



JOINT COMMITTEE OF THE SIX GROWTH BOROUGHES

Friday, 27th February, 2015
at 9.45 am

Council Chamber, Old Town Hall, The
Broadway, Stratford, London, E15 4BQ

Members: Sir Robin Wales (Chair), Councillor Saima Ashraf, Councillor Ken Clark, Councillor Denise Hyland, Councillor Guy Nicholson, Mayor Jules Pipe, Mayor Lutfur Rahman, Councillor Darren Rodwell and Councillor Chris Robbins

Tim Shields
Clerk to the Joint Committee

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Governance Services Officer
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The press and public are welcome to attend this meeting

AGENDA

Friday, 27th February, 2015

ORDER OF BUSINESS

Item No	Election of Chair	
1	To confirm the election of Sir Robin Wales as Chair of the Joint Committee of the Six Growth Boroughs, in accordance with paragraph 22 of the Memorandum of Understanding.	
2	Apologies for absence	
3	Declarations of interest	
4	Terms of Reference The Joint Committee is asked to note its terms of reference.	(Pages 1 - 2)
5	Growth Boroughs Partnership Unit - Financial Management	(Pages 3 - 6)

Access and Information

Location

Old Town Hall Stratford
29 The Broadway
Stratford
E15 4BQ

Trains – Nearest station: Stratford Station (Jubilee Line, Central Line, DLR and overground services)

Buses – 86, 104, 158, 238, 241, 262, 257, and 473.

Parking – There is no on site parking.

Facilities

There are public toilets available, and the venue is accessible by wheelchair users.

Copies of the Agenda

The Hackney website contains a full database of agendas, reports and minutes. Log on at: www.hackney.gov.uk

Representation

Contact details for all Councillors are available on the following websites –

<http://www.lbbd.gov.uk/>

<http://www.greenwich.gov.uk/>

<http://www.hackney.gov.uk/>

<http://www.newham.gov.uk/>

<http://www.towerhamlets.gov.uk/>

<http://www.walthamforest.gov.uk/>

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JOINT COMMITTEE OF THE SIX GROWTH BOROUGHs TERMS OF REFERENCE

To act as a joint committee of the London Boroughs of Hackney, Newham, Tower Hamlets, Waltham Forest and Barking and Dagenham and the Royal Borough of Greenwich (the six boroughs) for joint collaboration in relation to convergence and legacy.

1. Functions:

To discharge on behalf of the boroughs the executive functions listed below in so far as they relate to joint activities or areas of common concern in relation to convergence and legacy, as agreed in the business plan:

1. Management and expenditure of the annual budget as defined by the Inter Authority Agreement made between the six boroughs dated [.....]
2. Management and expenditure of external funding and all other financial resources allocated to the joint committee, including any funding allocated to the joint committee by any or all of the six boroughs in addition to the annual budget.
3. Approval of an annual business plan.
4. Joint promotion of the Growth Boroughs area and its unique portfolio of assets including the Olympic afterglow.
5. Consistent approach to enforcing through planning and procurement requirements the promotion of convergence by developers and contractors.
6. Collective promotion of transport and other infrastructure investment including its prioritisation over other parts of London.
7. Joint bidding for funding, training and employment programmes, e.g. funding from the European Union and Regional Growth Fund (RGF) where bids from one Borough will not be entertained.
8. Convergence and the prioritising of the social and economic needs of the Growth Boroughs area.
9. Collective action in respect of the National and Regional allocation of local government housing, health, policing and transport resources based on need and population.
10. Working together to protect Growth Boroughs' interests in respect of National and Regional policy and action.
11. Collective working with employers on jobs and skills.
12. Contextual recognition of the varying economic, housing and investment opportunities related to the character and resources of each of the Growth Boroughs.

Any other executive functions relating to joint activities or areas of common concern in relation to convergence and legacy in relation to which funding is allocated through the annual budget or in respect of which external funding or any other financial resources are allocated to the joint committee.

The governance arrangements provide flexibility so that one or more but less than six boroughs can opt out of certain projects insofar as they relate to joint activities or areas of concern. It is within the capacity of the Joint Committee to agree that one or more but less than six boroughs may participate in work with other authorities outside the growth borough arrangements. The Joint Committee will agree any particular project will be undertaken by one or more boroughs outside the responsibilities of the Joint Committee.

