

Chief Executives' Circular

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|-----------------|-----------------------------------|---------------------------|---|
| To: | Borough Chief Executives | Cc: | Borough Treasurers Nick Lester Frank Smith Mark Brangwyn Katy Makepeace- Gray |
| Date: | 16 November 2012 | Ref. no: | 04/12 |
| Contact: | | Telephone: | 020 7934 9700 |
| Email: | Frank.smith@londoncouncils.gov.uk | Response Date: | 18 January 2013 |

London Councils Grants Scheme 2013/14 expenditure

Summary:

This circular informs Chief Executives of the recommended level of the London Borough Grants Scheme budget for 2013/14, and seeks a formal response to that recommendation, **ideally by Friday 18 January 2013, but no later than Thursday 31 January 2013.**

Please provide written 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 2013/14 at its meeting on 5 November 2012. The Leaders' Committee agreed to recommend a budget for the Grants Scheme at its meeting on 13 November and the recommendation now made to constituent councils is set out below.

Overall level of expenditure of £10 million in 2013/14 (inclusive of £2 million gross ESF programme – 50% funded by boroughs and 50% by ESF grant) comprising:

Grants - £9.48 million including £7.6 million and £1.88 million for ESF grants (inc borough subscriptions to London Funders of £60,000)

Administrative Expenditure - £520,000

Income would comprise:

European Social Fund grant - £1 million

Borough contributions - £9 million

The draft budget makes provision for a Grants Programme in 2013/14 for a new set of commissions that accord with the new principles and priorities of the Grants Scheme, as agreed, following extensive consultation earlier in 2012. The commissions to be awarded to deliver the principles and priorities of the London Councils Grants Programme will be considered by the Grants Committee at its meeting to be held on 20 February 2013. This will follow assessment by officers and include an analysis of equalities impacts of the proposed services. The Grants Committee will make its decisions in awarding commissions based on the available budget for 2013/14 and to provide a programme that provides services that meet the principles and priorities having "due regard" to relevant equalities considerations.

The context in which this recommendation is made is set out in reports to Grants Committee on 5 November 2012 and to the Leaders' Committee on 13 November 2012. Taking account of the application of £1 million ESF grant, the net borough contributions for 2013/14 of £9 million will represent a reduction of £2.5 million or 21.7% on the 2012/13 subscription of £11.5 million. Since 2010/11, borough contributions towards the Grants Programme have reduced from £24.9million to £9million, a reduction of £15.9million, or 64%.

The proposed revenue income and expenditure budget for 2013/14 is attached.

Contributions for 2013/14 have been calculated using the 2011 Census data, adjusted by the ONS to provide the mid-year estimates for June 2011. Contributions are, under Regulation 6(8) of the Levying Bodies (General) Regulations 1992, to be proportionate to constituent councils' populations. For 2013/14 the apportionment is based on the ONS mid-year estimates for 2011 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."

Approval

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. The total contribution required from each constituent council for 2013/14 is attached.

In the event that constituent councils are unable to reach agreement by the two-thirds majority required on the overall level of expenditure before 1 February 2013, the Secretary of State for Communities and Local Government has powers to intervene and set the budget at the same level as the preceding year i.e. £12.5 million). Section 105 of the Local Government Act 1992 and section 48 (4A) of the Local Government Act 1985 apply.

Section 48(3) of the Local Government Act 1985 requires that at least two-thirds of the boroughs must approve the budget and the budget must be agreed by two-thirds of constituent councils before 1 February 2013. 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 18 January 2013 (as required under section 7.5 of the Grants Scheme), but no later than 31 January 2013. If you are unable to meet the 18 January deadline, please let me know.

Once 22 councils have given their approval the overall level of expenditure and contributions to it are binding on all constituent councils.

Equalities Effects

In reaching its decision, Leaders' Committee had regard to the duties of the Equality Act 2010 and in particular the Public Sector Equalities Duty (the PSED).

