audit Committee received a report that presented the current Corporate Risk Register for consideration by the Audit Committee.

Christiane Jenkins, Director of Corporate Governance, London Councils, introduced the report. She said that the Corporate Risk Register was presented to the Audit Committee every September for noting. The Directorate and Corporate Risk Registers were reviewed quarterly by the Corporate Governance Officer Group and on a twice-yearly basis by the Corporate Management Team (CMT). Christiane Jenkins said that further amendments to the risk register would be made in light of Spencer Palmer leaving and Frank Smith retiring. The Chair said that changes to the risk registers were now being highlighted in the report which was very helpful.

The Audit Committee noted the London Councils' Corporate Risk Register for 2021/22 which could be found attached at Appendix 2 of the report.

7. Internal Audit Update

The Audit Committee considered a report that provided members with an update in relation to the work of Internal Audit since the last update report made to the June 2021 meeting.

Matt Lock, Head of Audit & Risk Management, City of London Corporation, introduced the report. He said that the audit of recruitment and payroll adjustments had been completed and a draft report issued on ICT cyber security. Matt Lock said a way would be found to share the findings on cyber security with members. He said that reviews would be taking place on the pan London mobility schemes and parking and traffic contracts, which left the ICT strategy 2020/23 which had not been started yet. Matt Lock said that there was nothing to bring to the attention of the Audit Committee. The Chair asked whether the City of London were on target to complete the number of days set out in the table in paragraph one of the report. Matt Lock said that he was very happy with the progress being made so far.

The Audit Committee noted the contents of the Internal Audit report.

8. Business Continuity Plan

The Audit Committee received a report on the revised version 4.1 of the Business Continuity Plan (BCP) document that had been produced and approved by London Councils' Corporate Management Team (CMT) on 1 July 2021 and could be found at Appendix 1 of the report.

Roy Stanley, Head of ICT and Facilities, London Councils, introduced the report which was a 2021 (4.1) version of the Plan. The Plan continued the concept of Gold, Silver and Bronze response teams, along with names, specific responsibilities and tasks linked to those teams/individuals. Roy Stanley said that the Plan also included key lessons learned from the Covid-19 pandemic, which could be found in section 9.0 of the Plan. Roy Stanley confirmed that the full review of the BCP was due to take place in January 2022.

Councillor Brown thanked officers for the Plan, and everyone that was responsible for getting the organisation "up and running" during the pandemic. He said that insurance was important and could have a significant impact on the organisation but there was no reference to it in the Plan. Councillor Brown said that an officer should be responsible for contacting the insurers and landlord and this should be incorporated into the BCP. Roy Stanley said that part of the Plan included liaising with the Gold and Silver teams, and this was brought out in the Plan.

The Chair asked who London Councils' insurers were. Frank Smith said that London Councils had various insurance policies including one that would pay the organisation £150,000 to find temporary alternative premises. He said that staff at London Councils also had access to the City of London's premises.

David Sanni confirmed that London Councils did have business continuity cover and details of this could be incorporated into the Plan. He said that there was a wide range of insurers that covered London Councils' Southwark Street building and the London Tribunals building. Councillor Alambritis thanked officers for the excellent report, which was one of the best BCPs he had seen.

The Audit Committee:

- Noted that details of London Councils' insurance arrangements would be included in the Plan when it was next reviewed, and
- Noted the revised Business Continuity Plan v 4.1 which could be found at Appendix 1 of the report.

9. Dates of the Audit Committee Meetings for 2022/23

The Audit Committee received a report that notified members of the proposed Audit Committee meeting dates for 2022/23.

It was noted that there was an error in the date of the June 2022 Audit Committee meeting, which should be on Thursday *16 June* 2022, and not Thursday 17 June 2022 (as stated in the report).

The Audit Committee noted the dates for the meetings in 2022/23 and the error for the June 2022 Audit Committee meeting (above).

