



SUMMONS

Councillors of the London Borough of
Hammersmith & Fulham
are requested to attend the
Budget Meeting of the Council on
Wednesday, 23 February 2005
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

15 February 2005
Town Hall
Hammersmith W6

Geoff Alltimes
Managing Director

23 FEBRUARY 2005

<u>ITEM</u>	<u>CLICK ON TITLES (IN BLUE) TO GO STRAIGHT TO ITEM</u>	<u>PAGE</u> (refers to printed agenda)
1.	MINUTES – 26 JANUARY 2005	
1.1	To approve and sign as an accurate record the Minutes of the Ordinary Council Meeting held on 26 January 2005.	(as attached)
	Appendix 1 – Mayor’s Announcements	
	Appendix 2 – Council Tax Base & Collection Rate 2005/06 (late report circulated separately)	
2.	APOLOGIES FOR ABSENCE	
3.	MAYOR'S & MANAGING DIRECTOR'S ANNOUNCEMENTS (IF ANY)	circulated separately
4.	DECLARATIONS OF INTEREST	
4.1	If a Councillor has any personal or prejudicial interest in a particular report they should declare an interest.	
4.2	A Councillor should not take part in the discussion or vote on a matter in which they have a prejudicial interest. They should withdraw from the meeting whilst the matter is under consideration unless the disability to participate has been removed by the Standards Committee, or unless a relevant exemption applies under the Council’s Code of Conduct.	
5.	PUBLIC QUESTIONS (20 MINUTES)	
	The Leader / relevant Deputy to reply to questions submitted by members of the public:	
	1. Mr.Harry Braund, 6 King Edwards Mansions, 629 Fulham Road	213
	London SW6	
6.	ITEMS FOR DECISION / COMMITTEE REPORTS (IF ANY)	
6.1	Revenue Budget & Council Tax Levels 2005/06 (+ Appendices A & E)	214 – 248
	Appendices B,C,D	
	Appendix F	

6.2	<u>Capital Programme – Resources 2005/06 – 2007/08</u>	249 – 256
	<u>Capital Programme – Appendices A & B</u>	
	<u>Capital Programme – Appendix C</u>	
	<u>Capital Programme – Appendix D</u>	
6.3	<u>Treasury Management Strategy & Overall Borrowing Limits 2005/06</u>	257 – 269
6.4	<u>FAIRTRADE Borough Status</u>	270 – 274
6.5	<u>Review of Councillors’ Allowances: Temporary Scheme for Transitional Duties arising from Licensing changes</u>	275 – 278
6.6	<u>Annual Review Of Councillors’ Allowances</u>	279 – 284
6.7	<u>9th London Local Authorities Bill</u>	285 – 297

7. SPECIAL MOTIONS

To consider and determine any Special Motions:

[No Special Motions have been submitted for this Council meeting]

8. INFORMATION REPORTS – TO NOTE (IF ANY)

jpc/15/02/05



COUNCIL

— MINUTES —

(ORDINARY COUNCIL MEETING)

WEDNESDAY 26 JANUARY 2005



PRESENT:

The Mayor (Councillor Charlie Treloggan)
Deputy Mayor (Councillor Mercy Umeh)

Councillors:

Mike Adam
Colin Aherne
Mrs. Adronie Alford
Chris Allen
Will Bethell
Brendan Bird
Min Birdsey
Nick Botterill
Charlie Boyle
Stephen Burke

Michael Cartwright
Dominic Church
Siobhan Coughlan
Steve Cowan
Huw Davies
Gavin Donovan
Fiona Evans
Christine Graham
Stephen Greenhalgh
Wesley Harcourt

Alex Karmel
Jafar Khaled
Antony Lillis
Amanda Lloyd-Harris
Reg McLaughlin
Jolyon Neubert
Andrew Slaughter
Melanie Smallman
Tim Stanley
David Williams

35. MINUTES – 24 NOVEMBER 2004

7.01pm - **RESOLVED**

That the minutes of the Extraordinary Council Meeting held on 24 November 2004 be confirmed and signed as an accurate record.

36. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Al-Uzaizi, Dawson, Donald, Gibbons, Hands, Jones, Karian, Loveday, Napier, Pavelin, Powell, Stainton, Vaughan and Wicks.

37. MAYOR & MANAGING DIRECTOR'S ANNOUNCEMENTS (IF ANY)

The Mayor's Announcements were circulated to all Councillors and laid round the Council Chamber. (Copy attached as **APPENDIX 1** to these Minutes).

38. DECLARATIONS OF INTERESTS

There were no declarations of interest made at this meeting of the Council.

39. ITEMS FOR DECISION / COMMITTEE REPORTS (IF ANY)

7.03pm- **Council Tax Base & Collection Rate 2005/06**

Noted that the Council agenda had been printed and despatched before the Leader's Committee met to consider this item on 18 January and it had therefore subsequently been circulated separately to all Councillors and tabled at the Council meeting.

[Copy attached as **APPENDIX 2** to these Minutes.]

The report and recommendations were moved for adoption by the Leader, Councillor Andrew Slaughter, seconded by the Chief Whip, Councillor Colin Aherne.

The report and recommendations were put to the vote:

FOR - 16
AGAINST -0
ABSTENTIONS -10

The report and recommendations were declared **CARRIED.**

7.04pm – **RESOLVED:**

That for the 2005-2006 financial year, the Council :

- (i) Determines that the council tax discount on second homes be reduced from 50% to 10% for the 2005 -06 financial year and subsequent years until revoked.

- (ii) Determines that the council tax discount on long-term empty properties be reduced from 50% to 0% for the 2005-06 financial year and subsequent years until revoked.
- (iii) That the estimated numbers of properties for each Valuation Band, as set out in this report, be approved.
- (iv) That an estimated collection rate of 97.5% be approved.
- (v) That the Council Tax Base of 74,965 Band “D” equivalent properties be approved.

7.05pm – **Proposal to transfer £3.102M from the HRA Balance to meet repairs expenditure in 2004/05**

The report and recommendation was moved for adoption by the Deputy for Housing, Councillor Stephen Cowan, seconded by Councillor Fiona Evans.

FOR – 15
AGAINST – 10
ABSTENTIONS – 0

The report and recommendation was declared **CARRIED.**

7.06pm – **RESOLVED:**

That the Council approves the transfer of £3.102m from the Housing Revenue Account balance to meet repairs expenditure in 2004/05.

7.07pm – **Licensing Act 2003 – Final Constitutional Arrangements & Appointment of Members**

The report and recommendation was moved for adoption by the Chief Whip, Councillor Colin Aherne, seconded by Councillor Fiona Evans.

The Chief Whip formally invited the Opposition Leadership to nominate to the outstanding vacancies on the Licensing Committee. Councillor Greenhalgh stated that the Opposition would not be making any nominations to this Committee.

The Chief Whip therefore moved, under Council Procedure Rule 15(e)(vi), an amendment to recommendation 3 of the report to appoint Councillors Cartwright, Davies, McLaughlin, Pavelin, Smallman and Treloggan to the outstanding vacancies.

The report and recommendations were put to the vote:

FOR – 18
AGAINST – 10
ABSTENTIONS – 0

The report and recommendations were declared **CARRIED.**

7.08pm – **RESOLVED:**

1. That the terms of reference for the Licensing Committee be amended as set out in the appendix with effect from 7th February 2005.
2. That the Licensing Panel be dissolved at midnight on 7th February 2005.
3. That Councillors Cartwright, Davies, McLaughlin, Pavelin, Smallman and Treloggan be appointed to the outstanding vacancies on the Licensing Committee.

40. SPECIAL MOTIONS

7.09pm – **Special Motion No.1 – Re: Councillor Wicks**

Councillor Aherne moved, seconded by Councillor Evans, the special motion standing in their names:

- “1. The Council notes that Councillor Josie Wicks has been unable to attend meetings of the Authority since 22 September 2004 due to serious illness and hospitalisation.
2. The Council extends its sympathy to Councillor Wicks and wishes her a speedy recovery.
3. The Council approves Councillor Wicks’ non-attendance at meetings of the Authority due to illness until 26 May 2005, pursuant to s. 85(1) of the Local Government Act 1972.”

The motion was put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The motion was declared **CARRIED**

7.10pm – **RESOLVED:**

1. The Council notes that Councillor Josie Wicks has been unable to attend meetings of the Authority since 22 September 2004 due to serious illness and hospitalisation.
2. The Council extends its sympathy to Councillor Wicks and wishes her a speedy recovery.
3. The Council approves Councillor Wicks’ non-attendance at meetings of the Authority due to illness until 26 May 2005, pursuant to s. 85(1) of the Local Government Act 1972.”

7.11pm – **Special Motion No.2 – Council Appointments to the ALG**

Councillor Aherne moved, seconded by Councillor Evans, the special motion standing in their names:

"That the Council amends its representation to the ALG Leader's Committee as follows:

Delete "Councillor Slaughter" as substitute for Councillor Dame Sally Powell, and replace with "Councillor Aherne".

The motion was put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The motion was declared **CARRIED**

7.12pm – **RESOLVED:**

That the Council amends its representation to the ALG Leader's Committee as follows:

Delete "Councillor Slaughter" as substitute for Councillor Dame Sally Powell, and replace with "Councillor Aherne".

7.13pm – **Special Motion No.3 – Council Support for the 2012 London Olympic Bid**

Councillor Williams moved (in lieu of Councillor Dame Sally Powell), seconded by Councillor Aherne, the special motion standing in their names:

"This Council notes that:

1. The London Olympic bid, London 2012, would if successful be a sporting celebration for the whole country, and one that would boost businesses and the overall economy of the United Kingdom, as well as the local economy.
2. Our local communities would have the chance to engage with the Olympic nations in the build-up to the Games as the teams establish themselves in and around the capital's sporting facilities. These training facilities would provide a significant boost to the local and regional economy.
3. The tourism industry would also grow. Australia benefited from an extra 1.6 million visitors due to the 2000 Games. Business tourism also increased both before and after the Games, and Australia is still reaping the benefits.

4. Thousands of businesses and suppliers across the country would profit from a London Games, including many businesses within the area of this Council.
5. The wonderful community spirit shared by the 10,000 people who volunteered during Manchester's magnificent Commonwealth Games of 2002 would be seen on a larger scale across the UK as an army of volunteers would help out with the Olympic Games and Paralympic Games and many such volunteers are likely to be local residents.
6. Significant long term benefits can accrue to the host city from a well-planned games: sporting achievement, healthy lifestyles, civic engagement and volunteering, the legacy from the 4 year cultural festival, in addition to the sporting facilities.

This Council resolves to:

1. Fully support the London Olympic bid and to demonstrate that support by engaging with local communities to build support amongst them; and by the prominent display of the London 2012 flag over the Town Hall and other Council buildings.
2. Consider both how this Borough can benefit from a successful bid, and what the Borough can offer to contribute to the success of the bid – and to develop an Olympic strategy towards this aim.”

Councillor Williams (for the Administration) made a speech on the motion before it was put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The motion was declared **CARRIED**

7.14pm –**RESOLVED:**

This Council notes that:

1. The London Olympic bid, London 2012, would if successful be a sporting celebration for the whole country, and one that would boost businesses and the overall economy of the United Kingdom, as well as the local economy.
2. Our local communities would have the chance to engage with the Olympic nations in the build-up to the Games as the teams establish themselves in and around the capital's sporting facilities. These training facilities would provide a significant boost to the local and regional economy.
3. The tourism industry would also grow. Australia benefited from an extra 1.6 million visitors due to the 2000 Games. Business tourism also increased both before and after the Games, and Australia is still reaping the benefits.

4. Thousands of businesses and suppliers across the country would profit from a London Games, including many businesses within the area of this Council.
5. The wonderful community spirit shared by the 10,000 people who volunteered during Manchester's magnificent Commonwealth Games of 2002 would be seen on a larger scale across the UK as an army of volunteers would help out with the Olympic Games and Paralympic Games and many such volunteers are likely to be local residents.
6. Significant long term benefits can accrue to the host city from a well-planned games: sporting achievement, healthy lifestyles, civic engagement and volunteering, the legacy from the 4 year cultural festival, in addition to the sporting facilities.

This Council resolves to:

1. Fully support the London Olympic bid and to demonstrate that support by engaging with local communities to build support amongst them; and by the prominent display of the London 2012 flag over the Town Hall and other Council buildings.
2. Consider both how this Borough can benefit from a successful bid, and what the Borough can offer to contribute to the success of the bid – and to develop an Olympic strategy towards this aim.

41. MOTION THAT AN ITEM OF BUSINESS TAKE PRECEDENCE

7.15pm – Councillor Aherne moved, under Council procedure Rule 15(e)(iii), that Special Motion No.7 – Work Directions – be given precedence. The motion was put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The motion was declared **CARRIED**

7.16pm – Special Motion No.7 – Work Directions

Councillor Smallman moved, seconded by Councillor Burke, the special motion standing in their names:

“This Council congratulates Work Directions in supporting more than 2000 local residents to find work since March 2003, helping halve unemployment in Hammersmith & Fulham since 1997, and we give our full support to the Labour Government’s plans to continue funding such valuable work for local people.”

Councillors Smallman and Burke (for the Administration) made speeches on the motion before it was put to the vote:

FOR – 18
AGAINST – 11
ABSTENTIONS – 0

The motion was declared **CARRIED**

7.26pm – **RESOLVED:**

This Council congratulates Work Directions in supporting more than 2000 local residents to find work since March 2003, helping halve unemployment in Hammersmith & Fulham since 1997, and we give our full support to the Labour Government's plans to continue funding such valuable work for local people.

42. SPECIAL MOTIONS (CONT'D)

7.27pm – **Special Motion No.4 – Extension of Congestion Charge Zone**

Councillor Karmel moved (in lieu of Councillor Loveday), seconded by Councillor Adam, the special motion standing in their names:

“This Council resolves to oppose the westwards extension of the Congestion Charge Zone, as proposed by Mayor Livingstone.”

A speech on the motion was made by Councillor Karmel (for the Opposition).

Councillor Cartwright moved, seconded by Councillor McLaughlin, an amendment to the motion, to add after the words “Mayor Livingstone” :

“In the event that the zone is extended, the Council resolves:

- To support the campaign of the Edward Woods Residents' Association to exclude the Edward Woods Estate from the scheme; and
- To oppose the proposal from the Royal Borough of Kensington & Chelsea to make the Borough boundary the zone boundary. “

Speeches on the amendment to the motion were made by Councillors Cartwright, Boyle, Botterill, Adam, Slaughter, Karmel and Khaled.

The amendment to the motion was then put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The amendment to the motion was declared **CARRIED**

The motion (as amended) was then put to the vote:

FOR – Unanimous
AGAINST – 0
ABSTENTIONS – 0

The motion as amended was declared **CARRIED**

7.59pm – **RESOLVED:**

This Council resolves to oppose the westward extension of the Congestion Charge Zone, as proposed by Mayor Livingstone. In the event that the zone is extended, the Council resolves:

- To support the campaign of the Edward Woods Residents' Association to exclude the Edward Woods Estate from the scheme; and
- To oppose the proposal from the Royal Borough of Kensington & Chelsea to make the Borough boundary the zone boundary. “

8.00pm – **Special Motion No.5 – Smarter Borough Initiatives**

Councillor Botterill moved, seconded by Councillor Greenhalgh, the special motion standing in their names:

“Residents are deeply sceptical of well-publicised initiatives which prove to be no more than all spin and too little delivery. To this end, this Council insists that Phase 3 of the Smarter Borough initiative is concentrated on delivering quantifiable absolute improvements in the state of the Borough.”

Councillor Botterill (for the Opposition) made a speech on the motion.

Councillor Cartwright moved, seconded by Councillor Davies, an amendment to the motion to delete all words before the second “this” in the second line of the motion.

[i.e.amendment reads:

“..This Council insists that Phase 3 of the Smarter Borough initiative is concentrated on delivering quantifiable absolute improvements in the state of the Borough.”]

Speeches on the amendment were made by Councillors Cartwright and Davies (for the Administration) and Councillor Greenhalgh (for the Opposition) before it was put to the vote:

FOR – 19
AGAINST –11
ABSTENTIONS – 0

The amendment to the motion was declared **CARRIED**

The motion (as amended) was then put to the vote:

FOR – 19
AGAINST –11
ABSTENTIONS – 0

The motion as amended was declared **CARRIED**

8.22pm – **RESOLVED:**

This Council insists that Phase 3 of the Smarter Borough initiative is concentrated on delivering quantifiable absolute improvements in the state of the Borough.

8.23pm – **Special Motion No.6 – Crime in the Borough**

Councillor Greenhalgh moved , seconded by Councillor Bethell, the special motion standing in their names:

“This Council notes with alarm the increase in violent crime in Hammersmith & Fulham. The Council calls for police numbers to be restored at least to levels seen in 1997, and for a more visible police presence on our streets.”

A speech on the motion was made by Councillor Bethell (for the Opposition).

Councillor McLaughlin moved, seconded by Councillor Cowan, an amendment to the motion, to delete all after ” This Council” and add :

“...notes the recent completion of the Crime and Disorder Reduction Partnership Audit, which will inform the Crime and Disorder Reduction Strategy for the borough for 2005-8.

The Audit records a 2.8% fall in total crime, including a decline of violent crime by 1.4% from 1999 to 2004.

The introduction of the first 3 Safer Neighbourhood Teams last year and a further 5 this year means that there are now dedicated visible officers patrolling the borough's streets.

Whilst the Council recognises there is still more work to be done we will continue working in partnership with the Police and others to make the borough a safer place.”

Speeches on the amendment to the motion were made by Councillors McLaughlin, Cowan, Greenhalgh, Neubert, and Allen before the amendment to the motion was put to the vote:

FOR –21
AGAINST – 11
ABSTENTIONS – 0

The amendment to the motion was declared **CARRIED**

The motion (as amended) was then put to the vote:

FOR –21
AGAINST – 11
ABSTENTIONS – 0

The motion as amended was declared **CARRIED**

8.54pm – **RESOLVED:**

This Council notes the recent completion of the Crime and Disorder Reduction Partnership Audit, which will inform the Crime and Disorder Reduction Strategy for the borough for 2005-8.

The Audit records a 2.8% fall in total crime, including a decline of violent crime by 1.4% from 1999 to 2004.

The introduction of the first 3 Safer Neighbourhood Teams last year and a further 5 this year means that there are now dedicated visible officers patrolling the borough's streets.

Whilst the Council recognises there is still more work to be done we will continue working in partnership with the Police and others to make the borough a safer place.

43. INFORMATION ITEMS TO NOTE (IF ANY)

There were no information items to note at this meeting of the Council.

