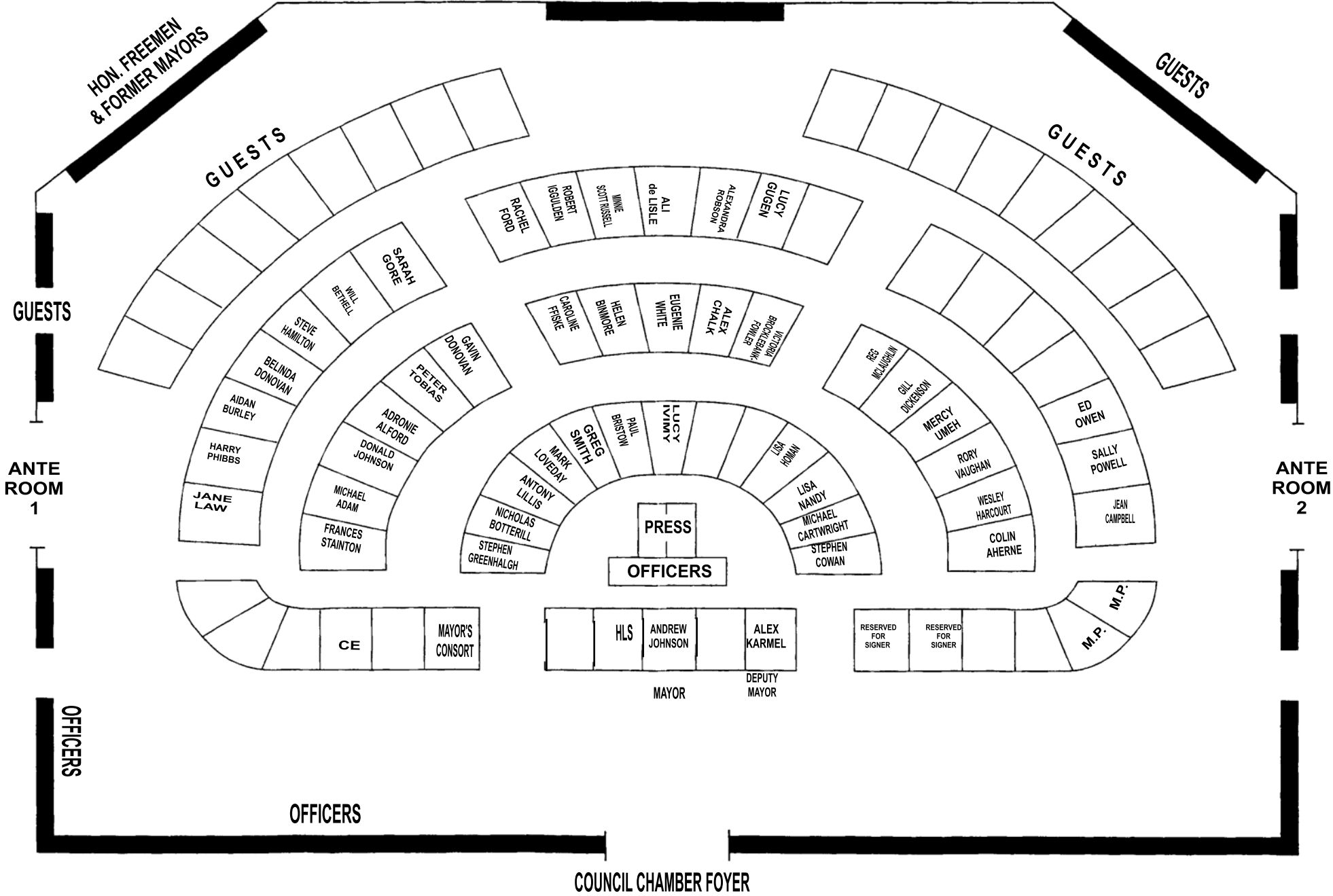


COUNCIL AGENDA

(Ordinary Council Meeting)

Wednesday 17 September 2008

COUNCIL CHAMBER SEATING 2008/09





The Mayor (Councillor Andrew Johnson)
Deputy Mayor (Councillor Alex Karmel)

ADDISON

Helen Binmore (C)
Belinda Donovan (C)
Peter Tobias (C)

HAMMERSMITH
BROADWAY

Michael Cartwright (L)
Stephen Cowan (L)
Lisa Nandy (L)

RAVENSCOURT PARK

Lucy Ivimy (C)
Harry Phibbs (C)
Eugenie White (C)

ASKEW

Gill Dickenson (L)
Rory Vaughan (L)
Lisa Homan (L)

MUNSTER

Michael Adam (C)
Adronie Alford (C)
Alex Karmel (C)

SANDS END

Ali de Lisle (C)
Steve Hamilton (C)
Jane Law (C)

AVONMORE &
BROOK GREEN

Will Bethell (C)
Alexandra Robson (C)
Robert Iggulden (C)

NORTH END

Caroline Ffiske (C)
Sarah Gore (C)
Lucy Gugen (C)

SHEPHERDS BUSH
GREEN

Mercy Umeh (L)
Ed Owen (L)
Alex Chalk (C)

COLLEGE PARK &
OLD OAK

Wesley Harcourt (L)
Reg McLaughlin (L)

PALACE RIVERSIDE

Donald Johnson (C)
Minnie Scott Russell (C)

TOWN

Stephen Greenhalgh (C)
Greg Smith (C)
Antony Lillis (C)

FULHAM BROADWAY

Aidan Burley (C)
Victoria Brocklebank-
Fowler (C)
Rachel Ford (C)

PARSONS GREEN AND
WALHAM

Nicholas Botterill (C)
Mark Loveday (C)
Frances Stainton (C)

WORMHOLT AND
WHITE CITY

Colin Aherne (L)
Jean Campbell (L)
Dame Sally Powell (L)

FULHAM REACH

Paul Bristow (C)
Gavin Donovan (C)
Andrew Johnson (C)

SUMMONS

Councillors of the London Borough of
Hammersmith & Fulham
are requested to attend an
Ordinary Meeting of the Council on
Wednesday 17 September 2008
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

8 September 2008
Town Hall
Hammersmith W6

Geoff Alltimes
Chief Executive

COUNCIL

- AGENDA -

17 SEPTEMBER 2008

<u>ITEM</u>		<u>PAGE</u>
1.	MINUTES – 25 JUNE 2008	
1.1	To approve and sign as an accurate record the Minutes of the Ordinary Council Meeting held on 25 June 2008.	152 - 168
2.	APOLOGIES FOR ABSENCE	
3.	MAYOR'S / CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)	Circulated separately (Green Sheet)
4.	DECLARATIONS OF INTEREST	
4.1	If a Councillor has any prejudicial or personal interest in a particular report they should declare the existence and nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.	
4.2	At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a prejudicial interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken unless a dispensation has been obtained from the Standards Committee.	
4.3	Where members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration unless the disability has been removed by the Standards Committee.	
5.	PUBLIC QUESTIONS (20 MINUTES)	
	The Leader / relevant Cabinet Member to reply to questions submitted by members of the public:	
5.1	Question 1 – Ian Griffiths, 15 Cambridge Grove, London, W6 0LA.	169
5.2	Question 2 - Ms Henrietta Bewley, 4 Ravenscourt Place, London, W6 0UN.	170
5.3	Question 3 – Ms Catherine Remy, 43 Rylett Rd, London W12	171

6.	ITEMS FOR DECISION / COMMITTEE REPORTS (IF ANY)	
6.1	Treasury Management Outturn Report	172
	To note the borrowing and investment activity for the period 1 April 2007 to 31 March 2008.	
6.2	Annual Report of Audit Committee 2007/08 Year	179
	That the Council Approves the Annual Report.	
7.	SPECIAL MOTIONS	
	To consider and determine any Special Motions:	
7.1	Special Motion No. 1 – Borough Examination Results	195
7.2	Special Motion No. 2 – Super Sewer	196
7.3	Special Motion No. 3 – White City Collaborative Care Centre	197
7.4	Special Motion No. 4 – Changes to Committee Memberships	198
8.	INFORMATION REPORTS – TO NOTE (IF ANY)	

COUNCIL MINUTES

(ORDINARY COUNCIL MEETING)

WEDNESDAY 25 JUNE 2008



PRESENT:

The Mayor (Councillor Andrew Johnson)
Deputy Mayor (Councillor Alex Karmel)

Councillors:

Colin Aherne
Mrs Adronie Alford
Helen Binmore
Nicholas Botterill
Paul Bristow
Victoria Brocklebank-
Fowler
Aidan Burley
Jean Campbell
Michael Cartwright
Alex Chalk
Stephen Cowan
Gill Dickenson
Belinda Donovan

Gavin Donovan
Rachel Ford
Sarah Gore
Stephen Greenhalgh
Lucy Gugen
Steve Hamilton
Wesley Harcourt
Lisa Homan
Robert Iggulden
Lucy Ivimy
Donald Johnson
Jane Law
Antony Lillis
Ali de Lisle

Mark Loveday
Reg McLaughlin
Lisa Nandy
Ed Owen
Harry Phibbs
Dame Sally Powell
Alexandra Robson
Greg Smith
Frances Stainton
Peter Tobias
Mercy Umeh
Rory Vaughan

14. MINUTES – 28 MAY 2008

7.05pm - The minutes of the Annual Council Meeting held on 28 May 2008 were confirmed and signed as an accurate record.

15. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Michael Adam, Will Bethell, Caroline Ffiske, Minnie Scott-Russell and Eugenie White.

Apologies for lateness were received on behalf of Councillors Alex Chalk, Harry Phibbs and Mercy Umeh.

16. MAYOR'S ANNOUNCEMENTS

The Mayor's Announcements were circulated and tabled at the meeting. (Copy attached as **Appendix 1** to these minutes).

The Mayor announced that instead of appointing a chaplain for the year, he would ask a different vicar to say prayers before each Council meeting.

He congratulated the following individuals on their awards in the Queen's Birthday Honours list:-

- Sir William Atkinson, Head teacher of Phoenix High School (Knighthood);
- Lord Richard Rogers (awarded Companion of Honour for public services and for services to architecture);
- Edward Fitzgerald QC (CBE);
- Bronwyn Curtis (OBE);
- Allegra McEvedy (OBE);
- Susan Moore (MBE).

The Council was also informed that Monica Mason OBE had been appointed a Dame.

The Mayor advised that the National Anthem would be played at the conclusion of the meeting.

17. DECLARATIONS OF INTEREST

Councillor Lucy Ivimy declared a personal interest on Special Motion Number 6, as the individual named in the motion.

18. PUBLIC QUESTION TIME

7.06pm - The Mayor informed the Council that Question No. 1 submitted by Mr Ian Griffiths to the Leader of the Council had been deferred at his request to the next meeting. A written response to Question No. 2 would be sent to Mr O'Callaghan-Williamson by the Cabinet Member for Housing.

[A copy of the public question submitted and the reply given is attached at **Appendix 2** to these minutes.]

19. SPECIAL MOTIONS

Special Motion No. 1 – Home Care Charging

7.08pm – Councillor Rory Vaughan moved, seconded by Councillor Reg McLaughlin, the special motion standing in their names:

“This Council supports the campaign by Hammersmith and Fulham Coalition Against Community Care Cuts of “no to charging disabled and older people for essential services in Hammersmith and Fulham” and calls on the Administration to honour its manifesto commitment not to introduce Home Care charging.”

Speeches on the motion were made by Councillors Rory Vaughan and Reg McLaughlin.

Under Council Procedure Rule 15 (e) (vi), Councillor Antony Lillis moved, seconded by Councillor Stephen Greenhalgh, an amendment to the motion to delete all words after “this Council’ and insert:

“...acknowledges the Administration’s commitment to providing high quality social care and commends the £5.8m growth in the adult social care budget.

This Council further recognises the Administration’s decision to retain the ‘Greater Moderate’ banding of social care criteria, one of only 8 London Councils to do so.

This Council welcomes the Prime Minister and Secretary of State for Health’s admission that there is a £6 billion funding gap and looks forward to the opportunity to participate in the six month consultation as to the future funding of social care which has been announced.”

Speeches on the amendment were made by Councillors Antony Lillis, Stephen Greenhalgh and Peter Tobias before it was put to the vote:

FOR	26
AGAINST	13
ABSTENTION	1

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

Councillor Rory Vaughan made a speech winding up the debate before the substantive motion was put to the vote. On a request for names to be recorded, a roll-call vote was taken:

FOR 26

(Councillors Alford, Binmore, Botterill, Bristow, Brocklebank-Fowler, Burley, Chalk, De Lisle, B Donovan, G Donovan, Ford, Gore, Greenhalgh, Gugen, Hamilton, Iggulden, Ivimy, D Johnson, Karmel, Law, Lillis, Loveday, Robson, Smith, Stainton and Tobias).

AGAINST 13

(Councillors Aherne, Campbell, Cartwright, Cowan, Dickenson, Harcourt, Homan, McLaughlin, Nandy, Owen, Powell, Umeh and Vaughan).

ABSTENTION 1

(The Mayor).

The substantive motion (as amended) was declared **CARRIED**.

7.37 pm - **RESOLVED**:

This Council acknowledges the Administration's commitment to providing high quality social care and commends the £5.8m growth in the adult social care budget.

This Council further recognises the Administration's decision to retain the 'Greater Moderate' banding of social care criteria, one of only 8 London Councils to do so.

This Council welcomes the Prime Minister and Secretary of State for Health's admission that there is a £6 billion funding gap and looks forward to the opportunity to participate in the six month consultation as to the future funding of social care which has been announced.

Special Motion No. 2 – Adult Social Care Budget

7.38pm – With the consent of the Council, the motion was withdrawn by the mover and seconder.

Special Motion No. 3 – Post Office

7.39pm – Councillor Paul Bristow moved, seconded by Councillor Donald Johnson, the special motion standing in their names:

“This Council welcomes the decision by the Post Office to keep the branches at Starch Green, Shepherds Bush Road, and Kenyon Street open; thanks local residents, voluntary groups and Greg Hands MP for supporting the Council's campaign against branch closures in Hammersmith & Fulham; deeply regrets the closure of three branches in the borough and the fact that W14 is only postcode in London without a post office; notes the crucial role that post office branches have in supporting our local neighbourhoods; condemns the Government's drive to

close 169 branches across London; and resolves to campaign against any future post office closures in the borough and look at innovative ways to support the network, such as offering the use of libraries and other Council buildings.”

Speeches on the motion were made by Councillors Paul Bristow, Donald Johnson and Helen Binmore.

Under Council Procedure Rule 15 (e) (vi), Councillor Lisa Homan moved, seconded by Councillor Gill Dickenson, an amendment to the motion to delete all words after “this Council” and insert:

“...welcomes the decision by Post Office Ltd to maintain five post offices threatened with closure serving residents in the London Borough of Hammersmith and Fulham. The Council thanks local residents, voluntary groups, Murad Qureshi AM and Andy Slaughter MP for the role they all played in saving the Starch Green, Shepherd’s Bush Road and Kenyon Street post offices. We also note the wider success of Andy Slaughter’s campaign, which has resulted in keeping the East Acton post office open, which serves residents on the Old Oak Estate and will now stay open as part of a Costcutter store, and in winning assurances from Post Office Ltd that they will reopen the Olympia Post Office, which shut at Christmas.

The Council welcomes the Government’s £150 million a year subsidy towards loss-making branches and recognises the stark contrast between Labour’s £2 billion investment into post offices since 1997 and the refusal of the Conservative Government to invest anything at all. We further note that the Government has committed a further £1.5 billion of support going forward and condemn the Conservative Party’s current policy, which would see the number of post offices falling to a mere 4000 outlets if ever implemented.”

Speeches on the amendment were made by Councillors Lisa Homan and Gill Dickenson (for the Opposition) and Councillor Paul Bristow (for the Administration) before it was put to the vote:

FOR	13
AGAINST	26
ABSTENTIONS	0

The amendment to the motion was declared **LOST**.

Councillor Paul Bristow made a speech winding up the debate before the substantive motion was put to the vote:

FOR	26
AGAINST	13
ABSTENTIONS	0

The motion was declared **CARRIED**.

8.10 pm - **RESOLVED:**

This Council welcomes the decision by the Post Office to keep the branches at Starch Green, Shepherds Bush Road, and Kenyon Street open; thanks local residents, voluntary groups and Greg Hands MP for supporting the Council's campaign against branch closures in Hammersmith & Fulham; deeply regrets the closure of three branches in the borough and the fact that W14 is only postcode in London without a post office; notes the crucial role that post office branches have in supporting our local neighbourhoods; condemns the Government's drive to close 169 branches across London; and resolves to campaign against any future post office closures in the borough and look at innovative ways to support the network, such as offering the use of libraries and other Council buildings.

Special Motion No. 4 – Cutting Crime in H&F

8.11pm – Councillor Greg Smith moved, seconded by Councillor Belinda Donovan, the special motion standing in their names:

“This Council warmly welcomes the reduction in crime in Hammersmith & Fulham during 2007/08, with over 2,000 fewer crimes being committed compared to the previous year; further welcomes the achievements of the 24/7 pilots in Fulham Broadway and Shepherds Bush in cutting those crimes where an increased police presence has an immediate effect and tackling crimes such as drug dealing where the offences only make it to the books because of police activity; further welcomes the increase of Neighbourhood Watch groups in the borough from 6 to 100 in two years; and looks forward to Hammersmith and Fulham Council and Hammersmith and Fulham Police working closely together to drive down crime and anti-social behaviour yet further over the coming months and years.”

Speeches on the motion were made by Councillors Greg Smith, Belinda Donovan and Victoria Brocklebank-Fowler.

Under Council Procedure Rule 15 (e) (vi), Councillor Ed Owen moved, seconded by Councillor Lisa Homan, an amendment to the motion to delete all words after “this Council’ and insert:

“...welcomes the reduction in crime in Hammersmith and Fulham over the last five years and commends the Government's and former Mayor of London's commitment to work with local police and councils to crack down on crime. However, we note with disappointment that many borough residents are not seeing crime reduced to a level that could be expected in comparison to the resources allocated and calls on the Administration to review its crime fighting strategy and provide the five wards with the highest rates of crime with 24/7 Police Task Squads, as proposed to this Council by Labour in 2006.”

Speeches on the amendment were made by Councillors Ed Owen and Lisa Homan (for the Opposition) and Councillor Alex Chalk and Greg Smith (for the Administration) before it was put to the vote:

FOR	13
AGAINST	27
ABSTENTIONS	0

The motion was declared **LOST**.