The meeting finished at 11:29am

Leaders' Committee

Report from the TEC Executive Sub Committee – 9 September 2021

Item no:

Report by: Alan Edwards **Job title:** Governance Manager
Date: 7 December 2021
Contact Officer: Alan Edwards
Telephone: 020 7934 9911 **Email:** alan.e@londoncouncils.gov.uk

Summary: Summary of the minutes of the London Councils' TEC Executive Sub Committee held on 9 September 2021.

Recommendations: For information.

Attendance: Councillor Peter Zinkin (LB Barnet - chairing), Councillor Krupa Sheth (LB Brent), Councillor William Huntington-Thresher (LB Bromley), Councillor Hanif Khan (LB Hounslow), Councillor Martin Whelton (LB Merton), Councillor Manuel Abellan (LB Sutton), and Councillor Julian Bell (Transport for London Board).

1. Apologies for Absence & Announcement & Deputies

Apologies for absence were received from Mayor Phil Glanville (LB Hackney – Chair), Councillor Johnny Thalassites (RB Kensington & Chelsea), Councillor Claire Holland (LB Lambeth), Councillor Sophie McGeevor (LB Lewisham), and Alastair Moss (City of London Corporation).

2. Declarations of Interest

There were no other declarations of interest other than those listed at agenda item 2.

3. TfL Board Update

Councillor Julian Bell gave a TfL Board update and presentation to the TEC Executive Sub Committee. He made the following comments:

- Improvements had been made to Southall Station to prepare for the opening of the Elizabeth Line in early 2022.
- This presentation had been geared towards some topics that TEC were interested in. The presentation would be circulated to TEC members following the meeting.
- Demand for public transport was now increasing: bus ridership was up 71% and tube ridership was up 50% from Monday 6 September 2021

- Santander cycle hire was up 118% over the last 7 days and road traffic levels had increased by 97% of normal demand, although levels needed to be kept down in order to improve London's air quality).
- There was a slower recovery during weekdays compared with weekends, although weekdays were now seeing growth (60% increase at weekends and 36% at weekdays, along with an increase in tourist growth by 52%)
- The current funding deal from the Government to TfL of £1.08 billion expired on 11 December 2021.
- An independent review of the TfL Pension Scheme was now underway and a final report and implementation plan would be issued by 31 March 2022.
- Pay had been frozen until at least December 2021, and a Service Level Review for passenger demand on buses, tubes and trains was now taking place.
- Work was underway with the DfT to look at the business case for implementing driverless trains at Waterloo and City and Piccadilly lines.
- LIP Funding – £100 million had been set out to continue the delivery of healthy streets and active travel programmes, along with £11 million from the DfT Active Travel Fund (Tranche 2). The £100 million was allocated on four priority areas. There continued to be funding uncertainty after 11 December 2021.

The TEC Executive Sub Committee noted the TfL Board Update.

4. Transport & Mobility Performance Information

The TEC Executive Sub Committee received a report that detailed the London Councils' Transport and Mobility Services performance information for Q1 2021/22 and full year 2020/21.

Andy Rollock, Mobility Services Manager, London Councils, introduced this report and gave the following update:

London Tribunals: The target for the number of days to decide appeals (personal and combined – Road User Charging Adjudicators) had been missed due to the current backlog that had accrued from the previous year, although improvements were now being seen.

Freedom Pass: Targets had been missed for the “% of calls answered within 45 seconds” and the “% of calls abandoned”. A Performance Improvement Plan was being drafted and would be issued to the contractor on 14 September 2022.

Taxicard: Targets had been met, except for the ASAP bookings target which had been slightly missed. City Fleet had now been acquired by Addison Lee, so improvements would soon be made to the ASAP booking times.

The TEC Executive Sub Committee: **(i)** noted the Transport and Mobility Services Performance information report, and **(ii)** noted that members would be kept informed about the contractor response to the issue of the Performance Improvement Notice.

5. July Flooding Update & Issues Arising

The TEC Executive Sub Committee received a report that highlighted shortcomings in both the incident response and current infrastructure to recent flooding events. The report also outlined the current issues surrounding surface water flooding and proposes initial steps to improve both the emergency response and long-term infrastructure.

