

	London Borough of Hammersmith & Fulham CABINET 14 January 2013
TITLE OF REPORT: LONDON BOROUGH'S GRANTS SCHEME BUDGET 2013-14	
Report of the Leader of the Council, Councillor Nicholas Botterill	
Open Report	
For Decision: Yes Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Andrew Webster, Executive Director Tri Borough Adult Social Care	
Report Author: Sue Spiller, Head of Community Investment	Contact Details: Tel: 020 8753 2483 E-mail: sue.spiller@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The London Councils Grants Committee, on which LBHF is represented, met on 13 November 2012 and agreed the budget for the London Borough's Grants Scheme for 2013-14. This scheme funds a range of services across London boroughs (including Hammersmith & Fulham), which is administrated and monitored by London Councils. The LBHF contribution will be £200,095.
- 1.2 A formal decision is required because London Councils need a two thirds majority approval from the boroughs, otherwise legal provisions come into effect that would force it to set the budget at 2012-13 levels. This would have the highly undesirable effect of increasing LBHF's contribution to £249,390.
- 1.3 London Councils notified LBHF of its contribution for 2013-14 on 16 November, with a request for formal approval by 18 January 2013.

2. RECOMMENDATIONS

- 2.1. That the London Boroughs Grants Scheme budget for 2013-14 be approved.

- 2.2. That approval be given to the LBHF contribution of £200,095, to be paid in 2013-14.

3. REASONS FOR DECISION

- 3.1 A formal decision is required because London Councils need a two thirds majority approval from the boroughs, otherwise legal provisions come into effect that would force it to set the budget at 2012-13 levels. This would have the highly undesirable effect of increasing LBHF's contribution to £249,390.

4. INTRODUCTION AND BACKGROUND

- 4.1. LBHF is a member of London Councils, which involves making a contribution to the London Boroughs Grants Scheme. The London Councils Grants Committee met in November 2012 and reached agreement about the budget for 2013-14. London Councils have now written to LBHF (see Appendix 1) to inform us that our contribution to the scheme for 2013-14 will be £200,095. They have requested that LBHF formally approve the proposed Grants Scheme budget and LBHF's funding contribution to it.
- 4.2. A formal decision is required because London Councils need a two thirds majority approval from the boroughs, otherwise legal provisions come into effect that would force it to set the budget at 2012-13 levels. This would have the highly undesirable effect of increasing LBHF's contribution to £249,390.
- 4.3. The budget for the LBGS contribution is within the Community Investment Team budget (currently part of Adult Social Care department). A previous MTFs proposal anticipated a greater reduction in LBHF's contribution to the scheme. However, ASC have identified funding to meet this expenditure for 2013-14.

5. PROPOSAL AND ISSUES

- 5.1. It is proposed to contribute £200,095 to the scheme, which offers a £49,295 reduction from the 2012-13 level.
- 5.2. For information, Tri-Borough contributions to the scheme are as follows

Year	LBHF	RBKC	WCC
10-11	£595,032	£623,021	£815,491
11-12	£306,144	£306,505	£449,925
12-13	£249,390	£249,096	£371,954
13-14	£200,095	£173,657	£240,904

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1 Individual Councils do not have the authority to determine the level of contribution they will make to the scheme. 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.
- 6.2 Calculation of borough contributions is on a "per head of population" basis, as required by the governing statute (LGA 1985, S48). London Councils is required to use the population figures as determined by the Secretary of State, which in effect means the latest mid-year estimates of population. The calculation is then relatively straightforward with the Hammersmith & Fulham population representing 2.28% of the whole of London, so therefore the LBHF contribution is 2.28% of the total figure required from London local authorities.
- 6.3 The budget for LBGS has to be agreed by two thirds of London Councils. If this agreement is not reached by the end of January 2013, under the legislation governing the scheme the overall level of expenditure will be deemed to be the same as that approved for the previous year to be introduced.
- 6.4 An overall level of expenditure of £10 million for the Grants Scheme in 2013/14 compares to a total expenditure of £12.5 million for 2012/13. This sum is sufficient to continue to fund the commissioned services up to the end of their fixed term current funding agreements.

7. EQUALITY IMPLICATIONS

- 7.1 An equalities impact assessment has been carried out and is available electronically. In arriving at the proposed budget, London Councils have taken equalities implications into account. For the purposes of this report, LBHF is relying upon the process undertaken by London Councils.

8. LEGAL IMPLICATIONS

- 8.1 The Council is bound by a legal agreement entered into by the constituent Councils of the London Councils which governs its activities including the London Borough's Grant's Scheme.
- 8.2 Section 48(3) of the Local Government Act 1985 requires that at least two-thirds of the member authorities approve the budget by 1 February 2013. In the event the Council's are unable to reach agreement the Secretary of

State for Communities and Local Government has power to intervene and set the budget at the same level as the preceding year.

8.3 Implications verified/completed by: Janette Mullins, Head of Litigation.

9. FINANCIAL AND RESOURCES IMPLICATIONS

9.1 The proposed 2013/14 LBHF contribution of £200,095 can be met from the Community Investment revenue budget of £95,000 and £105,095 from funds set aside in an earmarked reserve.

9.2 Delivering savings on the London Boroughs Grants Scheme needs to be achieved by London Councils, and the proposed reduction of £49,295 from the 2012/13 contribution is built into the MTFS savings programme.

9.3 As part of the funding is non-recurring in 2013/14, the Council will need to encourage London Councils to make further expenditure reductions when it sets its budget for 2014/15, and the risk they are not able to deliver the savings across the scheme will be managed as part of the MTFS process.

9.4 Implications verified/completed by: Prakash Daryanani, Head of Finance (Community Services), extension no. 2523.

10. RISK MANAGEMENT

10.1. The London Borough Grants Scheme is not listed on the council's risk register.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

11.1. There are no procurement and IT Strategy implications for LBHF in relation to this report or the London Borough's Grants scheme.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	London Councils Chief Executives Circular: London Councils Grants Scheme 2013/14 expenditure	Sue Spiller ext 2483	Adult Social Care 77 Glenthorne Road

LIST OF APPENDICES:

Appendix 1: London Councils Chief Executives Circular (16 November 2012): London Councils Grants Scheme 2013/14 expenditure.