

Committee: Finance Committee	Date: 9 April 2024
Subject: Report of Action Taken	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	See background papers
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	For Information
Report author: Ben Dunleavy, Governance Officer	

Summary:

This report provides details of delegated decisions taken under urgency between Committee meetings.

Recommendation

Members are asked to note the report.

Delegated Decisions Under Standing Order 41A

UK Shared Prosperity Fund: Funding Agreement

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation is the Contracting Body for CLF. And as such, enters into contracts on behalf of the member authorities, as requested by the CLF Board. The CLF Board is made up of the Leaders or Mayors of member boroughs and the Chairman of Policy & Resources. Central London Works is the largest employment programme managed by CLF. The programme is the devolved Work and Health Programme in central London, and it is funded by the Department of Work and Pensions (DWP).
2. The UK Shared Prosperity Fund (UKSPF) is a UK Government fund which replaces EU Structural and Investment Funds post-Brexit. UKSPF seeks to tackle inequalities and improve life chances across the UK. The Greater London Authority (GLA) is the managing authority for UKSPF in London. The fund is overseen by the Department for Levelling Up, Housing and Communities (DLUHC) nationally.
3. The Greater London Authority (GLA) has allocated £8.3 million of UK Shared Prosperity Fund (UKSPF) to CLF to provide employment and skills support for residents of member authorities. The CLF Board originally planned to use £3.1m of this to increase the contract value of Central London Works. This was approved by Finance Committee and Court of Common Council in July 2023 – of the remaining funding, £4.8m was planned to be used to provide employment and skills support through the local employment services of CLF member authorities.
4. However, DWP subsequently informed CLF, GLA, and the other London sub-regional partnerships that UKSPF could not be used to fund the Work and Health Programme. Therefore, the CLF Board has agreed to re-allocate the £3.1m to the employment services of CLF member authorities, taking the total funding for the employment services to £7.9m. The remaining £0.4m of the grant would be used to provide health and wellbeing support, and to fund management of the performance and claim process.
5. Agreement was therefore sought to access the £8.3m UKSPF funding, and to vary the use of the £3.1m tranche originally allocated to Central London Works. Approval was also sought to sign the grant funding agreement in order to implement this. These agreements had been reviewed and approved by Comptroller's.
6. It was recommended to approve the accessing of £8.3m of UKSPF to provide employment and skills support for over 2,000 disadvantaged Londoners, with a minimum of 347 residents to be support into employment. This would enable the implementation of the approach collectively agreed by the CLF Board, the GLA, and by DLUHC (who have national responsibility for UKSPF). This would enable CLF member authorities collectively to provide support for over residents through their local employment services.
7. Approval first would be agreed by the Finance Committee prior to the Court of Common Council and be authorised by the end of March 2024. This was in order

for the CLF and member authorities to be able to access the UK Shared Prosperity Fund grant offered via the GLA. The next meeting of Finance Committee was not due to meet until 9 April 2024, meaning that the 12 central London authorities involved in the partnership would not be able to access the grant funding. This included the City of London Corporation.

8. The report was unable to be submitted to the February 2024 meeting of Finance Committee as, following CLF being made aware of the change in position from DWP, it was necessary to first gain the CLF's Board approval for the grant allocation and the reallocation of the tranche previously allocated to Central London Works, for the legal reviews of the grant documentation and mechanisms by which funding can be devolved to the boroughs as part of this pan-London partnership to be undertaken, and the process and governance aspects surrounding CLF and the City of London Corporation's role as contracting body to be clarified and taken forward.
9. Approval under urgency by the Finance Committee was sought to allow for the report to be submitted to the next meeting of Court of Common Council on 7 March 2024, to provide for all-Member scrutiny.
10. The Town Clerk therefore agreed, in consultation with the Chair and Deputy Chair of Finance Committee, to recommend to the Court of Common Council the following:
 - Accessing to the proposed £8.3m UKSPF funding to provide employment and skills support for central London residents. As proposed by the CLF Board.
 - Varying the use of the £3.1m of UKSPF previously planned and approved for the Central London Works programme. With the revised approach of devolving to member authorities, as approved by the CLF Board.
 - The signing of a funding agreement with the GLA, reflecting the delivery plan set out and approved by CLF Board.
 - The signing of funding agreements with CLF member authorities, enabling them to access this funding.
11. The report was subsequently received and approved at the Court of Common Council on 7 March 2024.

Background Papers

Report of the Executive Director, Innovation and Growth – February 2024.

Setting a Small Business Multiplier for the City Premium

12. The Court of Common Council is required to set an Annual Non-Domestic Rating Multiplier (the City Premium). At the Court of Common Council on 7th March 2024, the 2024/25 City Premium Multiplier was set at 1.8p. This was an increase of 0.4p on the 2023/24 multiplier.
13. A Small Business Non-Domestic Multiplier was also set as part of this process. Historically, the multipliers have been coupled and the calculation to determine the City Premium multiplier has always resulted in the City Multiplier and the City Small Business Multiplier being the same. As a result, the City has only ever carried out one calculation to determine the City multiplier. This same process was followed to set the 2024/25 multiplier at 1.8p.
14. However, for 2024/25, as a result of legislation decoupling the multipliers, the Chancellor raised the standard multiplier from 0.512p to 0.546p, with the Small Business Multiplier remaining at 0.499p. The decoupling of the national multipliers requires a separate multiplier to be calculated for the City Small Business Premium. Unfortunately, this change was not included within the 2024/25 Budget. The revised calculation means that the Small Business Multiplier for the City Premium should be set at 1.6p.
15. The correct multiplier was required to be in place to allow Business Rate Bills to be dispatched in time for 1st April payment date.
16. Accordingly, the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approved under urgency a recommendation to the Court of Common Council that the 2024/25 City Fund budget be adjusted such that a Small Business Non-Domestic Premium of 1.6p is set. This was subsequently approved under urgency from the Court on March 14.

Background Papers

Setting a Small Business Multiplier for the City Premium – Report of the Chamberlain
March 2024

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