* * * * * CONCLUSION OF BUSINESS * * * * *

Meeting ended: 8.55 p.m. - Wednesday, 26 January 2005

.....
MAYOR

jpc/31/01/05

ANNOUNCEMENTS BY THE MAYOR

1. On 30th November 2004, I was delighted to attend and launch the Fulham Good Food Guild, Ibis Hotel, Lillie Road, SW6
2. On 1st December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the Irish Centre Pensioners Christmas Party, Tommy Flynn's Public House, Dalling Road W6
3. On 2nd December, I attended and opened Bonds Funeral Directors new office Askew Road, W12
4. On 2nd December, I was delighted to attend Jack Tizard School, South Africa Road, W12, which was officially opened by the Rt. Hon. Charles Clark MP
5. On 2nd December, I officially switch on the Christmas lights at Fulham Broadway, SW6
6. On 2nd December, I attended and drew the Christmas raffle for Gibbs Green TA, Gibbs Green Community Centre, W14
7. On 3rd December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the Mayor of Richmond's Christmas Carol Concert and Drinks Reception, Clarendon Hall, York House, Twickenham
8. On 4th December, I was honoured to attend the last No:85 bus, Routemaster tour for my Charity travelling from Putney Bridge Station to Kingston
9. On 6th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the London Mayors' Association Annual Ambassadorial Dinner, City Hall, Victoria
10. On 7th December, I attended the Fulham CAB Training Course for Refugee and Community Organisations, Irish Centre
11. On 8th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the West London Magistrate Court Christmas Party, Talgarth Road
12. On 10th December, I presented awards to volunteers from the Voluntary Development Agency, Mayor's Foyer, HTH
13. On 11th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the Mayor of Brent Charity Dinner, Brent Town Hall
14. On 14th December, I was delighted to attend Third Age Foundation presentations awards, Irish Centre
15. On 14th December, accompanied by the Mayoress, Ms Eleanor Carlson, I was honoured to attend Larmenier and Sacred Heart School Christmas Concert, Holy Trinity Church, Brook Green

16. On 17th December, accompanied by the Mayoress, Ms Eleanor Carlson, I was delighted to attend and take the salute at the London International Horse Show Championship, Olympia
17. On 17th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the BGOP Consultative Forum Christmas Party, Hammersmith Road
18. On 17th December, accompanied by the Mayoress, Ms Eleanor Carlson, I was delighted to attend Old Oak TA Pensioners' Christmas Party, with ward Cllrs, Reg McLaughlin and Wesley Harcourt, Community Centre, Braybrook Street, W12
19. On 20th December, I attended the Long Service Awards for H&F staff, Mayor's Foyer, HTH
20. On 20th December, I attended the HMS Wormwood Scrubs Prison Christmas Carol Service, Prison Chapel, Wormwood Scrubs
21. On 21st December, I was delighted to attend Mrs Nell Aylett 100th Birthday celebration, Charing Cross Hospital
22. On 21st December, I was honoured to attend and present awards at the Youth Offending Team's presentation Evening, Courtyard Room, HTH
23. On 21st December, I attended H&F Parks Constabulary Christmas Party, Dizzys Restaurant, Wandsworth Bridge Road
24. On 30th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the New Years Day Parade reception evening, One Whitehall Place
25. On 30th December, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the New Years Day Parade Concert Evening, Great Hall, Kensington Town Hall
26. On 1st January 2005, accompanied by the Mayoress, Ms Eleanor Carlson, I attended the New Years Day Parade in Central London
27. On 7th January, I attended H&F Pensioners Forum celebration evening, Small Hall, HTH
28. On 13th January, accompanied by the Mayoress, I attended St George's PLC development at Imperial Wharf to greet the Earl of Wessex
29. On 13th January, I attended the Governors Dinner evening, Mansion House, EC4
30. On 15th January, accompanied by the Mayoress, I attended the Thanksgiving Service and Open Day of The Worship and Ministry Centre - Chinese Church In London, Brook Green
31. On 15th January, accompanied by the Mayoress, I was delighted to attend and officially open Fulham Court Play Area, Fulham Court, SW6

32. On 19th January, I attended H&F MIND AGM, Irish Centre, Hammersmith
33. On 20th January, accompanied by the Mayoress, Ita Hartzenberg and Keith Simpson, I attended the joint London Mayors' Association and London Labour Mayors' Association annual meeting and Lunch for the Mayors' Secretaries and Officers, Westminster City Hall, SW1
34. On 21st January, accompanied by the Mayoress and our grandchildren, I attended the Mayor of Redbridge 'Snow White' Pantomime, Kenneth More Theatre, Ilford
35. On 22nd January, accompanied by the Mayoress, I attended the Mayor of Barnet Charity Dinner evening, House of Commons, Westminster
36. On 25th January, accompanied by the Mayoress, I was honoured to attend H&F Burns Night celebrations, HTH Canteen
37. On 26th January, accompanied by the Mayoress, I attend Citizenship Ceremonies every Wednesday throughout 2004 to date, Council Chamber FTH

LEADER'S COMMITTEE REPORT TO COUNCIL

6.1

26 JANUARY 2005

LEADER
*Councillor Andrew
Slaughter*

COUNCIL TAX BASE AND COLLECTION RATE 2005/2006

ALL WARDS

This report contains an estimate of the Council Tax collection rate and calculates the Council Tax base for 2005/06. It also proposes that discounts for second homes and long-term empty properties remain unchanged for the 2005/06 financial year and subsequent years until revoked.

The Council Tax Base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2005/06.

CONTRIBUTORS

FD

Recommendations:

That for the 2005-2006 financial year, the Council :

- (i) Determines that the council tax discount on second homes be reduced from 50% to 10% for the 2005 –06 financial year and subsequent years until revoked.**
- (ii) Determines that the council tax discount on long-term empty properties be reduced from 50% to 0% for the 2005-06 financial year and subsequent years until revoked.**
- (iii) That the estimated numbers of properties for each Valuation Band, as set out in this report, be approved.**
- (iv) That an estimated collection rate of 97.5% be approved.**
- (v) That the Council Tax Base of 74,965 Band "D" equivalent properties be approved.**

1. BACKGROUND

- 1.1 Under Section 33(1) of the Local Government Finance Act 1992 and the Local Authorities (Calculations of Council Tax Base) Regulations 1992, the Council (as billing authority) is required to calculate its Council Tax Base. This comprises both the estimated numbers of properties within each Valuation band plus the Council's estimate of its collection rate for the coming financial year.
- 1.2 For the current financial year the Council approved a Council tax base of 79,064 Band D equivalent dwellings, and an estimated Collection Rate of 97.5%, which resulted in a tax base of 77,087. This figure, however, is artificially inflated by the one-off gain from the reduction in the discount on long-term empty properties for 2004/05. Excluding this gain, the equivalent Council tax base would be 75,734.
- 1.3 Under Section 11A of the Local Government Finance Act 1992 and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the Council is entitled to reduce discounts for Second Homes and Long-Term Empty properties.
- 1.4 For 2004/05, the Council approved discount reductions on Second Homes from 50% to 10% and on Long-Term Empty properties from 50% to 0%.

2. PURPOSE

- 2.1 The purpose of the report is for the Committee to make recommendations to Council on discounts for second homes and long-term empty properties, the estimated Collection Rate and Council Tax Base for 2005/06.

3. DISCOUNTS

3.1 Second Homes

- 3.1.1 There are some 1,986 second homes in the borough. The continued reduction in discount from 50% to 10% will add an additional 970 Band "D" equivalents to the tax base for 2005/06.
- 3.1.2 Based upon 2004/05 Council Tax levels, this continued reduction in the discount will generate income to the Council of £0.842m. Such additional income will directly benefit the Council and is allowed for within our Medium Term Financial Strategy. Our preceptor, the GLA, will also benefit from the reduction in the discount.

3.2 Long-Term Empty Properties

- 3.2.1 There are some 1,435 long-term empty properties and these have been reflected in the CTB1 return, which the Council provided to the ODPM mid-November 2004. The net impact of continuing to reduce the discount on long-term empty properties from 50% to nil is to add an additional 857 Band D equivalents to the tax base.

3.3 Based upon 2004/05 Council Tax levels, this will generate additional income of £0.763m. Unlike the income generated from the reduction in the second homes discount, such additional council tax will not directly benefit the Council. The Government has decided not to allow local retention of additional income from changing the long-term empty property discount as it believes local authorities should make the decision on housing grounds rather than for financial reasons. The extra revenue generated through the reduction in the discount will, through adjustments to the Revenue Support Grant process, be passed to the Government. The Government has stated that such additional revenue will be taken account of within future grant calculations. So although an individual authority will not benefit from the change in the discount such money will eventually be recycled back to local government as a whole.

4. VALUATION BAND PROPERTIES

4.1 The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council was required to provide to the ODPM in mid-November 2004.

4.2 This return reflected the actual number of properties shown in the Valuation List as at 11 October 2004 and the Council's records as at 1 November 2004. The return will be utilised by the ODPM in calculating the Council's Tax Base for the final Revenue Support Grant settlement for 2005/06.

4.3 A detailed analysis of the properties in each valuation band can be summarised as follows. There are a total of 78,144 dwellings on the list with some 33,524 properties estimated to receive a single person discount. The total Band "D" equivalent is approximately 75,781 properties.

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
	Band A disabled relief	0	0.00	5/9	0.0
A	Values not exceeding £40,000	2,715	2,105.75	6/9	1,403.8
B	Values exceeding £40,000 but not exceeding £52,000	5,291	4,169.50	7/9	3,242.9
C	Values exceeding £52,000 but not exceeding £68,000	13,190	10,227.00	8/9	9,090.7
D	Values exceeding £68,000 but not	21,957	17,867.00	9/9	17,867.0

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
E	exceeding £88,000 Values exceeding £88,000 but not exceeding £120,000	14,034	11,862.25	11/9	14,498.3
F	Values exceeding £120,000 but not exceeding £160,000	8,795	7,566.75	13/9	10,929.8
G	Values exceeding £160,000 but not exceeding £320,000	10,302	9,207.00	15/9	15,345.0
H	Values exceeding £320,000	1,860	1,701.75	18/9	3,403.5
		78,144	64,707.00		75,781.0

5. ADJUSTMENTS TO THE VALUATION LIST

5.1 The above table shows the valuation band position at 11 October 2004 but the Council is also required to take into account likely changes during the financial year 2005-2006. The following potential adjustments need to be considered:

(a) New Properties

There are likely to be a number of new properties, conversions etc. added to the valuation list at some point during the year. There are approximately 185 units currently under construction on various sites in the Borough that will be added to the tax base sometime during 2005/06. It is estimated after allowing for different completion dates that this will equate to an additional 136 Band 'D' equivalents.

(b) Banding Appeals

There have been over 7,200 appeals lodged with the valuation office in respect of initial Council Tax bandings. There are now, however, only 95 appeals unsettled. In view of this small number, it is not proposed to make any further adjustments for these.

(c) Second Homes

The effect of reducing the discount for second homes from 50% to 10% from 1 April 2005 would add a further 970 Band "D" equivalents as outlined in section 3.1.

- 5.2 The Council is required to set its Tax Base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority's valuation list.
- 5.3 Taking into account the latest information from the CTB1 return to the ODPM and the proposed adjustments, the Committee is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

Band	Band "D" Equivalent	Adjustments for New Properties	Adjustments for second homes discount reduction	Revised Band "D" Equivalents
A	1403.8	0	+9	1,412.8
B	3242.9	0	+24	3,266.9
C	9090.7	+1	+90	9,181.7
D	17,867.0	+27	+230	18,124.0
E	14,498.3	+16	+189	14,703.3
F	10,929.8	+2	+146	11,077.8
G	15,345.0	+90	+217	15,652.0
H	3403.5	0	+65	3,468.5
	75,781.0	+136	+970	76,887.0

6. COLLECTION RATE

- 6.1 The Council is also required to estimate its Collection Rate for 2005/06 the same timescale as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2005/06, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.
- 6.2 The actual sum to be collected from local Council taxpayers cannot be finally determined until the final RSG Announcement has taken place, the preceptors requirements are known and the Council has approved its budget. The Council therefore has to make an estimate of the sums to be collected locally making estimated allowance for sums from Council Tax Benefits and write-offs/non-collection.
- 6.3 The Council increased the collection rate in 2002/03 from 96.3% to 97.5%. The actual collection rate achieved to mid-November 2004 is 69.8% comprising cash collection of £50.1m and Council Tax benefit of £15.7m. It is estimated that a further £18.2m (25.4%) will be collected by 31 March 2005 and £1.7m (2.3%) thereafter.

6.4 Collection performance has been calculated in order to comply with Audit Commission performance indicator calculations. Latest calculations for 2003/04 and 2004/05 show that the current collection rate can be continued for 2005/06. It is therefore suggested that the collection rate for 2005/06 is maintained at 97.5%

7. THE TAX BASE

7.1 Under Section 33(1) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.

7.2 Based on the number of Band "D" equivalents in the table in paragraph 5.3 above and the estimated collection rate in paragraph 6.4 above, the calculation is as follows:

(Band D equivalents) x (Collection Rate) = (Tax Base)			
76,887	x	97.5%	= 74,965

8. COMMENTS OF THE DIRECTOR OF FINANCE

8.1 The tax base is set by 31 January each year, as outlined in the Local Government Finance Act 1992. It is used within the overall Council Tax and budget setting process, due to be reported to Budget Council on 23 February 2005.

9. COMMENTS OF THE HEAD OF LEGAL SERVICES

9.1 The Council is under a statutory duty to set the Council Tax for the forthcoming financial year and to make a budget. This report forms part of that process. The Council is obliged, when making its budget, to act reasonably and in accordance with its statutory duties, the rules of public law and its general duty to Council Tax payers.

9.2 The basic amount of Council Tax must be calculated in accordance with Section 31(1) of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

9.3 The Council Tax base has been calculated in accordance with the Act and the Regulations. Maintaining the estimated collection rate at 97.5% is a reasonable and realistic estimate.

9.4 Regulations under the Local Government Act 2003 allow the Council to reduce Council Tax discount for dwellings that are not the sole or main residence of an individual and which are furnished (second homes) to a minimum of 10%. The regulations also allow the Council to reduce Council Tax discount for dwellings that are unoccupied and substantially unfurnished for more than six months (long-term empty properties) to zero.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Local Government Finance Act 1992	A. Lord Ext. 2531	Finance 2 nd Floor Town Hall Extension
2.	ODPM Return CTB1 (November 2004)	S. Barrett Ext. 1053	Finance 2 nd Floor Town Hall Extension
3.	Taxbase Adjustment Calculations	S. Barrett Ext. 1053	Finance 2 nd Floor Town Hall Extension
4.	Collection Rate Statistics	S. Barrett Ext. 1053	Finance 2 nd Floor Town Hall Extension

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 23 FEBRUARY 2005

Question by: Harry Braund, 6 King Edwards Mansions, 629 Fulham Road SW6
to the: Leader of the Council

QUESTION

“Under the provisions of the Freedom of Information Act, will Hammersmith & Fulham Council now make available to residents the entire contents of the commercial contract with Holmes Place plc (Health Club Group plc) governing the construction and operation of Fulham Pools in the absence of any valid “commercial confidentiality” issues, especially in view of recent price negotiations which can no longer be compared with the Janet Adegoke Centre tariff.”

REPLY

ipc/11/02/05

LEADER'S COMMITTEE REPORT TO COUNCIL

6.1

23 FEBRUARY 2005

LEADER
Councillor Andrew
Slaughter

REVENUE BUDGET AND COUNCIL TAX LEVELS 2005-06

This report sets out proposals in respect of the revenue budget for the Council for 2005-06 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues

CONTRIBUTORS

RECOMMENDATIONS:

ALL DEPARTMENTS

To recommend to Council that:

- 1. The Council Tax be set for 2005/06 for each category of dwelling, as calculated in accordance with Sections 30 to 47 of the Local Government Finance Act 1992, as outlined below and in full in Appendix A:**
 - (a) The element of Council Tax charged for Hammersmith & Fulham Council will be £903.42 per Band D property in 2005/06.**
 - (b) The element of Council Tax charged by the Greater London Authority will be £254.62 per Band D property in 2005/06.**
 - (c) The overall Council Tax to be set will be £1,158.04 per Band D property in 2005/06.**

Category of Dwelling	A	B	C	D	E	F	G	H
Ratio	6/9 £	7/9 £	8/9 £	1 £	11/9 £	13/9 £	15/9 £	18/9 £
a) H&F	602.28	702.66	803.04	903.42	1,104.18	1,304.94	1,505.70	1,806.84
b) GLA	169.75	198.04	226.33	254.62	311.20	367.78	424.37	509.24
c) Total	772.03	900.70	1,029.37	1,158.04	1,415.38	1,672.72	1,930.07	2,316.08

2. **The Council's own total net expenditure budget for 2005/06 is set as £244.240m**
3. **That a 2.5% increase in fees and charges be approved, unless otherwise reported separately for approval in Appendix F.**
4. **That the Director of Finance's budget projections to 2007/08 be noted.**
5. **That the Director of Finance's statements under Section 25 of the Local Government Act 2003 regarding adequacy of reserves and robustness of estimates be noted (paragraphs 6.2 and 7.1).**
6. **That the Director of Finance be authorised to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council Schemes of Delegation.**
7. **That all Chief Officers be required to report to Leadership Scrutiny Panel quarterly on their projected financial position compared to their revenue estimates (as part of the Corporate Monitoring Report).**

- 8. That all Chief Officers be authorised to implement their service spending plans for 2005/06 in accordance with the recommendations within this report and the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation.**

1 BACKGROUND

- 1.1 The Council is obliged by legislation to set a balanced budget. It also has responsibility to set the Council Tax every year in accordance with the Local Government Act 1992.
- 1.2 The calculation of the Council Tax is made up from the following elements:
 - the recommended net Council budget for 2005-06 (sections 2 to 7);
 - the Aggregate External Support estimated by the Council (section 8);
 - the Council Tax base set at Council on 26 January 2005 (section 9);
 - the precept notified by the Greater London Authority (section 10).
- 1.3 The requisite calculation for the Council's share of the Council Tax is set out in **Appendix A**.

2 INFLATION AND OTHER ADJUSTMENTS

- 2.1 Inflation of 2.95% has been included as a provision for the 1 April 2005 pay award for staff. The latest Actuarial Valuation has also required a 3% increase in the Employer's Pension Contribution rate for 2005/06.
- 2.2 Inflation of 2.5% has been applied to non-pay items. Client budgets relating to services provided by the Direct Services Department have been inflated by 2.9%.
- 2.3 Under DfES regulations, £3.8 million will be passported to the schools to reflect inflation and other growth pressures. This equates to a 5.6% increase per pupil.

3 GROWTH

- 3.1 In the course of the budget process departments have identified areas where additional resources are required. Additional requirements are contained within **Appendix C** and summarised in Table 1 below for 2005/06.

Table 1

	£000s
Direct Services	889
Environment	370
Education	75
Housing	870
Social Services	989
Children's Trust	755
Policy and Administration / Finance/ Managing Director's	128
Central Items	4,426
Total Growth	8,502

4 EFFICIENCY SAVINGS AND INCOME GENERATION

- 4.1 Given the additional resource requirements identified, and the projections of the potential increases in central government support, it was evident that the strategy would require substantial efficiency savings to be generated.
- 4.2 A summary of the efficiency savings and income generation schemes being implemented by departments are shown in **Appendix D**. The summary of the impact on the Council's budgets are as follows:

Table 2

	£000s
Direct Services	360
Environment	1,585
Education	880
Housing	1,460
Social Services	950
Children's Trust	570
Policy and Administration /Finance/ Managing Director's	738
Central Items	1,590
Total Savings and Income Generation	8,133

5 FEES AND CHARGES

- 5.1 The Revenue Budget for 2005/06 has been prepared on the basis of 2.5% inflation applied to non-pay items, including income budgets. However in certain instances the Budget has been prepared on the basis of an increase in rates other than 2.5%.
- 5.2 Appendix F sets out those fees and charges that it is currently proposed to increase by a rate other than 2.5%.

- 5.3 Parking permit charges will increase in accordance with the policy formally agreed in 2002. Therefore, they will be increased in line with inflation but subject to a minimum increase in units of £5. Likewise parking pay and display charge increases will consistent with the policy agreed in 2002 and be in line with inflation subject to minimum increase in units of 10p per 30 minutes.
- 5.4 Where proposals for fee increases for certain services, for example cemetery services which are included in the Medium Term Financial Strategy, are still being prepared, they will be referred to Members for approval as appropriate.

6 REVENUE BALANCES, RESERVES AND PROVISIONS

- 6.1 The current level of general reserves is £12.971m. The Council is currently projecting to contribute £0.086m to reserves in the current financial year, which will mean that at year-end there will be approximately £13.057 million in general reserves. This excludes the carry forward of departmental overspends. The budget projections to 2007/08 assume that this level of reserves will be maintained for the future.
- 6.2 Under Section 25 of the Local Government Act 2003, the Director of Finance is required to include in budget reports a statement of her view of the adequacy of the reserves the budget provides for. The Director of Finance is satisfied that the level of the Council's balances, reserves and provisions proposed in this report for 2004/05 and 2005/06 is adequate.

7 THE BUDGET REQUIREMENT

- 7.1 The relevant Service Directors and Deputies, in conjunction with the Director of Finance, have considered the detail of the individual estimates. Under Section 25 of the Local Government Act 2003, the Director of Finance is required to include in budget reports a statement of her view of the robustness of the estimates included in the report. The Director of Finance is satisfied with the accuracy and robustness of the estimates included in this report.
- 7.2 The Director of Finance's projections of the budget requirement for the Council in the medium term to 2007/08 is set out in **Appendix B** and is also summarised below for 2005/06:

Table 3

	£000s
2004/05 Budget	233,939
<u>Plus</u> Inflation and passporting to schools	10,187

	Growth	8,502
	Other RSG related issues	1,369
	Contributions From Reserves (Prior Year Adjustment – paragraph 8.2 refers)	-1,624
<u>Less</u>	Efficiency Savings and Income Generation	-8,133
	Net Council Budget 2005/06	244,240

7.3 The net Council budget of £244.240m differs from total budget reported to the Scrutiny Panels of £245.877m by £1.637m. This is due to an adjustment to the inflation forecast and the prior year adjustments referred to in paragraph 8.2.

