

<b>For General Release</b>	
<b>REPORT TO:</b>	<b>Cabinet 18 January 2016</b>
<b>AGENDA ITEM:</b>	<b>13</b>
<b>SUBJECT:</b>	<b>LONDON COUNCILS GRANTS SCHEME 2016/17</b>
<b>LEAD OFFICERS:</b>	<b>Sarah Ireland Director of Strategy, Communities and Commissioning</b>
<b>CABINET MEMBER:</b>	<b>Councillor Mark Watson Cabinet Member for Communities, Safety and Justice</b>
<b>WARDS:</b>	<b>All</b>

**CORPORATE PRIORITY/POLICY CONTEXT:**

**Approval of the 2016/17 budget for the London Councils Grants Scheme and Croydon Council's contribution to the Scheme**

**AMBITIOUS FOR CROYDON & WHY WE ARE DOING THIS:**

The Grants to Voluntary Organisations (Specified Date) Order 1992 which came into effect on 2<sup>nd</sup> November, 1992 and remains in force, as read with Section 48(3) of the Local Government Act 1985, provides that two-thirds of constituent Councils must agree the London Councils Grants Committee's budget by 1<sup>st</sup> February each year. If it is not agreed, the overall level of expenditure is deemed to be set at the same level as was approved or deemed to be approved for the preceding financial year, in this instance the sum approved for the 2015/16 year, a larger sum than is proposed for 2016/17.

**FINANCIAL SUMMARY:**

Approval of the Council's contribution of £396,354 to the London Councils Grants Scheme for 2016/17. This amounts to a decrease of £2,267 compared with the Council's contribution to the Scheme in 2015/16.

London Councils is also proposing a one off return of payment to boroughs in 2016/17. For Croydon this would amount to a return to the borough of £21,403. The net contribution taking account of the one off return to the borough would be £374,951

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

**1. RECOMMENDATIONS**

1.1 In order to meet the deadline of 1 February 2016 for setting the London Councils Grants Scheme budget by two-thirds of constituent Council's, Cabinet is recommended to agree the recommendation of the London Councils Leaders Committee to:

- (a) Approve the London Councils Grants Scheme budget for 2016/17 of £10.486m; and
- (b) Agree this Council's 2016/17 contribution to the London Councils Grants Scheme budget amounting to £396,354 (£374,951 net of the proposed rebate to boroughs from the LCGS reserves).

## 2. EXECUTIVE SUMMARY

- 2.1 This report seeks approval for the London Councils Grants Scheme (LCGS) budget in 2016/17 set at £10m and Croydon Council's contribution to that budget of £396,354 being the level recommended by the London Councils Leaders Committee at their meeting on 8 December 2015.

## 3. DETAIL

### 3.1 Budget

- 3.1.1 The London Councils Grants Scheme (the Scheme) was established in accordance with the Local Government Act 1985, following the abolition of the Greater London Council in 1986. The Scheme is now governed by the London Councils Grants Committee and membership comprises all the London Boroughs and the City of London.
- 3.1.2 Notification has been received from the Chief Executive of London Councils that, following a recommendation as to proposals for expenditure under the Scheme for 2016/17, the London Councils Leaders' Committee agreed on 8 December 2015 to make the following recommendation to constituent councils:

Overall level of expenditure of £10.486m 2016/17 comprising:

	£m
Grants	9.385
Administrative Expenditure	0.555
London Funders Membership	0.060
One-off repayment to boroughs from reserves	<u>0.486</u>
	10.486

Income would comprise:	
European Social Fund grant	1.000
Borough contributions	9.000
Transfer from uncommitted Grants Committee reserves	<u>0.486</u>
	10.486

- 3.1.3 The recommendation to constituent councils from the London Councils Leaders Committee proposes an overall budget in 2016/17 of £10.486 million. This budget will require constituent council contributions of £9 million, the same as the gross contribution for the current year. For 2016/17 the Leaders Committee proposed a one off repayment to boroughs amounting to £486,000, reducing the net contribution from Boroughs to £8.514m. This one off repayment may not be available for 2017/18. The actual cost to individual boroughs in 2017/18 may therefore be higher than in 2016/17 even if the gross borough contribution remains the same for both years. Population changes also affect the levels of contribution due from each constituent council and percentage reduction.

