

## Chief Executives' Circular

<b>To:</b>	Borough Chief Executives	<b>Cc:</b>	Borough Treasurers
<b>Date:</b>	17 December 2010	<b>Ref. no:</b>	24/10
<b>Contact:</b>		<b>Telephone:</b>	020 7934 9700
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## London Boroughs Grants Scheme 2011/12 expenditure

### Summary:

This circular informs borough Chief Executives of the recommended level of the London Councils Grants Committee budget for 2011/12, and seeks a formal response to that recommendation **ideally by Friday 21 January 2011, but no later than 31 January 2011.**

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### Background

The London Councils Grants Committee considered proposals for expenditure in 2011/12 at its meeting on 25 November 2010. The Leaders' Committee concurred with the Grants Committee's recommendations on 14 December.

The following recommendation is now made to constituent councils.

Overall level of expenditure of £17,691,000 comprising:

Grants - £16,793,000

Administrative Expenditure - £838,000

London Funders Membership Fees - £60,000

Income would comprise:

European Social Fund grant - £2,070,000

Interest and balances - £2,380,000

Borough contributions - £13,241,000

This circular sets out in detail the requirements in respect of approving the Grants Scheme budget for 2011/12. It is issued alongside a further circular which sets out the overall London Councils Borough subscriptions and charges for 2011/12 – in which the Grants Scheme expenditure is summarised.

The context in which this recommendation is made is set out in the reports to Grants Committee on 25 November 2010 and to the Leaders' Committee on 14 December 2010, concerning The Review of the Future Role and Scope of the Grants Scheme, and consequent Budget Proposals for 2011/12. The overall level of borough contributions to the Scheme that is recommended for 2011/12 represents a 49.7% reduction compared with the current year. An outline of the budget, which was presented as Appendix 1 to the reports, is attached.

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 2011/12 the apportionment is based on the ONS mid-year estimates for 2009 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 2011/12 is shown in the total column for the year 2011/12 of the attached schedule, which was presented as Appendix 2 to the Committee reports.

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 2011. If it is not, the overall level of expenditure will be deemed to be the same as that approved for 2010/11 (i.e. £30,116,000). I would therefore be grateful if you would advise me of your authority's formal response to the recommendation as soon as possible; ideally by Friday 21 January 2011 (as required under section 7.5 of the Grants Scheme), but no later than 31 January 2011. If you are unable to meet the 21 January deadline, please let me know.

### **Equalities Impact**

When your borough is deciding on whether or not to agree to the Leaders' Committee's recommendation, which will impact on your own level of contribution to the Scheme, you will need to have regard to your equalities duties.

London Councils has produced papers concerning potential Equalities Impacts of changes to the Role and Scope of the Grants Scheme which are attached (and which formed Appendix 12 to the report on the Review considered by Leaders' Committee). In addition to this, boroughs will also need to have regard to the equalities impacts of plans they may have for continued funding for similar activities outside of the Scheme.

As many boroughs may not as yet have developed these future funding plans, it may not be possible to determine what the impact on particular equalities strands will be. If this is the case in your borough, in assessing the equalities impacts you will need to

assume that the "worst case" scenario will happen i.e. that the funding will not continue in any other form.

**Conclusion**

I look forward to your responses, ideally by **Friday 21<sup>st</sup> January 2011** and no later than **31<sup>st</sup> January 2011**.

Thank you

John O'Brien  
**Chief Executive**