

For General Release

REPORT TO:	Cabinet 23 January 2017
AGENDA ITEM:	13
SUBJECT:	LONDON COUNCILS GRANTS SCHEME 2017/18
LEAD OFFICERS:	Sarah Ireland Director of Strategy, Communities and Commissioning
CABINET MEMBERS:	Councillor Hamida Ali Cabinet Member for Communities, Safety and Justice
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT:

Approval of the 2017/18 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 2nd 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 1st 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 2016/17 year, a larger sum than is proposed for 2017/18.

FINANCIAL SUMMARY:

Approval of the Council's contribution of £335,088 to the London Councils Grants Scheme for 2017/18. This amounts to a decrease of £61,267 compared with the Council's contribution to the Scheme in 2016/17. London Councils is also proposing a one off return of payment to boroughs in 2017/18. For Croydon this would amount to a return to the borough of £6,817. The net contribution taking account of the one off return to the borough would be £328,271.

FORWARD PLAN KEY DECISION REFERENCE NO: 01/17/CAB

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

- 1.1 In order to meet the deadline of 1 February 2017 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 2017/18 of £8.899m; and
 - (b) Agree Croydon Council's 2017/18 contribution to the London Councils Grants Scheme budget amounting to £335,088.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks approval for the London Councils Grants Scheme (LCGS) budget in 2017/18 set at £8.9m, and Croydon Council's contribution to that budget of £335,088, being the level recommended by the London Councils Leaders Committee at their meeting on 6 December 2016.

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 Council's 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 2017/18, the London Councils Leaders' Committee agreed on 6 December 2016 to make the following recommendation to constituent Councils:

Overall level of expenditure of £8.899m 2017/18 comprising:

	£m
Grants	8.128
Administrative Expenditure	0.555
London Funders Membership	0.060
One-off repayment to boroughs from reserves	<u>0.156</u>
	8.899

Income would comprise:

European Social Fund grant	1.000
Borough contributions	7.668
Transfer from uncommitted Grants Committee reserves	<u>0.231</u>

- 3.1.3 The recommendation to constituent Councils from the London Councils Leaders Committee proposes an overall budget in 2017/18 of £8.9 million. This budget will require constituent council contributions of £7.7 million, (£1.3million less than the gross contribution for the current year). For 2017/18 the Leaders Committee proposed a one off repayment to boroughs amounting to £156,000, reducing the net contribution from Boroughs to £7.512m. However, this one off repayment may not be available for 2018/19. The actual cost to individual boroughs in 2018/19 may therefore be higher than in 2017/18 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 2017/18 the apportionment is based on the Office for National Statistics mid-year estimates for 2015 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:-

2016/17- before any in year rebate from the LGCS reserves	Impact of repayment to boroughs	Impact of revised grant programme and population changes	Actual 2017/18
£396,354	-£6,817	-£61,267	£328,271

3.2 Commissioning 2013-2017

- 3.2.1 Following its review, the London Councils Leaders' Committee have agreed a revised set of priorities for services commencing on 1 April 2017. The LCGS will no longer support capacity building for the third sector. However, these three priority areas remain,
- Homelessness
 - Sexual and Domestic Violence
 - Poverty
- 3.2.2 The priorities of the scheme are still 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/croydon>
- 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, the size of the scheme has continued to reduce and the programme has become 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%. Overall in the past year over 1,000 Croydon residents have accessed early intervention, prevention and, youth homelessness services.
- 3.2.6 Croydon has a very positive relationship with some of the LCGS funded homelessness services. In December 2016 Croydon's People's Gateway Enablement and Welfare Service won second prize in the prestigious London Homelessness Awards sponsored by the London Housing Foundation, Crisis, Shelter and the London Housing Directors. The borough has been shortlisted in five categories for the Local Government Chronicle Awards 2017. The Croydon's People's Gateway Enablement and Welfare Service was also recognised and is a finalist in the Innovation category.
- 3.2.7 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 2017/18, based on a population of 379,030 (4.37% of the population of Greater London), results in a reduction of £61,267 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 2017/18, the overall effect is a reduction of £68,084 from last year.

- 5.2 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast			
		2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000
Revenue Budget available					
Expenditure	396	328	0	0	0
Income	0	0	0	0	0
Effect of decision from report					
Expenditure	396	328	0	0	0
Income	0	0	0	0	0
Remaining budget	0	0	0	0	0
Capital Budget available					
Expenditure	0	0	0	0	0
Effect of decision from report					
Expenditure	0	0	0	0	0
Remaining budget	0	0	0	0	0

5.3 Risks

- 5.3.1 If the Council fails to make a decision by the statutory deadline of 1 February 2017 there is a risk that the Secretary of State will order the 2017/18 budget should be set at the rate agreed for 2016/17. 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 2017.

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 ⅔ 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 – Assistant Director of Finance and Deputy S151 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 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 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, for and on behalf of Jacqueline Harris Baker, Acting Council Solicitor and Acting Monitoring Officer

7. HUMAN RESOURCES IMPACT

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

Approved by Jason Singh, Head of HR Employee Relations on behalf of the Director of HR.

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 2016/17 level which, as is set out within the body of the report, is a greater sum than that which is proposed for the 2017/18 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.

Report Author: Genine Whitehorne, Head of SCC Resources (extn: 60584)

Background Documents: Initial Equalities Impact Assessment
London Councils Chief Executive's Circular 03/16 and appendices