Further speeches were made by Councillor Stephen Cowan (for the Opposition) and Councillor Stephen Greenhalgh (for the Administration), following which Councillor Greg Smith made a speech winding up the debate. The substantive motion was then put to the vote:

FOR	27
AGAINST	13
ABSTENTIONS	0

The motion was declared **CARRIED**.

8.52 pm - **RESOLVED**:

This Council warmly welcomes the reduction in crime in Hammersmith & Fulham during 2007/08, with over 2,000 fewer crimes being committed compared to the previous year; further welcomes the achievements of the 24/7 pilots in Fulham Broadway and Shepherds Bush in cutting those crimes where an increased police presence has an immediate effect and tackling crimes such as drug dealing where the offences only make it to the books because of police activity; further welcomes the increase of Neighbourhood Watch groups in the borough from 6 to 100 in two years; and looks forward to Hammersmith and Fulham Council and Hammersmith and Fulham Police working closely together to drive down crime and anti-social behaviour yet further over the coming months and years.

Special Motion No. 5 – Election of Boris Johnson as Mayor for London

8.54pm – Councillor Mark Loveday moved, seconded by Councillor Aiden Burley, the special motion standing in their names:

“This Council welcomes the election of Boris Johnson as Mayor for London on 1 May 2008 and supports his platform to:

- **Beef up the police presence** in the borough by increasing police numbers and cutting red tape at the Metropolitan Police Service
- **Implement serious strategies on knife and gun crime** and arm the police with handheld weapon scanners
- **Crack down on the culture of casual disorder** that leads to more serious crime, with live CCTV on buses and a community service scheme for young people who abuse free travel
- **Make transport safer** in Hammersmith and Fulham by putting more uniformed officers on buses and station platforms

- **Protect our green, open spaces** and encourage more recycling across the borough
- **Scrap the proposed £25 congestion charge** and make the existing system fairer and more flexible for residents in Hammersmith & Fulham
- **Work in partnership with the borough Council** to build the homes that people in the borough want and can afford
- **Stretch the taxpayer pound** to give Hammersmith & Fulham Council Tax payers more bang for their buck and axe the waste and overspending at City Hall.”

Speeches on the motion were made by Councillors Mark Loveday, Aiden Burley and Robert Iggulden.

Under Council Procedure Rule 15 (e) (vi), Councillor Stephen Cowan moved, seconded by Councillor Michael Cartwright, an amendment to the motion to delete all words after “this Council” and insert:

“...is pleased that Ken Livingstone, the outgoing Mayor of London, provided the Capital with the highest ever number of police officers, pioneered the introduction of the highly successful ward specific Safer Neighbourhood Police Teams, saw the biggest increase in bus riders since the Second World War, won £16billion for the Crossrail project, was delivering over 50,000 new affordable homes to buy and to rent and helped bring the Olympics to London.

We congratulate Boris Johnson on his election as the new Mayor of London and recognise that, earlier this week, he showed leadership in sacking James McGrath after he made racially abusive remarks.”

Speeches on the amendment were made by Councillor Stephen Cowan (for the Opposition) and Councillors Mark Loveday and Stephen Greenhalgh (for the Administration) before it was put to the vote:

FOR	12
AGAINST	26
ABSTENTIONS	0

The motion was declared **LOST**.

Councillor Mark Loveday (for the Administration) made a speech winding up the debate before the substantive motion was put to the vote:

FOR	26
AGAINST	12
ABSTENTIONS	0

The motion was declared **CARRIED**.

9.20 pm - **RESOLVED:**

This Council welcomes the election of Boris Johnson as Mayor for London on 1 May 2008 and supports his platform to:

- **Beef up the police presence** in the borough by increasing police numbers and cutting red tape at the Metropolitan Police Service
- **Implement serious strategies on knife and gun crime** and arm the police with handheld weapon scanners
- **Crack down on the culture of casual disorder** that leads to more serious crime, with live CCTV on buses and a community service scheme for young people who abuse free travel
- **Make transport safer** in Hammersmith and Fulham by putting more uniformed officers on buses and station platforms
- **Protect our green, open spaces** and encourage more recycling across the borough
- **Scrap the proposed £25 congestion charge** and make the existing system fairer and more flexible for residents in Hammersmith & Fulham
- **Work in partnership with the borough Council** to build the homes that people in the borough want and can afford
- **Stretch the taxpayer pound** to give Hammersmith & Fulham Council Tax payers more bang for their buck and axe the waste and overspending at City Hall.

Special Motion No. 6 – Councillor Lucy Ivimy

9.21pm – Councillor Stephen Cowan moved, seconded by Councillor Michael Cartwright, the special motion standing in their names:

“This Council roundly condemns Councillor Lucy Ivimy for her appalling and unjustified attack on ‘foreign born residents’.

This Council rejects entirely her specific attack on members of the ‘Indian’ community.

This Council calls on her to resign forthwith. We ask that the Leader of the Council sacks her as the Cabinet Member for Housing.”

Under Council Procedure Rule 15(c) , as the person named in the motion, Councillor Lucy Ivimy was permitted to first make a speech. She sincerely apologised to both the Council and the residents of Hammersmith and Fulham for any embarrassment or offence that might have been caused by her recent email. Furthermore, she pledged her intention to improve the quality of the lives of all residents in the borough, especially those living in council estates, regardless of race or creed.

Speeches on the motion were made by Councillors Stephen Cowan and Michael Cartwright.

Under Council Procedure Rule 15 (e) (vi), Councillor Stephen Greenhalgh moved, seconded by Councillor Frances Stainton, an amendment to the motion to delete all words after “this Council’ and insert:

“...acknowledges Councillor Ivimy’s full apology for her remark, which unintentionally gave offence when responding to a major anti-social issue on the Charecroft Estate; further notes that this apology has been fully accepted by the Bhavan Community; and further confirms its confidence in Councillor Ivimy as Cabinet Member for Housing.”

A speech on the amendment was made by Councillor Stephen Greenhalgh.

Under Council Procedure Rule 15(h), Councillor Stainton moved that the question now be put. The motion was put to the vote by the Mayor without debate:

FOR	25
AGAINST	13
ABSTENTIONS	1

The motion was declared **CARRIED**.

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

FOR	25
AGAINST	13
ABSTENTIONS	1

The amendment was declared **CARRIED**.

Councillor Stephen Cowan made a speech winding up the debate before the substantive motion was put to the vote:

FOR	25
AGAINST	13
ABSTENTIONS	1

The substantive motion (as amended) was declared **CARRIED**.

9.44 pm - **RESOLVED**:

This Council acknowledges Councillor Ivimy’s full apology for her remark, which unintentionally gave offence when responding to a major anti-social issue on the Charecroft Estate; further notes that this apology has been fully accepted by the Bhavan Community; and further confirms its confidence in Councillor Ivimy as Cabinet Member for Housing.

Special Motion No. 7 – Audit Commission Report

9.44pm – Councillor Lisa Nandy moved, seconded by Councillor Michael Cartwright, the special motion standing in their names:

“This Council notes the Audit Commission’s report that H&F Homes has deteriorated from a two star service with excellent prospects for improvement to one star with promising prospects for improvement, further notes the series of failures that have taken place since the Conservative administration was elected in May 2006 and roundly condemns the Council’s poor record in relation to key housing services and value for money for the people of the Borough.”

Speeches on the motion were made by Councillors Lisa Nandy and Michael Cartwright.

Under Council Procedure Rule 24.3, Councillor Frances Stainton moved that the guillotine be extended until 10.10pm in order to hear the remaining items on the agenda. The motion was put to the vote by the Mayor without debate and was unanimously agreed.

Under Council Procedure Rule 15(e) (vi), Councillor Lucy Ivimy moved, seconded by Councillor Mrs Adronie Alford, an amendment to the motion to delete all words after “this Council’ and insert:

“...welcomes the Audit Commission’s designation of H & F Homes service as having promising prospects for improvement and has confidence that the new Interim Chief Executive appointed by this Administration will greatly achieve a greatly improved service.”

Speeches on the amendment were made by Councillors Lucy Ivimy, Mrs Adronie Alford and Stephen Greenhalgh (for the Administration) and Councillor Lisa Nandy (for the Opposition) before it was put to the vote:

FOR	26
AGAINST	0
ABSTENTIONS	13

The amendment was declared **CARRIED**.

The substantive motion was then put to the vote:

FOR	26
AGAINST	0
ABSTENTIONS	13

The substantive motion (as amended) was declared **CARRIED**.

10.07 pm - **RESOLVED**:

This Council welcomes the Audit Commission’s designation of H & F Homes service as having promising prospects for improvement and has confidence that the new Interim Chief Executive appointed by this Administration will greatly achieve a greatly improved service.

Special Motion No. 8 – Video Link

10.08pm – Councillor Stephen Cowan moved, seconded by Councillor Wesley Harcourt, the special motion standing in their names:

“This Council believes that Hammersmith and Fulham’s residents should be able to view all of the debates at the full council meetings broadcast via a video link on the LBHF website, YouTube and other open access media. This should be streamed live and available as a podcast. The Council believes that the public have a right to witness what their elected representatives say and vote for and that this Council is obliged to make it easier for residents to do so.

We resolve to have this accomplished within six months of this being voted through.”