Simon Gilby, Principal Policy Officer, London Councils, introduced the report and made some of the following comments:

- Two flooding events had taken place on 12 and 25 July 2021, involving surface water flooding and sewer flooding due to heavy rainfall. Meetings had taken place with the Deputy Mayors of London and more were planned in the autumn.
- There were four areas to look at: (i) *Improving co-ordination and response* – Information sharing through London Resilience Partnership. More prompt sharing of flooding and residents being able to contact Thames Water more easily. (ii) *Hardship Relief* – the flooding did not meet the insurance specifications, and the recent flooding events were not considered severe or widespread enough, (iii) *Alerts* – this needs to be improved (ie to alert residents to flooding events), (iv) *Addressing events (long term)* – how to address the issues of surface water problems, which were being underestimated.

Councillor Zinkin said that people could only be alerted if it was known what was going to occur with regards to flooding. He said that some flooding events were very localised.

Simon Gilby said that OFWAT needed more funding in order to model events by water companies. He informed members that the Thames Regional Flood and Coastal Committee (RFCC) was proposing to fund two projects to consider the problems with surface water flooding (one inside London and one outside London). There were current assets to alleviate surface water flooding, but an increase in capacity was needed in this. Simon Gilby said that London Councils would join a stakeholder advice group to help support the Thames Water review and Gold and Silver emergency arrangements. A further report on this would be presented to TEC at the meeting on 9 December 2021.

Councillor Abellan said that he was struggling with the clarity of this and how it all pieced together. He said that he was unsure as to who was overseeing these actions. Councillor Abellan said that the report painted a bleak picture. He said that a case had to be made for more funding. More research also needed to take place. Councillor Zinkin said that he thought that the evidence being collated on SUDs was coming along quite nicely. However, he felt that there was concern over the length of time it was taking for the RFCC to do anything.

Katharina Winbeck said that there was further information in the terms of reference of the task and finish group, and it was hoped that this group would be able to disentangle these issues, especially as there would be a number of stakeholders involved, like Thames Water.

Councillor Zinkin said that further clarity was needed on the next steps (paragraphs 27 to 30 of the report) before a further report went to TEC in December 2021. Simon Gilby said that the “next steps” in the report would be updated and sent to TEC Elected Officers to agree via the TEC Urgency Procedure following the meeting (see post meeting note below).

The TEC Executive Sub Committee: (i) noted that a further report would be presented to TEC at the December meeting, subject to the changes to the wording of the “next steps” (see post meeting note below), and (ii) noted the next steps as outlined in paragraphs 27-30 (to be agreed by the TEC Urgency Procedure following the meeting).

Post Meeting Note: The following changes to the wording of the “next steps” (paragraphs 27-30) in bold italics, would be sent to TEC Elected Officers, under the TEC Urgency Procedure:

*27. It has been agreed to set up a task and finish group, **with membership to be confirmed**, but to be co-chaired by Mayor Glanville, Chair of TEC and most likely the other RMAs (**Thames Water and Environment Agency**). Officers suggest that the TEC nominated members of the Thames RFCC will actively be engaged in this process **and that membership includes LEDNet and Thames RFCC. The ToR for this group will be written with input from TEC chair and vice chair and Thames RFCC representatives and will clarify roles and responsibilities.***

28. London Councils officers to join the stakeholder advisory group of the independent review of Thames Water’s asset performance and to support the inclusion of the London Drainage Engineers Group (LoDEG) in the same.

29. London Councils to engage with the forthcoming review of silver and gold arrangements.

*30. London Councils officers, working with LoDEG, resilience colleagues and others in the boroughs to undertake an initial review to understand **how existing data can be used, and what additional data is required** to assess (i) the costs of the flooding damage, (ii) the current levels of funding for surface water flooding projects, (iii) the current infrastructure in place to prevent surface water flooding, and (iv) future funding requirements. **This could usefully inform the reprioritisation of existing funding to ensure money is spent in areas of greatest risk.***

6. Month 3 TEC Revenue Forecast 2021/22

The TEC Executive Sub Committee considered a report that outlined actual income and expenditure against the approved budget to the end of June 2021 for TEC and provided a forecast of the outturn position for 2021/22.