8 EXTERNAL FUNDING

8.1 Notification of the Final Local Government Finance Settlement was received on 27 January 2005. The original estimate for the Council's 2005/06 Formula Grant, reported to Scrutiny Panels in January 2005, was £177.925m. The actual grant, as set out in Table 4, has been confirmed as £178.139m.

8.2 For the purposes of calculating the Council Tax Requirement it is necessary to incorporate prior year adjustments. These refer to the Collection Fund and an Amending Report issued by the Government in respect of the 2003/04 Finance Settlement. The net external support is therefore £176.515m. In 2005/06 sums already earmarked from reserves will offset that reduction.

Table 4

	£000s
Revenue Support Grant	120,087
Redistributed Non-Domestic Rates	58,052
Total 2005/06 Formula Grant	178,139
Prior Year Adjustments	(1,624)
Net External Support	176,515

9 COUNCIL TAX BASE

9.1 On 26 January 2005, the Council formally agreed a Tax Base of 74,965 equivalent Band D properties. Therefore the Council's element of the Council Tax can be calculated as follows:

<u>Total Budget Requirement</u>	=	<u>£ 244.240m</u>	–	<u>£176.515m</u>	=	£903.42
Tax Base						74,965

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9.2 This represents an increase of £13.35 or 1.5% in respect of the Council's own Band D Council Tax (1.2% on the overall Council Tax bill).

10 PRECEPTOR'S COUNCIL TAX REQUIREMENTS

10.1 The Greater London Authority's precept of £19.0875m also has to be funded from Council Tax. The following table analyses the total amount to be funded and the resulting overall Band D Council Tax level.

$\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\text{£19.0875m}}{74,965} = \text{£254.62}$

10.2 This represents an increase of £13.29 or 5.5% in respect of the GLA's budget requirements (1.2% on the overall Council Tax bill).

11 OVERALL COUNCIL TAX REQUIREMENTS

11.1 The overall amount to be funded from the Council Tax is calculated as follows:

Table 5

	£000s
London Borough of Hammersmith & Fulham	244,240
Greater London Authority	19,087
<u>Less</u>	
Net External Support	176,515
Total Requirement for Council Tax	86,812

11.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a Council Tax for its own budgetary purposes (section 8) and then add the separate Council Tax requirements for each of the preceptors (section 9).

11.3 It must then set the overall Council Tax for the Borough. These calculations have to be carried out for each of the valuation bands A to H, and are set out in

the recommendations at the front of the report. The amount per Band D equivalent property is calculated as follows:

$\frac{\text{Total Budget Requirement}}{\text{Tax Base}} = \frac{\text{£ 86.812m}}{74,965} = \text{£1,158.04}$
--

- 11.4 In 2004/05 the overall amount per Band D equivalent property was £1,131.40. The increase can be explained as follows:

Table 6

	2004/05 Band D	2005/06 Band D	Increase On 2004/05
	£	£	£
Hammersmith & Fulham	890.07	903.42	13.35
Greater London Authority	241.33	254.62	13.29
Total	1,131.40	1,158.04	26.64

- 11.5 This represents an increase of £26.64 or 2.35% on the overall Council Tax bill.

12 CONSULTATION WITH NON DOMESTIC RATEPAYERS

- 12.1 In accordance with the Local Government Finance Act 1992, the Council is required to consult with Non Domestic Ratepayers on the budget proposals. The consultation can have no effect on the Business Rate, which is set by the Government.

- 12.2 As with previous years, we have discharged this responsibility by writing to the twenty largest payers and the local Chamber of Commerce together with a copy of this report. The Director of Finance also attended a meeting with local businesses organised through the Chamber of Commerce on the 3 February 2005. Any comments will be reported at Leader's Committee.

13 COMMENTS OF THE SCRUTINY PANELS

- 13.1 As part of the Scrutiny process each department's estimates have been reviewed by one of the Scrutiny Panels. Comments from the scrutiny panels are attached at **Appendix E**.

14 COMMENTS OF THE DIRECTOR OF FINANCE

- 14.1 These are contained within the body of this report.

15 COMMENTS OF THE HEAD OF LEGAL SERVICES

- 15.1 The Council is obliged to set the Council Tax and a balanced budget for the forthcoming financial year in accordance with the provisions set out in the body of the report.
- 15.2 In addition to the statutory provisions the Council must also comply with general public law requirements and in particular it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good when setting the Council Tax and budget.
- 15.3 The recommendations contained in the report have been prepared in line with these requirements.
- 15.4 Section 25 of the Local Government Act 2003, which came into force on 18 November 2003, requires the Director of Finance to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The Council must take these matters into account when making decisions about the budget calculations.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Revenue Budget 2005/06	Andy Lord Ext. 2531	Finance Department 2 nd Floor Town Hall Extension
2.	Revenue Support Grant Papers 2005/06	Andy Lord Ext. 2531	Finance Department 2 nd Floor Town Hall Extension
3.	MDD, PAD and Finance Budget Papers 2005/06	Dave Lansdowne Ext. 2549	Finance Department 2 nd Floor Town Hall Extension
4.	Social Services Budget Papers 2005/06	John Stansfield Ext. 5006	Social Services Department 181 King Street
5	Children's Trust Budget Papers 2005/06	John Stansfield Ext. 5006	Social Services Department 181 King Street
6.	Education Budget Papers	Deepa Martin	Education Department

		Ext. 3623	Cambridge House
7.	Housing Budget Papers	Ian Ward Ext. 1749	Housing Department Riverview House
8.	Environment Budget Papers	Dave McNamara Ext. 3404	Environment Department Town Hall Extension
9.	Direct Services Budget Papers	Graeme Trott Ext. 1190	Finance Department Riverview House

APPENDIX A

The Requisite Calculations for Hammersmith & Fulham (as set out in Sections 36 to 36 of the Local Government Finance Act 1992)

		<u>£000s</u>
(a)	being the aggregate of the amounts which the Council estimates for the items set out in section 32 (2)(a) to (e) of the Act.	669,194
(b)	being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3)(a) to (c) of the Act.	(424,954)
(c)	being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 32 (4) of the Act, as its budget requirement for the year.	244,240
(d)	being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, or additional grant, (in accordance with section 33 (1) decreased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97 (3) of the Local Government Finance Act 1988 (i.e. Council Tax Deficit). (i.e. Aggregate External Support plus Council Tax adjustments).	(176,515)
(e)	being the amount at (c) above less the amounts at (d) above, calculated by the Council in accordance with Section 33 (1) of the Act	67,725
(f)	being the amount at (c) above less the amount at (d) above all divided by the amount in Section 8 of the report, calculated by the Council, in accordance with Section 33 (1) of the Act, as the Basic Amount of its Council Tax (Band D) for the year i.e. $\frac{\pounds(c)k - \pounds(d)k}{\text{Amount Section 9}}$	£903.42

(g) Valuation Bands – Hammersmith & Fulham Council:

Band A	Band B	Band C	Band D
602.28	702.66	803.04	903.42
Band E	Band F	Band G	Band H
1,104.18	1,304.94	1,505.70	1,806.84

being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which that proportion is applicable to dwellings listed in band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in the different valuation bands.

(h) Valuation Bands – Greater London Authority

That it be noted that for the year 2005-06, the following amounts in precepts issued to the Council in respect of the Greater London Authority, its functional and predecessor bodies, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D
169.75	198.04	226.33	254.62
Band E	Band F	Band G	Band H
311.20	367.78	424.37	509.24

(i) That having calculated the aggregate in each case of the amounts at (g) and (h) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2005-06 for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D
772.03	900.70	1,029.37	1,158.04
Band E	Band F	Band G	Band H
1,415.38	1,672.72	1,930.07	2,316.08

Appendix B - MTFs Summary

	Year 1 2005/06 £000	Year 2 2006/07 £000	Year 3 2007/08 £000
2004/05 Base Budget	233,939	233,939	233,939
Known Changes:			
Education Passporting	3,800	7,600	11,400
Burdens & Functions transferring as a result of the Provisional RSG Settlement:			
- Funding of the Magistrates Courts service	-500	-500	-500
- New Funding for additional Civil Contingencies provision	204	204	204
- Contribution from Reserves (prior year adjustment)	-1,624	0	0
- Replacement Funding for Social Service grants already in the base budget	1,665	1,665	1,665
Inflation	6,387	14,900	24,400
Growth	8,502	13,314	17,728
Total	18,434	37,183	54,897
Efficiencies			
Corporate	-1,590	-4,114	-4,214
Departmental	-6,543	-8,651	-8,616
Total	-8,133	-12,765	-12,830
Net Change	10,301	24,418	42,067
Total Expenditure	244,240	258,357	276,006
Resources based on confirmed grant increase for 2005/06 then 3.5%			
Revised External Support	176,515	183,821	190,286
Council Tax Increase of 1.5% in 2005/06 and 3% subsequently	67,725	69,757	71,849
Total Resources	244,240	253,578	262,135
Budget Gap	0	4,779	13,871
<i>For information</i>			
<i>Further risks</i>	2,875	4,775	8,175

Appendix C

GROWTH

Department	Title	Description	2005/06 £000	2006/07 £000	2007/08 £000
DSD	Waste Disposal	Exponential increases in the cost of landfill tax	384	847	1,200
	CRB Checks	Cyclical checks which there is a duty to carry out	20	20	20
	Street cleansing	Further investment in street scene to provide street cleansing to new civic areas - Lyric Square, Shepherds Bush Green and Imperial Wharf will all require additional street cleansing	85	85	85
	Street Scene	Major investment in streetscene as part of the Smarter Borough initiative. Additional ongoing improvements in street cleansing for greater coverage	400	400	400
DSD	Total		889	1,352	1,705
Environment	Licensing	Assumptions relating to additional costs and reduced income following the introduction of the new licensing legislation have been revised since last year, when it was estimated at £177k p.a. These estimates are still fluid and likely to change.	150	110	110
	Contaminated Land	Medium term work programme to identify and remedy contaminated land within the borough. DEFRA indicate contaminated land may well be included in future CPA assessments	80	80	80
	Air Quality	Since the introduction of the Prudential Capital Scheme, guidance from DEFRA suggests that it will be down to the Council's auditor to confirm whether the expenditure can be treated as capital or not. As the expenditure generates intangible assets such as information,			

		it is likely that the majority of it will be classified as revenue.	50	50	50
	Street cleansing	New areas - Environment Department element (see also DSD)	40	40	40
	Football TMOs	Additional costs to be incurred through the setting up of the Craven Cottage scheme	50	50	50
Environment	Total		370	330	330
Education					
Education	Leisure	The running costs for the Janet Adegoke Pool	75	151	151
Education	Total		75	151	151
Housing	Housing Benefits Verification Framework	Additional cost of achieving verification framework	150	150	150
	Safer Communities	Support to enforcement and related areas in respect of Smarter Borough 2005	210	210	210
	Supporting People	A net reduction in grant following the implementation of a new funding formula	310	310	310
	Private Sector Housing	New Bill will require additional roles to be fulfilled	200	200	200
Housing	Total		870	870	870
Social Services	Older People	Home Care cost pressures.	75	150	150
	Learning Disability	Increased needs for expenditure on learning disability due to increasing numbers of service users.	400	600	800
	External Funding Shortfalls	Supporting People grant income shortfall	128	128	128

	Older People	Open new day service - Wandsworth Bridge	0	0	275
	Older People and Younger Disabled Adults	Cost pressures in Residential and Nursing Care Homes	150	300	450
	Concessionary Fares	Transport for London price increases above inflation	236	472	700
Social Services	Total		989	1,650	2,503
Children's Trust	Children's Services	Increased children's population in LBHF	180	180	180
		Price increases above inflation	100	100	100
Asylum and Family Support Services	Asylum Seekers	Single Adults and Families	325	325	325
Stamford House	Stamford House	Cost of closure	150	150	150
Children's Trust Asylum and Family Support and Stamford House	Total		755	755	755
PAD/MDD/DF	PAD	ITS - Infrastructure Improvements required to ensure Business Continuity	50	50	50
		Councillors' briefings after the 2006 election	0	15	0
		Subscriptions	51	51	51
	FDD	BACSTEL Software Migration to BACHSTEL-IP -maintenance costs	6	6	6
		CHIP and PIN Readers - maintenance costs	11	11	11

	MDD	Local Elections	0	220	0
		General Election (net of government grant)	10	0	0
PAD/MDD/DF	Total		128	353	118
CORP	Hammersmith Town Hall Extension Security	Current security provision within Hammersmith Town Hall Extension is inadequate. Extra funding is required for additional security staff and minor works, which will ensure effective risk management	44	44	44
	Modernisation	OLAS system upgrade - maintenance costs	72	58	60
		Voluntary Sector Support in order to generate additional external funding	40	40	40
		Extension in Use of Corporate E-payment System	8	8	8
	Insurance	Increased premium costs due to increased incidence of claims	41	82	123
	Land Charges	Shortfall due to a slowdown in the housing market	150	150	150
	Office Accommodation	Rental and NNDR increases	500	1,200	1,900
	Planned Maintenance	Decapitalisation of revenue element following Audit Commission advice	500	500	500
	Capitalised salaries	Decapitalisation of salaries following Audit Commission advice.	371	371	371
	Pension Fund	Additional Contributions arising from the April 2004 actuarial valuation	2,700	5,400	8,100
CORP	Total		4,426	7,853	11,296
	Grand Total		8,502	13,314	17,728

Appendix D

EFFICIENCIES

Department	Title	Description	2005/06	2006/07	2007/08
			£000	£000	£000
DSD	<u>Gershon Efficiencies</u>				
	DSO 3	Restructure of services following street scene best value review	-200	-450	-450
	<u>Other Efficiencies</u>				
		Trading Surpluses to be returned to the General Fund	-126	-126	-126
	Parks & Open Spaces	Sports bookings & administration - delete half a post	-10	-10	-10
	Events	Flower Show: interest and participation has declined	-24	-24	-24
DSD	Total		-360	-610	-610
Environment	<u>Increased Income</u>				
	Parking	Estimated additional income from £5 permit rise.	-175	-175	-175
		Additional parking and traffic offence income	-500	-1,000	-1,000
	Oxbridge Boat Race	Income generating/advertising measures relating to the annual Oxford / Cambridge Boat Race	-50	-50	-50
	Automatic Public Conveniences and Adshel	New contracts for automatic public conveniences and bus shelters.	-50	-50	-50
	Cemeteries	Additional income will be generated by the increase in certain cemetery service rates.	-100	-100	-100
	Highways Maintenance/NRSWA	Penalty fees from utility companies - offset by start up costs for new permitting system.	-50	-100	-100

<u>Other Efficiencies</u>				
Parking	BVR/BPR Parking service	0	-200	-200
	Saving in administration costs of the Parking Service	-35	-35	-35
Planning Best Value Review	Savings delivered by investment of Planning Delivery Grant or from Best Value Review	-150	-150	-150
BTS	Estimated Surplus	-300	-300	-300
Arboriculture	New planting to be funded from developer provided funds or other capital sources.	-10	-10	-10
Traffic Regulation Order Processing	Reduction in staffing following the completion of consolidation of existing orders and new systems in place	0	-30	-30
Highways	Highways saving - to be found from the current benchmarking review of highways expenditure and highways work programme	-80	-180	-180
Building Control	Charges for testing electrical wiring installations - new statutory duty to be absorbed by existing staff through IT facilitated efficiency gains	-20	-20	-20
	Workload reduction - reduction in staffing following reduced levels of income, saving net of cost of mobile technology costs and income adjustment	-20	-20	-20
Policy and Projects	Review of transport policy/projects and interface with Highways and Engineering leading to the deletion of vacant post	-30	-30	-30
EPD and Management Resources	Post-licensing Act transitional year - following the introduction of the new licensing regime, a review of business processes is expected to contribute savings by reducing one member of staff.	0	-30	-30
	Restructuring and rationalisation of work on divisional and departmental business planning, performance management, quality standards and other minor functions	0	-35	-35

		Administration/Management Support - rationalisation of management support following the merger of four divisions into two larger divisions - net of loss of English Heritage Grant for conservation work in Development Control (£10,000 in 2005/06 then £20,000)	-15	-5	-5
Environment	Total		-1,585	-2,520	-2,520
Education	<u>Gershon Efficiencies</u>	Passenger transport BVR - with Social Services	-150	-300	-300
		Central staffing reductions to meet the remainder of savings following finalisation of the roll numbers in January	-85	-85	-85
		Departmental management and administration	-100	-200	-200
	<u>Other Efficiencies</u>	Transfer out of schools block	-200	-400	-400
		Greenwich Leisure contract	-200	-200	-200
		Traded Services deficit eliminated	-35	-70	-70
		Lower than anticipated Secondary roll numbers in September. Affected schools will be protected by transitional grant.	-85	-85	0
		New model for Cleaning Service	-25	-25	-25
Education	Total		-880	-1,365	-1,280
Housing	<u>Increased Income</u>				
	Homelessness and Temporary Accommodation Benefits	Additional income from temporary accommodation and HALS roll-in arrangements	-70	-70	-70
	Regeneration	Review of charging for singles in temporary accommodation in light of new Housing Benefit thresholds	-188	-188	-188
		Examine trading options under Freedoms and Flexibilities	-52	-105	-105
	<u>Gershon Efficiencies</u>				
	Private Sector Housing	Savings from a review of Private Sector Housing	-500	-500	-500
	Homelessness and Temporary Accommodation	Joint procurement of homelessness accommodation	-40	-40	-40

	<u>Other Efficiencies</u>				
	Homelessness and Temporary Accommodation	Reduced use of Bed and Breakfast and additional income from Private Sector Leasing Scheme	-400	-400	-400
	Benefits	HB growth now 100% funded therefore previously predicted growth can be removed	-150	-150	-150
		Housing Benefit restructuring and BFI recommendations	0	-70	-70
	Regeneration	Review of overheads rechargeable to grants	-20	-20	-20
	Safer Communities	Reduction in Agency fees to cover the security of buildings, a reduction in the vehicle hire costs for security staff & Parks Constabulary	-40	-40	-40
Housing	Total		-1,460	-1,583	-1,583
Social Services	<u>Increased Income</u>				
	Learning Disability	Increased income from learning disabilities respite centre	-50	-50	-50
	Cross Departmental	Use of additional grants to cover current expenditure	-155	-155	-155
	<u>Other Efficiencies</u>				
	Older People	Opening of Queen Charlotte's extra care sheltered accommodation.	-140	-275	-275
	Meals on wheels	Provide batches of ready cooked meals where requested	-25	-25	-25
	Mental Health	The Bridge Project - demand for this counselling service for women has significantly declined	-100	-100	-100
	Learning Disability	Review of Learning Disability contracts	-50	-50	-50
	Disability Services	Review of Blakes and Link employment service	-20	-20	-20

Administration	Administration savings from IT investment	0	-50	-100
Home Care	Management Efficiencies	-30	-30	-30
Strategy, Partnerships & Performance Review	Admin efficiencies and use of substance misuse grant to fund related support costs.	-90	-90	-90
Directors Support	Review of equipment and record stores	-15	-15	-15
Community Care	HIV Services	-30	-30	-30
	Greater use of telecare services	-30	-30	-30
	Meadbank - identify contribution to shortfall	-110	-110	-110
	Reduction in rental at 179 Fulham Palace Rd subject to the move to Stamford Brook and negotiation with the PCT.	-40	-40	-40
Cross Department	Supplies and Services budgets	-35	-35	-35
Human, Finance & Information Resources	Efficiencies in charging systems	-30	-30	-30
Social Services Total		-950	-1,135	-1,185
Children's Trust	<u>Other Efficiencies</u>			
Looked After Children	Reprovision of more cost effective semi-independent hostel places	-200	-200	-200
	Better use of the miscellaneous support budgets for children in care	-50	-50	-50
Leaving Care Team	Management reorganisation	-20	-20	-20

	Family Placement Unit	Agency Foster Carers	-150	-150	-150
		More effective use of the publicity budget for recruitment of foster carers	-50	-50	-50
		Inter-agency adoption	-50	-50	-50
	Sure Start and Children's Fund	Reduce subsidised management costs to Sure Start and Children's Fund	-50	-50	-50
Children's Trust, Asylum and Family Support	Total		-570	-570	-570
PAD/MDD/DF	<u>Increased Income</u>				
	PAD	Further Legal Services Income	-10	-10	-10
		ITSD income from Avalon sales and support	-150	-150	-150
	Customer First	Increased Halls Letting Income	-25	-25	-25
	<u>Gershon Efficiencies</u>				
	Customer First	The introduction of the Call Centre has achieved economies of scale through the integration of staff teams allowing the deletion of an Information Officer post	-25	-25	-25
	FD	Payroll staff savings (Trent)	-100	-100	-100
	PAD	Senior management savings	-100	-100	-100
	<u>Other Efficiencies</u>				
	PAD	Irish Centre	-50	-100	-100
		Voluntary Sector Support - Additional funding from External Sources - linked to the growth bid	0	-80	-80
		Community Liaison restructure	-30	-30	-30
		Deletion of post in central administration	-30	-30	-30
	MDD	Human Resource administration savings	-60	-60	-60

	FD	Accountancy post.	-28	-28	-28
		Re-tendering of Valuation service	-30	-30	-30
		Loss of a vacant post in Performance and Procurement plus miscellaneous savings	-20	-20	-20
		Loss of a vacant post in Corporate Finance	-35	-35	-35
		Loss of a vacant post in Cashiers	-20	-20	-20
		Reduction in Supplies and Services Budgets	-25	-25	-25
PAD/MDD/DF	Total		-738	-868	-868
CORP	<u>Gershon Efficiencies</u>				
	Customer First	Customer First Contact Centre, excluding Council Tax / Benefits	0	-300	-300
	Council Tax/Housing Benefit	Council Tax and Housing Benefit review	-50	-250	-250
	E-procurement	E-procurement	0	-1,000	-1,000
	Agency Staff	Agency staff savings	-100	-200	-200
	IT	IT BVR savings	-500	-500	-500
	Reorganisation	Long term departments reorganisation savings	-190	-340	-340
	Business Process Re-engineering	Other business process redesign	0	-200	-200
	Finance Staff	Finance staff review	-200	-200	-200
	One stop shops	One stop shops	0	-100	-100
	Central Departments	Central overheads review	-100	-200	-200
	E-forms		-50	-100	-100

	E-payments		-50	-50	-50
	Offices	Office accommodation rationalisation	-100	-200	-200
	Revenues and Benefits	System implementation (includes PAD mainframe savings)	-100	-224	-224
	<u>Other Efficiencies</u>				
	Debt Restructuring	Debt Restructuring	-100	-200	-300
	Voluntary Sector	Savings have been identified across a number of voluntary groups. See Leader's Committee report of 7 December 2004	-50	-50	-50
CORP	Total		-1,590	-4,114	-4,214
	Grand Total		-8,133	-12,765	-12,830

COMMENTS OF SCRUTINY PANELS

HEALTH AND SOCIAL CARE SCRUTINY PANEL – 11 JANUARY 2005

At its meeting on 11 January 2005, the Health and Social Care Scrutiny Panel considered the Executive's proposals for the Council's budget and for the Social Services Department and Children's Trust 's revenue estimates for 2005/06.