A speech on the motion was made by Councillor Stephen Cowan before it being put to the vote:

FOR	12
AGAINST	26
ABSTENTIONS	0

10.10pm - The motion was declared **LOST**.

20. INFORMATION REPORTS TO COUNCIL (IF ANY)

There were no information reports to this meeting of the Council.

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

Meeting ended: 10.10 pm. - Wednesday, 25 June 2008.

.....
MAYOR

APPENDIX 1

**ANNOUNCEMENTS BY
THE MAYOR**

1. On 2nd June 2008, accompanied by my Mayoress, Ms Joanna Richardson, I attended the Lord Mayor of London Church Service at St. Paul's Cathedral followed by a reception at The Mansion House, EC4
2. On 3rd June, I attended the Belgian Embassy and the Belgium Motocross Team reception cruise, Tower Millennium Pier, EC3
3. On 5th June, accompanied by my Mayoress, Ms Joanna Richardson, I attended the Household Division "Beating Retreat", Horseguards Parade, SW1
4. On 6th June, accompanied by my Mayoress, Ms Joanna Richardson, I attended the H&F District Billiards and Snooker Association Annual Presentation Night, Shepherds Bush Club, 205 Goldhawk Road, W12
5. On 10th June, I attend the Khilafat Centenary VIP reception, Queen Elizabeth II Conference Centre, SW1
6. On 11th June, I attended a photo call to launch the 2008 Balfour Beatty London Youth Games, Lady Margaret School, Parsons Green, SW6
7. On 11th June, accompanied by my Mayoress, Ms Joanna Richardson, I was honoured to attend the Artois Tennis Championships; HRH Duchess of Gloucester, was guest of honour, Queens Club, W14
8. On 13th June, I was delighted to attend the H&F Pensioners Forum AGM, Small Hall, HTH
9. On 14th June, accompanied by my Mayoress, Ms Joanna Richardson, I was honoured to attend Her Majesty The Queen, "Trooping the Colour" Birthday Parade, Horseguards Parade, Whitehall, SW1
10. On 14th June, I was delighted to attend Fr. Norbert Fernandes leaving party, St Thomas of Canterbury Church, Rylston Road, SW6
11. On 15th June, I attended Lewisham Chair of Council's charity concert by The Royal Philharmonic Orchestra, and reception, Lewisham Town Hall, Catford
12. On 18th June, I was delighted to host a small reception, with Cllr Antony Lillis, Cabinet Member for Community and Children's Services and other senior officers to welcome the Mayor, Heinz Buschkowsky and delegation from Neukoelln our twinned town in Berlin, Mayor's Parlour, HTH

13. On 19th June, I attended the H&F Refugee Forum, music and cultural event, Assembly Hall, HTH
14. On 20th June, accompanied by my Mayoress, Ms Joanna Richardson, I attended the 31st Signal Regiment Mayor Making Dinner, TA Centre, Merton Road, SW18
15. On 21st June, I attended and opened St Paul's School Summer Fair to commemorate their 50th Anniversary, Worlidge Street W6
16. On 21 June, I attended the TA 100, National Pageant, Horse Guards Parade, SW1
17. On 21st June, I attended the Fulham and Hammersmith Choral Society Concert, St Paul's Church followed by a reception at St Paul's Girls' School, Brook Green
18. On 22nd June, accompanied by my Mayoress, Ms Joanna Richardson, I attended the Hurlingham Garden Party and I.L.T.C. reception, The Hurlingham Club, SW6
19. On 24th accompanied by my Mayoress, Ms Joanna Richardson, I attended the Lord Mayor of Westminster, reception for new London Mayors', Westminster City Hall, SW1.

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 25 JUNE 2008

Question by: John O’Callaghan-Williamson, 22 William Banfield House, Munster Road,
London, SW6 4EX

To the: Leader of the Council

Please note that this is a supplementary question to a question raised at the Council Meeting on 27 February 2008 (see below).

SUPPLEMENTARY QUESTION

I note that the Audit Commission’s report of June 2007 for Hammersmith & Fulham ALMO states -

“108 Service charges have not been introduced for tenants. Charges for communally provided services such as grounds maintenance have not been de-pooled and applied as a separate service charge. HFH and the Council have agreed a way forward for the introduction of service charges but will only do this when efficiencies are achieved in key service areas”.

Why was I misled with the previous response, given that the report is the subject of consultation with the Council over a period of time? Within what time frame do the Council propose to introduce this charge? Will rent lower as a result of the service charge being “split out” or “de-pooled”? What is the “way forward agreed by HFH Homes & the Council for the introduction of this charge”, that is what is the plan?

RESPONSE

At the time of my previous response neither Hammersmith & Fulham Homes nor Council Officers had presented any detailed proposals recommending separate service charging for Council Tenants.

The Administrations position has been a consistent one being that there would be no consideration of separate service charging until HFHs had demonstrated that it had achieved efficiencies in key areas of service delivery where separate service charges might be applied (e.g. concierge, caretaking, horticultural maintenance).

HFH and Council Officers in discussions with the Housing Inspectorate clearly stated this position and resisted recommendations from them that Service Charges should be separately applied before the end of this financial year.

Both the Council and HFH have to recognise and acknowledge that the Audit Commission view separate service charging for some services as a priority that must be addressed. We shall therefore work on the implications and prepare a plan for discussion with our tenants. We will not be bringing in any changes until tenants have seen all the details and we have fully considered all the points that may be raised.

QUESTION TO FULL COUNCIL ON 27 FEBRUARY 2008

“Does the current administration propose, during the course of its current term in office to make an additional charge to council tenants, in addition to rent, for the provision of Estate Maintenance and up keep? If so, when?”

RESPONSE:

There have been no proposals put to my Administration either by Hammersmith & Fulham Homes or by Council Officers recommending separate service charging for services provided to Council tenants although of course council leaseholders are already separately service charged for a range of housing and estate management services.

5

No. 1

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 17 SEPTEMBER 2008

Question by: Ian Griffiths, 15 Cambridge Grove, London, W6 0LA

To the: Leader of the Council

QUESTION

The cast iron railings of Cambridge Grove and Leamore Street have been allowed to fall into a very poor state. Why has this been allowed to happen?. How does this fit into the Council's plan for the regeneration of Hammersmith.

5

No. 2

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 17 SEPTEMBER 2008

Question by: Ms Henrietta Bewley, 4 Ravenscourt Place, London, W6 0UN.

To the: Leader of the Council

QUESTION

The Council claims it wants to help local businesses so why does the Council not want to sell the 10 unit trading estate on Askew Crescent to the existing tenants?

5

No. 3

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 17 SEPTEMBER 2008

Question by: Ms Catherine Remy, 43 Rylett Rd ,London, W12 9ST

To the: Deputy Leader and Cabinet Member for Environment

QUESTION

Considering the number of schools and nurseries in the vicinity of Wendell Park , what plans does the Council have for traffic calming measures around Wendell Park Primary School?

17 SEPTEMBER 2008

LEADER

*Councillor Stephen
Greenhalgh*

**TREASURY MANAGEMENT OUTTURN
REPORT**

**Wards
All**

This report provides information on the Council's debt, borrowing and investment activity for the financial year ending 31 March 2008.

CONTRIBUTORS

HLS
DFCS

RECOMMENDATIONS:

To note the borrowing and investment activity for the period 1 April 2007 to 31 March 2008.

1. INTRODUCTION AND BACKGROUND

- 1.1 Treasury management in local government is regulated by the 2001 revision of the CIPFA Code of Practice on Treasury Management in the Public Services (the Code). This Council has adopted the Code and fully complies with its requirements. Council approved this in January 2002.

It is a statutory requirement to report to full Council by 30 September, in any given year, the results of the Council's Treasury Management activities in the preceding financial year. This report deals with 2007/08.

- 1.2 This annual report covers:

- The Council's current treasury position
- Interest rates
- Performance measurement
- Investment outturn for 2007/08
- Borrowing outturn for 2007/08
- Compliance with treasury limits and Prudential Indicators
- Debt rescheduling

2. CURRENT TREASURY POSITION

- 2.1 The Council's borrowing position at the beginning and end of the year is set out in Table 1.
- 2.2 The borrowing relating to the Housing Revenue Account (HRA) is separately identified. It should be noted that the overall borrowing outstanding excluding the HRA, reduced by £40.6 million over the year.
- 2.3 The reduction in non HRA borrowing reflects action taken in accordance with the Council's debt reduction strategy, the fall out of advanced borrowing from prior years and other movement in cash balances.