Frank Smith, Director of Corporate Resources, London Councils, introduced the report. He said that at this early stage, an underspend of £677,000 was forecast. This showed a recovery from a deficit caused by the pandemic. Frank Smith said that income from the London Lorry Control Scheme (LLCS) was holding up. The budget target had been reduced for replacement Freedom pass income (by £150,000 to £600,000), although income receipts was now recovering since the pandemic.

Frank Smith said that members were given options about what they wanted to do with funds that exceeded the benchmark of 10 to 15% of operating expenditure. These discussions would take place at the TEC Executive meeting in the autumn (November 2021) where members could decide whether to have money refunded to the boroughs or to put the funds into specific reserves.

The TEC Executive Sub Committee: **(i)** noted the projected surplus of £677,000 for the year, plus the forecast net underspend of £567,000 for overall Taxicard trips, as detailed in this report; and **(ii)** noted the projected level of Committee reserves, as detailed in paragraph 5 of this report and the commentary on the financial position of the Committee included in paragraphs 6-8.

7. Minutes of the TEC Executive Sub Committee held on 15 July 2021

The minutes of the TEC Executive Sub Committee held on 15 July 2021 were noted to be an accurate record (to be agreed via the TEC Urgency Procedure following the meeting).

The meeting finished at 11:29am

LONDON COUNCILS' GRANTS COMMITTEE EXECUTIVE – INFORMAL MEETING

Minutes of the Informal Grants Committee Executive meeting held via Microsoft Teams on Thursday, 30 September 2021 at 3pm

Members:

Mayor Damien Egan (LB Lewisham)
Mayor Rokhsana Fiaz (Vice Chair, LB Tower Hamlets)
Cllr Viddy Persaud (LB Havering)
Cllr David Leaf (Vice Chair, LB Bexley)
Cllr Jonathan Cook (LB Wandsworth)
Cllr Sue Anderson (LB Harrow)
Cllr Charlene McLean (LB Newham)
Cllr Gareth Roberts (LB Richmond upon Thames) - deputy
Cllr Alice McDonald (LB Southwark)

London Councils officers:

Yolande Burgess, Strategy Director
Feria Henry, Priority Manager
Joanna Watson, Priority Manager
David Sanni, Acting Director of Corporate Resources
Daniel Houghton, Liberal Democrat Political Advisor
Jade Appleton, Conservative Political Advisor
Ella Watson, Labour Political Advisor
Ana Gradiska, Principal Governance and Projects Officer
Lisa Dominic, Senior Governance Support Officer

The Chair welcomed Grants Executive members and London Councils' officers to the meeting.

1 Apologies for Absence and Announcement of Deputies

- 1.1 Apologies were received from Dhruv Patel (City of London) and Cllr Caroline Kerr (Vice Chair, RB Kingston upon Thames). Cllr Gareth Richard was deputising for Cllr Kerr.

2 Declarations of Interests

- 2.1 There were no declarations of interest.

3 Minutes of the Grants Executive held on 10 February 2021

- 3.1 The Minutes of the Grants Executive held on 10 February 2021 were noted.

4 Minutes of Grants Committee AGM held on 13 July 2021

- 4.1 The minutes of the Grants Committee AGM held on 13 July 2021 were noted.

5 Month 3 Revenue reporting 2021/22

- 5.1 David Sanni, Interim Director of Corporate Resources, introduced this report, which outlined actual income and expenditure against the approved income and expenditure in the budget to the end of June 2021 for the Grants Committee. The report also provided a forecast of the outturn position for 2021/22 for both actual and committed

expenditure on commissions, along with the administration of all these commissions. At this stage, a deficit of c.£34,000 was forecast over the approved budget.

