

Item No.	Classification: Open	Date: 8 January 2018	Meeting Name: Cabinet Member for Communities, Safety and Leisure	
Report title:		London Councils Grants Levy 2018-2019		
Ward(s) or groups affected:		All		
From:		Strategic Director of Housing and Modernisation		

RECOMMENDATION

- That the Cabinet Member approves Southwark Council's contribution to the London Councils Grants Scheme of £237,668 for 2018-19, subject to approval of the council budget by the Council Assembly in February 2018.

BACKGROUND INFORMATION

- 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.
- Constituent Councils are required to contribute to the London Councils Grants Scheme under Regulation 6(8) of the Levying Bodies (General) Regulations 1992. Individual council's contributions should be proportionate to their populations. For 2018-19, the apportionment is based on the Office for National Statistics (ONS) June 2016 estimate of population.
- In accordance with the Order issued by the Secretary of State for the Environment under Section 48 (4A) of the Local Government Act 1985, two thirds of constituent councils must agree the budget before 1 February 2018. If not then the overall level of expenditure will be deemed the same as that approved for 2017-18 that totalled £7,700,000.
- The principles and priorities for the new programme 2017-21 were set by the London Councils Leaders' Committee after a clear majority of boroughs were in favour of continuing the grants programme and focused on three priorities instead of the previous four.

KEY ISSUES FOR CONSIDERATION

London Council's Grants Scheme 2017-21

- The financial year 2018-19 is the second year of the four year programme of commissions.

7. The three priorities are:
 - Priority 1: Combatting Homelessness
 - Priority 2: Tackling Sexual and Domestic Violence
 - Priority 3: Tackling Poverty through Employment (ESF match funded)
8. It was agreed by the Leaders' Committee that Priority 1 and 3 needs to be more closely aligned and with greater focus on the different needs of inner and outer London. The impact of welfare reform, cost of housing and lack of affordable housing generally is having a greater impact on London proportionately than the rest of the country. It is expected that organisations delivering the grants programme will assist in building understanding of the impact at a London wide level as well as responding to existing and emerging needs.
9. London Councils has reported on performance of the grants programme for Priority 1 & 2 at the end of the first two quarters of 2017-18. Reporting and accountability is to the Grants Committee and the Borough Grants Officers Forum.
10. Although this is still early reporting London Councils have reported that Priority 1 and 2 are performing above the expected profile level whilst Priority 3 is very significantly below profile. Full details of performance for each of the priority areas are contained in Grants Committee Performance Report 2017-21 <http://www.londoncouncils.gov.uk/node/32935>. Under performance for the Tackling Poverty through Employment priority is being addressed through a plan which sets out the issues that have arisen and what steps are being taken to resolve them. Borough grants officers are aware of these challenges and will await further information at the next quarterly reporting to see whether the delivery profile is improving after the slow start.
11. Work has been continuing on a programme of work relating to Leadership in the Third Sector. This follows on from the ending of London Councils priority funding for voluntary sector infrastructure support.
12. The Grants Committee agreed a proposal for London Councils to work with City Bridge Trust in a strategic partnership with other major stakeholders to ensure boroughs' intelligence was represented in decisions on independent funding of voluntary sector infrastructure. Work is also continuing with London Funders on the implementation of the review into infrastructure, The Way Ahead – Civil Society at the Heart of London.
13. A sub-group of London Borough Grants Officers Forum convened by London Councils has met four times to gather information and views so that these can be represented in the City Bridge strategic partnership and to ensure that London local authorities have a voice as the new infrastructure and leadership services take shape. Officers from London local authorities are represented in the London Hub advisory body and The Way Ahead systems change group.
14. A survey of the London boroughs on borough funding of third sector infrastructure has been completed and the sub-group of borough grants officers is working on a set of strategic principles for effective commissioning.
15. The London Councils 2017-21 Grants Programme funding has been published on the Grant Nav database run by 360 Giving. Southwark has also published its

grant information in the open data format on this website and is only the second local authority in London to do so. It joins up data and enables funders and charities to improve grant making practice and improve strategic planning. www.threesixtygiving.org

London Councils Grants Scheme 2018-19 budget

16. The overall budget of £8.668 million for the Grants Scheme in 2018-19 is £230,000 less than that of the previous year. There is a £36k reduction in Southwark's base contribution from £273k in 2017-18 to £237,668 for 2018-19.
17. There has been a significant reduction in the cost of the grants programme and in Southwark's share in recent years. In 2010/11 the Southwark levy was £960,621 so the current year's contribution is less than a quarter of that amount. The figures in the table below set out the base contribution excluding any share of repayment returned to boroughs from reserves.

