

London Councils' Leaders' Committee

Review of London Councils' Grants Programme

Item no: 4

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Summary

The current grants programme delivered jointly by the London local authorities under the London Grants Scheme is due to conclude in March 2017.

London Councils Grants Committee resolved at their Annual General Meeting in July 2015 to undertake a review to inform future decisions by Grants and Leaders' Committee as to the continued delivery of a pan-London grants programme under the Grants Scheme at the conclusion of the current programme.

That Review has been undertaken and has involved consideration, analysis and evaluation of a number of sources of information and factors relevant to the decision. In particular the Review sought and analysed the views of stakeholders provided through established sector arrangements and a formal consultation undertaken between July and October 2015. It evaluated evidence relating to the operation and impact of the current grants programme. Specific consideration was given to the equalities impacts arising from the operation of the current programme and those which may arise in delivering a future programme including one which may differ in scope. Regard was also had to the pressures on local authority budgets arising from significant cuts to local government funding in recent years and the additional adverse impact of HM Government's Comprehensive Spending Review announced on 25 November 2015 – subsequently confirmed by the final Local Government Financial Settlement announced on 8 February 2016 – which will reduce local authority funding further.

The evaluation and analysis by officers was considered by Grants Committee on 18 November 2015 and Leaders' Committee on 8 December 2015, which agreed a new grants programme should be delivered from April 2017 (retaining the Principles underpinning the current programme) and that it was minded, subject to further consultation, to endorse future priorities around combatting sexual and domestic violence and on poverty through worklessness, on tackling homelessness (subject to certain provisos); but not to support a priority around capacity building for the third sector. Further Leaders' Committee resolved officers should work to strengthen programme management and relationships with boroughs at a local level to support the management of each priority and delivery of outcomes. This position was outlined in a resolution passed at Grants Committee in November 2015 and subsequently considered at Leaders' Committee in December 2015 (**appendix seven**).

A subsequent additional consultation took place from 17 December 2015 to 22 January 2016 to seek further views on the position the Committee was minded to take as outlined above. This report summarises the findings of this consultation and includes further evidence in the form of a report commissioned from Homeless Link into homelessness need in London and information gathered at a London Councils borough event focused on sexual and domestic violence which took place on 23 February 2016.

There is also other work currently underway by London Funders (and funded by the City Bridge Trust) to review infrastructure support in London and the outcome of that review is due to be delivered to London Councils at the end of March 2016.

At its meeting on 9 March 2016, Grants Committee considered a report on the additional consultation alongside other evidence and factors, as outlined in this report. Grants Committee unanimously agreed:

- To make recommendations to Leaders' Committee to agree to deliver a Grants Programme from April 2017 operating in accordance with the current principles and focused on the following priorities –
 - Priority 1 Combatting Homelessness
 - Priority 2 Tackling Sexual and Domestic Violence
 - Priority 3 Tackling Poverty through Employment (European Social Fund match funded)
- That officers develop a proposal to work with City Bridge Trust on the implementation of the review into infrastructure support in London (being undertaken by London Funders) and that this be reported to the next meeting of the Grants Committee in July 2016

Recommendations Leaders' Committee is asked:

1. to agree that there should be a Grants Programme from April 2017 to March 2021, operating in accordance with the current principles and focused on the following priorities -
 - i. Priority 1 Combatting Homelessness
 - ii. Priority 2 Tackling Sexual and Domestic Violence
 - iii. Priority 3 Tackling Poverty through Employment (European Social Fund match funded)
 2. To note that Grants Committee has asked that officers develop a proposal to work with City Bridge Trust on the implementation of the review into infrastructure support in London (being undertaken by London Funders) and that this be reported to the next meeting of the Grants Committee in July 2016.
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Review of Grants Programme 2013/17

1 Introduction

1.1 Background

The London local authorities have agreed to participate in a statutory Grants Scheme which enables them jointly, through London Councils, to tackle high-priority social need where this is better done at pan-London level. The existing grants programme, delivered under that Scheme, commissions third sector organisations to work with disadvantaged Londoners to make real improvements in their lives. The programme delivers a number of projects operating within a framework of overarching principles and identified priorities which are determined by the London Councils Leaders' Committee upon the recommendation of the London Councils Grants Committee. The Grants Committee is otherwise generally responsible for the operation of the Scheme and grant-making decisions. The current programme with an annual budget of £10 million was agreed by the Grants Committee and Leaders' Committee in February 2013 and each subsequent year for a four year commissioning cycle, which comes to and end in March 2017.

1.2 Proposals for a Grants Programme 2017-21

1.2.1 A review has been undertaken to determine whether London Councils should undertake a new grants programme following the conclusion of the existing programme at 31 March 2017. The review has also considered the scope and focus of any new programme.