- 5.2 In response to a question regarding the projected deficit, the Acting Director of Corporate Resources said that London Councils would be reflecting on the issues that caused the deficit, in order to ensure that similar problems were not encountered the following year.
- 5.3 In response to a question regarding the c.£28,000 expenditure not budgeted for programme evaluation, Yolande Burgess, the Strategy Director, noted that some of these costs would be met from the ESF programme, and at the last Grants Committee meeting, £150,000 was set aside for evaluation of the new programme, so this situation would not arise again.
- 5.4 Members noted the report.

The meeting finished at 3.20.

Minutes

Young People's Education and Skills Board meeting

Date	21 October 2021	Venue	Online via Teams
Meeting Chair	Councillor Nesil Caliskan, Leader Enfield Council, London Councils Executive Lead on Skills and Employment		
Contact Officer	Peter O'Brien		
Telephone	020 7934 9742	Email	peter.obrien@londoncouncils.gov.uk

Attendance:

Board Members:

Councillor Nesil Caliskan	CHAIR, Leader, Enfield Council and London Councils Executive Member for Skills and Employment
Anthony Haines	Senior Manager, FE Territorial Team – London and South-East, Education and Skills Funding Agency (ESFA)
Benjamin Anderson	Community Manager, Landsec, London Economic Action Partnership (LEAP) – Board Member
Councillor Damian White	Leader, London Borough of Havering, London Councils Executive Member for Schools and Children's Services
David Steeds	Employer and Skills Lead, London and Essex, Department for Work and Pensions (DWP) representing Sarah Hernandez
Gail Tolley	Strategic Director for Children and Young People, London Borough of Brent representing the Association of London Directors of Children's Services (ALDCS)
Professor Graeme Atherton	Head, Centre for Levelling Up and Director of National Education Opportunities Network, University of West London

John Prior	Principal, Orchard Hill College, representing NATSPEC
Mary Vine Morris	Director, London Region, Association of Colleges (AoC)
Michael Heanue	Principal Policy Officer, Greater London Authority (GLA), LEAP - Officer
Rebecca Durber	Regional Engagement Manager, Association of Employment and Learning Providers (AELP)
Dr Sam Parrett OBE	Group Principal and CEO, London and South East College Group, representing AoC – General Further Education
Sarah Wilkins	Head of Education and Youth (GLA), representing the Deputy Mayor of London
Yolande Burgess	Strategy Director, London Councils

Officers:

Peter O'Brien	Regional Manager Young People's Education and Skills (YPES), London Councils
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Guest:

Dianna Neal	Strategic Lead - Enterprise, Economy & Skills, London Councils (Presenter, Item 7)
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1 Welcome and introductions

- 1.1 The Chair introduced herself and explained that she had been elected as Executive Member for Skills and Employment at London Councils' Leaders Committee's Annual General Meeting and would consequently take the chair of the Young People's Education and Skills Board. Board members then introduced themselves to the Chair and the meeting. Councillor Damian White and Rebecca Durber were attending their first meeting as Board members.

2 Declarations of Interest

- 2.1 No interests were declared.

3 Minutes of the last meeting and matters arising

- 3.1 These were agreed.

- 3.2 Arising from the minutes: Yolande Burgess said that joint chairs of the Pan London Supported Employment Board had now been agreed and the first meeting would take place in February 2022; and a letter had been sent to the Minister suggesting flexibilities in Apprenticeships, which had been declined.

4 Policy Update

- 4.1 Peter O'Brien introduced a paper and in the ensuing debate the Board was told that London Councils and ALDCS had made the case for additional funding for the education, skills and employment needs of Afghan refugees and the GLA has agreed a change in the eligibility rules for the Adult Education Budget in London to enable Afghan refugees to be funded. It was noted that the eligibility criteria for Kickstart make it difficult for 16- to 18-year-olds to join the programme and there were some concerns over the conversion of starts into permanent jobs, the lack of training in the jobs and the continuing instability of the youth jobs market. The meeting also noted the increase in demand for places for young people with special educational needs and disabilities.

