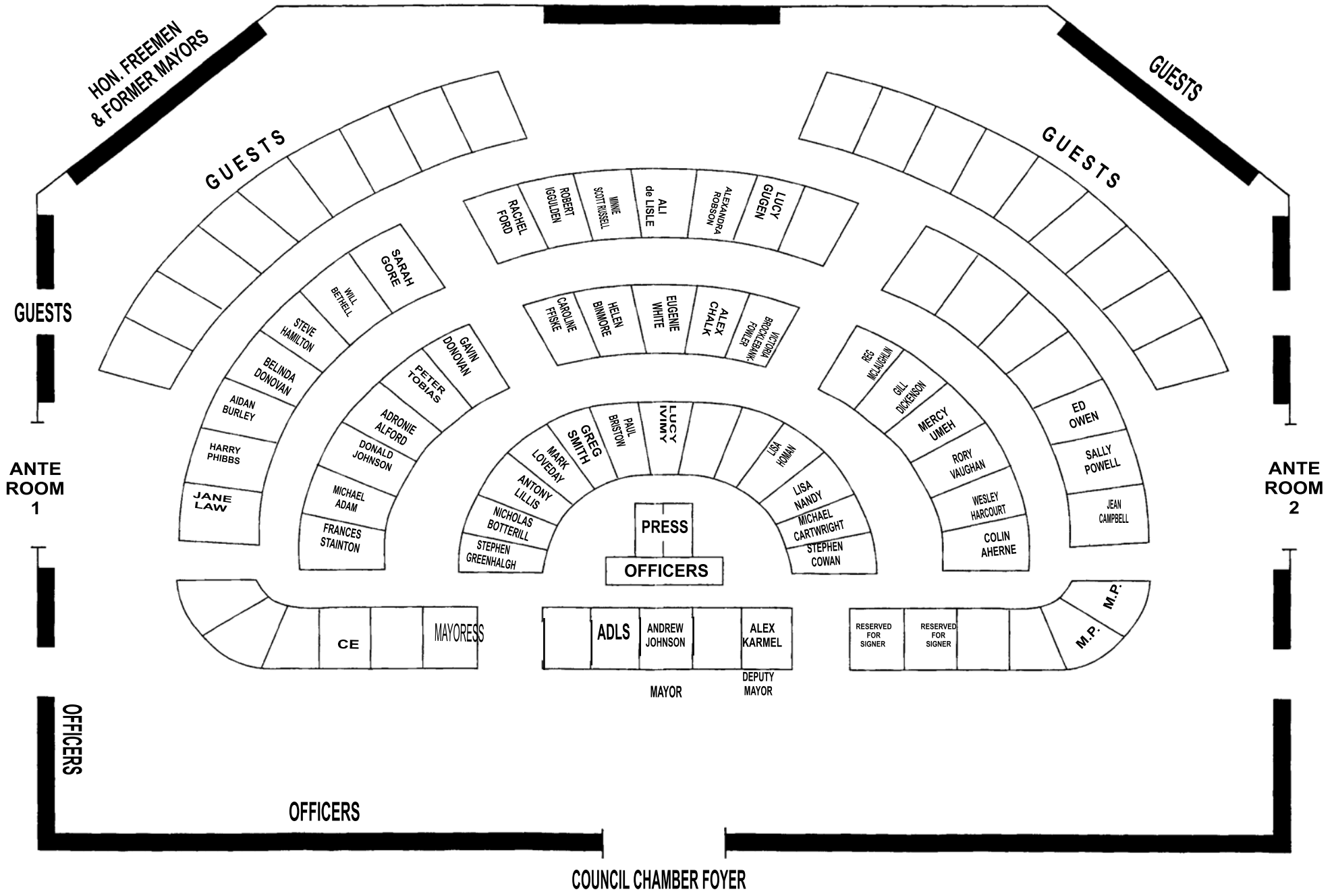


# COUNCIL AGENDA

(Budget Council Meeting)

Wednesday 25 February 2009

# 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 the  
Budget Meeting of the Council on  
Wednesday 25 February 2009  
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

16 February 2009  
Town Hall  
Hammersmith W6

Geoff Alltimes  
Chief Executive

# COUNCIL

## - AGENDA -

**25 FEBRUARY 2009**

<b><u>ITEM</u></b>		<b><u>PAGE</u></b>
<b>1.</b>	<b>MINUTES – 28 JANUARY 2009</b>	
1.1	To approve and sign as an accurate record the Minutes of the Ordinary Council Meeting held on 28 January 2009.	<b>309-336</b>
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>3.</b>	<b>MAYOR'S / CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)</b>	Circulated separately (Green Sheet)
<b>4.</b>	<b>DECLARATIONS OF INTEREST</b>	
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.	
<b>5.</b>	<b>PUBLIC QUESTIONS (20 MINUTES)</b>	
	The Leader / relevant Cabinet Member to reply to questions submitted by members of the public.	
	There are none.	
<b>6.</b>	<b>ITEMS FOR DECISION / COMMITTEE REPORTS (IF ANY)</b>	
<b>6.1</b>	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2009/10</b>	<b>337-393</b>
	This report sets out proposals in respect of the revenue budget for the Council for 2009/10 including Council Tax levels, and deals with the	

precept from the Greater London Authority (GLA), together with ancillary issues.

**6.2 TREASURY MANAGEMENT STRATEGY REPORT 394-419**

This report provides information on the Council's Treasury Management Strategy for 2009/10 including interest rate projections, and borrowing and investment activity reports for the period April to December 2008.

The report seeks approval for borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cash flow, borrowing and investments in the year 2009/10.

**6.3 CAPITAL PROGRAMME 2009/10 TO 2013/14 420-449**

This report sets out the current commitments in the Capital Programme and recommends, after consideration of an updated resource forecast, the setting aside of resources for new investment and the Council's debt reduction strategy.

**6.4 COUNCILLORS' ALLOWANCES SCHEME: ANNUAL RENEWAL 450-460**

This report performs the statutory annual review of Councillors' allowances for the 2009-2010 financial year, and takes into account the recommendations made in the Independent Remunerator's report to London Councils (December 2006).

**6.5 REVIEW OF THE COUNCIL'S CONSTITUTION: CHANGES TO SCHEMES OF DELEGATION 461-465**

The Council, at its last meeting on 28 January 2009, approved changes to Cabinet portfolio responsibilities. This report outlines proposed changes and amendments to the Officer Schemes of Delegation. These revisions are mainly required to transfer powers and functions from the Environment department to the Resident Services department from 1 April 2009 in line with the new corporate structure.

**7. SPECIAL MOTIONS**

To consider and determine any Special Motions.

There are none.

**8. INFORMATION REPORTS – TO NOTE (IF ANY)**

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# COUNCIL MINUTES

(ORDINARY COUNCIL MEETING)

WEDNESDAY 28 JANUARY 2009



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

Gavin Donovan  
Rachel Ford  
Sarah Gore  
Stephen Greenhalgh  
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



### 30. TRIBUTES

The Mayor announced the deaths of a former Councillor Mrs Josephine (Josie) Wicks on Saturday 17<sup>th</sup> January 2009 and Mrs Sheila Hayes, a former Mayoress on Wednesday 17<sup>th</sup> December 2008, in Charing Cross Hospital.

Councillor Josie Wicks was elected Councillor for Coningham Ward in May 1990 and went on to represent Askew Ward from May 2002 until May 2006. She was also the Deputy Chief Whip for the Labour Party. Mrs Hayes was Mayoress of the Metropolitan Borough of Hammersmith in 1959, and married to the late former Mayor of Hammersmith, Mr John Hayes OBE. The Council observed a minute silence in their memory.

Councillors Harcourt, McLaughlin, Cowan, Powell and Aherne for the Opposition and Councillors Stainton, Alford, Lillis and Karmel for Administration paid tributes to former Councillor Mrs Josephine (Josie) Wicks.

### 31. MINUTES – 17 SEPTEMBER 2008

7.42pm - The minutes of the Ordinary Council Meeting held on 17 September 2008 were confirmed and signed as an accurate record subject to the deletion of the voting record in the first paragraph on page 209 of the minutes and replace it with :-

FOR	11
AGAINST	28
ABSTENTION	0

### 32. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Will Bethell, Belinda Donovan, Lucy Gugen and Caroline Ffiske.

### 33. MAYOR'S ANNOUNCEMENTS

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

He congratulated the following individuals on their awards in the New Year's Honours list:-

- Sir Nigel Graham Knowles, CE and Managing Partner of DLA Piper International LLP (Knighthood);
- Sir John Christopher Powell, Chairman of NESTA (Knighthood);
- (James) Samuel Younger (CBE), former Chairman of Electoral Commission;
- Mrs Victoria Barnsley (OBE), CE of Harper Collins UK;
- Paul Morrell (OBE);
- Thomas James (MBE), Rower; and
- Mrs Katherine Ruth Askey-Wood MBE, Volunteer to Cancer Research UK.

#### **34. DECLARATIONS OF INTEREST**

There were no declarations of interests made.

#### **35. PUBLIC QUESTION TIME**

7.45pm - The Mayor called on those members of the public who had submitted questions to the Leader to ask their questions. The Leader or the relevant Cabinet Member responded.

Question No. 1 – Mr Nigel Winkle to the Cabinet Member for Environment (Councillor Nicholas Botterill);

Question No. 3 – Ms Anna Jones to the Cabinet Member for Housing (Councillor Lucy Ivimy);

Question No. 4 – Mr Frank Colcord to the Leader (Councillor Stephen Greenhalgh).

Public Question No 2 was not asked, and a written reply would instead be sent to the questioner after the meeting.

[Copies of all public questions submitted and the reply given are attached at Appendix 2 to these minutes.]

#### **36. ITEMS FOR DECISION / COMMITTEE REPORTS**

##### **8.06pm – Council Tax Base And Collection Rate 2009/2010**

The report and recommendations were moved for adoption by the Leader of the Council, Councillor Stephen Greenhalgh, seconded by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	23
AGAINST	0
ABSTENTIONS	11

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

8.06pm - **RESOLVED:**

- 1. That the estimated numbers of properties for each Valuation Band as set out in this report, be approved;**
- 2. That an estimated Collection rate of 98.0% be approved;**
- 3. That the Council Tax Base of 79,179 Band “D” equivalent properties be approved.**

**8.07pm – Review Of The Council’s Constitution - Changes To Cabinet Portfolio Responsibilities**

The report and recommendation was moved for adoption by the Leader, Councillor Stephen Greenhalgh, seconded by the Chief Whip, Councillor Frances Stainton.

The report and recommendation was put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

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

8.07pm - **RESOLVED:**

That the changes, amendments and corrections proposed to the Council Constitution, as set out in Annex 1 to the report, be agreed.

**8.08pm – Staff Terms And Conditions**

The report and recommendation was moved for adoption by the Leader, Councillor Stephen Greenhalgh, seconded by the Chief Whip, Councillor Frances Stainton.

A speech on the report was made by Councillor Colin Aherne, before being put to the vote:

FOR	27
AGAINST	0
ABSTENTIONS	11

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

8.11pm - **RESOLVED:**

That authority is delegated to the Council’s Chief Executive to exercise the Council’s functions in determining whether to approve and implement new terms and conditions, with or without variation, for staff following the conclusion of the current consultation with staff and the unions.

**8.12pm – Children And Young People’s Plan 2008-2011**

The report and recommendation was moved for adoption by Councillor Antony Lillis (Cabinet Member for Children and Community Services), seconded by the Chief Whip, Councillor Frances Stainton.

A speech on the report was made by Councillor Reg McLaughlin before being put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

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

8.14pm - **RESOLVED**:

To approve the publication of the Children and Young People's Plan 2008-11.

### **37. SPECIAL MOTIONS**

#### **Special Motion No. 1 – Vat Charges**

8.15pm – Councillor Stephen Cowan moved, seconded by Councillor Michael Cartwright, the special motion standing in their names:

"This Council deplores the decision of the Tory Administration not to pass on the cut in VAT from 17.5% to 15% on charges for parking and sports bookings to residents. This Council calls for the immediate reversal of this mean and dishonest policy."

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

Under Council Procedure Rule 15 (e) (vi), Councillor Paul Bristow, seconded by Councillor Rachel Ford, moved an amendment to the motion to delete all words after "this Council' and insert:

"notes that sports pitch booking charges in Hammersmith & Fulham are below the national average; further notes that through the Sport England Active People's survey, Hammersmith & Fulham is recognised as having the 4th highest percentage of adults taking part in physical activity. The Council also welcomes the sports development team's objective to mirror this achievement with young people in an effort to encourage healthy lifestyles; and resolves to put in place a fees and charges policy to complement this objective."

Speeches on the amendment were made by Councillors Paul Bristow, Rachel Ford and Nicholas Botterill before it was put to the vote:

FOR	27
AGAINST	13
ABSTENTION	0

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

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

FOR	26
AGAINST	13
ABSTENTION	0

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

8.49 pm - **RESOLVED**:

That this Council notes that sports pitch booking charges in Hammersmith & Fulham are below the national average; further notes that through the Sport England Active People's survey, Hammersmith & Fulham is recognised as having the 4th highest percentage of adults taking part in physical activity. The Council also welcomes the sports development team's objective to mirror this achievement with young people in an effort to encourage healthy lifestyles; and resolves to put in place a fees and charges policy to complement this objective.

### **Special Motion No. 2 – Home Care Charging**

8.50pm – Councillor Rory Vaughan moved, seconded by Councillor Reg McLaughlin, the special motion standing in their names:

"This Council deplores the Administration's recent introduction of home care charging, contrary to its explicit manifesto commitment not to do so. The £10 per hour charge (with the option to increase it to £12.40) is an unacceptable financial burden on elderly and disabled residents in the borough, and it has left them facing real hardship, as they have the stark choice of either paying for care that is critical to their well being or cutting back on essentials. This Council calls on the Administration to drop this pernicious charge immediately."

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

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

"This Council recognises that Hammersmith and Fulham is one of only 8 London Councils which offer any services to vulnerable residents in the 'Moderate' banding of Fair Access to Care Services.

This Council further recognises that our Home Charge Charging scheme adheres to the Government's guidance and policy on charging and urges cross party engagement in the national debate on the future direction and funding of Adult Social Care."

A speech on the amendment was made by Councillor Antony Lillis before it was put to the vote:

FOR	25
AGAINST	13
ABSTENTIONS	0

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:

FOR	25
AGAINST	13
ABSTENTIONS	0

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

9.11 pm - **RESOLVED**:

This Council recognises that Hammersmith and Fulham is one of only 8 London Councils which offer any services to vulnerable residents in the 'Moderate' banding of Fair Access to Care Services.

This Council further recognises that our Home Charge Charging scheme adheres to the Government's guidance and policy on charging and urges cross party engagement in the national debate on the future direction and funding of Adult Social Care.

### **Special Motion No. 3 – Rubbish Collection**

9.12pm – Councillor Nicholas Botterill moved, seconded by Councillor Mark Loveday, the special motion with an amendment standing in their names:

“This Council resolves to:

1. Oppose Government plans for new bin taxes;
2. Write to the Secretary of State for Environment, Food & Rural Affairs rejecting the Government's invitation to participate in these new charges for the collection of household waste; and
3. Call on the Secretary of State to ensure local authorities are properly compensated for new burdens imposed by central government, instead of introducing new taxes.

This Council further notes:

4. That Hammersmith & Fulham Council introduced a garden waste collection scheme in 2003. This scheme was designed around a London Recycling Fund grant which subsequently expired leaving the Council to bear the entire burden of what was a very expensive service taking into account the small overall tonnage collected. Notwithstanding the modest charges introduced 2 years ago, the net costs of collecting garden waste in this way

fall on all Council Tax payers and not just the 5% of residents who use the scheme.

5. The nature of collecting odd sacks from every road in the borough and subsequent transportation for processing means that this scheme lamentably fails as a "green" solution to disposing of residents' garden waste.
6. That the recent consultation exercise obtained responses from around half the registered users of the garden waste scheme and that 795 responses were for not continuing the service and that 783 were for introducing higher collection charges on the lines indicated in the consultation document.
7. This Council further resolves to promote home composting as a greener and more sustainable method for disposing of garden waste instead of kerbside collection which will cease".

Speeches on the amended motion were made by Councillor Nicholas Botterill and Councillor Mark Loveday before it was put to the vote:

FOR	25
AGAINST	0
ABSTENTIONS	11

Under Council Procedure Rule 15 (e) (vi), Councillor Stephen Cowan moved, seconded by Councillor Wesley Harcourt , an amendment to the substantive motion as amended, to delete all words after "this Council" and insert:

"the Government has asked local authorities to participate in a waste incentive pilot scheme. This pilot has the objective of providing another tool for local authorities to increase the amount of recycling in their area, cut landfill waste and reduce long term expenditure for each household. However, this Council unanimously declines to take part in this pilot and rejects any measures that will reduce the quality of the refuse collection and recycling services or place any extra cost onto households in the short term. The Council resolves to study the results of any pilots with interest."

Speeches on the amendment were made by Councillors Stephen Cowan and Dame Sally Powell (for the Opposition) and Councillors Nicholas Botterill and Mark Loveday (for the Administration) before it was put to the vote:

FOR	13
AGAINST	25
ABSTENTIONS	0

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

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

FOR	25
AGAINST	13
ABSTENTIONS	0

The motion was declared **CARRIED.**

9.45 pm - **RESOLVED:**

1. To oppose Government plans for new bin taxes:
2. To write to the Secretary of State for Environment, Food & Rural Affairs rejecting the Government's invitation to participate in these new charges for the collection of household waste; and
3. To call on the Secretary of State to ensure local authorities are properly compensated for new burdens imposed by central government, instead of introducing new taxes;
4. To note that Hammersmith & Fulham Council introduced a garden waste collection scheme in 2003. This scheme was designed around a London Recycling Fund grant which subsequently expired leaving the Council to bear the entire burden of what was a very expensive service taking into account the small overall tonnage collected. Notwithstanding the modest charges introduced 2 years ago, the net costs of collecting garden waste in this way fall on all Council Tax payers and not just the 5% of residents who use the scheme.
5. To note the nature of collecting odd sacks from every road in the borough and subsequent transportation for processing means that this scheme lamentably fails as a "green" solution to disposing of residents' garden waste.
6. To note that the recent consultation exercise obtained responses from around half the registered users of the garden waste scheme and that 795 responses were for not continuing the service and that 783 were for introducing higher collection charges on the lines indicated in the consultation document.
7. To promote home composting as a greener and more sustainable method for disposing of garden waste instead of kerbside collection which will cease.

#### **Special Motion No. 4 – Sustainable Communities Act**

9.47pm – Councillor Stephen Greenhalgh moved, seconded by Councillor Nicholas Botterill, the special motion standing in their names:



“That this Council:

- (i) supports the bottom up process in the Sustainable Communities Act designed to allow local authorities and their communities to drive the help that central government gives in reversing community decline and promoting thriving, sustainable communities;
- (ii) notes that the Act gives local authorities the power to;
  - make proposals to government on the action and assistance government must take or give to promote sustainable communities; and that
  - those proposals can be for a transfer of public money and function from central to local control;
- (iii) notes that the Act defines sustainable communities broadly, that definition having the 4 aspects of;
  - the improvement of the local economy;
  - protection of the environment;
  - promotion of social inclusion; and
  - participation in civic and political activity.
- (iv) notes that reasons for a local authority choosing to use the Act include gaining new assistance from government, determining that assistance, being able to argue for transfers of public monies from central to local control and involving citizens in democracy;
- (v) resolves, having been invited to by central government in October 2008, to use the Act by preparing and submitting proposals on how central government can help by 31<sup>st</sup> July 2009; and
- (vi) further resolves to
  - to inform the local media of this decision;
  - to write to local MPs, informing them of this decision; and
  - to write to Local Works (at Local Works, c/o Unlock Democracy, 6 Cynthia St, London N1 9JF) informing them of this resolution to use the Act.

Speeches on the motion were made by Councillor Stephen Greenhalgh (for the Administration); Councillors Stephen Cowan and Lisa Homan (for the Opposition). Councillor Stephen Greenhalgh made a speech winding up the debate. The substantive motion was then put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

The motion was declared **CARRIED**.

9.56 pm - **RESOLVED:**

- (i) To support the bottom up process in the Sustainable Communities Act designed to allow local authorities and their communities to drive the help that central government gives in reversing community decline and promoting thriving, sustainable communities;
- (ii) To note that the Act gives local authorities the power to;
  - make proposals to government on the action and assistance government must take or give to promote sustainable communities, and that
  - those proposals can be for a transfer of public money and function from central to local control;
- (iii) To note that the Act defines sustainable communities broadly, that definition having the 4 aspects of;
  - the improvement of the local economy;
  - protection of the environment;
  - promotion of social inclusion; and
  - participation in civic and political activity.
- (iv) To note that reasons for a local authority choosing to use the Act include gaining new assistance from government, determining that assistance, being able to argue for transfers of public monies from central to local control and involving citizens in democracy;
- (vii) Having been invited to by central government in October 2008, to use the Act by preparing and submitting proposals on how central government can help by 31<sup>st</sup> July 2009; and
- (viii) To further
  - inform the local media of this decision;
  - write to local MPs, informing them of this decision; and
  - write to Local Works (at Local Works, c/o Unlock Democracy, 6 Cynthia St, London N1 9JF) informing them of this resolution to use the Act.

### **38. INFORMATION REPORTS TO COUNCIL (IF ANY)**

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

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

Meeting ended: 9.58 pm. - Wednesday, 28 January 2009.

.....  
MAYOR

**APPENDIX 1**

**ANNOUNCEMENTS BY  
THE MAYOR**

1. I am sure everyone shares my sadness to hear of the deaths of a former Councillor Mrs Josephine (Josie) Wicks on Saturday 17<sup>th</sup> January 2009 and Mrs Sheila Hayes, a former Mayoress on Wednesday 17<sup>th</sup> December 2008, in Charing Cross Hospital.

Josie Wicks was elected Councillor for Coningham Ward in May 1990 and went on to represent Askew Ward from May 2002 until May 2006. Josie was also Deputy Chief Whip.

Mrs Hayes was Mayoress of the Metropolitan Borough of Hammersmith from 1959 - 1961, and married to the late former Mayor of Hammersmith, Mr John Hayes OBE.

I invite you all to stand for one minute silence in their memory.

2. I would like to congratulate residents of our Borough, who received various honours in the New Years Day Honours list 2009.  
Sir Nigel Graham Knowles, CE and Managing Partner of DLA Piper International LLP. Sir John Christopher Powell, Chairman of NESTA, on their knighthood. (James) Samuel Younger CBE, former Chairman of Electoral Commission. Mrs Victoria Barnsley OBE, CE of Harper Collins UK, Paul Morrell OBE. Thomas James MBE, Rower and Mrs Katherine Ruth Askey-Wood MBE, Volunteer to Cancer Research UK.
3. On 18<sup>th</sup> September 2008, I attended the Mayor of Barnet's charity tour and dinner at Lords Cricket Ground, NW1
4. On 21<sup>st</sup> September, I attended St Matthew's Church 'Patronal Festival', Fielding Road, W14
5. On 22<sup>nd</sup> September, I attended St Paul's Church reception evening, Queen Caroline Street, London, W6
6. On 24<sup>th</sup> September, I attended H&F Borough Commander's Commendation Ceremony, Queens Club, W14
7. On 25<sup>th</sup> September, I was delighted to attend the official opening of Antonia Restaurant, Hammersmith Broadway, W6
8. On 25<sup>th</sup> September, I attended Latymer School Prize Giving ceremony, Latymer School, King Street, W6
9. On 28<sup>th</sup> September, accompanied by my Mayoress, I attended the 10th Anniversary celebrations of The London Pearly Kings and Queens

- Costermongers' Harvest Festival, Parade and Service, Guildhall, EC2
10. On 30<sup>th</sup> September, I attended the Reserve Forces reception to mark the Association's Centenary, Armoury House, City Road, London EC1
  11. On 1<sup>st</sup> October, I attended H&F Citizenship Ceremony, Council Chamber, Fulham Town Hall, SW6
  12. On 1<sup>st</sup> October, I attended the launch of the Old Fire Station restaurant and bar, Shepherds Bush Road, W6
  13. On 8<sup>th</sup> October, I attended Fulham Good Neighbours Society AGM, Rosaline Hall, Fulham, SW6
  14. On 9<sup>th</sup> October, I was honoured to attend the official opening ceremony of Frank Banfield Park, Distillery Road, W6
  15. On 9<sup>th</sup> October, I attended the H&F Historic Buildings Group AGM, BBC Conference Centre, W12
  16. On 10<sup>th</sup> October, accompanied by my Mayoress, I attended the Mayor of Merton charity dog night, Wimbledon Greyhound Stadium, SW17
  17. On 13<sup>th</sup> October, I attended H&F European Road Safety Day event, Ealing, Hammersmith & West London College, W6
  18. On 13<sup>th</sup> October, I attended the City of London 'Civic Dinner', Basinghall Suite, Guildhall, EC2
  19. On 14<sup>th</sup> October, accompanied by my Mayoress, I attended a dinner reception hosted by the Italian Ambassador and Signora Aragona, Ambassador's Residence, 4 Grosvenor Square W1
  20. On 16<sup>th</sup> October, I attended the 2008 Olympic & Paralympic Heroes Parade, Trafalgar Square,
  21. On 16<sup>th</sup> October, I attended a dinner reception to celebrate the ongoing success of the friendship programme with Johanneum School in Hamburg and Latymer Upper School, Latymer Upper School, King Street, W6
  22. On 17<sup>th</sup> October, I was delighted to attend H&F annual 'Time of Your Life' event, Assembly Hall, HTH
  23. On 18<sup>th</sup> October, accompanied by my Mayoress, I attended the London Regimental annual dinner in commemoration of the Battle of Loos, Connaught House, SE5
  24. On 19<sup>th</sup> October, accompanied by my Mayoress, I attended the London Mayors' Association annual Civic Service, Westminster Abbey

25. On 25<sup>th</sup> October, I attended H&F Alzheimer Society's open day event, St. Vincent, 49 Queen Caroline Street, W6
26. On 25<sup>th</sup> October, I attended Bishop Creighton House annual Autumn Fair', Lillie Road, SW6
27. On 28<sup>th</sup> October, I was delighted to attend the first of three Hammersmith London BID charity concerts in aid of my chosen charity, the Alzheimer's Society held at St Paul's Church, Hammersmith W6
28. On 30<sup>th</sup> October, I was delighted to attend the grand opening of Westfield London Shopping Centre, White City, W12
29. On 30<sup>th</sup> October, I attended a reception in honour of Boris Johnson, Bhavan Centre, Castletown Road, W14
30. On 30<sup>th</sup> October, I was delighted to host a reception for 1908 Centenary Olympics celebrations, Assembly Hall, HTH
31. On 31<sup>st</sup> October, I attended the MPH Motor Show, Earls Court, Warwick Road, SW5
32. On 5<sup>th</sup> November, I attended The Chamber of Commerce, Connect 4 Network Lunch, Deep Restaurant, The Boulevard, Imperial Wharf, SW6
33. On 6<sup>th</sup> November, I attended the Metropolitan Police 'Ceremony of Remembrance', Peel Centre, Hendon
34. On 6<sup>th</sup> November, I joined the Air Training Corp Cadets on their Poppy Appeal collection, The Atrium, Westfield London Shopping Centre, W12
35. On 7<sup>th</sup> November, I attended the annual Service of Remembrance, City Hall, SE1
36. On 7<sup>th</sup> November, I attended H&F annual Fireworks Display, Bishops Park, SW6
37. On 8<sup>th</sup> November, accompanied by my Mayoress, I attended Lord Mayor's Outward Procession, Mansion House, EC4
38. On 8<sup>th</sup> November, I attended H&F annual Fireworks Display, Ravenscourt Park, W6
39. On 9<sup>th</sup> November, accompanied by my Mayoress, I was honoured to take the salute at the Remembrance Day Parade and Service, All Saints Church Fulham, SW6

40. On 11<sup>th</sup> November, I attended the second H&F Bid charity concert, St Paul's Church, Hammersmith
41. On 13<sup>th</sup> November, accompanied by my Mayoress, I attended the 2009 Boat Race Challenge reception, Portland Gallery, SW1
42. On 13<sup>th</sup> November, , accompanied by my Mayoress, I attended the Mayor of Sutton's charity dinner evening, Nightingale's Training Restaurant, Carshalton College, Surrey SM5
43. On 14<sup>th</sup> November, I was delighted to attend and judge the singing competition alongside, Cllr Antony Lillis and Jane West at H&F Shindig charity event, Assembly Hall, HTH
44. On 15<sup>th</sup> November, I attended Cynthia Hatcher's 7th annual Art Exhibition, Wimbledon Library, Wimbledon, SW19
45. On 19<sup>th</sup> November, I attended H&F Looked After Children Reception, Mayor's Foyer, HTH
46. On 20<sup>th</sup> November, I attended the Townmead Youth Club, Open Evening, Townmead Road, SW6
47. On 27<sup>th</sup> November, I attended a Memorial Service for Damilola Taylor, Southwark Cathedral, SE1
48. On 27<sup>th</sup> November, I attended the third H&F Bid charity concert, St Paul's Church, Hammersmith
49. On 29<sup>th</sup> November, I attended the Deputy Mayor of Ealing's Charity Dinner, The Courthouse, Kempinski Hotel, Great Marlborough St W1
50. On 1<sup>st</sup> December, I attended the London Mayors' Association, Annual Diplomatic Dinner, Westminster City Hall, SW1
51. On 3<sup>rd</sup> December, I was delighted to attend Hammersmith London Christmas Light Up event, Hope Poles PH, King Street, W6
52. On 3<sup>rd</sup> December, I attended HAFFTRA Social, Christmas Quiz Night, NYE Bevan Hall, Aspen Gardens Estate, W6
53. On 4<sup>th</sup> December, I attended 'Only Santa Should Be In The Red Christmas' photo call, Lyric Square, W6
54. On 4<sup>th</sup> December, I attended the Lighting Up Ceremony, Trafalgar Square, SW1
55. On 5<sup>th</sup> December, I attended the Mayor of Bexley's Charity Tudor Banquet Dinner, Hall Place, Bexley

56. On 8<sup>th</sup> December, I attended the BBC Outreach Christmas Reception, BBC, 6th Floor TV Centre, Wood Lane, W12
57. On 9<sup>th</sup> December, accompanied by my Mayoress, I attended the Mayor of Richmond Charity Christmas Concert, Clarendon Hall, York House, Richmond
58. On 10<sup>th</sup> December, I attended Hammersmith London Christmas Partnership Celebration Dinner, Bianco Nero Restaurant, Hammersmith Road W6
59. On 10<sup>th</sup> December, I attended the Fulham Society's, Christmas Carol Service, Fulham Palace Chapel, SW6
60. On 11<sup>th</sup> December, I attended the Heritage Lottery Fund Event, Fulham Palace, SW6
61. On 12<sup>th</sup> December, I attended George Irvin of Irvin Leisure reception evening, Shepherds Bush Green, W12
62. On 13<sup>th</sup> December, I attended the Mayor of Brent's Charity Christmas Dinner, Brent Town Hall
63. On 14<sup>th</sup> December, I attended Paul's Church, Christmas Carol Service, Hammersmith Broadway, W6
64. On 15<sup>th</sup> December, accompanied by my Mayoress, I attended HM Wormwood Scrubs Prison, Christmas Carol Concert, Du Cane Road, W12
65. On 16<sup>th</sup> December, I attended All Saints Church Carol Service, Fulham, SW6
66. On 18<sup>th</sup> December, I attended the Mayor of Waltham Forest charity performance of Sleeping Beauty on Ice, Lee Valley Ice Centre, E10
67. On 18<sup>th</sup> December, I attended a Carol Concert Hammersmith London, St Paul's Church, Hammersmith
68. On 18<sup>th</sup> December, I attended the Mayor of Ealing's Charity Christmas Party, Victoria Hall, Ealing Town Hall, W5
69. On 19<sup>th</sup> December, I attended the Horse of the Year Show, Olympia, W14
70. On 21<sup>st</sup> December, I attended the Community Carol Service, St Andrews, Church, Fulham London W14
71. On 1<sup>st</sup> January 2009, I attended the New Year's Day Parade, 1 Whitehall Place, SW1. Albert & Friends represented the borough. Congratulations to them on winning third place.
72. On 8<sup>th</sup> January, I attended the London Government Dinner held at the Mansion House EC4.