Table 1 – Outstanding Debt

	31 March 2007		31 March 2008	
	Principal	Ave. Rate	Principal	Ave. Rate
	£000's		£000's	
Fixed Rate - PWLB	378,520		388,520	
Variable Rate - PWLB	Nil		Nil	
Market & Temporary Loans	Nil		Nil	
Total	378,520	6.28%	388,520	6.09%
HRA Borrowing	243,101		293,699	
Non HRA Borrowing	135,419		94,821	
Balance	378,520		388,520	
Total Investments	91,000	4.94%	111,700	5.86%

3. SHORT –TERM INTEREST RATES

- 3.1 Bank Rates started 2007/08 at 5.25% with expectations that there that there would be further increases in rates. This was reflected in a positive interbank money market curve. A further increase in rates to 5.5% duly occurred on 10 May 2007 but not before the Governor of the Bank of England had written a letter to the Chancellor in April explaining why the Consumer Price Index (CPI) had risen to 1% or more above the official CPI inflation target of 2%.
- 3.2 The Bank of England's Inflation Report issued in May 2007 showed inflation would be above target at the two year horizon. Another rise was delivered on 5 July when Bank Rate rose to 5.75% and the markets, including Sector, fully expected Bank Rate to increase again. One year interbank was priced at over 6%, the Growth Domestic Product (GDP) growth was continuing to strengthen and the housing market was still robust. The August Inflation Report showed Bank Rates needed to rise to 6% to keep inflation at target in two years time.
- 3.3 August 2007 was the peak of interest rates as what has become known as the "the credit crunch" hit the markets and the global economy. The crunch originated in the US through the sub prime housing market. Although originating in the US, world wide investors, particularly banks, had invested in packages of sub-prime loans, attracted by the higher yield offered. Fears arose that a large number of these investments would turn out to be worthless and this in turn would lead to bankruptcies amongst the banking sector. As a result of these fears, and the ensuing reluctance of banks to lend to each other, the Federal Reserve Bank injected \$38billion of liquidity into the markets on 9 August. The European Central Bank (ECB) followed suit but the Bank of England stood on the sidelines only making cash available at a penal rate of 1% above Bank Rate.
- 3.4 On 17 August 2007 the Federal Reserve cut interest rates by 50 basis points (bp) to 5.25%. On 20 August Sector revised its interest rate view to reflect a downside risk to its forecast. The dislocation in the markets continued throughout the summer until on 14 September it was announced that the Bank of England had provided billions of pounds of financial support to Northern Rock. Northern Rock had been affected by the drying up of the wholesale money markets which provided 80% of its funding.
- 3.5 On 17 September 2007 the Chancellor announced a Government guarantee for all deposits held at the stricken bank. A day later the Federal Reserve cut US rates by a further 50bp although oil rose to \$80 a barrel and continued to climb reaching a peak, briefly, of \$100pb in November. On 24 September Sector revised its interest rate forecast with 5.75% now the peak in rates. At its October meeting the Monetary Policy Committee (MPC) declined to cut Bank Rate, being concerned about the inflation outlook. UK data continued to be robust during the autumn although CPI dropped to 1.8% in September. Three months the London Interbank Bid (LIBID) still remained well above Bank Rate.
- 3.6 On 31 October 2007 the Federal Reserve cut rates yet again to 4.50% and the following day they added \$41billion of reserves in an attempt to free up to the markets. The MPC eventually cut Bank Rate on 6 December to 5.50% as concerns about the economy and the credit crunch mounted. On 10 December

both UBS and Capital Economics revised their interest rate forecasts down sharply. A day later the Federal Reserve cut rates again, this time by 25bp.

- 3.7 2008 was ushered in with major fears about the global economy. Stock markets fell sharply and government bond yield fell. On 22 January the Federal Reserve cut rates, this time by a massive 0.75bp to 3.5%, and once more on 30 January to 3%. The MPC followed suit in February cutting Bank Rate by 25bp to 5.25%. On 18 February it was announced that the Government would nationalize Northern Rock. In late February and March the markets seized up again, forcing concerted liquidity intervention by the world central banks, initially to little avail.
- 3.8 The UK budget brought increased debt issuance, but little else, pushing gilt yields up sharply at the front end and driving the Public Works Loan Board (PWLB) rates up. On 14 March US investment bank Bear Stearns had to be bailed out by the Federal Reserve, culminating in a takeover by JP Morgan. The year ended with the money markets anxious and nervous and 3 month cash 75bp above bank rate.

3.9 Longer Term Interest Rates

The PWLB 45-50 year rate started the year at 4.45% and fell to a low of 4.38% in March 2008. The high point, of which there were several, was 4.90% before finishing the year at 4.42%. The volatility in yields was a direct reflection of the massive turnaround in interest rate sentiment brought about by the sub-prime crisis in the US. A radical change to the PWLB rate structure was introduced by the Debt Management Office on 1 November when they moved to single basis point moves in their rates and introduced a separate repayment rate at the same time, at significantly below the rate at which they would lend new money.

4. PERFORMANCE MEASUREMENT

- 4.1 Debt Performance - As shown in paragraph 2.1 the average debt portfolio rate has reduced over the course of the year from 6.28% to 6.09%.
- 4.2 An analysis of the Council's long term (PWLB) borrowings by maturity (i.e. date of repayment) is as follows:

PWLB	31 March 2007 £000s	31 March 2008 £000s
Up to two years	0	0
Between two and five years	16,000	16,174
Between five and ten years	65,456	78,282
More than ten years	<u>297,064</u>	<u>294,064</u>
Total	<u>378,520</u>	<u>388,520</u>

- 4.3 An analysis of movements on loans and investments during the period is shown below:

	Balance 31.03.07 £000s	Loans/Invs Raised £000s	Loans/Invs Repaid £000s	Balance 31.03.08 £000s
PWLB	378,520	51,064	41,064	388,520
Money Market loans	0	0	0	0
Temporary loans	<u>0</u>	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Total debt	<u>378,520</u>	<u>51,064</u>	<u>41,064</u>	<u>388,520</u>
Investments	<u>91,000</u>	<u>2,051,250</u>	<u>2,030,550</u>	<u>111,700</u>

- 4.4 From 1 April 2007 to 31 March 2008 the Council took five new Public Works Loan Board loans totalling £51million and repaid five loans totalling £41million.
- 4.5 Of the £51million new borrowing, £41million was replacement borrowing as a result of debt rescheduling done in September 2007, see paragraph 5.1.
- 4.6 Money Market loans taken during the year.

	Average Market Loans	Average Interest Rate	Benchmark Return
Internally Managed	32,000,000	6%	6.125%

The benchmark for market loans is the weighted average London Interbank Offered Rate (LIBOR) rate sourced from the Financial Times. The Council bettered the benchmark return by 0.125%.

- 4.7 Investment Performance – The Council manages its investments in-house and invests with the institutions listed in the Council's approved lending list. The Council invests for a range of periods from over night to 364 days, dependent on the Council's cash flow, its interest rate view and the interest rates on offer.

	Average Investment	Average Interest Rate	Benchmark Return
Internally Managed	£118,525,000	5.86%	5.59%

- 4.8 The benchmark for internally managed funds is the weighted average 7-day LIBID rate sourced from the Financial Times.

- 4.9 Investments as at 31 March 2008 stood at £111,700,000, whilst the average for the year was £118,525,000. The Council exceeded the benchmark return by 0.27%.

5. DEBT RESCHEDULING

- 5.1 An opportunity was taken during September 2007 to take advantage of the shape of the yield curve and generate a saving for the Authority. This involved repaying PWLB loans totalling £41million and refinancing with new PWLB loans for the same value, but for a longer period, which generated a saving of £118,000 per annum to the General Fund.

6. COMPLIANCE WITH TREASURY LIMITS

- 6.1 During the financial year the Council operated within its treasury limits and the Prudential Indicators as set out in the Council's Treasury Strategy Report. The Prudential Indicators were reported to Value for Money Scrutiny Committee every three months and the limits have not been exceeded.

7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 7.1 The comments of the Director of Finance and Corporate Services are contained within this report.

8. COMMENTS OF THE HEAD OF LEGAL SERVICES

- 8.1 There are no direct legal implications for the purpose of this report.

9. COMMENTS OF THE VALUE FOR MONEY SCRUTINY COMMITTEE

- 9.1 The Value for Money Scrutiny Committee will meet on 16 September 2008. Its comments or recommendations will be reported orally to the Council at its meeting on 17 September 2008.

10. RECOMMENDATIONS

- 10.1 To note the borrowing and investment activity for the period 1 April 2007 to 31 March 2008.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department/Location
1.	Loans and Investments Ledger	Rosie Watson Ext: 2563	2 nd Floor Town Hall Ext.
2.	Treasury Management documents	Rosie Watson Ext: 2563	2 nd Floor Town Hall Ext.

17 SEPTEMBER 2008

LEADER

*Councillor Stephen
Greenhalgh*

**CABINET MEMBER
FOR STRATEGY**

*Councillor Mark
Loveday*

**ANNUAL REPORT OF THE AUDIT COMMITTEE
2007/08 YEAR**

This report details the work of the Audit Committee during 2007/08, outlining the key developments in:

- Governance
- Internal Control;
- Risk management;
- Internal Audit;
- Anti-fraud;
- External Audit;

It also sets out our plans for the future, built on the lessons we have learnt. The report provides an opportunity for all members to review the Committee and to review its performance.

WARDS

All

CONTRIBUTORS

FACS and all
Departments

RECOMMENDATIONS:

That the Council approves the annual report

Audit Committee

Annual Report 2007/08

Introduction

- 1 The Audit Committee (the Committee) has a wide ranging brief that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of governance, risk management, and internal control. This includes audit, anti-fraud and the financial reporting frameworks; the committee is also the council's Approval of Accounts Committee. The Terms of Reference for the Committee are reproduced at Appendix 1 for information.
- 2 Table 1 details the current Committee members, until April 2008 the Chair of the Committee was Councillor Bethell and Councillor Ivimy was also a committee member, I would like to thank them both for their positive contributions throughout the year. The members have a wide range of skills and bring both technical and professional experience to the role. Within the membership there are qualified accountants and all members have some experience or received development training in relation to the governance processes they challenge. This provides a solid foundation from which to develop the Committee's role.

