

For General Release

REPORT TO:	Cabinet 22 January 2018
SUBJECT:	LONDON COUNCILS GRANTS SCHEME 2018/19
LEAD OFFICERS:	Julian Ellerby Director of Strategy and Partnerships
CABINET MEMBERS:	Councillor Hamida Ali Cabinet Member for Communities, Safety and Justice
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Approval of the 2018/19 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 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 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 2017/18 year, a larger sum than is proposed for 2018/19.	
FINANCIAL SUMMARY: Approval of the Council's contribution of £290,085 to the London Councils Grants Scheme for 2018/19. This amounts to a decrease of £38,186 compared with the Council's net contribution to the Scheme in 2017/18.	
FORWARD PLAN KEY DECISION REFERENCE NO: 0418CAB This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.	

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

1. RECOMMENDATIONS

The Cabinet is recommended:

- 1.1 In order to meet the deadline of 1 February 2018 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 2018/19 of £8.668m; and
 - (b) Agree Croydon Council's 2018/19 contribution to the London Councils Grants Scheme budget amounting to £290,085.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks approval for the London Councils Grants Scheme (LCGS) budget in 2018/19 set at £8.7m, and Croydon Council's contribution to that budget of £290,085, being the level recommended by the London Councils Leaders' Committee at their meeting on 5 December 2017.

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 Borough Councils 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 2018/19, the London Councils Leaders' Committee agreed on 5 December 2017 to make the following recommendation to constituent Councils:

Overall level of expenditure of £8.668m 2018/19 comprising:

	£m
Grants	8.053

Administrative Expenditure	0.555
London Funders Membership	<u>0.060</u>
	8.668
Income would comprise:	
European Social Fund grant	1.000
Borough contributions	6.668
Transfer from uncommitted Grants Committee reserves	<u>1.000</u>
	8.668

3.1.3 The recommendation to constituent councils from the London Councils Leaders Committee proposes an overall budget in 2018/19 of £8.7 million. This budget will require constituent council contributions of £6.7 million, (£1.0 million less than the gross contribution for the current year). As shown in Appendix A to the London Councils Chief Executive's Circular, in 2017/18 there was a one-off repayment to boroughs from LCGS reserves amounting to £156,000, which had the effect of reducing Croydon's net contribution by £6,817. This means that the gross reduction of £45,003 in Croydon's contribution for 2018/19 is reduced by £6,816 to a net reduction of £38,186. Population changes also affect the levels of contribution due from each constituent council and percentage reduction. Appendix B to the Circular sets out each borough's contribution.

3.1.4 For 2018/19 the apportionment is based on the Office for National Statistics mid-year estimates for 2016 as revised to take account of boundary changes which took place on 1 April 1995 and the overall proposed programme budget as detailed in para 3.1.3 above. For Croydon the net subscription position can be summarised as follows:

2017/18 before any in-year rebate from the LCGS reserves	Impact of repayment to boroughs in 2017/18	Actual 2017/18	Impact of revised grant programme and population changes	Actual 2018/19
£335,088	-£6,817	£328,271	-£38,186	£290,085

3.2 Commissioning 2017-2021

3.2.1 In March 2016, the London Councils Leaders' Committee agreed a revised set of priorities for commissioned services:

- Priority 1: Combatting Homelessness
- Priority 2: Tackling Sexual and Domestic Violence
- Priority 3: Tackling Poverty through Employment (European Social Fund match-funded)