73. On 15<sup>th</sup> January, at the invitation of the Lord Mayor of Westminster, I attended a reception on board HMS Westminster, Royal Victoria Dock, E16
74. On 12<sup>th</sup> January, I hosted a reception for the Linford Christie Trust, Mayor's Parlour, W6
75. On 22<sup>nd</sup> January, I welcomed HE Ruth Elizabeth Rouse, High Commissioner for Grenada, to the Mayor's Parlour, HTH, W6
76. On 23<sup>rd</sup> January, I attended Wormholt School class assembly, W12
77. On 26<sup>th</sup> January, I hosted a cheque presentation to Steve Hughes, Community Fundraising Manager, NSPCC by George Irvin, Mayor's Parlour, HTH
78. On 27<sup>th</sup> January, I attended River Café lunch time promotion with some of the proceeds going to the Mayor's Charity, the Alzheimer's Society H & F branch.
79. On 27<sup>th</sup> January, I accepted on behalf of the borough the Challenge Cup which was presented in 1903 to the First City of London Royal Garrison Artillery Regiment. The cup has been in the possession of the Old Comrades Association however as the association members dwindle the surviving relatives (Mrs Brand and Mrs Marshall) have decided to donate the cup to the borough to be displayed in the Mayor's Parlour.
80. On 27<sup>th</sup> January, I attended the 'Friends of South Park' inaugural AGM, Thomas's School, Hugon Road, SW6.

**No. 1**

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 28 JANUARY 2009**

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Question by: Nigel Winkle

To the:       The Leader

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**QUESTION**

PPS has submitted a 'consultation report' as part of the documentation supporting the controversial, speculative development of the Goldhawk Industrial Estate by Londonewcastle. Despite claims to the contrary, neither I nor any neighbours I have spoken with were informed of the exhibition until after it had closed. As a result, people who live in the area that will be directly affected were given no opportunity to comment on the development before the planning application was made. Given the lack of genuine consultation, as acknowledged by councillors at the recent meeting of over 150 concerned people at Brackenbury School, and given that the application for planning permission for this development was made (either by design or by coincidence) just before the Christmas/New Year closedown so that it was very difficult for local people to contact relevant expert consultants, will the Council agree to a significant delay in the consideration of planning permission so that fully independent assessments can be made into all aspects of the application by Londonewcastle in conformity with Council policy of fostering local democracy?

**RESPONSE**

Thank you for your enquiry regarding the planning application for the redevelopment of the Goldhawk Industrial Estate by Londonewcastle which was received by the Council on 3rd December 2008. I understand that prior to submitting the application, PPS, on behalf of Londonewcastle undertook a public exhibition on 7th and 8th November in Committee Room 3 of Hammersmith Town Hall outlining the development. Although PPS have indicated that 1500 leaflets were delivered to local residents prior to the exhibition inviting them to attend, it appears that a number of local residents, including you, did not receive the invitation.

The Council has undertaken its own extensive consultation since receiving the application, with over 3900 letters being sent out as well as site notices and advertisements in the local press. However I understand that owing to the timing of the

planning submission a number of local residents have been unable to make representation.

As such although the statutory target date for making a decision on the application is 4th March, as there is significant local interest in the development and the scheme is still under consideration by officers, I agree that there should be sufficient time allowed for all the planning issues to be considered before the application is put to the Planning Applications Committee. I understand that officers intend to set up a planning forum meeting and will invite key representatives from the community to address the developers directly with their concerns. In order to ensure that the representatives of local groups and residents have the opportunity to participate, a letter will be sent in advance of the meeting setting out the procedures and date for the forum meeting. It is likely to take place in the latter part of February.

**No. 2**

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 28 JANUARY 2009**

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Question by: John O’Callaghan-Williamson

To the:       The Leader

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**QUESTION**

This relates to the Decent Homes Programme on the Arthur Henderson and other estates.

Why has the Decent Homes Project currently underway on Arthur Henderson Estate been changed from “Decent Homes Plus” to the basic delivery of “Decent Homes”?

- When did this change happen?
- Why are the front doors on Arthur Henderson Estate, that were to be changed as a mandatory act under “Decent Homes”, as the Council told us it had to comply with building & fire regulations, now no longer being replaced?
- Are overhauled doors going to comply with the regulations that were the reason for their replacement in the first place?
- Why are Council tenants who’s estate is undergoing current “Decent Homes” work, no longer being communicated with especially when changes happen as aforementioned? Why has tenant participation stopped?
- Does this not demonstrate the published findings that the Council is unable to properly manage and deliver on this project and continues to fail to raise from its poor standing thus far?
- Where is the money that was originally set aside for our costed “Decent Homes’ upgrade been spent? As the project has been downgraded.

**RESPONSE**

*When did this change happen?*

We have not changed our standard. We continue to carry out work to a Decent Homes Plus standard. All aspects of our enhanced standard remain part of our policies and procedures.

In addition to the basic Decent Homes standard which we follow diligently we have developed our own local enhancements which result in the Decent Homes Plus standard referred to. The Government promotes the “plus” standard but does not require it. Many Local Authorities cannot afford to carry out an enhanced standard. Through the efficient use of resources we have been able to maintain the Decent Homes Plus standard.

Examples of our enhanced standard include:

Disabled adaptations  
Over bath showers  
Wet floor level access bathrooms in sheltered housing  
Controlled access  
Digital integrated TV aerial systems

*Why are the front doors on Arthur Henderson Estate, that were to be changed as a mandatory act under “Decent Homes”, as the council told us it had to comply with building & fire regulations, now no longer being replaced?*

We are replacing the doors. The contract includes financial provision for replacing the doors. When the contract was approved by HF Homes they approved the scope of the contract which included replacing the doors. Nothing has changed. We recently re-surveyed the condition of the doors but this should not be misinterpreted as a change of decision. The survey confirmed that doors needed replacing. Replacing doors for leaseholders will be optional.

*Are overhauled doors going to comply with the regulations that were the reason for there replacement in the first place?*

It is perfectly acceptable to overhaul doors if their age and condition makes this option more cost effective. Overhauled doors can meet all required regulations; however this issue is hypothetical in relation to Arthur Henderson Estate since we have undertaken to replace the doors.

*Why are council tenants who’s estate is undergoing current “Decent Homes” work no longer being communicated with especially when changes happen as aforementioned? Why has tenant participation stopped?*

We continue to communicate with residents. We have had three separate meetings on the proposed works at Arthur Henderson Estate and numerous letters have been sent. Most recently a letter was sent in early January informing residents that work was about to start. We are also planning to send update newsletters to residents as work proceeds.

*Does this not demonstrate the published findings that the council is unable to properly manage and deliver on this project and continues to fail to raise from its poor standing thus far?*

It is testament to our ability to manage effectively that we are able to continue with the Decent Homes Plus standard. This Administration inherited a moribund programme which we have managed to turn around. We are confident that we will complete the programme within resources and to an enhanced standard. We have strong project management systems and procedures in place and all work undertaken is thoroughly vetted to ensure that it is reasonable and necessary. We diligently apply the government's criteria regarding the age and condition of components before recommending replacement.

*Where is the money that was originally set aside for our costed "Decent Homes" upgrade been spent? As the project has been downgraded.*

All money that was set aside for the programme is being spent on the programme. The project has not been downgraded.

**No. 3**

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 28 JANUARY 2009**

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Question by: Jerry Beere and Anna Jones

To the:       The Leader

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**QUESTION**

Could the Council Leader please confirm what the current official target for new housing in the borough is and how much of it should be affordable?

**RESPONSE**

The current official target for new housing in the borough is the Local Area Agreement target that has been negotiated with the Government Office for London measuring the net additional homes provided in the borough over 3 years from April 2008. The agreement is that 500 new units of accommodation are supplied in the borough each year over this period. In terms of an affordable housing target the borough was not required to set such a target by the Government Office for London given the pipeline of completions of such units.

In 2008/09 we are anticipating that there will be 619 units of accommodation provided. 382 of these units will be affordable with 245 of these units being social rented and 137 being shared ownership housing.

The GLA London Plan has set a target for Hammersmith & Fulham to deliver 450 net units of accommodation which we will obviously exceed both this year and over the next 2 years.

In respect to an affordable housing target, I assume that the question might refer to the London Mayors request that boroughs support him in meeting the target of delivering 50K new affordable homes over the next 3 years (incl 08/09) across London? In this respect Council officers are due to meet with the GLA early in February to determine what is an achievable target given the current economic conditions which have effected development in the borough.

Could I also just say that our priority in developing affordable housing is to develop housing that builds in opportunity. A key priority for the Council in this respect is to

significantly increase the stock of low cost homeownership housing available to low to middle income working households given this type of housing makes up little more than 1% of the total stock in the borough. Social rented housing has a part to play in meeting acute housing demands however it must never predominate a neighbourhood and must be a launch pad for improvement and progression – which at the moment it all too often is not.



**No. 4**

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 28 JANUARY 2009**

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Question by: Frank Colcord

To the: The Leader

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**QUESTION**

Given the current economic conditions, on which planning guidelines are the council focusing on to ensure that local employment and small business are encouraged rather than threatened.

**RESPONSE**

The planning guidelines used by the council are those within the Unitary Development Plan as amended in September 2007 and the London Plan. Together these documents seek to protect land supply for a range of workspaces of different types and sizes to meet the needs of different sectors of the economy.

A similar policy approach will be included in our emerging Local Development Framework documents.

Early indications show that the downturn in the economy is already raising local unemployment levels and making economic conditions difficult for businesses in the borough, but it is a priority of ours to support local economic development and regeneration and we will ensure that an adequate supply of employment land and premises remains.

The council's Regeneration team continues to deliver a range of services to the borough's businesses through its business support service, Business Enterprise Centre (BEC) and its town centre managers in Fulham and Shepherds Bush. Specifically in response to the downturn we have promoted the availability of advice and support for small businesses. and we are currently considering further tailored initiatives aimed at town centres and small businesses.

A recent report on Local Shopping Areas, discussed at Cleaner & Greener Scrutiny Committee on the 22 January, looked at the success of the Council's Askew Road regeneration project. Members very much supported the model which concentrated

council activities on trying to address the rising number of small business closures and the decline in local footfall. The Askew road Action Plan included identifying a single officer to lead the Council's response; the production of a local shopping guide distributed to local residents and an assessment of parking charges, street furniture, local crime and community safety issues etc in order to consider how the Council could play a role in supporting local trade. Officers are now looking at how this model can be expanded to other areas in the borough, where feasible.

**25 FEBRUARY 2009**

**LEADER**

*Councillor Stephen Greenhalgh*

**REVENUE BUDGET AND COUNCIL TAX LEVELS 2009/10**

**Wards**

All

This report sets out proposals in respect of the revenue budget for the Council for 2009/10 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues.

**CONTRIBUTORS**

All Departments

**HAS A PEIA BEEN COMPLETED?  
YES**

**RECOMMENDATIONS:**

1. To note the Council Tax decrease, for the Hammersmith & Fulham element, of 3% for 2009/10 and 2010/11 and, for planning purposes, no change for 2011/12.
2. The Council Tax be set for 2009/10 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 £836.89 per Band D property in 2009/10.
  - (b) The element of Council Tax charged by the Greater London Authority will be £309.82 per Band D property in 2009/10.
  - (c) The overall Council Tax to be set will be £1,146.71 per Band D property in 2009/10.

<b>Category of Dwelling</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Ratio	6/9 £	7/9 £	8/9 £	1 £	11/9 £	13/9 £	15/9 £	18/9 £
a) H&F	557.93	650.91	743.90	836.89	1,022.87	1,208.84	1,394.82	1,673.78
b)GLA	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64
<b>c)Total (Draft)</b>	<b>764.48</b>	<b>891.88</b>	<b>1,019.30</b>	<b>1,146.71</b>	<b>1,401.54</b>	<b>1,656.36</b>	<b>1,911.19</b>	<b>2,293.42</b>

3. **The Council's own total net expenditure budget for 2009/10 is set as £185.764m**
4. **That fees and charges are approved as set out in paragraph 5.1.**
5. **That the Director of Finance and Corporate Services' budget projections to 2011/12 be noted.**
6. **That the Director of Finance and Corporate Services' statements under Section 25 of the Local Government Act 2003 regarding adequacy of reserves and robustness of estimates be noted (paragraphs 6 and 7).**
7. **That the Director of Finance and Corporate Services 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.**
8. **That all Chief Officers be required to report monthly on their projected financial position compared to their revenue estimates (as part of the Corporate Monitoring Report).**
9. **That all Chief Officers be authorised to implement their service spending plans for 2009/10 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 2009/10 (sections 2 to 7);
  - the Aggregate External Support estimated by the Council (section 8);
  - the Council Tax base set at Council on 28 [January 2009](#) (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 An allowance of 2% has been made within the departmental budget estimates for the 2009/10 pay award. The final pay award is subject to negotiation and a central contingency has been established which provides, if necessary, for an additional 0.5% increase. The most recent actuarial valuation has required a 1% increase in the Employer's Pension Contribution rate.
- 2.2 In general, in order to contain growth, no inflation has been applied to non-pay items except where there is a contract in place. Over the past year exceptional cost increases have arisen regarding certain non-contract items, such as energy or food, for which additional growth of £0.421m is proposed. A range of forecasters are suggesting that such cost increases may be short-lived and growth is provided for 2009/10 only. This position will be kept under review. Sensitivity analysis has been undertaken to review the impact on the Council should the current inflation assumptions be exceeded. Such impacts have been identified as a Risk and are set out in [Appendix E](#).
- 2.3 From 2006/07 funding for schools transferred to a ring-fenced, Dedicated Schools Grant (DSG). The Department for Children, Schools and Families is responsible for determining each local authority's 'Dedicated Schools Budget' (DSB) – the amount spent locally on schools and other services for pupils. Local authorities can opt to top-up such funding through additional contributions. The change to direct government funding of schools has required LBHF to exclude the DSB from the Council's budget requirement.
- 2.4 The accounting framework within which local authorities set their budgets, and account for expenditure, continues to evolve. In 2008/09 the Government replaced a number of specific grants with a new Area Based Grant (which can be used for any purpose). The accounting Statement of Recommended

Practice (SORP) requires the write out of all the relevant specific grant income from departmental budgets, with the new Area Based Grant shown centrally. Such changes are noted within the budget book pages. They have no net overall impact on the Council's budget.

### 3 GROWTH

- 3.1 In the course of the budget process departments have identified areas where additional resources are required. Additional requirements are summarised in [Appendix C](#) and summarised in Table 1 below for 2009/10.

**Table 1**

	£000s
Children's Services	695
Community Services	738
Environment Services	207
Finance and Corporate Services	117
Residents Services	200
Corporate Items	2,789
<b>Total Growth</b>	<b>4,746</b>

- 3.2 The current economic slow down is impacting on Council budgets. The down turn in the property market has led to a significant reduction in forecast income (£0.850m) regarding Land Charges and Building Control fees. This shortfall will be met from growth in 2009/10 and 2010/11. A review will then be undertaken to establish if activity levels are returning to their long-term trend. This growth will be funded from specific balances. Should income levels recover a lower draw down will be made.
- 3.3 Aside from income shortfalls the economic slow down may impact on other services. At this stage this is identified as a risk ([Appendix E](#)). This position will continue to be monitored. The Council is proposing to carry forward a higher level of balances to help mitigate the potential impact of the slow down.
- 3.4 Growth of £1.154m is provided for the extension of 24/7 policing. In 2009/10 this will be met from specific reserves. Alternative funding options are under review for 2010/11 onwards.

### 4 EFFICIENCY SAVINGS AND INCOME GENERATION

- 4.1 A key priority of the Council is the delivery of high quality value for money services at the lowest possible cost. The aim is for Hammersmith and Fulham to be the most efficient council in the country.

- 4.2 In order for the Council to deliver its key priorities a wide range of efficiency savings are being implemented by departments. These are detailed, along with income generating measures, in [Appendix D](#) and summarised in Table 2 below for 2009/10:

**Table 2**

	£000s
Children's Services	2,220
Community Services	3,983
Environment Services	3,083
Finance and Corporate Services	1,810
Residents Services	251
Corporate Items	750
<b>Total Savings and Income Generation</b>	<b>12,097</b>

## **5 FEES AND CHARGES**

- 5.1 In line with the last three years, the Revenue Budget for 2008/09 has generally been prepared on the basis of an average 5% increase in income budgets. Where fees and charges have been increased by a rate other than 5%, except when the increases are set by statute, details are provided in [Appendix G](#).

## **6 REVENUE BALANCES, RESERVES AND PROVISIONS**

- 6.1 The Council is currently projecting (month 6 forecast) to draw down £0.8m from reserves in the current financial year. It is expected that at the year-end there will be approximately £13.3m in general reserves. This is just over 7.1% of the current budget requirement. It is proposed that the reserves are increased by £1.3m in 2009/10. This will leave them at 7.9% of the Council's 2009/10 budget requirement of £185.8m.
- 6.2 Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the adequacy of the reserves the budget provides for.
- 6.3 The Council's budget requirement for 2009/10 is in the order of £185.8m. Within a budget of this magnitude there are inevitably areas of risk and uncertainty. The key financial risks that currently face the Council have been identified and quantified. They are set out in [Appendix E](#) and amount to £11.6m. The Council has in place rigorous budget monitoring arrangements and a policy of restoring balances once used.
- 6.4 The Director of Finance and Corporate Services considers that this combined approach enables an optimal level of balances to be set at £12m-£15m. This optimal level is projected to be broadly met over the next 3 years and is, in the

Director of Finance and Corporate Service's view, sufficient to allow for the risks identified and to support effective medium term financial planning. The top end of this range is £2m higher than that identified as part of the 2008/09 Budget Report (£11m-£13m). The increase reflects the need for the Council to set aside sufficient resources to mitigate some of the risk associated with current economic conditions.

## **7 THE BUDGET REQUIREMENT**

- 7.1 The relevant Service Directors and Cabinet Members, in conjunction with the Director of Finance and Corporate Services have considered the detail of the individual estimates. Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the robustness of the estimates for 2009/10 included in the report.
- 7.2 For the reasons set out below the Director of Finance and Corporate Services is satisfied with the accuracy and robustness of the estimates included in this report :
- The budget proposals have been developed following guidance from the Director of Finance and Corporate Services and have been through a robust process of development and challenge.
  - Pay inflation is provided for.
  - Additional inflation has been provided for where contracts are in place or where exceptional increases are forecast.
  - Adequate allowance has been made for the increase in pension costs
  - Service managers have made reasonable assumptions about growth pressures.
  - Mechanisms are in place to monitor sensitive areas of expenditure and the delivery of efficiency savings.
  - Key risks have been identified and considered.
  - Procedures are in place to capture and monitor procurement and corporate savings.
  - Prudent assumptions have been made about interest rates and the budget proposals are joined up with the requirements of the prudential code and Treasury Management Strategy.
  - The revenue effects of the capital programme have been reflected in the budget.
  - The recommended increases in fees and charges are in line with the assumptions in the budget.
- 7.3 The Director of Finance and Corporate Service's projections of the budget requirement for the Council in the medium term to 2011/12 is set out in [Appendix B](#) and is summarised in Table 3 for 2009/10:



**Table 3**

		<b>£000s</b>
	2008/09 Budget	186,502
	One-off adjustment regarding transitional arrangements for Area Based Grant	(1,737)
Plus	Inflation	8,284
	Growth	4,746
	Contribution to General Reserves	1,337
Less	Efficiency Savings and Income Generation	(12,097)
	Use of Earmarked Reserves (Economic Slowdown)	(1,271)
	<b>Net Council Budget 2009/10</b>	<b>185,764</b>

## 8 EXTERNAL FUNDING

- 8.1 A three-year Settlement was announced from 2008/09. The Council will receive Formula Grant of £119.153m in 2009/10. This is an increase of 1.75% against the comparable 2008/09 allocation.

**Table 4**

	<b>£000s</b>
Revenue Support Grant	22,345
Redistributed Non-Domestic Rates	96,808
<b>Total 2009/10 Formula Grant</b>	<b>119,153</b>
Prior Year Collection Fund Surplus	347
<b>Total External Support</b>	<b>119,500</b>

- 8.2 Hammersmith and Fulham is a 'floor' authority for each year of the existing settlement. It will receive the national minimum increase in grant funding. The expected increase in formula grant for the final year of the settlement (2010/11) is 1.5%. After allowance for inflation the settlement represents a year on year 'real terms' cut in funding for this authority.
- 8.3 The main reason why this authority is a 'floor' authority is that the Government have removed social care damping from the formula. Back in 2006/07 changes were made to the formulae for social services. The changes were bad news for London and, following representation, separate damping arrangements were introduced that provided some protection. The formulae have now been implemented in full. London Boroughs have consistently argued that these

formulae are flawed and not fit for purpose. The removal of the damping makes it likely that this Council will be a floor authority for the foreseeable future. For example, were the floor not operating in 2009/10, this Council's Formula Grant allocation would be £27.3m lower.

- 8.4 Discussions have begun between Government and Local Authority officials regarding the next 3-Year settlement. At this stage it appears highly unlikely that the social services formulae will be revisited. Consequently Hammersmith and Fulham expects to be a floor authority beyond 2010/11. In the light of existing economic conditions a lower increase of 1.2% is currently assumed in 2011/12 formula grant.
- 8.5 In 2008/09 the Government introduced Area Based Grant (ABG). This is a general grant, usable for any purpose, which replaced a number of specific grants. In order to smooth the transition to the new arrangements the Council set aside one-off transitional funding of £1.737m in 2008/09. No further transitional funding is proposed for 2009/10. The Council's 2009/10 ABG allocation is £11.148m. The Council has put in place innovative arrangements for use of this funding to be approved in consultation with the Hammersmith and Fulham Primary Care Trust and Metropolitan Police. Allocations agreed to date are included within departmental revenue estimates and are set out in summary in [Appendix H](#).
- 8.6 The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the national pool for non-domestic rates and the contribution towards a Council's own General Fund. The level of income collected by the Council has been better than anticipated and the collection fund is forecast to be in surplus. The prior year adjustment, shown in Table 4, represents the Hammersmith and Fulham share of the forecast surplus. A payment will also be made to the Greater London Authority regarding their share of the surplus.
- 8.7 A reformed Local Authority Business Growth Incentive (LABGI) Scheme will operate from 2009/10. LABGI is meant to allow local authorities to gain some benefit from the growth in business rate income in their area. The Government have issued a consultation paper regarding the reformed scheme and final details are anticipated in the New Year. Exemplifications suggest that Hammersmith and Fulham may receive a grant allocation of £0.3m in 2009/10 and £0.6m in 2011/12. These figures are provisional and may change significantly dependant on the outcome of the consultation. The Council's current budget strategy assumes that any LABGI award will be made available to help deliver the Council's regeneration agenda.

## 9 COUNCIL TAX BASE

- 9.1 On 28 January 2009, the Council formally agreed a Tax Base of 79,179 equivalent Band D properties. Therefore the Council's element of the Council Tax can be calculated as follows:

$\frac{\text{Total Budget Requirement}}{\text{Tax Base}} = \frac{\text{£185.764m} - \text{£119.500m}}{79,179} = \text{£836.89}$
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- 9.2 This represents a decrease of £25.88 or 3% in respect of the Council's own Band D Council Tax (2.2% on the overall Council Tax bill).

## 10 PRECEPTOR'S COUNCIL TAX REQUIREMENTS

- 10.1 The Greater London Authority's precept of £24.531m 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.

$\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\text{£24.531m}}{79,179} = \text{£309.82}$
--

- 10.2 This represents no change from the 2008/09 Council Tax level.

## 11 OVERALL COUNCIL TAX REQUIREMENTS 2009/10 AND 2010/11

- 11.1 It is proposed to decrease Hammersmith and Fulham's element of the Council Tax by 3% in 2009/10 in order to provide a balanced budget in year with £12m-£15m in current reserves. The overall amount to be funded from the Council Tax is calculated as follows:

**Table 5**

	<b>£000s</b>
London Borough of Hammersmith & Fulham	185,764
Greater London Authority	24,531
<u>Less</u>	
External Support	(119,500)
<b>Total Requirement for Council Tax</b>	<b>90,795</b>

- 11.1 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 9) and then add the separate Council Tax requirements for each of the preceptors (section 10).
- 11.2 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:

<u>Total Budget Requirement</u>	=	<u>£90,795m</u>	=	£1,146.71
Tax Base		79,179		

- 11.3 In 2008/09 the overall amount per Band D equivalent property was £1,172.59. The decrease can be explained as follows:

**Table 6**

	<b>2008/09 Band D</b>	<b>2009/10 Band D</b>	<b>Change From 2008/09</b>
	£	£	£
Hammersmith & Fulham	862.77	836.89	(25.88)
Greater London Authority	309.82	309.82	0
<b>Total</b>	<b>1,172.59</b>	<b>1,146.71</b>	<b>(25.88)</b>

- 11.4 This represents a decrease of £25.88 or 2.2% on the overall Council Tax bill

- 11.5 The robust forward financial plans set out in the Council's MTFs has enabled an indicative Council Tax figure to be provided for 2010/11. The projected decrease in Hammersmith and Fulham's Band D is £25.11 (from £836.89 to £811.78). This is an indicative decrease of 3%. For 2011/12 planning purposes, the Director of Finance and Corporate Services has assumed no change to the 2010/11 Council Tax level.
- 11.6 When setting the Council Tax level for 2007/08 the Council indicated that it planned to reduce Council Tax by 3% in both 2008/09 and 2009/10. The proposed 2009/10 budget will enable these indicative decreases to be delivered. Table 6 sets out the changes in the Band D charge for the Hammersmith and Fulham element of Council Tax since 2003/04. The proposed Band D charge for 2009/10 is £53.18 lower than that approved for 2004/05.

**Table 6**

	<b>Band D Hammersmith and Fulham Element</b>	<b>Change</b>	<b>Change</b>
	£	£	%
2003/04	848.49	+76.08	+9.85
2004/05	890.07	+41.58	+4.90
2005/06	903.42	+13.35	+1.50
2006/07	916.97	+13.55	+1.50
2007/08	889.45	-27.52	-3.00
2008/09	862.77	-26.68	-3.00
2009/10	836.89	-25.88	-3.00
2010/11 (for planning purposes)	811.78	-25.11	-3.00
2011/12 (for planning purposes)	811.78	0	0.00

## **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.

### **13 COMMENTS OF THE SCRUTINY COMMITTEES**

- 13.1 As part of the Scrutiny process each department's estimates have been reviewed by a relevant Scrutiny Committees. Comments from the Scrutiny Committees are attached at [Appendix F](#).