Table 1: Members of the Audit Committee

Member	Role
Councillor Robert Iggulden	Chairman
Councillor Michael Cartwright	Vice Chairman
Councillor Mike Adam	Member
Councillor Will Bethell	Member

- 3 To further support the committee members, officers have provided development training on the function, responsibilities and role of the audit committee process. This was further supplemented by additional training during the year in relation to local government accounts, Internal Audit, risk management, and anti-fraud.
- 4 This report details the key successes and work of the Committee in 2007/08. The Committee has overseen transformation in all areas of its responsibilities and has actively contributed to leading and shaping those changes. Key achievements include:
 - Maintain the Internal Control score in the CPA use of resources assessment at level three;
 - Improved risk management reporting, moving from reporting on compliance with the process to reporting on its results in the form of risk register contents;
 - Performance improvements in responding to internal audit reports and

- recommendations across the Council;
- Developments in the Council's anti-fraud culture with marked improvements in the performance of the Corporate Anti-Fraud Service (CAFS);
- Delivering through CAFS the National Fraud Initiative;
- Approval of the 2006/07 year annual accounts.

Governance

- 5 The Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

- 6 The Council has an approved and adopted code of corporate governance embedded in its Financial Regulations, which is consistent with the principles of the CIPFA/SOLACE *Framework Delivering Good Governance in Local Government*. A copy of the code and Financial Regulations is contained in the Council's constitution and is available on the Council website.

- 7 The Audit Committee has a responsibility to assess the adequacy and effectiveness of the corporate governance arrangements that have been put in place. This is achieved in a number of ways. The Committee will review in detail the Annual Governance Statement that forms part of the annual accounts, to ensure it properly identifies the council's governance arrangements, and that it accurately identifies significant control weaknesses. The process for producing the statement is outlined at Appendix 2, showing the range of supporting evidence considered by the Committee as part of its deliberations. It will also consider the work of Internal Audit and risk management in identifying and evaluation risks and ensuring arrangements are put in place to manage them. The Audit Committee's view of governance is reflected in the Annual Governance Statement and the supporting review of governance which states that the council is compliant with the new CIPFA/SOLACE governance guidance issued in 2007.

Internal Control

- 8 A pivotal role of the Committee is its work in developing the Council's internal control and assurances processes culminating in the Annual Governance Statement (AGS). Regulation 4 of the Accounts and Audit (A&A) Regulations 2003, and amending A&A Regulations 2006 require the Council to review the effectiveness of its governance arrangements including the system of internal control and publish an Annual Governance Statement (AGS) each year with the financial statements. The information for the AGS is generated through the Council's Assurance framework which is outlined in

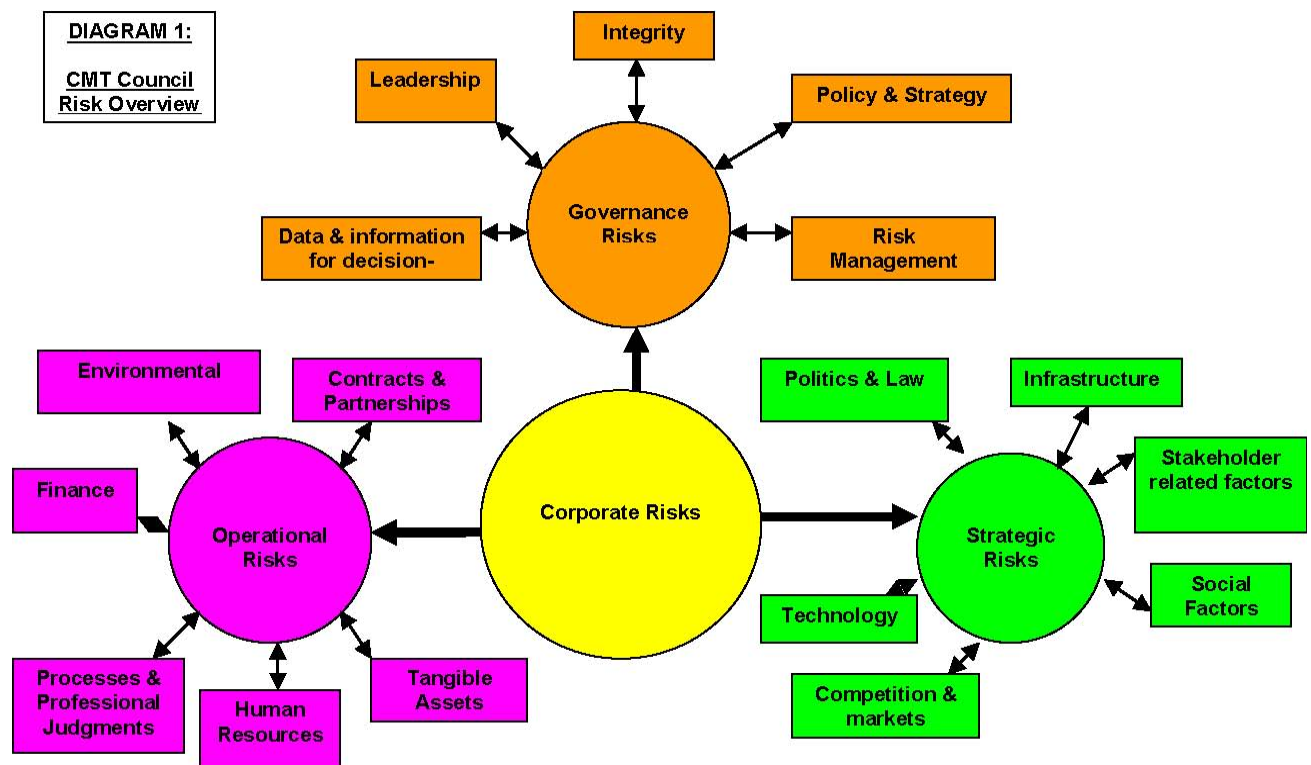
Appendix 2, encompassing:

- Risk management;
- Internal Audit;
- Anti-Fraud programme;
- External Audit;
- Third party assurances such as other inspection and review agencies;
- Director's annual assurance statements.

The Committee lead this review by receiving reports at every meeting on most of these service areas. Success is demonstrated by the maintenance of the Council's Internal Control score at level three in the Use of Resources Assessment, part of the Comprehensive Performance Assessment.

Risk Management

- 9 Risk management is intrinsically important to the council and is a process that demonstrably helps the council achieve its business objectives through the early identification, analysis and control of potential risks. The process achieves value for money and efficiencies by intervening at an early stage in projects and activities through the proactive use of risk registers using risk mitigation techniques that help ensure successful delivery.
- 10 Quarterly risk management reports are provided to the Council Management Team (CMT), where the Council's key strategic risks are identified and reviewed. This has helped to improve the integration between the risk management framework and the strategic, financial and performance management requirements of the council. CMT focuses on and reviews the critical success areas for achieving strategic objectives ensuring that risks are being managed and mitigated and that the risk management framework fully contributes to the Council's achievement of its strategic objectives. The Audit Committee also reviews the current risks being reported to CMT for further in-depth review and challenge. The reporting coverage framework is shown in diagram 1.

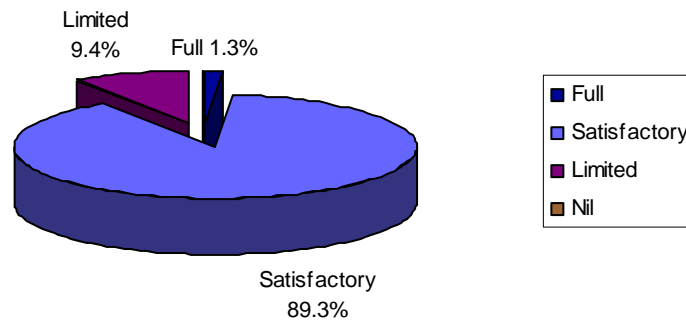


- 11 Risk registers exist at a corporate level and for all departments. To further develop and embed risk management into existing management processes the Council's annual business and financial planning processes were developed to both integrate risk management and to embed it down to unit level across the Council. This has helped to ensure that risk, internal control and assurance are considered throughout management processes.
- 12 Most significant risks have related controls identified to manage each risk. Those with significant gaps in control have been identified in the Annual Governance Statement. This forms part of the annual accounts and is therefore already a matter of public record. Other significant areas include the following
- Managing projects. Good progress has been made to standardise and improve programme and project management
 - Successful partnerships. A 'fit for purpose' review of partnerships is planned
 - Change management. Re-organisation and cultural change has been almost a constant over the past few years and continues, the latest changes include further organisational restructuring plus the development of new performance management processes. The change management arrangements have proven to be successful to date.