The panel noted specific pressures and identified risks, including above inflation price increases by private sector providers; additional training costs arising from changes in national care standards and which had been passed on to commissioning authorities; recruitment and retention of quality staff; increase in demand for services in the community; increase in population of children in the borough; and the continued expectation that local authorities would be responsible for supporting unaccompanied asylum seeking children.

A number of questions were raised in relation to day care services for older people; foster care recruitment, the Bridge Project, and family placement unit as well as Stamford House. The panel requested a detailed strategy plan for discharging the overheads relating to the facility.

RESOLVED –

1. That the panel noted the report.

In addition the panel requested:

2. That the panel receive a detailed strategy plan for discharging the overheads relating to Stamford House.

ENVIRONMENT & REGENERATION SCRUTINY PANEL – 17 JANUARY 2005

The Environment and Regeneration Scrutiny Panel considered the Revenue Budget and Council Tax 2005/06 report at it's meeting on 17th January 2005.

The Panel noted the Council's commitment to achieving efficiency savings projected over the three-year period. The Panel considered the impact of investment in current projects which would result in long term savings.

RESOLVED –

That the Panel notes the Revenue Budget and Council Tax for 2005/06.

HOUSING SCRUTINY PANEL COMMENTS – 10 JANUARY 2005

The Housing Scrutiny Panel considered a report on the Executive's proposals for the Council's Budget and Housing Department's revenue estimates for the next financial year at its meeting held on 10th January 2005.

The Panel discussed a range of issues including the implications of the government's reduction in the Council's Supporting People grant and discussed the savings proposed for the Private Sector Housing Team given the additional responsibilities contained within the new Housing Act.

RECOMMENDED –

That the Panel endorses the proposals for the Council's Budget for 2005/06 and notes the Housing General Fund's revenue estimates.

LEADERSHIP SCRUTINY PANEL COMMENTS – 19 JANUARY 2005

The Leadership Scrutiny Panel considered the proposals for the Revenue Budget and Council Tax 2005-06 at its meeting held on 19th January 2005.

The Panel discussed a range of issues including the increased costs of Education Passporting and E-procurement savings.

In addition, the Panel also considered detailed information in relation to the proposed budget for the Finance, Managing Director's and Policy and Administration Departments and Customer First and Safer Communities Divisions.

RECOMMENDATION –

That the Panel notes the Revenue Budget and Council Tax proposals for 2005-06.

EDUCATION AND LEISURE SCRUTINY PANEL COMMENTS – 12 JANUARY 2005

At its meeting on 12 January 2005, the Education and Leisure Scrutiny Panel considered the Executive's proposals for the Council's budget and the Education Department's revenue estimates for 2005/06.

The panel was informed that the key to the education budget was the passporting increase, together with the availability of transitional grants, and the savings that were being made on transport and central administration.

A number of questions were raised in relation to Appendix F which contained detailed departmental budget information. These included issues around the special educational needs budget, the impact on budgets from losses to school rolls, and staffing figures. Following a lengthy discussion, the Chair expressed the panel's thanks that the additional information (Appendices E and F) had been provided, as had been requested by the panel at the previous year's budget scrutiny.

The panel endorsed the proposals for the council's budget for 2005/6 and the education department's revenue estimates.

BGOP (BETTER GOVERNMENT FOR OLDER PEOPLE) - 27 JANUARY 2005

BGOP (Better Government for Older people) met with the Cllr McLaughlin, MD and other senior officers on 27th January 2005 to discuss the budget, and welcomed the opportunity.

Whilst welcoming the council's efforts to keep the Council Tax low, they raised general concern that in order to do this services that affected older and vulnerable residents would not be cut.

They questioned particularly the council's commitment to Agewell, Meals on Wheels, Home care, the voluntary sector and BGOP itself. Assurances were given that these services would be continue to be provided, and savings only proposed such as the choice in the Meals on Wheels Service where users were in agreement.

Other questions related to the council's budget commitments to large developments and projects such as the Chelsfield development, the new bus station, Lyric Square and the Olympic bid where members were concerned that monies that otherwise could have been used for front line services were being used.

BGOP members were pleased to hear that there would be no changes in the Taxi-card scheme and the council will continue to support the concessionary fares scheme.

APPENDIX F

Fees and Charges that have increased by a rate other than 2.5% since 2004/05

Section 1 Environment Department

Description of Service	Proposed Fee (£)	% Increase	Comment
Highways & Engineering - Canopy Fee	500	66	Currently an Annual Fee – proposing that it will be a single application assessment fee. The charge is set to reflect the costs of setting up an Agreement
Highways & Engineering -Table and Chairs Licences – Principal Centres	2,000	new	Differentiating the current fee to reflect the higher costs associated with cleansing in town centres. Pedestrianised squares will be subject to an additional element to be discussed on a case by case basis.
Highways & Engineering -Table and Chairs licence	300	50	Charge to reflect the costs of vetting the application
Highways & Engineering -Scaffolding & Hoarding Licences (Domestic up to 10m)	150	50	Charge to reflect the costs of vetting the application
Highways & Engineering -Scaffolding & Hoarding Licences Commercial Single Frontage (or resident to 15m)	200	new	Charge to reflect the costs of vetting the application – additional costs for larger structures
Highways & Engineering - Scaffolding & Hoarding Licences Multiple Frontages	400	new	Charge to reflect the costs of vetting the application – additional costs for larger structures
Highways & Engineering - Scaffolding & Hoarding Licences	100	new	Additional Monthly charge for renewal (note changes will require new application fee)
Highways & Engineering - Costs of Traffic Surveys (4 Arm Junction)	286	new	Per Day -Traffic Survey Information typically sold to commercial companies
Highways & Engineering - Costs of Traffic Surveys (Single Carriageway)	286	new	Per Day- Traffic Survey Information typically sold to commercial companies
Highways & Engineering - Costs of Traffic Surveys (Other Junctions)	286	new	Per Day-Traffic Survey Information typically sold to commercial companies
Highways & Engineering – Crane Licence	160	new	One off charge to reflect the costs of vetting the application.

Section 2 Education Department

ADULT EDUCATION

Description of Service	Proposed Fee (£)	% Increase	Comment
Band 2 Non-accredited	3.20	12.28	No increase is proposed on accredited courses
Non EU refugees or asylum seekers	6.00	new	These groups could not access courses in previous years.
Creche fees	2.60 1.10 0.30	4% 10% new	Regular Concessions For students on basic education.

PLAY SERVICE

Description of Service	Proposed Fee (£)	% Increase	Comment
Admin Charge	3.00	new	New Charge for late holiday application forms

YOUTH SERVICE

Description of Service	Proposed Fee (£)	% Increase	Comment
Term time per session	0.60	9.1	Increased fees have been rounded to the nearest 5p.
Playing for Success Programmes for Schools - 10 weeks for up to 30 pupils with transport to and from the centre.	150.00	new	Programmes are funded through a 3-way partnership between LEA, DfES and 2 local football clubs. The original funding did not include inflation and increases in staff pay and the DfES contribution is reducing.

LIBRARY AND ARCHIVE SERVICE

Description of Service	Proposed Fee (£)	% Increase	Comment
Photocopying A4	0.15	50.0	Part of a rationalisation of charging in which colour copying charges are reduced.
Photocopying A3	0.30	100.0	As above

AGEWELL OVER 50'S GROUP

Description of Service	Proposed Fee (£)	% Increase	Comment
Borough Resident	5.50	13.6	Since 2002 termly fees have not kept pace with inflation.
Out of Borough Resident	11.00	11.7	As above

Section 3 Direct Services Department

Note :Direct Services fees and charges have increased by 2.9% which reflects the net effect of the increases in the costs of providing services; 2.95% increase in employee costs and 2.5% inflation of all other costs.

The only notable exception to this is the sports prices for use of the 'All-weather pitches'. These are new facilities and usage is most likely to be maximised by keeping prices down. Therefore, no price increase is proposed for the use of these pitches.

REMOVALS

Description of Service	Proposed Fee (£)	% Increase	Comment
Housing			
Standard removals within the borough Monday - Friday 0800hrs-1730hrs	170.29	2.9	As explained in the note above
Standard removals within the borough Saturdays 0800hrs-1430hrs	266.08	2.9	
OUT OF THE BOROUGH REMOVALS			
Up to 16 Kilometres	255.44	2.9	
17 to 32 Kilometres	283.82	2.9	
33 to 64 Kilometres	312.20	2.9	
65 to 96 Kilometres	340.56	2.9	
97 to 128 Kilometres	368.95	2.9	
129 to 160 Kilometres	397.34	2.9	
161 to 192 Kilometres	426.14	2.9	
Jobs requiring travel in excess of 192 kilometres will be charged separately at time of booking			
ADDITIONAL STAFFING			
Monday - Friday - per man hour	12.19	2.9	
Saturday - per man hour	18.20	2.9	
Out of hours - per man hour	18.20	2.9	
Saturday after 1430hrs	24.26	2.9	
Waiting time per hour	31.21	2.9	
Late notice of cancellation (within 24hrs)	31.21	2.9	
Cancellation on site	170.29	2.9	
Cancellation from store	48.61	2.9	
Packing service - per man hour	11.04	2.9	
Packing cases	3.03	2.9	
Client access to store per hour	45.24	2.9	
STORAGE COSTS			
0-300 cubic ft per day	1.73	2.9	
351-550 cubic ft per day	3.52	2.9	
Over 551 cubic ft per day extra - per cubic ft	0.01	2.9	
Packing crate charge per week	0.59	2.9	
Dump charge per container (Housing)	37.58	2.9	
ALL OTHER REMOVALS			
Monday-Friday 0800hrs-1500hrs Van x 2	34.94	2.9	

staff			
Extra staff - per man hour	17.47	2.9	
Saturdays - per man hour	26.17	2.9	
Sundays - per man hour	34.94	2.9	

SPORTS BOOKINGS (Average price increase 2.6%. Proposed prices have been rounded to the nearest multiple of 5p or 0p)

SCHOOL SPORTS - Charges quoted apply to Local Authority Schools and exclude VAT. Charges to Grant Maintained and Private Schools are increased by the VAT amount.

Description of Service	Proposed Fee (£)	% Increase	Comment
SPORTS CHARGES - all inclusive of VAT			
FOOTBALL			
Weekend	47.35	2.9	As explained in the note above
Weekday	23.70	2.9	
Bank Holiday	53.55	2.9	
Youth Team U/18	23.70	2.9	
Hurlingham - Centre Pitch	53.55	2.9	
<i>Football per hour - School</i>	11.35	2.9	
<i>**11-a-side All Weather Pitch</i>	44.00	0	
<i>**5-a-side All Weather Pitch</i>	22.00	0	
<i>**11-a-side All Weather Pitch - School</i>	10.00	0	
<i>**5-a-side All Weather Pitch - School</i>	5.00	0	
RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY			
Weekend	47.35	2.9	
Weekday	23.70	2.9	
Bank Holiday	53.55	2.9	
Hurlingham - Centre Pitch	53.55	2.9	
<i>Rugby per match @ Hurlingham - School</i>	47.35	2.9	
<i>**All weather Pitch - Hockey</i>	44.00	0	
<i>**All weather Pitch - Hockey - Schools</i>	10.00	0	
CRICKET			
Weekend	47.35	2.9	
Weekday	23.70	2.9	
Bank Holiday	53.55	2.9	
Youth Team - U/18	26.70	2.9	
<i>Cricket per hour - School</i>	11.35	2.9	
NETBALL			
Per court per game	9.30	2.9	
<i>Netball per hour - School</i>	3.65	2.9	
ROUNDERS/BASEBALL			
Per pitch per game	37.60	2.9	
<i>Rounders per hour - School</i>	3.65	2.9	
SOFTBALL			
Marking per pitch to be quoted & paid			
Per pitch per game	37.60	2.9	
BICYCLE POLO			
Weekends	47.35	2.9	

Weekdays	23.70	2.9	
ATHLETICS			
Weekend - per day	95.20	2.9	
Bank Holiday - per day	152.30	2.9	
Weekdays: Full Day	56.60	2.9	
Half Day	28.30	2.9	
ATHLETICS - Schools			
<i>Athletics per meeting @ Hurlingham full day</i>	56.60	2.9	
<i>Athletics per meeting @ Hurlingham half day</i>	28.30	2.9	
<i>Athletics per hour @ other Parks</i>	11.35	2.9	
TENNIS			
Adult - per court per hour	5.60	2.9	
Youth - U/18 - 9am-6pm, Mon - Fri	3.30	2.9	
<i>Tennis per hour - School</i>	3.30	2.9	
Lifestyle - 2 members per court per hour - 9am-4pm, Mon – Fri	Free		
Lifestyle - 1 member per court per hour - 9am-4pm, Mon - Fri	3.30	2.9	
Tennis Booking - Annual Membership Card	10.30	2.9	
5 games	27.80	2.9	
10 games	55.60	2.9	
Coaches Licence Fee	374.60	2.9	
MINI BASEBALL			
Markings and over-marking to be quoted & paid			
Per pitch per game	37.60	2.9	
TOUCH RUGBY (half size of football pitch, 2 pitches = 1 football pitch)			
Markings per pitch to be quoted and paid			
Overmarking per pitch to be quoted and paid			
Weekdays	11.85	2.9	
Weekends	23.70	2.9	
@ HURLINGHAM			
COMMUNITY ROOM			
Cost per hour - with sports facility	25.75	2.9	
Setting up and breaking down per hour	10.30	2.9	
Room hire only - min 3 hours thereafter cost per hour will apply	77.20	2.9	
CHANGING ROOM @ HURLINGHAM			
Sports booking for grass area have priority - if available			
Charge per booking	12.90	2.9	
For schools per booking	10.30	2.9	
BOWLS			
Adult - per person per round	1.55	2.9	
OAP/Youth – per person per round	0.80	2.9	
Lifestyle - per cardholder per round			
Adult season ticket	35.50	2.9	
OAP/Youth season ticket	7.75	2.9	
Locker rent	7.75	2.9	
@ HURLINGHAM			
TRAINING AREA & FLOODLIGHTS			
Training area per hour (in half hour slots)	15.45	2.9	
Floodlights per hour (in half hour slots) - Tue & Thur 6 - 9pm ONLY	1.55	2.9	

Section 4 Social Services Department

Description of Service	Proposed Fee (£)	% Increase	Comment
Coverdale Road Learning Disabilities Home-per week.	871	1%	Proposed charges are restricted to 1% as a result of a reduction in Capital Financing Charges. Regulations do not allow recovery of more than total cost.
117 Goldhawk Road Learning Disabilities Home – per week	1,192	-6%	Proposed charges are reduced as a result of a reduction in Capital Financing Charges. Regulations do not allow recovery of more than total cost.

There are currently no full cost payers in either home.

23 FEBRUARY 2005

LEADER

*Councillor Andrew
Slaughter*

CAPITAL PROGRAMME 2005/06 TO 2007/08

ALL WARDS

This report sets out the current commitments in the capital programme and recommends, after consideration of an updated resource forecast, new schemes for inclusion in 2005/06 and beyond.

CONTRIBUTORS

FD, EDN, ENV, HSD,
SSD, PAD, DSD.

RECOMMENDATIONS

1. To note, as set out in Appendix A, that the General Fund capital programme, inclusive of new specific funding allocations of £6.150m, stands at £32.490m for 2005/06.
2. To approve that the following schemes be added to the General Fund capital programme:
 - White City Community Centre and Nubian Life;
 - Chelsfield Library Fit Out;
 - Streetscape Improvements Phase 2 – Smarter Borough – £3.7m already approved for start in 2004/05;
 - Fostering Service Expansion of in-house placements – Loft conversions and extensions for foster carers;
 - Private Sector Renewal Grant;
 - Improving Borough Parks, Play Infrastructure and Open Space;

- **Flora Gardens School – Provision of ICT Suite;**
 - **Wormholt Park School – New Teaching Space and Meeting Rooms;**
 - **Hurlingham and Chelsea School – Accommodation Improvements**
- 3. To note the updated HRA resource forecast as set out in the Report and indicative capital programme as detailed in Appendix B.**

1. INTRODUCTION

- 1.1 This report indicates the estimated level of resources that will be available to support capital investment over the period 2005/06 to 2007/08. Current capital commitments are noted and new schemes recommended for inclusion in the capital programme. Final decisions on the Capital Programme are due to be taken by Council on 23 February 2005.

2. GENERAL FUND SCHEMES

- 2.1 The current resource forecast is shown in Table 1. This is £7.926m higher than previous estimate reported to Leader's Scrutiny Panel on 19 January 2005. This relates to the inclusion of additional capital receipts and lower forecast overspends (£0.796m), new grant notifications (£6.150m) and scheme reprofiling (£0.980).

Table 1 – Capital Resources Forecast

	2005/06	2006/07	2007/08
	£'000s	£'000s	£'000s
Supported Borrowing in RSG	2,401	2,179	2,220
Capital Receipts	14,913	5,970	5,000
Prudential Borrowing- LBHF Revenue Funded	4,344	1,717	2,883
Scheme Specific Resources	15,070	7,473	5,854
Resources brought forward from 2004/05	2,959	0	0
Allowance for Overprogramming:			
– Add In-year slippage	1,731	815	722
– Deduct prior year slippage	0	(1,731)	(815)
Total Forecast Resources	41,418	16,423	15,864

- 2.2 Allowance for the borrowing levels set out in Table 1 has been made within the Council's Medium Term Financial Strategy.
- 2.3 The capital receipts forecast incorporates the LBHF share (25%) of estimated Right-to-Buy Sales and an allowance for other asset disposals. Progress regarding such sales will need to be carefully monitored. Allowance is made for overprogramming on schemes due to be funded from mainstream resources. This recognises that many capital projects can suffer delays for a variety of reasons.
- 2.4 The specific funding resource forecast is based on known allocations. It will be updated over the forthcoming months in accordance with relevant government, and other public and private, spending announcements. Since LSP of 19 January 2005, such new 2005/06 specific funding allocations amount to £6.150m. These largely relate to an allocation of £3.455m from Transport for London and £2.331m for various Education programmes. Allowance for the application of such sums is made within the capital programme set out in Appendix A.

