
Meeting: Board

Date: 20 May 2009

Time: Public Session: 08:15
Private Session: 11:00

Place: Conference room 1
Palestra

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Members present

Harvey McGrath	Chair
Ian Barlow	
Cllr Michael Freer	Public Session only
Cllr Peter Truesdale	Until 11:40am
Megan Dobney	
Edmund Lazarus	
Susan Angoy	
James Cleverly AM	
Ann Humphries	
Steven Norris	Until 11:30am
Jeremy Mayhew	Until 10:00 am

Observers present:

Sue Rimmer

Officers in attendance:

Peter Rogers	Chief Executive
Sarah Ebanja	Deputy Chief Executive and Group Director Jobs, Skills and Youth. Present until 9:15am.
Andrew Travers	Group Director Strategy, Resources and Performance
Peter Bishop	Group Director Design Development and Environment
Lurene Joseph	Group Director Communications and Marketing
Caroline Mikardo	Director Finance and Performance
Erika Lewis	Director Corporate Strategy
Helen Elderfield	Head of Governance
Mark McConochie	Head of Public and Corporate Law
Alex Conway	Head of European Programmes Management Unit. Present for item 2.3 only.
Tobias Govert	Principal Designer. Present for item 3.2 only.
Richa Mukhia	Designer. Present for item 3.2 only.
Eleanor Fawcett	Head of Design for Olympic Legacy and Lower Lea Valley. Present for item 7.2 only.

In attendance by invitation:

Anthony Browne	GLA
Brenda Theodore-Marks	GLA

Public Session: Non-confidential business items to be considered when the press and public are present

1 STANDING ITEMS

1.1 Chair's opening remarks

The Chair welcomed members, observers and invited attendees to the meeting.

1.2 Apologies

Apologies were received from Fran Beckett.

1.3 Declarations of interest

Members confirmed that, other than the Standing Declarations as circulated with the agenda papers, there were no additional interests to be declared relating to matters listed on the agenda.

1.4 Minutes of the meeting held on 19 March 2009– Public session

Actions

- The final word in paragraph 3 on page 5 to be amended to 'concluded' (not 'commenced').

Resolutions

The Board resolved to

- 1.1 **Approve** the minutes for the public session of the meeting held on 19 March 2009.

1.5 Action sheet from the meeting held on

Resolutions

The Board resolved to

- 1.2 **Note** the action sheet from the public session of the meeting held on 19 March 2009.

1.6 Report of the Chief Executive

Discussion

- The Chair prefaced the discussions by stating that it was almost a year since he and Peter Rogers were invited by the Mayor to take on the leadership of LDA albeit on an interim basis. Progress had been made from a difficult starting point given the issues that the Agency faced and credit must be given to Officers for the way in which they have dealt with the amount of change in that time but it should be recognised that this is work in progress.

The Chair expressed an interest in obtaining the Board's views on the key priorities for the coming year in moving forward on the agenda set.

- The Chief Executive stated that in the last year there had been a significant improvement in processes within the Agency in what had been a difficult year for London. It was recognised however that the Agency needed to be more responsive and empowered particularly so that it can respond to the upturn in the economy when it arrives. The priorities for the coming year are: alignment of executives' objectives with strategy, leadership, empowerment, and less bureaucracy.
- It was stated that the report was an excellent summary of what had been achieved, which was a huge achievement, but that there needed to be more on increasing stakeholder involvement, staff and staff motivation and the focus of activity flowing from the six key business themes. It was agreed that the achievements to date have brought the Agency to a base level and that there is now a clearer sense of what the Agency is trying to achieve with more focussed programmes. It was acknowledged that the Agency needs its people to be motivated by a performance culture and that there was still some way to go before that position would be reached.
- The Chief Executive asserted that the focus is on delivery and embedding the top line performance is work in progress. Further plans and actions will be brought to the relevant committees and the board in due course. The trade off between cost and value and the development of appropriate metrics is being incorporated in key objectives for Group Directors.
- The Mayor's Policy Adviser informed the meeting that the Mayor was pleased with the progress made with a difficult task and that he intends to attend the next Board meeting.

