

<b>MAYOR AND CABINET</b>			
<b>Report Title</b>	LONDON BOROUGH GRANTS SCHEME - 2012/2013 EXPENDITURE		
<b>Key Decision</b>	Yes	Item No.	
<b>Ward</b>	All		
<b>Contributors</b>	EXECUTIVE DIRECTOR FOR COMMUNITY SERVICES/HEAD OF LAW, EXECUTIVE DIRECTOR FOR RESOURCES		
<b>Class</b>	Part 1	Date:	18 January 2012

## 1. Summary

The London Borough Grants Committee (LBGC) was established to provide funding for voluntary organisations offering London-wide services or operating in two or more London Boroughs. This report considers the recommendation of the Grants Committee of the London Councils on the level of expenditure for the London Boroughs Grants Scheme in 2012/13 and the proposed contribution by the London Borough of Lewisham. It also outlines the London Councils Grants consultation for 2013/15.

## 2. Purpose

To consider the recommendation of the Grants Committee of the London Councils on the level of expenditure for London Borough Grants Scheme in 2012/2013 and the proposed contribution by the London Borough of Lewisham.

## 3. Policy Context

- 3.1 The LBGC was established in 1985 to provide funding for voluntary organisations offering London-wide services or operating in two or more London Boroughs. The thirty-two London Boroughs and Corporation of London are required by statute to contribute to the funding of London Borough Grants.
- 3.2 Lewisham's contribution to the London Councils Grants Scheme funds voluntary sector activity in Lewisham that contributes towards the vision for Lewisham outlined in the Sustainable Community Strategy. London Councils Grants Scheme also supports infrastructure development of the third sector, which assists the council with delivering local public services.
- 3.3 The Council gives grant aid to a number of organisations in pursuit of the objectives of the Council's Community Strategy, specifically to "work with the voluntary and community sector to build their capacity and to facilitate their involvement in the development and delivery of local outcomes." The grant aid also assists with the objectives set out in the Council's ten corporate priorities, particularly "Community leadership and empowerment: Developing opportunities for the active participation and engagement of people in the life of the community".

#### **4. Recommendations**

The Mayor is recommended:

- 4.1 to agree the overall expenditure for the London Councils Grants Scheme in 2012/2013 of £12,500,000,
- 4.2 to agree a sum of £391,646 in respect of the London Borough of Lewisham's contribution as outlined in the London Councils' notification to Chief Executives on 16<sup>th</sup> December 2011, and
- 4.3 to note the London Councils grants consultation 2013/15 as set out in paragraph 9.

#### **5. Background**

On 17 October 1985 the London Borough Grants Scheme was set up in accordance with the requirements of Section 48 of the Local Government Act 1985. On 1 April 2000 the London Local Authorities established a joint committee under Sections 101 and 102 of the Local Government Act 1972 and resolved to delegate various functions to the Association of London Government Grants joint committee. This was then amended at the end of 2001 to take account of the new political management arrangements. The purpose of the 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 Corporation of London are required by statute to contribute to the funding of the London Boroughs Grants Scheme.

#### **6. Expenditure for 2012/2013**

- 6.1 On 13 December 2011 the London Councils Leaders' Committee agreed to recommend to constituent Council's a total expenditure of £12,500,000 for 2012/2013 comprising £11,845,000 for grant aiding, £595,000 for administrative expenditure and £60,000 for London Funders Membership fees. This would be financed by using European Social Fund grant of £1,000,000 and contributions from Boroughs of £11,500,000.
- 6.2 The 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. These 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.
- 6.3 Borough contributions are in proportion to member council's population and are calculated using the Office for Population and Census Statistics mid 2010 estimates. Although the Lewisham population has increased slightly (by 2,000) since the previous years estimate from 264,500 to 266,500 the overall population of London has increased from 7,753,200 to 7,825,300. This has led to the apportionment for Lewisham remaining at 3.41%. Lewisham's contribution in 2012/2013 will decrease by £85,519 from £477,166 to £391,646, which equates to a decrease of 17.92%.