1.2.2 London Councils Leaders' Committee, at its meeting on 8 December 2015, considered a report on the review.

1.2.3 Leaders' Committee considered the outcome of the consultation that had taken place from July to October 2015, evidence relating to the operation and impact of the current grants programme, equalities information, and other relevant factors including pressures on local authority budgets and the impact of HM Government's Comprehensive Spending Review announced on 25 November 2015.

1.2.4 The consultation, which ran between July and October 2015, together with other evidence from the operation of the current programme and stakeholders, has indicated that acting collectively to address London-wide priorities with preventative commissions through a pan-London grants programme has been effective, provided value for money and delivered positive

outcomes for people with the protected characteristics under the Equality Act 2010. An analysis of the equalities impacts of the existing grants programme was provided with the consultation that took place between July and October 2015. This analysis was then revised having regard to the consultation responses and was published as part of the Grants Committee report.

1.2.5 In this context, Leaders' Committee, at its meeting in December 2015, indicated that it was minded to continue to deliver a grants programme beyond April 2017. The Committee also indicated that it was minded that the new grants programme would continue to be underpinned by the same principles agreed by boroughs in a review of the Programme 2012 as they remained valid. The current grants programme operates on the basis that each of the priorities identified for funding must meet all the principles and it was proposed that this continue. This followed a resolution submitted to the Leaders' Committee from Grants Committee at their meeting in November 2015, included at **appendix seven.** On the whole the mid-year consultation responses were very supportive of the current principles being retained.

Principles
1. Commissioning services that deliver effectively and can meet the outcomes specified by London Councils, rather than funding organisations.
2. Commissioning services where there is clear evidence of need for services that complement borough and other services to support organisations that deliver services.
3. 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.
4. Commissioning services that cannot reasonably be delivered locally, at a borough or sub-regional level.
5. Commissioning services that work with statutory and non-statutory partners and contribute to meeting the objectives of the Equality Act 2010.

1.2.6 At that meeting in December, Leaders' Committee also indicated that it was minded to continue to deliver a grants programme focused on the following three priorities.

1.2.7 Priority one - Combatting Homelessness

It was proposed that a new priority provide services to tackle homelessness through prevention and early intervention, focusing on specific target groups such as young people. Leaders' Committee was minded that to adopt a priority on combatting homelessness which was refocused with changes to the commissioning process to reflect the different homelessness needs presenting in inner and outer London, including those of rough sleepers. Also they were minded to support enhanced integration with activity delivered under a priority focused on combatting poverty through employment, reflecting the links between homelessness and unemployment. Elected members were keen to ensure that services should also focus on addressing increasing needs in the private rented sector and people at risk of exploitation by rogue landlords.

1.2.8 Priority two - Tackling Sexual and Domestic Violence

It was proposed that a priority be adopted under which services would be commissioned to tackle sexual and domestic violence, including harmful practices. Leaders' Committee was minded to focus the priority further on co-ordination of specialist emergency refuge provision across London, advice, counselling, prevention, support for children and young people (as victims and perpetrators), and holistic care following on from and complementing borough led Independent Domestic Violence Advocate (IDVA) care.

1.2.9 Priority three - Tackling Poverty through Employment (European Social Fund)

Leaders' Committee was minded to adopt a third priority which was more integrated with activity delivered under the priority focused on homelessness to meet the needs of a growing number of people who are both out of work and homeless, and also to support disabled people that are out of work.

1.3 Wider context

1.3.1 In the context of real challenges in the resourcing picture facing councils in the next few years, as evidenced in the Comprehensive Spending Review announced in November, Leaders felt it was unlikely that a priority focused on capacity building in the Third Sector, could be considered for the next grants programme under the pan-London Scheme, having regard to the financial constraints facing authorities in determining how the needs of Londoners could be best addressed under a London-wide Scheme.

1.3.2 The Comprehensive Spending Review, announced by the Chancellor of the Exchequer on 25 November 2015, outlined reductions in core funding to councils of more than 30% over the

course of the forthcoming Spending Review period.¹ This will be in addition to average core funding reductions of more than 40% over the last five-year period. This will require some very hard decisions by councils about relative priorities in terms of the use of increasingly scarce resources when serving local communities. It was against that backdrop that the Leaders' Committee was minded at its meeting on 8 December to indicate that it was unlikely that a new priority focused solely on capacity building of the Third Sector, could be considered as a priority for the grants programme going forward.

2. Additional Consultation

London Councils undertook a subsequent consultation from 17 December 2015 to 22 January 2016 to seek further views on the position Leaders' Committee was minded to take in determining the scope of the new grants programme, as outlined above.

A consultation paper, including questions on the potential equalities effects of changes to the existing priorities, was published on 17 December 2015 on www.londoncouncils.gov.uk as an online questionnaire and was available as a printable survey. Borough leaders, Grants Committee members and chief executives were advised by email of the online consultation. Boroughs were encouraged to submit single borough responses and relevant borough officer networks were encouraged to contribute to them. Other organisations were advised by email of the online consultation. A number of voluntary organisations submitted responses on behalf of their organisation. Submissions were also received from stakeholders and related volunteers, trustees and individuals. The consultation closed on 22 January 2016. Further details on the breakdown of responses to the consultation can be found at **appendix one**.