Resolutions

The Board resolved to

- 1.3 **Discuss** the priorities highlighted in Section 4 of the report and **note** the progress that has been made over the last year (see Appendices 1, 2, & 3).

2 MATTERS FOR DECISION

2.1 Final Budget 2009/10

Discussion

- The budget presented was revised from that proposed in February as the in-depth budget scrutiny meetings allowed in-year redirection and the anticipated final outturn for 2008/09 had released funds and resource from existing programmes. Members gave credit for the quick reaction to the economic downturn and redirecting budget.

- Additional clarity was sought on the figures particularly the basis for the reallocation and assurance was given that funding was to be aligned around the six key themes. There were also concerns regarding the performance measures, in particular the use of GVA as a measure, and the feasibility of approving the targets until appropriate measures had been agreed. Members were advised that there had already been a positive evolution from targets that measured outputs only to those that measure outcomes and although there was a time lag the current measures will be refined over the next few months. In the interim however metrics were needed that can be used to measure performance through the year which can be refined as progress is made.
- Assurance was given that the monitoring processes now in place have given rise to more stringent project level scrutiny which will certainly identify any requirement to reallocate resources as and when they are required.

Actions

- A supplementary note to be issued to all members explaining the figures in the report. Action: Caroline Mikardo

Resolutions

The Board resolved to (*subject to ongoing review of the targets by the Investment Committee and the clarification requested on the budget figures*)

- 1.4 **Agree** the final budget at Appendix 1
- 1.5 **Agree** the budget virements set out at paragraph 5.2
- 1.6 **Note** the programme and public targets at Appendix 3 and the final investment model at Appendix 4.

2.2 Project and Programme Approvals: Investment Committee Recommendations – Childcare Affordability Programme 09 (CAP09)

Discussion

- It was explained that the Investment Committee had discussed the Business Case at some length and supported the pilots but had expressed frustration that whilst the programme meets a clear need it redresses the imbalance in the tax credit scheme which should be addressed by central government.
- Clarity was sought regarding the exit strategy and assurance was given that the requirement to plan for the programme to be sustainable after LDA funding ceases will be written in to the grant agreement. Although the exit strategy may vary between the pilots depending on the results in the boroughs there was certainly no intention for LDA to continue funding but certainly to lever investment across London and to get central government working in this area.
- A query was raised whether working tax credits or pre-paid cards or vouchers would be used and how the SureStart/Children's Centres overlap

was addressed. The Board was advised that much of this learning will come out of the pilots but steps will be taken to ensure that there is no duplication or cost shunting.

- It was suggested that such a scheme may disincentivise enterprise or encourage fraud and that the Mayor's views on taxation of the lower paid should be ascertained so that it can be taken into account.

Actions

- Ascertain the Mayor's/GLA's views on taxation on the lower paid and ascertain if this can be taken into account in shaping programme.
Action Anthony Browne.

Resolutions

Investment Committee Decisions

The Board resolved to

- 1.7 **Approve** the following Business Case further to the endorsement by the Investment Committee on 23rd April 2009:
- 1.8 Childcare Affordability Programme 09 (CAP09) is a 2-year programme to support a range of pilot interventions aimed at inactive, low-income parents, in a number of selected boroughs, to be delivered in part by Her Majesty's Revenues & Customs (HMRC) and in part by the LDA. The pilots aim to rigorously test whether childcare is a barrier to parental employment and to address the barriers imposed by the existing tax credit system. Total investment for this project is £14.5m of which £12m is LDA funding. (£4m in 09/10 & £8m in 10/11).

