GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION DD1171

Title: City Centred Campaign / RSA City Growth Commission

Executive Summary:

The "City Centred" campaign is a joint campaign with the Mayor of London, London Councils and the Core Cities Group which is lobbying for de-centralised fiscal reform.

This decisions sought relate to expenditure of up to £40,000 to facilitate activity with the objective of supporting the campaign which in itself corresponds with the Mayor's 2020 Vision and builds on the work of the London Finance Commission.

Decision:

That the Chief of Staff approves expenditure of up to £40,000 as follows:

1. £15,000 on supplies and services required for "City Centred" campaign conference(s), publications and website activity;

2. The award grant funding of up to £25,000 to the Royal Society for the encouragement of Arts, Manufactures and Commerce as a contribution to the costs of its RSA City Growth Commission activity.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Sir Edward Lister

Position: Chief of Staff and Deputy Mayor for Planning

Signature: Edward Li

Date: 17:02:2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE
Decision required – supporting report

1. Introduction and background

City Centred campaign

1.1 The Mayor of London, and London Councils (the group representing the capital's 32 borough councils and the City of London) have formally joined with the Core Cities group (representing Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) to call for greater financial freedoms enabling local politicians to better direct growth to drive their local and the national economy. This cross-party initiative - the 'City Centred' campaign - follows the publication in May 2013 of Professor Tony Travers' London Finance Commission report, 'Raising the Capital', which recommended a comprehensive package of measures to give Londoners a more direct say over a greater proportion of taxes raised in their city.

RSA City Growth Commission

1.2 The RSA's initiative is the latest in a series of calls for more substantial devolution. In October 2013 the RSA launched its own inquiry to examine how best to enable England's major cities to drive growth and respond to the fiscal and economic challenges of the future. As the initiative corresponds with the Mayor's 2020 Vision and builds on the work of the London Finance Commission the Mayor has agreed to part fund the Commission of its activity to the sum of £25,000. London Councils has made a similar financial contribution and the Core Cities Group is also providing support. Further details can be found here: www.thersa.org.

2. Requirement

City Centred campaign

2.1 The aim of the 'City Centred' campaign is for political parties to include in their 2015 general election manifestos a commitment to legislate for greater fiscal devolution, specifically we are calling for the devolution of property tax revenues streams – including council tax, stamp duty, land tax and business rates – with the ability to reform those taxes while retaining prudential rules for borrowing, similar to recent changes in Scotland. This would aim to provide stable and continuous funding to stimulate economic growth according to local needs, moving away from ad hoc financing for specific projects whilst allowing cities to raise sustained investment for vital infrastructure such as transport, schools, housing, energy supply and technology.

2.2 The key principles of the 'City Centred' campaign include:

- Cities need freedom to invest to drive the national economy – together London and the Core Cities equal more than half the English economy and half its population, whilst cities internationally are on the rise. Existing centralised funding models are ineffective in supplying the investment cities need to maximise their growth potential

- Empowered cities can be more competitive and can be incentivised to grow faster – England is one of the most centralised states in the world and its cities need more freedom to develop a competitive environment and create jobs. Only seven per cent of tax paid by London residents and businesses is redistributed directly by locally elected bodies (the Mayor and borough councils), while the majority of London government's budget is received through central government grants. This contrasts with other world cities; only 31 per cent of New York's budget comes from central grant, 25 per cent in Berlin, 17 per cent in Paris and eight per cent in Tokyo. In most developed countries, top cities usually outperform the national economic average, yet in the UK only London consistently does so, which suggests that the Core Cities' potential remains unexploited. If their economies were unlocked to meet the national average, it could potentially equal at least £1.3 billion additional growth into the national economy;

- Local leadership delivers better results – currently around 95 per cent of all taxes raised in a city go directly back to central government, before being re-distributed with conditions attached. Greater control for cities of taxes raised locally would deliver more power to join up public services and plan for future needs, as city governments are potentially best placed to create jobs and free up spending. The findings of the London Finance Commission set out how this would provide the incentive and the ability for cities to become financially self-sustaining, increasing the tax base and enabling cities to reduce demand on public services and spending in the long term. The campaign also proposes the ability to raise smaller, new taxes following democratic processes such as elections and public consultation.

RSA City Growth Commission

2.3 The 'City Growth Commission' will develop an overarching plan for supporting city led growth and rebalancing the UK economy. It will aim to will engage with Whitehall, business and the political parties in order to generate broad support for its proposals and to lay the policy foundations for the next stage of devolution to our cities.