5 Performance Report

- 5.1 The Board, noting that local data was available through Intelligent London¹, accepted the report provided to - and discussed at - the meeting. Board members raised the following: the prevalence of unaddressed speech or language issues among excluded young people; fewer young people appeared to have enrolled in FE Colleges this academic year; the GLA is due to publish a report on disparities in educational performance.

Action: Sarah Wilkins to provide Peter O'Brien with a copy of the GLA's report on performance disparities.

6 New Deal for Young People

- 6.1 Sarah Wilkins delivered a presentation that provided the meeting with an update on the progress being made on the London Recovery Board's New

¹ <http://www.intelligentlondon.org.uk/>

Deal for Young People mission, which was subsequently debated by the Board.

Action: The presentation on New Deal for Young People to be provided to the Board.

7 London Economic Recovery Framework

- 7.1 Dianna Neal spoke to a presentation in which the impact of the pandemic on young people was demonstrated. Dianna described the London Economic Recovery Framework in the context of the Recovery Missions and explained London's response to date, the positions taken in London Councils' submission to the Spending Review and the proposals for a London Youth Employment Pledge, to which contributions were requested. Board members referred to their own responses to the Spending Review and sought opportunities to work more closely together on issues of common concern, such as reforms to Apprenticeship funding and industry-specific employment issues. The Board noted that the Pan London Supported Employment Board would add impetus to employing young people with SEND.

Action: Peter O'Brien to provide additional information in the post-meeting note.

8 Young People's Education and Skills Action Plan 2021 to 2022

- 8.1 The Board agreed that the Action Plan presented to it.

9 Any Other Business

- 9.1 Michael Heanue said that GLA and London Councils Officers were preparing a paper for the London Recovery Board about young people and recovery. An outline of the paper and an opportunity to contribute will be shared with the Board.

Action: Michael Heanue to provide an outline of the paper about young people and recovery to Peter O'Brien for inclusion in the post-meeting note.

Minutes of an Informal Meeting of the Executive

Tuesday 9th November 2021 09:30 am

Cllr Georgia Gould was in the chair

Present

Member	Position
Cllr Georgia Gould	Chair
Cllr Muhammed Butt	
Cllr Ruth Dombey OBE	Vice Chair
Cllr Danny Thorpe	
Cllr Ravi Govindia CBE	
Mayor Phillip Glanville	
Cllr Jas Athwal	
Cllr Elizabeth Campbell	
Catherine McGuinness	Vice Chair

London Councils officers were in attendance.

1. Declaration of interest

There were no declarations of interest.

2. Apologies for absence and announcement of deputies

Apologies for absence were received from Cllr Darren Rodwell, Cllr Nesil Caliskan and Cllr Teresa O'Neill OBE.

3. Minutes of the informal Executive Meeting held on held on 7th

September – to note

The minutes of the informal Executive meeting held on 7th September 2021 were noted.

4. Independent Panel on the Remuneration of Councillors

The Chair invited Mike Cooke, Chair of the Remuneration Panel, to introduce the report. Mr Cooke informed members that two remuneration reports had been submitted for consideration, one for councillors working within boroughs and the other for members in their London Councils roles. He also informed members that helpful feedback had been provided, and that there was a consensus that a range of changes had impacted on members' workloads in recent months, and that their roles had become more demanding and challenging.

Mr Cooke mentioned that, in terms of remuneration, the full impact of the changes could not yet be fully assessed; in addition the impact of the 2022 boundary changes, and the Health and Care Bill, if passed, also needed to be taken into account.

Therefore, it was proposed that the current scheme be held over, subject to the outcome of the national pay award, and that a more detailed review of remuneration be carried out in the summer of 2022 to give boroughs the opportunity for detailed input.

Members supported the proposed 2022 review and made the following points:

- the unavailability of pensions was a factor in some councillors not seeking re-election
- maternity/paternity provision needed to be considered
- consideration needed to be given to establishing that an independent panel should have the powers to determine the allowances which London Boroughs would need to apply
- the high costs of living needed to be taken into account in reviewing the basic allowance

Mr Cooke thanked members for their contributions. Members noted the report and agreed that a full review of remuneration, taking into account the points made by the Executive, should be carried out in the summer of 2022.