### **14 COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

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

### **15 COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC 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**

1.	Revenue Budget 2009/10	Andrew Lord Ext. 2531	Finance and Corporate Services 6th Floor Town Hall Extension
2.	Formula Grant Papers 2009/10	Andrew Lord Ext. 2531	Finance and Corporate Services 6th Floor Town Hall Extension
3.	Finance and Corporate Services Budget Papers	Dave Lansdowne Ext. 2549	Finance and Corporate Services 6th Floor Town Hall Extension
4.	Community Services Budget Papers	Caroline Wilkinson Ext. 5006	Community Services Department 77 Glenthorne Road
5.	Children's Services Budget Papers	Graeme Trott Ext 5050	Children's Services Department Cambridge House
6.	Housing Revenue Account Budget Papers	Caroline Wilkinson Ext. 5006	Community Services Department 77 Glenthorne Road
7.	Residents Services Budget Papers	Gary Hannaway Ext 3031	Residents Services Department Town Hall Extension
8.	Environment Services Budget Papers	Dave McNamara Ext. 3404	Environment Department Town Hall Extension

## 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.	654,328
(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.	468,564
(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.	185,764
(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).	119,500
(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	66,264
(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. <u>£(c)k - £(d)k</u> Amount Section 9	836.89



(g) Valuation Bands – Hammersmith & Fulham Council:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
557.93	650.91	743.90	836.89
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,022.87	1,208.84	1,394.82	1,673.78

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 2009-10, 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:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
206.55	240.97	275.40	309.82
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
378.67	447.52	516.37	619.64

(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 2009-10 for each of the categories of dwellings shown below:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
764.48	891.88	1,019.30	1,146.71
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,401.54	1,656.36	1,911.19	2,293.42

## OVERVIEW

## Appendix B

Year 1 2009/10 £'000	Year 2 2010/11 £'000	Year 3 2011/12 £'000
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2008/09 Council Budget	186,502		
Less: One-off Expenditure re the transition to Area Based Grant	-1,737		
<b>2009/10 Net General Fund Base Budget</b>	<b>184,765</b>	<b>184,765</b>	<b>184,765</b>

Known Changes:

Inflation	8,284	14,886	21,529
Growth (Appendix B)			
- Existing Growth	2,020	5,617	6,502
- New Growth	1,455	3,121	5,464
- Growth due to Economic Slowdown	1,271	850	0
Efficiencies (Appendix C)			
- Existing Efficiencies	-4,125	-9,699	-15,270
- New Efficiencies	-7,972	-13,492	-16,341
<b>Total Expenditure</b>	<b>185,698</b>	<b>186,048</b>	<b>186,649</b>

Use of Earmarked Reserves (Economic Slowdown)	-1,271	-850	0
Contribution to General Reserves	1,337	0	0
<b>Budget Requirement</b>	<b>185,764</b>	<b>185,198</b>	<b>186,649</b>

Formula Grant (1.2% increase assumed from 2011/12 onwards)	119,153	120,922	122,373
Council Tax - 3% decrease in 2009/10 and 2010/11. 0% for planning purposes in 2011/12.	66,264	64,276	64,276
Collection Fund Surplus	347	0	0
<b>Total Resources</b>	<b>185,764</b>	<b>185,198</b>	<b>186,649</b>

<b>Budget Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>
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*Risks (Appendix E)*

11,531	15,728	22,122
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GROWTH

Appendix C

Children's Services				
New Growth		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Early intervention	In order to reduce the looked after children (LAC) population within the borough there is a need to invest in Family Assist. The cost of this will be gradually offset by reducing LAC numbers and will provide better outcomes for vulnerable youngsters	75	75	75
Child Protection	Legal Fees - Impact of the introduction of the Public Law Outline requirement	400	400	400
Supporting Parents	To support parents of 5-12 year olds which is currently an identified gap in our provision	220	200	200
<b>New Growth Total</b>		<b>695</b>	<b>675</b>	<b>675</b>
<b>Total Growth</b>		<b>695</b>	<b>675</b>	<b>675</b>
Community Services				
Existing Growth		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Adult Social Care	Increase in demand for disabled people placements and care packages	0	200	200
Adult Social Care	Increase in demand for older people placements and care packages	220	420	420
Adult Social Care	Increase in demand for mental health placements and care packages	110	235	235
Learning Disabilities	Increase in demand for learning disability placements and care packages	300	615	615
Safer Communities	24/7 policing (£750k per annum) - funded from reserves	0	0	0
<b>Existing Growth Total</b>		<b>630</b>	<b>1,470</b>	<b>1,470</b>

Community Services (continued)				
<b>New Growth</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Social Care	Stamford Brook Rental Budget	108	108	108
Adult Social Care	Placement packages and direct payments	0	0	840
Safer Communities	24/7 Policing (£404k in 9/10 rising to £1,127k) - funded from reserves	0	0	0
<b>New Growth Total</b>		<b>108</b>	<b>108</b>	<b>948</b>
<b>Total Growth</b>		<b>738</b>	<b>1,578</b>	<b>2,418</b>
Environment Services				
<b>Existing Growth</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Title</b>	<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Waste Disposal	Increased contractual costs of waste disposal and increases in landfill tax.	32	1,374	1,374
<b>Existing Growth Total</b>		<b>32</b>	<b>1,374</b>	<b>1,374</b>
<b>New Growth</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Highways & Engineering	1 vehicle to provide mobile CCTV enforcement of moving traffic, bus lane and parking contraventions and be available for use for prevention and detection of crime in the borough	100	105	110
Public Protection & Safety	An additional member of staff is required to manage the impact of increasing numbers of premises being covered under the statutory function of Local Authority Pollution Prevention Control (LA-PPC)	40	41	42
Public Protection & Safety	In April 2008 the statutory function of stray dogs becomes the sole responsibility of councils. This growth will fund a 24/7 private contractor and pay for the associated kennelling costs.	35	37	38
<b>New Growth Total</b>		<b>175</b>	<b>183</b>	<b>190</b>
<b>Total Growth</b>		<b>207</b>	<b>1,557</b>	<b>1,564</b>

Finance & Corporate Services				
Existing Growth		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Councillor Services	Councillor Briefings after May Elections	0	15	0
Debt Recovery	Increase in Court Costs	140	140	140
H&F Direct	Reduction in Housing Benefit Administration Grant	68	68	68
Local Elections	May 2010 Election and Implementing the new Electoral Administration Bill	0	250	0
<b>Existing Growth Total</b>		<b>208</b>	<b>473</b>	<b>208</b>

New Growth		2009/10	2010/11	2011/12
H&F Direct	Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London	-91	1,221	1,706
<b>New Growth Total</b>		<b>-91</b>	<b>1,221</b>	<b>1,706</b>

<b>Total Growth</b>		<b>117</b>	<b>1,694</b>	<b>1,914</b>
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Residents Services				
New Growth		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Parks & Culture	To cover annual maintenance for Normand Park and Looked after Graves (previously not included in contract)	200	250	250
<b>New Growth Total</b>		<b>200</b>	<b>250</b>	<b>250</b>
<b>Total Growth</b>		<b>200</b>	<b>250</b>	<b>250</b>

## GROWTH

## Appendix C

Corporate		2009/10	2010/11	2011/12
		£'000	£'000	£'000
<b>Existing Growth</b>				
Office Accommodation	Rental and NNDR increases	150	300	450
Pension Fund	Additional Contributions arising from actuarial valuation	1,000	2,000	3,000
<b>Existing Growth Total</b>		<b>1,150</b>	<b>2,300</b>	<b>3,450</b>

		£'000	£'000	£'000
<b>New Growth</b>				
Pensions	Additional contributions to the London Pensions Fund Authority	368	684	895
Employees	0.5% increase in employer contributions for National Insurance	0	0	800
<b>New Growth Total</b>		<b>368</b>	<b>684</b>	<b>1,695</b>

<b>Total Growth</b>		<b>1,518</b>	<b>2,984</b>	<b>5,145</b>
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Growth - due to Economic Slowdown		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Corporate	Land Charges - slow down in activity	750	750	0
Corporate	Utilities inflation	421	0	0
Environment Services	Building control charges - slow down in activity	100	100	0
<b>Total Growth</b>		<b>1,271</b>	<b>850</b>	<b>0</b>

Hammersmith and Fulham - Summary		2009/10	2010/11	2011/12
		£'000	£'000	£'000
<b>Existing Growth</b>		<b>2,020</b>	<b>5,617</b>	<b>6,502</b>
<b>New Growth</b>		<b>1,455</b>	<b>3,121</b>	<b>5,464</b>
<b>Growth due to Economic Slowdown</b>		<b>1,271</b>	<b>850</b>	<b>0</b>
<b>Grand Total</b>		<b>4,746</b>	<b>9,588</b>	<b>11,966</b>

## EFFICIENCIES

## Appendix D

Children's Services				
Existing Efficiencies		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Transfer from Adult Social Care	Community Support Centre - Staffing Efficiencies	-31	-63	-94
Asylum	See separate asylum document for basis of calculation.	-70	-210	-210
Cross Cutting	Framework I real benefits to department following automation of functions and centralisation of IT into Bridge Partnership	-40	-40	-40
Discretionary Grants	Currently Children's Services offer a variety of discretionary grants such as dance awards and music awards. It is proposed that the level of discretionary grants be reduced.	-20	-40	-40
Dedicated Schools Grant	Align external funding with existing services expenditure to gain maximum efficiencies.	-200	-400	-400
Finance and Administration	Following the recent centralisation of the finance function within Community Services Department the AD Resources in Children's Services will review the finance and administration structures currently in place within the department and will realign the provision of these services to provide the best possible support to service managers at the most efficient cost.	-50	-50	-50
Lease Cars	Eliminate all lease car provision within the department	-9	-10	-10
Mail Services	Staff review and fleet management efficiencies	-12	-12	-12
Out of School Childcare	The AD Youth and Communities will be reviewing the play service within the borough with a view to delivering efficiencies whilst maintaining a sustainable service. The aim will be to locate after school play in schools as part of their 'extended services' and for more services to be commissioned from the voluntary sector. Currently the total income generated by this service is just over £500k and the total numbers of users is approximately 520 during term time and 360 during school holidays.	-50	-500	-500
Preventive, assessment and outreach	Realignment of teams	-50	-50	-50

## EFFICIENCIES

## Appendix D

Children's Services (continued)		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Public Conveniences	The council currently owns one brick built toilet block in Fulham. In order to avoid vandalism and keep the facilities to a reasonable standard there is currently a full time toilet attendant on site. Consideration should be given to alternative uses for this site which could potentially provide a small capital receipt as well as saving the post referred to above.	-8	-8	-8
Resources	Currently H & F schools benefit from highly effective school management support service. In order to ensure this service remains financially competitive the services it provides are now being offered to schools in neighbouring boroughs. The expansion of this service will enable it to become self financing.	-50	-100	-100
School Improvement and Achievement	Revised management structure	-25	-25	-25
Strategy , Policy and Information	Staff saving in management information systems	-25	-25	-25
Traded Services	Increased services in partnership with other boroughs	-15	-15	-15
Transport	Procurement and joint work with Ealing	-25	-25	-25
Treatment Foster Care	As this service matures it will begin to generate savings in placement costs, with more children with high level needs being placed in foster care rather than children's homes.	-90	-90	-90
Union Officials	Review the number of union officials currently employed within CHS with a view to reducing the number by at least 1 fte	-30	-30	-30
Education Catering	Following the market testing programme affecting this service it is expected that the successful tenderer will offer to run the service at a contract price similar to the current amount paid by the schools. This will enable the department to save the additional amount paid to the catering managers under any single status agreement	-50	-100	-100
<b>Existing Efficiencies Total</b>		<b>-850</b>	<b>-1,793</b>	<b>-1,824</b>



## EFFICIENCIES

## Appendix D

Children's Services (continued)		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>New Efficiencies</b>		£'000	£'000	£'000
Complex Needs	Reorganisation of business support delete 5 posts	-160	-160	-160
Complex Needs	Reduce citizen children in care by 10% = reduction of 27 scheme foster care placements @ 20k each, total £540k less additional family support costs that will need to be put in place £350k. Therefore £95k 08/09, £190k 09/10 onwards.	-95	-190	-190
Complex Needs	Reduce social workers as result of reduction of children in care by 2.5 due to 10% reduction in numbers	-100	-100	-100
Complex Needs	Early intervention - reduction in number of children in care	-150	-150	-150
Complex Needs	Askham- urgent valuation of site for possible sale to PCT	-250	-250	-250
Complex Needs	West London Alliance. Access to scheme fostering placements in other boroughs therefore reducing agency fostering costs	-55	-55	-55
Resources	Lilla Husset- Review of operation and CPD increased volume, resulting in more income being generated	-70	-100	-100
Resources	Virtual Head/ Lilla Husset Review reducing management costs	-50	-50	-50
Resources	Facilities management, School Govt Suppt. Playing success, sms IT Possible move to BSF LEP	0	-100	-100
Commissioning, Performance & Partnership	Commissioning arrangements- Pursuing block contracts	-145	-145	-145
Commissioning, Performance & Partnership	Substance misuse team reduced by .6 fte	-30	-30	-30
Children, Youth & Community	Management Review	-25	-50	-50
Schools Standard	Governors Support -review of charges to schools, 5% in addition to inflation increase	-40	-40	-40
Accommodation	Rental Receivable re Peterborough School	-200	-200	-200
<b>New Efficiencies Total</b>		<b>-1,370</b>	<b>-1,620</b>	<b>-1,620</b>
<b>Total Efficiencies</b>		<b>-2,220</b>	<b>-3,413</b>	<b>-3,444</b>

## EFFICIENCIES

## Appendix D

Community Services				
Existing Efficiencies		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Adult Social Care	Changes to processes and staffing for Social Work services since the opening of the H & F Advice Centre.	-61	-122	-183
Housing	Changes to processes and staffing for Housing Assessment since the opening of the H & F Advice Centre.	-93	-185	-277
Resources (Finance)	Financial Administration savings through reduction of posts as a result of co-location of payments processing, better management of residential care income function and deputyship team.	-85	-85	-85
Resources (Finance)	Streamlining of Financial Management Support by reviewing current work processes.	-85	-250	-250
Housing	Reduction in Temporary Accommodation management costs through better procurement process, reduction in use of hostels and economies of scale on pooling of staffing resources.	-100	-100	-100
Housing	Review of Home Improvement Agency	-35	-35	-35
Safer Communities	To raise ongoing revenue support from the business community from CCTV schemes.	-20	-20	-20
Safer Communities	Income from issuing Fixed Penalty Notices (FPN's) for littering and dog fouling.	-30	-30	-30
Safer Communities	Review and market test Security functions	-50	-50	-50
<b>Existing Efficiencies Total</b>		<b>-559</b>	<b>-876</b>	<b>-1,030</b>

**EFFICIENCIES**

**Appendix D**

Community Services (continued)				
<b>New Efficiencies</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing	Review of admin support (1 FTE reduction)	-35	-35	-35
Housing	Review of Communication & Information Officer (reduction of 1 FTE)	-41	-50	-50
Housing	Review of Policy Development Functions (reduction of 1 FTE)	-41	-50	-50
Housing	Merger and review of Central Rehousing Unit (CRU) & Housing Assessment & Advice Unit (HAAU) (reduction of 2.5FTEs)	-95	-100	-100
Housing	Review of Homebuy Service (reduction of 1 FTE)	-8	-50	-50
Housing	Review of Temporary Accommodation Services and Staffing (reduction of 2 FTEs)	-185	-189	-189
Housing	Choice Based Letting Provider Contract Arrangements Review	-25	-50	-50
Housing	Private Sector Housing: Business Transformation Review	-30	-100	-100
Housing	Procurement of Repairs Contract for Temporary Accommodation	0	-50	-50
Housing	Review of marketing arrangement for H & F HomeBuy (reduction of 2 FTEs)	-69	-79	-79
Housing	Reduction of Housing Association Leasing Scheme expenditure	0	-100	-100
Housing	Reallocation of homelessness grants	-110	-70	-70
Regeneration	Review of Regeneration Service (reduction of 1 FTE)	-35	-35	-50
Adult Social Care	Stars- Impact of New Enablement model and Assistive Technology	-200	-1,000	-1,000
Adult Social Care	Introduction of Home Care Charging	-680	-930	-930

**EFFICIENCIES**

**Appendix D**

Community Services (continued)				
		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Social Care	Imperial Wharf - The support will assist the Department in its aim of reducing further its reliance on out of borough residential care in providing integrated care and support base at the new Olive House.	0	-95	-95
Adult Social Care	Delayed Discharge Grant - based on a review of activity and trend over the last 2 years, under spend on the winter pressures (staffing) budget.	-60	-60	-60
Adult Social Care	Recharge on Alarm Systems - Additional income from the sale of Equipment in Community Alarms.	-23	-23	-23
Adult Social Care	Meals On Wheels - Change in the arrangements for delivering hot meals.	-25	-100	-100
Adult Social Care	Transformation of Adult Social Care - Self directed support	0	0	-1,000
	<b>Further Procurement Savings:-</b>			
Adult Social Care	Marketing Management - inflation strategy for Adult Social Care providers.	-200	-200	-200
Adult Social Care	Fee Ceiling - Reasonable limits on what the Council can be paid for a placement in each of the care categories.	-240	-240	-240
Adult Social Care	West London Residential Care Contract - standardise prices	0	-200	-200
Adult Social Care	Royal Nursing Care Contributions (RNCC) Reimbursement - Charge the PCT for short stay and Respite placement	-20	-30	-30
Quality, Commissioning & Procurement	Supporting People - Review of current contract to providers	-494	-494	-494
Quality, Commissioning & Procurement	Community Liaison efficiencies	-30	-30	-30
Quality, Commissioning & Procurement	Efficiencies Across Better Government Budgets	-20	-20	-20
Quality, Commissioning & Procurement	Shepherds Bush Advice Centre efficiencies	-40	-40	-40
Resources	Support Services -Review of Building Services	-90	-90	-90
Resources	Recharging of Adult Learning & Skills Service - Realignment of Support Costs	-110	-110	-110

## EFFICIENCIES

## Appendix D

Community Services (continued)				
		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Resources	Finance - Realignment of support services recharge to the Housing Revenue Account (HRA).	-150	-150	-150
Director	Review of Customer Care & Complaint Efficiencies	-28	-28	-28
Safer Communities	Efficiencies in Street Wardens Service (reduction of 1 FTE)	-35	-35	-35
Safer Communities	Efficiencies in Parks Constabulary Service	-21	-21	-21
Safer Communities	Efficiencies on training budget, advertising & supplies and services	-18	-18	-18
Safer Communities	Review of key holder service	-40	-40	-40
Safer Communities	Additional funding from the Coroners Court & Mortuary service	-40	-40	-40
Safer Communities	Reduction in the general fund contribution to a Community Safety Unit post (reduction of 0.5 FTE)	-11	-11	-11
Safer Communities	Reduction in the general fund contribution to an Emergency Services post (reduction of 0.5 FTE)	-25	-25	-25
Safer Communities	Review and Amalgamation of Wardens Services	-70	-203	-203
Cross Cutting	Review of Supplies and Services Expenditure	-80	-250	-250
<b>New Efficiencies Total</b>		<b>-3,424</b>	<b>-5,441</b>	<b>-6,456</b>

<b>Total Efficiencies</b>		<b>-3,983</b>	<b>-6,317</b>	<b>-7,486</b>
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**EFFICIENCIES**

**Appendix D**

Environment Services				
Existing Efficiencies		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Accommodation	Home and mobile working. Review of space standards, hot desking, shared buildings. Resident Services & Community Support Strategy	0	-789	-789
Borough Highways	Procurement, securing external contracts and other efficiencies	-169	-169	-169
Building Technical Services	Staff re-organisation	-50	-50	-50
Building Technical Services	Efficiency gains from market testing - current fee compared to market tested fee. Assumes fee difference will become bankable saving and not reduced charges to programmes/clients	-100	-200	-200
Building Technical Services	Increased fee recovery via rigid no fee no service provided policy, commenced April 2007	25	50	50
Building Technical Services	Streamlining of management structure post market testing	-60	-120	-120
Corporate Property Services	Merger/transfer of roles to avoid duplication	-38	-38	-38
Director's Office	Reduction in project budget	-38	-68	-68
Finance	Staffing re-organisation	-19	-19	-19
Finance Team	Reorganisation of staff and greater efficiency in Accountancy and Financial Administration	-63	-126	-126
Fulham Palace	NNDR, insurance and other efficiencies	-8	-8	-8
Highways & Engineering	Road Marking - Road marking works have been varied into the existing Colas term maintenance contract. Rates for this variation are favourable compared to the old road marking contract.	0	15	15

**EFFICIENCIES**

**Appendix D**

Environment Services (continued)				
		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Highways & Engineering	Contract Extension - As a condition of extending term contracts to 2009 officers are currently in negotiation to reduce costs. Cashable and non-cashable savings being investigated.	0	50	50
Highways & Engineering	Term Maintenance Contract's (TMC) retendering - There is a possibility that rates in the new contract (2009) will be more competitive and offer savings, compared to current rates.	0	-100	-100
Highways and Engineering	Staff and other efficiencies	-65	-65	-65
Parking Services	New/Amendments to contract with RBKC to empty Pay & Display machines to reduce total emptyings.	5	10	10
Planning	Savings delivered by investment of Planning Delivery Grant or from Best Value Review	-28	-28	-28
Planning	Review of charges, on-line applications and completion of Local Development Framework	-36	-86	-86
Planning	Fulham Palace - increased income	-41	-117	-117
Public Protection & Safety	Environmental Protection - Increased efficiency in street scene enforcement	0	-35	-35
Public Protection & Safety	Waste Management - Increased trade waste income	-50	-100	-100
Public Protection & Safety	Building Control - Increased income and efficiency	0	-50	-50
Public Protection & Safety	Environmental Protection - Increased efficiency in administration	-35	-70	-70
Public Protection & Safety	Environmental Protection - Reduced workload in pollution control	0	-35	-35
Building & Property Management	Increased income and review of building control service	-101	-101	-101
Resources	Reduction of cash limited budgets	-27	-27	-27
<b>Existing Efficiencies Total</b>		<b>-898</b>	<b>-2,276</b>	<b>-2,276</b>

## EFFICIENCIES

## Appendix D

Environment Services (continued)				
New Efficiencies		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Building & Property Management	Review of Corporate Planned Maintenance Programme aims to reduce the revenue element of the programme expenditure	-150	-150	-150
Building & Property Management	Facilities Management Review leads to an integration of a number of repairs and help desk mechanisms	-17	-34	-34
Building & Property Management	Budget reductions in supplies and services across the division	-25	-25	-25
Building & Property Management	A Building Technical Services (BTS) Practice Manager post deleted following market testing programmes.	-36	-72	-72
Building & Property Management	Advertising Income	0	-544	-919
Building & Property Management	Review of Valuation & Property Services management, staffing structure and outsourcing	0	-100	-100
Building & Property Management	Civic Accommodation Savings	0	-500	-1,000
Planning	One post saving from the Environmental Policy & Projects team	-50	-50	-50
Planning	Saving on air quality management / monitoring work	-20	-20	-20
Planning	The introduction of charges for pre-application advice that is not currently charged for	-40	-40	-40
Planning	Minor increases in the increase of pre-application charges	-10	-10	-10
Planning	Saving of one post from the Appeals team subject to Government introducing a streamlined process	-40	-40	-40
Planning	Advertising costs saving through web-based advertising. The potential saving depends on the Government deciding to change planning regulations to remove the need for newspaper advertising. This is being sought by the LGA but is not certain at present.	0	-11	-11
Planning	Change in S106 - revenue to support S106. Scope for charging S106 Agreements for staff time in negotiating them will be reviewed in 2008.	-20	-20	-20
Planning	Saving of one Technical Support post from increased online applications	-31	-31	-31
Public Protection & Safety	Introduce a charge for special collections of Household Waste	-200	-200	-200



**EFFICIENCIES**

**Appendix D**

Environment Services (continued)				
		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
		£'000	£'000	£'000
Public Protection & Safety	Waste contract - Trade Refuse	0	-150	-300
Public Protection & Safety	Remodel the garden waste service and set a participation fee at a level to ensure full cost recovery over time	-60	-120	-120
Public Protection & Safety	Deletion of four vacant posts	-143	-143	-143
Highways & Engineering	Deletion of two part-time vacancies	-14	-14	-14
Highways & Engineering	Generate additional income through the Traffic Management Act from Fixed Penalty Notices (FPNs) and the introduction of the permit scheme and other income streams.	-284	-284	-284
Highways & Engineering	To make staff reductions, to introduce new trading arrangements and to make service reductions and attract new business	-385	-385	-385
Highways & Engineering	Staffing efficiencies - Parking Office	-200	-200	-200
Highways & Engineering	Parking Enforcement - revised Terms and Conditions	-80	-80	-80
Highways & Engineering	Additional Penalty Charge Notice Income	-220	-220	-220
Finance & Resources	Department Planned underspend (potential to be incentivised)	0	-1,000	-1,000
Finance & Resources	Other Support Costs - Reduction in the Supplies and Services budget	-4	-9	-14
Finance & Resources	Finance Group - Staffing reductions	-142	-142	-142
Finance & Resources	Reduction in decentralised Maternity & Redundancy payments	-14	-30	-46
<b>New Efficiencies Total</b>		<b>-2,185</b>	<b>-4,624</b>	<b>-5,670</b>
<b>Total Efficiencies</b>		<b>-3,083</b>	<b>-6,900</b>	<b>-7,946</b>

**EFFICIENCIES**

**Appendix D**

Finance & Corporate Services				
<b>Existing Efficiencies</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Title</b>	<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Business Support	Debt Management	-62	-239	-239
Business Support	Debt Restructuring	-109	-209	-309
Communications	Productivity Improvements	-11	-20	-20
Communications	Restructuring and income from advertising	-40	-71	-71
Corporate Finance	Restructure	-21	-21	-21
Corporate Finance	Customer Access Strategy - Income Recovery	-40	-40	-40
Councillors Services	Vacancy Management	-30	-55	-55
Councillors Services	Productivity Improvements	-80	-80	-80
Electoral Services	Postage/stationery budgets	-10	-10	-10
Electoral Services	Efficiency measures	-20	-30	-30
Exchequer Services	Deletion of Assistant Director Post	-115	-115	-115
H&F Direct	Contact Centre - Productivity and multi-skilling	-24	-24	-24
H&F Direct	Customer Access Strategy	-221	-309	-309
H&F Direct	Core Teams	-19	-19	-19
H&F Direct	Review of Revenues service	-36	-36	-36
Human Resources	Improvements through shared services	0	-174	-370
Legal Services	Productivity Improvements	-40	-90	-90
Legal Services	Market Testing	-170	-200	-200
<b>Existing Efficiencies Total</b>		<b>-1,048</b>	<b>-1,742</b>	<b>-2,038</b>
<b>New Efficiencies</b>				
Department Wide	Rationalisation of services within FCS Dept	-100	-138	-260
Corporate Finance	Additional insurance Savings	-70	-70	-70
H & F Direct	NNDR Charity Relief Withdrawal	-100	-100	-100

**EFFICIENCIES**

**Appendix D**

Finance & Corporate Services (continued)				
		2009/10	2010/11	2011/12
		£'000	£'000	£'000
H & F Direct	Contact Centre Relocation	-50	-50	-50
H & F Direct	Improved Housing Benefit (HB) administration which will increase the subsidy from central Government	0	-200	-300
H & F Direct	Improved recovery of benefit overpayments	-250	-250	-250
H & F Direct	Contact Centre Improvements	0	-30	-60
H & F Direct	Additional services transferred to relocated contact centre (Parking)	0	0	-50
H & F Direct	Relocation/ Out sourcing of some H & F Direct Services	0	-40	-120
H & F Direct	Changes to cashiers/permits	0	-50	-50
Human Resources	Moving to full cost recovery of services to schools	-100	-200	-300
Human Resources	Review of Occupational Health	0	-30	-30
Human Resources	Reduction in maternity budget	0	0	-50
Business Transformation	Increased income/productivity	-92	-142	-142
<b>New Efficiencies Total</b>		<b>-762</b>	<b>-1,300</b>	<b>-1,832</b>
<b>Total Efficiencies</b>		<b>-1,810</b>	<b>-3,042</b>	<b>-3,870</b>

## EFFICIENCIES

## Appendix D

Residents Services				
Existing Efficiencies		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Lettings	Efficiencies and income generation	-6	-6	-6
Registration Services	Agency and other cost reductions, increased income.	-14	-14	-14
<b>Existing Efficiencies Total</b>		<b>-20</b>	<b>-20</b>	<b>-20</b>

New Efficiencies		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Parks & Culture	Closure of Bagley's Lane Canteen	-5	-5	-5
Parks & Culture	Review of the Registrars Service	-31	-31	-31
Parks & Culture	Implementation of the Nationality Checking Service	-15	-20	-30
Parks & Culture	Streamlining financial and administration support across the Parks & Culture Division	-20	-20	-20
Parks & Culture	Reviewing and streamlining booking of halls, catering, sports pitches, coaching sessions etc to create an online booking service and online/electronic payment.	-34	-34	-59
Parks & Culture	Introduce new ways of working and more self-service for customers and implement smarter working arrangements.	-11	-37	-63
Parks & Culture	Non renewal of the lease on Hammersmith Library Annexe storage unit from March 2010	0	-45	-45
Parks & Culture	Review weekend working arrangements in libraries	0	-10	-10
Parks & Culture	Review & update paddling pool management	-55	-55	-100
Parks & Culture	Review the Sports Development Team structure to improve community sports provision.	-25	-25	-25
Parks & Culture	Develop and implement a Library strategy	0	0	-145
Parks & Culture	Review location of Archive service to maximise use of the facility and/or explore additional income streams.	0	-20	-20
Parks & Culture	Actively explore the potential to jointly commission services with other library authorities.	0	-25	-25
Parks & Culture	Increase income from tendering the provision of the fireworks display.	-10	-15	-20
Parks & Culture	Closer working between Adult Education and Libraries.	-10	-40	-40
Parks & Culture	Review the current leisure contracts.	0	-100	-100

