



## Full Council

11 July 2011

### Report from the Director of Strategy, Partnerships and Improvement

For Action

Wards Affected: All

## Revised London Councils Grant Scheme 2011/2012

### 1.0 Summary

- 1.1 This report informs members of a revision to the proposed level of contribution Brent will make to the London Councils Grant Scheme in 2011/12. This increase in the contribution previously agreed by Full Council in January 2011 is required following the outcome from the judicial review of changes to the London Councils Grant Scheme.
- 1.2 At the Full Council Meeting in January 2011, Members agreed to contribute £436,346 in 2011/2012 to London Councils to the London Councils Grants Scheme for 2011/2012. Following a judicial review of the London Councils decision to reduce the level of funding for the London Councils Grant Scheme, the revised contribution which Brent is required to make is of £460,929 for 2011/12, which is £24,584 more than the £436,346 agreed by Full Council in January 2011. The additional £24,584 will be provided from centrally held funds.
- 1.3 London Councils has decided to increase the costs of the scheme following the judicial review challenge to cover the costs of continuing to fund projects until a final decision on the reduction in funding was made. Brent provided comments to the review of the future scope of the grants scheme carried out in October 2010 and the second round of consultation following the judicial review in February 2011.

### 2.0 Recommendations

Members of Full council are recommended to:-

- 2.1 agree the revised contribution to be paid by the Council in the sum of £460, 929 as recommended by London Councils towards the London Boroughs Grants Scheme for 2011/12.

- 2.2 Note that the additional £24,584 required as a result of the outcome of the judicial review of changes to the London Grants scheme will be met from centrally held funds.
- 2.3 To note that the Meeting of Full Council in February 2011 agreed that the 2011/2012 budget included reallocation of the funding no longer expected as a contribution to the London Councils Grants Scheme. Of the funding no longer required for the London Councils Grant Scheme £231,500 was reinvested in safeguarding advice and guidance services provided by the voluntary sector and £249,000 was allocated to savings.

### **3.0 Detail**

- 3.1 The funding provided to London Councils for grants is used to support Pan- London and Sub-Regional voluntary sector projects. The aim of the scheme is to support projects and services that work across London or across a number of boroughs.
- 3.2 In 2010/11 Brent contributed £935,051 to the scheme and 182 organisations were funded to provide services in Brent.
- 3.3 London Councils reviewed the scheme, following concerns raised by boroughs that sub regional and locally allocated funding did not adequately address local needs and they did not feel they were benefiting from the financial contribution they made to the scheme. The aim was to have greater influence on how future funding is deployed at a local level.
- 3.4 As a result of the review London Councils decided to amend their funding criteria and agreed that the scheme would solely fund London wide services and would no longer commission projects that are provided on a sub-regional or local basis. The proposed changes were due to take effect from 30<sup>th</sup> June 2011.
- 3.5 The proposed reduction in contribution agreed by Full Council in January 2011 was as a direct result of the London Councils change in the funding process. Full Council agreed to a reduced contribution of £436,346 for 2011/12.
- 3.6 The decision by London Councils in January 2011 was subject to a judicial review challenge. The Administrative Court in the judicial review case found that insufficient consideration had been given to equalities duties in London Councils' approach to categorising and assessing the equality impact of their proposed change in funding. A further equality impact assessment and a further decision on the issue had to be undertaken taking into account the equality impact assessment
- 3.7 Five local organisations receive direct funding from London Councils and these were awarded funding up to October 2012 and which they will continue to receive funding..However following the judicial review two will have their funding terminated on 15<sup>th</sup> August 2011 which is before their agreed funding period. In addition there are 177 organisations funded from the scheme that provide services in the borough as well as elsewhere. However the number of Brent residents accessing services from these organisations is unclear as insufficient data is available from London Councils on local usage.

3.8 By accepting the revised recommendations of London Councils, the Council will need to consider the impact the reduced contribution will have on local organisations, residents and current funded organisations. The Council will need to take any adverse impact into consideration in deciding how to apply the reduction in funding to the London Councils Grant Scheme compared to the contribution made by the Council in 2010/11.

#### **4.0 Financial Implications**

4.1 The London Councils Grants Committee published their revised budget for 2011/12 on 13<sup>th</sup> May 2011 and a Chief's Executives' Circular was issued by London Councils on 26<sup>th</sup> May 2011 (Appendix 1).

