

City of London Corporation Committee Report

Committee(s): Policy & Resources Committee	Dated: 29 January 2026
Subject: London Councils Grants Scheme	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Deputy Town Clerk
Report author:	Molly Carvill

Summary

The London Councils Grants Scheme ("the Scheme") provides funding for serious issues facing the capital, such as homelessness and domestic and sexual violence. The total expenditure to be incurred under the Local Councils Grants Scheme and the City of London Corporation's contribution to it are considered on an annual basis. The Policy and Resources Committee is responsible for both approvals.

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; however, that decision cannot be taken before 1 February 2026, 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 2026. The Court of Common Council is not due to meet within this period and as has been past practice, its decision will be sought under urgency procedures.

For 2026/27 London Councils is recommending that the overall level of expenditure under the Scheme is set at £6.734m. The proposed expenditure is made up of £6.724m (an increase of £13,000 from the previous year) in contributions from London local authorities (the amount to be levied), and investment income of £10,000.

Subscriptions to the Scheme are calculated on the basis of residential population and for 2026/27 the City Corporation's contribution will be £11,177; an increase of £1,079 from the previous year.

Recommendation(s)

It is recommended that: -

- approval is given to the total amount of expenditure to be incurred in 2026/27 under the Scheme (£6.734m) and to the City Corporation's subscription for 2026/27 (£11,177) 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 £6.734m (as set out in Appendix B) be agreed. It should be noted that the Court's approval will be sought using urgency procedures and is subject to at least two-thirds of the constituent councils agreeing the total expenditure to be incurred before 1 February 2026.

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 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.
3. The Leaders Committee of London Councils is recommending a total expenditure of £6.734m under the Scheme for 2026/27. Appendix A to this report sets out details of London Councils' Grants Committee's Income and Expenditure Budget for 2026/27, and Appendix B sets out the subscriptions that each constituent council will be required to make. The City Corporation's subscription for 2026/27 is £11,177 (an increase of £1,079 from the preceding year).
4. The financial year 2026/27 represents the first year of the four-year programme of commissions provided by the Grants Committee under S.48 of the Local Government Act 1985, as recommended by the Grants Committee and approved by the Leaders' Committee in December 2024.
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.

Equalities Impacts arising from the City Corporation's Subscription

6. 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.

7. 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. Officers consider the contribution to have no adverse impact on the City Corporation's ability to meet its duties; the scheme itself positively targets areas and needs which address disadvantages in which those with protected characteristics are over-represented.

Levy on the London Local Authorities

8. 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.
9. These Regulations require the City Corporation, as levying body, to issue the levies before 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.
10. 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 9 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 urgency procedures.

Appendices

Appendix A – provides details of London Councils' Grants Committee's Income and Expenditure Budget for 2026/27

Appendix B - sets out the subscriptions that each constituent council will be required to make.

Background Papers

London Councils Leaders' Committee Report dated 7 December 2021.

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