3.1.4 For 2016/17 the apportionment is based on the Office for National Statistics mid-year estimates for 2014 as revised to take account of boundary changes which took place on 1 April 1995. For Croydon the net subscription position can be summarised as follows:-

2015/16	Impact of repayment to boroughs	Impact of population changes	<b>Actual 2016/17</b>
£398,622	-£21,403	-£2,267	<b>£374,951</b>

## 3.2 Commissioning 2013-2017

3.2.1 The London Councils Leaders' Committee agreed a new set of priorities at its meeting on 12 June 2012 for services commencing on 1 April 2013. The four priority areas were,

- Homelessness
- Sexual and Domestic Violence
- Poverty
- Support to London's Voluntary and Community Organisations

3.2.2 The priorities of the scheme are closely aligned with some of the Ambitious for Croydon priorities.

3.2.3 A full list of the commissioned services is available on the London Councils website at <http://www.grants.londoncouncils.gov.uk/>.

3.2.4 As the most populous borough and therefore the highest contributor to the LCGS, it has been difficult in the past to demonstrate Croydon receives a proportionate benefit from the scheme. However, in 2013 the size of the scheme reduced to  $\frac{2}{3}$  of its original size and the programme became more focussed on priority areas which have an impact on both inner and outer London and are genuinely cross borough.

3.2.5 The LCGS provides monitoring data to demonstrate the benefits to individual boroughs from commissioned services. LCGS data shows that the proportion of new service users of commissioned services from Croydon were broadly proportionate to the borough's 4.4% of the total population of London in the priorities Homelessness (4.9%), Sexual and Domestic Violence (4.2%) and Support for London's VCOs (3.6%). Poverty was slightly lower at less than 3%.

3.2.6 Croydon has had a very positive relationship with some of the LCGS funded homelessness services. Officers work closely with Homeless Link and value their support and guidance. Thames Reach has played a significant role in joint working around destitute CEE nationals in Croydon. Connections at St Martins have played a key role in Croydon recently in influencing local voluntary sector services (Nightwatch and the Salvation Army) to think about

how they work with people sleeping rough and how they can provide a “hand up” to help people out of challenging situations, rather than a “hand out” that sometimes can help keep them where they are. The Council will continue to work with London Council’s to ensure the programme impact is maximised in Croydon.

#### 4. CONSULTATION

4.1 The council is required by statute to contribute to the London Councils Grants Scheme as set out in paragraph 6 below.

#### 5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 As set out in paragraph 6 below, the Council is required under statute to contribute to the London Councils Grants Scheme in proportion to the population of the borough. The level of expenditure for the Scheme varies from year to year as does the estimated population of Croydon as a proportion of the total estimated population of Greater London. It is therefore not possible to accurately predict the precise level of the Council’s contribution from year to year.

The costs are updated annually and the Council's contribution for 2016/17, based on a population of 376,040 (4.40% of the population of Greater London), results in a reduction of £2,267 in the contribution required from Croydon. However, as set out in 3.1.4 above, taking account of the effect of the repayment made from London Councils’ reserves in 2016/17, the overall effect is a reduction of £23,670 from last year.

#### 5.2 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Revenue Budget available</b>				
Expenditure	399	375	0	0
Income	0	0	0	0
<b>Effect of decision from report</b>				
Expenditure	399	375	0	0
Income	0	0	0	0
<b>Remaining budget</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Capital Budget available</b>				

Expenditure	0	0	0	0
<b>Effect of decision from report</b>				
Expenditure	0	0	0	0
<b>Remaining budget</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

### 5.3 Risks

5.3.1 If the Council fails to make a decision by the statutory deadline of 1 February 2016 there is a risk that the Secretary of State will order the 2016/17 budget should be set at the rate agreed for 2015/16. This could result in the scheme having insufficient resources to meet its obligations to current grantees. However, agreement of only 66% of the constituent councils is required for London Councils to set a budget for the scheme. The Secretary of State would only have the power to intervene if eleven councils failed to approve the recommended budget by 1 February 2016.