**EFFICIENCIES**

**Appendix D**

Parks & Culture	Review location of the RBDM staff, two cemeteries staff and the marriage room functions to improve access and income potential.	-15	-25	-25
<b>New Efficiencies Total</b>		<b>-231</b>	<b>-507</b>	<b>-763</b>

<b>Total Efficiencies</b>		<b>-251</b>	<b>-527</b>	<b>-783</b>
Corporate				
<b>Existing Efficiencies</b>		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Title</b>	<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cross-Cutting	Further productivity and other efficiencies from outsourcing and new ways of working	0	-1,642	-6,532
Capital Debt Reduction	Debt Reduction Strategy	-750	-1,350	-1,550
<b>Existing Efficiencies</b>		<b>-750</b>	<b>-2,992</b>	<b>-8,082</b>

<b>Hammersmith and Fulham - Summary</b>				
		<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Existing Efficiencies		-4,125	-9,699	-15,270
New Efficiencies		-7,972	-13,492	-16,341
<b>Grand Total</b>		<b>-12,097</b>	<b>-23,191</b>	<b>-31,611</b>

Children's Services		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Asylum	Increase in numbers of 18+ Unaccompanied Asylum Seeking Children (UASC) eligible for Leaving Care Support (subject to grant negotiations)	600	600	600
Asylum	Action on lobbying Home Office on UASC costs currently being taken, may not be as successful as expected.	400	400	400
Asylum	Risk of increase in Asylum numbers	150	150	150
Frameworki	Any slippage in the existing project plan for development of this system could potentially lead to additional staffing costs and failure to attract full Department for Children, Schools & Families funding for compliance.	200	200	200
IT	IT Projects previously managed within CHS IT could potentially be chargeable under new HFBP arrangements.	75	75	75
Child Protection	Additional costs arising as a result of the Haringey case	1,000	1,000	1,000
Youth Offending Service	To reflect the average cost of providing court ordered remand secure accommodation placements above existing budget provision for the department	120	120	120
<b>Total</b>		<b>2,545</b>	<b>2,545</b>	<b>2,545</b>

Community Services		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Quality, Commissioning & Procurement	White City Collaborative Care Centre	150	150	150
Housing	Increasing numbers of people with no recourse to public funds.	150	150	150
Housing	Prevention Initiatives: Possible withdrawal of funding on preventative areas of funding	0	0	1,232
Housing	Changes to the Housing Benefit thresholds (possible further 5% reduction)	0	300	300
All Adult Social Care Client Groups	Changes to continuing care criteria reduces the number of people funded by Health and increases those that social care are responsible for.	536	536	536
Safer Communities	Contract under constant review by H&F Homes which could reduce the funding for the Out of Hours Duty Officer service by £154,000	154	154	154
Adult Social Care	The strategy, service delivery intention & options for the future development of Self Directed Support needs to be modelled to ascertain the potential impact of increase in demand and charging	500	1,000	1,000

Quality, Commissioning & Procurement	Supporting People - Inflation on Contracts	0	300	300
Quality, Commissioning & Procurement	Recommission & new model of Home Care	0	300	300
Resources	Bad debt provision for Income Collection	80	150	150
<b>Total</b>		<b>1,570</b>	<b>3,040</b>	<b>4,272</b>

Environment Services		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Contaminated Land	Unable to contain expenditure within budget	40	40	40
Highways	Delays in Traffic Management Regulations	230	230	230
Parking	Parking Income loss (or increase)	2,500	2,500	2,500
Parking	Differential Charging for Penalty Charge Notices (PCNs)	700	700	700
Planning	Planning Delivery Grant reduction	400	400	400
Transport for London	Road condition - reduction in Transport for London (TfL) funding for Principal Road Maintenance. Average allocation each year £900K.	200	200	200
Building Technical Services	Increased duties arising from new Construct (Design and Maintenance) (CDM) regulations, more complex procurement, risk management, project management tool kit	100	100	100
<b>Total</b>		<b>4,170</b>	<b>4,170</b>	<b>4,170</b>

Finance and Corporate Services		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Electoral Services	Reduction in cost of May 2010 election	0	50	0
<b>Total</b>		<b>0</b>	<b>50</b>	<b>0</b>

Corporate		2009/10	2010/11	2011/12
Title	Description	£'000	£'000	£'000
Employees	Pay Award at 3% rather than 2.5%	800	1,600	2,400
Inflation	Contract Inflation 1% higher than currently allowed for.	1,100	2,200	3,300
IT	Potential increase in re-licensing costs if Microsoft change the way they charge for new upgrades	500	500	500
<b>Total</b>		<b>2,400</b>	<b>4,300</b>	<b>6,200</b>

Risks due to Economic Slowdown		2009/10	2010/11	2011/12
		£'000	£'000	£'000
Corporate	Land Charges - slow down in activity	0	0	750
Corporate	Utilities inflation	0	421	421
Environment Services	Building control charges - slow down in activity	0	0	100
Corporate	Pensions - Impact of next actuarial revaluation	0	0	2,000
Corporate	Debt Reduction - downturn/delay in forecast capital receipts	500	500	500
Corporate	Housing Benefit - claimant increase/lower income recovery	250	250	250
Corporate	Additional Transfer of Undertakings (Protection of Employment) (TUPE) Liabilities (Pension costs) due to market testing	0	300	300
Community Services	Regeneration - Reduction in developer contributions	0	0	350
Community Services	Regeneration - Shortfall in rental income on new business starter units	40	40	40
Community Services	Adult Social Care - Increase in mental health cases and reduction in self funders	56	112	224
<b>Total Growth</b>		<b>846</b>	<b>1,623</b>	<b>4,935</b>

Hammersmith and Fulham - Summary		2009/10	2010/11	2011/12
		£'000	£'000	£'000
<b>Grand Total</b>		<b>11,531</b>	<b>15,728</b>	<b>22,122</b>



- **HEALTH AND ADULT SOCIAL CARE SCRUTINY COMMITTEE – 20 JANUARY 2009**

**RESOLVED:**

1. That the committee endorses the Revenue Budget and Council Tax 2009/2010.
2. That the committee recommends that future reports provide an overview of variances in respect of efficiencies and growth between years.
3. That the committee recommends that future reports provide a commentary in respect of budget efficiency and growth headlines.

- **VALUE FOR MONEY SCRUTINY COMMITTEE – 27 JANUARY 2009**

The Committee voted on the recommendation to endorse the budget proposals.

**RESOLVED:**

That the committee endorses the Revenue Budget and Council Tax 2009/2010.

- **LOCAL NEIGHBOURHOOD SCRUTINY COMMITTEE – 19 JANUARY 2009**

The following recommendations were **RESOLVED** : -

1. That the proposed budget and council tax for 2009/10 be endorsed
2. That the Community Safety Division be congratulated on its successful financial management
3. That the Finance Department be thanked for all its hard work.

- **CLEANER AND GREENER SCRUTINY COMMITTEE – 22 JANUARY 2009**

The Cleaner and Greener Scrutiny Committee considered the Cabinet's proposals for the Revenue Budget and Council Tax 2009 – 10 at its meeting held on 22 January 2009. The Committee considered detailed information in relation to the proposed budget for the Environment Services Department, and relevant aspects of the budget for the Residents' Services Department.

The Committee discussed a range of issues including parking charges and income, fees and charges relating to pest control and pre-planning advice, the garden waste service, and a planned review of paddling pools in the borough.

**RESOLVED:**

That the Revenue Budget and Council Tax proposals for 2009/10 be noted.

- **EDUCATION AND CHILDREN'S SERVICES SCRUTINY COMMITTEE - 13 JANUARY 2009**

The Education and Children's Services Scrutiny Committee considered a report on the Revenue Budget and Council Tax for 2009/10 at its meeting held on 13 January 2009.

The Committee discussed a range of issues including discretionary grants, redundancies, changes to the VAT, child protection, legal fees efficiencies, substance misuse efficiencies and the engagement of children and young people.

**The Committee RESOLVED:**

- That
- (1) an explanation on the impact on the VAT reductions on Children's Services and a list of the fees and charges indicating where the VAT reduction had been included, be sent to the Committee;
  - (2) detailed information on the impact of all new efficiencies and how they would be achieved be sent to the Committee and would be included in future budget reports;
  - (3) the reference to the discretionary grant for school uniforms be deleted from the report as it was no longer applicable; and
  - (4) the report be noted.

## Appendix G

### Health & Adult Care Scrutiny Committee Fees and Charges 2009/10

Description of Service	Current Fee (£)	Proposed Fee (£)	Proposed % Increase in 2008/09	Comment
<b>1. Careline Alarm Gold Service (Pendant) - Emergency Response &amp; Monitoring Service</b> (G) Provided to Supporting People (SP) Funded Council Tenants	3.18 per week	3.20 per week	Rounded to the nearest 5p	5% increase only applies to self paying individuals
<b>2. Careline Alarm Silver Service (Pendant) - Monitoring Service only</b> (D) Provided to Supporting People (SP) Funded Council tenants	1.92 per week	1.95 per week	Rounded to the nearest 5p	5% increase only applies to self paying individuals
<b>3. Careline Alarm Gold Service (Pull cord) - Emergency Response &amp; Monitoring Service</b> (A) Provided to Registered Social Landlord Sheltered Accomodations (RSL Financed)	1.40 per week	1.40 per week	No Change	5% increase only applies to self paying individuals
<b>Meal Service</b> Meals Service	3.30 per meal	3.80 per meal	Exception	Based on the current activity levels of 101,000 meals p.a. The charge is proposed to be raised to £3.80 per meal to meet the 2009/10 budget target.
<b>Removals</b> Standard removals within the borough Monday - Friday 0800hrs-1730hrs	375.48	600.00	Exception	The price of a standard removal is proposed to rise to £600 to assist in covering the current income shortfall. The other services contains in the schedule of rates for Removal service are proposed to be uplifted by 5%. This will still make the service co
<b>Out of the Borough Removals:</b> Up to 16 Kilometres 17 to 32 Kilometres 33 to 64 Kilometres 65 to 96 Kilometres 97 to 128 Kilometres 129 to 160 Kilometres 161 to 192 Kilometres Jobs requiring travel in excess of 192 kilometres will be charged separately at time of booking				
<b>ADDITIONAL STAFFING</b> Monday - Friday - per man hour Cancellation on site Packing service - per man hour	14.11 375.48 12.78	21.25 600.00 21.25	Exception Exception Exception	

**Appendix G**

**Housing Scrutiny Committee Fees and Charges 2009/10**

Description of Service	Current Fee (£)	Proposed Fee (£)	Proposed % Increase in 2008/09	Comment
<b>Private Sector Leasing</b>				
Private Sector Leasing Water Charges	Varies	Varies		
Private Sector Leasing Rent (per week)	303.80	303.80	No Change	Housing Benefits Threshold will be frozen for 09/10 and the rent charge is up to the Department for Work and Pensions Cap ceiling.
Serving a notice	350.00	385.00	10% increase	To ensure full cost recovery and bring LBHF in line with neighbouring boroughs.
<b>Bed &amp; Breakfast (B&amp;B)</b>				
B & B Rent Single/Family	191.10	191.10	No Change	Housing Benefits Threshold will be frozen for 09/10 and the rent charge is up to the Department for Work and Pensions Cap ceiling.
<b>B &amp; B Amenity Charge</b>				
" Adult	9.20	9.20	No Change	Housing Benefits Threshold will be frozen for 09/10 and the rent charge is up to the Department for Work and Pensions Cap ceiling.
" Adult + Child	9.70	9.70	No Change	
" 2 Adults	11.75	11.75	No Change	
" 2 Adults + Child	12.25	12.25	No Change	
" 3 Adults + Child	14.80	14.80	No Change	
" 4 Adults + Child	17.35	17.35	No Change	

Appendix G

Local Neighbourhoods Scrutiny Panel Fees and Charge Schedule 2009/10

Description of Service	Current Fee (£)	Proposed Fee (£)	Proposed % Increase in 2008/09	Comment
<b>Fixed Penalty Notices</b>				
Fixed Penalty Notices - Street Wardens	75 per fine	75 per fine	0	No increase proposed. Charges recommended by Department for Environment, Food and Rural Affairs (Defra)
Fixed Penalty Notices - Parks	75 per fine	75 per fine	0	No increase proposed. Charges recommended by Department for Environment, Food and Rural Affairs (Defra)

**Appendix G- Fees and Charges not increasing by 5%**

<b>Fulham Palace</b>				
<u>Room Hire</u>	<b>2008-09</b>	<b>2009-10</b>	<b>Uplift</b>	
	<b>£</b>	<b>£</b>	<b>%</b>	
Great Hall	850	1,000	17.65%	
Bishop Terrick's Room	450	600	33.33%	Increases based on current market costs
Bishop Terrick Dining Room	300	375	25.00%	
Marquee	3,000	3,500	16.67%	







**BC SCHEDULE 1**

<b>BC SCHEDULE 1</b>				<b>Charges from 1/4/09 to 31/12/09</b>			<b>Charges from 1/1/10 to 31/3/10</b>		
<b>Number of Dwellings</b>	<b>BC Charge 2008/09</b>	<b>VAT @ 15%</b>	<b>BC Charge 2008/09 Inc VAT</b>	<b>Charge exc VAT 2009/10</b>	<b>VAT @ 15%</b>	<b>BC Charge 2009/10 Inc VAT</b>	<b>Charge exc VAT 2009/10</b>	<b>VAT @ 17.5%</b>	<b>BC Charge 2009/10 Inc VAT</b>
	For each dwelling in excess of 31 add £97.30 + VAT			For each dwelling in excess of 31 add £104.6 + VAT			For each dwelling in excess of 31 add £104.6 + VAT		

**BC SCHEDULE 2**

				Charges from 1/4/09 to 31/12/09			Charges from 1/1/10 to 31/3/10		
	BC Charge 2008/09	VAT @ 15%	BC Charge 2008/09 Inc VAT	Charge exc VAT 2009/10	VAT @ 15%	BC Charge 2009/10 Inc VAT	Charge exc VAT 2009/10	VAT @ 17.5%	BC Charge 2009/10 Inc VAT
<b>Plan Charge</b>									
1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m <sup>2</sup> , in total intended to be used in common with an existing building and which is not an exempt building	40.00	6.00	46.00	42.61	6.39	49.00	43.40	7.60	51.00
2.Any extension or loft conversion to a dwelling the total floor area of which does not exceed 10m <sup>2</sup> , including means of access and work in connection with that extension	314.00	47.10	361.10	337.39	50.61	388.00	337.87	59.13	397.00
3.Any extension or loft conversion to a dwelling the total floor area of which exceeds 10m <sup>2</sup> but does not exceed 40m <sup>2</sup> , including means of access and work in connection with that extension	117.00	17.55	134.55	126.09	18.91	145.00	125.96	22.04	148.00
4.Any extension or loft conversion to a dwelling the total floor area of which exceeds 40m <sup>2</sup> but does not exceed 60m <sup>2</sup> , including means of access and in connection with that extension	156.00	23.40	179.40	167.83	25.17	193.00	167.66	29.34	197.00
<b>Inspection Charge</b>									
1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m <sup>2</sup> , in total intended to be used in common with an existing building and which is not an exempt building	117.00	17.55	134.55	126.09	18.91	145.00	125.96	22.04	148.00
2.Any extension or loft conversion to a dwelling the total floor area of which does not exceed 10m <sup>2</sup> , including means of access and work in connection with that extension	No inspection charge (included in plan charge)			No inspection charge (included in plan charge)			No inspection charge (included in plan charge)		
3.Any extension or loft conversion to a dwelling the total floor area of which exceeds 10m <sup>2</sup> but does not exceed 40m <sup>2</sup> , including means of access and work in connection with that extension	352.00	52.80	404.80	378.26	56.74	435.00	378.72	66.28	445.00
4.Any extension or loft conversion to a dwelling the total floor area of which exceeds 40m <sup>2</sup> but does not exceed 60m <sup>2</sup> , including means of access and in connection with that extension	469.00	70.35	539.35	504.35	75.65	580.00	503.83	88.17	592.00
<b>Building Notice</b>									
1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m <sup>2</sup> , in total intended to be used in common with an existing building and which is not an exempt building	157.00	23.55	180.55	168.70	25.30	194.00	168.51	29.49	198.00
2.Any extension or loft conversion to a dwelling the total floor area of which does not exceed 10m <sup>2</sup> , including means of access and work in connection with that extension	314.00	47.10	361.10	337.39	50.61	388.00	337.87	59.13	397.00
3.Any extension or loft conversion to a dwelling the total floor area of which exceeds 10m <sup>2</sup> but does not exceed 40m <sup>2</sup> , including means of access and work in connection with that extension	469.00	70.35	539.35	504.35	75.65	580.00	503.83	88.17	592.00
4.Any extension or loft conversion to a dwelling the total floor area of which exceeds 40m <sup>2</sup> but does not exceed 60m <sup>2</sup> , including means of access and in connection with that extension	625.00	93.75	718.75	672.17	100.83	773.00	671.49	117.51	789.00



**BC SCHEDULE 3**

Estimated Cost of Works	Charges 1/4/09 - 31/12/09			Charges 1/1/10 - 31/3/10					
	BC Charge 2008/09	VAT @ 15%	BC Charge 2008/09 Inc VAT	Charge exc VAT 2009/10	VAT @ 15%	BC Charge 2009/10 Inc VAT	Charge exc VAT 2009/10	VAT @ 17.5%	BC Charge 2009/10 Inc VAT
12,001 - 13,000	374.23	56.13	430.36	402.61	60.39	463.00	402.55	70.45	473.00
13,001 - 14,000	388.43	58.26	446.69	417.39	62.61	480.00	417.02	72.98	490.00
14,001 - 15,000	402.63	60.39	463.02	433.04	64.96	498.00	433.19	75.81	509.00
15,001 - 16,000	416.83	62.52	479.35	447.83	67.17	515.00	447.66	78.34	526.00
16,001 - 17,000	431.03	64.65	495.68	463.48	69.52	533.00	463.83	81.17	545.00
17,001 - 18,000	445.23	66.78	512.01	478.26	71.74	550.00	478.30	83.70	562.00
18,001 - 19,000	459.43	68.91	528.34	493.91	74.09	568.00	493.62	86.38	580.00
19,001 - 20,000	473.63	71.04	544.67	509.57	76.43	586.00	509.79	89.21	599.00
20,001 - 100,000	£473.68 plus £12.33 for every £1000 (or part thereof) by which the cost exceeds £20,000 plus VAT		£509.57 plus £13.25 for every £1000 (or part thereof) by which the cost exceeds £20,000 plus VAT	£509.57 plus £13.25 for every £1000 (or part thereof) by which the cost exceeds £20,000 plus VAT		£509.57 plus £13.25 for every £1000 (or part thereof) by which the cost exceeds £20,000 plus VAT	£509.57 plus £13.25 for every £1000 (or part thereof) by which the cost exceeds £20,000 plus VAT		
100,001 - 1,000,000	£1,460.22 plus £5.40 for every £1000 (or part thereof) by which the cost exceeds £100,000 plus VAT		£1,569.74 plus £5.81 for every £1000 (or part thereof) by which the cost exceeds £100,000 plus VAT	£1,569.74 plus £5.81 for every £1000 (or part thereof) by which the cost exceeds £100,000 plus VAT		£1,569.74 plus £5.81 for every £1000 (or part thereof) by which the cost exceeds £100,000 plus VAT	£1,569.74 plus £5.81 for every £1000 (or part thereof) by which the cost exceeds £100,000 plus VAT		
1,000,001 - 10,000,000	£6,323.02 plus £4.07 for every £1000 (or part thereof) by which the cost exceeds £1,000,000 plus VAT		£6,797.25 plus £4.38 for every £1000 (or part thereof) by which the cost exceeds £1,000,000 plus VAT	£6,797.25 plus £4.38 for every £1000 (or part thereof) by which the cost exceeds £1,000,000 plus VAT		£6,797.25 plus £4.38 for every £1000 (or part thereof) by which the cost exceeds £1,000,000 plus VAT	£6,797.25 plus £4.38 for every £1000 (or part thereof) by which the cost exceeds £1,000,000 plus VAT		
10,000,001 - >	£42,937.05 plus £2.92 for every £1000 (or part thereof) by which the cost exceeds £10,000,000 plus VAT		£45,083.90 plus £3.07 for every £1000 (or part thereof) by which the cost exceeds £10,000,000 plus VAT	£45,083.90 plus £3.07 for every £1000 (or part thereof) by which the cost exceeds £10,000,000 plus VAT		£45,083.90 plus £3.07 for every £1000 (or part thereof) by which the cost exceeds £10,000,000 plus VAT	£45,083.90 plus £3.07 for every £1000 (or part thereof) by which the cost exceeds £10,000,000 plus VAT		

## Appendix G - Fees and Charges not increasing by 5%

### Pest Control

Pest Type	2008/09 Prices inc VAT @ 15%	2009/10 Price incl VAT 15% as of Dec 1st 2008	Prices based on:
Rats	£73	£73 £30	Up to 3 visits for rats For each additional visit required
Mice	£96	£96 £30	Up to 3 visits for mice For each additional visit required
Fleas	£85	£85	1 visit for fleas; maximum of 3 rooms (additional rooms £15 each)
Wasps	£50	£50	1 visit for wasps
Bedbugs	£164	£164 £82	2 visits for bedbug treatments; maximum of two bedrooms (additional rooms £25 each) For each additional visit required
Cockroaches	£169 up to 4 visits	£113 £56	Up to 3 visits for cockroaches For each additional visit required
Pharaoh Ants	£139	£139	Up to 3 visits
Commercial Charge	£80 for up to 1 hour, £40 per 30 minutes there after (exc VAT)	£80 for up to 1 hour, £40 per 30 minutes there after (exc VAT)	

**Appendix G - Fees and Charges not increasing by 5%**  
DEVELOPMENT MANAGEMENT

	<b>EXISTING CHARGES FOR FIRST MEETING</b>	<b>PROPOSED CHARGES FOR ADVICE BY LETTER ONLY</b>	<b>PROPOSED CHARGES FOR FIRST MEETING</b>
Pre-Application Charging Scheme			
<b>A) Very minor</b>			
Changes of use of 99 sqm. or less Extensions and alterations to single domestic dwellings (including flats) Commercial development (including extensions) of 99 sqm. or less and shopfronts All small scale advertisement applications relating to business premises (including shop signs) Minor physical alterations to commercial properties	FREE	FREE for householders £25 for householder's agent and £50 for others	FREE for householders £50 for householder's agent and £100 for others
Advice to third parties and Enforcement Cases, e.g. local residents affected by proposals, is not charged	FREE	FREE	FREE
<b>B) Minor Scale/Complexity Development</b>			
Flat conversions involving up to 5 dwellings  Commercial Development Proposals 100-499 sqm Proposals for between 1 and 5 additional residential units  Changes of Use 100 sq.m. -499 sq.m. Proposals to vary hours of use Proposals for Advertisement Hoardings/Poster Panels/General Advertising	£551	£400	£600
Proposals for extensions and alterations requiring specialist conservation and/or design advice (other than shopfronts) Proposals for extensions and alterations to listed buildings Reserved Matter applications on outline 'minor' schemes  New Telecommunications Equipment and Masts (applications and notification, not part 24 permitted development)			
<b>C) Medium Scale/Complexity Development</b>			
Flat conversions involving between 6 and 9 dwellings Commercial Development Proposals 500-999 sqm Proposals for between 6 and 9 additional residential units	£1,103	£800	£1,200
Changes of Use 500 sq.m. -999 sq.m.			
<b>D) Major Scale/Complexity Development</b>			
Major Development (as defined by DCLG) Provision of 10 and 49 dwelling units Provision of 1,000 -4,999 sq.m. of commercial floorspace  Development involving a site of 0.5 – 2.4 Ha			

	EXISTING CHARGES FOR FIRST MEETING	PROPOSED CHARGES FOR ADVICE BY LETTER ONLY	PROPOSED CHARGES FOR FIRST MEETING
<b>Pre-Application Charging Scheme</b>			
Reserved Matter applications on outline 'major' schemes	£2,205	£1,600	£2,400
Changes of use of over 1,000 sq.m. Development requiring Environment Assessment Schemes requiring a transport assessment (see UDP)			
Pub, Restaurant, Casino, and nightclub proposals			
<b>E) Large Scale Major</b>			
Provision of 100 or more dwelling units Provision of over 10,000 sq.m. of commercial floorspace			
Change of use of over 10,000 sq.m floorspace	£2,205	£1,600 but advice will normally require a meeting.	£2,400 for "in principle scoping meeting" without plans. £3,000 for first meeting with plans.
Development involving a site of 2.5 ha or over			
<b>F) Advice on conditions</b>			
All pre-application advice concerning clearance of conditions other than reserved matters applications on outline schemes and applications to vary hours of use	FREE	A) - FREE B/C) £50 D/E) Charge will be negotiated based on officer charge out rates.	A) - £25 for householders, £50 for others B/C) £100 D/E) Charge will be negotiated based on officer charge out rates.
<b>G) Project Work</b>			
Advice on preparation of Development/Planning briefs Advice on preparation of notes explaining UDP policy context for sites proposed for disposal or development			
Advice on management of public consultation e.g. on new open space Advice on listed buildings, conservation management plans, repair schedules etc. Advice on preparation of travel plans		Costed at hourly rate as below with no initial fee	
<b>H) Hourly Rates</b>		<b>EXISTING CHARGES</b>	<b>PROPOSED CHARGES</b>
Director	£121	£234	
Assistant Director	£100	£187	
Head of Service (development management or spatial planning)	£93	£152	
Highways Group Manager	£83	£124	
Highways Team Manager	£71	£116	
Planning Team Leader	£61	£116	
Highway Engineer	£61	£80	
Deputy Team Leader - planning	n/a	£100	
Principal Planner	£56	£80	

	<b>EXISTING CHARGES FOR FIRST MEETING</b>	<b>PROPOSED CHARGES FOR ADVICE BY LETTER ONLY</b>	<b>PROPOSED CHARGES FOR FIRST MEETING</b>
Pre-Application Charging Scheme			
Senior Planner	£53	£74	
Career Grade Planner	£48	£68	
Housing officer		£100	



**Residents Services  
Fees & Charges Review  
2009/10**

**Residents Services Fees & Charges Review - 2008/09****Year On Year Reduction**

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	% Change
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
<b>Libraries</b>					
<b>Adults 16-59. Concessions: Children 0-11, Teens 12-15, Pensioners 60+, Lifestyle Plus cardholders</b>					
<b>Audio-Visual Loan and Overdue Charges</b>					
DVD Loans Feature Films 3 days Adult Age 16-59	2.00	1.50	1.70	1.30	-23%
Overdue DVDs- Age 16-59 Per Day Max £7.50	1.20	0.75	1.02	0.65	-36%
<b>SPORTS BOOKINGS</b>					
<b>FOOTBALL 2 hour bookings</b>					
<b>Adults and Clubs</b>					
Bank Holiday	60.80	55.00	51.74	47.83	-8%
<b>RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY- 2 hour booking</b>					
<b>Adults and Clubs</b>					
Bank Holiday	60.80	55.00	51.74	47.83	-8%
<b>School - 1 Hour booking</b>					
One booking cost	53.85	27.00	45.83	23.48	-49%
<b>CRICKET</b>					
<b>Adults and Clubs</b>					
Bank Holiday	60.80	55.00	51.74	47.83	-8%
<b>TENNIS - Pay &amp; Play</b>					
Tennis Booking - Annual Membership Card	12.00	0.00	10.21	0.00	-100%
<b>NETBALL</b>					
<b>Adults and Clubs</b>					
Per court per game	10.60	9.00	9.02	7.83	-13%

## Residents Services Fees &amp; Charges Review - 2008/09

Year On Year Increase Between 0% and 5%

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	% Change
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
<b>Libraries</b>					
<b>Adults 16-59. Concessions: Children 0-11, Teens 12-15, Pensioners 60+, Lifestyle Plus cardholders.</b>					
<b>Book Overdue and Reservation Charges</b>					
Requests not in stock- British Library	4.50	4.50	4.50	4.50	0%
Requests- Age 16-59	1.00	1.00	0.85	0.87	2%
<b>Audio-Visual Loan and Overdue Charges</b>					
Language Courses/ Learning Packs-three weeks	2.50	2.50	2.13	2.17	2%
<b>Internet Charges</b>					
Access - After First Half Hour - Per Half Hour members (H&F School Children Free)	0.50	0.50	0.43	0.43	2%
A4 Print - black and white	0.15	0.15	0.13	0.13	2%
<b>Fax Charges - Per Page</b>					
UK	1.00	1.00	0.85	0.87	2%
Europe	1.50	1.50	1.28	1.30	2%
North America	2.00	2.00	1.70	1.74	2%
Australia	2.00	2.00	1.70	1.74	2%
Elsewhere	4.00	4.00	3.40	3.48	2%
Incoming Material	1.00	1.00	0.85	0.87	2%
<b>Photocopying - Per Page</b>					
A4 black and white	0.15	0.15	0.13	0.13	2%
A3 black and white	0.30	0.30	0.26	0.26	2%
<b>Cost of replacement</b>					
Lost Computer Cards	1.00	1.00	0.85	0.87	2%
<b>Premises Hire - Per Hour</b>					
<b>Community Groups</b>					
During Library Hours	10.00	10.00	8.51	8.70	2%
Outside library Hours	40.00	40.00	34.04	34.78	2%
<b>Other Groups</b>					
Outside library Hours	80.00	82.00	68.09	71.30	5%
<b>Exhibition Space - Per Day</b>					
Preparatory Day	50.00	50.00	42.55	43.48	2%
Exhibition Days	100.00	102.00	85.11	88.70	4%
<b>Archives</b>					
<b>Searchroom Fees</b>					
Photocopy (A4)	0.20	0.20	0.17	0.17	2%
Photocopy (A3)	0.40	0.40	0.34	0.35	2%
Microfilm Print	0.40	0.40	0.34	0.35	2%
<b>Exhibition Hire Fees</b>					
Per Week	15.00	15.00	12.77	13.04	2%
Per Month	50.00	50.00	42.55	43.48	2%
<b>Reproduction Fees - Per Image</b>					
Book jackets, CD Covers	100.00	102.00	85.11	88.70	4%
Postcards, Greetings Cards, Calendars, Posters Etc	100.00	102.00	85.11	88.70	4%
Press Advertising, Brochures Etc	120.00	123.00	102.13	106.96	5%
Mats, Games, Souvenirs	200.00	205.00	170.21	178.26	5%
Commercial Interior Design & Decoration	100.00	102.00	85.11	88.70	4%
<b>Talks, Walks &amp; Visits</b>					
School Visits - Per Hour	25.00	25.00	21.28	21.74	2%
Offsite Talks & Walks (In Borough)	30.00	30.00	25.53	26.09	2%
Offsite Talks & Walks (In Borough) - Registered Charities	15.00	15.00	12.77	13.04	2%
Offsite Talks & Walks (Out Borough)	40.00	40.00	34.04	34.78	2%
Offsite Talks & Walks (Out Borough) - Registered Charities	20.00	20.00	17.02	17.39	2%
<b>Registrars Fees and charges - No VAT Applied</b>					
<b>Civil Marriage/Civil Partnership</b>					
<b>Mayor's Parlour, Fulham Town Hall (Register Office)</b>					
Mon - Thur	43.50	43.50	43.50	43.50	0%
<b>Approved Venues</b>					
Mon - Thur	303.50	303.50	303.50	303.50	0%
<b>Fulham Council Chamber, Fulham Town Hall (Up to 100 people)</b>					
Mon - Thur	253.50	255.00	253.50	255.00	1%

