

Chief Executives' Circular

To:	Borough Chief Executives	Cc:	Borough Treasurers
Date:	12 December 2014	Ref. no:	6/14
Contact:		Telephone:	020 7934 9700
Email:	Frank.smith@londoncouncils.gov.uk	Response Date:	16 January 2015

London Boroughs Grants Scheme 2015/16 expenditure

Summary:

This circular informs borough Chief Executives of the recommended level of the London Borough Grants Scheme budget for 2015/16 and seeks a formal response to that recommendation **ideally by Friday 16 January 2014, but no later than Friday 30 January 2015**. 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 2015-12 at its meeting on 26 November 2014. The Leaders' Committee agreed a budget at its meeting on 9 December and the following recommendation is now made to constituent councils.

Overall level of expenditure of £10,500,000 comprising:

Grants - £9,885,000

Administrative Expenditure - £555,000

London Funders Membership Fees - £60,000

Income would comprise:

European Social Fund grant - £1,250,000

Borough contributions - £9,000,000

Transfer from uncommitted Grants Committee reserves - £250,000

This circular sets out in detail the requirements in respect of approving the Grants Scheme budget for 2015/16.

The context in which this recommendation is made is set out in reports to Grants Committee on 26 November 2014 and to the Leaders' Committee on 9 December 2014. These reports concern both the overall Grants Committee budget and the future London-wide ESF programme. The overall level of base borough contributions to the Scheme that is recommended for 2015/16 remains at 2014/15 level of £9 million. 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 2015/16 the apportionment is based on the ONS mid-year estimates for June 2013 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 2015/16 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 2015. If it is not, the overall level of expenditure will be deemed to be the same as that approved for 2014/15 (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 16 January 2015 (as required under section 7.5 of the Grants Scheme), but no later than 30 January 2015. If you are unable to meet the 16 January deadline, please let me know.



Conclusion

I look forward to your responses, ideally by **Friday 16 January 2015** and no later than **Friday 30 January 2015**.

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