### 5.4 Options

5.4.1 The Council is required to contribute to the London Councils Grants Scheme under the provisions of the 1985 Local Government Act if the proposals recommended by the Leaders Committee are agreed by  $\frac{2}{3}$  of the constituent councils by 1 February 2016.

### 5.5 Savings/ future efficiencies

5.5.1 The Council's contribution to the scheme is updated annually dependent upon the agreed level of expenditure, the population of the borough as a proportion of the total population of Greater London and minor variables such as the use of reserves and balances by the Scheme. The Council may influence the total level of expenditure through its membership of the scheme but is bound by the  $\frac{2}{3}$  majority decision of the Grants Committee.

(Approved by Lisa Taylor, Head of Finance and Deputy Section 151 Officer)

## 6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Council Solicitor comments that under Section 48(3) of the Local Government Act 1985 and Regulation 6(8) of the Levying Bodies (General) Regulations 1992, member authorities are required to contribute financially to the Scheme in proportion to their respective populations.

6.2 The Grants to Voluntary Organisations (Specified Date) Order 1992 which came into effect on 2<sup>nd</sup> November 1992 and remains in force, as read with Section 48(3) of the 1985 Act, provides that two-thirds of constituent Councils must agree the London Councils Grants Committee's budget by no later than 1<sup>st</sup> February annually. If it is not so agreed, the overall level of expenditure is deemed to be set at the same level as was approved or deemed to be approved for the preceding financial year, in this instance the sum approved for the 2015/16 year.

- 6.3 While the Council is not directly responsible for administration of the Scheme, as a participant Council in the Scheme it must still be mindful of its general equalities duty under the Equalities Act 2010 and take such appropriate as are appropriate to consider this duty, as indicated by the equalities impact assessment.

(Approved by Jessica Stockton, Corporate Solicitor, for and on behalf of the Council Solicitor and Monitoring Officer)

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no staffing considerations arising from this report.

(Approved by: Michael Pichamuthu for Heather Daley, Director of Human Resources)

## **8. EQUALITIES IMPACT ASSESSMENT**

- 8.1 London Councils is responsible for assessing the impact of individual funding decisions but constituent councils must consider the overall impact of changes to the budget available to the London Councils Grants Committee.

- 8.2 An initial EqIA has been carried out on the likely impact of the proposals in the report. This indicates that the Council's decision on this matter will have no significant impact on people with protected equalities characteristics.

## **9. ENVIRONMENTAL AND CRIME AND DISORDER REDUCTION IMPACTS**

- 9.1 There are no additional impacts in these areas arising from the report.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 The main reason for the recommendation set out in paragraph 1 above is that, if the Council failed to agree the recommendations of the London Councils Leaders' Committee, there is a risk that the requisite majority of boroughs could fail to agree the proposals by the statutory deadline and the budget will be deemed to be set at the 2015/16 level which, as is set out within the body of the report, is a greater sum than that which is proposed for the 2016/17 level. This could result in the scheme having insufficient resources to meet its obligations to current grantees.

## **11. OPTIONS CONSIDERED AND REJECTED**

- 11.1 The options available to the Council are to agree or reject the recommendations of the London Councils Leaders Committee. If rejection is considered, unless the Council was reasonably sure it could secure the support of at least  $\frac{2}{3}$  of the constituent councils, it would be futile to seek agreement for an alternative budget. As the Leaders Committee which put forward the proposals is made up of the Leaders of all the constituent

councils, it is extremely unlikely a sufficient number would be minded to support an alternative budget to that which they had already agreed.

11.2 For reasons set out in 11 and 12.1 above, rejecting the recommendation made by the London Councils Leaders' Committee is not the proposed option.

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Report Author: David Freeman

Background Documents: Initial Equalities Impact Assessment  
London Councils Chief Executive's Circular 03/15 and  
appendices