4.2 The overall level of London Borough's contributions to the Grant Scheme that is recommended for 2011/12 represents a 49.7% reduction compared with the previous year. For Brent Council this represents a 50.7% reduction of subscription from £935,051 in 2010/11 to £460,929 in 2011/12 a net reduction of £474,122.

4.3 Members are asked to note that the Meeting of Full Council in February 2011 agreed that the 2011/2012 budget included allocation of the funding no longer expected as a contribution to the London Councils Grants Scheme. £231,500 was reinvested in safeguarding advice and guidance services and £249,000 was allocated to savings.

4.4 Details of all London Boroughs contributions for 2011/12 are also included in Appendix 1.

#### **5.0 Legal Implications**

5.1 A summary of the outcome of the judicial review challenge in the case of R (Hajrula and Hamza) v London Councils [2011] EWHC 151 (QB) (QBD) is set out in paragraph 3.6 above. Although the Administrative Court did not quash the approved budget approved by London Councils, it required London Councils to carry out a further consultation to provide greater detail regarding the equalities effects of the proposed changes to the London Boroughs Grants Scheme. London Councils have completed a further Equalities Impact Assessment to ensure that it complies with its Public Sector Equality Duty as set out under section 149 of the Equality Act 2010. As a result of the further consultation, the Grants Committee of London Councils has recommended and the Leaders Committee of London Councils has agreed to increase the costs of the scheme as set out in this report.

5.2 Constituent Councils of London Councils, which includes Brent Council, are required to contribute to any London Borough Grants Scheme expenditure, which has been incurred with the approval of at least two-thirds of the constituent Councils, pursuant to section 48 of the Local Government Act 1985. Contributions are to be proportionate to constituent Councils' populations pursuant to Regulation 6(8) of the Levying Bodies (General) Regulations 1992.

5.3 In October 1985, the London Borough Grants Scheme was set up in accordance with the requirements of section 48 of the Local Government Act 1985. The purpose of this scheme is to provide funding for voluntary organisations offering London-wide services or operating in two or more London boroughs. The thirty two London Boroughs and the Corporation of London are required by statute to contribute to the London Boroughs Grants Scheme.

## **6.0 Diversity Implications**

- 6.1 The additional equality impact assessment has been undertaken by London Councils following the judicial review and detail of this can be found by following the link in the background papers. In summary the assessment concludes that there is likely to be some adverse impact on all equality groups if currently funded services are terminated earlier than the original funding agreements. London Councils has highlighted potential aggregate adverse impact on children and young people, black and minority ethnic communities and women as a result of decommissioning services.
- 6.2 It is difficult to assess the impact for equality groups in Brent as there is a lack of detailed information about the direct benefits of the London Boroughs Grants scheme to Brent's residents.
- 6.3 We will monitor the immediate impact of the change through complaints and/or correspondence received.

### **Background Papers**

- London Councils Chief Executives' Circular 26<sup>th</sup> May 2011  
[www.londoncouncils.gov.uk/.../Circ411LCsGrantsSchemeLevy2011.pdf](http://www.londoncouncils.gov.uk/.../Circ411LCsGrantsSchemeLevy2011.pdf)
- Further review of future role and scope of London Council's Grants Scheme  
[www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4422](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4422)
- London Councils Leaders' Committee 10<sup>th</sup> May 2011 – Future role and scope of grants scheme item  
[www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4428](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4428)
- London Councils Grants Committee May 6<sup>th</sup> 2011 Grants paper appendices including the additional equality impact assessment and outcomes of the second round of consultation  
[www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4423](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4423)
- Leaders' Committee future role and scope of London Councils Grants Scheme Item 14<sup>th</sup> December 2010  
[www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4306](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4306)

- London Councils Chief Executives' Circular 24/10 and related documents  
[www.londoncouncils.gov.uk/aboutus/corporatepublications/ceocirculars/24-10.htm](http://www.londoncouncils.gov.uk/aboutus/corporatepublications/ceocirculars/24-10.htm)
- London Councils – Consultation on the Review of the future role and scope of the London Council's Grants Scheme.  
[www.londoncouncils.gov.uk/services/grants/consultation.htm](http://www.londoncouncils.gov.uk/services/grants/consultation.htm)

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