2.3 Committing Land/Premises to the JESSICA Fund

Discussion

- It was recognised that this proposal showed the LDA's creativity in using it's the value of its land to lever in European funding from the ERDF rather than committing money from its budget to secure the match funding.
- Clarity was sought regarding the lien over LDA land sites and assurance was given that should it not be possible to secure other funding, the worst case scenario was that the ERDF funds would have to be returned but the LDA land holdings would remain intact.
- There was some discussion on how LDA would be represented on the investment board and it was noted that this was part of the detail that needed to be agreed with EIB.

Resolutions

The Board resolved to

- 1.9 **Approve** the use of LDA owned sites as match funding for the JESSICA holding fund, subject to the conclusion of a legally binding funding

agreement currently being drawn up to ensure that the LDA's interests are protected. The combined value¹ of the sites to be used will be at least £32m but not more than £50m (the amount required is contingent on successfully concluding an agreement for a contribution of £18m to the holding fund – see paragraphs 4.4 to 4.6)

- 1.10 **Agree** that the sites listed in Appendix 1 can be considered for the above purpose; however, others could be included should the legal review to be carried out deem any of the sites unsuitable,
- 1.11 **Delegate** authority to the Agency's Chief Finance Officer to decide whether or not the funding agreement sufficiently protects the LDA's interest and, if necessary, which other sites could be used.
- 1.12 **Agree** to the submission of this proposal to the Mayor for approval. It will be included as part of the request to obtain Mayoral approval for contributing ERDF to the holding fund.

2.4 Delegation of Board Authority

Discussion

- It was explained that the reason for seeking the Board's delegated authority on these two matters was simply an issue of timing and the fact that the Board was not due to meet in June 2009.

Resolutions

The Board resolved to

- 1.13 **Delegate** its authority to Approve the Agency's Draft Accounts to the June meeting of the Audit Risk and Performance Committee.
- 1.14 **Delegate** its authority to approve the London Tourism Action Plan 2009 – 2013 to the June meeting of the Investment Committee.

2.5 Chair's Action Report: Crystal Palace Sports Centre Options Paper

Discussion

- The meeting noted the paper which advised on a decision taken under the Chair's Action procedures outlined in Standing Order 2.

Resolutions

The Board resolved to

- 1.15 **Note** the contents of the report which is provided in appendix 1.

¹ It is likely that the sites will be valued on a 'mark to market' basis reflecting current market conditions

3 MATTERS FOR DISCUSSION

3.1 Matters on which the LDA has received Mayoral Advice/Mayoral Direction

Discussion

- Officers advised the meeting that the Mayor had issued a formal statutory delegation of functions and guidance to LDA in the matter of the Economic Development Strategy.

Resolutions

The Board resolved to

- 1.16 **Note** the contents of this report.

3.2 Deptford Creekside Charette

Discussion

- The Group Director Design Development and Environment gave a presentation on the charette that LDA organised which gave the Agency the opportunity to make a difference to the regeneration of Deptford.
- It was stated that although LDA does not have any landholdings in the area, it was possible that some small strategic purchases could be made in order to unlock regeneration. The huge potential of the area was recognised as was the potential of a small investment sparking significant private sector interest. The engagement generated by the charette process was applauded and it was suggested that the process be replicated elsewhere.
- The Agency's role in helping local authorities and their partnership with developers through masterplanning was seen to be very important and offered value for money but was not resourced to be proactive. The Board was advised that the Mayor was supportive of such schemes and recognises that no-one other than LDA can act as such a catalyst.

Resolutions

The Board resolved to

- 1.17 **Note** the presentation on the Deptford Creekside Charette.

3.3 Press Releases

Discussion

- No items were put forward for press release.