2.1 Support for the Leaders' Committee in-principle position

2.1.1 The consultation outlined the in-principle position that Leaders' Committee reached at its meeting on 8 December 2015, as above, and asked if respondents supported it. Table 1.1 provides a breakdown of the answers to this question against the different categories of respondents.

Table 1.1 Breakdown of responses as to the Leaders' Committee in-principle position

¹ Core Funding is defined as Revenue Support Grant and retained business rates.

	Yes	No	Question not answered/ unclear
London borough	25 (76%)	6 (18%)	2 (6%)
Voluntary and community	8 (13%)	55 (87%)	
Individuals and service users	9 (43%)	12 (57%)	
Other funders/ stakeholders	1 (25%)	1(25%)	2 (50%)

For a full break down of borough responses to this question please see **appendix two.** These are also summarised in table 1.2 below.

Table 1.2 Summary of borough responses

Response	Boroughs	%
Yes	25	76%
No	6	18%
Unclear	2	6%
	33	100%

2.1.2 The majority of boroughs (25) stated that they agreed with the Leaders' Committee in principle position.

2.1.3 A number of boroughs stated that they did not agree (6). These six boroughs can be further broken down into boroughs that agreed with the Leaders' position but did not feel that it was appropriate not to include a priority which focussed on capacity building in the Third Sector at this stage (4 boroughs). Counting those four boroughs, together with the 25 that stated 'yes' a total of 29 (88%) are supportive of a London Councils Grants scheme going forward.

2.1.4 The remaining two boroughs stated that they felt that there should be further reductions to the scope of delivery under the Scheme beyond those proposed by Leaders' Committee, a view subsequently supported by a response from the London Councils Conservative group.

2.1.5 The majority of boroughs have indicated their support for the in-principle position taken by Leaders' Committee at their meeting on 18 December 2015. This reflects a continued majority perspective from boroughs that supports the continuation of a pan-London grants programme focused on services to tackle homelessness, sexual and domestic violence and poverty. The responses from the most recent consultation indicate that the majority of boroughs continue to be of the view that due to increased pressures on local authority budgets they do not see a continued role for London Councils in funding capacity building of the voluntary sector.

2.1.6 Boroughs have highlighted a continued support for the current elements that make up the existing priorities 1-3 (which are focused on combatting homelessness, domestic and sexual violence and poverty) and welcomed the proposal to adopt a number of new emphases such as a link between the proposed Priority one (combatting homelessness) and three (tackling poverty through employment) and to focus on different needs in inner and outer London. This is echoed by the East London Housing Partnership.² The importance of avoiding duplication of services and robust monitoring were outlined and are further addressed below.

2.1.7 VCS organisations were largely not in support of the Leaders' Committee in-principle position and have outlined a range of reasons for this as detailed in **appendix one**, focused on a desire for continued support to capacity building of the voluntary sector. MOPAC² welcomed the continued support for a priority focused on tackling sexual and domestic violence. The MOPAC response (included as **appendix six**) emphasised the links this has with a priority focussed on combatting homelessness; as well as the importance of both working together and continuing to fund a support element under the proposed Priority two to ensure the future effectiveness and sustainability of this priority area. More detail with regard to the comments can be found in **appendix one**.

2.2 Equalities Considerations

2.2.1 London Councils identified the protected groups under the Equality Act 2010 who currently benefit from each Priority within the existing grants programme to assess the potential equality implications of any changes to that offered under the existing provision. The analysis of evidence, including that from the operation of the existing grants programme and the outcome of the consultation undertaken between July and October 2015, was published in the Grants Committee papers, November 2015 and alongside the consultation questionnaire (December 2015 – January 2016).

2.2.2 The consultation asked if respondents agreed that the analysis correctly identified the groups currently benefiting from each Priority within the existing grants programme. Table two provides a breakdown of the answers to this question against the different categories of respondents.

² MOPAC – Mayor's Office for Policing and Crime

Table two

	Yes	No
London borough	27(93%)	2(7%)
Voluntary and community	11(19%)	48(81%)
Individuals and service users	12(67%)	6(33%)
Other funders/ stakeholders		

2.2.3 Whilst the majority of boroughs were in agreement with the equalities information published with the consultation a number of issues were raised. These include a desire going forward for future programmes to provide information on equalities information broken down by borough, information on individuals with more than one equalities characteristic and more information on refugees and migrants. It was also felt that it was unclear whether the equalities data which had been analysed and reported was incidental to or related to the types of services accessed.

