


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>11 JANUARY 2016</b></p>	
<p style="text-align: center;"><b>SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2016/17</b></p>	
<p style="text-align: center;"><b>Report of the Cabinet Member for Finance: Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b></p>	
<p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director:</b> Hitesh Jolapara, Strategic Director for Financial Corporate Services</p>	
<p><b>Report Author: Gary Ironmonger, Finance Manager (Revenue Monitoring)</b></p>	<p><b>Contact Details: Gary Ironmonger</b> Tel: 020 (8753 2109) E-mail: <a href="mailto:gary.ironmonger@lbhf.gov.uk">gary.ironmonger@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. The subscription to London Councils for 2016/17 is £161,958 a reduction of £5,515 since 2015/16. In 2016/17 participating councils will receive a one off rebate of £25,000 funded from the London Councils uncommitted Joint Committee reserve giving a total cost to the council of £136,958.
- 1.2. The base borough LBHF contribution to the London Boroughs Grant Scheme for 2016/17 is £188,006. This is offset by a one off repayment to boroughs from reserves of £10,152 for LBHF giving a net payment of £177,854.
- 1.3. The subscription to the Local Government Association for 2016/17 has been frozen for the 4<sup>th</sup> consecutive year and remains £26,577. This fee includes 2.5% prompt payment discount and 2.5% loyalty discount for not being on notice of withdrawal.

## 2. RECOMMENDATIONS

- 2.1. That the subscription to the Local Government Association for 2016/17 of £26,577 be approved.

- 2.2. That the 2016/17 contribution of £188,006 (£177,854 net of one off rebate) to the London Boroughs Grant Scheme be approved.
- 2.3. That the subscription of £161,958 (£136,958 net of one off rebate) for 2016/17 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 2016/17 and contribute to the London Boroughs Grant scheme. The London Councils Grant Scheme budget requires two thirds of authorities to respond by Friday 29<sup>th</sup> of January for the budget to be legal. If less than two thirds of authorities respond by this date the legal budget would be set at the 2015/16 level.

### **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 2016/17 and the London Boroughs Grant Scheme for 2016/17 as detailed in appendix 1a and 1b.
- 5.2. The Local Government Association subscription for 2016/17 after discounts for prompt payment and a loyalty discount for not being on notice of withdrawal is £26,577. This subscription has been frozen at the 2013/14 level and has reduced by 45% since 2009/10 (appendix 1a)
- 5.3. The 2016/17 subscription for London Councils is £161,958. In 2016/17, there will be a one off reduction of £25,000 funded from London Council joint committee reserves reducing the payment due to £136,958 (appendix 1a).
- 5.4. The total cost of the London Boroughs contribution to the Grant Scheme has been held at £9m for 2016/17 and the LBHF contribution is £188,006 (appendix 1b). After allowing for a one off rebate from reserves the net cost to LBHF is £177,854.
- 5.5. The benefits of continuing membership of these organisations is contained in appendix 2.

## 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. There are no significant legal implications in relation to this decision and the recommendation to continue with subscription. The option not to continue is outlined in the report. Given the level of finance involved the report is for Cabinet approval.

*Implications completed by:- Joyce Golder, Principal Solicitor, phone 020 7361 2181.*

## 8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. There is sufficient provision within the proposed 2016/17 Corporate Budget to meet the cost of the proposed subscriptions to London Councils and the LGA. There is sufficient funding within the Third Sector Investment Funding budget to meet the cost of the London Boroughs Grant Scheme payment in 2016/17.
- 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.
- 8.3. Implications completed by: Gary Ironmonger.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Correspondence from Local Government Association and London Councils in relation to subscription renewals (published).	Gary Ironmonger (x. 2109)	FCS, HTH

**APPENDIX 1a**

<b><u>ORGANISATION</u></b>		<b><u>SUBSCRIPTIONS</u> <u>2015/2016</u></b>	<b><u>SUBSCRIPTIONS</u> <u>2016/2017</u></b>
1	<b>London Councils Base-</b> for the joint committee core and associated functions.	£158,255	£152,740
2	<b>London Councils -</b> Central bodies (LGE Grant).	£3,763	£3,763
3	<b>London Councils –</b> 16-19 RPG Regional Activities.	£5,455	£5,455
	<b>London Councils Subscription</b>	<b>£167,473</b>	<b>£161,958</b>
4	London Councils – 2015/16 one off credit (funded from uncommitted Joint Committee reserve.	£(25,000)	£(25,000)
	<b>London Councils – Sub Total</b>	<b>£142,473</b>	<b>£136,958</b>
5	Local Government Association ( <i>including AMA rent credit - see appendix 2</i> ).	£26,577	£26,577
	<b>TOTAL</b>	<b>£169,050</b>	<b>£163,535</b>

**Appendix 1b**

	<b>2015/16 Contribution (£)</b>	<b>2016/17 Contribution (£)</b>
<b>LBHF Contribution to the London Boroughs Grant Scheme</b>	<b>£191,078</b>	<b>£188,006</b>

## 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. The LGA also provides support to help councils and councillors develop and improve.

Explanation of the AMA 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. Before the LGA moved to Local Government House in Smith Square, it used the offices at 35 Great Smith Street and the 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 credit is currently £7,965.