4 ANY OTHER BUSINESS

6.5 The Mayor's Academies (Brought forward from Private Session – Appendix 3 remained private)

Discussion

- Members questioned the reason for the Mayor's Academies paper being listed on the agenda for consideration in the private session and were advised that it contained Counsel's opinion which on LDA's powers which is deemed to be information in respect of which a claim to legal privilege could be maintained in legal proceedings (Standing Order 2 paragraph 24 e). It was agreed that the appendix containing Counsel's opinion could remain private and any discussion thereon could take place in the private session but that the main substance of the paper and the workbooks (appendices 1 and 2) could be discussed in the public session.
- Jeremy Mayhew declared an interest in this item in that he is a Common Councilman of the City of London Corporation which is a corporate sponsor of the City of London Academy.
- Edmund Lazarus declared an interest in this item as the investment fund he is employed by makes investments in the education sector.
- Ian Barlow stated that he was the sponsor, at KPMG, of the Academy in Hackney along with the City of London Corporation.
- There was general agreement that a convincing argument had been put forward for the need to improve educational attainment for young Londoners and members were supportive of LDA investment in the area. There was also agreement that there was an opportunity for LDA to make a catalytic intervention to address recognised underperformance. A discussion took place however as to whether the method of achieving that goal was through the academy model or an alternative.
- Some of the concerns raised regarding the academy model were
 - After initial improvements in educational attainment, the long term performance of academies had not been proven.
 - The model proposed did not deliver value for money.
 - There was not enough clarity around the governance aspects of the Mayor's Academies Trust or the LDA's ongoing involvement in the Trust.
 - There was no strategy regarding co sponsors.
 - There was no clarity on how jobs would be found for those pupils who would not go on to higher or further education.

- Some of the wider concerns voiced were:
 - Approaches other than academies could be considered, such as federated schools, which may be cheaper and/or more effective and no alternatives were considered in the paper.
 - The report stated that the Academies would be provided in areas where there had been a long definition of low qualification and skills which have led to high levels of unemployment youth disaffection and benefit dependence but there was no information or clarity on how such disadvantaged communities would be identified or selected.
 - Because other agencies, both public and private, are already involved in this area, should LDA become involved at all? Was there a specific unsatisfied need in London that only LDA investment could address?
- Some members suggested that although they had some reservations about the proposals, these were no more or less than for other projects proposed and they understood and agreed that there were further details that needed to be agreed upon.
- It was noted that there was a clear overriding commitment from the Mayor to become engaged with academies and further that the Mayor has the power to direct the Agency in this regard and such a step may address the concerns of some members.
- Further clarity was sought
- It was suggested that the rate of improvement shown by academies is better than at comparable schools and that there was enough ongoing impetus to manage a range of potential sponsors from varying sectors.
- The view was put that the Mayor's three part offer could deliver substantial outcomes in line with the LDA's skills agenda
- Following further constructive discussion on the concept case presented members requested that further work was undertaken to strengthen the case made for the LDA's involvement in academies and to consider other models as well as to provide further to proposals addressing the concerns raised regarding specialisms, control processes, academic past performance and the Mayor's influence on performance. In order to facilitate this work, officers should engage with those members who had declared an interest in this item to draw from their experience.

Actions

- Further work to be undertaken on the proposal including consideration of other models, and clarity on governance arrangements.
- Seek Mayoral Direction.

Resolutions

The **Board DID NOT approve** the resolutions in the report which were to:

- 1.18 To **note** that the Mayor and senior officers of the LDA have been in detailed discussions with the Department for Children, Schools and Families (“DCSF”) officials and Ministers to reach agreement on a proposal for the LDA to be a major sponsor or significant influencer, as appropriate for up to ten Academies in London.
- 1.19 To **approve** the business case as set out in the Gateway B Workbooks in appendices 1 and 2 to fund £8 million for the Mayor’s Academies.
- 1.20 To **note** that up to £8 million be made available as a Deed of Gift to the Endowment Funds of the proposed Mayor’s Academies Trust and that these funds will be targeted to support additional activities, skills and training programmes for students of the Mayor’s Academies to enhance the development and application of skills relevant to employment.
- 1.21 To note that the vision for the Mayor’s Academies will extend to incorporate adult skills thus joining up the efforts to improve school performance through the creation of community learning hubs.

Close of meeting

There being no further business the meeting was closed at 10:45

Date of next meeting:

22 July 2009

Name of Chair:

Harvey McGrath

Debbie Adams
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