2.2.4 VCS responses largely did not agree with the equalities information presented based on the fact that responses did not feel that the information addressed the impact of London Councils no longer funding a priority focussed on capacity building of the voluntary sector. Both boroughs and VCS organisations also called for equalities information relating to frontline organisations benefitting from funding under the current Priority four commissions (rather than that relating to their staff) to enable a proper assessment of the impacts. Information was presented to Grants Committee at their November 2015 meeting with regard to frontline organisations supported (by equalities protected characteristic). In addition, officers have provided additional information in response to these concerns which is presented in **appendix four**. A more detailed response to each of the concerns raised can be found in **appendix one, section 2.2**.

2.3 Potential negative equalities impacts

2.3.1 The consultation asked if there are negative equalities impacts that would potentially arise from the approach Leaders' Committee has indicated they are minded to pursue from April 2017 onwards and which should be considered in taking their decision?

Table three provides a breakdown of the answers to this question against the different categories of respondents.

Table three

	Yes	No
London borough	19(68%)	9(32%)
Voluntary and community	54(91%)	5(8%)
Individuals and service users	12(63%)	7(37%)

2.3.2 The majority of consultation responses were of the view that there would be a negative equalities impact if London Councils did not adopt a priority focused on capacity building of the Third Sector. Details related to this are outlined in **appendix one, section 2.3**. Some boroughs, however, did not feel that this would be the case, given that limited resources would be concentrated on direct services serving those with complex and acute needs that would benefit from a response that took into account their equalities related needs (for example emergency refuge provision for people with mental health issues or other disabilities). In relation to borough responses that stated that insufficient detail had been provided to make a judgement, please refer to **appendix one, section 2.2.4** and **appendix four**.

2.3.3 Borough responses have also stated that negative equalities implications need to be considered within a wider context. Local authorities are facing unprecedented levels of pressure on their budgets which means that decisions to fund priorities at a pan-London level are at the expense of funding services locally, which also have equalities implications. It is also relevant to consider in the context of the equalities impact of the other three proposed priority areas. Priorities one to three of the current programme have wide ranging equalities impacts that were outlined in the previous Grants Committee report (18 November 2015). It is worth noting that whilst these priorities provide specialist services that reflect the equalities related needs of beneficiaries it is also fair to say that the impact of these services is significant and are not delivered elsewhere. For example, in the 2011-12 Grants Review a need was highlighted around the lack of refuge provision for disabled women fleeing domestic violence. London Councils commissioned a service to address this need, amongst other specialised needs, under the current Priority two. This fitted with the Grants Programme principles of commissioning services that would be difficult to delivery locally given the relatively low numbers requiring this service at a borough level. Without this service, potential service users would face a choice between support that does not address their needs, returning to a violent partner or destitution. In this example it is possible to see that the direct positive equalities impacts relating to the current Priorities one to three are high.

The next section of the survey and this report is important in outlining ways in which the negative implications can be mitigated.

2.4 Mitigation

2.4.1 The consultation then asked respondents to consider what mitigation could be taken to address any potential negative impacts that they had highlighted. A range of actions were outlined that could be used to mitigate potential negative impacts related to the Leaders' Committee in principle position. These include the role of local authorities and the fact that there is a year between this meeting and funding ending which gives providers time to formulate plans to address any gaps in funding of their organisation's activities which might arise under a new pan-London programme which directs funding to different services and outcomes.

2.4.2 City Bridge Trust has commissioned London Funders to undertake a review into infrastructure in London in order to understand how the third sector can best be supported in order to optimise its positive impact on Londoners in challenging economic times. The results of this review will be published in March. Members may wish to consider a continued role for London Councils in leadership and capacity building in the third sector through supporting the implementation of recommendations from this report and helping to shape any additional funding allocated to capacity building/ infrastructure by City Bridge Trust. City Bridge Trust currently funds infrastructure as one of its nine funding priorities, 'Strengthening London's Voluntary Sector' and has recently provided £2.7m in total in grants ranging from one to three years.³

2.4.3 Providing an allocation of officer time would be an effective and cost-effective way for the boroughs, through London Councils, to collectively facilitate the boroughs' role in the implementation of the findings to provide the opportunity to evaluate new models of collaborative working between boroughs and the voluntary sector, and to provide information to boroughs about their successes and failures. This reflects consultation responses from boroughs and their views as to the need to strengthen links between the London Councils grants programme and borough activities. If members agree that officers should explore this as an option, recommendations could be brought to the next meeting of the Grants Committee in July 2016 for consideration.

2.4.4 Some boroughs suggested that more information could be provided in relation to each borough to assist boroughs in assessing the impact locally. Officers can provide a list of frontline

³ City Bridge Trust, Annual Review 2015

organisations supported per borough on request (this has been provided to some boroughs on request already).

2.4.5 Comments were made regarding support elements of the proposed priorities one, two and three. Should members remain in agreement with the Leaders' Committee position in December 2015, the detail of the new priority areas will be considered in the next few months with specifications being drawn up and reviewed by Grants Committee in their meeting in July 2016. Comments outlined above regarding the support element currently funded under priority one and priority two will be considered as part of this process. Priority three is co-funded by ESF and arrangements for support to priority three fall within those for the new (2014-20) London ESF programme (of which the London Councils ESF programme is a part). The GLA manages the London ESF programme and makes this support available through a three-year 'technical assistance' project.