2. Membership:

Twelve Members, comprising two Members nominated by the Executive from each of the six boroughs for a maximum period not extending beyond any Member's remaining terms of office as a councillor.

3. Quorum:

At least one Member from each of the six boroughs.

4. Voting Requirements:

Each Member of the joint committee will have one vote and all questions coming or arising before the joint committee shall be decided by a majority of the members of the joint committee present and voting.

REPORT OF THE CLERK TO JOINT COMMITTEE OF THE SIX GROWTH BOROUGHS		
Growth Boroughs Partnership Unit – FINANCIAL MANAGEMENT	Classification	Enclosures
Joint Committee 27 February 2015	Public	N/A

1. INTRODUCTION

- 1.1 In accordance with the terms of an Inter Authority Agreement between the Six Growth Boroughs comprising the Joint Committee, this report covers the financing of the Growth Boroughs Partnership Unit (GBPU), including the Forecast Outturn for 2014/15 and the Budget for 2015/16.
- 1.2 Financial information has been prepared jointly between the GBPU and LB Hackney acting as Lead Borough/Accountable Body for GBPU management, staffing and financial arrangements. The report has been approved by the Six Growth Boroughs Chief Executive's Board.

2. RECOMMENDATIONS

- 2.1 The Joint Committee is asked to agree:

To set the Budget for 2015/16 based on gross expenditure of £360,000, financed by 6 equal annual borough contributions of £60,000 to be invoiced to boroughs during March 2015.

3. ALTERNATIVE OPTIONS

- 3.1 No alternative options have been identified

4. SUSTAINABILITY AND LEGACY

- 4.1 Activities funded by the budget will promote sustainable post 2012 uses of Olympic and Paralympic facilities, and a cultural legacy for the area of the host boroughs.

5. ECONOMIC IMPACT

- 5.1 The work of the GBPU will benefit local residents but also help to show that this is an attractive place to visit, live, work, invest and do business.

6. HUMAN RIGHTS AND EQUALITIES

- 6.1 There are no human rights issues. The report has no direct impact on the equalities policies of the Growth Boroughs.

7. RISK

- 7.1 Financial risks are raised due to the complexity of work carried out or commissioned by the GBPU, and the contractual arrangements for consultants and agency staff. The Inter Authority Agreement provides for any overspends to be shared equally between the Growth Boroughs.
- 7.2 As the GBPU is not a separate legal entity, the accounts, payments, receipts, purchasing and payroll transactions have been handled by LB Hackney as Lead Borough.
- 7.3 An Internal Audit report recommended providing regular GBPU financial monitoring reports to the Chief Executive's Board and Joint Committee from the 2010/11 financial year.

8. FINANCIAL CONSIDERATIONS

- 8.1 The Host Boroughs, as the Growth Boroughs were known then, entered into an inter authority agreement in 2006 in respect of both the 2012 games programme and the Olympic Joint Boroughs Central Unit (OJBCU), which was superseded by a revised Inter Authority Agreement in 2010, and a further revised Inter Authority Agreement in 2011 reflecting the admission of Barking and Dagenham as the sixth host borough. In December 2014 all boroughs agreed to revise the Inter Authority Agreement. All of the Agreements appoint Hackney as Lead Borough for employment of staff and for the budget. Accordingly, Hackney has been responsible for the employment and management of the staff of the GBPU, and for the financial management and administration of the budget, income and expenditure of the Unit. Hackney applies its own financial, procurement and human resources procedures in carrying out these Lead Borough responsibilities.
- 8.2 Budgets for the GBPU are required to be prepared on a break even basis taking account of equal annual borough contributions, and any grants and third party contributions.
- 8.3 Borough contributions were set at £500,000 (£100,000 per borough) when the OJBCU was established. The Inter Authority Agreements provide for contributions to be raised annually in line with inflation, and for consideration of growth proposals. To allow for inflation and growth in the work of the OJBCU, contributions were raised to £902,500 (£180,500 per borough) during 2008/09. As inflation had fallen to NIL early in 2009, the 2009/10 contributions were left unchanged at £902,500. Based on the December 2009 CPI (Consumer Prices Index) increase of 2.9%, borough contributions were raised to £928,650 for 2010/11 (£168,845 per borough, plus a voluntary contribution of £84,425 from LB Barking and Dagenham). Savings were achieved on Legacy costs, so the borough contributions for 2011/12 were reduced to £750,000, based on equal amounts of £125,000 from each of the 6 boroughs. In early February 2012, the Chief Executive's Board decided that it would be appropriate for contributions to be reduced to £100,000 per borough and a grant of £25,000 per borough to Create London Ltd for 2012/13. The contributions for 2013/14 and 2014/15 were however, reduced to £360,000 (£60,000 per borough).

