

Chief Executives' Circular

To:	Borough Chief Executives	Cc:	Borough Treasurers
Date:	21 November 2013	Ref. no:	4/13
Contact:		Telephone:	020 7934 9700
Email:	Frank.smith@londoncouncils.gov.uk	Response Date:	17 January 2014

London Boroughs Grants Scheme 2014/15 expenditure

Summary:

This circular informs borough Chief Executives of the recommended level of the London Borough Grants Scheme budget for 2014/15 and seeks a formal response to that recommendation **ideally by Friday 17 January 2014, but no later than Friday 31 January 2014**. If two thirds of boroughs have not indicated their assent to this budget by that date, the default position by law is for a budget at the level of the previous year to be introduced. I should, therefore, be grateful for formal notification of your borough's agreement to this budget by the dates set out in bold above. The means by which each borough arrives at such a formal decision will be dependent upon local Schemes of Delegation, Standing Orders and Terms of Reference. In most cases, however, we anticipate a cabinet or mayoral decision will be provided to us.

Background

The London Councils Grants Committee considered proposals for expenditure in 2014-15 at its meeting on 6 November 2013. The Leaders' Committee agreed a budget at its meeting on 12 November and the following recommendation is now made to constituent councils.

Overall level of expenditure of £10,000,000 comprising:

Grants - £9,420,000

Administrative Expenditure - £520,000

London Funders Membership Fees - £60,000

Income would comprise:

European Social Fund grant - £1,000,000

Borough contributions - £8,200,000

This circular sets out in detail the requirements in respect of approving the Grants Scheme budget for 2014/15.

The context in which this recommendation is made is set out in reports to Grants Committee on 6 November 2013 and to the Leaders' Committee on 12 November 2013. These reports concern both the future London wide ESF programme and the overall Grants Committee budget. The overall level of borough contributions to the Scheme that is recommended for 2014/15 remains at 2013/14 levels. However, an £800,000 one-off repayment will be made to boroughs which represents a transfer from Grants Committee reserves. An outline of the budget is attached at Appendix A.

As you are aware, constituent Councils are required to contribute to any London Boroughs Grants Scheme expenditure, which has been incurred with the approval of at least two-thirds of the constituent Councils. Contributions are, under Regulation 6(8) of the Levying Bodies (General) Regulations 1992, to be proportionate to constituent Councils' populations. For 2014/15 the apportionment is based on the ONS mid-year estimates for June 2012 in accordance with Section 48 (4) Local Government Act 1985, which states that "the population of any areas shall be taken to be the number estimated by the Registrar General and certified by him to the Secretary of State by reference to such date as the Secretary of State may from time to time determine." The total contribution required from each constituent Council for 2014/15 is shown at Appendix B.

I would remind you that further to the Grants to Voluntary Organisations (Specified Date) Order 1992 (which came into effect on 2 November 1992 and remains in force), the budget must be agreed by two-thirds of constituent Councils before 1 February 2014. If it is not, the overall level of expenditure will be deemed to be the same as that approved for 2013/14 (i.e. £10 million). I would therefore be grateful if you would advise me in writing of your authority's formal response to the recommendation as soon as possible; ideally by Friday 17 January 2014 (as required under section 7.5 of the Grants Scheme), but no later than 31 January 2014. If you are unable to meet the 17 January deadline, please let me know.



Conclusion

I look forward to your responses, ideally by **Friday 17 January 2014** and no later than **Friday 31 January 2014**.

For further information on any of the issues raised in this circular, please contact Frank Smith, Director of Corporate Resources on 020 7934 9700 or at frank.smith@londoncouncils.gov.uk

Thank you

John O'Brien
Chief Executive