Further detail on responses related to the question on mitigation is provided in **appendix one, section 2.4.**

2.5 Additional evidence/ submissions

In reaching a decision on the future priorities members will consider a range of different information. This includes information on performance of commissions to date, the results of the first consultation (July-October 2015), subsequent consultation (December 2015- January 2016), equalities information (presented previously and with this report). Other sources of information are detailed below.

2.5.1 London Councils member event on sexual and domestic violence

On 23 February 2016 London Councils delivered an event for 70 borough officers and members focused on tackling sexual and domestic violence. The event focused on issues faced by the boroughs and how these can be addressed through shared responses, in particular with VCS partners. The event had speakers from boroughs, voluntary and community organisations and MOPAC's Violence Against Women and Girls Board. The event represents the ongoing action to ensure services are properly linked to local services and in coordination with regional initiatives in this area, as outlined in section four. Key issues from this event are outlined in **appendix one, section 2.5.**

2.5.2 Evidencing the need for homelessness in London

When considering a position on the future grants priorities Grants Committee at their meeting of 18 November 2015 outlined a need for further evidence on homelessness need in London to enable them to make a decision on the priorities for the period beyond 2017. London Councils commissioned Homeless Link to undertake a short piece of research to address this.

Key findings from the report are as follows,

- There is clear evidence for a growing level of homelessness and a need for resources to be allocated in outer London, in particular around private rented sector (PRS) tenancy brokerage and sustainment
- Further work needs to be undertaken in terms of prevention of homelessness and rough sleeping, in particular in outer London. Given the different cost implications of delivering outreach in inner and outer London different models might be considered and work undertaken in coordination with related work undertaken by the Mayor.
- There is evidence that some equalities groups are disproportionately affected by homelessness in London.
- The link between unemployment and homelessness is clearly a complex issue and suggests a coordinated pan-London approach is appropriate.

The report is included at **appendix five**.

The research echoes the recent results of the Grants Programme (Priority one homelessness) which has seen

- The proportion of service users from outer London up from 49% in 2013/14 to 55% in 2015-16
- Shelter: proportion of users from outer London up from 29% in 2014/15 to 46% in 2015-16
- In 2013/15, London Councils projects supported:
 - o 2,746 people with mobility related disabilities
 - o 16,009 BAME service users
 - o 2,479 LGB service users (and 200 Trans service users)
 - o 11,000 young people supported by New Horizon Youth Centre

2.5.3 Additional submissions

London Councils officers were copied into 24 letters/ emails to members from locally based Age UK organisations (such as Age UK Redbridge, Barking and Havering). The letters raised issues that are echoed in **appendix one, section 2.3** and addressed in section 2.3 above.

In addition a letter was sent to Mayor Pipe from London Voluntary Sector Forum and copied to borough Leaders. The issues raised within this letter are addressed within the body of this report and appendices.

3 Equalities impact

3.1 The Committee is asked to refer to the sections above and Equalities Impact Assessment report at **appendix four** for a full description of the opportunities and issues that arise from the current review of the grants schemes principles and priorities. This builds on previous equalities information considered by the Grants Committee at their meeting of 18 November 2015.

3.2 The Grants Committee and the Leaders' Committee in March 2016 will, in reaching decisions for implementation of the future grants programme and any extension arrangements, be required to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations as required by the general public equality duty in the Equality Act 2010. In taking a decision, therefore, due regard must be given to the anticipated impact (positive and/or negative) of any proposed changes on protected groups under the Act and the steps which may be taken to mitigate any adverse impacts. The weight given to the equality implications of the relevant decision is for the decision-maker who must be clear as to what the equality implications are when they put them in the balance, recognising the desirability of achieving them. In certain situations a body subject to the duty may conclude that other countervailing considerations outweigh the equality ones e.g. local priorities or available resources.

3.3 The pan-London Grants Scheme, and the programmes delivered through it, are designed to address the needs of some of the most disadvantaged Londoners. These include a high proportion of people with characteristics protected under the Act. The analysis of both of the consultation responses, and other evidence which is summarised in this report, indicates that the current programme operating under the existing principles and priorities has successfully addressed inequality and the needs of the protected groups intended to benefit from the funded activities. All the current priorities were considered to have strong positive impacts across a range of protected groups. Small or minimal numbers of respondents to the consultation identified some negative impacts. The evidence is that without the current programme, many services in London that have a positive impact on inequality would not exist. It is clear that the current principles, and all the priorities operating within those principles, have a positive impact on equality and that any reductions in services under any funded priority would reduce this

positive impact. Evidence also suggests that an increase in funding would increase the equalities impact of those funded activities.