- 2.5 The capital programme for General Fund schemes as it currently stands is attached as Appendix A and summarised in Table 2. It incorporates reprofiled schemes for which available resources have been carried forward from 2004/05 and new schemes for which notification of grants have been received from various funding bodies.

Table 2 – The Current Capital Programme (Including Specific Funded Schemes allocations for 2005/06)

	2005/06	2006/07	2007/08
	£'000s	£'000s	£'000s
Education	10,331	4,223	2,841
Social Services and Children's Trust	3,213	10	0
Environment	11,319	5,819	5,633
Policy and Administration	30	0	0
Finance and Corporate Projects	7,139	3,600	4,550
Housing-General Fund	458	313	313
Total Expenditure	32,490	13,965	13,337

- 2.6 The capital programme includes 3 new schemes that were approved by Leader's Committee on 7 December for start in 2004/05 but will continue beyond 2004/05. These schemes are Streetscape Improvements (£3.7m in total), Improvements and Upgrades to the Options Service at 280 Goldhawk Road (£0.2m in total) and Safety Upgrade and Refurbishment at 17 Rivercourt Road (£0.2m in total).
- 2.7 The capital programme also includes provision for on-going Core Programmes for Corporate Planned Maintenance of £2.5m per annum and for repairs to Carriageways and Footways of £2.1m per annum.
- 2.8 Table 3 below shows the balance of unallocated resources.

Table 3 – Estimated Unallocated Resources

	2005/06	2006/07	2007/08
	£'000s	£'000s	£'000s
Estimated Resources – Table 1	41,418	16,423	15,864
Capital Programme – Table 2	32,490	13,965	13,337
Balance of Resources available for allocation	8,928	2,458	2,527

- 2.9 All schemes have been evaluated against a prioritisation matrix developed by the Capital and Property Board.

2.10 The table below indicates the total scores, awarded by an Officer Evaluation Panel, for each bid and their net total cost over a five-year period from 2005/06 onwards.

Table 4 – The Scores Awarded and Net Total cost

DEPT	DEPT RANK	SCHEME DETAILS	TOTAL NET COST	SCORE AWARDED
			£'000	Max 110
SSD	1	White City Community Centre and Nubian Life; Building a New Day Centre with Community Space	2,375 (less £1.6m fundraising)	85
EDU	7	Chelsfield Library Fit Out	1,250	82
ENV	1	Streetscape Improvements – Smarter Borough	3,200	67
SSD	2	Fostering Service Expansion of in-house placements-Loft conversions and extensions for foster carers	360	58
HSD	1	Private Sector Renewal Grants (This is an annual LBHF programme of £2.6m. Government Grant of £0.4m per annum is also anticipated)	13,000	52
ENV	2	Improving Borough Parks, Play Infrastructure and Open Space	780	50
EDU	5	Flora Gardens School. Provision of ICT suite	116	45
EDU	3	Wormholt Park School – New Teaching Space and Meeting Rooms	80	44
EDU	4	New Modern Languages, ICT Block at Fulham Cross School	1,800	39
EDU	1	Hurlingham and Chelsea School – Accommodation improvements including dining and toilets	600	35
EDU	2	Single Service Points in the Library Service	149	27
SSD	5	Essential Improvements to Health and Safety at various residential and day service sites	180	19
EDU	6	Ringwood City Learning Centre Extension	375	10

- 2.11 The bids generally relate to specific projects for which capital expenditure would be phased over more than one year. However, the bid for Private Sector Renewal grants represents an annual LBHF contribution of £2.6m for each of the 5 years. A detailed breakdown of the expenditure profile, across the years, is attached as Appendix C.
- 2.12 A comparison of the funding bids considered by the Evaluation Panel and the available resources is set out in Table 5. This indicates that, whilst all the bids would be affordable in 2005/06, the programme would move into a significant cumulative deficit (£1.773m) by 2006/07. This deficit would be addressed by not proceeding, at this stage, with the 5 schemes ranked the lowest by the Evaluation Panel (i.e. those shaded in Appendix C).

Table 5 – Comparison of Bids and Available Resources

	2005/06	2006/07	2007/08
	£'000	£'000	£'000
Available Resources (Table 3)	8,928	2,458	2,527
Expenditure Requirement For New Bids (Appendix C)	8,012	5,147	3,206
In Year Surplus/(Deficit)	916	(2,689)	(679)
Balance the Programme by excluding the 5 lowest ranked schemes.	1,470	1,544	90
Revised In-Year Surplus/Deficit	2,386	(1,145)	(589)
Cumulative Surplus/Deficit	2,386	1,241	652

- 2.13 Although the Hurlingham and Chelsea scheme was ranked lower than other schemes by the officer panel, the scheme was subsequently revised and is now recommended for inclusion in the programme. The total investment requirement for the scheme £0.600m and this could now be funded from the cumulative surplus of £0.652m (Table 5) now projected for the Capital Programme. Inclusion of this scheme would reduce the forecast surplus to £0.052m.
- 2.14 The scheme to provide Single Service Points in libraries is amongst the five lowest ranked schemes. This scheme is linked to the requirement that the Library Service deliver revenue savings of £0.4m as part of the Council's Medium Term Financial Strategy. Rather than finance this scheme through mainstream capital resources it is recommended that it be referred to the Council's Invest to Save Fund.

3. HOUSING REVENUE ACCOUNT

- 3.1 The latest Capital Resource Forecast for the Housing Revenue Account is set out in Table 6. ODPM has set aside £78m allocation of ALMO funding (for 2005/2007) and, following HFHMS's achievement of a two-star rating from Audit Commission, this funding is now secured.

- 3.2 The ALMO enhanced programme has been developed during 2004/2005 to reach the tender approval stage for 7 long-term partnering agreements in June 2005. These 7 contracts will enable the Decent Homes Programme to be implemented to meet the government's target of all homes at the standard by 2010.
- 3.3 An indicative programme has been developed and approved by HFHMS Board, which is based upon priorities identified through the stock condition survey. The programme will be finalised after the contractors are appointed.

The latest Capital Resource Forecast for the Housing Revenue Account is set out in Table 6.

Table 6 – Capital Resource Forecast

	2005/06	2006/07	2007/08
	£000s	£000s	£000s
Supported Borrowing through Housing Subsidy	5,615	5,615	5,615
Major Repairs Allowance	11,782	11,915	12,183
Capital Receipts	750	0	0
Section 106	1,438	77	0
New Deal for Communities (NDC)	1,872	0	0
Hostel Funding – ODPM	1,501	0	0
Allowance for Overprogramming:			
– Add In-year slippage	3,479	3,506	3,560
– Deduct prior year slippage	0	(3,479)	(3,506)
Total Forecast Resources	26,437	17,634	17,852
Indicative ALMO Funding	33,750	44,409	47,122
Total Forecast Resources	60,187	62,043	64,974

- 3.4 The proposed Housing Revenue Account Capital Programme is attached as Appendix B and summarised in Table 7.

Table 7 – Proposed Housing Revenue Account Capital Programme

	2005/06	2006/07	2007/08
	£000s	£000s	£000s
Supply Initiatives	2,566	200	0
Internal Components Renewal	7,221	2,509	205
Major Refurbishment	9,202	2,621	0
Preventative Planned Maintenance	1,000	0	0
Minor Programme	1,983	1,897	1,667
Over programming from 2004/05	2,425		
Total Expenditure	24,397	7,227	1,872
Expected ALMO funded schemes	39,797	62,297	66,065
Total Expenditure including ALMO	64,194	69,524	67,937

4. PRUDENTIAL CODE REQUIREMENTS

- 4.1 Under the provisions of the Prudential Code, the Council is required to set, and review, a number of prudential indicators when considering its capital investment plans.
- 4.2 Such prudential indicators are shown in Appendix D. The indicators confirm that the spending proposals set out in this report are, in accordance with the Code, affordable, sustainable and prudent.

5. COMMENTS OF THE LEADERSHIP SCRUTINY PANEL

- 5.1 The Leadership Scrutiny Panel considered and noted this report at its meeting held on 19 January 2005.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Capital Monitoring documents	Isaac Egberedu Ext. 2503	Finance Department 2 nd Floor HTH Extension
2.	Provisional Finance Statement Papers and Capital Grant Notifications	Keith Nevitt Ext. 2501	Finance Department 2 nd Floor HTH Extension

APPENDIX A

CAPITAL PROGRAMME 2005/06 TO 2007/08 GENERAL FUND SCHEMES

Individual Schemes/Projects		£'000	£'000	£'000
		2005/06	2006/07	2007/08
1.0 EDUCATION				
1.1 MAINSTREAM SCHEMES				
N505C	Phoenix Pool on former JA Site.	3011	165	0
TBC	Normand Croft	75	0	0
N494C	Bridge Academy	5	0	0
N298C	Jack Tizard New School	80	0	0
TOTAL MAINSTREAM EDUCATION		3171	165	0
1.2 SPECIFIC FUNDED SCHEMES				
N451C	Marshcroft EYC - NDC Grant	2195	0	0
N483C	Gibbs Green - gym extension	369	0	0
N465C	Hurlingham & Chelsea Ph 4	361	0	0
N434C	Wormholt Prk Ext Refurb (NDS C)	25	0	0
N467C	Canberra Primary Window Repl	9	0	0
N451E	Marshcroft EEC - NDC temp accom	103	0	0
N481C	Phoenix High - fitness suite NOF	73	0	0
N299C	Langford Primary Redevpmnt	80	0	0
N500A	Normand Croft adventure playground (NOF)	10	0	0
	Normand Croft	1579	1321	0
TBC	Linford Christie	14	0	0
	Devolved Capital Funding - 2005/06	1189	1498	1583
	Modernisation - Secondary	695	653	672
	Modernisation - Primary	447	586	586
TOTAL SPECIFIC EDUCATION		7149	4058	2841
PRUDENTIAL BORROWING - SELF FINANCING				
	Lilla Huset Professional Development Centre	11	0	0
GRAND TOTAL EDUCATION		10331	4223	2841
2.0 SOCIAL SERVICES				
2.1 MAINSTREAM SCHEMES				
P011A/B	Older Persons Strategy:	1399	0	0
P020A	Voluntary Sector Premises	245	0	0
	Options Service - 280 Goldhawk Rd.	180	5	0
	Refurbishments - 17, Rivercourt Rd.	180	5	0
TOTAL MAINSTREAM SOCIAL SERVICES		2004	10	0
2.2 SPECIFIC FUNDED SCHEMES				
	SS Broadway	922	0	0
	Improving Information Management	159	0	0
	Integrated Children's Services (ICS)	128	0	0
TOTAL SPECIFIC SOCIAL SERVICES		1209	0	0
TOTAL SOCIAL SERVICES		3213	10	0
3.0 ENVIRONMENT				
3.1 MAINSTREAM SCHEMES				
R052A	Electronic Data Management	37	0	0
R024A	LampColumnReplacem'nt-Parks etc	125	0	0
R025A	Carriageways	1349	1349	1349
R025B	Footways	751	751	751
	Streetscape Improvements	2500	0	0
TOTAL MAINSTREAM FUNDED		4762	2100	2100
3.2 PRUDENTIAL BORROWING - SELF FINANCING				
R070D	Fulham Palace Restoration HLF Stage 1	333	117	333
	Fulham Palace Restoration HLF Stage 2	0	500	500
Sub Total		333	617	833
3.3 SPECIFIC FUNDED SCHEMES				
R018P	Sbg - Phase 1a	24	0	0
R025A	Carriageways	265	290	0
R025B	Footways	147	162	0

1.1 MAINSTREAM SCHEMES				
N505C	Phoenix Pool on former JA Site.	3011	165	0
TBC	Normand Croft	75	0	0
R026Z	Bridge Strengthening Programme	275	0	0
R025E	CPZs- Design	630	630	0
R070C	Fulham Palace-Restore-HLF Stage 1	28	0	0
R070D	Fulham Palace-Restore-HLF Stage 2	1000	1620	2700
R026R	Column Replacement Programme	400	400	0
TFL				
	Principal Road Maintenance	658	0	0
	Bridge Assessment and Strengthening	350	0	0
	Local Safety Schemes	370	0	0
	20 Miles per Hour Zones	150	0	0
	Walking	125	0	0
	Cycling LCN+	330	0	0
	Cycling Non LCN+	55	0	0
	Bus Stop Accesibility	50	0	0
	Bus Priority	465	0	0
	Town Centres	200	0	0
	Station Access (Formerly Interchanges)	50	0	0
	Safe Routes to schools	150	0	0
	Travel Awareness	40	0	0
	Freight Schemes	15	0	0
	Environment (formerly Air Quality)	60	0	0
	Local Area Accessibility	50	0	0
	Park Royal - Old Oak CommonLane/DuCane Rd. Jct.	60	0	0
	West London - Travel Plan	19	0	0
	Green Areas	230	0	0
	SWELTRAC	28	0	0
TOTAL Specific Funded schemes ENV.		6224	3102	2700
TOTAL ENVIRONMENT		11319	5819	5633
4.0 POLICY & ADMINISTRATION				
4.1 MAINSTREAM SCHEMES				
TOTAL MAINSTREAM PAD		0	0	0
4.2 SPECIFIC FUNDED SCHEMES				
T019D	Councillors IT (LGOL)	30	0	0
TOTAL SPECIFIC PAD		30	0	0
GRAND TOTAL PAD		30	0	0
5.0 FINANCE AND CORPORATE				
5.1 MAINSTREAM SCHEMES				
	Planned Maintenance	0	0	0
T085C	Disabled Access to Office Buildings	2500	2500	2500
T085J	Capitalisation of Salaries	372	0	0
T018S	Feasibility Studies	217	0	0
		50	0	0
TOTAL MAINSTREAM FINANCE AND CORPORATE		3139	2500	2500
5.2 PRUDENTIAL BORROWING				
	Vehicles, Equipment (etc) - previously leased	4000	1100	2050
GRAND TOTAL FINANCE AND CORPORATE		7139	3600	4550
6.0 HOUSING				
6.2 SPECIFIC FUNDED SCHEMES				
	Private Sector Renewals -DFG GRANT	313	313	313
	Empty Property website scheme	145	0	0
TOTAL HOUSING		458	313	313
GRAND TOTAL GENERAL FUND		32490	13965	13337
	Mainstream	13076	4775	4600
	Scheme Specific	15070	7473	5854
	Unsupported Borrowing	4344	1717	2883
		32490	13965	13337

APPENDIX B

CAPITAL PROGRAMME 2005/06 TO 2007/08 HRA SCHEMES

	Individual Schemes/Projects	CAPITAL PROGRAMME - 2005/06	CAPITAL PROGRAMME - 2006/07	CAPITAL PROGRAMME - 2007/08
		£'000	£'000	£'000
1. SUPPLY INITIATIVES				
1.1 Hostel Refurbishment Programme				
X018M	5 Castletown Road	900	100	-
	221 King Street	900	100	-
	Sub Total	1,800	200	-
1.2 Regeneration Disposals				
X022D	Cheesemans Terrace - Block A	750	-	-
	Sub Total	750	-	-
1.3 MAJOR VOIDS				
X027T	30 Haldane Rd	2	-	-
X027R	160 Stephendale Rd	2	-	-
X027V	158 Stephendale Rd	12	-	-
	Sub Total	16	-	-
TOTAL SUPPLY INITIATIVES		2,566	200	-
2. INTERNAL COMPONENT RENEWAL				
2.1 Energy Schemes				
X008E	Bayonne Rd Est heating Phase 1	6	-	-
X008O	Bayonne Rd Est heating Phase 2	233	18	-
X008J	DRAKE & Shackleton Courts	4	-	-
X008G	Swan & Ravensworth Courts	4	-	-
X008F	Riverside Gardens Boilers	4	-	-
X008M	Barclay Rd S/H	2	-	-
	Sub Total	253	18	-
2.2 LIFT SCHEMES				
X055K	Sullivan Court Block J Lift	91	13	-
X055I	Philpot Square Lifts	94	22	-
X055J	Sulgrave Gdns Lifts	-	112	27
X055L	726 Fulham Rd Lifts	56	-	-
X055M	Woodmans Mews	93	11	-
	Sub Total	334	158	27
2.3 KITCHEN, BATHROOM AND REWIRING				
X010G	College Court Internals	70	-	-
X010K	Hammersmith Central Estates Phase 1	50	-	-
X010S	Hammersmith Central Estates Phase 2	89	-	-
X010X	Hammersmith Central Estates Phase 3	761	45	-
X010T	Wormholt Estate-Phase 4	37	-	-
X010W	Wormholt Estate-Phase 5	890	44	-
X010M	Bulow Court/Carnwath/JD Hse	50	-	-
X010P	Barton House	2,151	102	-
X010Q	Edith Summerskill/Herbert Morrison	2,485	2,141	178
X010O	Gibbs Green Internals	26	-	-
X040B	Kelmscott Gdns L/lords lighting	4	-	-
X010R	Woodmans Mews Internals	20	-	-
	Sub Total	6,634	2,332	178
Total Internal Component Renewal		7,221	2,509	205

		CAPITAL PROGRAMME - 2005/06	CAPITAL PROGRAMME - 2006/07	CAPITAL PROGRAMME - 2007/08
	Individual Schemes/Projects	£'000	£'000	£'000
3. MAJOR REFURBISHMENTS				
3.1 Window Renewal Schemes				
X079Z	Woodmans Mews-Externals	30	-	-
X077S	Springvale Estate Ph1	27	-	-
X079X	Lytton Ph 4 -Clifford House/Pelham Hse	23	-	-
	Sub Total	79	-	-
3.2 Fabric Repair Schemes				
X080A	32 Moylan Rd	2	-	-
	31 Gayford Rd	70	5	-
X081A	Aquired Programme	50	-	-
X080G	22 Castletown Rd.	5	-	-
X030B	Broxholme Hse Courtyard	8	-	-
	Sub Total	135	5	-
3.3 Clem Attlee Estate				
X077K	Frank Beswick Hse	24	-	-
X079W	John Strachey/Margaret Herbison	45	-	-
	Sub Total	69	-	-
3.4 Edward Woods -Regeneration Project				
X009N	Swanscombe Hse Roof	21	-	-
X009O	Poynter Hse Windbreak Windows	15	-	-
X009P	Stebbing Hse Podia Improvements	300	25	-
	General Estate Works	200	100	-
	Norland House internals	1,019	54	-
	Programme Continuing	-	1,287	-
	Sub Total	1,555	1,466	-
3.5 Maystar Estate-Regeneration				
X012B	Alice Gilliat Court	85	-	-
X012C	Maystar Phase 2	1,800	250	-
X012D	Maystar Phase 3	2,180	150	-
X012E	Maystar Phase 4	3,300	750	-
	Sub Total	7,365	1,150	-
Total Major Refurbishments		9,202	2,621	-
4. X11-P	PPM Main Programme	1,000	-	-
5. Minor Programmes				
TBC	Minor Estate Improvements (MEI)	270	270	270
Blank	Sheltered Hsg Fire Safety Total	9	16	-
HRA	Disabled Adaptations	600	600	600
X049E	Water Tanks Programme Phase4	400	400	400
X030O	Groundwork Environment	200	200	200
X040I	Feasibility Future Schemes	50	50	50
X023G	Emergency Unforeseen	50	50	50
X048K	Charecroft-Deck Landscaping	-	-	-
	Charecroft-amenity deck Landscaping Ph2	2	-	-
	Charecroft-amenity deck Landscaping Ph3	100	300	97
	Batman Close booster pump	5	-	-
X110F	E-HM	187	-	-
X049B	Gibbs Green playground & security works	32	-	-
X049F	Hartopp & Lannoy Pt Asbestos removal	78	11	-
Total Minor Programmes		1,983	1,897	1,667
Over Programming from 2004/05		2,425		
Grand Total HRA		24,398	7,227	1,872