The Chief Executives' Board recently met and recommended to maintain the contributions for 2015/16 at 2014/15 levels.

- 8.4 The Inter Authority Agreements provide for any underspends to be carried forward or shared equally between the boroughs, and for any overspends to be shared equally between the Host Boroughs

9. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 9.1 The Joint Committee of The Six Growth Boroughs is asked to agree the recommendation in paragraph 2.1 of this Report.

- 9.2 Clause 8.3.2 of the Inter Authority Agreement between the Six Growth Boroughs provides that For each Financial Year Hackney will produce an Annual Budget for agreement at a Chief Executives' Board and for consideration by the Joint Committee in advance of the Financial Year start and by no later than 1 March in any year which shall cover all aspects of the agreed activity to meet the GBPP and a cash flow statement.

10. FORECAST OUTTURN 2014/15, BUDGET 2015/16

- 10.1 The Forecast Outturn for 2014/15 is summarised in the table below, based on full year spending estimates prepared jointly by LB Hackney and the GBPU. This Forecast is based on the expenditures to date and current commitments including the use of underspends totalling £41,877 brought forward from previous financial year. It is anticipated that the 2014/15 budget will be fully spent in this financial year and actual outturn will be reported when available in May 2015.

- 10.2 The use of the brought forward underspend in 2014/15 is to cover agreed costs in relation to the Devolution meeting organised by the Growth Boroughs, additional consultancy work in respect of transport, employment and skills strategies and additional time provided by the Unit Director.

- 10.3 LB Hackney and the GBPU have produced Budgets for 2015/16 summarised in the table below. Budgets are based on the following core tasks which have previously been agreed for the GBPU:

- Continued management and review of Convergence including production of the revised strategy 2015-18 and the Convergence Action Plan. Liaison with GLA staff and the Convergence Theme Groups
- Agenda management and preparation for Chief Executives Board, Leaders and Mayors and Joint Committee meetings
- Liaison with Legacy teams at GLA, LLDC, London Councils and Cabinet Office
- Liaison with key private, public and voluntary sector partners and other stake-holders e.g. London and Partners, NHS, Jobcentre Plus and London LEP
- Liaison as required with Government Departments, MPs, Academic institutions, relevant Think Tanks and Media

- Commissioning and Management of agreed Consultancy and specialist contracts
- Oversight of strategic transport and employment and skills work including joint funding bids; data monitoring of Growth Boroughs employment performance and management of strategic liaison between the private sector, training providers and the boroughs.

10.4 The use of the commissioning budget of £120,000 for 2015/16 for any purposes other than commissioning must be agreed on an individual basis.

	2014/15 budget Approved on 28 Feb 2014	2014/15 Forecast Outturn Based on the forecast in Jan 2015	2015/16 Draft Budget
	£	£	£
Expenditure			
Employee Costs	211,132.00	216,734.00	217,500.00
Premises	5,000.00	5,000.00	5,000.00
Supplies & Services	5,200.00	21,310.00	5,000.00
Commissioning	126,168.00	146,333.00	120,000.00
Support Services	12,500.00	12,500.00	12,500.00
Contingency	-	-	-
Total Expenditure	360,000.00	401,877.00	360,000.00
Income			
HBU Reserve		(41,877.00)	-
Borough Contributions	(360,000.00)	(360,000.00)	-360,000.00
Other Contributions	-	-	-
Total Income	(360,000.00)	(401,877.00)	(360,000.00)
Net Expenditure	-	-	-

**Corporate Director of Finance and Resources of the Lead Borough
on behalf of Tim Shields, Chief Executive London Borough of Hackney and Clerk to
the Joint Committee**

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