3.4 Analysis of consultation responses and other evidence and factors had indicated that the best way of continuing to achieve maximum and most effective impact with increasingly limited resources is to focus on three priority areas with a strong focus on direct services targeted at very disadvantaged Londoners. Should members agree to go ahead with a programme focused on three priorities; specifications will be drawn up in the following months covering proposed services, activities and outcomes. It is possible that proposed priorities one and two could potentially include an element of support services dependent on availability of resources and other factors.

3.5 An initial equalities impact assessment was prepared and published alongside the consultation survey in July 2015. This covered the information provided alongside the report on the Grants Review submitted to Grants Committee on 18 November 2015.

3.6 Further information on the initial equalities assessment is provided in Grants Committee, Item 13- Proposal for Review of Grants Programme - post 2017, 15 July 2015, www.londoncouncils.gov.uk

Further information on the additional equalities information is provided in Grants Committee, Item 8 - Review of London Councils Grants Programme, 18 November 2015, www.londoncouncils.gov.uk

4 Next steps

4.1 Key milestones

It is planned to invite applications for the delivery of new projects in the summer of 2016. Following assessment of these applications, recommendations will be made to Grants Committee on projects which would commence on 1 April 2017, or as soon as soon as practicable after that.

The timetable for this process (subject to Committee approval) for commissioning services is:

- In **March-April 2016**, advise Grants Committee on potential activities within any new priorities
- Between March 2016 and July 2016, develop detailed specifications to be agreed by the Grants Committee

- In July 2016 bring proposals to Grants Committee on future working with City Bridge Trust on the future of infrastructure in London.
- Invite proposals in **summer 2016** from organisations to deliver services set out in the specifications
- In **winter 2016**, proposals assessed against the service specifications and recommendations made to members which will be subject to resourcing levels
- By **31 January 2017** the annual grants budget for 2017/18 will have been agreed, and an indicative budget for the remainder of the programme will have been agreed
- New services to start on **1 April 2017**, or as soon as soon as practicable after that.

4.2 Borough engagement

4.2.1 During the consultation a number of views were expressed regarding the commissioning process. In particular London local authorities expressed a desire to be more involved in the commissioning process for the 2017-21 programme. At times this view was fuelled by concerns that current commissions do not sufficiently reflect the needs of all boroughs, in particular outer London boroughs. It is also worth noting that not all boroughs expressed this and many responded positively about the current commissions, the ways these have worked with local services and the reporting to date.

4.2.2 In delivering the 2013-17 programme relevant borough officer networks were involved at key stages (borough grants officers, housing needs and homelessness network, violence against women and girls (VAWG) coordinators). Borough officers contributed to the shaping of the priorities and specifications via a number of public consultations. They were then involved in the award of commissions through a number of borough officers scoring applications and groups of borough officers meeting as moderation panels reviewing the high scoring applications. During the life of the grant, London Councils officers have attended borough officers network meetings (such as VAWG Coordinators) to discuss the progress of the commissions and have provided update reports. With priority two there were a number of issues expressed by borough officers in the first year of grant. Officers attended a meeting in a town hall with borough officers and staff from one of the providers to troubleshoot issues. Officers in addition conducted a survey of VAWG Coordinators and presented the results of this at their City Hall meeting with funded providers in attendance to answer questions. Borough officers and members have attended monitoring visits such as to New Horizon Youth Centre and GALOP. Officers acknowledge that this involvement has been varied in practice, that engagement was more active in the earlier stages of grant and is not consistent across all the relevant borough officer groups.

4.2.3 Officers propose strengthening this model going forwards, in response to the issues raised by some boroughs in the consultation. Following the consideration of the future priorities at this meeting and Leaders' Committee on 22 March 2016 officers will approach borough officers to ask for their involvement in drawing up the specifications. Boroughs are asked to nominate any particular officers that would be interested in being involved in this process. Processes to actively engage officers across a range of boroughs and the various relevant service areas will need to take into account limited available resources both in boroughs and at London Councils. Officers will also explore reporting models to ensure boroughs are satisfied with the reporting provided going forward.

4.2.4 Issues were raised during the consultation regarding the monitoring of outcomes. Commissions currently deliver against London Councils standard outcomes outlined in the service specifications agreed at Grants Committee in September 2012. Each commission has a robust grant agreement which sets out agreed primary and secondary outcome indicators that demonstrate achievement of the London Councils standard outcomes. For example, under Specification 1.1 Homelessness Early Intervention and Prevention there is a standard outcome 'Number of tenancies sustained for one year'. These outcomes are measured and numbers reported at each quarter, including numbers achieved across the 33 boroughs. These are reported to Grants Committee each quarter. The performance against target in relation to these outcomes also contributes to each commission's red/amber/green 'RAG' score each quarter, which are also reported to Grants Committee. As part of the process of drawing up new specifications officers will work with borough officers, VCS, and other stakeholders including MOPAC and other funders to ensure the standard outcomes that are included in the new specifications are robust and up to date.