5. London's Recovery: Update

London Councils Strategic Director: Recovery and Strategic Lead: Enterprise, Economy and Skills provided an update to members on the range of work being done in relation to London's economic recovery, ahead of the Recovery Board meeting on 1 December. Members were informed that:

- there were signs of gradual recovery in the capital, but still some challenges ahead: although economic output was expected to return to pre pandemic levels by the end of 2021, London's labour market was not expected to recover until the end of 2023, and there were other issues likely to impact such as higher inflation rates and rises in energy costs
- there were concerns about the impact of the end of the furlough scheme on overall employment figures, but it was also recognised that because of the high level of job vacancies in the UK there was the potential to retrain people for new job opportunities
- the Economic Recovery Framework, previously agreed by Leaders Committee, had now been published, and a task and finish group had been set up to oversee the progress of the work and prioritise activity within boroughs.

Members made the following points in response to the presentation:

- London had been disproportionately disadvantaged by the lack of international visitors and the general lack of footfall in the capital
- in London a large proportion of unemployed people were young, and reskilling people for available opportunities was a challenge
- it would be useful to understand how different parts of London were affected by the economic challenges, and also the impacts on different elements of the employment sector, for example the catering trade
- in addition to the unemployment impact on younger people, the needs of those approaching the end of their working life who were being furloughed or made redundant needed to be understood; this was a particular issue in terms of airport employment

- there was a mismatch between the geographic position of job opportunities and where unemployed people were located
- although it was recognised that there were a number of skills/employment initiatives taking place at a sub-regional level, it would be helpful to understand which were having the greatest impact.

Members were informed that part of the Recovery Board's work would be looking at the issue of young people and economic recovery and the wider impact on this group, including a call to action across London for more strategic investment in the youth sector, and a Youth Summit in Summer 2022 in which young people would be involved.

In terms of the Robust Safety Net mission regarding advice, support and assistance, it was recognised that although the Spending Review had not provided funding in this area, Policy into Practice had been commissioned to codesign and pilot an evaluation framework for local welfare assistance, and would be putting out a call for involvement in this work.

Members made the following comments:

- it would be useful to understand the approaches that boroughs were taking to spending the Winter Pressures finance
- the role of Credit Unions should be factored into this work
- expectations of young people needed to be managed in terms of the shortage of resources available to boroughs
- the social value of procurement should be considered in areas like employment and training.

Members were thanked for their comments and noted the update.

6. Spending Review 2021

The Interim Director: Local Government Finance & Improvement introduced the report and presented both the overall picture of the funding position and the progress against London Councils' lobbying priorities.

Members were informed that:

- Core Spending Power would increase by £8.5bn (3% per annum on average) nationally over three years, although this included funding to implement the adult social care funding reforms, which won't meet demand pressures
- council tax principles for the next three years had been confirmed
- £1.5bn per annum of new grant funding would have to cover demand for services and lost income arising from the pandemic and wider inflationary pressures from the national living wage and increases in National Insurance Contributions to local government suppliers
- a small increase in the Public Health grant of £50m for London was expected over 3 years
- contrary to paragraph 8 of the report, it was felt that that available money would not now meet the estimated underlying demand and inflationary pressures boroughs were facing
- in terms of money asked for as part of the Spending review, of the £1.5 - £2bn requested it was likely that London would receive around £1.1bn
- in considering overall departmental budgets, the Department for Health and Social Care received by far the biggest increase in spending
- in addition, there had been no confirmation when the Fair Funding Review and Business Rates Reset might occur, meaning a one-year rather than three-year local government finance settlement is now likely.