2012-13	£421k
2013-14	£317k
2014-15	£290k
2015-16	£319k
2016-17	£319k
2017-18	£273k

18. The London Councils Grants Committee considered proposals for expenditure at its meeting on 22 November 2017 and these will be ratified by London Councils Leaders' Committee in December 2017.
19. The budget being recommended to constituent councils is set out below.

Overall Level of Expenditure **£8,668,000**

Made up of:

- London Councils Grants programme 6,173,000
- Membership Fees to London Funders 60,000
- ESF Co-Financing 1,880,000
- Operating (Non-Grants) Expenditure 400,000
- Central Recharges 155,000

Income will comprise :

- Borough contributions 6,668,000
- European Social Fund grant 1,000,000
- Transfer from reserves 1,000,000

Community impact statement

20. The London Councils Grants Scheme commissions services for activities within the three priority areas:
 - Homelessness
 - Sexual and domestic violence
 - Poverty
21. Southwark contributes to the provision of these 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.
22. 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.
23. London Councils' funded services provide support to people within all the protected characteristics (Equality Act 2010), and in particular targets groups highlighted as particularly hard to reach or more affected by the issues being tackled. Funded organisations are also required to submit equalities monitoring data, which can be collated across the grants scheme to provide data on the take up of services and gaps in provision to be addressed. Their grants team reviews this annually. The recent review of the grants programme included information on the equalities effects of the current programme that enabled decisions to be made on the future of the scheme, informed by the equalities impact of the current priorities.

Financial Implications

24. Southwark Council has a current budget of £316k set aside on cost centre CE411 to fund annual contributions to the London Councils grant scheme. This is sufficient for the amount of £237,668 proposed for 2018-19.

Consultation

25. 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 the same as that approved for 2017-18.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

26. Section 48 of the Local Government Act 1985 ('the Act') enables schemes to be made in relation to Greater London and the metropolitan counties for the making of grants to voluntary organisations. In each such area, one constituent council is

designated in the scheme for purpose of making the grants, with the other councils contributing financially. In Greater London the constituent councils are the councils of the London boroughs and the Common Council of the City of London. The London Councils Grants Scheme is governed by section 48 of the Act.

27. The council is required under section 48 (3) of the Act to contribute to any expenditure that has been incurred with the approval of two-thirds of the constituent councils. The council's contribution is determined by reference to the size of the council's population.
28. By virtue of section 48 (4)(A) of the Act and The Grants to Voluntary Organisations (Specified Date) Order 1992, it is provided that where a scheme which relates to Greater London requires expenditure under the scheme to be approved by some or all of the constituent councils but the total expenditure in relation to a financial year beginning on or after 1st April 1993 is not so approved before 1st February immediately preceding that financial year the constituent councils shall be deemed to have given their approval to the amount approved or deemed to have been approved for the preceding financial year.
29. The making of a financial contribution to the London Councils grants programme is an executive function, though (as this report points out) one that is subject to the approval by council assembly of the council's budget for 2018/19. The council's constitution (part 3D) delegates to cabinet members executive functions relating the agreement of significant programmes in their areas of responsibility and grants to voluntary organisations. The cabinet member is therefore empowered to take this decision.
30. In the exercise of all its functions, the council must comply with section 149 of the Equality Act 2010. This requires the council to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not; and foster good relations between those who share a relevant characteristic and those that do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. In this regard the cabinet member's attention is drawn to paragraph 23 of the report.

Strategic Director of Finance and Governance

31. The report presents Southwark Council's contribution to the London Councils Grants Scheme for 2018-19 of £237,668. The table at paragraph 17 details the decline in base contributions since 2012-13. The 2018-19 contribution reflects London Councils transferring funds from reserves as detailed in paragraph 19.
32. The current budget is noted at paragraph 24 and there are no proposals to reduce the budget beneath the contribution figure in developing the 2018-19 budget.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
London Councils Grants Scheme Budget Proposals 2018-2019 Committee Report	Housing & Modernisation, 160 Tooley Street London SE1 2QH	Angus Lyon 020 7525 4069
http://www.londoncouncils.gov.uk/node/32238		

APPENDICES

No.	Title
Appendix A	Grants Committee Income and Expenditure Budget 2018/19
Appendix B	Borough Subscriptions 2018/19

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Cabinet Member for Communities, Safety and Leisure	
Lead Officer	Stephen Douglass, Director of Communities	
Report Author	Andy Matheson, Senior Commissioning Officer	
Version	Final	
Dated	8 January 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	8 January 2018	