5 Conclusion

5.1 In November 2014 Grants Committee considered a review of commissions which reviewed how effective, economical and efficient current commissions were. Following this Grants Committee agreed the scope of a review of the Grants Programme in July 2015 to inform decisions on the future delivery of a grants programme at the conclusion of the existing grants programme. Results of a public consultation, performance information relating to the current programme, equalities information and wider factors and considerations, including reduced funding available to local authorities, were considered by Grants and Leaders' Committees at their meetings in November and December 2015. This position was outlined in a resolution

passed at Grants Committee in November and subsequently considered at Leaders' Committee (**appendix seven**) in December. In outlining members' support for tackling homelessness the resolution contained two conditions focused on evidence of need and that any future commissioned services should reflect the differing needs of inner and outer London. These conditions are addressed in the body of the report and in **appendix five**.

5.2 At this point a position was reached in principle to continue a programme based on the current principles and focused on future priorities which were similar to the current programme in focus to the current programme's Priorities one, two and three. This reflected the fact that there was less support for continuing to fund a priority focussed on capacity building in the consultation results from boroughs, given the pressures on resources and a desire to concentrate limited resources on services with greater levels of direct positive and measurable impact on beneficiaries. It was outlined that this approach was likely to have a negative impact upon those protected groups which benefited indirectly from London Councils' funding of capacity building of the voluntary sector. However, in taking difficult decisions as to how best to use scarce local authority resources to address the needs of Londoners in a pan-London grants programme, it was preferred that the next grants programme have three priorities focused on services to tackle homelessness, sexual and domestic violence and poverty (subject to budget making decisions in autumn 2016). Leaders' also concurred with the Grants Committee that London Councils' officers should work to strengthen programme management and relationships with boroughs at a local level, in particular, to provide more detailed reports on performance by borough, sharing them with borough officers, to support the management of each priority and delivery of outcomes. These issues are addressed in Section four of this report.

5.3 A public consultation which ran from December 2015 to January 2016 was undertaken to gather further evidence having regard to the Leaders' position of December 2015. The consultation received responses from a range of VCS organisations, boroughs and relevant stakeholders. These organisations are in a key position to highlight issues that have not been taken into consideration to date. The consultation responses reiterated the majority position of boroughs in favour of the Leaders' in principle position. Responses also outlined concerns from VCS organisations, service users and individuals as well as a small number of boroughs regarding the proposal not to have a priority in the new programme focused on capacity building in the third sector. In terms of equalities issues, further information has been provided, both as to (positive and negative) impact and potential means of mitigation which are outlined in this report.

This includes the wide-ranging positive impacts on the people with the protected characteristics related to the current programme in terms of the current priorities one, two and three. Where gaps in information have been highlighted within consultation responses these have also been addressed in the report and appendices.

5.4 Members will be considering the information against a wider context that includes unprecedented reductions in available resources against increases in demand for service. The final 2016-17 Local Government Finance Settlement was announced 8 February 2016 by the Secretary of State for Communities and Local Government. The Settlement outlines final funding allocations for local authorities for the financial year 2016/17, and provisional figures for the following three years 2017/18 to 2019/20. In response to this London Councils issued a member briefing which stated that 'London local government will face the largest reductions in core spending power of any region once the wider resources available are taken into account. Cuts to core funding of 34 per cent in real terms will be extremely difficult to absorb, coming on top of a 44 per cent reduction since 2010/11 and it is likely that the current levels of non-statutory services will not be sustainable.'⁴

5.5 In this context boroughs are having to make increasingly difficult choices. Decisions to provide funding for one area is at the expense of funding other areas. The anticipated positive equalities effects (related to disadvantaged Londoners experiencing acute and complex issues) of the proposed three priority areas need to be taken into consideration when making decisions about using limited resources.

5.6 The evaluation of the additional evidence collated after Leaders' Committee in December continues to support the in principle position and therefore to support the Committee approving it now. Therefore it is recommended to members that they agree to adopt, as its recommendation to Leaders' Committee, the in-principle position reached at the Leaders' Committee meeting 18 December 2015 as the best way for London Councils to address need in London through the pan-London Grants Scheme.

Recommendations

Leaders' Committee is asked:

⁴ London Councils member briefing , Local Government Finance Settlement 2016/17, February 2016

1. to agree that there should be a Grants Programme from April 2017 to March 2021, operating in accordance with the current principles and focused on the following priorities -
 - i. Priority 1 Combatting Homelessness
 - ii. Priority 2 Tackling Sexual and Domestic Violence
 - iii. Priority 3 Tackling Poverty through Employment (European Social Fund match funded)
2. To note that Grants Committee has asked that officers develop a proposal to work with City Bridge Trust on the implementation of the review into infrastructure support in London (being undertaken by London Funders) and that this be reported to the next meeting of the Grants Committee in July 2016.