## **7. Grants Review**

- 7.1 Every four years following London local government elections, Leaders' Committee sets new priorities for the programme of commissioning by London Councils Grants Committee. The review took place against a background of anticipated cuts in public sector spending, and in a context where constituent Councils would not be in a position to contribute to the grants budget at the same level as previously.
- 7.2 As a result of this review the London Councils Leaders' Committee agreed a budget of £17,691,000 in December 2010, which was subsequently increased to £20,767,000 after a judicial review. This allowed for those organisations that fell outside the new funding priorities to be funded up until 15<sup>th</sup> August 2011. From 2012/13 this will no longer be required and so it will be a saving on the 2012/13 budget.

## **8. Options**

- 8.1 Under Section 48 of the Local Government Act 1985 the Council is obliged to participate in the scheme as it is not possible for a single borough to unilaterally decide to pull out of the Scheme. Under statute two-thirds of the constituent boroughs must agree to set up the Scheme, two-thirds of the boroughs to agree the budget (with the Secretary of State's reserve power to set a budget as at current year level if boroughs fail to agree one by 31 January) and two-thirds to decide to end the Scheme.
- 8.2 If the Council no longer wanted to participate in the Scheme then it would also need to decide whether the Scheme should continue at all. If it felt that it should not then it would need to get formal agreement from two-thirds of the membership. If it feels that it does not want to contribute in 2012/2013 then it would need to get agreement from two-thirds of the membership by 31 January 2012.
- 8.3 The Council could decide that the level of the overall budget is not satisfactory. Again two-thirds of the membership is required to set the budget so the Council would need to get agreement from this proportion to set a budget at a level it sees fit. Given the time constraints it is unlikely that this will be done by 31 January 2012 and if no decision is made by this date then the budget level for 2012/2013 will remain the same as 2011/2012. It is recommended to agree the budget at the proposed level.

## **9. London Councils Grants consultation 2013/15**

- 9.1 London Councils have recently launched a public consultation about its future grants programme from 2013/15. There is an anticipation that the budget will further decrease from 2013/14, with an indicative figure of £8 million being included in the London Councils medium term budget proposals, although this is not a definitive amount. The outcome of the consultation exercise will be taken into account in setting the budget for 2013/14 and beyond. The timetable for the consultation process is:

- Launch of consultation - 21 December 2011
- Close of consultation - 5 p.m 23 March 2012
- Review of the initial equalities assessment – May 2012

- Recommendations to Grants Committee – May 2012 about:
  - a) Proposals for new principles and priorities in 2013/15, and
  - b) Transitional funding in 2012/13 (see paragraph 9.2 below)
- Invite proposals in summer 2012 to deliver services based on new commissions that could run for 2 years with an option to extend for a further 2 years to March 2015
- Assess proposals for services based on new service specifications (subject to agreement of resources) and recommendations to members in January 2013
- New services start on 1 April 2012 with funding agreements for financial years 2012/14 and 2014/15.

9.2 The budget being recommended for 2012/13 of £12.5million is sufficient to continue to fund each of the 105 commissions scheduled to be funded until the end of their fixed term current funding agreements in 2012/13 at a cost of £5.3million. It is also sufficient to fund approximately 80% of this current portfolio of commissions after the end of their fixed term agreements and until the end of the 2012/13 financial year.

## **10. Financial Implications**

- 10.1 This report recommends a contribution of £391,646 to the London Boroughs Grants Scheme (LBGS) for 2012/13.
- 10.2 The 2011/12 budget for LBGS is £900,850. A saving of £144,000 has already been agreed for 2012/13 and proposals will be brought to M&C in February for a further reduction to the budget in line with the reduced contribution sought.

## **11. Legal Implications**

The statutory framework for the London Councils grants scheme offering grant funding to voluntary organisations offering London-wide services or operating in two or more London Boroughs is set out at paragraph 8 of this Report. Lewisham cannot withdraw from the scheme without the formal agreement of two thirds of the constituent London Councils.

## **12. Crime and Disorder Implications**

A number of organisations that work within the crime and disorder field providing a service in Lewisham are funded by London Councils.

## **13. Equality Implications**

London Borough Grants funds an extensive number of services targeted at tackling the needs of individuals and groups excluded from mainstream economic, social and cultural opportunities. London Councils were responsible for undertaking equalities impact assessments on the decisions.

## **14. Environmental Implications**

A number of environmental organisations providing a service in Lewisham are funded by London Councils.

## **15. Conclusion**

The report outlines the background to the London Borough Grants Scheme, and details Lewisham groups funded in the current financial year and proposes that the Council approve the recommended budget as set out in the London Councils' notification to Chief Executives for the reasons outlined in paragraph 8 above.