	CAPITAL PROGRAMME - 2005/06	CAPITAL PROGRAMME - 2006/07	CAPITAL PROGRAMME - 2007/08
Individual Schemes/Projects	£'000	£'000	£'000

ALMO

Decent Homes Voids	1,500	2,000	2,000
Lift Schemes - Prog. Continuing	100	2,000	2,000
PPM	4,000	3,000	3,000
Sub Total	5,600	7,000	7,000

PRE-PARTNERING SCHEMES

Lugard House	880	46	-
Askham Court	977	183	61
Aldine Court	1,056	56	-
The Grange, Goldhawk Rd	414	22	-
Sulgrave Gardens	1,482	278	93
Frithville Ct; Brooklyn Ct; Linden Ct	959	180	60
Springvale Estate Phase 2	1,177	131	-
Flora Gardens	1,195	224	75
The Grange, Lisgar Terrace	424	24	-
Queen Caroline Estate Phase 1	1,560	910	130
Vereker Road	845	94	-
Ethel Rankin Ct; Bearcroft Hse; Burlington Pl	1,439	839	120
Alex Gossip Hse; Cyril Thatcher Hse; Eric Macdonald	857	161	54
Pearscroft Court	844	94	-
TOTAL PRE-PARTNERING SCHEMES	14,108	3,240	592

DECENT HOMES PARTNERING

Contract 1 - Hammersmith North	1,718	3,924	4,560
Contract 2 - Shepherds Bush Green	3,382	11,166	13,020
Contract 3 - Hammersmith Central	3,129	8,911	10,656
Contract 4 - Fulham North	4,831	12,420	12,607
Contract 5 - Fulham Central	3,751	7,066	6,991
Contract 6 - Sands End	2,554	5,056	6,244
Contract 7 - Sheltered Housing	723	3,513	4,395
TOTAL DH PARTNERING	20,089	52,056	58,473

Grand Total - ALMO	39,797	62,297	66,065
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Grand Total including ALMO	64,194	69,523	67,937
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APPENDIX C

SUMMARY OF LBHF FUNDING REQUIREMENT

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
White City Community Centre and Nubian Life; Building a New Day Centre with Community Space	127	552	96	0	0	775*
Chelsfield Library Fit Out	0	0	300	895	55	1,250
Streetscape Improvements – Smarter Borough	3,200	0	0	0	0	3,200
Fostering Service Expansion of in house placements-Loft conversions and extensions for foster carers.	120	120	120	0	0	360
Private Sector Renewal Grants	2,600	2,600	2,600	2,600	2,600	13,000
Improving Borough Parks, Play Infrastructure and Open Space	465	315	0	0	0	780
Flora Gardens School.	110	6	0	0	0	116
Wormholt Park School-New Teaching Space and Meeting Rooms	70	100 -90	0	0	0	80
Total for Proposed Priority Schemes	6,692	3,603	3,116	3,495	2,655	19,561
New Modern Languages, ICT Block at Fulham Cross School	300	1,410	90	0	0	1,800
Hurlingham and Chelsea School-Accommodation improvements including dining and toilets	575	25	0	0	0	600
Single Service Points in the Library Service	49	100	0	0	0	149
Essential Health & Safety Works at various Residential & Day Service Sites	180	0	0	0	0	180
Kingwood CLC Extension	366	9	0	0	0	375
Total of Unfunded Schemes	1,470	1,544	90	0	0	3,104
Total	8,162	5,147	3,206	3,495	2,655	22,665

Note *

The total cost of the Nubian Life scheme is £2.375m of which £1.6m is due to be recouped through external fund raising. Temporary prudential borrowing may be necessary pending the receipt of such external funds.

PRUDENTIAL INDICATORS

CAPITAL EXPENDITURE

The proposed indicative capital programme for the current financial year and the forthcoming financial years built upon the assumed level of resources is as follows:

	Forecast 2004-05 £000	Estimate 2005-06 £000	Estimate 2006-07 £000	Estimate 2007-08 £000
Housing Revenue Account	27,704	56,708	62,016	64,920
General Fund (Non-HRA)	42,448	40,019	18,732	16,651
TOTAL	70,152	96,727	80,748	81,571

CAPITAL FINANCING REQUIREMENT

As a consequence of the proposed indicative capital programme, it is envisaged that the capital financing requirement, which reflects the underlying need to borrow to finance the capital programme, will be as follows:

	Forecast 2004-05 £000	Estimate 2005-06 £000	Estimate 2006-07 £000	Estimate 2007-08 £000
Housing Revenue Account	185,876	225,291	275,365	328,152
General Fund (Non-HRA)	175,006	186,319	187,382	188,792
TOTAL	360,882	411,610	462,747	516,944

NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

This is the key indicator of prudence. Its purpose is to ensure that net borrowing is only for capital purposes. This is achieved by measuring net external borrowing against the capital financing requirement. Estimates of net external borrowing for the preceding year, the current year, and the next two financial years indicate that net borrowing will be less than the capital financing requirement. The Council is forecast to meet the demands of this indicator. The projections are:

	Forecast 2004-05 £000	Estimate 2005-06 £000	Estimate 2006-07 £000	Estimate 2007-08 £000
Net Borrowing	296,020	344,250	395,520	449,520
Capital Financing Requirement (CFR)	360,882	411,610	462,747	516,944
Net Borrowing Less than CFR	-64,862	-67,360	-67,227	-67,424

RATIO OF FINANCING COSTS TO THE NET REVENUE STREAM

This indicator demonstrates the percentage of the HRA budget and GF budget that is consumed by financing the capital programme.

	Estimate 2005-06 %	Estimate 2006-07 %	Estimate 2007-08 %
Housing Revenue Account	22.44	24.56	26.91
General Fund (Non-HRA)	4.65	4.39	4.07

INCREMENTAL IMPACT OF CAPITAL SPENDING ON THE GENERAL FUND AND HOUSING REVENUE ACCOUNT.

The estimate of the incremental impact of capital decisions proposed over and above capital investment decisions that have already been taken by the council are as follows:

	Estimate 2005-06 £	Estimate 2006-07 £	Estimate 2007-08 £
Housing Revenue Account – rent £ per household per week	0.00	0.00	0.00
General Fund (Non-HRA) – council tax £ per Band D home per annum	3.84	10.24	11.58

The impact on the Housing Revenue Account is shown as nil. It is anticipated that all the new investment will either be fully funded through housing subsidy or from other specific funding allocations.

BORROWING – AUTHORISED LIMIT & OPERATIONAL BOUNDARY

The prudential indicators concerning the authorised limit for borrowing, and other treasury management activities, are set out in the Treasury Management Strategy report presented elsewhere on this agenda.

23 FEBRUARY 2005

LEADER
*Councillor Andrew
Slaughter*

**TREASURY MANAGEMENT STRATEGY
REPORT**

ALL WARDS

This report provides information on the Council's Treasury Management Strategy for 2005/06 including interest rate projections and borrowing and investment activity reports for the period April to December 2004.

The report seeks approval for borrowing limits and authorisation for the Director of Finance to arrange the Council's cashflow, borrowing and investments in the year 2005/06.

CONTRIBUTORS

FD

RECOMMENDATIONS:

- 1. To approve the future borrowing and investment strategies;**
- 2. In relation to the Council's overall borrowing for the financial year 2005/06, to approve the Prudential Indicators as set out in Section 3 of this report.**

1. INTRODUCTION

- 1.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.3 The ODPM's investment guidance states that authorities could combine the Treasury Strategy Statement and Annual Investment Strategy into one report; the Council has adopted that suggestion and the Annual Investment Strategy is therefore included as paragraph 8.
- 1.4 The suggested strategy for 2005/06 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covers:
 - the current treasury position;
 - the borrowing requirements;
 - prospects for interest rates;
 - treasury limits in force which will limit the treasury risk and activities of the Council;
 - Prudential Indicators;
 - the borrowing strategy;
 - the investment strategy;
 - debt rescheduling.

2. TREASURY MANAGEMENT PRUDENTIAL INDICATORS FOR 2005/06 TO 2007/08

It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit".

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and

other forms of liability, such as credit arrangements. The affordable borrowing limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

2.1 Limits to Borrowing Activity

- (a) **The Authorised Limit** – This represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers “prudent” and it needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable and encompasses borrowing for temporary purposes. It is not a limit that is designed to be brought into consideration during the routine financial management of the authority. That is the purpose of the Operational Boundary.
- (b) **The Operational Boundary** – This indicator is the focus of day to day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self imposed Authorised Limit. Sustained breaches of the Operational Boundary would give an indication that the authority may be in danger of stepping beyond the Prudential boundaries it has set itself.

2.2 Interest Rate Exposures

Interest rate risk management is a top priority for local authority management. While fixed rate borrowing and investment can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance may justify, or even demand, retaining a degree of flexibility through the use of variable interest rates on at least part of a treasury management portfolio. This is a best practice approach to treasury management and is to be encouraged to the extent that it is compatible with the effective management and control of risk.

- (a) **Upper Limit on fixed rate exposure** – This indicator identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- (b) **Upper Limit on variable rate exposure** – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- (c) **Total principal funds invested for periods longer than 364 days** – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.
- (d) **Maturity structures of borrowing** – This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is

not necessary to include variable rate debt because local authorities do not face substantial refinancing risks. The indicator is, in effect, a limit on longer-term interest rate exposure.

- This indicator gives the upper and lower limits for maturity structure of borrowing.

3. PRUDENTIAL INDICATORS FOR 2005/06 – 2007/08

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted on 27 February 2002 by the full Council.

PRUDENTIAL INDICATOR				
Treasury Management Indicators	2004/05	2005/06	2006/07	2007/08
Authorised limit for external debt	£'000	£'000	£'000	£'000
Borrowing	424,882	521,823	553,173	590,083
Other Long Term Liabilities	0	0	0	0
Totals	424,882	521,823	553,173	590,083
Operational boundary				
Operational boundary	376,020	426,520	477,520	521,020
Other Long Term Liabilities	0	0	0	0
Totals	376,020	426,520	477,520	521,020
Upper limit for fixed rate exposure				
Upper limit for fixed rate exposure	£'000	£'000	£'000	£'000
Expressed as: net principal re fixed rate borrowing/ investments	350,000	424,083	469,083	516,083
Upper limit for variable rate exposure				
Upper limit for variable rate exposure	£'000	£'000	£'000	£'000
Expressed as: net principal re variable rate borrowing /investments	87,500	106,020	117,270	129,020
Upper limit for total principal sums invested for over 364 days				
Upper limit for total principal sums invested for over 364 days	£'000	£'000	£'000	£'000
	20,000	20,000	20,000	20,000

Maturity structure of fixed rate borrowing during 2004/05	Upper Limit	Lower Limit
Under 12 months	15%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

4. CURRENT PORTFOLIO POSITION

The Council's treasury portfolio position at the 31 December 2004 is shown in the following table.

		Principal	Ave. rate
		£000's	%
Fixed rate funding	PWLB	294,020	
	Market	<u>0</u>	294,020
Variable rate funding	PWLB	15,000	
	Market	<u>0</u>	15,000
Other long term liabilities			0
TOTAL DEBT			<u>7.28</u>
TOTAL SHORT TERM INVESTMENTS			4.60

4.1 Premature Repayment of Debt

The opportunity was taken during May this year to repay relatively expensive loans totalling £33 million at an average rate of 10.3% with an average life outstanding of approximately 7 years and refinance over 21 years at an average of 5%. This transaction generated savings, net of premium payable, of approximately £950,000 over the 7 year period. This also lengthened the duration of the portfolio and reduced the average cost of capital financing for the Authority, consistent with the long-term objectives of the Authority.

5. BORROWING REQUIREMENT

	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
New borrowing (including ALMO)	4,000	50,500	51,000	54,000
Alternative financing arrangements	0	0	0	0
Replacement borrowing	13,000	10,500	10,000	10,000
TOTAL	17,000	61,000	61,000	64,000

6. PROSPECTS FOR INTEREST RATES

6.1 The Council appointed Sector Treasury Services as its treasury adviser. Part of their service is to assist the Council to formulate a view on interest rates. Appendix A draws together a number of current City forecasts for short term or variable (the base rate or repo rate) and longer fixed interest rates. The following table gives the Sector central view:

Sector View: Interest rate forecast – November 2004

	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007
	%	%	%	%	%	%	%	%	%	%	%	%
Base Rate	4.75	5.00	5.00	4.75	4.75	4.50	4.50	4.25	4.25	4.25	4.50	4.50
5 Yr Gilt Yield	4.75	4.75	4.75	4.55	4.50	4.50	4.55	4.50	4.50	4.50	4.75	4.75
10Yr PWLB	5.00	5.00	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
25 Yr PWLB Rate	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75

Economic background

UK

- Above trend GDP robust, but indications of weakening activity ahead.
- Slowdown in household spending and weakening housing market.
- Benign inflation at present, may rise in 2005 as high street competition cannot sustain the current situation against the effect of rising oil prices.
- Sterling expected to remain at \$1.80 or above.

International

- US – measured interest rate raising by the Federal Reserve; weak trend employment data.
- Consumer slowdown shows no sign of abating and this will be compounded by high oil prices, rising interest rates, the fading effects of past cuts and a faltering labour market.
- US inflation benign.
- ECB has held repo rate at 2.00% since June 2003.

- Weak domestic demand/export led growth indicates an economy about to suffer as world economy expected to slow.

Interest Rate forecast

- The base rate is expected to rise to 5% in Q1 2005, but is nearing the peak of the cycle, and is consequently expected to fall back in 2005.

Long Term 25 year PWLB rate

Expected to remain around 4.75%

- Housing market to weaken from fast market increases causing consumers to feel the pinch.
- Slower global growth driven by weakness in the US.

7. BORROWING STRATEGY

- 7.1 The anticipation is that there is not likely to be much difference between short-term variable PWLB rates and medium and long-term PWLB fixed rate borrowing during 2005/06 provided base rate falls from 5.0% to 4.75% as expected in quarter 3 of 2005. Variable rate borrowing will therefore be slightly more expensive than long term fixed borrowing during quarter 2, but is expected to become cheaper in quarter 1 of 2006 when base rate is forecast to fall to 4.5%. Thereafter variable rate borrowing is expected to become still cheaper during 2006 and so the gap will widen further between long term fixed and variable rates.
- 7.2 Long-term rates are not currently expected to move significantly in 2005/06 but may drift to the downside.

These interest rate expectations provide a variety of options:

- that short-term variable rates will be good value compared to long-term rates, and are likely to remain so for potentially at least the next couple of years. Best value will therefore be achieved by borrowing short term at variable rates in order to minimise borrowing costs in the short term or to make short-term savings in order to meet budgetary constraints. If fixed PWLB rates should fall significantly, then a suitable trigger point for considering new fixed rate long term borrowing would be about 4.5%.
- that the risks intrinsic in the shorter term variable rates are such, when compared to historically relatively low long term fixed funding, which may be achievable in 2005/06, that the Council will maintain stable, longer term portfolio by drawing longer term fixed rate funding at a marginally higher rate than short term rates.

Against this background caution will be adopted with 2005/06 treasury operations. The Director of Finance will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.

7.3 **Sensitivity of the forecast** – The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
- if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates remaining low or weakening, then long term borrowing will be postponed, and any rescheduling from fixed rate funding into variable or short rate funding will be exercised.

8. ANNUAL INVESTMENT STRATEGY

8.1 The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investments priorities are:

- (a) the security of capital; and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non Specified' Investment categories. Counterparty limits will be as set through the Council's Treasury Management Practices.

Specified Investments

8.2 A specified investment is defined in the guidance as an investment which satisfies the conditions set out below:

- (a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- (b) The investment is not a long-term investment (i.e. over 364 days).
- (c) The investment does not involve the acquisition of share capital or loan capital in any body corporate.

Types of specified investments used by the Council include.

- Term deposit – UK government
- Term deposits – other Local Authorities
- Term deposits – banks and building societies
- Money market funds

This is not an exclusive list but other types of specified investments are not currently being used by the Council and would only be used after consultation with our Treasury Advisors.

- 8.3 The Council last reviewed the credit criteria for its lending list in September 2004. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's rating will be used. All credit ratings will be monitored monthly.
- 8.4 The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment no longer meeting the Council's minimum criteria it will be withdrawn immediately.

The ODPM guidance requires authorities to define "high credit rating". The minimum ratings required by the Council are:

	Fitch Long	Fitch Short	Fitch Individual	Fitch Support
Banks	AA-	F1	C	3

	Moody's Long	Moody's Short	Moody's Financial Strength
Building Societies	A	P-1	C

- 8.5 The Council receives a full monthly listing of current ratings of institutions and daily alerts of changes. These are monitored on a daily basis to ensure that no investments are made to organisations who have just been downgraded or are expected to.

Non-Specified Investments

- 8.6 The Council had made no investments in non-specified investments to date. These are any investments not meeting the definition in paragraph 8.2 above.
- 8.7 However if there was a core cash balance available after taking into account the cash flow requirements and the outlook for short-term interest rates then the following non-specified investments would be used: term deposits with banks, building societies and other Local Authorities with maturities in excess of one year.

- 8.8 **Interest Rate Outlook:** Sector is forecasting base rates to be on a falling trend from 5.00% in Q1 and Q2 2005 to 4.50% in Q1 to Q2 of 2006. The Council will therefore seek to lock in longer period investments at higher rates before this fall starts for some elements of its investment portfolio which represents its core balances.

9. DEBT RESCHEDULING

- 9.1 Opportunities may exist for restructuring long term debt into short term variable rate debt to produce saving later in the year, particularly once base rate has fallen to 4.5%. With variable rate borrowing rates likely to fall significantly during 2005/06, it will be best to avoid restructuring into fixed borrowing for short periods (e.g. one year). Long term fixed rates are not expected to rise back above 5.25% during 2005/06. Consequently long term debt rates at or above 4.90% would warrant reviewing the potential for undertaking debt restructuring. Any position taken via rescheduling will be in accordance with the strategy position outlined in paragraph 7 above.

The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the strategy outlined in paragraph 7 above; and
- in order to enhance the balance of the long-term portfolio (amend the maturity profile and/or the balance of volatility).

10. TREASURY SYSTEMS DOCUMENT

- 10.1 There have been no breaches of the treasury system procedures to report. CIPFA's new Treasury Management in the Public Services Code of Practice encompasses the treasury system document in the detailed Treasury Management Practices

11. HAMMERSMITH & FULHAM HOUSING MANAGEMENT SERVICES (HFHMS)

- 11.1 The HFHMS is currently undergoing its inspection. If the HFHMS achieves a rating of at least two stars in the inspection this will release additional supported borrowing from the government and the sum bid is £192 million over 5 years.

The authorised borrowing limits and operational boundary are designed to be upper limits to borrowing and therefore we have included the additional borrowing within these limits in paragraph 3 as follows, £34 Million in 2005/06, £44 Million in 2006/07 and £47 Million in 2007/08. It is expected that the £192 Million over the five years will be supported though Housing Revenue Account Subsidy.

12. MONEY MARKET FUNDS

12.1 On the 3 September 2002 the Council approved the use of four Money Market Funds. However the Council has not used these funds to date because the interest rate paid on them has not been competitive. It is now proposed to reduced the number of Money Market funds to the top two sterling ranking funds.

- Standard Life;
- Barclays Global.

Both of these funds were on the original list approved by the Council on 3 September 2002.

Both of these Funds have a AAA credit rating.

A rating of AAA places the Money Market Funds investments rating on a par with Government debt, a quality rating agencies do not bestow on a fund lightly.