Financial Implications for London Councils

Decisions on the budget for a future programme will be considered at Leaders' Committee November/ December 2016.

Legal Implications for London Councils

1. In reaching its decision the Committee must comply with general public law requirements and in particular it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good.
2. In addition, the Committee is required to consult those likely to be affected by the decision. In order to be lawful a consultation exercise must take place when the proposals are still at a formative stage, sufficient time and information must be given to permit intelligent consideration and response and the product of the consultation must be conscientiously taken into account by the decision maker in reaching a decision. The consultation process and the results of the consultation are set out above.
3. A public authority must also in, the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty).
4. The protected characteristics to which the Public Sector Equality Duty ("PSED") applies now include age as well as the characteristics covered by the previous equalities legislation applicable to public authorities (i.e. disability, gender

reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex).

5. The PSED is set out in section 149 of the Equality Act 2010 ("the Act") provides (so far as relevant) as follows:

(1) A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share 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.

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding.

(6) Compliance with the duties . . . may involve treating some persons more favourably than others.

Case law has established the following principles relevant to compliance with the PSED which the Committee will need to consider:

(I) Compliance with the general equality duties is a matter of substance not form.

(ii) The duty to have "due regard" to the various identified "needs" in the relevant sections does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

(iii) Due regard is regard that is appropriate in all the circumstances, including the importance of the area of life of people affected by the decision and such countervailing factors as are relevant to the function that the decision-maker is performing.

(iv) The weight to be given to the countervailing factors is in principle a matter for the Committee. However in the event of a legal challenge it is for the court to determine whether an authority has given "due regard" to the "needs" listed in s.149. This will include the court assessing for itself whether in the circumstances appropriate weight has been given by the authority to those "needs" and not simply deciding whether the authority's decision is a rational or reasonable one.

(v) The duty to have "due regard" to disability equality is particularly important where the decision will have a direct impact on disabled people. The same goes for other protected groups where they will be particularly and directly affected by a decision.

(vi) The PSED does not impose a duty on public authorities to carry out a formal equalities impact assessment in all cases when carrying out their functions, but where a significant part of the lives of any protected group will be directly affected by a decision, a formal equalities impact assessment ("EIA") is likely to be required by the courts as part of the duty to have 'due regard'.

(vii) The duty to have 'due regard' involves considering whether taking the particular decision would itself be compatible with the equality duty, i.e. whether it will eliminate discrimination, promote equality of opportunity and foster good relations. Consideration must also be given to whether, if the decision is made to go ahead, it will be possible to mitigate any adverse impact on any particular protected group, or to take steps to promote equality of opportunity by, for example treating a particular affected group more favourably.

6. To assist the Committee in fulfilling its PSED, the EIA has been provided to Grants Committee and Leaders' Committee at their meetings in November and December 2015 and additional equalities information is provided in this report, within the body and in **appendix four**. This will need to be read and taken into account by Committee, together

with the requirements of the PSED itself set out above, in reaching a decision on the recommendations in the report. In addition, the equality implications are summarised in the body of this report (section 2.1 to 2.4, and section three) and related sections of **appendix one and four**. As the PSED is an on-going duty, due regard will need to be given to it in the further development and operation of the grants process.

7. The Committee should therefore carefully consider the outcome of the consultation and the PSED, together with the other relevant considerations set out in the report in reaching its decision.

Equalities Implications for London Councils

As above. Information was considered by the Grants Committee and Leaders' Committee as to equalities implications at their meetings in November and December 2015. Further equalities information is contained within the body of this report and in **appendix one and four**.

Appendices

Appendix One Analysis – Future grants programme priorities

Appendix Two Borough responses to Q1 “Q.1 The statement above sets out the in principle position of Leaders' Committee reached at its meeting on 8 December 2015. Do you support it?”

Appendix Three Organisations that responded to the consultation

Appendix Four Additional Equalities information

Appendix Five Evidencing Changes in Homelessness Need in London

Appendix Six Letter from Stephen Greenhalgh, Deputy Mayor for Policing and Crime

Background Papers

Grants Committee, Item 4, Grants Programme 2017-21, 9 March 2016

London Councils Grants Additional Consultation 2017/21 (including equalities impact assessment) December 2015 – January 2016

Leaders' Committee, Item 9 - Review of Delivery of a London Grants Programme – 8 December 2015

Grants Committee, Review of London Councils Grants Programme, Item 8, 18 November 2015

Grants Committee, Item 6. Performance of Grants Programme, 18 November 2015

London Councils Grants Consultation 2017/21 (including equalities impact assessment) July – October 2015

Grants Committee Item 12 - Grants Programme Performance Report - Year 2, 15 July 2015,

Grants Committee, Item 13- Proposal for Review of Grants Programme - post 2017, 15 July 2015

Grants Committee Item 6 - Grants Programme - Review of Projects, 26 November 2014