


<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>5<sup>TH</sup> DECEMBER 2016</b></p>	
<p><b>SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2017/18</b></p>	
<p><b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision / For Information</b></p>	
<p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Director: Hitesh Jolapara – Strategic Finance Director</b></p>	
<p><b>Report Author: Gary Ironmonger – Finance Manager</b></p>	<p><b>Contact Details:</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. Historically the decision to subscribe to London Councils, Local Government Association and the London Boroughs Grants Scheme has been taken by Cabinet in the January preceding the financial year the subscriptions are due.
- 1.2. Because these subscription rates are not set until mid to late December there are timing difficulties in taking these reports to Members. Special dispensation is required to get reports onto the Cabinet Agenda. It is therefore proposed that the final decision on these subscriptions are delegated to the Cabinet Member for Finance in order to fit in with the LBHF reporting timetable.
- 1.3. The financial value of these subscriptions and grants contributions will be in the range of £370,000 to £400,000 based on 2016/17 figures. The subscription to London Councils for 2016/17 was £161,958 with a one off rebate of £25,000. The base borough LBHF contribution to the London Borough Grants scheme was £188,006 in 2016/17 offset by a one off repayment to boroughs from reserves. The subscription to the Local Government Association in 2016/17 was £26,577 (inclusive of discounts totalling 5%).

## **2. RECOMMENDATIONS**

- 2.1. That delegated authority be given to the Cabinet Member for Finance to renew the subscription to London Councils for 2017/18.
- 2.2. That delegated authority be given to the Cabinet Member for Finance to approve the 2017/18 contribution to the London Boroughs Grant Scheme.
- 2.3. That delegated authority be given to the Cabinet Member for Finance to renew the subscription to the Local Government Association in 2017/18.

## **3. REASONS FOR DECISION**

- 3.1. A decision is required in order to streamline the process for authorising the major corporate subscriptions/affiliations and grant contributions.

## **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.

## **5. PROPOSAL AND ISSUES**

- 5.1. Approval is being sought to delegate authority to the Cabinet Member for Finance to decide on the renewal of the subscription to London Councils and the Local Government Association for 2017/18 and the London Boroughs Grant Scheme for 2017/18. The level of 2016/17 contributions are included in paragraphs 5.2 to 5.5 to provide background information
- 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. CONSULTATION**

- 7.1. N/A

## **8. EQUALITIES IMPLICATIONS**

- 8.1. N/A

## **9. LEGAL IMPLICATIONS**

- 9.1. Two of the three subscription and grant contributions outlined in this report involve decisions with expenditure of over £100,000. Decisions involving expenditure of more than £100,000 can be categorised as key decisions and should be included on any key decision list. Where the delegation currently exists for Cabinet to take such a decision then a report from Cabinet authorising the delegation of these specific decisions to the Cabinet Member for Finance should be completed and approved by Cabinet. The Cabinet Member for Finance would then reply on that report as authority to make the decisions outlined in this report.

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

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

- 10.1. The financial implications will be finalised when the level of the subscriptions/contributions are known. Currently there is sufficient budget to support these affiliations/contributions.

- 10.2. Implications completed by: Gary Ironmonger.

## **11. IMPLICATIONS FOR BUSINESS**

- 11.1. There are no implications that affect local businesses.

## **12. RISK MANAGEMENT**

- 12.1. There are no implications.

## **13. PROCUREMENT IMPLICATIONS**

- 13.1. There are no immediate procurement implications arising from this report.

13.2. Implications completed by: - John Francis, Interim Head of Procurement (job-share), 020 8753 2582

**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.