

| MAYOR AND CABINET | | | |
|--------------------------|---|----------|-----------------|
| Report Title | London Councils Grants Scheme | | |
| Key Decision | Yes | Item No. | |
| Ward | All | | |
| Contributors | Executive Director for Community Services | | |
| Class | Part 1 | Date: | 14 January 2015 |

1. Summary

- 1.1 The London Councils Grants Scheme (LCGS) provides funding for voluntary organisations offering London-wide services or operating in two or more London boroughs. This report considers the recommendation of the London Councils Leaders' Committee in relation to LCGS expenditure in 2015/16 and the proposed contribution by the London Borough of Lewisham. The proposed level of expenditure for the Grants Scheme in 2015/16 is £10.5m. This includes a sum of £2.5m gross from the ESF programme, including £500,000 to fund all existing commissions for the period April to June 2015.

2. Purpose

- 2.1 The purpose of this report is to consider the recommendation of the London Councils Leaders' Committee on the levels of expenditure for the London Councils Grants Scheme in 2015/16 and the proposed contribution by the London Borough of Lewisham.

3. Recommendations

The Mayor is recommended to:

- 3.1 Agree the overall expenditure for the London Councils Grants Scheme in 2015/16 of £10.5m; and
- 3.2 Agree a sum of £306,024 in respect of the London Borough of Lewisham's contribution.

4. Policy Context

- 4.1 The LBGC was established in 1985 to provide funding for voluntary organisations offering London-wide services or operating in two or more London Boroughs. The thirty-two London Boroughs and Corporation of London are required by statute to contribute to the funding of London Borough Grants. In 2014 it was renamed the London Councils Grants Scheme.

- 4.2 Lewisham's contribution to the London Councils Grants Scheme funds voluntary sector activity in Lewisham that contributes towards the vision for Lewisham outlined in the Sustainable Community Strategy, e.g. helping people to feel safer and promoting community and individual empowerment and responsibility. London Councils Grants Scheme also supports infrastructure development of the voluntary and community sector, which assists the council with delivering local public services.
- 4.3 The Council gives grant aid to a number of organisations in pursuit of the objectives of the Council's Community Strategy, specifically to "work with the voluntary and community sector to build their capacity and to facilitate their involvement in the development and delivery of local outcomes". The grant aid also assists with the objectives set out in the Council's ten corporate priorities, particularly "Community leadership and empowerment: Delivering opportunities for the active participation and engagement of people in the life of the community".
- 4.4 In July 2014, the Council reaffirmed its commitment to grant aid to the voluntary and community sector as part of its review of the Main Grants programme, recognising the contribution made by the voluntary and community sector to supporting vulnerable communities.

5. Background

- 5.1 On 17 October 1985 the London Borough Grants Scheme was set up in accordance with the requirements of Section 48 of the Local Government Act 1985. On 1 April 2000 the London Local Authorities established a joint committee under Sections 101 and 102 of the Local Government Act 1972 and resolved to delegate various functions to the Association of London Government Grants joint committee, subsequently amended at the end of 2001 to take account of new political management arrangements. The purpose of the scheme is to provide funding for voluntary organisations offering London-wide services or operating in two or more London boroughs.
- 5.2 Constituent Councils are required to contribute to the London Councils Grants Scheme under Regulations 6(8) of the Levying Bodies (General) Regulations 1992. Individual councils' contributions should be proportionate for their populations. For 2015/16 the apportionment is based on the Office for National Statistics (ONS) June 2013 estimate of population.
- 5.3 During 2014, a review of the existing grants programme was undertaken, to which Lewisham officers contributed. The review highlighted the continued work being undertaken by the funded projects and the improvement in the quality of the projects as indicated by London Councils monitoring. The review also noted that closer links between the Grants Scheme and the boroughs were desirable. There was a further proposal to re-brand the scheme to better reflect the changing climate in which services are increasingly commissioned as

opposed to receiving grants. To take these proposals forward, further work will be undertaken in 2015.

6. London Councils' current funding programme

6.1 The current funding programme was launched in September 2012, with an agreed set of principles and priorities, as follows:

- Commissioning services that deliver effectively and can meet the outcomes specified by London Councils, rather than funding organisations;
- Commissioning services where there is clear evidence of need for services that complement borough and other services to support organisations that deliver services;
- Commissioning 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;
- Commissioning services that cannot reasonably be delivered locally, at a borough or sub-regional level.
- Commissioning services that work with statutory and non-statutory partners and contribute to meeting the objectives of the Equality Act 2010.

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

- 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;
- 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 to gain access to funds, skills and resources to provide effective services to communities.

6.3 As a result of the commissioning process, 35 organisations were selected for funding in the 2013-15 funding round, initially for two years but with the potential for funding to be extended for a further two years. Following a review in summer 2014, it was agreed that funding for projects would be extended for the further two year period until March 2017.