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	% Change
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
<b>HIRE OF HALLS FOR EVENTS - CHARGES PER HOUR - non inclusive of VAT</b>					
<b>HTH Assembly Hall &amp; FTH Grand Hall</b>	<b>HOURLY RATES</b>	<b>HOURLY RATES</b>	<b>HOURLY RATES</b>	<b>HOURLY RATES</b>	<b>% increase</b>
Weekday daytime	137	140	137	140	2%
Weekday evenings	247	250	247	250	1%
Weekend (Friday from 6pm & Saturdays)	273	275	273	275	1%
Weekend (Sundays)	273	275	273	275	1%
Hourly rate after midnight add £50	50	50	50	50	0%
Commercial ticketed events	400	400	400	400	0%
Bank Holiday Mondays, New Years Eve	546	550	546	550	1%
<b>FTH Concert Hall</b>					
Weekday evenings	115	120	115	120	4%
Weekends	115	120	115	120	4%
Flat rate supplement for the Concert hall to be added to the Grand hall booking	200	210	200	210	5%
<b>HTH Small Hall</b>					
Weekend (Friday from 6pm & Saturdays)	116	120	116	120	3%
<b>HTH Committee Room 1, Courtyard Room, Council Chamber</b>					
Weekday	63	65	63	65	3%
Weekday evening	84	85	84	85	1%
Weekend (Friday from 6pm & Saturdays)	95	95	95	95	0%
<b>SPORTS BOOKINGS</b>					
<b>FOOTBALL 2 hour bookings</b>					
<b>Adults and Clubs</b>					
Weekend	53.85	55.00	45.83	47.83	4%
<b>RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY- 2 hour booking</b>					
<b>Adults and Clubs</b>					
Weekend	53.85	55.00	45.83	47.83	4%
<b>CRICKET</b>					
<b>Adults and Clubs</b>					
Weekend	53.85	55.00	45.83	47.83	4%
<b>ROUNDERS/BASEBALL</b>					
<b>Adults and Clubs</b>					
Per pitch per game	42.75	55.00	45.37	46.75	3%
<b>MINI BASEBALL</b>					
<b>Adults and Clubs</b>					
Per pitch per game	42.75	55.00	45.37	46.75	3%
<b>SOFTBALL</b>					
<b>Adults and Clubs</b>					
Per pitch per game	42.75	55.00	45.37	46.75	3%
<b>BICYCLE POLO</b>					
Weekends	53.85	55.00	45.83	47.83	4%
<b>TOUCH RUGBY (half size of football pitch, 2 pitches = 1 football pitch)</b>					
<b>Adults and Clubs</b>					
Weekends	26.95	27.00	22.94	23.48	2%
<b>Youth Teams U/18</b>					
Youth Team - U/18	26.90	27.00	22.89	23.48	3%
<b>TENNIS - Pay &amp; Play</b>					
Lifestyle - 1 member per court per hour - 9am-4pm, Mon - Fri	3.70	3.70	3.15	3.22	2%
<b>HURLINGHAM PARK</b>					
<b>CHANGING ROOM @ HURLINGHAM</b>					
<b>Adults and Clubs</b>					
Charge per booking	14.60	15.00	12.38	12.75	3%
<b>BOWLS</b>					
Adult - per person per round	1.80	1.80	1.53	1.57	2%
Adult season ticket	40.30	41.00	34.30	35.65	4%
Locker rent	8.80	9.00	7.49	7.83	4%

## Residents Services Fees &amp; Charges Review - 2008/09

## Fees &amp; Charges for Which There is No Prior Year Comparative Data Available

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	Explanation for changes
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
<b>Libraries</b>					
<b>Adults 16-59. Concessions: Children 0-11, Teens 12-15, Pensioners 60+, Lifestyle Plus cardholders.</b>					
<b>Book Overdue and Reservation Charges</b>					
Overdue Notifications Printed- all ages.		0.40		0.35	
<b>Audio-Visual Loan and Overdue Charges</b>					
DVD Club- Monthly Subscription		15.00		13.04	
CD Club- Monthly Subscription		15.00		13.04	
Box sets DVDs loans Age 16-59		3.50		3.04	
Box sets DVDs Overdues to a maximum of 7.50 Age 16-59		0.75		0.65	
<b>Sale Items</b>					
<b>Withdrawn Library Books</b>					
Adult Fiction and Children's books		0.60		0.52	
Adult Non-Fiction		1.00		0.87	
Paperbacks		0.50		0.43	
Cassettes		0.50		0.43	
CD's		0.50		0.43	
Videos/DVDs		0.50		0.43	
Carrier Bags		1.00		0.87	
Memory Sticks		7.00		6.09	
<b>Internet Charges</b>					
Access- None members pay for every Half Hour		0.50		0.43	
Access- Advance 3 hour booking		2.00		1.74	
A4 Colour		1.00		0.87	
<b>Display of Commercial Posters</b>					
A3 per week		22.00		19.13	
A4 per week		13.00		11.30	
A5 per week		7.00		6.09	
Postcard per week		3.00		2.61	
<b>Photocopying - Per Page</b>					
A4 Colour		1.00		0.87	
A3 Colour		1.50		1.30	
<b>Archives</b>					
<b>Searchroom Fees</b>					
Daily fee for use of own camera		3.00		2.61	
Handling fee for using the copying stand for photography per hour		10.00	0.00	8.70	
Use of Photograph Copying Stand - Per Hour	10.00		8.51		
<b>Registrars Fees and charges - No VAT Applied</b>					
<b>Other Fees</b>					
Same day service for copy certificates		10.00		10.00	
<b>SPORTS BOOKINGS</b>					
<b>FOOTBALL 2 hour bookings</b>					
<b>Youth Teams U/18</b>					
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>**11-a-side All Weather Pitch</b>					
<b>Adults and Clubs</b>					
<b>Youth Teams U/18</b>					
Junior		55.00		47.83	
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>**5-a-side All Weather Pitch</b>					
<b>Youth Teams U/18</b>					
Junior		30.00		26.09	
2-5 Block booking (25% discount)		22.00		19.13	
6-10 Block booking (50% discount)		15.00		13.04	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		11.00		9.57	
6-10 Block booking (50% discount)		7.00		6.09	
<b>RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY- 2 hour booking</b>					
<b>Youth Teams U/18</b>					
Youth Team - U/18		55.00		47.83	
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	Explanation for changes
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>CRICKET</b>					
<b>Youth Teams U/18</b>					
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>ROUNDERS/BASEBALL</b>					
<b>Youth Teams U/18</b>					
Youth Team - U/18		55.00		47.83	
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>MINI BASEBALL</b>					
<b>Youth Teams U/18</b>					
Youth Team - U/18		55.00		47.83	
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
One booking cost		27.00		23.48	
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>SOFTBALL</b>					
<b>Youth Teams U/18</b>					
Youth Team - U/18		55.00		47.83	
2-5 Block booking (25% discount)		41.00		35.65	
6-10 Block booking (50% discount)		27.00		23.48	
<b>School - 1 Hour booking</b>					
One booking cost		27.00		23.48	
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>TOUCH RUGBY (half size of football pitch, 2 pitches = 1 football pitch)</b>					
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>School - 1 Hour booking</b>					
One booking cost		27.00		23.48	
2-5 Block booking (25% discount)		20.00		17.39	
6-10 Block booking (50% discount)		13.00		11.30	
<b>ATHLETICS- Adult and Corporate groups</b>					
<b>Adults and Clubs and Youth U/18</b>					
Weekend - per day	108.15			0.00	Now one flat rate
Bank Holiday - per day	173.05			0.00	Now one flat rate
Weekdays: Full Day	64.35			0.00	Now one flat rate
Half Day	32.15			0.00	Now one flat rate
Athletics per hour		30.00		26.09	
Athletics Half Day		120.00		104.35	
Athletics Full Day		240.00		208.70	
<b>Schools</b>					
Prices subject to unique requirements					
<b>TENNIS - Pay &amp; Play</b>					
<b>Youth U/18</b>					
Youth - U/18 - 9am-6pm, Mon - Fri		No time parameters for 09/10			
Youth - U/18 - Anytime		7.00		6.09	
<b>Lifestyle</b>					
Lifestyle - 2 members per court per hour - 9am-4pm, Mon - Fri	0.00	1.00	0.00	0.87	
Junior		26.00		22.61	
School		26.00		22.61	
<b>10 games</b>					
Junior		35.00		30.43	
School		35.00		30.43	
<b>NETBALL</b>					
<b>Youth U/18</b>					
<b>One booking Cost</b>		9.00		7.83	
2-5 Block booking (25% discount)		6.00		5.22	
6-10 Block booking (50% discount)		4.00		3.48	
<b>School - 1 Hour booking</b>					
2-5 Block booking (25% discount)		6.00		5.22	
6-10 Block booking (50% discount)		4.00		3.48	

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	Explanation for changes		
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%			
<b>HURLINGHAM PARK</b>							
<b>COMMUNITY ROOM</b>	Per Hour						
Cost per hour - with sports facility	29.20				Now charged P/H room only		
Setting up and breaking down per hour	11.36				Now charged P/H room only		
Room hire only - min 3 hours thereafter cost per hour will apply	87.60				Now charged P/H room only		
Room Hire only		45.00					
<b>CHANGING ROOM @ HURLINGHAM</b>	Per hour						
<b>Youth U/18</b>							
<b>One booking Cost</b>		15.00		13.04			
2-5 Block booking (25% discount)		11.00		9.57			
6-10 Block booking (50% discount)		7.00		6.09			
<b>HURLINGHAM PARK</b>							
<b>TRAINING AREA &amp; FLOODLIGHTS</b>							
Floodlights per hour (in half hour slots) - Tue & Thur 6 - 9pm ONLY	1.76				Price spread throughout the year		
Training Area combined with use of changing rooms (per hour)- (H&F RFC use only, floodlights extra)	21.66				Now one flat rate		
<b>Fulham Football Club - Grass pitch and Community Room Prices</b>							
Grass Pitch (Football - 919) - per pitch fee	19.32				Now one flat rate		
Community Room (per day fee)	29.30				Now one flat rate		
Grass pitches, Com Room & Changing room -per day		200.00		173.91			
<b>HIRE OF PARKS &amp; OPEN SPACES FOR EVENTS - CHARGES PER DAY - all inclusive of VAT</b>							
	2008/9 per day	2009/10 Base rate per day	2008/9 per day	2009/10 Base rate per day	Organised / booked by	Estimated Attendance	Intended Audience
Large event		POA		POA	Private / Commercial	1000+	Private
Large event		POA		POA	Commercial	1000+	Public - £ Tkt / Free
Large event		POA		POA	Community Org.	1000+	Public - £ Tkt / Free
Large event		POA		POA	Registered Charity	1000+	Public - £ Tkt / Free
Medium event		POA		POA	Private / Commercial	500 - 1000	Private
Medium event		£800		£800	Commercial	500 - 1000	Public - £ Tkt
Medium event		£500		£500	Commercial	500 - 1000	Public - Free
Medium event		£250		£250	Community Org.	500 - 1000	Public - £ Tkt
Medium event		£120		£120	Community Org.	500 - 1000	Public - Free
Medium event		£120		£120	Registered Charity	500 - 1000	Public - £ Tkt / Free
Small event		£1,000		£1,000	Private / Commercial	up to 499	Private
Small event		£500		£500	Commercial	up to 499	Public - £ Tkt
Small event		£250		£250	Commercial	up to 499	Public - Free
Small event		£120		£120	Registered Charity	up to 499	Public - £ Tkt / Free
Small event		£120 flat rate		£120 flat rate	Community Org.	up to 499	Public - £ Tkt / Free
Promotional activity - Large scale / space		POA		POA	Commercial		Public
Promotional activity - Large scale / space		POA		POA	Community Org.		Public
Promotional activity - Large scale / space		POA		POA	Registered Charity		Public
Promotional activity - Small scale / space		£250		£250	Commercial		Public
Promotional activity - Small scale / space		£120		£120	Registered Charity		Public
Promotional activity - Small scale / space		£120		£120	Community Org.		Public
Fairground - Large scale		£1,000		£1,000	Commercial		Public
Fairground - Small scale		£500		£500	Commercial		Public
Exercise permits - (per location / per month)		£120pm		£120pm	Commercial		Public £
Exercise permits - (multiple locations / per month)		POA		POA	Commercial		Public £
Damage deposit (reinstatement costs)		POA % based on risk		POA % based on risk			
<b>ADD ON SUPPLEMENTS</b>							
Showcase Park / Town Centre Spaces		£100		£100			
Large scale Infrastructure e.g. staging, toilets		£200		£200			
Small scale Infrastructure e.g. tents, generators		£100		£100			
Catering facilities		£100		£100			
Sale of alcohol		£100		£100			
Amplified music		£100		£100			

**Residents Services Fees & Charges Review - 2008/09**

Year On Year Increase Greater Than 5%

Type of Fee and Charge	2008/9 Charge	2009/10 Charge	2008/9 Charge	2009/10 Charge	% Change
	£Inc VAT	£Inc VAT	£Exc VAT 17.5%	£Exc VAT 15%	
<b>Libraries</b>					
<b>Audio-Visual Loan and Overdue Charges</b>					
Overdue CDs- Per Day Max £7.50	0.20	0.25	0.17	0.22	28%
<b>Book Overdue and Reservation Charges</b>					
Overdue Books - Per Day Age 16-59	0.20	0.25	0.17	0.22	29%
<b>Audio-Visual Loan and Overdue Charges</b>					
Overdue Courses - Per Day	0.20	0.25	0.20	0.25	25%
<b>Premises Hire - Per Hour</b>					
<b>Other Groups</b>					
During Library Hours	20.00	22.00	17.02	19.13	12%
<b>Reproduction Fees - Per Image</b>					
Books, Part Works, Periodicals, Journals, Newspapers	30.00	31.00	25.53	26.96	6%
Media Use	50.00	52.00	42.55	45.22	6%
<b>Registrars Fees and charges - No VAT Applied</b>					
<b>Civil Marriage/Civil Partnership</b>					
<b>Mayor's Parlour, Fulham Town Hall (Register Office)</b>					
Fri - Sat	43.50	83.50	43.50	83.50	92%
<b>Walham Green Room Fulham Town Hall</b>					
Mon - Thur	103.50	128.50	103.50	128.50	24%
Fri - Sat	103.50	153.50	103.50	153.50	48%
<b>Council Chamber – Fulham Town Hall</b>					
Mon - Thur	303.50	323.50	303.50	323.50	7%
Fri	303.50	403.50	303.50	403.50	33%
Sat	403.50	453.50	403.50	453.50	12%
Sun	503.50	603.50	503.50	603.50	20%
Bank Holiday	503.50	603.50	503.50	603.50	20%
<b>Approved Venues</b>					
Fri - Sat	303.50	353.50	303.50	353.50	16%
Sun	403.50	453.50	403.50	453.50	12%
Bank Holiday	403.50	453.50	403.50	453.50	12%
<b>Naming Ceremonies/Marriage Vows Renewal</b>					
<b>Hammersmith and Fulham Register Office, Fulham Town Hall (Up to 60 people)</b>					
Mon - Thur 9am to 4pm	120.00	150.00	120.00	150.00	25%
Mon - Thur 4pm to 6pm	180.00	200.00	180.00	200.00	11%
Fri 9am to 4pm	120.00	175.00	120.00	175.00	46%
Fri 4pm to 6pm	180.00	250.00	180.00	250.00	39%
Sat afternoon	210.00	250.00	210.00	250.00	19%
Sun	285.00	300.00	285.00	300.00	5%
Bank Holiday	285.00	300.00	285.00	300.00	5%
<b>Fulham Council Chamber, Fulham Town Hall (Up to 100 people)</b>					
Fri	253.50	300.00	253.50	300.00	18%
Sat	373.50	400.00	373.50	400.00	7%
Sun	453.50	550.00	453.50	550.00	21%
Bank Holiday	453.50	550.00	453.50	550.00	21%
<b>Other Venues*</b>					
Mon - Thur 9am to 4pm	150.00	175.00	150.00	175.00	17%
Mon - Thur 4pm to 6pm	180.00	200.00	180.00	200.00	11%
Fri 9am to 4pm	150.00	175.00	150.00	175.00	17%
Fri 4pm to 6pm	180.00	200.00	180.00	200.00	11%
Sat	210.00	300.00	210.00	300.00	43%
Sun	230.00	350.00	230.00	350.00	52%
Bank Holiday	230.00	350.00	230.00	350.00	52%
<b>HIRE OF HALLS FOR EVENTS - CHARGES PER HOUR - No VAT Applied</b>					
<b>HTH Assembly Hall &amp; FTH Grand Hall</b>					
New Years Eve falling on a Sunday	546.00	600.00	546.00	600.00	10%
<b>FTH Concert Hall</b>					
Weekday daytime (subject to GH booking)	75	80	75	80	7%
<b>HTH Small Hall</b>					
Weekday	56.00	60.00	56.00	60.00	7%
Weekday evening	76.00	80.00	76.00	80.00	5%
Weekend (Sunday)	116.00	125.00	116.00	125.00	8%
<b>HTH Committee Room 1, Courtyard Room, Council Chamber</b>					
Weekend (Sunday)	95	100	95	100	5%
<b>SPORTS BOOKINGS</b>					



Project		ABG Recommendation	
Ref No	Project Title	2009/10 (£)	2010/11 (£)
<b>Childrens Services</b>			
2	Young Person Substance Misuse Services	123,300	123,000
3	Opportunities for Young People with Disabilities	36,000	36,000
11	Carers Initiatives	187,200	176,165
19	Parenting Support Service	85,000	85,000
22	Personal Educational Allowances for Looked after Children	105,000	105,000
25	Choice advice and transition and transfer team	200,000	200,000
28	Secondary Behaviour and Attendance	68,000	72,000
30	Excellence in Cities	320,000	320,000
34	Behaviour Improvement Programme	325,000	325,000
36	Extended Services for Schools	460,000	237,000
38	Youth Offenders Substance Misuse Services	40,000	40,000
39	Teenage Pregnancy Partnership	150,000	150,000
40	Street Outreach Service (Reducing Gang Crime)	38,500	38,500
41	Diversion Project for First Time Youth Offenders	72,000	72,000
42	Child Death Review Arrangements	38,000	39,000
43	Children's Service Annual Training Programme	280,000	290,000
44	Initial Assessments for Children in Need	60,000	60,000
47	Vulnerable Children Services	238,000	238,000
48	Positive Activities for Young People	579,200	580,000
49	14-19 Programme Development	65,000	65,000
50	Special Educational Needs Projects	278,000	278,000
52	Child & Adolescent Mental Health Services	608,000	608,000
53	Children's Fund Projects	390,000	390,000
54	Connexions Service	1,475,200	1,475,205
55	Early Interventions (ASSIST)	525,600	456,870
56	Phoenix Neighbourhood Renewal Programme	300,000	250,000
57	School Improvement and Standards	552,000	578,000
61	Study Support	74,000	74,000
<b>Childrens Services Total ABG Allocations</b>		<b>7,673,000</b>	<b>7,361,740</b>

<b>Community Services</b>			
1	Vehicle Crime Decoy Tracking Equipment	17,600	2,450
7	Bishop Creighton House Safer Homes Services	125,000	125,000
9	Adult Social Care Workforce Training	497,000	442,323
10	Local Involvement Network [LINKs]	123,000	123,000

Project		ABG Recommendation	
Ref No	Project Title	2009/10 (£)	2010/11 (£)
11	Carers Initiatives	748,800	704,661
12	Mental Capacity Advocate Service and Safeguards	126,000	121,000
13	Support to Adults with Mental Health needs (Mental Health Grant)	714,000	752,000
14	Preserved Rights Funding	1,200,000	1,160,000
15	Supporting People Administration	212,000	182,000
16	Support to People with Learning Disability	213,000	214,000
17	Crime & Disorder Reduction Initiatives	589,000	589,000
18	Work Matters Employment Initiatives	200,000	200,000
23	Prolific and Priority Offender Projects	107,000	110,000
35	Community Health Consultation & Research	0	0
<b>Community Services Total ABG Allocations</b>		<b>4,872,400</b>	<b>4,725,434</b>

<b>Finance &amp; Corporate Services</b>			
20	Joint strategic needs assessment	29,000	28,950
21	Director of Public Health	37,500	37,500
<b>Finance &amp; Corporate Services Total ABG Allocations</b>		<b>66,500</b>	<b>66,450</b>

<b>Environment Services</b>			
4	Housing Estate Recycling Project	35,000	35,000
<b>Environment Services Total ABG Allocations</b>		<b>35,000</b>	<b>35,000</b>

<b>Hammersmith &amp; Fulham Total</b>		<b>12,646,900</b>	<b>12,188,624</b>
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**LEADER**

*Councillor Stephen  
Greenhalgh*

**TREASURY MANAGEMENT STRATEGY  
REPORT**

This report provides information on the Council's Treasury Management Strategy for 2009/10 including interest rate projections and borrowing, investment activity reports for the period April to December 2008.

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 2009/10.

**WARDS**

**All**

**CONTRIBUTORS**

DF&CS

**RECOMMENDATIONS:**

- 1. To approve the future borrowing and investment strategies.**
- 2. In relation to the Council's overall borrowing for the financial year 2009/10, approve the Prudential Indicators as set out in Section 3 of this report.**
- 3. To approve the Methodology for establishing credit criteria as described in para. 10 and Appendix B.**
- 4. To delegate future amendments to the credit criteria methodology to Cabinet.**
- 5. To authorise the use of Money Market Funds and Government Liquidity Funds as described in para.11 and Appendix D.**

## 1. EXECUTIVE SUMMARY

- 1.1 It is a key recommendation of the CIPFA Treasury Management Code of Practice which was adopted by the Council on 27th February 2002 that a Treasury Outturn Report and a Treasury Management Strategy Report is presented to Council each year.

The Strategy Report must be presented to Council prior to the start of the new financial year to advise the Council on the proposed treasury management activities for the year.

This current report is asking the Council to:

- 1.2 Approve the Prudential Indicators, These indicators are the Council's borrowing limits for the forthcoming year and estimates for the next two years. The Council has a statutory duty under S.3 of the Local Government Act 2003 to determine how much it can borrow. The report gives a brief explanation of each of these indicators.
- 1.3 Approve the methodology for establishing credit criteria for the Council to place deposits for short term and long term investments. This would be done by looking at the Country's sovereignty rating as a starting point, AA+ would be the minimum rating. Then by looking at four other components the rating agency uses: short term, long term, individual and support ratings. The report gives a brief explanation of what these components mean and matrices for deciding which organisations the Council would lend to.
- 1.4 Delegate approval of the amendments to Credit Criteria methodology to Cabinet so that the Council can respond to changes in market conditions in a timely manner.
- 1.5 Approve the use of Money Market funds as a short term investment instrument. These can be used in a similar way as a Call Account and this would assist with the day to day management of the cashflow.

A Money Market fund would be AAA rated and held as one account with the custodian and is separate to any other business run by the custodian i.e. ring fenced.

- 1.6 This report also covers:

- The current borrowing, the investment position, the borrowing requirement for the current year and the next three years;
- A view on interest rates with some economic background;
- The Council's borrowing strategy for the new financial year;
- The Council's investment strategy for the new financial year and the types of investments the Council can make;
- Debt rescheduling;
- Icelandic Banks – commentary;
- The expected borrowing requirement re the H & F Housing Management Services towards the Decent Homes Standard. These amounts have been taken into account in Section 5 under Borrowing Requirement.

## **2. INTRODUCTION**

- 2.1 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.
- 2.2 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.
- 2.3 The suggested strategy for 2009/10 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:
- treasury limits in force which will limit the treasury risk and activities of the Council;
  - prudential indicators
  - the current treasury position;
  - the borrowing requirements;
  - prospects for interest rates;
  - the borrowing strategy;
  - the investment strategy;
  - debt rescheduling;
- 2.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:-
- a) increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
  - b) any increases in running costs from new capital projects.

are limited to a level which is affordable within the projected revenue income of the Council for the foreseeable future.

## **3. TREASURY LIMITS 2009/10 to 2011/12**

- 3.1 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" or "Authorised Limits". In England and Wales the authorised limits represent the legislative limits specified in section 3 of the Local Government Act 2003.

The Council must have regard to the Prudential Code when setting the Authorised 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 "Authorised 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 Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and the two successive financial years.

### 3.2 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.

### 3.3 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.

#### 4. PRUDENTIAL INDICATORS FOR 2008/09 – 2011/12

4.1 The Prudential Indicators in the table below are relevant for the purpose of setting an integrated treasury management strategy. The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted on 27<sup>th</sup> February 2002 by the full Council.

<b>Treasury Management Indicators</b>	<b>2008/09 £000</b>	<b>2009/10 £000</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>
<b>Authorised limit for external debt</b>				
Borrowing	484,548	592,810	575,092	571,354
Other Long Term Liabilities	0	0	0	0
Total authorised limit	484,548	592,810	575,092	571,354
<b>Operational boundary</b>				
Borrowing	431,520	507,033	516,255	508,482
Other Long Term Liabilities	0	0	0	0

Total operational boundary	431,520	507,033	516,255	508,482
<b>Upper limit for fixed rate exposure</b>				
Expressed as :- net principal re fixed rate borrowing/ investments	445,000	490,000	535,000	545,000
<b>Upper limit for variable rate exposure</b>				
Expressed as :- net principal re variable rate borrowing /investments	89,000	98,000	107,000	109,000
<b>Upper limit for total principal sums invested for over 364 days</b>				
Expressed as :- net principal re variable rate borrowing /investments	20,000	20,000	20,000	20,000

<b>Maturity structure of fixed rate borrowing during 2009/10</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
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%

## 5. CURRENT PORTFOLIO POSITION

5.1 The Council's treasury portfolio position at the 31 December 2008 is shown in the following table.

		Principal		Ave. rate
		£000's		%
Fixed rate funding	PWLB	398,520		
	Market	0	398,520	6.06
Variable rate funding	PWLB	0		
	Market	0	0	
Total Debt			398,520	6.06
Total Short Term Investments			97,200	5.61



## 6. BORROWING REQUIREMENT

	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
	Probable	Estimate	Estimate	Estimate
New borrowing (including ALMO)	20,000	68,510	9,235	-3,738

2011/12 indicates that there will be a net repayment of debt

## 7. PROSPECTS FOR INTEREST RATES

7.1 The Council appointed Sector Treasury Services as treasury adviser to the Council and 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 (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view:

### Sector interest rate forecast – 6 December 2008

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB rate	2.50%	2.25%	2.15%	2.15%	2.15%	2.45%	2.80%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB rate	3.10%	2.75%	2.55%	2.55%	2.55%	2.85%	3.25%	3.65%	4.15%	4.40%	4.70%	4.75%	4.85%
25yr PWLB rate	4.00%	3.95%	3.95%	3.95%	4.00%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.00%	5.05%
50yr PWLB rate	3.85%	3.80%	3.80%	3.80%	3.85%	3.90%	4.00%	4.25%	4.40%	4.70%	4.80%	4.95%	5.00%

7.2 Sector's current interest rate view is that Bank Rate: -

- Will fall from current levels because of the intensifying global recession.
- Starting 2009 at 2%, Bank Rate is forecast to fall to 0.5% in Q1 2009.
- It is then expected to remain there until starting to rise gently up from Q2 2010 until it reaches 4.0% in Q1 2012.
- There is downside risk to these forecasts if the recession proves to be deeper and more prolonged than currently expected.