2.4 Taken together and given the work of other think tanks and organisations (such as the Local Government Association or the Centre for Cities), that are also contributing to the debate on fiscal devolution, the desired outcome is for the next government to be persuaded by the merits of the campaign to introduce legislation similar to that introduced in Scotland and Wales which would grant cities / regions greater control of their finances.

2.5 Up to £25,000 of the amount requested is the Greater London Authority's contribution to the RSA City Growth Commission and £15,000 will be utilised to take forward the City Centred Campaign. Of this, £5,000 will part fund a one day conference in June 2014 on the topic of fiscal devolution following the publication of the London Finance Commission (LFC) report and £10,000 is required towards the publication of summaries of the LFC report that can be distributed to stakeholders, including politicians and the business community and a dedicated website for the City Centred campaign.

3. Other considerations

Risk

3.1 The key risk is that the planned lobbying campaign or the inquiry / findings of the RSA Commission fail to persuade politicians of the need to devolve greater fiscal independence to London or other regions, or that the new government of 2015 is not persuaded by the campaign/ did not pledge to introduce legislation to devolve greater financial freedoms to the cities / regions.

3.2 The campaign links to the Mayor's 2020 Vision and builds on the work of the London Finance Commission.

Consultation

3.3 This is a joint campaign with London councils, representing the 33 boroughs and the core cities group, and therefore includes leaders of 8 councils outside London.

4. Financial comments

4.1 Approval is being sought for expenditure of up to £40,000 to cover the costs of the City Centred campaign – a joint campaign with the Mayor of London, London Councils and the Core Cities Group who together are calling for decentralised fiscal reform.

4.2 Up to £25,000 of the amount requested is the Greater London Authority's contribution to the RSA City Growth Commission and £15,000 will be utilised to take forward the City Centred Campaign. Of this, £5,000 will part fund a one day conference in June 2014 on the topic of fiscal devolution following the publication of the London Finance Commission (LFC) report and £10,000 is required towards the publication of summaries of the LFC report that can be distributed to stakeholders, including politicians and the business community and a dedicated website for the City Centred campaign. Any on-going costs for the website will need to be contained within the existing Government Relations budget.

4.3 Approval to meet the costs from the 2013/14 Central Programme Budget has been acquired. It is anticipated that all costs will be incurred in 2013/14; however, where costs fall into the next financial year, a budget carry forward request will need to be made, which is subject to approval as part of the year end process.

4.4 All appropriate budget adjustments will be made.

4.5 Any changes to this proposal will be subject to further approval via the Authority's decision-making process.

4.6 The Government Relations Team within the Mayor's Office Directorate will be responsible for managing the GLA's activities relating to this programme of work and must ensure that the proposed expenditure and associated procurement complies with the Authority's Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework (wherever applicable).

5. Legal Comments

5.1

Sections 1-3 of this report indicate that:

5.1.1 the proposals in respect of which the Chief of Staff's approval is sought may be considered to fall within the GLA's powers to do such things as are facilitative of or conducive to the promotion of economic and social development in Greater London;

5.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

(a) Pay due regard to the principle that there should be equality of opportunity for all people;
(b) Consider how the proposals will promote the health of persons, health inequalities between persons and to contribute towards achievement of sustainable development in the United Kingdom; and
(c) Consult with the appropriate bodies.

5.2 Section 1.2 above indicates that the contribution of up to £25,000 to the RSA amounts to the provision of grant funding and not payment for works, supplies or services. Officers must ensure that:

5.2.1 the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code; and

5.2.2 an appropriate funding agreement is put in place between and executed by the GLA and RSA before any commitment to fund is made.

5.3 Officers must also ensure that:

5.3.1 any services or supplies required are procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code; and

5.3.2 appropriate contract documentation is put in place and executed by the GLA and contractors before the commencement of any such supplies or services

6. Next steps

6.1 The City Centred campaign was launched in October 2013. The campaign aims to influence the May 2015 general election manifestos, but the campaign will continue after this date as the reforms we are seeking will require legislation.

6.2 The RSA City Growth Commission was launched in October 2013 and will produce its final report in Autumn 2014.

Appendices: None

Public access to information
Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No
If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer: Sarah Gibson has drafted this report in accordance with GLA procedures and confirms that:	✓
Assistant Director/Head of Service: Sir Edward Lister has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Financial and Legal advice: The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.	✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature M. J. Alle **Date** 17.2.16