In terms of London Councils' Spending Review lobbying priorities:

- very little of the skills and employment funding had been targeted towards young people, with the exception of apprenticeships.
- little progress had been made regarding the green recovery, although £1.8bn had been made available for home upgrade grants
- no funding had been made available for the UK Cities Climate Investment Commission work (although it was hoped that private sector finance might be forthcoming following on from negotiations at COP26)

- in terms of housing and transport, £1.8bn had been made available for affordable housing supply and the removal of unsafe cladding, and while £1.5bn was to be made available for electric vehicle support, a medium-term funding deal was still outstanding with TfL
- London would receive very little funding from both the £1.7bn Levelling Up fund (just £65m) and the £200m Community Renewal Fund (just £3.8m), and there were concerns as the latter is the pilot for the £2.5bn UK Shared Prosperity Fund to be rolled out over the next three years.

Members made the following points:

- in terms of future UK Shared Prosperity Fund allocations, it would be advantageous to concentrate lobbying on individual Government Departments (including the Department of Levelling Up) in that there was a lack of understanding of the role of London local government
- as government had indicated no support for devolution of Vehicle Excise Duty to support road maintenance costs, a review of future transport funding should be commissioned via TEC
- more effective working with Core Cities was vital in terms of attracting private finance in areas such as retrofitting
- ministers should be encouraged to visit boroughs more, to understand the work of local government; this could potentially be brokered via CELC.

Members thanked London Councils for the presentation and noted the contents of the report.

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7a. Month 6 Revenue Forecast 2021/22

The Acting Director of Corporate Resources introduced the report which presented the forecast outturn results for the current financial year based on the position at the end of Quarter 2, highlighting significant variances against the original budget and the position regarding reserves. The report showed:

- a projected overall surplus of £1.2m across the three funding streams

- the key variances were due to underspends on employee and general running costs, and an underachievement on the hire of meeting rooms and the letting out of office space.

In response to a question regarding the loss of income shown in the Forecast, it was explained that this was a combination of challenges in letting office space, an underspend of employee costs and other running cost underspends.

Members noted the report.

7b. Proposed Revenue Budget and Borough Subscriptions and Charges 2022/23

The Acting Director of Corporate Resources introduced the report which proposed the revenue budget, subscriptions and charges for the forthcoming financial year, and had been prepared in the context of the Shared Ambitions agreed with Leaders, directing resources to the policy areas most important to members. It also took on board changes to the organisation needed to achieve the Shared Ambitions.

The key budget pressures were:

- the impact that the pandemic had on income streams
- a 2% pay award, subject to negotiation
- a 1.25% increase in employers National Insurance contributions
- establishing a new Programme Director for the delivery of the seven key programmes, funded from TEC reserves
- a one-off contribution to set up a new digital enablement fund to modernize London Councils digital processes
- an increase of the learning and Development budget to ensure that officers had the right skills to fulfill London Councils shared ambitions.

Overall it was reported that the budget was a 'standstill' one, with no changes to core Committee contributions. There were marginal changes to some of the TEC charges, which would be considered by TEC separately at their next meeting.

It was reported that the total expenditure budget was £254.8m funded by an income budget of £252.9m and use of reserves of £1.9m. Overall there was an increase of £349k in comparison to the previous year via an increase in the use of reserves. However it was confirmed that the current levels of reserves stood London Councils in good stead to cope with pandemic recovery and to realise the member defined Shared Ambitions.

In response to a comment regarding the digital reforms at London Councils, it was confirmed that LOTI would be involved in this work; their user centred design approach was recognised as an example of good practice.

Members noted the report.

8. Nominations to Outside Bodies

The Director of Corporate Governance informed members that this report provides the Executive in its capacity as the Appointments Panel, with details of London Councils' nominations/appointments recently made to outside bodies.

Members noted the nominations/appointments made by the Chief Executive on behalf of London Councils.

Prior to the meeting's close the issue of returning to the office was raised by a member. It was confirmed that some work would be done to understand the return to work position of the London boroughs which would be reported back. It was also confirmed that London Councils CMT were meeting in the office weekly and that all staff were required to attend the office at least twice a month, although in practice many people came into the office far more frequently.

Executive shared their own positions regarding staff returning to work at their offices. It was agreed that the subject of how future meetings of Leaders

Committee and the Executive could be held would be discussed at a future meeting.

The meeting ended at 10:45.