



Cabinet

26 January 2015

Report from the Chief Finance Officer

For Action

Wards Affected: All

London Councils Grant Scheme 2015/2016

1.0 Summary

This report seeks agreement to London Councils Grants Committee budget for 2015/16 and the associated level of contribution by Brent Council to the London Borough Grants Scheme.

Recommendations

Members of the Cabinet are recommended by London Councils to:-

- 2.1 Note the recommendations made by the London Councils Leaders Committee summarised in section 3 and attached at appendix 3.
- 2.2 Agree the recommended budget for the London Councils Grant Scheme and the contribution of £339,278 to be paid by the Council towards the London Boroughs Grants Scheme for 2015/16.

3.0 Detail

- 3.1 The aim of the London Councils Grant Scheme is to provide funding for voluntary organisations delivering London-wide or cross London projects that support the London population.
- 3.2 The London Councils Grants Committee considered proposals for expenditure in 2015/16 at its meeting on 26th November 2014. The Leaders' Committee agreed a budget at its meeting on 9th December 2014 and recommended constituent councils to agree to an overall level of expenditure of £10.5 million for the Grants Scheme in 2015/16 (inclusive of £2.5 million gross European Social Fund programme). The break down of this budget is shown in appendix 1.
- 3.3 London Councils Leaders' Committee recommend the same overall level of borough contributions to the Scheme in 2015/16, with some variances in the contributions of individual London Boroughs reflecting updated census figures. The proposed budget includes provision of £555,000 for costs incurred by London Councils in providing staff and other support services to ensure delivery of the Committee's programme of approved commissions, including European Social Fund ("ESF") administration of £120,000.
- 3.4 London Councils also recommends the transfer from Grants Committee reserves.

- 3.5 The context in which this recommendation is made is set out in reports to Grants Committee on 26th November 2014 and to the Leaders' Committee on 9th December 2014. These reports concern both the London wide European Social Fund programme and the overall Grants Committee budget. London Councils has notified Brent Council of the decision by London Councils Leaders' Committee in a 'Chief Executives' Circular' dated 12th December 2014 (which is set out in Appendix 3 of this report). The London Councils Report seeks a decision from constituent London Boroughs no later than 1st February 2014.
- 3.6 Members are asked to agree to a contribution of £339,278 to be paid by Brent Council towards the London Boroughs Grants Scheme for 2015/16. The total contribution required from each constituent Council for 2015/16 is shown at Appendix 2.

4.0 Financial Implications

- 4.1 The London Councils Leaders Committee agreed a recommended budget on 9th December 2014, the detail of which is set out in Appendix 1. The Chief Executives' Circular summarises this (as set out in Appendix 3).
- 4.2 The proposed budget consists of:
- A core, pan-London scheme of commissioned services to meet service priorities agreed by the Grants Committee of £7.565 million, which includes the membership subscriptions for boroughs for London Funders of £60,000;
 - An additional gross sum of £2.38 million relating to the ESF commissioned services programme. A sum of £1.88 million relates to the new ESF programme due to start in the summer of 2015 under new funding arrangements managed by the LEP. In addition, at its meeting on 26 November, the Grants Committee agreed that the Leaders' Committee, in advance of the start of the new ESF programme, approve a sum of £500,000 to continue the 10 existing ESF commissions for the period April-June 2015;
 - An indicative gross grant payments budget of £9.945 million, compared to £9.48 million for the current year;
 - In addition to the indicative gross grant payments budget of £9.945 million, the proposal includes a provision for the administration of commissions of £555,000. This is split between the administration of the S.48 (Local Government Act 1985) commissions of £435,000, which equates to 5.4% (or 4.4% excluding central recharges) of the boroughs' commissioning budget of £8 million and reflects the actual cost of the current monitoring arrangements that came into effect in April 2013. For the £2 million gross S.48/ESF commissions, administration amounts to £120,000, or 5.99%, which reflect the more complex monitoring arrangements of the ESF commissions;
 - The proposed total programme of commissions of £10.5 million will be funded by ESF grant income of £1.25 million, a transfer from reserves of £250,000 and borough contributions of £9 million, the same level as for the current financial year.
- 4.3 The overall level of London Boroughs' contributions to the Grant Scheme that is recommended for 2015/16 is slightly lower than that agreed for 2014/15. The proposed contribution in 2015/16 of £339,278 represents a slight reduction on the subscription of £340,854 in 2014/15 due to the application of updated Census figures in the calculation of the contribution.

