

Martin Pilgrim
Chief Executive
Association of London Government
59 Southward Street
London
SE1 0AL

Reference: GF/KB
Phone: 020 8227 2789
Fax: 020 8227 2279
Minicom: 020 8227 2685
E-mail: graham.farrant@lbbd.gov.uk

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Dear Martin

ALG Grants Scheme

Thank for your letter dated 17 November 2003. As you know, we are very concerned about the huge disparity between the contributions made by outer London Boroughs such as Barking and Dagenham and the benefit, which is derived, for our communities. In the case of Barking and Dagenham, we receive benefit through local community groups of approximately one sixth of our annual contribution. Those pan London organisations that we have looked into find it very difficult to justify any use of their services by Barking and Dagenham residents. The large geographical nature of the outer London Boroughs also makes it much more difficult to achieve cross Borough working in the voluntary sector and therefore it is our view that cross Borough groups are more likely to be set up in inner London where the population is more concentrated.

However having said that my view is that the council is likely to agree to the change in Lead Borough and the budget proposed, but this will be dependant on a number of factors:

1. That there is a three year target set for removing the subsidy paid by the outer London Boroughs such that contribution to groups operating in the area will be equivalent to the contribution paid by the council each year.
2. No more long-term commitments are to be entered into by or through the Scheme until the completion of the Scheme and an action plan to implement a review has been completed and agreed through the ALG Grants Committee and through the Leaders Committee.
3. That there is a root and branch review of the scheme and this reports in the second quarter of 2004/5 with the specific target to review the validity of the Grants Scheme and to end the subsidy of the Scheme through outer London Boroughs.

Having said that, this is my view following informal discussions with leading members. It is obviously subject to formal decision by the Executive and I confirm that we will take this decision through our Executive Committee in sufficient time to respond within your deadline.

The report is currently scheduled to be considered by our Executive on 16 December 2003.

In writing, I should re-emphasise that this Council is facing severe financial constraint next year and is likely to have a heavy savings target imposed in the EPCS block, which is where the ALG Grants Contribution is funded from. We will be considering cuts to our local grants programme of a magnitude far greater than the 4% reduction offered in the ALG contribution for next year. It is simply not sustainable at the current level in my view.

I hope this letter helps you. Please let me know if you need any further information.

Yours sincerely

Graham Farrant
Chief Executive