

Committee: Policy and Resources	Date: 19 January 2017
Subject: London Councils Grants Scheme	Public
Report of: Town Clerk	For Decision
Report Author: Angela Roach, Principal Committee and Members Services Manager	

Summary

1. The total expenditure to be incurred under the London Councils Grants Scheme (“the Scheme”) and the City of London Corporation’s contribution to it are considered on an annual basis. This Committee is responsible for both approvals.
2. The City Corporation is also responsible for issuing the subscription levies to all the London Local Authorities for their contributions to the Scheme’s budget. This element of the Scheme’s operation can only be approved by the Court of Common Council and that decision cannot be taken before 1 February 2017, the date by which the total expenditure for the Scheme must be agreed by constituent councils. The Court is therefore required to make its decision as levying body early in February as, in accordance with regulations, levies must be issued before 15 February 2017. The Court of Common Council is not due to meet within this period and therefore its decision will need to be sought under urgency procedures.
3. For 2017/18 London Councils is recommending that the overall level of expenditure under the Scheme is set at £8.668m, a reduction on last year’s budget of £1.332m. The proposed expenditure is made up of £7.668m in contributions from London local authorities (the amount to be levied) and £1m of European Social Fund (ESF) grant. London Councils is also proposing to transfer £231,000 from London Councils Grants Committee’s (which is responsible for the Scheme) reserves.
4. Subscriptions to the Scheme are calculated on the basis of residential population and for 2017/18 the City Corporation’s contribution will be £7,744, £762 less than last year.

Recommendations

5. It is recommended that:-
 - approval is given to the total amount of expenditure to be incurred in 2017/18 under the Scheme (£8.668m) and to the City Corporation’s subscription for 2017/18 (£7,744) as set out in Appendices A and B of this report; and

- subject to the Court of Common Council's approval (as levying body for the Scheme), the levy of £7,668,152 (as set out in Appendix B) be agreed. It should be noted that the Court's approval will be sought using the urgency procedures and is subject to at least two-thirds of the constituent councils agreeing the total expenditure to be incurred before 1 February 2017.

Main Report

Background

City Corporation Subscription and Overall Budget

1. The Scheme operates under section 48 of the Local Government Act 1985 ("the LGA 1985") which requires that at least two-thirds of the constituent councils (i.e. 22 out of 33 of the London local authorities) must approve the total expenditure to be incurred under the Scheme each year.
2. This approval must be given before the **1 February** in the year in which that financial year begins. Where this approval is not given by that date, under the Grants to Voluntary Organisations (Specified Date) Order 1992 made under the LGA 1985, the total expenditure will be deemed to be the same as that approved in the previous year i.e. £10.486m.
3. The Leaders Committee of London Councils is recommending a total expenditure of £8.668m under the Scheme for 2017/18 comprising £8.053m in grants expenditure, £555,000 in administrative expenditure and £60,000 for London Funders Membership Fees. Of the total expenditure, £7.668m will be funded from local authority subscriptions and £1m from an ESF grant.
4. For 2017/18 only, London Councils is also proposing to repay £156,000 from the Scheme's uncommitted reserves to the constituent councils. £56,852 of which will be returned to 12 London boroughs in the form of a direct repayment. The balance, £99,148, will be transferred to Leaders' Committee managing a new borough ESF programme which the remaining 21 local authorities have each agreed to participate in. A further £75,000 from London Councils Grants Committee's uncommitted reserves will be applied to fund a post to work with the City Bridge Trust to provide support to the third sector to support the transition to the new London Councils grants programmes which do not include a theme for funding the third sector. In total, London Councils is therefore proposing to transfer £231,000 from London Councils Grants Committee's reserves.
5. Local Authority subscriptions to the Scheme are calculated on the basis of total resident population as a proportion of the resident population of the whole of Greater London.
6. Appendix A to this report sets out details of London Councils' Grants Committee's Income and Expenditure Budget for 2017/18, and Appendix B sets out the subscriptions that each constituent council will be required to make. The

City Corporation's subscription for 2017/18 is £7,744 (a decrease of £762 over the preceding year).

Equalities Impacts arising from the City Corporation's Subscription

7. Under the Equality Act 2010, the City Corporation must have due regard to:
 - (a) the need to eliminate discrimination (and other prohibited conduct) on the grounds of race, age, disability, gender, sexual orientation, religion or belief, pregnancy, maternity and gender reassignment ('the protected characteristics');
 - (b) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (including to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic, to take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it, and to encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low); and
 - (c) the need to foster good relations between persons who share a relevant protected characteristic and those who do not.
8. Having 'due regard' means that a public body must consider the impact of its decisions on protected groups and 'due regard' is regard which is appropriate in all the circumstances.
9. The Assistant Director of Community and Children's Services has considered whether there may be any adverse effects arising from the decision of the City Corporation to contribute to the Scheme as proposed and to agree the overall expenditure to be incurred under the Scheme in 2017/18. The view remains that the City Corporation's funding contribution to the Scheme is proportionally so small that it is unlikely to have any effect on a recipient organisation's ability to continue trading and will not impact upon the City Corporation's funding and support of local services. City Officers continue to work with partner boroughs and London Councils to monitor the impacts of the overall Scheme and to scrutinise its value for money.

Levy on the London Local Authorities

10. The City of London Corporation has been the designated council responsible for issuing the levies to all the constituent councils for their contributions to the Scheme since 1 February 2004. The City Corporation is defined, for these purposes, as a levying body under sections 74 and 117 of the Local Government Finance Act 1988 and the Levying Bodies (General) Regulations 1992.

11. These Regulations require the City Corporation, as levying body, to issue the levies **before the 15 February of each year**. As such, the Court of Common Council is required to approve the annual levy on all the constituent councils (i.e. both the total contributions from them and the apportionment of that total between them) so that contributions can be collected from these local authorities towards the total expenditure on the Scheme.
12. The decision of the Court of Common Council as levying body cannot be taken until such time as the total expenditure under the Scheme is agreed i.e. the decision cannot be taken before 1 February. The Court is therefore required to take its decision as levying body between 1 and 15 February to enable the levies to be issued before 15 February (for the reasons noted at paragraph 10 above). As the Court of Common Council is not due to meet within that period, the decision to issue the levy will therefore be sought under the urgency procedures.

Background Papers:
London Councils Leaders' Committee Report dated 6 December 2016.

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