- 4.4 Details of all London Boroughs contributions for 2015/16 are included in Appendix 2.
- 4.5 Brent Council is presently consulting with residents, the voluntary and community sector, local businesses and other groups as necessary on the draft savings proposals and their consequences for 2015/16 and 2016/17 and beyond. The ACE2 option included in Appendix 1 of the Budget 2015/16 and 2016/17 Cabinet Report, which was presented to the Council's Cabinet meeting on 15 December 2014, is to review funding to the London Councils Grants Scheme at the end of the present funding round. This budget saving option if agreed, which is subject to the agreement of two thirds of London Boroughs, would cease the council's contribution to the Grant Scheme from 2017/18.

5.0 Legal Implications

- 5.1 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.
- 5.2 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 Grant Scheme.
- 5.3 Section 48(3) of the Local Government Act 1985 provides that the amount of contributions to the London Councils Grants Scheme shall be determined so that expenditure is borne by constituent councils in proportion to the population of their respective areas. For 2015/16 the apportionment is based on the 2011 Census data, adjusted by the ONS to provide the mid-year population estimates for June 2013. This is 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."
- 5.4 Further to the Grants to Voluntary Organisations (Specified Date) Order 1992 (which came into effect on 2 November 1992 pursuant to section 48(3) of the Local Government Act 1985 and which remains in force), the London Borough Grants Scheme budget for 2015/16 must be agreed by two-thirds of constituent Councils before 1 February 2015. If it is not, the overall level of expenditure for the constituent councils for 2015/16 will be deemed to be the same as that approved for 2014/15.

6.0 Diversity Implications

- 6.1 The Leaders' Committee of London Councils does not set out any specific equality implications arising from the recommendations. However, it should be noted that the overall level of expenditure of £10.5 million for the London Councils Grants Scheme in 2015/16 (inclusive of the sum of £2.5 million funding from the European Social Fund programme) will be slightly higher than as for the current 2014/15 financial year. (The additional funding is

taken from the European Social Fund and reserves, rather than from an increased allocation by each borough).

- 6.2 The Leaders' Committee decided in 2013/2014 to agree proposals for a refocused Grants Programme operating with a reduced budget. The Chief Executive's Circular November 2012 stated that the Leader's Committee had regard to the duties set out in the Equality Act 2010 and in particular the public sector equalities duty when making its decision regarding the establishment of the present scheme which the proposed budget for the London Councils Grants Scheme 2015/15 seeks to continue.
- 6.3 Officers have reviewed the recommendations for 2015/16 noting that they do not seek to reduce funding to existing projects. Officers have not identified any equality implications in addition to those already identified and responded to in the design of the present grants programme. It should be noted that it is difficult to assess impact of the grants programme for groups with protected characteristics in Brent as there is a lack of detailed equalities information about Brent's residents benefitting. Officers will monitor any impact through complaints and/or correspondence received.

Background Papers

- London Councils Chief Executives' Circular December 2014
- London Councils Leader's Committee December 2014
http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5808
- London Councils Grants Committee November 2014
http://www.londoncouncils.gov.uk/committees/meetings.htm?pk_meeting=1223&comid=3
- Brent Council, Budget 2015/16 and 2016/17 Cabinet Report December 2014
<http://democracy.brent.gov.uk/documents/b8067/Budget%20report%20and%20appendices%20Monday%2015-Dec-2014%2019.00%20Cabinet.pdf?T=9>

Background to present grant scheme priorities and approach

- London Councils Leader's Committee November 2013
http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5465
- London Councils Grants Committee November 2013
http://www.londoncouncils.gov.uk/committees/meetings.htm?pk_meeting=1153&comid=3
- London Councils Chief Executives Circular November 2012
<http://www.londoncouncils.gov.uk/aboutus/corporatepublications/ceocirculars/1211grants.htm>
- London Councils Leader's Committee November 2012
http://www.londoncouncils.gov.uk/committees/meetings.htm?pk_meeting=936&comid=2
- London Councils Grants Committee November 2012
http://www.londoncouncils.gov.uk/committees/meetings.htm?pk_meeting=974&comid=3

Appendices

- Appendix 1: Proposed London Councils Grant Scheme Budget 2015/2016
- Appendix 2: Proposed London Borough Contributions to London Councils Grant Scheme 2015/2016
- Appendix 3: London Councils' Chief Executives' Circular December 2014
- Appendix 4: Report to the Leaders' Committee dated 9th December 2014 in respect of the London Councils Grant Scheme Budget Proposals 2015/16

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