13. COMMENTS OF THE LEADERSHIP SCRUTINY PANEL

13.1 The Leadership Scrutiny Panel considered and noted this report at its meeting held on 19 January 2005.

13.2 The Panel discussed how the Council compared its strategy with other local authorities in relation to the new Prudential Code requirements.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Borrowings and Investments Ledger	Rosie Watson Ext. 2563	Finance Department 2 nd Floor Town Hall Extension
2.	CIPFA – Prudential Code – Accounting for Capital Finance	Rosie Watson Ext. 2563	Finance Department 2 nd Floor Town Hall Extension
3.	Various Economic commentaries	Rosie Watson Ext. 2563	Finance Department 2 nd Floor Town Hall Extension

INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represent summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

1. INDIVIDUAL FORECASTS

Sector View interest rate forecast – November 2004

(%)	Q/E4 2004	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E1 2007
Base Rate	4.75%	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.25%	4.25%	4.25%
5yr Gilt Yield	4.75%	4.75%	4.75%	4.55%	4.50%	4.50%	4.55%	4.50%	4.50%	4.50%
10yr PWLB	5.00%	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
25yr PWLB	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%

UBS Economic interest rate forecast (for quarter ends) – November 2004

(%)	Q/E4 2004	Q/E1 2005	Q/E2 2005	Q/E3 2004	Q/E4 2004
Base Rate	4.75%	5.00%	5.00%	5.00%	5.00%
10yr PWLB	5.15%	5.05%	5.05%	5.05%	5.05%
25yr PWLB	4.75%	4.80%	4.85%	4.85%	4.85%

Capital Economics interest rate forecast – November 2004

(%)	Q/E4 2004	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006
Base Rate	4.75%	5.00%	5.00%	4.75%	4.50%	4.25%
5yr Gilt Yield	5.00%	4.90%	4.80%	4.60%	4.50%	4.40%
10yr PWLB	5.15%	5.15%	5.05%	4.85%	4.75%	4.65%
25yr PWLB	4.85%	4.85%	4.85%	4.75%	4.75%	4.65%

2. SURVEYS OF ECONOMIC FORECASTS

HM Treasury – 21.10.04 summary of forecasts of 28 City and 14 academic analysts for Q4 2004 and 2005.

(2006-2008 are as at August 2004 but are based on 11 forecasts)

	Quarter end		Annual average repo rate		
	Q4 2004	Q4 2005	Average 2006	Average 2007	Average 2008
Indep. Forecaster BoE base rate	4.89%	4.94%	5.08%	4.88%	4.64%
Highest base rate	5.13%	5.75%	6.00%	6.00%	5.70%
Lowest base rate	4.75%	4.25%	4.50%	4.05%	3.83%

23 FEBRUARY 2005

**DEPUTY FOR
ENVIRONMENT &
CONTRACT
SERVICES**

*Councillor Michael
Cartwright*

DEPUTY LEADER
*Councillor Christine
Graham*

FAIRTRADE BOROUGH STATUS

This report recommends that the Council resolves to become a Fairtrade borough. It explains the advantages of this accreditation, and how this is the basis for action by the Council and a representative community stakeholder group to promote the sale and use of Fairtrade goods in shops, cafes, schools and workplaces.

ALL WARDS

CONTRIBUTORS

DENV
DCS
DF

RECOMMENDATION:

That the Council adopts the following resolution:

"Hammersmith & Fulham Council, as an important consumer and opinion leader, wishes to support a strategy to facilitate the promotion and purchase of foods with the FAIRTRADE Mark as part of its commitment to equal opportunities for all workers and in pursuit of sustainable development.

Hammersmith & Fulham Council resolves to contribute to the campaign to increase sales of products with the FAIRTRADE Mark by striving to achieve Fairtrade borough status. It therefore undertakes:

- **To offer FAIRTRADE Mark food and drink options internally and make them available for internal meetings;**
- **To authorise the Director of Direct Services to make a variation to the current contract for catering supplies, and to seek to reduce any premium that it is necessary to charge for Fairtrade goods;**

- **To support a Steering Group of local organisations in campaigns to:**
 1. **promote the purchase of FAIRTRADE Mark goods;**
 2. **promote the Fairtrade Borough initiative in campaigns and publicity.**
- **To nominate a Councillor to represent the Council on the Fairtrade Steering Group, and a member of staff to assist the Steering Group".**

1. BACKGROUND

- 1.1 A FAIRTRADE Mark is awarded to goods produced abroad that ensure a fair and stable price for the supplier, and where workers have a safe and healthy work regime. The Council's Environment Policy includes an objective to influence suppliers of services and goods to reduce their environmental impact, and to provide goods that have been produced and traded fairly and safely. It is also consistent with Council policy on fairness and equality of opportunity in its procurement policy.
- 1.2 75 councils have become Fairtrade Towns or Boroughs since 2000. The GLA is seeking to achieve Fairtrade city status for the whole of London. To date 3 boroughs (Camden, Croydon and Lambeth) have achieved this, and 22 others are working towards it.

2. FAIRTRADE BOROUGH STATUS

- 2.1 This is awarded by the Fair Trade Foundation, which also awards the FAIRTRADE Mark to goods that have been produced and traded in a way that protects the producer's interests. These are normally marketed with a special label, and described by the special spelling – Fairtrade. Fairtrade borough status recognises that, whilst the Council can provide leadership for the community on this issue, progress also depends on individual actions by local residents and organisations. Accreditation requires demonstration that progress is being made towards the achievement of five goals. These are:
- Goal 1 – The Council passes a resolution supporting fair trade and agrees to serve Fairtrade tea and coffee at its meetings, and in its canteens and offices;
 - Goal 2 – A Directory of Fairtrade goods is recorded by a Steering Group which are available in local shops and cafes;
 - Goal 3 – Fairtrade products are used by several local businesses, schools and other organisations such as churches;
 - Goal 4 – A campaign is run encouraging the public to purchase Fairtrade goods, and producing a local guide to fair trade goods and services;
 - Goal 5 – A Steering Group of local people is set up to build and maintain support for Fairtrade. This should include a councillor and appropriate council officer. A Working Team, chaired by Councillor Jones, has started this work.

3. ACHIEVING THE 5 GOALS

- 3.1 Goal 1 – Council action. A resolution for approval by this Committee is set out on the front page of this report.
- 3.2 Goal 2 – Availability of products. A Working Team has started a survey. This information will be included with the application for accreditation, and included in a Directory of Fairtrade retailers, cafes and other establishments.

- 3.3 Goal 3 – Use by local organisations. The Working Team is contacting local firms, churches etc to ascertain who uses Fairtrade products. No minimum numbers are required, but several churches and schools are already known to use or sell Fairtrade goods. Results of the survey will be included in the application for accreditation.
- 3.4 Goal 4 – Publicity. This has begun with newspaper coverage of Melcombe Primary School's survey of shoppers and businesses in Fulham Palace Road, a fair trade stall at the "In Town Without My Car Day" event, and a "Newsbyte" Report in the last 2004 issue of HFM.
- 3.5 Goal 5 – The campaign. A summary of the key features is as follows:
- 3.5.1 A **Fair Trade Network** of retailers, customers and others will be launched during Fair Trade Fortnight, (1st – 13th March 2005) as part of a ceremony to send off the Council's application for Fair Trade Borough Status to the Fair Trade Foundation. A **Campaign Leaflet** will also be produced for this event, prepared by the Working Team and printed by the Council within existing budgets. Later a **Fair Trade Directory** of Fairtrade outlets will be published in hardcopy and on local websites. This will be one of the tasks to be carried out by a **Steering Group** – replacing the existing Working Team – with a membership representing a wide cross-section of the community. The main task of the Steering Group will be to maintain the impetus of, and publicity for, the campaign following the launch.

4. COMMENTS OF CORPORATE MANAGEMENT TEAM: NOVEMBER 2004

- 4.1 Departments were recommended to support this initiative in their own programmes.

5. COMMENTS OF THE DIRECTOR OF DIRECT SERVICES

- 5.1 Fairtrade tea and coffee can be provided by the Council's current supplier by amendment of the current contract. Thus the Council will be able to supply the option of Fairtrade tea and coffee at meetings and in its restaurants. At present a supplement of 5p per cup will be necessary, but it is hoped to reduce this in future. The scope for offering Fairtrade goods to educational establishments can be investigated as part of the continuing work following accreditation.

6. COMMENTS OF THE DIRECTOR OF FINANCE

- 6.1 The increased price of Fairtrade tea and coffee as an option can be passed onto the consumer (5p per cup). If all Council consumers through Civic Catering choose the Fairtrade option, the effect on the Council's overall budget will be an additional cost of approximately £11,000 based on current levels of demand. This will be charged against existing catering budgets across the Council and will need to be managed locally. The Council's

contribution to the Steering Group's proposed campaign to coincide with Fairtrade Fortnight in March 2005 will be met within existing budgets. Further expenditure will depend on further proposals that may be generated. This is reasonable in the light of the Council's adopted Environmental Policy.

7. COMMENTS OF THE HEAD OF LEGAL SERVICES

- 7.1 Fairtrade borough status is a non-statutory voluntary performance standard. It is primarily a demonstration of council support for a community-based campaign. The only commitment by the Council is to pass an appropriate resolution, and to provide Fairtrade tea and coffee on its premises. The resolution recommended is set out on the front page. There will be additional promotion of Fairtrade goods in campaigns organised by an independent group, on which the Council is represented to advance the campaign.

8. COMMENTS OF THE ASSISTANT DIRECTOR FOR PERFORMANCE & PROCUREMENT

- 8.1 The Council has sought external certification of performance in pursuit of other Performance Plan targets e.g. for racial equality. Fairtrade borough status is consistent with local goals for A Fair Chance – anti-poverty, equalities and social exclusion. It replicates these at a national and international level.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Fair Trade Towns – Goals and Action Guide published by Fairtrade Foundation	Richard Adam Ext. 3332	Environment 5 th floor Town Hall Extension
2.	Survey of premises in LBHF selling or serving Fairtrade goods	Richard Adam Ext. 3332	Environment 5 th floor Town Hall Extension

23 FEBRUARY 2005

LEADER

*Councillor Andrew
Slaughter*

**REVIEW OF COUNCILLORS' ALLOWANCES:
TEMPORARY SCHEME FOR TRANSITIONAL
DUTIES ARISING FROM LICENSING
CHANGES**

WARDS

ALL

Summary

This report submits a proposal to pay performance related special responsibility allowances (SRA's) for a limited period to members of the Licensing Committee who undertake exceptional levels of meetings.

CONTRIBUTORS

Head of Councillors'
Services, FD, HLS

RECOMMENDATION:

That time-limited SRA's for Licensing Committee members be introduced for the period 1 March to 30 November 2005, and that Full Council amend the current scheme of allowances for the month of March 2005.

1. BACKGROUND

- 1.1 The annual review of the councillors' allowances scheme appears elsewhere on this Council agenda. This report provides for the possibility of the introduction of an addition to the scheme of allowances to provide SRA's for Licensing Committee members for a transitional period in order to ensure that the Council's licensing requirements are met.

2. LICENSING

- 2.1 The transitional period of the new licensing regime will impose a major burden on a small group of councillors, the members of the Licensing Committee from which the sub-committees will be drawn.
- 2.2 The most burdensome transitional period will run from March to November 2005 when as many as 400 out of the borough total of 750 licensing applications are likely to be considered. During this time the Licensing Sub-Committee(s) may need to meet 4-5 times a week, most of which will be day or half-day sessions. The members of the Sub-Committees must come from the 15-strong Committee, and experience suggests that in reality the majority of the work will fall on 6-8 Councillors.
- 2.3 The legislation governing allowances does not permit the payment of an attendance allowance so any additional allowance would need to be made by way of a special responsibility allowance. This would not however differentiate between the active and passive members of the Licensing Committee.

3. PROPOSED ADDITION TO THE ALLOWANCES SCHEME TO TAKE EFFECT FROM 1 MARCH 2005

- 3.1 The new licensing regime introduced by the Government generates a transitional period during which a large number of licensees can apply for extensions to their existing licences. In the case of Hammersmith and Fulham there are some 750 premises which qualify for such a possibility. The Licensing Act and Regulations require that any licence application that is objected to should be determined by the Licensing Committee or its Sub-Committee. In addition personal licence applications could be referred to members. The Act and Regulations also provide that all such consideration should involve a hearing at which applicant and objectors should have reasonable time to represent their views. Further tight time constraints also apply. The consequence of this is that it is anticipated that in the period from March to November 2005 a very large number of contested applications will need to be considered by the Licensing Sub-Committee. This is the view not only of licensing professionals at this authority but also across London, and is also the view of independent legal advisers.
- 3.2 Most London authorities are therefore concerned about how to ensure that there are sufficient Councillors to support this transitional decision-making

process. In a recent survey 12 London authorities declared that they either had a scheme in place or would introduce one within the next few weeks.

- 3.3 The allowances regulations prohibit attendance allowances which means that in most cases Boroughs are providing for a special responsibility allowance for all Licensing Committee members. In some cases this is time-limited for the estimated transitional period, or will be reviewed at the end of the next financial year. Experience at Hammersmith and Fulham would suggest that whilst there are 15 members of the Licensing Committee, the majority of the workload would be undertaken by 6-8 more active members. It seems therefore that a scheme that recognised the respective workloads of individuals would be both equitable and economical. The next paragraph outlines a suggested scheme which makes payments in line with those of other London Boroughs to those members who undertake the meetings, whilst at the same time minimises payments to those who do not.
- 3.4 A “performance-based allowance regime” is suggested which will penalise Councillors who are not able to attend a large number of meetings. Such a scheme might look like this:
- sub-committee chair (x1): up to £1,000 per month over a 9 month period;
 - sub-committee member (x14): up to £500 per month over a 9 month period;
 - penalty regime:
 - 7+ meetings per month – pay 100%;
 - 5-6 meetings per month – pay 75%;
 - 4-5 meetings per month – pay 50%;
 - 2-3 meetings per month – pay 25%;
 - 1 meeting per month – pay 10%;
 - 0 meetings per month – pay zero.
- 3.5 Other Boroughs are known to be introducing special schemes in recognition of this unusual workload. For example, the Royal Borough of Kensington and Chelsea are introducing a scheme that will cost £67,000. Camden are introducing a scheme with a total bill of £45,000. Southwark have a scheme costing £45,546. Brent’s scheme will cost £52,500. Westminster’s scheme will cost £30,000.
- 3.6 The additional cost of the Hammersmith and Fulham proposal would be around £30,000. The actual cost will, of course, depend both on the number of meetings needed and on the number of members actively participating in the sub-committee.

3.7 The scheme proposed in this report is therefore broadly in line with other proposals across London, but through its performance related element means that only those members performing the function will receive remuneration.

4. COMMENTS OF THE HEAD OF LEGAL SERVICES

4.1 The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations.

5. COMMENTS OF THE DIRECTOR OF FINANCE

5.1 The Council's budget includes specific provision for the ordinary inflation in respect of allowances for 2005-06 and growth provision has been made for additional costs in respect of the new licensing regime. The costs of the licensing allowances will be charged to the growth budget.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Reports of ALG appointed panel on remuneration of councillors in London	Peter Savage, ext 2017	PAD 230, Hammersmith Town Hall
2.	Survey of local authorities – January 2005	Peter Savage, ext 2017	PAD 230, Hammersmith Town Hall

23 FEBRUARY 2005

LEADER
*Councillor Andrew
Slaughter*

**ANNUAL REVIEW OF COUNCILLORS'
ALLOWANCES**

WARDS

ALL

Summary

This report performs the statutory annual review of Councillors' allowances.

CONTRIBUTORS

Head of Councillors'
Services, FD, HLS

RECOMMENDATION:

**That the scheme of Councillors' allowances
2005-06 be approved as attached.**

1. BACKGROUND

- 1.1 The Council is required under the Local Government Act 2000 to undertake an annual review of its allowances scheme. The Council's scheme has an automatic inflation uplift linking councillors, and co-optees, allowances to the annual pay award for council employees.

2. GENERAL REVIEW

- 2.1 As mentioned above, the Council is formally required to undertake an annual review of its allowances regime. The Council has put in place a link with the local government pay award. All allowances will therefore rise by 2.95% as set out in Appendix 1. All changes in allowances are required to take into account the local independent panel on remuneration for councillors. In the case of London, there is a standing report produced by the panel appointed by the Association of London Government. All the proposals contained within this report are consistent with that report.

3. COMMENTS OF THE HEAD OF LEGAL SERVICES

- 3.1 The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations.

4. COMMENTS OF THE DIRECTOR OF FINANCE

- 4.1 The Council's budget includes specific provision for the ordinary inflation in respect of allowances for 2005-06.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Reports of ALG appointed panel on remuneration of councillors in London	Peter Savage, ext 2017	PAD 230, Hammersmith Town Hall

Members' Allowances Scheme

This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for the year 2005 –2006 and subsequent years. The scheme has been prepared having regard to the content of the reports of the Independent Panel on the Remuneration of Councillors in London chaired by Professor Malcolm Grant (which reported in August 2001 and July 2003).

1. BASIC ALLOWANCE

- 1.1 The following basic allowance shall be paid to each member of the authority:
- £8,232 per annum to be paid in 12 monthly instalments on the 15th of each month.

Where a Councillor's term of office begins or ends otherwise than at the beginning or the end of the municipal year the entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which the term of office as member subsists bears to the number of days in that municipal year.

2. SPECIAL RESPONSIBILITY ALLOWANCES

- 2.1 The following special responsibility allowances shall be paid to Councillors holding the specified offices.

The Leader	£32,928
Deputy Leader	£27,438
Other cabinet members (Deputies (5))	£21,948
Chief Whip	£21,948
Deputy Chief Whip	£5,694
Chairs of scrutiny panels (5)	£5,694
Chair of Strategic Partnership Board	£5,694
Leader of the Opposition	£16,461
Deputy Leader of the Opposition	£5,694
Opposition Whip	£5,694
Chairs of Planning Applications Committee, Personnel Panel and Licensing Committee	£5,694
Mayor	£10,977
Deputy Mayor	£5,694
Chair of Licensing Sub-Committee (April-November 2005) *	£9,000
Member of Licensing Committee (April-November 2005) *	£4,500

* These allowances are payable for the transitional period only and are subject to the following performance related arrangements:

- 7+ meetings per month – pay 100%;
- 5-6 meetings per month – pay 75%;
- 4-5 meetings per month – pay 50%;
- 1-3 meetings per month – pay 25%;
- 1 meeting per month – pay 10%;
- 0 meetings per month – no allowance

Where a Councillor does not hold throughout the municipal year any such office the entitlement shall be to payment of such part of the special responsibility allowance as bears to the whole the same proportion as the number of days during which the term of office subsists bears to the number of days in that municipal year.

3. OTHER ALLOWANCES

3.1 Dependent carer allowance

Dependant carer allowance is payable in respect of expenses incurred for the care of a member's children or dependants in attending meetings of the authority, its executive, committees and sub-committees and in discharging the duties set out in paragraph 7 of the Regulations.

- £3.86 per half hour before 10 p.m.; £4.90 per half hour after 10 p.m. (not payable in respect of a member of the councillor's household).

3.2 Subsistence and Travel

Allowances only payable (at same rates as employees) for duties undertaken away from the Town Halls when discharging duties under paragraph 8 of the Regulations.

- **Public Transport**
ACTUAL COSTS REIMBURSED.
- **Car mileage**

Cc	first 8500 miles (pence per mile)	above 8500 miles (pence per mile)
Below 1000	37.0	10.8
1000 or more	40.4	11.2

- **Cycle allowance**
£34.76 per month – where this is claimed no other travel claims are permissible.

- **Subsistence**
Allowances payable at same rates and conditions as employees.
Payment is only made for expenses incurred outside the borough,
subject to a maximum of £5.00 per claim.

4. ANNUAL INCREASE

The allowances in this scheme apply to the financial year 2005-06 and shall be increased by the same percentage rate of increase as the national Local Government pay award in each subsequent year until 2007-08. Up-rating shall be applied to these allowances at the same time as the employees' pay award.

5. ELECTION TO FOREGO ALLOWANCES

A Councillor may by notice in writing to the Director of Policy & Administration elect to forgo any part of his or her entitlement to an allowance under this scheme.

6. TIME LIMIT FOR CLAIMS

The majority of allowances are payable monthly, but where allowances are the subject of claims, these claims should be made in the agreed form with the appropriate declaration within six months of the duty to which they relate.

7. WITHHOLDING OF ALLOWANCES

In the event of Councillors being suspended, the Standards Committee shall have the power to withhold the allowances payable to that Councillor either in whole or in part for the duration of that suspension.

8. PENSIONS

All Councillors under the age of 70 years shall be entitled to join the London Borough of Hammersmith & Fulham Pension Scheme and have their basic allowance and special responsibility allowance treated as pensionable. Councillors can only join the scheme if they are under 70 and can only pay contributions, and accrue benefits, until their 70th birthday. If they carry on in office beyond age 70 they will not pay any contributions or accrue any further membership. Instead, the benefits that were accrued at age 70 will be paid at an actuarially increased rate when they either reach 75 or cease holding office, whichever comes first.

9. MEMBERSHIP OF MORE THAN ONE AUTHORITY

A member may not receive allowances from more than one authority (within the meaning of the regulations) in respect of the same duties.

