

Overview and Scrutiny Committee		
Title	Devolution Update	
Contributor	Overview and Scrutiny manager	Item 5
Class	Part 1 (open)	23 January 2017

Reason for lateness and urgency

The report has not been available for five clear working days before the meeting and the Chair is asked to accept it as an urgent item. The report was not available for dispatch on Thursday 13 January 2017 because officers needed to clarify the most up to date position. The report cannot wait until the next meeting because there are no further meetings scheduled for this municipal year..

1. Purpose

- 1.1 To provide the Overview and Scrutiny Committee with an update on progress, on the points the Committee previously noted, when considering Devolution at its' last meeting.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is recommended to note this report.

3. Devolution update

- 3.1 On the 24th of October the Committee received an update on devolution in London from the Chief Executive as part of its regular focus on devolution. The Committee noted the following views:

- Distribution of Business Rates across London based on need should be sought
- The London Finance report should be circulated to PAC and OSBP members when it is published, for their further consideration
- Officers should consider the impact of Brexit on the Council and Lewisham
- The STP should be published as soon as possible and consultation with local people commence

Distribution of Business Rates across London based on need should be sought

- 3.2 The Council responded to the two government consultations regarding Business Rates in the Autumn of 2016:

- (1) Business Rates Reform: Fair Funding Review: Call for evidence on Needs and Redistribution,
- (2) Self-sufficient local government: 100% Business Rates Retention

- 3.3 A Lewisham Council response was submitted to the Fair Funding Review, and the Council was a signatory to a joint response by London Councils & the Greater London Authority. The draft responses to both consultations were considered and agreed by Public Accounts Select Committee and Mayor and Cabinet before submission. The responses both referenced the need for distribution based on need.

- The London Finance report should be circulated to PAC and OSBP members when it is published, for their further consideration
- 3.4 The London Finance report is due to be published imminently. As soon as it is published it will be circulated as requested to members of PAC and OSBP. An interim report was published in October 2016 and is appended to this report for information.
- Officers should consider the impact of Brexit on the Council and Lewisham
- 3.5 The Government is currently proposing to introduce a Great Repeal Act which will enable a “lift and shift” to convert all law currently referencing EU Regulations into UK law on the statute books. The intention nationally is to then vary the UK laws over time based on the sovereign decisions the Government may make once the UK has left the European Union. The impact of this on the Council can only and will be reviewed in due course.
- 3.6 Detailed consideration of the potential economic impact of Brexit cannot be undertaken until further detail of Brexit, how and when it will be implemented, is known. One early suggestion was for employers to assess how many of their workforce were EU nationals and consider the possible risk if these staff were unable to continue residing in the UK. However, organisations could only do this if they have this data already available from pre-existing records: they cannot now ask staff for information about their nationality. It would also only be partial information as an individual's circumstances and UK residency might be effected by other considerations.
- 3.7 The STP should be published as soon as possible and consultation with local people commence
The South East London STP was published on 7 November 2016, and the supporting background documents were published on 28 November 2016. The Our Healthier South East London Programme proposed a public consultation on a service variation outlined within the STP, elective orthopaedics, but not on the plan in its entirety. Consultation will take place on substantial service variations that are proposed as a result of the STP in due course.

4. Financial implications

- 4.1 There are no financial implications arising from this report: the impact of changes to business rate retention will need to be considered in due course.

5. Legal implications

- 5.1 There are no legal implications arising from this report.

For further information contact Salena Mulhere on 0208 314 3380