## 8. BORROWING STRATEGY

8.1 The Sector forecast is as follows. (These forecasts are based around an expectation that there will normally be variations of +/- 25bp during each quarter around these average forecasts in normal economic and political circumstances. However, greater variations can occur should there be any unexpected shocks to financial and/or political systems.) These forecasts are for the PWLB new borrowing rates:-

- The 50 year PWLB rate is expected to remain around current levels of 3.80-3.90% until Q3 2010 when it is forecast to rise to 4.00%. The rate then edges up gradually to reach 5.00% at the end of the forecast period.
- The 25 year PWLB rate is expected to drop to 3.95% in Q2 2009 and stay around there until starting to rise in Q1 2010 eventually reaching 5.05% at the end of the forecast period.
- The 10 year PWLB rate is expected to drop to 2.55% in Q3 but then to start rising again in Q2 2010 to eventually reach 4.85% at the end of the forecast period.
- The 5 year PWLB rate is expected is expected to fall to a floor of 2.15% during Q3 2009. The rate then starts rising in Q2 2010 to eventually reach 4.60% at the end of the forecast period.

8.2 This forecast indicates, therefore, that there is a range of options available for borrowing strategy for 2009/10. Variable rate borrowing is expected to be cheaper than long term borrowing and will therefore be attractive throughout the financial year compared to simply taking long term fixed rate borrowing. Under 10 year PWLB rates are expected to be substantially lower than longer term PWLB rates so this will open up a range of choices for new borrowing for authorities that want to spread their debt maturities away from a concentration in long dated debt. Rates are expected to be slightly lower at the middle to the end of the year than earlier on so it may be advantageous to borrow later in the year.

8.3 For the Council to minimise its debt interest costs, the main strategy is therefore as follows;

- To focus a proportion of new borrowing (up to 30%) on the very cheapest PWLB borrowing, where the under 10 year rates will provide significantly cheaper rates than longer term borrowing. Under 5 year rates are also expected to be significantly lower than 5-10 year rates. Rates are expected to be slightly lower at middle to the end of the year than earlier on so it may be advantageous to borrow later in the year.
- To lock into historically low long term rates for the majority of the borrowing, where there is expected to be little difference between 25 year and 50 years rates. However, despite the minimally more expensive new borrowing rates expected in the 25 – 30 year period later in the year, these could be seen as being much more attractive than 50 year borrowing as the spread between the PWLB new borrowing and early repayment rates is considerably less. This then maximises the potential for debt rescheduling at a later time.
- This strategy would also mean that after some years of focusing on borrowing at or near the 50 year period, the council would be able to undertake borrowing in a markedly different period and so achieve a better spread in its debt maturity profile.

- When long term PWLB rates fall back to the central forecast rate of 3.8% - 3.95%, borrowing may be taken at any time in the financial year. A suitable trigger point for considering new fixed rate long term borrowing, therefore, would be circa 3.8% for 35-50 year durations and 3.95% for 25-35 years. The central forecast rate will be reviewed in the light of movements in the slope of the yield curve, spread between PWLB new borrowing and early payment rates, and any further changes that the PWLB may introduce to their lending policy and operations.
- As long term borrowing rates are expected to be higher than investment rates and look likely to be so for the next couple of years, the Council should be aware that the cost of borrowing against investment income is going to increase.
- Consideration will also be given to borrowing fixed rate market loans at 25-50 basis points below the PWLB target rates if they become available again.

**8.4 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 or an increase in inflation, 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 weakening, then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short rate funding will be considered.

## **9. ANNUAL INVESTMENT POLICY**

9.1 The Council is required to have regard to the DCLG'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 by Council.

### Specified Investments

- 9.2 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 (ie 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 include and may be used by the Council are:

Term deposit – UK government  
Term deposits – other Local Authorities  
Term deposits – banks and building societies  
Money market funds  
Government Liquidity Funds  
Callable deposits – under 1 year  
Certificates of deposits - issued by banks and building societies.  
UK Government Gilts  
Treasury Bills

- 9.3 The Council last reviewed the credit criteria for its lending list in February 2008. The Council uses Fitch ratings to decide 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.
- 9.4 The Council is alerted to changes in Fitch and Moody's 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 DCLG guidance requires authorities to specify their minimum acceptable credit rating. The minimum ratings required by the Council are:

	Fitch Long Term	Short Term
Banks	A	F1
	Moody's Long Term	Short Term
Building Societies	A2	P2

- 9.5 Non-Specified Investments

The Council has made no investments in non-specified investments to date. These are any investments not meeting the definition in para 9.2 above.

9.6 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 could be used after consultation with our Treasury Advisor.

- Term deposits with banks with maturities in excess of one year.
- Term deposits with building societies with maturities in excess of one year
- Term deposits with Local Authorities with maturities in excess of one year.
- Bond Funds with AAA rating credit criteria
- Callable deposits in excess of one year
- Certificates of deposits - issued by banks and building societies in excess of one year.
- UK Government Gilts in excess of one year

## **10. METHODOLOGY FOR ESTABLISHING CREDIT CRITERIA**

10.1 Whilst this Council did not have any deposits with Icelandic banks, this Council is looking to enhance its credit criteria by not only looking at the long term ratings but other rating components that the rating agencies use such as the short term, individual and support rating plus the country sovereignty rating.

10.2 It is proposed that the Council establish a methodology to decide what levels of credit quality the council consider appropriate in determining its policy on deposit taking institutions.

10.3 The proposed Credit Criteria methodology is set out in Appendix B and it is further proposed, that amendments to this be delegated to Cabinet so that the Council can respond to changes in market conditions in a timely manner.

10.4 Our Treasury Advisors confirm that these limits are similar to other local authorities that have similar cash balances invested and are considered to be practicable and prudent.

10.5 Each month the Treasury Section receives an up to date list of the credit rating for individual counterparties from our treasury advisors. In addition to this if any changes in the credit rating of individual counterparties or in banking structures eg. on mergers or takeovers occur during the month they email any amendments to the Treasury Section on a daily basis and the section adds/deletes counterparties as appropriate to/from the approved counterparty list. This does mean that organisations will be added to and removed from the lending list during the year depending on changes to the ratings.

- 10.6 Since the last report to Committee the banking sector has become a volatile area and the current policy is that whilst we maintain our lending list in accordance with agreed limits. We are at present operating a more restricted lending list. For illustrative purposes Appendix C is attached to show the countries and organisations on the lending list at the present time using the methodology.
- 10.7 **Nationalised Banks** in the UK have credit ratings which do not conform to the credit criteria usually used to identify banks which are of high credit worthiness. In particular, as they are no longer separate institutions in their own right, it is impossible for Fitch to assign them an individual rating for their stand alone financial strength. Accordingly, they have been assigned an F rating which means that at a historical point of time, they have failed and are now owned or part owned by the Government. However, these institutions are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support rating of 1; in other words, on both counts, they have the highest ratings possible.
- 10.8 **Part Nationalised Banks** in the UK – they haven't been fully nationalised but receive substantial support (greater than 50% ownership) from the UK Government, in which case the individual rating is E i.e. the Fitch definition is "A bank which requires external support".

## 11. MONEY MARKET FUNDS AND GOVERNMENT LIQUIDITY FUNDS

- 11.1 As a result of the financial crisis the council is facing increasing difficulty in placing funds in secure and liquid institutions. Money Market Funds are highly liquid investments instruments and could be used in a similar way as a Call Account, A core balance is placed in the account but the balance may increase or decrease on any given day according to the amount of surplus cash available. The ability to use Money Market funds would greatly assist in the day to day management of the cashflow as the lending list has been considerably reduced as a result of the uncertainties in the banking industry.
- 11.2 There are three underlying principles to investments, security, liquidity and yield. Money Market Funds address all three of these principles. They generally have the highest security – AAA and liquid – with daily access, and often have enhanced yield compared to short term cash instruments.
- 11.3 Money Market Funds are more advantageous in a falling interest rate market. This is because when base rate is cut, Money Market Funds which are holding longer term investments can still enjoy the higher rates until they mature and have to lock into the lower money market rates. The lag usually varies between 2 and 4 weeks.
- 11.4 Appendix D outlines the background to Money Market funds. The Council will only use Funds which have a credit rating of AAA and when making a selection for which funds to use the following criteria will be considered.

- Size of fund
- Number of clients
- Diversification of client base
- Minimum initial amount
- Transactional amount
- Cut off times
- Performances
- Fees

**Government Liquidity Funds** are funds which operate in exactly the same way as Money Market Funds giving same day liquidity. They are AAA rated funds dealing only in UK and European government papers and are managed on a very cautious basis.

## 12. INTEREST RATE OUTLOOK FOR INVESTMENT

- 12.1 Bank rate started on a downward trend with a 0.25% reductions from 5.75% in December 2007 with further cuts of 0.25% in February and April 2008, then 0.5% in October and 1.5% in November and 1% in December. A further cut of 0.5% was made on 8<sup>th</sup> January 2009 reducing base rate to 1.5%. Further cuts of 1.0% are expected during Q1 2009. It is then expected to stabilise at 0.50% until starting to rise gradually with the first increase in Q2 2010 and then to be back up to 4.00% during Q1 2012.
- 12.2 The Council should, therefore avoid locking into longer term deals while investment rates are down at historically low levels.
- 12.3 For its day to day cash flow management, the Council will seek to utilise its business reserve accounts and short dated deposits (1-3 months) in order to benefit from the compounding of interest.
- 12.4 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## 13. DEBT RESCHEDULING

- 13.1 The introduction of different PWLB rates on 1<sup>st</sup> November 2007 for new borrowing as opposed to early repayment of debt , and the setting of a spread between the two rates (of about 40-50 basis points for the longest period loans narrowing down to 25-30 basis for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date. However, significant interest savings may still be achievable through using LOBOs (Lenders Option Borrowing Option) loans and other market loans if these become available after the drying up of their supply during autumn 2008.
- 13.2.1 Due to short term borrowing rates being expected to be considerably cheaper than longer term rates, there are likely to be significant opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debts is likely to cause a rebalancing of an authority's debt maturities

towards a flattening of the maturity profile as in recent years there has been a skew towards longer dated PWLB.

13.3 As average PWLB rates in some maturity periods are expected to be minimally higher at the end of the financial year than earlier on in the year, there should therefore be greater potential for making marginally higher interest rate savings on debt by doing debt restructuring later on in the year. Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 7 above.

13.4 The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings;
- Help fulfil the strategy outlined in paragraph 7 above; and
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

## **14. ICELANDIC BANKS**

14.1 The council was not affected by the recent collapse of the Icelandic Banks but it is important to reflect on these recent events. Iceland has a modern globalised economy and is an active participant in the EU's common market. It was among the first nations to be seriously hit by the global financial crisis. The situation hit Icelandic households hard and many have lost a sizeable portion of their savings. Inflation is still in double-digit numbers, unemployment is on the rise and the currency, the Icelandic Krona, has fallen to historical lows.

14.2 The large size of the banking sector in comparison to Iceland's overall economy was doubtless a driving factor behind the economic collapse. However, it should be underlined that the Icelandic banks operated in full compliance with European banking laws and the strictest of international regulatory standards. Nevertheless, as the liquidity crisis deepened, and the deterioration of the value of the Krona gathered pace, Iceland's three largest banks, Glitnir, Landsbanki and Kaupthing, whose balance sheets were several times larger than the total output of the Icelandic economy, were no longer able to re-finance their operations. As a response to these circumstances, the Icelandic parliament passed a new law, allowing the Financial Supervisory Authority (FSA) to take over the operations of the banks. On the basis of this new law, all three banks are now being restructured and the domestic operations are being separated, re-capitalized and will be governmentally owned (at least for some period of time).

14.3 The FSA has, on basis of this new law, taken over Iceland's three biggest banks and the procedure has been as follows:

1. The boards are dismissed
2. Special Resolution Committees are appointed to take over board activities and management
3. New companies are founded
4. The FSA decides on disposal of assets and liabilities of the old banks to the new companies

14.4 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The



U.K. Government is working with the Icelandic Government to help bring this about. At the current time it is not possible to say with certainty that all deposits will be recovered or when reimbursements will be made to the depositors. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments.

- 14.5 It is clearly important from H&F to increase its scrutiny of the financial standing of countries of origin as well as of banks themselves and this has been built into the proposed new Treasury Management criteria.

**15. H&F HOMES (HFH)**

- 15.1 H&F Homes submitted a bid, for £192 million to the DCLG for supported borrowing for the Decent Homes Initiative. Such funding has been drawn down since 2005/06 and the following borrowing is still outstanding, £51 million in 2008/09, £44 million in 2009/10 and £5 million in 2010/11. It is expected that such sums will be supported through Housing Revenue Account Subsidy. Such borrowing is taken account of within the authorised borrowing and operational boundary limits set out in paragraph 3.

**16. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

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

**17. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 17.1 The statutory requirements are set out in the body of the report.

**18. COMMENTS OF THE VALUE FOR MONEY SCRUTINY COMMITTEE**

- 18.1 The Value for Money Scrutiny Committee considered this report at its meeting held on 27<sup>th</sup> January 2009.

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	6 <sup>th</sup> Floor Town hall Ext.
2	CIPFA-Prudential Code - Accounting for Capital Finance	Rosie Watson Ext. 2563	6 <sup>th</sup> Floor Town Hall Ext.
3	Various Economic commentaries	Rosie Watson Ext. 2563	6 <sup>th</sup> Floor Town Hall Ext.

## APPENDIX A

### 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 represents 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** interest rate forecast – 6 December 2008

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB rate	2.50%	2.25%	2.15%	2.15%	2.15%	2.45%	2.80%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB rate	3.10%	2.75%	2.55%	2.55%	2.55%	2.85%	3.25%	3.65%	4.15%	4.40%	4.70%	4.75%	4.85%
25yr PWLB rate	4.00%	3.95%	3.95%	3.95%	4.00%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.00%	5.05%
50yr PWLB rate	3.85%	3.80%	3.80%	3.80%	3.85%	3.90%	4.00%	4.25%	4.40%	4.70%	4.80%	4.95%	5.00%

**Capital Economics** interest rate forecast –18 December 2008

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010
Bank Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5yr PWLB rate	1.65%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
10yr PWLB rate	2.65%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
25yr PWLB rate	4.15%	4.00%	3.80%	3.65%	3.65%	3.65%	3.65%	3.65%
50yr PWLB rate	4.05%	3.95%	3.85%	3.75%	3.75%	3.75%	3.75%	3.75%

**UBS interest rate forecast (for quarter ends) – 12 December 2008**

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.75%
<b>10yr PWLB rate</b>	3.75%	4.15%	4.35%	4.65%
<b>25yr PWLB rate</b>	4.25%	4.55%	4.85%	5.05%
<b>50yr PWLB rate</b>	4.30%	4.65%	5.00%	5.25%

**2. SURVEY OF ECONOMIC FORECASTS**

**HM Treasury** – December 2008 summary of forecasts of 23 City and 12 academic analysts for Q4 2008 and 2009. Forecasts for 2010 – 2012 are based on 21 forecasts in the last quarterly forecast – November 2008.

<b>BANK RATE FORECASTS</b>		<b>quarter ended</b>		<b>annual average Bank Rate</b>		
	<b>actual</b>	<b>Q4 2008</b>	<b>Q4 2009</b>	<b>ave. 2010</b>	<b>ave. 2011</b>	<b>ave. 2012</b>
<b>Median</b>	2.00%	2.00%	1.00%	3.11%	3.97%	4.49%
<b>Highest</b>	2.00%	4.50%	4.00%	4.70%	5.00%	5.25%
<b>Lowest</b>	2.00%	2.00%	0.50%	1.00%	2.25%	3.00%

## APPENDIX B

### METHODOLOGY FOR ESTABLISHING CREDIT CRITERIA

The follow methodology has been used to establish the credit criteria for an organisation or group.

All Countries where investments are placed should have a minimum **Sovereign rating** of AA+

The short term and long term rating for each organisation is assessed and then to further enhance the selection process the individual rating and the support rating for each organisation is assessed. This determines which organisations fall within the coloured area and thus will be included in our lending list for that group.

Below is an explanation of the rating components used by Fitch

**Short term ratings:** Cover obligations, which have an original maturity not exceeding one year. The short term ratings places great emphasis on the liquidity necessary to meet financial commitments.

**Long term ratings:** Generally cover maturities of up to five years. Because of the larger time horizon over which the long term ratings are determined, the emphasis shifts to the assessment of the on going stability of the institution's prospective financial condition, the sensitivity to fluctuations in market conditions, the capacity for maintaining profitability or absorbing losses in a difficult operating environment.

**Individual ratings:** Assess how a bank would be viewed if it were entirely independent and could not rely on external support. They are designed to assess a bank's exposure to, appetite for, and management of risk and thus represents Fitch's view on the likelihood that it would run into such significant difficulties that it would require support.

**Support ratings:** Do not assess the quality of a bank. Rather, they are Fitch's assessment of whether it would receive support in the event of difficulties. Fitch emphasises that these rating constitute their opinions alone – although they may discuss the principles underlying them with the supervisory authorities.

The ratings of organisations and countries will change over time, with some being upgraded and some downgraded. This means that organisations will be added to the lending list or removed depending on their current rating, but are only kept or placed on the list when they meet the credit criteria.

## Country Limit

Exposure limit of £25 Million to be placed with any one country

### Category 1

**GOVERNMENT – no maximum amount because if we have no capacity to place funds with other financial institution we need to place them with the government.**

Debt Management Office  
Treasury Bills  
Government Gilts

### Category 2

**UK NATIONALISED AND PART NATIONALISED BANKS  
(more than 50%)**

**Exposure limit £35 million up to 364 days**

Northern Rock – fully nationalised  
RBS/NatWest – 70% nationalised

## SHORT TERM INVESTMENTS

### Category 3

**Unitary Authorities,  
Local Authorities  
Met. Council, Borough and District Council,  
Fire and Police Authorities,**

**Exposure limit of £25 million up to 364 days**

### Category 4

#### **Banks**

Based on Fitch Ratings

**Short-term Rating** of F1+

**Long term Rating:** AAA, AA+, AA

**Exposure limit of £25 million up to 364 days**

Individual	Support			
	1	2	3	4
A				
A/B				
B				
B/C				
C				
C/D				
D				

### Category 5

#### Banks

Based on Fitch Ratings

Short-term Rating of F1+

Long term Rating: AA-, A+, A

Exposure limit of £20 million up to 6 months

Individual	Support			
	1	2	3	4
A				
A/B				
B				
B/C				
C				
C/D				
D				

### Category 6

#### Banks

Based on Fitch Ratings

Short-term Rating of F1+, F1

Long term Rating: AA-, A+, A

Blue - Exposure limit of £7 million up to 4 months

Green – Exposure limit of £5 million up to 2 months

Individual	Support			
	1	2	3	4
A				
A/B				
B				
B/C				
C				
C/D				
D				

### Category 7

#### Building Societies

Based on Moody's Ratings

Short-term Rating of P1

Long term Rating: Aaa to A

Bank Financial Strength Ratings A – C

Exposure limit of £5 million up to 3 months

## LONG TERM INVESTMENTS OVER 1 YEAR

### Category 8

#### Banks

Based on Fitch Ratings

**Short-term Rating** of F1+

**Long term Rating:** AAA, AA+, AA

**Exposure limit of £10 million for between 1 and 5 years**

Individual	Support			
	1	2	3	4
A				
A/B				
B				
B/C				
C				
C/D				
D				

### Category 9

#### Banks

Based on Fitch Ratings

**Short-term Rating** of F1+

**Long term Rating:** AA-

**Exposure limit of £5 million up to 1 to 2 year**

Individual	Support			
	1	2	3	4
A				
A/B				
B				
B/C				
C				
C/D				
D				

## APPENDIX C

### INSTITUTION

#### CATEGORY 1 - GOVERNMENT

Debt Management Office

No maximum limit as this is our lending of last resort

#### CATEGORY 2 - UK NATIONALISED AND PART NATIONALISED (More than 50%) BANKS

Short Term Exposure limit of £35 Million for 364 days

	COUNTRY	SOVEREIGN RATING	L TERM	S TERM	SUPPORT
Northern Rock	UK	AAA	A-	F1+	1
National Westminster Bank plc	UK	AAA	AA-	F1+	1
Royal Bank of Scotland	UK	AAA	AA-	F1+	1

#### CATEGORY 3- LOCAL AUTHORITIES

Unitary Authorities, London Boroughs,  
Met. Councils, Borough and District Councils,  
Fire and Police Authorities

Exposure limit of £25 Million for 364 days

#### CATEGORY 4 - BANKS

Long Term Rating of AAA, AA+, AA  
Short Term Rating of F1+  
Individual Rating of lowest being B  
Support Rating of lowest being 2

Long Term Exposure limit of £10 Million for 1- 5 years

Short Term Exposure limit of £25 Million for 364 days

	COUNTRY	SOVEREIGN RATING	L TERM	S TERM	INDIV	SUPPORT	Short Term Investment	Long Term Investment
Commonwealth Bank of Australia	Australia	AA+	AA	F1+	A/B	1	Red	Purple
National Australia Bank Ltd	Australia	AA+	AA	F1+	B	1	Red	Purple
Royal Bank of Canada	Canada	AAA	AA	F1+	A/B	1	Red	Purple
BNP Paribas	France	AAA	AA	F1+	A/B	1	Red	Purple
Bank Nederlandse Gemeenten	Netherland	AAA	AAA	F1+	A	1	Red	Purple
Rabobank International	Netherland	AAA	AA+	F1+	A	1	Red	Purple
Banco Popular Espanol	Spain	AAA	AA	F1+	A/B	2	Red	Purple
Banco Santander	Spain	AAA	AA	F1+	A/B	1	Red	Purple
HSBC Bank plc	UK	AAA	AA	F1+	A/B	1	Red	Purple
HSBC Bank USA	US	AAA	AA	F1+	B	1	Red	Purple

#### CATEGORY 5 - BANKS

Long Term Rating of AA-, A+, A  
Short Term Rating of F1+  
Individual Rating of lowest being B/C  
Support Rating of lowest being 2

Long Term Exposure limit of £5 Million for 1- 2 years  
Short Term Exposure limit of £20 Million for 6 months



	COUNTRY	SOVEREIGN RATING	L TERM	S TERM	INDIV	SUPPORT	Short Term Investment	Long Term Investment
Australia & New Zealand Banking Group Ltd	Australia	AA+	AA-	F1+	B	1	Dark Green	Orange
Westpac Bank Corporation	Australia	AA+	AA-	F1+	B	1	Dark Green	Orange
Bank of Montreal	Canada	AAA	AA-	F1+	B	1	Dark Green	Orange
Bank of Nova Scotia	Canada	AAA	AA-	F1+	B	1	Dark Green	Orange
Canadian Imperial Bank of Commerce	Canada	AAA	AA-	F1+	B	1	Dark Green	Orange
Toronto Dominion Bank	Canada	AAA	AA-	F1+	B	1	Dark Green	Orange
Danske Bank AS	Denmark	AAA	AA-	F1+	B	1	Dark Green	Orange
Nordea Bank Finland	Finland	AAA	AA-	F1+	B	1	Dark Green	Orange
ING Bank NV	Netherlands	AAA	AA-	F1+	B	1	Dark Green	Orange
DBS Ltd	Singapore	AAA	AA-	F1+	B	2	Dark Green	Orange
Banco Bilbao Vizcaya Agentaria	Spain	AAA	AA-	F1+	A/B	1	Dark Green	Orange
Confederacion Espanola de Caja de Ahorros	Spain	AAA	AA-	F1+	B	2	Dark Green	Orange
Nordea Bank AB	Sweden	AAA	AA-	F1+	B	1	Dark Green	Orange
Svenska Handelsbanken AB	Sweden	AAA	AA-	F1+	B	1	Dark Green	Orange
Abbey National	UK	AAA	AA-	F1+	B	1	Dark Green	Orange
Barclays Bank plc	UK	AAA	AA-	F1+	B	1	Dark Green	Orange
Lloyds TSB Bank plc	UK	AAA	AA-	F1+	B	1	Dark Green	Orange
Bank of New York Mellon	US	AAA	AA-	F1+	A/B	2	Dark Green	Orange
State Street Bank and Trust Company	US	AAA	AA-	F1+	B	2	Dark Green	Orange
Bank of America NA	US	AAA	AA-	F1+	B	1	Dark Green	Orange
BNY Mellon National Association	US	AAA	AA-	F1+	A/B	2	Dark Green	Orange

#### CATEGORY 6 - BANKS

Long Term Rating of AA-, A+, A or above

Short Term Rating of F1+ and F1

Individual Rating of lowest being C

Support Rating of lowest being 3

**Long Term** Exposure limit of £5 Million for 1- 2 years

**Short Term** Exposure limit of £10 Million for 4 months

**Short Term** Exposure limit of £5 Million for 2 months

	COUNTRY	SOVEREIGN RATING	L TERM	S TERM	INDIV	SUPPORT	Short Term Investment	Long Term Investment
Dexia Bank Belgium	Belgium	AA+	AA-	F1+	C	1	Blue	Orange
KBC Bank NV	Belgium	AA+	A+	F1	B/C	1	Blue	
Calyon Corp and Investment Bank(Rating Alert)	France	AAA	AA-	F1+	C	1	Green	
Societe Generale	France	AAA	AA-	F1+	B	1	Blue	Orange
Deutsche Bank AG	Germany	AAA	AA-	F1+	B	1	Blue	Orange
Dresdner Bank AG	Germany	AAA	A+	F1+	C	1	Green	
Commerzbank AG	Germany	AAA	A	F1	C	1	Green	
Landesbank Baden-Wuerttemberg	Germany	AAA	A+	F1+	C	1	Green	
Norddeutsche Landesbank Girozentrale	Germany	AAA	A	F1	C	1	Green	
ABN AMRO Bank NV	Netherlands	AAA	AA-	F1+		1	Green	
Allied Irish Banks plc	Rep of Ireland	AAA	A	F1+	C	1	Green	
Bank of Ireland	Rep of Ireland	AAA	A	F1+	C	1	Green	
Ulster Bank Ireland Ltd	Rep of Ireland	AAA	A+	F1+	B/C	1	Blue	
Ulster Bank Ltd	UK	AAA	A+	F1+	B/C	1	Blue	

UBS AG	Switzerland	AAA	A+	F1+	B/C	1	Blue	
Alliance & Leicester Plc	UK	AAA	AA-	F1+	B/C	1	Blue	Orange
Bank of Scotland	UK	AAA	AA	F1+	C	1	Green	
HBOS Treasury Services (guaranteed by Bank of Scotland)	UK	AAA	AA-	F1+	C	1	Green	
Clydesdale Bank	UK	AAA	AA-	F1+	B/C	1	Blue	Orange
Northern Trust Company	US	AAA	AA-	F1+	B	3	Green	
Citibank NA	US	AAA	A+	F1+	C	1	Green	

#### CATEGORY 7 - BUILDING SOCIETIES

#### Moody's Credit Ratings

Long Term Ratings Aaa to A

Short Term Ratings P-1

Bank Financial Strength Ratings A - C

#### Exposure limit of £5 Million for 3 months

	COUNTRY		L TERM	S TERM	FSR	Fitch	Short Term Investment	Long Term Investment
Chelsea BS	UK	AAA	A2	P-1	C	**		
Coventry BS	UK	AAA	A2	P-1	C+			
Leeds BS	UK	AAA	A2	P-1	C+			
Nationwide BS	UK	AAA	Aa2	P-1	B			
Newcastle BS	UK	AAA	A2	P-1	C			
Skipton BS	UK	AAA	A2	P-1	C+			
Yorkshire BS	UK	AAA	A2	P-1	C			

#### Group Limits

The following banks operate under their own name but are part of the same banking group

- 1) Bank of Scotland, Halifax plc, HBOS Treasury Services, Lloyds TSB
- 2) Nat West, Ulster Bank and Royal Bank of Scotland
- 3) Dexia Bank (in Belgium), Dexia BIL (in Luxembourg), Dexia Credit Local (in France)
- 4) Credit Agricole and Credit Agricole Indosuez
- 5) HSBC plc, Credit Commercial de France and HSBC Bank USA
- 6) Bank of Ireland and Bristol and West
- 7) Nordea Bank's - Denmark, Finland, Norge ASA, Sweden
- 8) Banco Santander Central Hispano, Abbey National, Alliance & Leicester
- 9) Nationwide Building Society, Derbyshire and Cheshire Building Society
- 10) Barclays, Woolwich

The limits for the Groups will be £25 Million or as per the Lending limit for the individual Bank except for Category 1- DMO

Category 2 - Local Authorities and Category 3 - Nationalised and Part Nationalised Banks

**MONEY MARKET FUNDS**

**Background**

A Money Market Fund is a pooled short-term investment vehicle whose assets are comprised of cash type instruments such as CD short dated bonds, commercial paper and cash deposits.

The concept of Money Market Funds was born in the US in the early 1970s in response to the adverse financial and political conditions prevalent in the country at the time. Offered as a way of improving capital preservation and liquidity, the efficiencies of pooling money market assets was an instant success.

**Legislation Requirements**

To comply with S 451 regulation on Money Market Funds it is necessary to meet the following criteria.

- a) The Fund must be Sterling based.
- b) The Fund must be rated AAA or equivalent (the highest rating achievable)
- c) The must be UCITS approved. (Undertaking for Collective Investments in Transferable Securities)
- d) The Fund must be listed in the Rating Agency Published Listings

**Security of the Funds**

All Funds must have a credit rating of AAA.

The Money Market fund is held as one account with the custodian and is separated from any other business by the custodian i.e. ring fenced. Typically the fund would have no more then 10% of the total fund with any one organisation and more normally have no more than 5%.

A rating of AAA places the Money Market Funds investments rating on a par with Government debt. To achieve such a rating the funds must adhere to the limitations listed below.