6.4 The timetable for budget approval for 2015/16 is as follows:

| Date | Action |
|------------------------------------|---|
| 20 November 2014 | London Councils Executive considered the overall budget and subscription proposal for London Councils for 2015/16 |
| 26 November 2014 | Grants Committee considered proposed budget and borough contributions for 2015/16 and made recommendations to constituent Councils, subject to approval of Leaders' Committee |
| 9 December 2014 | Leaders' Committee approved the level of budget and borough contributions for 2015/16, as recommended by the Grants Committee on 26 November |
| 10-12 December 2014 | Constituent Councils formally notified of the approved level of budget and borough contributions for 2015/16 |
| 15 December 2014 – 31 January 2015 | Constituent Councils to individually ratify the overall level of expenditure for 2015/16 through their respective decision-making arrangements |
| 1-15 February 2015 | The City of London Corporation, as the Designated Council for the Grants Scheme, approves the levy for the 2015/16 Constituent Councils |
| 15 February 2015 | Constituent Councils informed of level of approached expenditure and borough contributions for 2015/16 |

7. Expenditure for 2015/16

7.1 The London Councils Leaders' Committee, at its meeting on 9 December 2014, agreed to recommend to constituent Councils a total expenditure of £10.5 million for the Grants Scheme in 2015/16 – the same level as in 2014/15. This is made up as follows:

- The cost of the borough scheme of priority, pan-London commissioned services of **£8m** (including the cost of administering the borough scheme at 5.4% or £435,000, plus the membership subscriptions for boroughs for London Funders of £60,000);
- A **net cost of £1m** to be match-funded by boroughs against the **gross cost** of the London Councils ESF programme, which amounts to **£2.5m** (including £120,000 administration costs). This is offset by **ESF grant of £1.25m** and a contribution of **£250,000** from reserves.

The proposed total expenditure budget of £10.5m will therefore be funded by borough contribution of £9m, ESF grant income of £1.25m and the £250,000 contribution from reserves.

See Appendix A for full London Councils Grants Scheme budget.

- 7.2 Borough contributions are in proportion to member councils' populations and are calculated using the Office for Population and Census Statistics mid 2013 estimates. The Lewisham population has increased by 4,640 since the previous year's estimate, with the overall London population having increased from 8,308,370 to 8,417,000. This has led to the apportionment for Lewisham increasing from 3.39% to 3.4%. Lewisham's gross contribution in 2015/16 will increase from a base figure of £304,998 to £306,024, representing an increase of 0.34%.

8. Options

- 8.1 Under Section 48 of the Local Government Act 1985, the Council is obliged to participate in the Scheme as it is not possible for a single borough to unilaterally decide to pull out of the Scheme. Under statute, two-thirds of the constituent boroughs must agree to set up the Scheme, two-thirds of the boroughs must agree the budget (with the Secretary of State's reserve power to set a budget as at current year level if boroughs fail to agree one by 1 February 2015) and two-thirds to decide to end the Scheme.
- 8.2 If the Council no longer wanted to participate in the Scheme then it would also need to decide whether the Scheme should continue at all. If it felt that it should not then it would need to get formal agreement from two-thirds of the membership. If it feels that it does not want to contribute in 2015-16 then it would need to get agreement from two-thirds of the membership by 1 February 2015.
- 8.3 The Council could decide that the level of the overall budget is not satisfactory. Again, two thirds of the membership is required to set the budget so the Council would need to get agreement from this proportion to set a budget at a level it sees fit. Given the time constraints it is unlikely that this will be done by February 2015 and if no decision is made by this date then the budget level for 2015-16 will remain the same as 2014-15. It is recommended to agree the budget at the proposed level.

9. Financial implications

- 9.1 The contribution sought from Lewisham to the London Councils Grants Scheme in 2015/16 is £306,024. This is an increase of £1,025 on the 2014/15 contribution. This increase will be funded from the Directorate's allocation for non-pay inflation as part of the 2015/16 budget process.

10. Legal implications

- 10.1 The legal framework for the London Councils Grants Scheme is set out in the body of the Report at paragraph 8. Given the time constraints and the process which has to be followed to set the level of Boroughs' budget which requires the agreement of two-thirds of the membership a decision to agree this year's contribution would not be unreasonable.

11. Crime and Disorder Implications

- 11.1 A number of organisations that work within the crime and disorder field providing a service in Lewisham are funded by London Councils.

12. Equalities Implications

- 12.1 In developing the principles of the current grants scheme, London Councils undertook a number of reviews. These considered the potential equalities effects on the protected groups as set out in the Equalities Act 2010 in line with its duty under the Act to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected equalities groups are:

- Age (including children, young persons and those over 50)
- Disability
- Gender reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

13. Environmental Implications

- 13.1 A number of environmental organisations providing a service in Lewisham are funded by London Councils.

14. Conclusion

- 14.1 This report outlines the background to the London Councils Grants Scheme, details the continuation of the funding programme into its third year and proposes that the Council approve the recommended budget as set out in the London Councils' Chief Executives' Circular - December 2014 and summarised above.

Background Papers

None

If there are any queries on this report please contact **Winston Castello, Community Enterprise Manager, 020 8314 7729.**