### **BACKGROUND PAPERS**

None

If you would like more information on this report please contact Sandra Jones of Community Services Directorate's Community Sector Unit on 0208 314 6579.

## Borough Contributions 2012/13

## Appendix 1

ONS Mid-2009 Estimate of Population ('000)	%	2011/12 Borough Contribution (£)	Inner London	ONS Mid-2010 Estimate of Population ('000)	%	2012/13 Borough Contribution (£)	Difference from 2011/12 (£)
231.2	2.98%	417,092	Camden	235.4	3.01%	345,942	-71,150
11.5	0.15%	20,746	City of London	11.7	0.15%	17,194	-3,552
226.1	2.92%	407,891	Greenwich	228.5	2.92%	335,802	-72,089
216.0	2.79%	389,670	Hackney	219.2	2.80%	322,135	-67,536
169.7	2.19%	306,144	Hammersmith and Fulham	169.7	2.17%	249,390	-56,754
191.8	2.47%	346,013	Islington	194.1	2.48%	285,248	-60,765
169.9	2.19%	306,505	Kensington and Chelsea	169.5	2.17%	249,096	-57,409
283.3	3.65%	511,082	Lambeth	284.5	3.64%	418,099	-92,983
264.5	3.41%	477,166	Lewisham	266.5	3.41%	391,646	-85,519
285.6	3.68%	515,231	Southwark	287.0	3.67%	421,773	-93,458
234.8	3.03%	423,586	Tower Hamlets	237.9	3.04%	349,616	-73,970
286.6	3.70%	517,035	Wandsworth	289.6	3.70%	425,594	-91,441
249.4	3.22%	449,925	Westminster	253.1	3.23%	371,954	-77,971
<b>2,820.4</b>	<b>36.38%</b>	<b>5,088,084</b>		<b>2,846.7</b>	<b>36.38%</b>	<b>4,183,488</b>	<b>-904,596</b>
			<b>Outer London</b>				
175.6	2.26%	316,788	Barking and Dagenham	179.7	2.30%	264,086	-52,702
343.1	4.43%	618,962	Barnet	348.2	4.45%	511,712	-107,250
225.9	2.91%	407,530	Bexley	228.0	2.91%	335,067	-72,463
255.5	3.30%	460,929	Brent	256.6	3.28%	377,097	-83,832
310.2	4.00%	559,610	Bromley	312.4	3.99%	459,101	-100,509
342.8	4.42%	618,421	Croydon	345.6	4.42%	507,891	-110,530
316.6	4.08%	571,156	Ealing	318.5	4.07%	468,065	-103,091
291.2	3.76%	525,333	Enfield	294.9	3.77%	433,383	-91,951
225.5	2.91%	406,809	Haringey	225.0	2.88%	330,658	-76,150
228.1	2.94%	411,499	Harrow	230.1	2.94%	338,153	-73,346
234.1	3.02%	422,323	Havering	236.1	3.02%	346,971	-75,353
262.5	3.39%	473,558	Hillingdon	266.1	3.40%	391,058	-82,499
234.2	3.02%	422,504	Hounslow	236.8	3.03%	347,999	-74,504
166.7	2.15%	300,732	Kingston upon Thames	169.0	2.16%	248,361	-52,371
206.4	2.66%	372,352	Merton	208.8	2.67%	306,851	-65,501
241.2	3.11%	435,132	Newham	240.1	3.07%	352,849	-82,283
267.7	3.45%	482,939	Redbridge	270.5	3.46%	397,525	-85,414
189.0	2.44%	340,962	Richmond upon Thames	190.9	2.44%	280,545	-60,416
192.2	2.48%	346,734	Sutton	194.2	2.48%	285,395	-61,340
224.3	2.89%	404,644	Waltham Forest	227.1	2.90%	333,744	-70,899
<b>4,932.8</b>	<b>63.62%</b>	<b>8,898,916</b>		<b>4,978.6</b>	<b>63.62%</b>	<b>7,316,512</b>	<b>-1,582,404</b>
<b>7,753.2</b>	<b>100.00%</b>	<b>13,987,000</b>	<b>Totals</b>	<b>7,825.3</b>	<b>100.00%</b>	<b>11,500,000</b>	<b>-2,487,000</b>