ALLOWANCES FOR CO-OPTED MEMBERS AND INDEPENDENT MEMBERS OF STANDARDS COMMITTEE

The rate of allowance for co-opted members shall be £1062 pa payable in equal monthly instalments. The rate of allowance for independent members of the Standards Committee shall be £423 pa payable in equal monthly instalments.

These allowances shall be up-rated at the same percentage rate of increase of the national Local Government pay award and at the same time as the employees' pay award is implemented.

Co-opted members shall be entitled to the same travel allowances as Councillors, but shall not be entitled to subsistence payments.

23 FEBRUARY 2005

LEADER

9th LONDON LOCAL AUTHORITIES BILL

WARDS

**DEPUTY FOR
ENVIRONMENT &
CONTRACT
SERVICES**

This report recommends participation in the 9th London Local Authorities Bills and that the Council pass the necessary second resolution at its meeting on 23rd February 2005

ALL

**DEPUTY FOR
REGENERATION**

CONTRIBUTORS

RECOMMENDATION:

HLS, DF

That Council agrees to pass the formal participation resolution set out in Appendix 2 to the report.

1. INTRODUCTION

- 1.1 On 24th November 2004, the Council passed a resolution to participate in the London Local Authorities Bills. The Bills comprise the 9th London Local Authorities Bill promoted by the London Boroughs, an adoptive Bill relating to smoking in public places promoted by the London Boroughs, and a transport Bill promoted jointly by the London Boroughs and Transport for London.
- 1.2 The Council is now required to pass a second resolution in order to participate in the Bills, the text of which is set out in **Appendix 2.**

2. PROCEDURAL REQUIREMENTS

- 2.1 The Local Government Act 1972 and Parliamentary standing orders governing Private Bills require the authorities promoting a Bill to pass a resolution favoured by over fifty per cent of the total number of Councillors in full Council both before and after the bill has been deposited. They are required to advertise the time and place of the meetings to consider promoting the Bill in a newspaper circulating in their area, giving 30 days' clear notice. This requirement has been complied with.
- 2.2 The draft Bills were deposited in Parliament on 26th November 2004 and are expected to begin the Parliamentary process shortly. The provisions of the Bills are summarised in Appendix 1. The draft Bills in full are available as background papers on request.
- 2.3 If the Council wishes to continue to participate in the Bills, it must pass the second resolution set out in **Appendix 2.**

3. COMMENTS OF THE HEAD OF LEGAL SERVICES

- 3.1 These are contained in the body of the report.

4. COMMENTS OF THE DIRECTOR OF FINANCE

- 4.1 The estimated cost of participating in the bill is £12,000 which will be met from corporate resources.

LOCAL GOVERNMENT ACT 2000

List of background papers

NO.	DESCRIPTION	NAME/EXT	DEPT/ROOM
1.	ALG Leaders' Committee Report dated 9 th November 2004	Michael Cogher	PAD/133a
2.	Report to Council dated 24 th November 2004	Michael Cogher	PAD/133a

	Provision	Comments
1.	Provisions in respect of the control of portable advertisements	Dealing with regulation of portable hand held advertisements through a designation scheme. Affects mainly central London boroughs
2.	Providing better powers to deal with fly posting and graffiti including powers of seizure and stronger penalties	Allowing councils further powers to confiscate items used in connection with fly posting and graffiti. Also allows company directors to be disqualified after a fixed number of such offences are committed by their companies and successful convictions have been obtained. This would cover both companies that place fly-posters and companies whose events or products are being advertised on the posters. Powers also include an indemnity for damage caused for the removal of graffiti and fly-posters following the Anti-Social Behaviour Act 2003 precedent and reduces the time period under which persons must remove graffiti when instructed to do so by the service of a notice by an authority. Further powers to remove unauthorised hoardings as defined by previous London Acts. Additionally to remove the loophole whereby a person can effectively remove a poster when instructed to do so by an authority by placing another poster on top of it.
3.	To provide for telephone call barring for numbers mentioned in unauthorised advertisements including those placed in telephone kiosks	This relates to advertisements relating to prostitution placed on, or in the immediate vicinity of, a public telephone or public structure. It is an offence to place such advertisements under section 46 of the Criminal Justice and Police Act 2001. This clause provides stronger powers of enforcement to the borough councils by enabling them, where they find an advertisement relating to prostitution in their borough, to require the communications provider in respect of the telephone number advertised to prevent calls being able to be received by the user of the telephone number. A voluntary scheme has proved ineffective.
4.	Strengthening Councils' powers as regards the control of waste and the use of street litter control notices, prescribing how recyclable waste should be separated, enabling the making of standard regulations about the use of waste receptacles. Charging for additional household waste	In terms of waste receptacles this expands current powers for councils to specify how receptacles for household waste should be placed for collection introducing an additional requirement about avoiding nuisance or degradation of the amenities of the area. It also strengthens powers about how commercial and industrial waste should be placed for collection. Additionally there is provision about litter and refuse in places abutting highways and extending the ambit of

	collections and providing further powers to deal with waste on private land	street litter control notices to these and in other ways.
5.	Strengthening and extending the law relating to litter and dealing with littering from vehicles	This alters the application of section 45 of the Environmental Protection Act 1990 by enabling Councils to require measures to be taken to prevent land becoming defaced by litter or refuse or continuing to be defaced by litter or refuse. Also makes provision about littering from vehicles. The clause will enable the Council to serve a penalty charge notice on the owner of a vehicle in cases where the Council has reason to believe that a littering offence under section 87 of the Environmental Protection Act 1989 has been committed by a person inside the vehicle.
6.	Controlling the use of civic amenity sites	This makes provision about civic amenity sites that London borough councils are under a duty to provide under section 1 of the Refuse Disposal (Amenity) Act 1978. This section does not apply to sites that are provided by waste disposal authorities. The duty under section 1 (which is prospectively repealed by the Environmental Protection Act 1990) is to provide places where refuse (other than refuse falling to be disposed of in the course of a business) may be deposited at all reasonable times free of charge by persons resident in the area of the authority and, on payment of such charges (if any) as the authority thinks fit by other persons. Proposed by LB Wandsworth.
7.	Strengthening enforcement against fly-tipping	Allowing councils further powers to confiscate items used in connection with fly tipping, including vehicles.
8.	Strengthening powers to deal with abandoned vehicles and providing powers to remove and dispose of nuisance and other vehicles	Enhancing the powers current available to boroughs under previous London Acts to deal with the removal of abandoned and nuisance vehicles.
9.	Updating the law on intruder alarms	This clause proposes a number of amendments to section 23 of the London Local Authorities Act 1991, which makes provision in relation to audible intruder alarms. A number of the amendments are included to bring the legislation up to date. Under section 23 of the 1991 Act, owners of audible intruder alarms are under an obligation to provide the police with details of key holders who could be

		contacted if a burglar alarm is activated, and the owner is absent. Section 23 currently provides that such notification must be given in writing at a particular police station. In reality, the collation of key holder information is carried out by a contractor of the Metropolitan Police, and information is held on a central database. The clause would remove the requirement for the information to be given in writing at a police station. Other amendments will remedy minor anomalies in section 23. A new subsection is included which will enable the police to make a charge for dealing with notifications. No such charge would be payable if the original notification has been lost or damaged. Additionally a power to disable alarms on the exterior of a building.
10.	Dealing with construction noise and control of noise nuisance from street works and providing stronger powers to deal with noise nuisance from public works	Powers to deal with construction noise that seriously affects local residents enhancing already existing powers. This could be controversial.
11.	Strengthening enforcement against illegal "near beer" premises	To further strengthen powers and to close loopholes in relation to so-called "clip joints"
12.	Dealing with the display or possession for supply of R18 videos in unlicensed sex shops	To tidy up a loophole under current legislation that is used to avoid licensing requirements
13.	Dealing with fees for premises and personal licences in London under that Act; increasing the number of members who can sit on licensing committees under that Act. Allowing conditions relating to waste and litter to be attached to premises licences under the Licensing Act 2003. Enabling the provision of cleaning up conditions at licensed special events	This would remove the upper limit of Members who can sit on Licensing Committees. These are very unlikely to be enacted because it is likely to be viewed as a national issue. However, it can be included to make the case that there is a specific London dimension to licensing matters. Further powers for litter authorities to make relevant representations on licence applications.
14.	Dealing with charitable collections on the highway and public places	The clause provides that it is an offence to solicit money for the benefit of charitable institutions without the consent of the Council, or in breach of any

		conditions, on the basis of which the Council's consent is given, if the soliciting takes place on any part of the highway designated by the Council. This may be superseded by the Draft Charities Bill at which point these provisions could be withdrawn.
15.	Amending the law relating to street trading including dealing with shop forecourts, bridges over the Thames and the South Bank	Extending powers to deal with environmental damage caused by street trading that is not currently covered by London local legislation e.g. on forecourts and removing loopholes in relation to the south bank. Further powers to deal with the street trading of vehicles and minor amendments to the existing street trading legislation.
16.	Dealing with certain proprietary clubs	To deal with certain premises that are currently being used for unlawful activity. It provides that a person concerned in the conduct or management of an entertainment club who knows that the premises are being used habitually for an unlawful purpose, or as a resort to criminals is guilty of an offence if he does not take such steps as may be necessary to prevent that use. This is based on precedent and local legislation currently in force in Manchester.
17.	Altering the law relating to the licensing of special treatment premises, to include dealing with nail art, mobile premises, and premises under the Registered Homes Act	Special treatment premises currently require licences, in Greater London, under the London Local Authorities Act 1991. That Act provides the definition of special treatment, which includes massage, manicure, acupuncture, tattooing, cosmetic piercing, chiropody and other special treatment. The primary purpose of this clause is to introduce a licensing system for persons who carry out special treatments, but not necessarily in fixed premises.
18.	Dealing with bicycle rickshaws or pedicabs	To introduce a regulatory scheme to deal with the health and safety issues arising from the use of pedicabs, mainly in central London.
19.	Amending and extending the law relating to parking and parking enforcement and with motorcycles on the footway	This would amend section 15 of the Greater London Council (General Powers) Act 1974, which makes provision about parking on footways, grass verges etc in Greater London. Section 15 has the effect of prohibiting parking on footways and verges which form part of an urban road, unless there is specific provision made by the Highway Authority which says that parking is allowed. In terms of motorcycles this removes the requirement in that for it to be enforceable at least one wheel has to be on the footway or verge.

		<p>Also to provide a specific power for parking attendants to remove anything which obscures a registration mark or a pedicab registration plate when carrying out their functions. The Clause also provides an indemnity for parking attendants and their employers against damage caused by any such removal.</p> <p>Additionally to include the decriminalising the offence of driving on a footway in Greater London and to decriminalise certain offences in the Highway Act 1835, the Metropolitan Police Act 1839 and the Road Traffic Act 1988.</p> <p>Further powers to deal with repeat offenders.</p>
20.	Dealing with cycling on the pavement; dealing with abandoned bicycles and other bicycles left in public places	This deals with cycling on the footway and has two main purposes. The first is to designate the offence of cycling on the footway as a fixed penalty offence for which the relevant Highway Authority may serve a fixed penalty notice. The second purpose is to enable authorised officers of the Highway Authority to stop cyclists cycling on footways, for the purpose of serving a fixed penalty notice.
21.	Dealing with filming on the highway and making further provision about filming in London	To strengthen existing borough powers to enable filming to be carried out on the street, with safeguards to protect the position of local residents. This is supported by Film London. The Government has indicated that it may introduce similar proposals by way of a Regulatory Reform Order, but no date has yet been set for that. These proposals can be withdrawn if a firm commitment is given. The proposals will affect both TfL and borough roads.
22.	Dealing with chairs and tables and other things placed on the highway including the making of additional charges	Consent for the placing of tables and chairs on the highway and their use for the provision of recreation or refreshment is granted under the Highways Act 1980 and is considered by London local legislation as street trading but is excluded from the cost recovery regime.
23.	Altering the law relating to overhanging vegetation on the highway	Further powers to deal with overhanging vegetation on the highway, particularly where it obscures road signs.
24.	Providing exemptions from traffic restrictions for waste collection and road sweeping vehicles	This provides a general exemption for waste collection vehicles from decriminalised parking, bus lane and other moving traffic contraventions. The exemption would not operate between the hours of 7.00 a.m. and 10.00 a.m., or

		4.00 p.m. and 7.00 p.m.
25.	Removal of articles attached to street furniture and other objects on or abutting the highway	This enables the relevant highway authority to remove cycles or trailers or parts of cycles or trailers in certain circumstances. Those circumstances are that the cycle or trailer is abandoned or is causing a nuisance, or is detrimental to the amenity of the area in which it is located, or it is attached to an object to which or in the vicinity of which there is a notice affixed.
26.	Removal of disused telephone kiosks and other disused apparatus and street furniture	To give powers to boroughs to remove disused telephone boxes, which are often vandalised and subject to graffiti/fly-posting.
27.	Enabling Councils to provide “wi-fi” technology	Enabling councils to utilise spare wi-fi technology.
28.	Providing for the registration of second-hand dealers	Drafted and based on local legislation in other regions. Essentially a means of dealing with offences around stolen goods. It would be necessary for police support for this to be essentially successful and may be controversial.
29.	Providing for the control or prohibition of smoking in public places or the work place	Powers to be adoptive only. Taken up in separate Bill.
30.	The registration of businesses who provide mail forwarding services	Until the Postal Services Act 2000 came into force, local authorities were able to control, by registration, mail forwarding businesses in their area under section 5 of the Official Secrets Act 1920. This re-introduces the scheme.
31.	Enabling Councils to obtain the names and addresses of people whose telephone numbers are publicised in connection with unlawful street trading of vehicles	In relation to unlawful street trading of vehicles.
32.	Further decriminalisation of offences prosecuted by local authorities and the introduction of a penalty charge notice regime; extending Councils’ powers to serve fixed penalty notices to include offences	Borough Councils are already enabled under other legislation to serve penalty charge notices in respect of certain offences which have been decriminalised. These include penalty charges for parking contraventions (by virtue of the Road Traffic Act 1991), bus lane contraventions (by virtue of the Local Authorities Act

	not currently covered; delegating the issuing of fixed penalty notices and further flexibility in relation to fixed penalty notices procedures, including provision for early payment and service of notices on those aged 16 and above	<p>1996) and certain moving traffic contraventions (by virtue of the London Local Authorities and Transport for London Act 2003). Each of those Acts sets out detailed provisions about the form of penalty charge notices, the ability to make representations against them, further rights of appeal to adjudicators, enforcement provisions where penalty charges are not paid, financial provisions about how penalty charging are to be dealt with and the fixing of the level of penalty charges.</p> <p>Given that the Bill itself contains more than one type of penalty charge notice provision, and in anticipation of future legislation providing more opportunities for enforcement by way of penalty charge notice, these clauses set out a general penalty charge notice procedure for penalty charge contraventions under the Bill, and in future Bills as well as introducing further flexibilities.</p> <p>Also adding some new fixed penalty offences such as cycling on the footway and allowing early discounts for the payment of fixed penalties.</p>
33.	Immobilization devices	This makes provision about the recovery of release fees where an immobilisation device which has been fixed by a parking attendant to a vehicle has been removed from the vehicle unlawfully.
34.	Sharing of information to combat benefit fraud and for other purposes	Awaiting further details.
35.	Amending the law relating to pipe subways	Proposed by the Corporation of London. This makes provision for Councils to charge telecommunications companies for the use of pipe subways provided by Council and also extends existing powers to make such charges in respect of other apparatus so that they apply to pipe subways for which the Corporation of London is responsible.
36.	Enabling zoning powers within which higher fines can be imposed in relation to certain offences	This introduces the concept of enforcement action zones. A borough council (or two or more borough councils acting jointly) may with the approval of the Secretary of State designate areas of land in which in their opinion is expedient that enhanced environmental crime enforcement should be enabled. Designating such an area, the Council has to have regard to the level of environmental crime in the area, the nature of use of land in the area, the

		location of schools and open spaces in the area and the living conditions of those who live in the area and the social conditions in general environment to the area.
37.	The change of use of residential property under Town and Country Planning law	Under the Greater London Council (General Powers) Act 1973, the change of use of premises to use for temporary sleeping accommodation is classified as a material change of use for the purposes of the Town and Country Planning Act. This makes provision about offences as regards enforcement notices issued by a borough council where there has been failure to obtain the necessary consent for such a change of use.
38.	Authorising the disturbance of human remains to enable existing graves to be used for further interments	To allow burial sites to be re-used in cases where a burial authority wishes to deepen the grave to enable more burials to take place. This is to deal with the growing lack of burial space in London. Requested by the Corporation of London. Will need to be sensitively drafted and will include robust safeguards including a 75 year rule before a site can be re-used, consultation requirements and protections for relatives. Consultation will also be carried out with affected groups and religious bodies.
39.	Security arrangements in housing estates	Measures to deal with individuals who interfere with the operation of security gates.
40.	(In the case of the London Borough of Camden) removing restrictions on the placing of temporary structures in Lincoln's Inn Fields	Requested by LB Camden. Removes an archaic anomaly that precludes the placing of marquees or other temporary structures on Lincoln's Inn Fields. Ideal for private Bill process
41.	The control of storage or use of acetylene cylinders	Suggested by LFEPA. Awaiting further details.
42.	Further powers to deal with abandoned shopping trolleys and luggage trolleys	This would make further provision in about abandoned shopping and luggage trolleys. Schedule 4 to the Environmental Protection Act 1990 already enables councils to dispose of abandoned trolleys in their area. They are entitled, if they find and store abandoned trolleys to require the costs of removing and storing the trolley from any person who claims the trolley and satisfies the Council that they are the owner. However, Councils are unable to reclaim costs of removal, storage and disposal of trolleys in cases where the owner does not reclaim them. This would enable the Councils to recover those costs from the person who they

		believe to be the owner at the time the trolley was abandoned. The person from whom the costs are claimed would be able to appeal on the grounds that they were not the owner of the trolley.
43.	Dealing with overgrown vegetation and other unsightly material on private premises and enabling councils to gate off nuisance alleyways and passages to deal with litter and nuisance.	Alters the application of section 45 of the Environmental Protection Act 1990 by enabling Councils to require measures to be taken to prevent land becoming defaced by litter or refuse or continuing to be defaced by litter or refuse.
44.	Mandatory consultation by water companies with Councils about mains water pressure	Under section 65 of the Water Industry Act 1991, water undertakers are under certain duties as respects the maintenance of water pressure for domestic consumption. There have been instances where the water undertaker has lowered the water pressure in its water mains and other pipes, and this has adversely affected residents of premises, particularly in tower blocks. This proposal provides that water undertakers must consult the borough council in any case where it intends to lower the mains water pressure in its water mains and other pipes as are used for providing supplies of water for domestic purposes in the borough.
45.	Making amendments to the London Local Authorities and Transport for London Act 2003 and the London Local Authorities Act 2004	To correct some matters of drafting and correct some other matters in the light of their operation in practice.
46.	Removing the requirement to provide signs indicating the overnight parking ban for commercial vehicles	This establishes a new regime for prohibiting parking of goods vehicles in London. It provides that within specified areas there shall be a general prohibition on parking, if the vehicle exceeds a specified weight. The prohibition would be in force only during specified times. The provisions ensure that road traffic signs will continue to be required at all entrances to the zone in which the prohibition is in force but there will be no obligation to place signs in every road.
47.	Enabling Councils to impose a local levy on plastic bags.	Proposed by LB Camden as an environmental measure. Although the introduction of a local tax would not be suitable for private legislation, it could work on the basis that supermarkets would have to charge extra to customers for the supply of plastic bags, as opposed to paper bags. This is unlikely to be eventually enacted but could be included to highlight this issue.

48.	Further powers to deal with chewing gum	Further details requested from proposing borough.
49.	To alter powers of entry of Council officers	To enhance powers of entry of authorised officer acting in the exercise of his powers under the Bill.

CONFIRMING RESOLUTION OF COUNCIL

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

R E S O L V E D that the Resolution of this Council passed at a Meeting of the Council held on 24th November 2004 to promote a Bill in the present Session of Parliament, pursuant to which the Bill entitled “A Bill to confer further powers upon local authorities in London; and for related purposes”;

“A Bill to confer further powers upon local authorities in London and upon Transport for London; and for related purposes” and “A Bill to provide for the prohibition of smoking in places of work in Greater London” have been deposited in Parliament, be and the same is hereby confirmed.