

Item No. 14.	Classification: Open	Date: 10 December 2013	Meeting Name: Cabinet
Report title:		London Council's Grants Scheme 2014/15	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Communities and Economic Wellbeing	

FOREWORD - COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR COMMUNITIES AND ECONOMIC WELLBEING

The London Councils' Grants Scheme plays a valuable role in enabling voluntary organisations to provide services to people in need across London as a whole. This pan-London approach to grant making adds value to the outcomes that each borough's commissioning programme achieves. In addition, it improves access to services and the personal safety of clients e.g. for victims of sexual and domestic violence where mobility is critically important.

The four defined priority areas for 2013/15 of Homelessness, Sexual and Domestic Violence, Poverty and Capacity Building match the needs of some of the most vulnerable in this borough. These needs are consistent with our own fairer future vision and strategic priorities for residents. A number of Southwark based organisations are funded to deliver services to meet these needs e.g. Thames Reach and St Mungo's are funded to provide early intervention and prevention services. This supplements the funding invested by the council. Funding for second tier organisations such as the Refugee Council, Age Concern or London Voluntary Service Council also helps support the work of voluntary organisations in Southwark.

The individual borough contributions are based on population estimates and grants are awarded to tackle deprivation and meet needs. Southwark residents are net beneficiaries of this programme due to the relative poverty and deprivation in the borough. In response to both the austerity and Localism agendas the Borough levy that makes up the majority of the Scheme has been radically reduced in recent years following a major review of commissioning. For 2011/12 the total Scheme budget was almost £21 million whereas for 2013/14 it reduced to £10 million. This is the same level as it was for 2012/13. In the coming year London Councils have drawn on reserves resulting in a one off rebate. For Southwark this will be £27,000.

In the current 2 year round of commissioning the Grants Committee has strengthened the monitoring of the grants to make sure that organisations are clear about their roles and responsibilities and what is expected of them and the partnerships that deliver commissioned services. The main focus of monitoring is the delivery of outcomes rather than activity. Annual and quarterly reports are required to be submitted that include how partners, including boroughs are kept informed.

I would recommend that Cabinet approve Southwark's contribution for 2014/15.

RECOMMENDATION

1. That the Cabinet approve Southwark Council's contribution to the London Councils Grants Scheme of £289,701 for 2014/15 subject to approval of the Council budget by the Council Assembly in February 2014.

BACKGROUND INFORMATION

2. The London Councils Grants Scheme was established following the abolition of the Greater London Council, as a means of maintaining support to voluntary organisations providing London-wide services. Organisations supported by the scheme are required to provide services across at least two London boroughs in order to qualify for support.
3. Constituent Councils are required to contribute to the London Councils Grants Scheme under Regulations 6(8) of the Levying Bodies (General) Regulations 1992. Individual council's contributions should be proportionate to their populations. For 2014/15 the apportionment is based on the Office for National Statistics (ONS) June 2012 estimate of population.
4. In accordance with the Grants to Voluntary Organisations Order 1992 which came into effect on 02 November 1992 and remains in force, two-thirds of constituent Councils must agree the budget before 1 February 2014. If not the overall level of expenditure will be deemed to be the same as that approved for 2012/13 which totalled £12,500,000.

KEY ISSUES FOR CONSIDERATION

London Council's 2013 - 15 funding round

5. In September 2012 London Councils launched the 2013/15 commissioning round based on revised principles and priorities for the scheme. This offered a two year funding stream, subject to continued availability of funds. 2014/15 will be the second year of this two year commissioning round.

The revised principles agreed by London Councils are commissioning services:

- That deliver effectively and can meet the outcomes specified by London Councils, rather than funding organisations
- Where there is clear evidence of need for services that complement borough services
- Where it is economical and efficient to deliver services on a London wide basis or where mobility is key to delivery of a service to secure personal safety
- That can not reasonably be delivered locally, at a borough or sub-regional level
- That work with statutory and non-statutory partners and contribute to meeting the objectives of the Equality Act 2010.

- Services which satisfy the principles outlined above were required to meet at least one of the following priority areas in order to be eligible for receipt of funding from the scheme.