Internal Audit

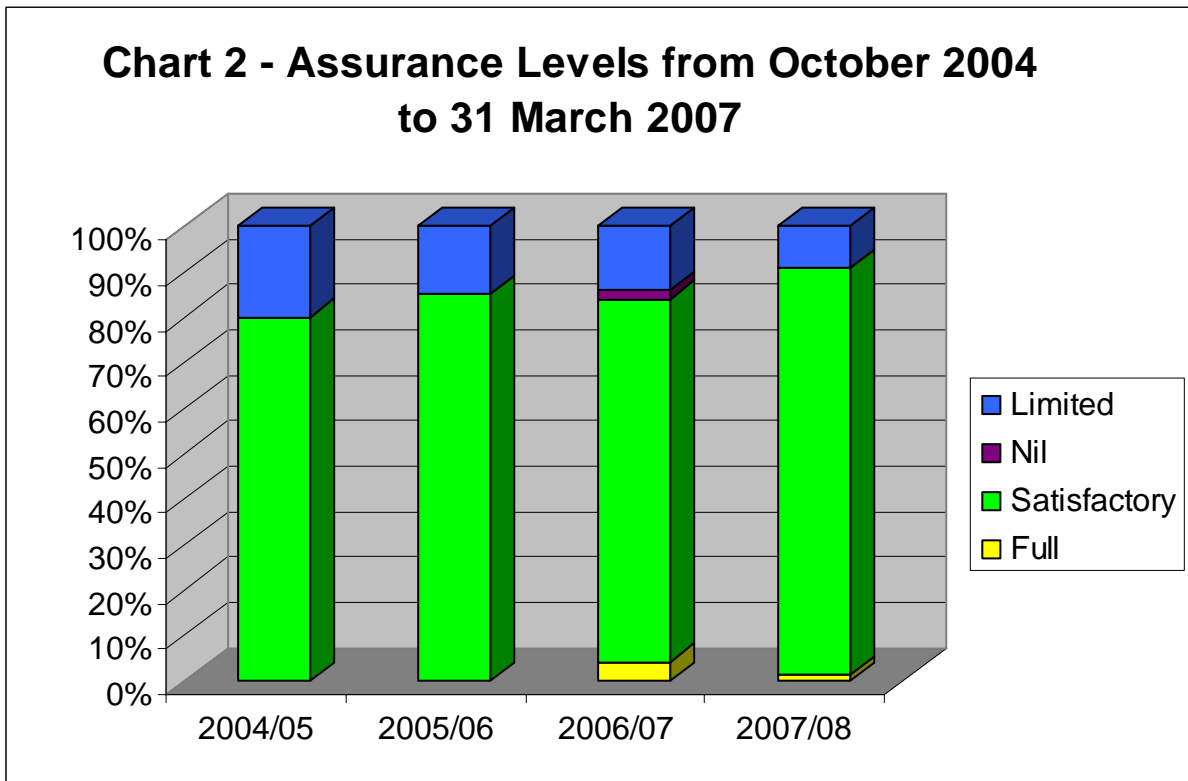
- 13 The Council's internal audit service is outsourced to Deloitte & Touche Public Sector Internal Audit Ltd, who began delivering the service on 1st October 2004 and won the contract re-tender starting from 1 April 2008.
- 14 The Internal Audit plans for the 2007/08 year were based on a priority assessment originally undertaken by Deloitte in 2005 that has been updated annually as part of the internal audit planning process. From the 2008/09 year departmental and the corporate risk registers have been used instead, supported by the production of an Assurance Framework. Then departments provide an input through annual planning meetings.
- 15 The first graph below shows that 90.6% of the systems audited by Deloitte in the 2007/08 year achieved an assurance level of satisfactory or higher compared to 83% in the previous year, while 9.4% received an assurance level of limited or lower compared to 17% last year.

Assurance Levels for the year to 31 March 2008



- 16 To provide a wider perspective, the chart below shows the levels of assurance provided annually since the commencement of the internal audit service contract in October 2004. This gives a better picture of the trend in audit assurances and therefore the quality of the system of internal control. This shows that the percentage of audit given satisfactory or higher assurance has been rising year on year throughout.

Assurance levels from October 2004 to 31 March 2007



Internal Audit Performance 2007/08

- 17 The table below shows that delivery of the 2007/08 year Internal Audit plans was the most successful since the Deloitte contract began. While the target for delivery in year was not achieved this was a significant improvement on the 74% delivered in the previous year. This situation is expected to continue to improve in future years.

	Performance Indicators	Annual Target	Performance	Variance
1	% of audit plan completed	95	84.9	-10.1
2	% of planned audit days delivered	98	98	0
3	% of Audit Briefs issued 10 days before start of audit	95	100	5
5	% of Draft reports issued within 12 working days of exit meeting	95	97	2
6	% of Final reports issued within 10 days of receipt of reply	95	100	5
7.	Audit Recommendations in 2007-8 year in final reports accepted by customer	98	100	2
9	% of audits follow up audits completed	100	100	0
10	% of Satisfaction survey satisfactory+	95	100	5
13	% of 2007/08 year audit recommendations past their implementation date that have been implemented	N/A	72	N/A
14	% of 2006/07 year audit recommendations past their implementation date that have been implemented	N/A	86	N/A
15	% of 2005/6 year audit recommendations past their implementation date that have been implemented.	N/A	99	N/A

- 18 New indicators have been introduced to evaluate the success of Internal Audit in effecting change through the implementing of audit recommendations by their due date. By the 31 March 2007 a total of 99% of those due in the 2005/06 year had been implemented, while 86% of those for the 2007/08 year had been implemented. Steps are being taken to improve this situation with the introduction of regular meetings between Internal Audit and departments, plus departments will be invited to attend future Audit Committee meetings to explain delays.

Anti-Fraud

- 19 The 2007/08 year was the second year of existence of the Corporate Anti-Fraud Service (CAFS). The service delivered the same volume of successful outcomes at 130 in this year as the previous 2006/07 year (which itself demonstrated a performance improvement of 37% on the year prior to that), despite reducing the operational staff from 16 to 14. This equates to a 13% performance improvement.
- 20 The service has also improved its joint working with the police, which has been recognised as 'Notable Practice' by the Audit Commission. In one operation four suspects were targeted and their houses were raided and searched. Two individuals have since been convicted with significant fines imposed.
- 21 The service continues to develop its fraud awareness programme with training and awareness seminars held throughout the year plus involvement in the Finance Department open day. The service has also offered advice and guidance upon request.
- 22 The proactive fraud programme has principally consisted of the National Fraud Initiative (NFI). This is a biennial national data matching exercise undertaken by the Audit Commission in which every Council in England and Wales participates, along with a number of other public sector bodies. The exercise concluded with only 117 of the 7,760 total matches still outstanding for any sort of action and with 105 investigations still being conducted by CAFS. The exercise has so far identified in excess of £378,000 of fraud and error which makes it a worthwhile exercise. Most of this was "error" in benefit claim assessments and only 15 cases to date had fraud identified, making the exercise less a counter fraud exercise than it is of error identification.
- 23 The Corporate Anti-Fraud Service (CAFS) were set stretching targets for 2007/08 to ensure that the improved performance achieved in the previous year was maintained and extended further. The team has responded well to these challenges within an environment of needing to find financial savings. The performance targets were exceeded by year end with a 13% improvement overall compared to the previous year's performance while employing fewer staff, which represents an improvement of 50% in two years.

Corporate Anti-Fraud Team performance

Description	Benefits	Tenancy	Corporate
Confirmed Fraudulent overpayments	£541,917*	£176,781	£466,215
Administrative penalties applied and other recoveries	£32,800	n/a	£23,028
Staff dismissed/resigned	n/a	n/a	13
Fraudulent Right to Buys stopped	n/a	3	n/a
NTQs/NOSPs issued	n/a	35	n/a
Tenancies/properties recovered	n/a	6	n/a
Number of successful prosecutions	19	1	0
Number of formal cautions issued	25	0	0
Number of Administrative Penalties issued	34	n/a	n/a
Total Sanctions	78	39	13

*40% of recovered overpayments are retainable by the Council

External Audit

- 24 The Council external audit service is provided by the Audit Commission, who work in partnership with the Council ensuring its governance processes are effective, as well as providing the audit and certification of the annual accounts. They have been invited to attend all Committee meetings and have attended most. External audit have presented their audit plans and have proposed introducing a quarterly progress update for the Committee.

Annual Accounts and Financial Reporting

- 25 Following training/education provided to the Committee on local government accounts, the Committee reviewed the 2006/07 year annual accounts in its meeting in June 2007 in undertaking its role as the Approval of Accounts committee. The documents contained only a few minor typographical errors which was a significant improvement on the previous year, questions were raised on a number of areas prior to the accounts being approved.

Committee Training and Development

- 26 A rolling programme of development training was agreed by the Committee at the start of the year which has been delivered. The training programme has so far addressed the role of the Audit Committee, Internal Audit, and Local Government Annual Accounts. These have proved to be both interesting and useful and the programme will continue in the future.

Future developments

- 27 There is a great deal of interest and activity in relation to governance, including the roll out of Financial Management Systems in Schools (FMSIS), the production of new CIPFA/SOLACE guidance 'Delivering Good Governance in Local Government' that was published in July 2007, and the replacement of the annual Statement on Internal Control in the published accounts with an Annual Governance Statement from the 2007/08 year accounts. One result of this is that there is now a requirement to review governance across the council annually with the results reported through the Annual Governance Statement to the Committee as part of its role as the Approval of Accounts Committee.
- 28 Following the signing of a new Service Agreement for the delivery of Internal Audit, the service has moved to a "Risk Based Internal Audit Service" that is more heavily integrated with risk management, ensuring that these activities work more closely together and are better integrated.
- 29 The committee has raised concerns previously about the length of time taken by departments to clear some audit reports and recommendations. The Chief Internal Auditor has already been asked to express the Committee's concern on this issue and now visits departments at least quarterly to discuss these issues. It is intended that the Committee will pay closer attention to this situation in 2008/09.