In summary, the analysis of the equalities identified that a refocusing of the future Grants Programme to reflect the reduced resources available in the context of the significant spending constraints facing local authorities, will have an impact on protected groups. The decisions which have already been taken to agree the principles and priorities of the new Grants Programme, and to agree the service specifications and strands to deliver these outcomes, have been taken with the intention of applying scarce resources to seek, where possible, to mitigate any adverse equality impacts arising from a refocused Grants Programme operating with a reduced budget.

Conclusion

I look forward to your responses, ideally by **Friday 18 January 2013** and no later than **Thursday 31 January 2013**.

Thank you

Yours sincerely

A handwritten signature in black ink that reads "John O'Brien".

John O'Brien
Chief Executive

Grants Committee Income and Expenditure Budget 2013/14

| Expenditure | Revised Budget 2012/13 £000 | Developments £000 | Inflation £000 | Original Budget 2013/14 £000 |
|--|-----------------------------------|----------------------|-------------------|------------------------------------|
| Payments in respect of Grants | | | | |
| London Councils Grants Programme | 9,940 | -2,400 | 0 | 7,540 |
| Membership Fees to London Funders (for all boroughs) | 60 | 0 | 0 | 60 |
| European Social Fund Co-Financing | 1,905 | -25 | 0 | 1,880 |
| Sub-Total | 11,905 | -2,425 | 0 | 9,480 |
| Operating (Non-Grants) Expenditure | | | | |
| Contractual Commitments | | | | |
| External audit fees | 16 | -12 | 0 | 4 |
| CoL Finance/ Payroll/ Legal SLA | 18 | 1 | 0 | 19 |
| GLE ESF Management Fee | 59 | -59 | 0 | 0 |
| Maintenance of GIFTS Grants IT system | 10 | 0 | 0 | 10 |
| | 103 | -70 | 0 | 33 |
| Salary Commitments | | | | |
| Officers | 330 | 2 | 0 | 332 |
| Members | 19 | 0 | 0 | 19 |
| | 349 | 2 | 0 | 351 |
| Discretionary Expenditure | | | | |
| Staff training/recruitment advertising | 6 | 0 | 0 | 6 |
| Staff travel | 2 | 0 | 0 | 2 |
| Supplies and service | 19 | -2 | 0 | 17 |
| Research | 12 | -2 | 0 | 10 |
| | 39 | -4 | 0 | 35 |
| Total Operating Expenditure | 491 | -72 | 0 | 419 |
| Central Recharges | 104 | -3 | 0 | 101 |
| Total Expenditure | 12,500 | -2,500 | 0 | 10,000 |
| Income | | | | |
| Core borough subscriptions | | | | |
| Contribution to grant payments | 11,000 | -2,400 | 0 | 8,600 |
| Contribution to non-grants expenditure | 500 | -100 | 0 | 400 |
| | 11,500 | -2,500 | 0 | 9,000 |
| Other Income | | | | |
| ESF Income | 1,000 | 0 | 0 | 1,000 |
| | 1,000 | 0 | 0 | 1,000 |
| Transfer from Reserves | 0 | 0 | 0 | 0 |
| Central Recharges | 0 | 0 | 0 | 0 |
| Total Income | 12,500 | -2,500 | 0 | 10,000 |
| Net Expenditure | 0 | 0 | 0 | 0 |

