



London Borough of Hammersmith & Fulham

CABINET

4 MARCH 2013

SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2013/14

Report of the Leader of the Council – Councillor Nicholas Botterill

Open Report

Classification - For Decision

Key Decision: Yes

Wards Affected: All

Accountable Executive Director: Jane West - Executive Director of Finance and Corporate Governance)

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1. EXECUTIVE SUMMARY

- 1.1. The Council is free to withdraw from the LGA and London Councils membership in April 2013 as notice has been give to do so as agreed by Leader on 23rd of February 2012 and reported to Cabinet on 23rd of April 2012. This report recommends that the Council should not withdraw its membership from either organisation as the savings to be made by doing this are outweighed by the benefits of membership. This report further recommends that the decision to put the LGA and London Councils on notice of withdrawal is rescinded.
- 1.2. The base subscription to London Councils for 2013/14 is £172,427 a reduction of £3,318 (1.4%). In 2013/14 there will be a one off reduction to this subscription of £25,000 funded from the London Councils accumulated Joint Committee reserve giving a total cost of £147,427.
- 1.3. The subscription to the Local Government Association for 2013/14 is £26,577 a reduction of £700 (2.6%). This fee can be discounted by 5% through prompt payment (2.5%) and withdrawing the notice of withdrawal (2.5%) giving a potential reduction of £1,329.

2. RECOMMENDATIONS

- 2.1. That the notice of potential withdrawal from London Councils and the Local Government Association be rescinded.
- 2.2. That the subscription to the Local Government Association for 2013/14 of £26,577 be approved.
- 2.3. That the subscription of £172,427 for 2013/14 to London Councils be approved.

3. REASONS FOR DECISION

- 3.1. A decision is required in order to continue membership of the London Councils and Local Government Association organisations in 2013/14.

4. INTRODUCTION AND BACKGROUND

- 4.1. This report deals with the major corporate subscriptions/affiliations whose funding is included in the Finance and Corporate Services' estimates. Other departments carry out a similar exercise, reported separately to committee or dealt with under delegated authority in the case of small subscriptions.

5. PROPOSAL AND ISSUES

- 5.1. Approval is being sought for the renewal of the subscription to London Councils and the Local Government Association for 2013/14 as detailed in Appendix 1.
- 5.2. The Local Government Association subscription before any discounts for 2013/14 is £26,577. There are discounts of 2.5% for prompt payment and 2.5% for members who are not on notice of withdrawal. Withdrawal from the LGA is not recommended as the saving is small against the demonstrated benefits of past membership and the potential benefits of future membership.
- 5.3. The base subscription for London Councils is £172,427. In 2013/14, there will be a one off reduction of £25,000 funded from London Council reserves reducing the payment due to £147,427. Withdrawal from London Councils is not recommended the loss of influence over expenditure that directly affects the council's residents is not worth sacrificing for the savings that would be achieved.
- 5.4. The benefits of continuing membership of these organisations is contained in Appendix 2.

- 5.5. In March 2012 the Leader's approved an Urgent Decision recommending that London Councils and the Local Government Association be given notice of potential withdrawal by the London Borough of Hammersmith and Fulham. It is proposed that this is rescinded as the benefits of membership of these organisations outweigh the costs.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. The rationale for continuing the subscriptions to London Councils and the Local Government Association are based on the benefits of continuing membership of these organisations as expanded on in Appendix 2.

7. LEGAL IMPLICATIONS

- 7.1. The Council has the necessary powers to subscribe to the organisations listed.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. There is sufficient provision within the proposed 2013/14 Corporate Budget to meet the cost of the proposed subscriptions.
- 8.2. A contribution of £5,000 will be made from the Housing Revenue Account towards the London Councils subscription. This is to reflect the housing work undertaken by London Councils.

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
	None	Gary Ironmonger (2109)	FCS, HTH

APPENDIX 1

<u>ORGANISATION</u>		<u>SUBSCRIPTIONS</u>	
		<u>2013/2014</u>	<u>2012/2013</u>
1	London Councils - for the joint committee core and associated functions	£165,664	£167,982
2	London Councils - Central bodies (LGE Grant)	£3,763	£3,763
3	London Councils – 16-19 RPG Regional Activities	3,000	£4,000
	London Councils Base Subscription	£172,427	£175,745
4	London Councils – 2013/14 one off credit (funded from accumulated Joint Committee reserve)	£(25,000)	N/A
	London Councils – sub Total	£147,427	£171,745
5	Local Government Association (Includes a discount of £6,700)	£26,577	£27,277
	TOTAL	£174,004	£199,022

APPENDIX 2

DETAILS OF SUBSCRIPTION/AFFILIATION ORGANISATIONS

1. LONDON COUNCILS

London Councils is the local government association for London, bringing together representatives of the 32 London Boroughs and the Corporation of London. It develops policy, lobbies government and others, and runs a range of services including the Freedom Pass, the Taxicard Scheme, the London Lorry Control Scheme and the Parking and Traffic Appeals Service.

2. LONDON COUNCILS - LOCAL GOVERNMENT EMPLOYERS ORGANISATION (CENTRAL BODIES)

The Local Government Employers was created by the Local Government Association and works with local authorities, regional employers and other bodies to lead and create solutions on pay, pensions and the employment contract.

3. LOCAL GOVERNMENT ASSOCIATION

The Local Government Association (LGA) promotes the interests of English and Welsh local authorities.

The LGA exists to promote better local government and is a voluntary lobbying organisation.

In addition to representing various local government authorities it also represents fire authorities, police authorities, national park authorities and passenger transport authorities.

Explanation of the £6,700 rental/finance credit from the LGA - The annual LGA membership subscription of each former member of the Association of Metropolitan Authorities (AMA), which previously contributed to the purchase of the AMA's former offices at 35 Great Smith Street, is adjusted each year by a rental/finance credit of circa £6,000. Before the LGA moved to Local Government House in Smith Square, it used the offices at 35 Great Smith Street and the £6,000 (rental) credit represented an individual authority's share of the rent that was due to the AMA (Properties) Limited. The building was sold in 1999 and the proceeds of £6.2 million were invested in Local Government House in the form of a loan. Each (finance) credit (initially £6,000) now represents interest payable on the loan. The credit is reviewed every five years and adjusted with the Retail Price Index (RPI). The amount is now £6,700.