**AUDIT COMMITTEE
TERMS OF REFERENCE**

1. MEMBERSHIP

- 1.1 The membership of the Audit Committee shall consist of 4 Councillors (3 Administration, 1 Opposition, all non-Cabinet Members).
- 1.2 The Chairman will be drawn from one of the Administration Councillors, the
- 1.3 Vice-Chairman will be the Opposition Councillor.
- 1.4 The Committee may co-opt non-voting independent members as appropriate.

2. QUORUM

- 2.1 The quorum for a meeting shall be 2 members.

3. VOTING

- 3.1 All Councillors on the Committee shall have voting rights. In the event of an equality of votes, the Chairman of the Committee shall have a second or casting vote. Where the Chairman is not in attendance, the Vice-Chairman will take the casting vote.

4. PROCEDURES

- 4.1 Council procedure rules (as applicable to Committees) shall apply at all meetings of the Committee.
- 4.2 Meetings of the Committee shall be held in public, subject to the provisions for considering exempt items in accordance with sections 100A-D of the Local Government Act 1972 (as amended).

5. MEETINGS

- 5.1 The Audit Committee will meet at least four times a year. Meetings will generally take place in the spring, summer, autumn, and winter. The Chairman of the Committee may convene additional meetings as necessary.
- 5.2 Audit Committee meetings will normally be attended by the Director of Finance and Corporate Services, the Head of Internal Audit, a representative of External Audit, and the Risk Management Consultant. The Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.
- 5.3 The Chief Executive may ask the Audit Committee to convene further meetings to discuss particular issues on which the Committee's advice is sought.

6. REPORTING

6.1 The Audit Committee will formally report back in writing to the full Council at least annually.

7. RESPONSIBILITIES

7.1 The Audit Committee will advise the Executive on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies and the annual accounts of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- the adequacy of management responses to issues identified by audit activity, including the external auditor's annual letter;
- assurances relating to the corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services.

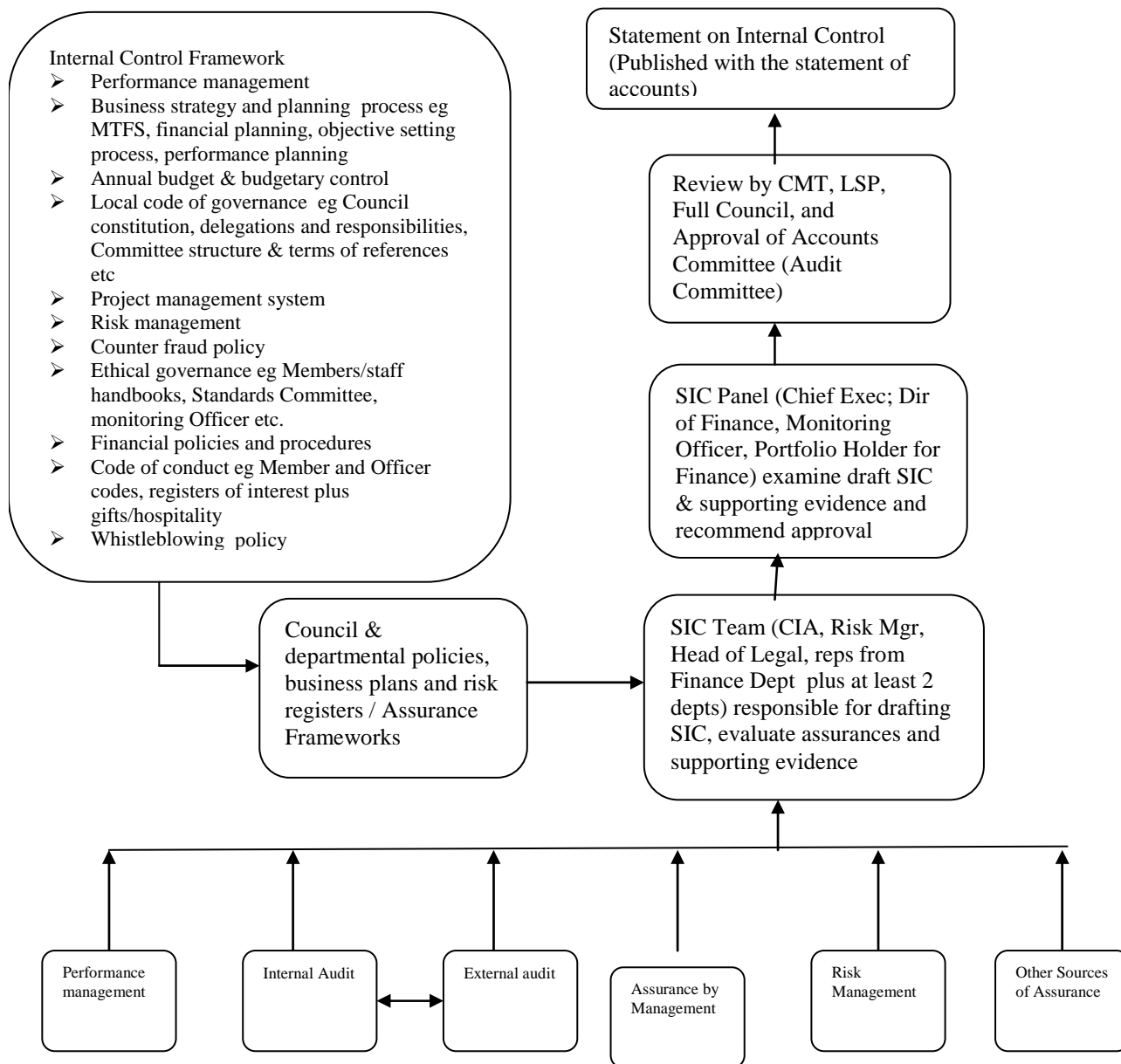
7.2 The Committee's responsibilities in relation to the annual accounts will include:

- to approve the Council's Statement of Accounts, in accordance with the deadlines set out in the Accounts & Audit Regulations 2003;
- to consider any report as necessary from the external auditor under Statement of Auditing Standard 610;
- to re-approve the Council's Statement of Accounts following any amendments arising from the external audit, in accordance with the deadlines set out in the Accounts & Audit Regulations 2003.

7.3 The Committee's responsibilities in relation to risk management will encompass the oversight of all risk analysis and risk assessment, risk response, and risk monitoring. This includes:

- the establishment of risk management across the organisation, including partnerships;
- awareness of the Council's risk appetite and tolerance;
- reviewing of the risk portfolio (including IT risks);
- being appraised of the most significant risks;
- determining whether management's response to risk and changes in risk are appropriate.

Council Framework for the Statement on Internal Control



LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	CIPFA publication 'Audit Committees – practical guidance for local authorities	G. Drake Ext. 2529	Finance and Corporate Services department 6 th Floor Town Hall Extension

7.1

SPECIAL MOTION NO. 1 – BOROUGH EXAMINATION RESULTS

Standing in the names of:

- (i) Councillor Antony Lillis
- (ii) Councillor Victoria Brocklebank-Fowler

"This Council congratulates the Headteachers, staff and pupils of the borough's schools on an improved set of GCSE/'A' level results announced recently. This Council praises the hard work that has led to these results and will continue to support and work with our schools for sustained success in future years."

7.2

SPECIAL MOTION NO. 2 – SUPER SEWER

Standing in the names of:

- (i) Councillor Paul Bristow
- (ii) Councillor Nicholas Botterill

“This Council is firmly opposed to any attempt by Thames Water to place the entrance to the Thames Tidal Tunnel in Furnivall Gardens or one of the Borough’s other precious open spaces; notes that this plan would blight the area concerned for years, when even Thames Water admit it will make little difference to the already much-improved water quality of the Thames; believes the Government is only calling for the super-sewer to avoid EU fines; is dismayed that the estimated £2.5 billion cost would be added to residents’ water bills; and urges Thames Water and the Government to look at more effective solutions.”

7.3

SPECIAL MOTION NO. 3 – WHITE CITY COLLABORATIVE CARE CENTRE

Standing in the names of:

- (i) Councillor Mark Loveday
- (ii) Councillor Lucy Ivimy

“This Council welcomes the proposed White City Collaborative Care Centre scheme developed by the H&F Primary Care NHS Trust and Building Better Health.

The scheme will deliver over £30 million of new investment, innovative health care facilities, 23 shared ownership homes and 47 low cost homes for sale in one of the most disadvantaged parts of our community.

This Council condemns the intervention of the Secretary of State for Communities and Local Government by issuing a directive under Article 14 of the Town and Country Planning (General Development Procedure) Order 1995 and calls for the directive to be lifted to enable this visionary scheme to proceed.”

7.4

SPECIAL MOTION NO. 4 – CHANGES TO COMMITTEE MEMBERSHIPS

Standing in the names of:

- (i) Councillor Frances Stainton
- (ii) Councillor Jane Law

“The following changes to the Pension Pensions Fund Investment Panel memberships will be made, effective from the day after the Council meeting:

Councillor Alexandra Robson - to come off Pensions Fund Investment Panel.

Councillor Donald Johnson - be appointed a member of Pensions Fund Investment Panel.