

CCB



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LONDON SW1P 3EB
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The Rt Hon Douglas Hurd MP
Home Office
Queen Anne's Gate
LONDON
SW1

My ref:

Your ref:

1. *Not to see*

6 March 1987

2. *pa.*

Prime Minister 2

DLW

6/3

Dear Douglas

LONDON BOROUGH GRANTS COMMITTEE

You will be aware that the Committee of London Boroughs, set up to decide on grants to London-wide voluntary bodies following the abolition of the GLC, has, despite several attempts, failed to agree a budget for the forthcoming year 1987-88. There seems to be no prospect of an agreement at the last available meeting on 11 March. The Conservative Group propose a budget of £26.85m, while the Liberal Group proposal is £30.2m and Labour are bidding for between £32m and £35m. The 1986-87 budget was £27m.

The Local Government Act 1985 gives me a power under Section 48 to make an order to set a ceiling on expenditure under the grants scheme. In view of the Committee's continuing failure to itself agree on a budget I am proposing to issue a draft order under Section 48 for consultation, making it very clear that in so doing I am doing all that I can to ensure that a budget for 1987/88 will be established so as to enable worthwhile voluntary sector work to go ahead.

I enclose a draft Order for consultation with the parties and a draft Press Notice which I want to issue before the Committee meets on 11 March ie on Monday or Tuesday - there will then of course be less than 3 weeks before the beginning of the new financial year. I should be grateful to know if you have any comments within this timetable. I ~~don't~~ think this is likely to produce a resolution of the problem.

which would set a limit of £28 1/2 m.

(typing error!)

I am copying this letter to the Prime Minister and to Norman Tebbit and Sir Robert Armstrong.

Norman

Nicholas

NICHOLAS RIDLEY

BUDGET CEILING TO BE SET FOR LONDON GRANTS COMMITTEE

Environment Secretary, Nicholas Ridley, has today written to all London Boroughs informing them that he proposes to set a budget ceiling for the London Boroughs Grants Committee. He wishes to demonstrate the Government's support for the worthwhile work undertaken by voluntary bodies in London following repeated failure by the London Boroughs Grants Committee to agree a budget for 1987/88.

The Secretary of State has indicated his concern over the uncertain future facing voluntary bodies in London which are funded wholly or in part by the Committee, which has consistently failed to agree a budget for 1987/88. He said "I am anxious to do what I can to ensure that the worthwhile work undertaken by the majority of these bodies is not interrupted. I have no power to impose a budget on the Committee but I do have a power to impose a ceiling on any budget. In my view expenditure greater than that in the current year, with appropriate adjustments, would not be justified.

Therefore today letters have been sent to all London Boroughs, the City of London, their Associations and representatives

of the voluntary sector seeking their comments on a draft order which specifies a ceiling of £28.5m.

In specifying £28.5m I am referring only to 1987/88. In future years I hope that it will not be necessary for me to use my powers; I expect the Committee to agree amongst themselves on a reasonable level of spending in good time in future."

NOTES TO EDITORS

The London Boroughs Grants Committee was established under Section 48 of the Local Government Act 1985 to administer grants for voluntary bodies whose activities are of benefit to London as a whole or an area wider than the area of one council. It is administered from the London Borough of Richmond and is often known as the Richmond scheme.

The Committee has failed on a number of occasions since well before Christmas to set a budget for 1987/88. An Order by the Secretary of State would impose a ceiling on any agreed budget for 1987/88.

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Draft letter to:

Chief Executive, All London Boroughs
Chamberlain, City of London
Secretary, London Boroughs Association
Association of London Authorities
Association of Metropolitan Authorities
London Voluntary Services Council
National Council for Voluntary Organisations
London Boroughs Grants Committee

Dear Sir/Madam

LOCAL GOVERNMENT ACT 1985

The Secretary of State announced today that he proposes to make an order under s48(5) of the Local Government Act 1985 to set a ceiling for 1987/88 on expenditure under the London Boroughs Grants Scheme.

I enclose a copy of a draft order which specifies a ceiling of £28.5m. In choosing this figure, the Secretary of State has taken into account the budget agreed by the Committee for 1986/87, made allowance for inflation, and new demands for funding by the voluntary sector, on a basis which is broadly comparable with practice in the public sector generally. This broad approach is considered to provide a reasonable basis for the specification of a limit.

If your Council wishes to comment will they please do so by /
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Yours faithfully

P McQUAIL

S T A T U T O R Y I N S T R U M E N T S

1987 No.

LONDON GOVERNMENT

The Grants to Voluntary Organisations - (Greater London)
(Expenditure Limit) Order 1987

Made	1987
Laid before Parliament	1987
Coming into force	1987

The Secretary of State for the Environment, in exercise of the powers conferred on him by section 48(5) of the Local Government Act 1985(a), and of all other powers enabling him in that behalf, hereby makes the following order:-

1. This order may be cited as the Grants to Voluntary Organisations (Greater London) (Expenditure Limit) Order 1987 and shall come into force on

1987.

2. £28.5 million is prescribed as the maximum amount of total expenditure to be incurred in the financial year beginning on 1st April 1987, under any scheme for Greater London under section 48 (grants to voluntary organisations) of the Local Government Act 1985.

1987.

Secretary of State for
the Environment.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Under section 48 of the Local Government Act 1985 the London borough councils and the Common Council may make a scheme for the making of grants to eligible voluntary organisations by a council designated for the purpose by the scheme. (Under the current scheme the council of the London borough of Richmond is so designated.) The total expenditure under such a scheme in any financial year may not exceed any such amount as is for the time being prescribed by order by the Secretary of State. By this order, £29 million is prescribed for the financial year beginning on 1st April 1987.

CCBG

CONFIDENTIAL



QUEEN ANNE'S GATE
LONDON SW1H 9AT

9 March 1987

NBM

Dear Nicholas,
LONDON BOROUGH GRANTS COMMITTEE

Thank you for your letter of 6 March. I have been kept in touch with developments and am aware of the difficulties faced by the voluntary sector as a result of the inability of the Committee to reach agreement on their budget for the forthcoming year.

In these circumstances, I am content for you to proceed in the way you suggest.

Copies of this letter go to the Prime Minister, to Norman Tebbit and to Sir Robert Armstrong.

Yours,
Douglas

The Rt Hon Nicholas Ridley, M.P.

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LOCAL GOV
RELATIONS
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