<b>CREDIT</b>						
Min % holding of securities credit rated A-1+		Max % holding of securities credit rated A-1	Max % holding of securities credit rated A-2	Max % holding of securities credit rated A-3	Weighted Average Maturity	FRN max life
AAA Limits	50%	50%	0%	0%	60days	Two years

## **Liquidity**

Money Market Funds are highly liquid investment instruments and could be used in a similar way as a Call Account. A core balance is placed in the account but the balance may increase or decrease on any given day according to the amount of surplus cash available. This would assist in the day to day management of the cashflow which is becoming increasingly difficult as a result of the reduction in the Council lending list.

### **Return on Investment in Money Market Funds**

- a) Returns that might be generated from using Money Market Funds are likely to be between 7 Day and 1 Month LIBID (net of fees) over a period of time.
- b) The strict limit placed on the funds by the rating agencies means the returns across AAA Money Market Funds are comparable.
- c) The interest rate is provided daily at close of business and interest is paid monthly.
- d) The key difference between a term deposit and Money Market Funds is that the return on balances will only be known at the end of the investment period, unlike a term deposit then the rate is known at the point of investment.

### **Summary of the benefits of Money Market Funds**

- a) Highest security of funds
- b) Liquidity – same day access
- c) Relatively small amounts can be invested
- d) Enhanced yield
- e) Flexibility and convenience
- f) Strict credit criteria imposed and monitored by the Rating Agencies
- g) Compliance with Best Value

It is proposed that the Council add Money Market Funds to its lending list as a secure and prudent form of investment for short term surpluses of cash.

Since the change in the regulations on approved investments our external advisors on Treasury Management have designed their own selection process to aid investors in evaluating which funds is best for them and currently they are monitoring and reporting on 20 out of the 25 AAA Money Market Funds.

### **Government Liquidity Funds**

Government Liquidity Funds are funds which operate in exactly the same way as a Money Market Funds giving same day liquidity. They are AAA rated funds dealing only in UK and European government papers and are managed on a very cautious basis.

25 FEBRUARY 2009

**LEADER/  
DEPUTY LEADER/  
CABINET MEMBER  
FOR HOUSING**

## **CAPITAL PROGRAMME 2009/10 TO 2013/14.**

**Wards**

This report sets out the current commitments in the capital programme and recommends, after consideration of an updated resource forecast, the setting aside of resources for new investment and the Council's debt reduction strategy.

**All**

## **CONTRIBUTORS**

All Departments

### **Recommendation(s):**

1. To note that the General Fund Capital Programme for 2009/10 is £33.910m. (Appendix 1);
2. To note the level of capital receipts needed to support the capital strategy (detailed in Table 2);
3. To agree that capital contingency of £2m be retained to meet unforeseen and unavoidable expenditure (Para 2.5 refers);
4. To approve the following initiatives within the Capital Programme:
  - The continuation at current funding levels of the uncommitted mainstream capital schemes for Expansion of Wendell Park School (£1.250m), The modernisation of secondary schools (£1.074m), Park Improvements (£1.5m) and Bishops Park (£2m) (Para 2.8 refers);
  - The continuation of the rolling programmes for Corporate Planned Maintenance (£2.5m), repairs to Carriageways and Footways (£2.1m), private sector housing grants (£1.4m) and Disabled Access Works (£0.250m).
5. To approve that £0.727m be set aside for debt reduction in 2009/10;
6. To approve the position where the Council does not increase its borrowing by the amount the government assumes in its Formula grant calculation;

**HAS A PEIA BEEN  
COMPLETED?  
YES**

**25 FEBRUARY 2009**

7. To approve that the capital bids evaluation process will not be undertaken for 2009/10;
8. To note the level of resource forecast as detailed in Table 5 and indicative expenditure for the Housing regeneration programme;
9. To approve the annual drawdown of £1m from Parking Reserve;
10. To note the updated HRA resource forecast as detailed in Table 6 and indicative capital programme as detailed in Appendix 2 to the report;
11. To approve the actions detailed in paragraph 6.2 to address the temporary 2010/11 funding deficit and note that a further report will be presented to Members regarding the HRA capital programme during 2009/10;
12. To approve the prudential indicators as detailed in Appendix 3 to the report;
13. To approve the following Annual Minimum Revenue Provision Statement:
  - For debt which is supported by Revenue Support Grant this authority will calculate the Minimum Revenue Provision in accordance with current regulations (namely 4% of the Capital Financing Requirement net of Adjustment A);
  - For debt which has arisen through prudential borrowing it shall be written down in equal instalments over the estimated asset life. The debt write-off will commence the year after an asset comes into use.

## 1. INTRODUCTION

- 1.1 This report sets out an updated resource forecast and a Capital Programme for 2009/10 to 2013/14. Economic conditions have deteriorated markedly over the past year and forecast receipts have been scaled back. Actions are identified that keep the overall programme in balance. Budget Council (February 2007) approved a net debt reduction target of £17.5m. This should be fully met in 2009/10.
- 1.2 Progress is continuing towards the elimination of non-decent social housing by December 2010 in line with the Government's Public Service Agreement Target 7. Extra investment of £192m will have been made from 2005/06 onwards. There are issues regarding the expenditure and funding profile of the decent homes programme and these are addressed within the proposals for the Housing Revenue Account Capital Programme.
- 1.3 The Council has embarked on a number of major projects such as Building Schools for the Future, the Civic Accommodation Strategy and a range of regeneration schemes. A brief update on these projects is set out in this report and appropriate allowance made within the overall capital programme.

## 2. THE GENERAL FUND CAPITAL PROGRAMME

### 2.1 Summary

The proposed capital programme and resource forecast is summarised in Table 1. The overall programme is forecast to be in surplus to the end of 2011/12 and move towards a cumulative deficit of £1.264m by the close of 2013/14. This level of potential future deficit is considered manageable given the overall size of the programme (£78m to 2013/14) and opportunities for delivering future asset disposals. Allowance has been made for expenditure slippage of 15% regarding the mainstream programme.

**Table 1 – General Fund Capital Programme Summary**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000s	£'000s	£'000s	£'000s	£'000s
Capital Programme (Table 3)	33,910	19,331	9,283	7,583	7,583
Forecast Resources (Table 2)	(38,099)	(17,087)	(7,363)	(5,333)	(8,333)
Allowance for Mainstream Programme slippage	(1,746)	733	(112)	187	0
Budgeted Sum for Debt Reduction	727	0	0	0	0
<b>In-Year (Surplus)/Deficit</b>	<b>(5,208)</b>	<b>2,977</b>	<b>1,808</b>	<b>2,437</b>	<b>(750)</b>
<b>Cumulative Balance (Surplus)/Deficit</b>	<b>(5,208)</b>	<b>(2,231)</b>	<b>(423)</b>	<b>2,014</b>	<b>1,264</b>

## 2.2 Resources

The current general fund resource forecast is shown in Table 2. In line with the debt reduction strategy no provision is made for new borrowing to support mainstream capital expenditure. The core mainstream capital programme continues to be funded from capital receipts. New borrowing will only be undertaken in exceptional circumstances, such as an unforeseen shortfall in capital receipts, or to support specific prudential schemes for which Member approval has been granted.

**Table 2 - General Fund Resource Forecast.**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000s	£'000s	£'000s	£'000s	£'000s
Right to Buy Receipts	500	500	1,000	1,000	1,000
General Capital Receipts	15,021	5,080	4,580	3,000	6,000
Scheme Specific Resources	22,578	11,507	1,783	1,333	1,333
<b>Total Forecast Resources</b>	<b>38,099</b>	<b>17,087</b>	<b>7,363</b>	<b>5,333</b>	<b>8,333</b>

2.3 **Right to Buy (RTB) Receipts.** Usable RTB receipts (25% of sale value) are now running at £0.5m (10 properties) a year and are not expected, given current market conditions, to increase over the next 2 years. An uplift to £1m per annum is provided for from 2011/12 onwards. The Council continues to explore options that promote the shared ownership of Council dwellings. No income from such schemes is assumed within the resource forecast. Estimated RTB receipts are £2.5m lower than the level assumed within last years 5-Year resource forecast.

2.4 **General Capital Receipts.** The forecast level, and timing, of receipts is subject to certain caveats. Not least they are dependant on the wider property market and planning considerations. The Council is continuously reviewing its asset holdings and further receipts will be added to the disposals programme as appropriate. Provision is made within the resource forecast of £3m per annum from 2010/11 onwards (£6m in 2013/14) for new, as yet unidentified, receipts. This position will need to be kept under close review. The economic downturn has had an impact on the forecast sales value. Over the past year anticipated receipts, on a like-for-like basis, have reduced by approximately £2.3m.

2.5 **Specific Funding Allocations.** 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.

2.6 **Capital Contingency.** The Council has a capital contingency which is used to meet exceptional items, such as settlement of legal claims or contractual disputes. The contingency will stand at £2m in 2009/10. Any use of the contingency will be subject to Member approval and reported through the monthly capital monitoring reports.

## 2.7 Expenditure

The proposed General Fund Capital Programme is set out in Appendix 1 and is summarised in Table 3.



**Table 3 – 2009/10 to 2013/14 Core Capital Programme**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
Completion of Existing Schemes (mainstream)	3,082	1,574	1,250	0	0
Continuation of Rolling Programmes	6,250	6,250	6,250	6,250	6,250
Contingency	2,000	0	0	0	0
Scheme Specific Schemes	22,578	11,507	1,783	1,333	1,333
<b>Total</b>	<b>33,910</b>	<b>19,331</b>	<b>9,283</b>	<b>7,583</b>	<b>7,583</b>

2.8 **Completion of Existing Schemes.** The expenditure requirement for existing schemes is based on delivering currently approved capital schemes. Account has been taken of slippage, in the current year from 2008/09 to 2009/10.

2.9 The existing capital programme includes a number of schemes that are currently uncommitted. These are:-

- Expansion of Wendell Park School. Future funding (2011/12) of £1.250m continues to be set aside for the expansion of Wendell Park School. It is anticipated that these resources will be supplemented by a developers' Section (106) contribution of £0.450m. It is envisaged that as the Lydon Road development matures school role numbers will increase and work will be required to remodel the school.
- Modernisation of Secondary Schools Provision of £1.074m (2010/11) continues to be set aside for Education Modernisation schemes. This funding was originally provided as match funding for a Targeted Capital Grant Fund Allocation of £4.535m. This programme is providing for improvements to be made to a number of secondary schools.
- Improvement to Parks. Budget provision of £1.5m was approved in 2007/08 to undertake a range of park improvements. A programme of works is currently being considered and a provision of £0.957m has been slipped into 2009/10. The council has now secured a number of section 106 contributions that will also fund park improvements. In appropriate cases the balance of funding between section 106 and mainstream resources will be reviewed.
- Bishops Park. Cabinet on the 3<sup>rd</sup> March 2008 gave approval for the submission of the stage 1 application of £4m for a "Parks for People Lottery Grant for the Bishops Park and Fulham Palace grounds restoration and revival project. Approval was also given for the earmarking of a maximum of £2m of capital programme funding and to set aside an additional £0.9m from council reserves to underwrite the scheme should proposed elements of the partnership funding fail to be secured.

- 2.10 **White City Community Centre and Nubian Life.** Resources of £0.775m have been set aside since 2005/06 for a Council contribution to a scheme that would provide for a complete rebuild and cost in excess of £2.2m. It has not been possible to progress the original proposal and alternative options are being looked at. Pending further clarification separate provision is no longer made within the capital programme for this scheme. However, this funding will need to be available in future years and will therefore be ring-fenced for the White City Community Centre and Nubian Life. Appropriate provision for this sum will be carried forward within reserves.
- 2.11 **Shepherds Bush Library.** The capital programme includes funding of £1.860m for this scheme. The original intention was that this would be fully funded from section 106 contributions regarding the Westfield Development. Higher than anticipated costs required the Council to initially set aside mainstream resources of £0.360m to enable the scheme to progress. Review is in progress to determine if the scheme, as originally intended, can be fully funded from section 106 contributions. This will require agreement with the relevant developer and approval by the Planning Committee. The updated capital programme assumes full funding from section 106 contributions and other specific resources.
- 2.12 **Rolling Programmes.** The capital programme provides for the continuation, at current funding levels, of the annual programmes for Corporate Planned Maintenance (£2.5m) to address and reduce the backlog in maintenance as recognised in the Council's Asset Management Plan, repairs to Carriageways and Footways (£2.1m), and Disabled Access works (£0.25m).
- 2.13 The 2008/09 Capital Programme provided for an annual rolling programme, funded from mainstream resources, of £1.6m for housing private sector grants. Subsequently slippage of £0.774m was carried forward from 2007/08 to 2008/09. Monitoring of the current year programme suggests that significant further slippage will arise between 2008/09 and 2009/10. Given the overall position of the capital programme the annual rolling programme has been reduced to £1.4m per annum and provision no longer made for the 2007/08 slippage of £0.774m.
- 2.14 **New Investment.** A capital investment evaluation process is set out in the Council's capital strategy. It requires Directors to consult on scheme proposals with their respective Cabinet Members and submit schemes for evaluation using the current forms. In view of the Council's priority to focus on debt reduction, and the impact of market conditions on forecast receipts, the Corporate Management Team agreed not to undertake the investment evaluation process for 2009/10. No new investment, except in the rolling programmes and previously approved schemes, is currently provided for within the 2009/10 to 2013/14 mainstream funded capital programme.

### **3. DEBT REDUCTION STRATEGY**

- 3.1 The Council is committed to reducing the current level of capital debt. Budget Council, in February 2007, approved a target of setting aside £17.5m of capital receipts for debt redemption by 2011/12. Debt reduction of £7.441m was achieved in 2007/08 and we are on target to reduce debt by £9.332m in 2008/09. The balance of £0.727m will be realised in 2009/10. The debt reduction target is forecast to deliver annual revenue savings, through lower capital financing charges, of £2.3m per annum by 2010/11.

#### 4. REGENERATION PROGRAMME

- 4.1 Options were developed in 2007/08 for the delivery of housing capital receipts to support the Council's objectives regarding regeneration and creating sustainable communities. The current regeneration receipts forecast, and expenditure plan, is summarised in table 5.

**Table 5 - Regeneration Resource/Expenditure Forecast.**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000s	£'000s	£'000s	£'000s	£'000s
Forecast expenditure	4,000	1,500			
Resources:					
Brought forward from 2008/09	(8,708)	0	0	0	0
Capital Receipts	(12,097)	0	(6,500)	0	0
Decent Homes Programme	2,946	2,000	0	0	0
Cost of sales	327	176	0	0	0
<b>Forecast (Surplus)/Deficit Resources</b>	<b>(13,532)</b>	<b>3,676</b>	<b>(6,500)</b>	<b>0</b>	<b>0</b>
<b>Cumulative (surplus) resources</b>	<b>(13,532)</b>	<b>(9,856)</b>	<b>(16,356)</b>	<b>(16,356)</b>	<b>(16,356)</b>

- 4.2 The resources forecast include the sale of expensive to repair void properties. Part of this sum (£4.9m) has been made available to support the decent homes programme. It is anticipated that additional void properties will be identified for disposal over the next 5 years and these will be added to the resource forecast as appropriate.
- 4.3 To date the most significant scheme approved is Watermeadow Court. This represents HRA capital expenditure and will be accounted for accordingly. Other regeneration proposals are expected to be brought forward for consideration in the forthcoming months. In most instances the Council will need to incur some capital expenditure before sites can be brought forward for regeneration.
- 4.4 The resources available for the regeneration programme continue to be separately identified and their use is subject to Member approval.

#### 5. OTHER MATTERS

- 5.1 The Council is currently progressing a number of major projects that are likely to impact on the capital programme over the next 5 years. An update is provided in this section on current progress. As these projects are progressed appropriate amendments will be made to Capital Estimates
- 5.2 **Building Schools for the Future (BSF).** BSF is a government funded programme that is intended to deliver transformational teaching and learning environments to secondary age students. Based on pupil numbers it has been estimated that the Council may eventually attract capital funding, either as capital grant or through revenue support for Private Finance Initiative (PFI) expenditure,

of £170m. The BSF Team within Children's Services is currently developing its Strategy for Change Part 2 as a gateway to an Outline Business Case for submission to the DCSF by June 2009.

- 5.3 The ultimate funding mix and amounts receivable will be dependent upon the final pupil mix and the individual school proposals contained within the Outline Business Case. However, the funding model indicates that 50% of the funding will be delivered through PFI credits, and 50% will be capital grant.
- 5.4 In order to progress BSF, up front investment is required to work up the programme delivery. Revenue costs of £0.279m were incurred in 2007/08 and these were met from Corporate Contingency. Further start up costs, up to £6.4m, are likely to be incurred. It is anticipated that these can be met from within existing revenue resources within Children's Services.
- 5.5 **Primary and Special Schools Strategy.** The strategy sets out a vision for the next five years. The vehicle for implementation of the Primary Strategy is the Primary Capital Programme which will provide capital funding for transformation of the primary estate from 2009/10 over a period of 15 years. The current indicative funding allocation is £3.159m in 2009/10 and £5.537 in 2010/11. The funding allocation for H&F assumes a rebuilding factor, based on deprivation indices, of 10%. This implies that over the life of the programme, 10% of the funding would be delivered via PFI credits with the balance being capital grant. We are currently scheduled to resubmit our Primary Strategy for Change in January 2009 to obtain DCSF approval to this programme. The capital programme currently assumes that £0.6m of the primary capital funding will be made available to support the provision of a Hydrotherapy Pool at Jack Tizzard School. This is subject to confirmation.
- 5.6 **Civic Accommodation Strategy.** The Council is currently taking forward proposals for a major change to the existing Civic Accommodation provision in Hammersmith. At present a developer has been appointed to take forward this scheme. It is hoped that the strategy can be delivered at net nil cost to the Council but this position, particularly in the light of the current economic conditions, will need to be kept under review. Amendments will be made to the capital expenditure and resource forecast as appropriate and in line with Members approval.
- 5.7 **White City Collaborative Care Centre (LIFT CO)** - Work is now expected to start on site during 2009 on the White City Collaborative Care Centre. The centre will be both a flagship joint health and social care service centre operated in conjunction with H&F PCT, and a major housing development delivering on the Council's priority to increase home ownership in the borough. It is also expected to play a significant role in regenerating the physical environment in the north of the borough.
- 5.8 The project will be delivered via a Lift Co arrangement, a health finance vehicle with similarities to a PFI deal, where the Council will take a lease-plus interest in the building for a period of 25 years. The cost of the lease plus agreement will be met by freeing up various satellite premises as teams move into the new centre. The Collaborative Care Centre is based on the old Janet Adegoke Leisure Centre site, incorporating the Children's Services site at Sawley Road. The Council is still awaiting the outcome of a PFI credits bid of £4.35m to fund its ongoing running costs.

5.9 The planning permission, subject to the completion of a section 106 Legal agreement, is for 175 residential units above the collaborative care centre, comprising of 105 market units and 70 affordable. The 70 affordable units will be a mixture of bed sizes from studio accommodation through to family sized dwellings. The affordable housing will be low cost home ownership tenures affordable to residents in the borough on low moderate incomes

## 6. HOUSING REVENUE ACCOUNT

6.1 The latest capital resource forecast for the Housing Revenue Account is set out in table 6 below , together with the proposed Housing Revenue Account Capital Programme.

**Table 6 - HRA Capital resource forecast**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000s	£'000s	£'000s	£'000s	£'000s
Planned HRA Capital Programme	93,348	66,730	12,713	6,676	6,570
Resources:					
Supported Borrowing	(49,978)	(10,755)	(6,072)	(6,072)	(6,072)
Major Repairs Allowance	(29,675)	(23,540)	(12,057)	(12,361)	(12,361)
Capital Receipts	(2,530)	0	0	0	0
Expensive Voids	(2,946)	(2,000)	0	0	0
Leasehold Contributions	(5,346)	(15,968)	(5,396)	0	0
<b>Total mainstream resources</b>	<b>(90,475)</b>	<b>(52,263)</b>	<b>(23,525)</b>	<b>(18,433)</b>	<b>(18,433)</b>
Specific Funding	(2,873)	(2,135)	(2,010)	0	0
<b>Total Resources</b>	<b>(93,348)</b>	<b>(54,398)</b>	<b>(25,535)</b>	<b>(18,433)</b>	<b>(18,433)</b>
In-Year (Surplus) / Deficit	<b>0</b>	<b>12,332</b>	<b>(12,822)</b>	<b>(11,757)</b>	<b>(11,863)</b>
Cumulative (Surplus) / Deficit	<b>0</b>	<b>12,332</b>	<b>(490)</b>	<b>(12,247)</b>	<b>(24,110)</b>

6.2 The programme identifies a potential cumulative funding deficit of £12.332m by 2010/11, with the programme moving back to a net surplus in 2011/12. Actions are detailed below to address the temporary 2010/11 funding deficit.

- Rescheduling to beyond 2010/11 schemes or elements of work that do not relate specially to the decent homes standard. This will include the provision of new or upgrade of existing controlled entry systems; the provision of integrated digital TV reception systems; and other non-essential works such as environmental improvements. It is estimated that this action could reduce expenditure by up to £3m.
- Increasing the provision for contract payments falling due in subsequent financial years following completion of the decent homes programme in 2010/11. In addition to retention monies being payable in 2011/12, it is likely that the settlement of some final accounts will be protracted and difficult. It is suggested that allowance of £2m be made for additional rescheduling of contract payments to future years.

- Contract efficiencies. The current contracts provide 5% for contingency sums as well as including a significant level of provisional items. Effective contract management should allow efficiencies to be delivered. It is suggested that this could potentially realise further cost reductions of up to £2m.
- Use of temporary HRA prudential borrowing. Were all the above actions realised the forecast 2010/11 deficit would reduce to £5.332m. Temporary prudential borrowing could be undertaken to meet this gap. This would be repayable from the surplus resources available in 2011/12. There would also be a revenue implication in 2011/12 to meet the interest costs arising.

The overall impact of the above options on the HRA Capital Programme is set out in Table 7.

**Table 7 – Options to Reduce the forecast HRA Funding Deficit**

	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
Draft In-year (Surplus) / Deficit (Table 6)	0	12,332	(12,822)	(11,863)	(11,863)
Rescheduling of work not affecting decent homes	0	(3,000)	3,000	0	0
Reprofiling of contract payments	0	(2,000)	2,000	0	0
Contract Efficiencies	0	(2,000)	0	0	0
Temporary prudential borrowing and subsequent repayment	0	(5,332)	5,332	0	0
<b>Revised In-Year (Surplus) /Deficit</b>	<b>0</b>	<b>0</b>	<b>(2,490)</b>	<b>(11,757)</b>	<b>(11,863)</b>
<b>Revised Cumulative (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>(2,490)</b>	<b>(14,247)</b>	<b>(26,110)</b>

6.3 The resource forecast includes potential leaseholder contributions of £27m towards the costs of major works. The estimation of the sum due regarding leaseholder contributions is a complex process. It involves estimations not only of the value of rechargeable works but also the timing of completion, billing and settlement of accounts. This calculation is further complicated by the need to gauge the likely take-up of the various payment options now offered to leaseholders. There is a risk that the sums due may be lower than anticipated or slip to later years. This would impact on the forecast 2010/11 deficit. The position of leaseholder contributions will be kept under close review and regular feedback provided through the monthly Corporate Capital Monitor report.

6.4 The provisional 2011/12 HRA capital programme provides for expenditure of £12.713m. Expenditure above this level may mean that the temporary funding deficit extends beyond 2010/11. Review will be required to confirm that it is realistic for spend pressures to be managed within this funding envelope. This process will be informed by the results of the new stock condition survey which is due to report in February 2009.

## **7. DIRECTOR OF FINANCE COMMENTS**

- 7.1 The Report sets out spending plans for the General Fund, Regeneration, and Housing Revenue Account Capital Programme.
- 7.2 Actions have been identified that maintain the General Fund programme in broad balance over the next 5 years whilst still meeting the debt reduction target. There are a number of risks associated with the programme. In particular:
- The core programme is based on the delivery of a number of rolling programmes with no mainstream investment in new schemes. No allowance, except the capital contingency of £2m, is made for meeting unavoidable additional works, investment in service improvements or other Council priorities. There is a risk that demand for new investment may exceed the available capital contingency.
  - The Council is involved in a number of major initiatives, such as Building Schools for the Future, the Civic Accommodation Strategy and the White City Collaborative Care Centre. Given the complexity and size of these initiatives, and current economic conditions, there may be increased pressure for significant council investment.
  - Current economic conditions have increased uncertainty regarding the realisation of capital receipts. There is a risk that the current downturn may be more prolonged and extensive than currently assumed.
  - The receipts forecast provides for £15m of currently unidentified receipts to be delivered between 2010/11 and 2013/14. Action will be required to identify suitable sites for disposal and to bring them forward for sale.
- 7.3 The Regeneration programme is forecast to be in surplus by £16.356m. Options for the use of this sum continue to be developed.
- 7.4 The Housing Revenue Account Capital programme is forecast to be in significant deficit by 2010/11. It is currently assumed that this position will be temporary and reversed in 2011/12. Actions are set out in section 6 that seek to address this deficit.
- 7.5 In accordance with the requirements of the Prudential Code for Capital Finance local authorities are required to maintain a number of prudential indicators. These are set out in appendix 3. The indicator used to reflect the underlying need of an authority to borrow for a capital purpose is the Capital Financing Requirement (CFR). The General Fund CFR is estimated to be £139m at the start of 2009/10. The proposals set out in this report are estimated to reduce the CFR to £128m by the close of 2011/12. This is a reduction of £11m (9%) and arises from the sums identified in this report, for debt redemption plus the annual amounts charged to revenue, the minimum revenue provision, for debt redemption.
- 7.6 Each year local authorities are required to set aside some of their revenues as provision for debt repayment. This is commonly termed the minimum revenue provision (MRP). Before the start of each financial year full council is required to approve a statement of its policy on making MRP in respect of that financial year. Appendix 4 sets out the options now available to Hammersmith and Fulham and recommends which option should be followed.