Borough Subscriptions 2013/14

| ONS Mid-2010 Estimate of Population ('000) | % | 2012/13 Borough Contribution (£) | | ONS Mid-2011 Estimate of Population ('000) | % | 2013/14 Borough Contribution (£) | Difference from 2012/13 (£) |
|--|----------------|----------------------------------|------------------------|--|----------------|----------------------------------|-----------------------------|
| Inner London | | | | | | | |
| 235.4 | 3.01% | 345,942 | Camden | 220.1 | 2.68% | 241,452 | -104,490 |
| 11.7 | 0.15% | 17,194 | City of London | 7.4 | 0.09% | 8,118 | -9,076 |
| 228.5 | 2.92% | 335,802 | Greenwich | 255.5 | 3.11% | 280,287 | -55,515 |
| 219.2 | 2.80% | 322,135 | Hackney | 247.2 | 3.01% | 271,181 | -50,953 |
| 169.7 | 2.17% | 249,390 | Hammersmith and Fulham | 182.4 | 2.22% | 200,095 | -49,295 |
| 194.1 | 2.48% | 285,248 | Islington | 206.3 | 2.51% | 226,314 | -58,934 |
| 169.5 | 2.17% | 249,096 | Kensington and Chelsea | 158.3 | 1.93% | 173,657 | -75,439 |
| 284.5 | 3.64% | 418,099 | Lambeth | 304.5 | 3.71% | 334,040 | -84,059 |
| 266.5 | 3.41% | 391,646 | Lewisham | 276.9 | 3.38% | 303,763 | -87,884 |
| 287.0 | 3.67% | 421,773 | Southwark | 288.7 | 3.52% | 316,707 | -105,065 |
| 237.9 | 3.04% | 349,616 | Tower Hamlets | 256.0 | 3.12% | 280,835 | -68,781 |
| 289.6 | 3.70% | 425,594 | Wandsworth | 307.7 | 3.75% | 337,551 | -88,043 |
| 253.1 | 3.23% | 371,954 | Westminster | 219.6 | 2.68% | 240,904 | -131,050 |
| 2,846.7 | 36.38% | 4,183,488 | | 2,930.6 | 35.72% | 3,214,905 | -968,583 |
| Outer London | | | | | | | |
| 179.7 | 2.30% | 264,086 | Barking and Dagenham | 187.0 | 2.28% | 205,141 | -58,944 |
| 348.2 | 4.45% | 511,712 | Barnet | 357.5 | 4.36% | 392,182 | -119,530 |
| 228.0 | 2.91% | 335,067 | Bexley | 232.8 | 2.84% | 255,385 | -79,683 |
| 256.6 | 3.28% | 377,097 | Brent | 312.2 | 3.81% | 342,487 | -34,610 |
| 312.4 | 3.99% | 459,101 | Bromley | 310.6 | 3.79% | 340,732 | -118,369 |
| 345.6 | 4.42% | 507,891 | Croydon | 364.8 | 4.45% | 400,190 | -107,701 |
| 318.5 | 4.07% | 468,065 | Ealing | 339.3 | 4.14% | 372,216 | -95,849 |
| 294.9 | 3.77% | 433,383 | Enfield | 313.9 | 3.83% | 344,352 | -89,031 |
| 225.0 | 2.88% | 330,658 | Haringey | 255.5 | 3.11% | 280,287 | -50,372 |
| 230.1 | 2.94% | 338,153 | Harrow | 240.5 | 2.93% | 263,831 | -74,322 |
| 236.1 | 3.02% | 346,971 | Havering | 237.9 | 2.90% | 260,979 | -85,991 |
| 266.1 | 3.40% | 391,058 | Hillingdon | 275.5 | 3.36% | 302,227 | -88,832 |
| 236.8 | 3.03% | 347,999 | Hounslow | 254.9 | 3.11% | 279,628 | -68,371 |
| 169.0 | 2.16% | 248,361 | Kingston upon Thames | 160.4 | 1.96% | 175,961 | -72,400 |
| 208.8 | 2.67% | 306,851 | Merton | 200.5 | 2.44% | 219,951 | -86,900 |
| 240.1 | 3.07% | 352,849 | Newham | 310.5 | 3.78% | 340,622 | -12,227 |
| 270.5 | 3.46% | 397,525 | Redbridge | 281.4 | 3.43% | 308,699 | -88,825 |
| 190.9 | 2.44% | 280,545 | Richmond upon Thames | 187.5 | 2.29% | 205,690 | -74,855 |
| 194.2 | 2.48% | 285,395 | Sutton | 191.1 | 2.33% | 209,639 | -75,756 |
| 227.1 | 2.90% | 333,744 | Waltham Forest | 259.7 | 3.17% | 284,894 | -48,850 |
| 4,978.6 | 63.62% | 7,316,512 | | 5,273.5 | 64.28% | 5,785,095 | -1,531,417 |
| 7,825.3 | 100.00% | 11,500,000 | Totals | 8,204.1 | 100.00% | 9,000,000 | -2,500,000 |

11,500,000

9,000,000

