

## Chief Executives' Circular

<b>To:</b>	Borough Chief Executives	<b>Cc:</b>	Borough Treasurers
<b>Date:</b>	16 December 2011	<b>Ref. no:</b>	24/10
<b>Contact:</b>		<b>Telephone:</b>	020 7934 9700
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## London Boroughs Grants Scheme 2012/13 expenditure

### Summary:

This circular informs borough Chief Executives of the recommended level of the London Borough Grants Scheme budget for 2012/13, and seeks a formal response to that recommendation **ideally by Friday 20 January 2012, but no later than Tuesday 31 January 2012**. 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. This would mean boroughs forgoing significant savings in 2012/13. 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.

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### Background

The London Councils Grants Committee considered proposals for expenditure in 2011/12 at its meeting on 9 November 2011. The Leaders' Committee agreed a budget at its meeting on 13 December and the following recommendation is now made to constituent councils.

Overall level of expenditure of £12,500,000 comprising:

Grants - £11,845,000

Administrative Expenditure - £595,000

London Funders Membership Fees - £60,000

Income would comprise:

European Social Fund grant - £1,000,000

Borough contributions - £11,500,000

London Councils has provided funding for schemes that support the London population. The draft budget includes provision for funding organisations until the end of their agreement with London Councils. It also provides funding to extend a number of commissions until March 2013, pending decisions to be made on the 2013/14 budget and programme going forward. Those decisions will be taken in 2012 and will be informed by consultation on the principles and priorities of the Scheme going forward from 2013/14 onwards and an assessment of impacts on equalities groups in compliance with the Equality Act 2010.

This circular sets out in detail the requirements in respect of approving the Grants Scheme budget for 2012/13. It is issued alongside a further circular which sets out the overall London Councils Borough Subscriptions and Charges for 2012/13 – in which the Grants Scheme expenditure is summarised.

The context in which this recommendation is made is set out in reports to Grants Committee on 9 November 2011 and to the Leaders' Committee on 13 December 2011. 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 2012/13 represents a £2.487 million or 17.8% reduction compared with the current year. 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 2012/13 the apportionment is based on the ONS mid-year estimates for 2010 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 2012/13 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 2012. If it is not, the overall level of expenditure will be deemed to be the same as that approved for 2011/12 (i.e. £20.767 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 20 January 2012 (as required under section 7.5 of the Grants Scheme), but no later than 31 January 2012. If you are unable to meet the 20 January deadline, please let me know.

### **Equalities Effects**

In reaching its decision, Leaders' Committee had regard to the duties of the Equality Act 2010. The recommended budget is intended to mitigate the effects on equalities groups receiving services and enabling an assessment to be made of the equalities effects in making further specific recommendations to members about the future direction of the Programme. Members will be considering these issues in the context of large overall reductions in public spending and the 2010/11 review of the scheme which placed more emphasis upon commissioning by individual boroughs and groups of boroughs as opposed to the pan London level.

### **Conclusion**

I look forward to your responses, ideally by **Friday 20 January 2012** and no later than **Tuesday 31 January 2012**.

Thank you

John O'Brien  
**Chief Executive**