

For General Release

REPORT TO:	Cabinet 21 January 2019
SUBJECT:	LONDON COUNCILS GRANTS SCHEME 2019/20
LEAD OFFICERS:	Hazel Simmonds, Executive Director (Gateway, Strategy & Engagement) Gavin Handford, Head of Policy and Partnerships
CABINET MEMBERS:	Councillor Hamida Ali Cabinet Member for Safer Croydon & Communities
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Approval of the 2019/20 budget for the London Councils Grants Scheme and Croydon Council's contribution to the Scheme	
CORPORATE PRIORITY / POLICY CONTEXT: The London Councils Grants Scheme has allocated funding against three priorities: <ul style="list-style-type: none">• Combatting Homelessness• Tackling Sexual and Domestic Violence• Tackling Poverty through Employment (European Social Fund match-funded) These align with Croydon Council's Corporate Plan priorities: <ul style="list-style-type: none">• Good, decent homes, affordable to all, including our homelessness prevention actions;• Everyone feels safer in their street, neighbourhood and home;• Everybody has the opportunity to work and build their career.	
FINANCIAL SUMMARY: Approval of the Council's contribution of £290,784 to the London Councils Grants Scheme for 2019/20. This amounts to an increase of £699 compared with the Council's net contribution to the Scheme in 2018/19.	

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 Cabinet is recommended to agree the recommendation of the London Councils Leaders Committee to:
- (a) Approve the London Councils Grants Scheme budget for 2019/20 of £6.909m; and
 - (b) Agree Croydon Council's 2019/20 contribution to the London Councils Grants Scheme budget amounting to £290,784.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks approval for the London Councils Grants Scheme (LCGS) budget in 2019/20 set at £6.9m, and Croydon Council's contribution to that budget of £290,784, being the level recommended by the London Councils Leaders' Committee at their meeting on 4 December 2018.

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 2019/20, the London Councils Leaders' Committee agreed on 4 December 2018 to make the following recommendation to constituent Councils:

Overall level of expenditure of £6.909m 2018/19 comprising:

	£m
Grants	6.275
Administrative Expenditure	0.574
London Funders Membership	<u>0.060</u>
	6.909
Income would comprise:	
European Social Fund grant	0.058
Borough contributions	6.668
Transfer from uncommitted Grants Committee reserves	<u>0.183</u>
	6.909

- 3.1.3 The recommendation to constituent councils from the London Councils Leaders Committee proposes an overall budget in 2019/20 of £6.9 million.

This budget will require constituent council contributions of £6.68 million, which is the same as 2018/19.

- 3.1.4 As shown in Appendix A to the London Councils Chief Executive's Circular, in 2018/19 the grant scheme benefited from income of £1m from the European Social Fund. This was used to support projects under priority three of the scheme (see below). In 2019/20, however, there is only £58k remaining from the European Social Fund whilst total council contributions remain unchanged. As a result, the overall budget is reduced with funding focused on priorities 1 and 2. The scheme will be supported by £183k from London Councils reserves.
- 3.1.5 Population changes affect the levels of contribution due from each constituent council. Appendix B to the Circular sets out each borough's contribution.
- 3.1.6 For 2019/20 the apportionment is based on the Office for National Statistics mid-year estimates for 2017 and the overall proposed programme budget as detailed in paragraph 3.1.2 above.

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 closely aligned with priorities within the Council's Corporate Plan 2018 - 2022.
- 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 funded from the boroughs' contributions, matched by the European Social Fund. Applications for priority 3 are currently closed.
- 3.2.4 The grants programme is focussed on the needs of both inner and outer London, which is critical given that as the second most populous borough, Croydon is the second highest contributor to the LCGS. The approach enables boroughs to tackle high priority need where this may be more effective at a pan-London level.
- 3.2.5 The LCGS provides monitoring data to demonstrate the benefits to individual boroughs from commissioned services. LCGS data for April 2017 to September 2018 (the first six 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.

- 3.2.6 With regard to Priority 1 homelessness services, overall performance was 16% above profile, with particularly strong performance in relation to youth homelessness. Locally, the indicative level for Croydon was 3.80% of service users and the proportion of actual service users who were from Croydon was 3.09% (a reduction from 3.91% in quarters 1-2).
- 3.2.7 With regard to Priority 2 sexual and domestic violence, overall performance was marginally above profile. Locally, the indicative level was 3.36% of users, and the proportion of actual users from the borough was 2.95%, (an increase from 2.89% in quarters 1 and 2). These percentages are both lower than 4.4%, the proportion of the total population of London that lives in Croydon.
- 3.2.8 In relation to Priority 3 tackling poverty through employment, the project originally focused on long term unemployed with multiple or complex barriers to employment. Flexibility was agreed by London Councils to support individuals with multiple or complex barriers regardless of the length of unemployment. This is positive as it provides support at an earlier stage. Performance has been disrupted due to the withdrawal of the service delivery partner for West London.
- 3.2.9 Where London Councils officers identify any boroughs which are below target they 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 year of delivery due to start-up factors.
- 3.2.10 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.
- 3.2.11 The priorities and projects funded by the LCGS align well with the Council's Corporate Plan. The projects provide additional options for the Council in supporting residents in these priority areas, aligning with local projects, services and support.
- 3.2.12 Croydon council officers and partners are aware of the projects funded by LCGS. The projects provide added value and additional specialist support for people with protected characteristics who are facing homelessness or domestic and sexual violence.
- 3.2.13 However, ongoing work is required to ensure that pan-London projects deliver locally. It is important that local relationships are developed through regular contact between the projects and relevant borough lead officers and partners. 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 2019/20, based on a population of 384,800 (4.36% of the population of Greater London), results in a gross increase of £699 in the contribution required from Croydon.

- 5.2 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Revenue Budget available				
Expenditure	290	291	291	291
Income	0	0	0	0
Effect of decision from report				
Expenditure	290	291	291	291
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 2019/20 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 2019 there is a risk that the Secretary of State will order that the 2019/20 budget should be set at the rate agreed for 2018/19. 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 2019.

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 two-thirds of the constituent councils by 1 February 2019.

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 two-thirds majority decision of the London Councils 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 2018/19 year (which was £290,085 for Croydon).
- 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 Equality 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 Equalities Analysis was carried out in 2017/18 (when the commissioned services were originally funded) to ascertain the likely impact of the proposals on groups that share protected characteristics. This indicated that the Council's decision on this matter will have no significant impact on groups that share a protected characteristic

Approved by Yvonne Okiyo, Equalities Manager

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 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 2018/19 level.

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 two-thirds 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.

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APPENDICES: Appendix A - Grants Committee Income and
Expenditure Budget 2018/19
Appendix B - Borough Subscriptions 2018/19

BACKGROUND DOCUMENTS: Initial Equalities Impact Assessment