- 3.2.2 The priorities of the scheme are still closely aligned with some of the Ambitious for Croydon priorities.
- 3.2.3 13 projects have been commissioned to deliver pan-London services under Priorities 1 and 2 between April 2017 and March 2021. A full list of these commissioned services is available on the London Councils website at <http://www.londoncouncils.gov.uk/node/30010>. Priority 3 projects were commissioned in 2016 and intended to run until December 2018. The only project under this priority intended to benefit Croydon residents is the London Training and Employment Network.
- 3.2.4 As the second most populous borough and therefore the second highest contributor to the LCGS, it has been difficult in the past to demonstrate that Croydon receives a proportionate benefit from the scheme. However, the 2017-21 grants programme has become more focussed on the needs of both inner and outer London, especially with shifting patterns of homelessness to outer London. It aims to strengthen the monitoring of outcomes of these pan-London services by borough, including more scrutiny of outcomes for equalities protected groups.
- 3.2.5 The LCGS provides monitoring data to demonstrate the benefits to individual boroughs from commissioned services. LCGS data for April to September 2017 (the first two quarters of this programme) compare the indicative levels of delivery per borough based on relevant needs data with the actual proportion of new service users. With regard to Priority 1 homelessness services, the indicative level for Croydon was 3.80% of service users and the proportion of actual service users who were from Croydon was 3.91% (equivalent to around 420 individuals). With regard to Priority 2 sexual and domestic violence, the indicative level was 4.16% of users, and the proportion of actual users from the borough was 2.89% (equivalent to around 1,390 users). These percentages are both lower than 4.4%, the proportion of the total population of London that lives in Croydon. Priority 3 projects, originally scheduled to deliver from October 2016 to December 2018, achieved an overall performance of only 30% of profile.
- 3.2.6 London Councils officers have identified a number of boroughs which are below target and will work with providers and relevant borough officers to address this. In respect of Priority 1 and 2 projects it is worth noting that it is anticipated that there are likely to be some statistical anomalies in the first six months of delivery due to start-up factors. In respect of Priority 3 projects, London Councils has deployed resources over recent months to ensure that delivery partners have the required tools, guidance and support to deliver their services effectively.
- 3.2.7 As part of the programme's Commissioning Performance Management Framework, London Councils officers have provided information to relevant borough officers about the providers and a monthly update to inform them of progress. An online directory of all the funded providers is currently being developed.

3.2.8 Croydon has ensured that the relevant council officers and partners are aware of the new projects funded by LCGS. These projects provide added value and additional specialist support for people with protected characteristics who are facing homelessness or domestic and sexual violence. Croydon's partnership approach embodied in its award-winning People's Gateway Enablement and Welfare Service and its Family Justice Centre lends itself to making maximum use of these services. However, council officers consider that there is still progress to be made to ensure that pan-London projects deliver locally. These projects will need to contact borough lead officers to establish the necessary links. There are examples of projects already having done this. The STAR Partnership, involving Thames Reach, Stonewall Housing and St Mungo's, has coordinated on-street assessments of rough sleepers with mental health issues. The Pan-London Housing, Advice, Resettlement and Prevention service has received referrals of homeless ex-offenders from Croydon's Support Needs Assessment and Placement Service. Training opportunities have been offered through the PLUS Project to volunteers in the faith sector who run the floating shelter that provides spaces for 14 rough sleepers for five months of the year. The Council will continue to work with London Councils 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 2018/19, based on a population of 382,300 (4.35% of the population of Greater London), results in a gross reduction of £45,003 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 2017/18, the overall effect is a net reduction of £38,186 from last year.

5.2 Revenue and Capital consequences of report recommendations

Current year	Medium Term Financial Strategy – 3 year forecast		
2017/18	2018/19	2019/20	2020/21
£'000	£'000	£'000	£'000

Revenue Budget available				
Expenditure	328	290	290	290
Income	0	0	0	0
Effect of decision from report				
Expenditure	328	290	290	290
Income	0	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Note – future years have been assumed at 2018/19 amounts; this could be subject to change and will reported to Cabinet in the future once confirmed by London Councils.

5.3 Risks

- 5.3.1 If the Council fails to make a decision by the statutory deadline of 1 February 2018 there is a risk that the Secretary of State will order that the 2018/19 budget should be set at the rate agreed for 2017/18. 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 2018.

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: Ian Geary, Head of Finance- Resources & Accountancy on behalf of the Director of Finance

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 2nd 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 1st 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 2017/18 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 steps as are appropriate to consider this duty. Any such considerations need to be addressed in the equalities impact assessment section below.

Approved by Sandra Herbert, Head of Litigation and Corporate Law, for and on behalf of Jacqueline Harris-Baker, Director of Law and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct staffing considerations for the Council arising from this report.

Approved by Sue Moorman, 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 Equalities Impact Assessment 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 would be deemed to be set at the 2017/18 level which, as is set out within the body of the report, is a greater sum than that which is proposed for the 2018/19 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 10 and 11.1 above, rejecting the recommendation made by the London Councils Leaders' Committee is not the proposed option.

Report Author: John Montes, Senior Corporate Strategy Officer (ext.: 61613)

Appendix A - Grants Committee Income and Expenditure Budget 2018/19

Appendix B - Borough Subscriptions 2018/19

Background Document: Initial Equalities Impact Assessment