Four priority areas were determined for the 2013/15 revised scheme which are:

- Tackling homelessness amongst individuals and households through direct services and/or developing new ways of working with partners to generate housing and accommodation and access services
 - Sexual and domestic violence support services
 - Tackling poverty by promoting access to employment and training drawing on opportunities for match funding provided by boroughs working with London Councils and European Social Fund
 - Providing support to London's voluntary and community organisations enabling those organisations gain access to funds, skills and resources to provide effective services to communities.
6. A new monitoring policy framework was also put in place for the 2013/15 grants scheme which evaluates performance against the service delivery profile and targets and is more pro-active in managing risk than the previous system by making use of a RAG rating system. The most recent update on delivery in quarters 1 and 2 of the current year indicates that providers are working well across the 4 priorities with 28 rated green, 7 amber and 0 red.
7. Monitoring visits are carried out to check on delivery of activities and the monitoring evidence provided. The framework sets out that each provider will be visited 2 times each year. London Councils reports regularly on performance to the borough grants officers meeting.

London Councils Grants Scheme 2014/15 budget

8. The London Councils Grants Committee considered proposals for expenditure at its meeting on 6 November 2013 with these ratified by London Councils Leaders' Committee on 12 November 2013.

The budget being recommended to constituent councils is set out below.

Overall Level of Expenditure **£10,000,000**

Made up of:

- | | |
|--------------------------------------|-----------|
| • London Councils Grants Programme | 7,540,000 |
| • Membership Fees to London Funders | 60,000 |
| • ESF Co-Financing | 1,880,000 |
| • Operating (Non-Grants) Expenditure | 434,000 |
| • Central Recharges | 86,000 |

Income will comprise of:

- Borough contributions 8,200,000
 - European Social Fund grant 1,000,000
9. For 2014/15 London Councils are recommending a one-off transfer of £800,000 from Grants Committee reserves to the revenue account. This will enable London Councils to follow best financial management practice by retaining reserves of at least £300,000 to support the grant programme of about £8 million whilst also reducing borough contributions in a period of limited resources and budgetary constraints. This one-off reduction in reserves results in a payment for the council of £289,701 for 2014/15. This is a £27,006 reduction on the on 2013/14 contribution.

Community impact statement

10. The London Councils Grants Scheme enables voluntary organisations based throughout London to deliver services and activities within the four defined priority areas:
- Homelessness
 - Sexual and domestic violence
 - Poverty
 - Capacity building
11. Southwark contributes to the provision of London wide services meeting the needs of some of the most vulnerable communities within Southwark and across London experiencing barriers to economic and social wellbeing. Southwark Council influences the pattern of the London Councils support through its representation on both Grants and Leaders Committees as a constituent council.
12. This funding is based on levels of deprivation and need. Residents in Southwark benefit from a wider range of services from organisations other than those simply based within the borough. Organisations based in Southwark also serve the populations of other London boroughs.

Resource implications

13. Southwark Council's contribution to the 2013/14 budget was £316,707. The net payment will be £289,701 after the proposed return of £28,264 from reserves. This represents an increase of £1,258 over the 2013/14 base levy and an actual reduction of £27,006 after the rebate from reserves. These sums are based on a Southwark population estimate of 293,530.
14. There are sufficient resources within the Community Capacity budget to meet the Council's required levy of £289,701 for 2014/15. However, this will need to be considered within the context of the overall council budget-setting process.

Consultation

15. Southwark Council is represented on the London Councils Grants and Leaders Committee. In addition officers attend the London Councils Grants officers meetings. The Scheme requires two third of constituent Councils to support the

recommended budget. If this is not achieved then the budget will remain at the 2013/14 level.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

16. The Director of Legal Services notes the content of this report.
17. There are no specific legal implications relating to the recommendations made in this report, other than the requirement that the council shall in considering any actions it is to take have regard to the duties of Best Value introduced by the Local Government Act 1999.

Strategic Director of Finance and Corporate Services (FC13/084)

18. This report seeks Cabinet approval for Southwark council's contribution to the London Councils Grants Scheme of £289,701 for 2014/15 which is a reduction of £27,006 on the 2013/14 commitment of £316,707. The financial implications are detailed in paragraphs 12 and 13.
19. The strategic director of finance and corporate services notes the reduction in commitment, due to the one-off use of reserves by the Grants Committee. This results in a one-off £27k saving 2014/15 only. The commitment for 2014/15 can be contained within existing budgets and will be identified in the council's budget setting process.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence from London Councils London Councils Grants Scheme Budget Proposals 2014/15 – Committee Report.	Community Engagement, 160 Tooley Street London SE1 2QH	Angus Lyon 020 7525 4069
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4553&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Communities and Economic Wellbeing	
Lead Officer	Stephen Douglass, Head of Community Engagement	
Report Author	Angus Lyon, Commissioning Officer	
Version	Final	
Dated	28 November 2013	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director of Housing and Community Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Support Services	28 November 2013	