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

<b>No.</b>	<b>Brief Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department</b>
1.	Capital Monitoring Documents	Isaac Egberedu Ext 2503	Finance Dept., 2 <sup>nd</sup> floor , HTH Extension



GENERAL FUND CAPITAL PROGRAMME 2009/10 - 2013/14

			EXPENDITURE								FUNDING	
Schemes	Description	Funding Source	Planned Expenditure to 31/03/09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	Total Scheme	Mainstream	Scheme Specific	
			£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	
<b>CHILDREN'S SERVICES</b>												
1	Fostering Services-Expansion of house placement (Mainstream)	Formation of additional bedroom accommodation with en-suite facilities for a foster family placement.	Mainstream	161	200	-	-	-	-	361	361	-
2	Targetted Capital	Balance of initial Grant allocation of £4.535m for Secondary School Modernisation.	DCSF Grant		2,202	1,074	-	-	-	3,276	1,074	2,202
3	Phoenix High School - Refurbishment of The Redway Block (Grant)	To carry out refurbishment of the Redway building at Phoenix High School to create a state of the art IT facility with Community Access	Targetted Capital + Mainstream	1,399	113	-	-	-	-	1,512	-	1,512
4	Fulham Corss School - New Foreign Language Block	The works comprise the construction of a new independent block providing state of the art IT language teaching facilities.	Targetted Capital + Mainstream	438	-	-	-	-	-	438	-	438
5	Henry Compton School - New Performance Arts Building	The works comprise the construction of a new independent performing arts block providing internally flexible performing arts auditorium with a professional stage lighting and audio system.	Targetted Capital + Mainstream	383	-	-	-	-	-	383	-	383
6	Devolved Formula Capital (DCSF)	Devolved Formula Capital gives maintained schools direct funding to help support the capital needs of their buildings. It is initially allocated to local education authorities who are then required to allocate the funding directly to schools using a formula.	DCSF Grant	6,728	1,467	1,467	-	-	-	9,663	-	9,663
7	Harnessing Technology (DCSF)	This funding, alongside other funding available for ICT , is made available to support schools in delivering the priorities of the government's Harnessing Technology strategy.	DCSF Grant	338	364	394	-	-	-	1,096	-	1,096
8	Youth Capital Fund (DCSF)	This Grant, funded by the DCSF, has been developed to allow young people between 13-19 years old to apply for funding to develop projects that increase the number of 'places to go and things to do'.	DCSF Grant	88	88	88	-	-	-	264	-	264
9	Short Breaks Funding allocation (DCSF)	This capital grant is yet to be allocated. It is to be used to secure equipment, building adaptations, and new facilities that will support disabled children's short break	DCSF Grant	-	95	221	-	-	-	316	0	316

			EXPENDITURE								FUNDING	
Schemes	Description	Funding Source	Planned Expenditure to 31/03/09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	Total Scheme	Mainstream	Scheme Specific	
10 Primary Capital Programme (DCSF)	This capital grant is yet to be allocated. Its key aim is to enable local authorities to rebuild or take out of use the five per cent of schools that are in the worst physical condition and to significantly improve at least half of all primary schools.	DCSF Grant	-	2,559	5,537	-	-	-	8096	0	8096	
11 Childrens Play Initiative	To be used in the development of free, open-access play provision for children.	CHOTHER S	431	29	26	-	-	-	486	-	486	
12 Wendell Park Extension (Mainstream + S106)		Mainstream & S106	-	-	-	1,700	-	-	1,700	1,250	450	
13 Jack Tizzard School (Hydrotherapy Pool) (PCT contribution + Primary Capital Grant)	Development of a hydrotherapy pool on the site of Jack Tizzard Special School. This pool will provide therapy and recreation opportunities for disabled children and young people at the school, and for those living	LBHF AND H&F PCT	-	1,200	-	-	-	-	1,200	-	1,200	
14 Modernisation Grant	To improve the infrastructure of the school estate.	DCSF Grant/ Mainstream	-	-	883	-	-	-	883	-	883	
15 Extended Schools	This supports the development of extended schools which will offer access to a range of services for children, young people, their families and communities often beyond the school day	DCSF Grant / Mainstream	-	252	130	-	-	-	382	-	382	
<b>Subtotal Mainstream - Children's Services</b>			<b>161</b>	<b>200</b>	<b>1,074</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>2,685</b>	<b>2,685</b>		
<b>Subtotal Scheme Specific - Children's Services</b>			<b>9,805</b>	<b>8,370</b>	<b>8,747</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>27,371</b>		<b>27,371</b>	
<b>TOTAL CHILDREN'S SERVICES</b>			<b>9,966</b>	<b>8,570</b>	<b>9,821</b>	<b>1,700</b>	<b>-</b>	<b>-</b>	<b>30,056</b>	<b>2,685</b>	<b>27,371</b>	
<b>COMMUNITY SERVICES</b>												
14 Private Sector Housing Grants (Mainstream)	This discretionary grant is available to carry out repairs to private properties including repair and improvement works to bring properties up to the decent homes standard, to improve and/or repair the common parts of buildings containing one or more flats, for improvement and bringing empty homes back into use	Mainstream	2399	1400	1400	1400	1400	1400	9,399	9,399	-	
15 Day Centre/Community Centre (Nubian Life)-(Mainstream)	Whit city community centre and Nubian Life: Building a new day centre with community space.	Mainstream	42	-	-	-	-	-	42	42	-	
16 Adults' Personal Social Services - Social Care SCP -(DoH)	This grant is aimed at enabling care homes to enhance the physical environment (under the Dignity in Care initiative) and be more responsive to the needs of older residents.	DoH	150	107	107	-	-	-	364	-	364	
17 Adults' Personal Social Services - Mental Health SCP (DoH)		DoH	263	123	123	-	-	-	509	-	509	

			EXPENDITURE								FUNDING	
Schemes	Description	Funding Source	Planned Expenditure to 31/03/09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	Total Scheme	Mainstream	Scheme Specific	
18 Adults' Personal Social Services - Social Care IT Infrastructure (DoH)	This grant is aimed at enabling local authorities to develop their IT infrastructure and enable them to rollout the CAF from 2011.	DoH	61	125	68	-	-	-	254	-	254	
19 229 King St - Adaptation and Improvement of Existing Hostel (DCLG)	To carry out adaptation and improvement works to the existing hostel at Rivercourt Church House, 229 King st, aimed at providing modern temporary accommodation for rough sleepers.	DCLG Grant	1,075	238	-	-	-	-	1,313	-	1,313	
20 Disabled Facilities Grant - Private Clients (DCLG)	A Disabled Facilities Grant is a local council grant to help towards the cost of adapting homes enabling disabled residents continue to live there. A grant is paid when the council considers that changes are necessary to meet the needs, and that the work is reasonable and practical.	DCLG Grant	753	333	333	333	333	333	2,418	-	2,418	
21 Safer Communities Fund (Home Office)	The fund is aimed at helping communities to deliver crime and disorder reduction activities, strengthen the ability of communities to resist drugs and act against drug misuse etc.	Home Office Grant	182	91	91	-	-	-	364	-	364	
<b>Subtotal Mainstream - Community Services</b>			<b>2,441</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>	<b>9,441</b>	<b>9,441</b>		
<b>Subtotal Scheme Specific - Community Services</b>			<b>2,484</b>	<b>1,017</b>	<b>722</b>	<b>333</b>	<b>333</b>	<b>333</b>	<b>5,222</b>		<b>5,222</b>	
<b>TOTAL Community services</b>			<b>4,925</b>	<b>2,417</b>	<b>2,122</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>	<b>14,663</b>	<b>9,441</b>	<b>5,222</b>	
<b>RESIDENTS SERVICES</b>												
22 Wormholt Park (MAINSTREAM)	Provision for parks improvements.	Mainstream	66	107	0	-	-	-	173	173	-	
23 Bishops Park (MAINSTREAM +Lottery Bid Matching Fund)	Restoration and improvements to Bishops Park and Part of Fulham Palace grounds.	Mainstream	299	1750	500	-	-	-	2,549	2,549	-	
24 Lillie Road Rec (MAINSTREAM)	Provision for parks improvements.	Mainstream	75	75	0	-	-	-	150	150	-	
25 Hammersmith and Fulham Parks (MAINSTREAM)	Provision for parks improvements.	Mainstream	-	850	-	-	-	-	850	850	-	
26 Shepherd's Bush Library (s106+Efficiency Reserve + Contingency)	The provision of a replacement Shepherds Bush Library as part of the planning gain negotiations with Westfield Developers for the new shopping centre at Shepherds Bush.	S106/ Efficiency Reserve/ Mainstream	300	1,560	-	-	-	-	1,860	-	1,860	
<b>Subtotal Mainstream - Residents Services</b>			<b>440</b>	<b>3,093</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,722</b>	<b>3,722</b>		
<b>Subtotal Scheme Specific - Residents Services</b>			<b>300</b>	<b>1,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,860</b>		<b>1,860</b>	

			EXPENDITURE							FUNDING	
Schemes	Description	Funding Source	Planned Expenditure to 31/03/09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	Total Scheme	Mainstream	Scheme Specific
<b>Total Residents Services</b>			<b>740</b>	<b>4,342</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,582</b>	<b>3,722</b>	<b>1,860</b>
<b>ENVIRONMENT SERVICES</b>											
29 Disabled Access to Office Buildings (Mainstream)	Making council buildings accessible in compliance with Disability Discrimination Act 1995.	Mainstream	1433	250	250	250	250	250	2,683	2,683	-
30 Carriageways (Mainstream)	Borough wide planned maintenance of carriageways.	Mainstream	5018	1349	1349	1349	1349	1349	11,763	11,763	-
31 Footways (Mainstream)	Borough wide planned maintenance of footways.	Mainstream	3112	751	751	751	751	751	6,867	6,867	-
32 Planned Maintenance (Mainstream)	This is an annual programme of works to be carried out to council properties excluding Housing and Schools which have their own separate programmes. This funding is for refurbishment works or the replacement of plant and equipment to buildings and arises from building surveys and bids from departments.	Mainstream	9633	2500	2500	2500	2500	2500	22,133	22,133	-
33 Repairs to Thames River Wall (Mainstream)	Repair damage to riverwall - demolish and reconstruct.	Mainstream	400	100	0	-	-	-	500	500	-
34 20 Miles Per Hour Zones	Borough wide 20mph zones.	TFL	1,110	100	-	-	-	-	1,210	-	1,210
35 Accessibility	Borough wide local area accessibility improvements.	TFL	263	60	-	-	-	-	323	-	323
36 Borough priorities	???	TFL	-	100	-	-	-	-	100	-	100
37 Bridge strengthening and assessment	Hammersmith Road Olympia Bridge funded by TFL and Network Rail	TFL	-	400	-	-	-	-	400	-	400
38 Bus Priority (TFL)	Borough wide bus priority improvements.	TFL	2,383	900	-	-	-	-	3,283	-	3,283
39 Bus Stop Accessibility (TFL)	Borough wide bus stop accessibility improvements.	TFL	326	80	-	-	-	-	406	-	406
40 Cycling (local)	Borough wide cycling improvements	TFL	-	200	-	-	-	-	200	-	200
41 London Cycling Network+	Borough wide cycling improvements.	TFL	2,138	300	-	-	-	-	2,438	-	2,438
42 Local Safety Schemes (TFL)	Borough wide local safety scheme improvements.	TFL	1,815	300	-	-	-	-	2,115	-	2,115
43 Parallel Initiatives (North End Road)	To improve traffic flow / safety for all users (including pedestrians).	TFL	140	165	-	-	-	-	305	-	305
44 Principal Road Renewals (TFL)	Borough wide principal road maintenance. Further funding promised by TFL.	TFL	2,003	406	-	-	-	-	2,409	-	2,409

			EXPENDITURE							FUNDING	
Schemes	Description	Funding Source	Planned Expenditure to 31/03/09	2009 / 10	2010 / 11	2011 / 12	2012 / 13	2013 / 14	Total Scheme	Mainstream	Scheme Specific
45	Regeneration	TFL	-	130	-	-	-	-	130	-	130
46	School Travel Plans (TFL)	TFL	580	300	-	-	-	-	880	-	880
47	Walking (TFL)	TFL	255	200	-	-	-	-	455	-	455
48	Hammersmith Town Centre Improvement	S106	20	480	-	-	-	-	500	-	500
49	54-108 Uxbridge Road - Building Improvement	S106- Westfield White City Shopping centre 106 Agreement	175	385	-	-	-	-	560	-	560
50	Normand Park Development	S106 - Empress State,NDC, Arts Council	2,536	77	0	-	-	-	2,613	-	2,613
51	Imperial Wharf- Railway Station (Various)	Various, s106 St George plc, TFL, Sainsbury, LB of K&C, LB of H&F	5,527	1,473	-	-	-	-	7,000	-	7,000
52	Shepherds Bush Common Improvement Project (s106)	S106	505	3,257	1,038	-	-	-	4,800	-	4,800
53	Highways and Footways	Parking Reserve Account	335	1,270	1,000	1,000	1,000	1,000	5,605	-	5,605
54	Imperial Wharf -Traffic Calming	S106		400					400	-	400
55	Pedestrian and Cycle 1	S106		100					100	-	100
56	Fulham Palace Road Subway	S106		95					95	-	95
57	Quadrangle Ducane Road (S106)	S106		40					40	-	40









	Schemes	DESCRIPTION	EXPENDITURE					
			Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12	Forecast Budget 2012/13	Forecast Budget 2013/14	Total
	<b>Total Major Refurbishments</b>		<b>3,588</b>	<b>5,185</b>	<b>2,505</b>	<b>606</b>	<b>500</b>	<b>12,384</b>
	<b>Preventative Planned Maintenance</b>							-
21	Main Programme	Cyclical painting and pre-paint repairs	1,200	1,200	2,500	2,500	2,500	9,900
			<b>1,200</b>	<b>1,200</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>9,900</b>
	<b>Minor Programmes</b>							-
22	Emergency Unforeseen	Budget for unforeseen works	50	50	50	50	50	250
23	Minor Estate Improvements (MEI)	Estate improvement programme led by tenant and resident associations	270	270	270	270	270	1,350
24	Groundwork Environment	Environmental improvements to housing estates	200	200	200	200	200	1,000
25	Feasibility Future Schemes	Feasibility work for future schemes	50	50	50	50	50	250
26	Controlled Access Total	Renewal of life-expired controlled access systems	100					100
27	Water Tanks Programme Phase4	Renewal of communal water tanks and associated works	300	200	200			700
28	Charecroft-Amenity Deck Landscaping Ph 3	Improvements to amenity decks serving Bush/Shepherds Courts	241	50				291
29	Charecroft Emergency Lighting	Renewal of emergency lighting	3					3
30	Salaries and Project Management	Staff costs associated with major capital works	1,750	1,400				3,150
31	HMS Futures Project	Various projects including refurbishment of Hammersmith North area housing office	147					147
32	Drake/Shackleton booster pumps	Provision of mains water booster pumps	3					3
33	Standish Hse booster pumps	Provision of mains water booster pumps	2					2
34	Maystar Environmentals	Environmental improvements	4	3				7
	<b>Total Minor Programmes</b>		<b>3,120</b>	<b>2,223</b>	<b>770</b>	<b>570</b>	<b>570</b>	<b>7,253</b>
	<b>PRE PARTNERING SCHEMES</b>							-
35	Flora Gardens,161-197	External refurbishment including roofs, windows and doors	93					93
			<b>93</b>	-	-	-	-	<b>93</b>
	<b>DECENT HOMES PARTNERING</b>							-
36			-	-				-
	<b>Framework Area 1 - Hammersmith North</b>							-
37	Contract 1A: Wormholt Phase 1	Internal refurbishment and external refurbishment including doors, windows and roofs	44		-			44
38	Contract 1B: Batman Close	Internal refurbishment and external refurbishment including windows and doors.	44		-			44
39	Contract 1C: Wood Lane Estate	Internal refurbishment and external refurbishment including doors, windows and roofs.	671	45				716

			EXPENDITURE					
			Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12	Forecast Budget 2012/13	Forecast Budget 2013/14	Total
Schemes	DESCRIPTION							
40	Contract 1D: Wormholt Phase 2	External refurbishment including roofs, windows and doors	1,050	34				1,084
41	Contract 1E: Scrubs Lane et al	Internal refurbishment and external refurbishment including doors and windows	549	21				570
42	Contract 1F: Sundew Ave et al	External refurbishment including windows and doors	738	26				764
43	Contract 1GJKL-External: Adelaide Grove et al	External refurbishment including windows and doors	546	1,349	100			1,995
44	Contract 1GJKL-Internal: Adelaide Grove et al	Internal refurbishment	375	19				394
45	Contract 1H - Bramble Gdns et al	Internal refurbishment and external refurbishment including doors and windows	1,022	600	100			1,722
			<b>5,039</b>	<b>2,094</b>	<b>200</b>	-	-	<b>7,333</b>
	<b>Framework Area 2 - Shepherds Bush</b>							-
46	Contract 2A: Sulgrave Gardens	including doors, windows and roofs.	209					209
47	Contract 2B Ext: Arlington House	External refurbishment including windows and entrance doors and roofs	162	19				181
48	Contract 2B Ext: Stanlake Rd, Tunis Rd	External refurbishment including roofs, windows and doors	58	8				66
49	Contract 2C Int - Cathnor Rd et al	Internal refurbishment	113					113
50	Contract 2C Ext - The Grange, 218 Goldhawk Rd	External refurbishment including doors and windows	11					11
51	Cathnor, Melina externals	External refurbishment	736					736
52	Contract 2D Int: Becklow Gardens ABC	Internal refurbishment including boilers.	57					57
53	Contract 2E-int Macfarlane Rd et al	Internal refurbishment	141					141
54	Contract 2E-ext Macfarlane Rd et al	External refurbishment	650	77				727
55	Contract 2F-int Coningham Rd/Stowe Rd	Internal refurbishment	825	60				885
56	Contract 2F-ext Coningham Rd/Stowe Rd	External refurbishment	898	1,037	60			1,995
57	Contract 2G - Int Thackeray/Elgar/Brangwyn	Internal refurbishment	40					40
58	Contract 2G - Ext Thackeray/Elgar/Brangwyn	External refurbishment including roofs, windows and doors	1,578	48				1,626
59	Contract 2H int Mortimer/Swanscombe	Internal refurbishment	30					30
60	Contract 2J Int: Becklow Gardens EFG	external refurbishment including windows and	69					69
61	Contract 2K Calcott Ct	Internal and external refurbishment	1,725	45				1,770
62	Contract 2Z Int Lena/Melrose et al	Internal refurbishment	77					77
63	Contract 2Z Ext Lena/Melrose et al	External refurbishment including roofs, windows and doors	122					122
64	Contract 2S Hadyn Park Court et al	Internal and external refurbishment	2,037	107				2,144
65	Contract 2O William Church Estate	Internal refurbishment	1,069	680	86			1,835
66	Unapproved schemes	Future schemes under area 2 decent homes programme	3,656	11,110	1,104			15,870
			<b>14,264</b>	<b>13,191</b>	<b>1,250</b>	-	-	<b>28,705</b>
	<b>Framework Area 3 - Hammersmith Central</b>							-

	Schemes	DESCRIPTION	EXPENDITURE					Total
			Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12	Forecast Budget 2012/13	Forecast Budget 2013/14	
67	Contract 3A Emlyn Gardens Phase 1	Internal refurbishment and external refurbishment including doors, windows and roofs.	111					111
68	Contract 3B - Int Hammersmith Grove et al	Internal refurbishment	26					26
69	Contract 3B - Ext Hammersmith Grove et al	External refurbishment	24					24
70	Contract 3C - Int The Grange et al	Internal refurbishments	53					53
71	Contract 3C - Ext The Grange et al	External refurbishment including windows and entrance doors and roofs	24					24
72	Contract 3D Emlyn Gardens Phase 2 - Int	Internal refurbishment	32					32
73	Contract 3D Emlyn Gardens Phase 2 - Ext	Internal refurbishment and external refurbishment including doors, windows and roofs.	1,075	219				1,294
74	Contract 3E - Ext Iffley/Southerton et al	External refurbishment including roofs, windows and doors	628	274	23			925
75	Contract 3F-Int Lytton Est, Clifford/Pelham et al	Internal refurbishment	60					60
76	Contract 3F-Ext Lytton Est, Clifford/Pelham et al	External refurbishment	980	91				1,071
77	Contract 3G Riverside Gardens	Internal refurbishment	49					49
78	Contract 3I-int Queen Caroline Estate	Internal refurbishment	430	89				519
79	Unapproved schemes	Future schemes under area 3 decent homes programme	4,386	7,024	526			11,936
	<b>Framework Area 4 - Fulham North</b>		<b>7,878</b>	<b>7,697</b>	<b>549</b>	-	-	<b>16,124</b>
80	Contract 4A Mary Macarthur/Holman Hunt	including doors, windows and roofs.						-
81	Contract 4B Bayonne Phase 1 Lampeter Sq et al	Internal refurbishment and external refurbishment including doors, windows and roofs.	1,190	121				1,311
82	Contract 4C - Int Desborough/Lickey	Internal refurbishment	24					24
83	Contract 4C - Ext Desborough/Lickey	External refurbishment including windows and entrance doors	874	78				952
84	Contract 4D - Int Barons Ct Rd et al	Internal refurbishment	12					12
85	Contract 4DEF- Ext Barons Ct Rd/Archel Rd et al		698	50				748
86	Contract 4E Bayonne Phase 2 Paynes Walk et al	Internal refurbishment	29					29
87	Contract 4F Int Archel Rd et al	Internal refurbishment	8					8
88	Contract 4G Cox & Horton Houses	Internal and external refurbishment	1,199	250	62			1,511
89	Contract 4H Bayonne Phase 3 Adeney Close et al	Internal refurbishment	1,277	55				1,332
90	Contract 4I int Churchward/Fairburn	Internal refurbishment	49					49
91	Contract 4L Aisgill Avenue et al	Internal refurbishment	564	28				592
92	Unapproved schemes	Future schemes under area 4 decent homes programme	12,377	17,820	1,356			31,553
	<b>Framework Area 5 - Fulham Central</b>		<b>18,301</b>	<b>18,402</b>	<b>1,418</b>	-	-	<b>38,121</b>
93	Contract 5A Fulham Court int	Internal refurbishment	79					79

	Schemes	DESCRIPTION	EXPENDITURE					Total
			Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12	Forecast Budget 2012/13	Forecast Budget 2013/14	
94	Contract 5C Fulham Court ext	External refurbishment including roofs, windows and doors	4,350	280				4,630
95	Contract 5D int Dawes Road et al	Internal refurbishment	37					37
96	Contract 5D ext Dawes Road et al	External refurbishment	652	70				722
97	Contract 5E ext Aintree Street	External refurbishment including windows and entrance doors	133					133
98	Contract 5FN-int Bishops Rd et al	Internal refurbishment	905	137				1,042
99	Contract 5GH-int Munster Rd et al	Internal refurbishment	1,109	84				1,193
100	Contract 5GH-ext Munster Rd et al	External refurbishment	1,762	241				2,003
101	Contract 5J Int	Internal refurbishment	2					2
102	Chasemore/Donnelly/Hartopp/Lannoy	External refurbishment including roofs, windows and doors	524	80				604
103	Contract 5J Ext Chasemore/Donnelly	External refurbishment	1,472	133				1,605
104	Contract 5J Ext Hartopp/Lannoy	Internal refurbishment and external refurbishment including doors, windows and roofs.	892	78				970
105	Contract 5K Ethel Rankin et al	Internal refurbishment	34					34
106	Contract 5M Int Arthur Henderson/William Banfield	External refurbishment including roofs, windows and doors	434	96				530
107	Contract 5M Ext Arthur Henderson/William Banfield	External refurbishment including roofs, windows and doors	1,292	169				1,461
108	Contract 5FN-ext Bishops Rd et al	External refurbishment including roofs, windows and doors	1,176	96				1,272
109	Contract 5X Ext Swan Ct/Ravensworth Ct	Future schemes under area 5 decent homes programme	4,040	4,207	568			8,815
			<b>18,893</b>	<b>5,671</b>	<b>568</b>	-	-	<b>25,132</b>
	<b>Framework Area 6 - Sands End</b>							-
110	Contract 6A Pearscroft Ct	Internal refurbishment and external refurbishment including doors, windows and roofs.	136					136
111	Contract 6B Althea Street/Byam Street et al	Internal refurbishment and external refurbishment	1,059	118				1,177
112	Contract 6CE int Imperial Square et al	Internal refurbishment	822	68				890
113	Contract 6D Jespon Hse	Internal and external refurbishment	339	1,880	141			2,360
114	Contract 6CE int Imperial Square et al	Internal refurbishment	1,125	302				1,427
115	Contract 6JMP int Sullivan Ct	Internal refurbishment	191					191
116	Contract 6G Carnwath/John Dwight Hses	External Refurbishment	466	490	25			981
117	Contract 6FHLN int Hazlebury Rd et al	Internal refurbishment	2,156	43				2,199
118	Contract 6FHLN ext Hazlebury Rd et al	External Refurbishment	952	1,369	249			2,570
119	Contract 6JP ext Sullivan Ct	External Refurbishment	1,199	450	66			1,715
			<b>8,445</b>	<b>4,720</b>	<b>481</b>	-	-	<b>13,646</b>
	<b>Framework Area 7 - Sheltered Housing</b>							-

	Schemes	DESCRIPTION	EXPENDITURE					Total
			Forecast Budget 2009/10	Forecast Budget 2010/11	Forecast Budget 2011/12	Forecast Budget 2012/13	Forecast Budget 2013/14	
120	Contract 7B Malvern Ct/Landor Walk	Internal refurbishment and external refurbishment including windows	34					34
121	Contract 7C Rosewood Square	Internal refurbishment and external refurbishment including windows	36					36
122	Contract 7D Cedar Lodge	Internal refurbishment and external refurbishment including windows.	890	30				920
123	Contract 7E Rowberry Close	Internal refurbishment and external refurbishment including windows	28					28
124	Contract 7F Meadowbank Close	Internal refurbishment and external refurbishment	627	29				656
125	Contract 7G Wentworth Court	Internal refurbishments and external refurbishments including windows	28					28
126	Contract 7H Laurel Bank Gardens	Internal refurbishment and external refurbishment including windows	448	18				466
127	Contract 7I Askham Court	Internal refurbishment and external refurbishment including entry doors	127					127
128	Contract 7J Banim Street	Internal and external refurbishment	159	21				180
129	Contract 7K Underwood House	Internal refurbishment	625	128				753
130	Contract 7L Manor Court	Internal and external refurbishment	1,055	543				1,598
131	Contract 7M Stanford Court	Internal and external refurbishment	444	11				455
132	Contract 7N Planetree Court	Internal and external refurbishment	559	14				573
133	Contract 7O Swanbank Court	Internal and external refurbishment	575	16				591
134	Contract 7P Barclay Road	Internal and external refurbishment	508	13				521
135	Unapproved schemes	Future schemes under area 7 decent homes programme	1,122	2,276	572			3,970
			<b>7,265</b>	<b>3,099</b>	<b>572</b>	-	-	<b>10,936</b>
136	DH additional contingency			287				287
	<b>TOTAL DECENT HOMES PARTNERING</b>		<b>80,084</b>	<b>55,162</b>	<b>5,038</b>	-	-	<b>140,283</b>
	<b>GRAND TOTAL HRA</b>		<b>92,548</b>	<b>65,930</b>	<b>11,913</b>	<b>5,876</b>	<b>5,770</b>	<b>182,037</b>
	<b>LBHF MANAGED</b>							-
137	Disabled Adaptations	Adaptations to council-owned dwellings	800	800	800	800	800	4,000
	<b>Total LBHF MANAGED</b>		<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>4,000</b>
								-
	<b>Total HRA Capital</b>		<b>93,348</b>	<b>66,730</b>	<b>12,713</b>	<b>6,676</b>	<b>6,570</b>	<b>186,037</b>

## 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:

	<b>Forecast 2008-09 £000</b>	<b>Estimate 2009-10 £000</b>	<b>Estimate 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>
General Fund	46,296	33,910	19,331	9,283
Housing Revenue Account	79,159	97,348	68,230	12,713
<b>TOTAL</b>	<b>125,455</b>	<b>131,258</b>	<b>87,561</b>	<b>21,996</b>

The above figures exclude over-programming. The Housing Revenue Account figures for 2008/09 includes forecast expenditure of £3.970m on regeneration projects as set out in the Council's capital programme.

## 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:

	<b>Forecast 2008-09 £000</b>	<b>Estimate 2009-10 £000</b>	<b>Estimate 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>
General Fund	149,109	138,663	130,245	128,725
Housing Revenue Account	293,699	353,894	403,872	414,627
<b>TOTAL</b>	<b>442,808</b>	<b>492,557</b>	<b>534,117</b>	<b>543,352</b>

## 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:

	<b>Forecast 2008-09 £000</b>	<b>Estimate 2009-10 £000</b>	<b>Estimate 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>
Net Borrowing	396,739	444,201	449,595	454,855
Capital Financing Requirement (CFR)	442,808	492,557	534,117	543,352
<b>Net Borrowing Less than CFR</b>	<b>-46,069</b>	<b>-48,356</b>	<b>-84,522</b>	<b>-88,497</b>

## **RATIO OF FINANCING COSTS TO THE NET REVENUE STREAM**

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

	<b>Estimate 2009-10 %</b>	<b>Estimate 2010-11 %</b>	<b>Estimate 2011-12 %</b>
General Fund	4.88	4.42	4.23
Housing Revenue Account	24.07	25.84	25.66

## **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:

	<b>Estimate 2009-10 £</b>	<b>Estimate 2010-11 £</b>	<b>Estimate 2011-12</b>
General Fund– council tax £ per Band D home per annum	-2.73	-12.47	-14.99
Housing Revenue Account – rent £ per household per week	0.00	0.00	0.00

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.

**Annual Minimum Revenue Provision (MRP) Statement****Recommendation**

The recommended Annual MRP statement for Hammersmith and Fulham is:

- For debt which is supported by Revenue Support Grant this authority will calculate the Minimum Revenue Provision in accordance with current regulations (namely 4% of the Capital Financing Requirement net of Adjustment A)
- For debt which has arisen through prudential borrowing it shall be written down in equal instalments over the estimated asset life. The debt write-off will commence the year after an asset comes into use.

**Background**

Each year local authorities are required to set aside some of their revenues as provision for debt repayment. This is commonly termed the minimum revenue provision (MRP).

Local authorities are required to approve an annual MRP Statement.

This Appendix sets out:

- Current Hammersmith and Fulham (LBHF) practice
- The new options.
- A recommended annual MRP Statement for this authority.

**Current LBHF Practice**

Prior to 2007/08 local authorities were required to set aside 4% of their opening Capital Financing Requirement, net of Adjustment A and the Commutation adjustment, as their minimum revenue provision.

In addition they can opt to set aside additional revenue contributions for debt repayment.

LBHF practice has been to:

- Comply with the statutory requirement regarding the 4% set aside.
- Voluntarily set aside additional revenue sums for debt repayment for expenditure that has been funded through prudential borrowing. The debt is written down over the asset life. The cost of writing down the debt is funded through virement from Departmental Budgets The 2008/09 Budget figures are set out below:

	£'000
Opening 2008/09 Capital Financing Requirement (CFR)	159,670
Less Adjustment A	(43,178)



Adjusted CFR	116,492
Gross MRP (at 4%)	4,660
Less Commutation Adjustment	(544)
<b>Net MRP</b>	<b>4,116</b>
Historic Expenditure Funded from Prudential Borrowing	6,278
<b>Budgeted 2008/09 Voluntary Set Aside</b>	<b>855</b>

In total the Council is setting aside revenue provision of £4.971 for debt redemption.

### **The Options**

Councils can opt for 4 options regarding the MRP calculation.

#### **Option 1**

This provides for local authorities to continue to calculate MRP in line with the minimum existing statutory charge. For LBHF it would provide for MRP of £4.116m.

This is not considered appropriate. LBHF has been concerned to ensure that all prudential borrowing is sustainable. As such it has decided to write down such borrowing over the asset life. This should ensure that budget provision is available to fund asset replacement and that overall borrowing levels are affordable.

#### **Option 2**

This provides for authorities to calculate MRP prior to Adjustment A.

This is not considered appropriate. Given the scale of Adjustment A for LBHF it would increase the level of MRP by £1.727m. This is not affordable. It is also disproportionate given that our actual borrowing is below the CFR net of Adjustment A. It represents an over provision.

#### **Option 3**

This provides for separate treatment for supported and unsupported (prudential) borrowing.

For supported borrowing MRP would be calculated as at present (4% on the CFR net of Adjustment A).

For unsupported borrowing the debt would be written down over the asset life.

This option is most similar to the current LBHF practice but there are subtle differences:

- The debt write off would start the year after an asset comes into use. This would provide transitional relief as schemes are brought on stream and is to be welcomed.
- The level of unsupported borrowing can be excluded from the 4% CFR calculation. This is logical because you are otherwise, in the short-term, writing down debt 'twice' (at both 4% and over the asset life). This change would benefit LBHF. Based on our historic level of prudential borrowing (£6.279m) it would reduce the existing MRP charge by approximately £0.250m per annum.

Under this option authorities may wish to carefully consider the type of assets they fund through prudential borrowing. For example, in the short-term, it could be financially advantageous to fund schemes that have a long asset life, rather than a short-life, through prudential borrowing. This would reduce the MRP charge. Whilst this is a consideration, and will be borne in mind, it is unlikely to be an attractive option for LBHF. This authority only undertakes prudential borrowing when it is considered affordable and is supported by a business case. For example if IT equipment is purchased through prudential borrowing it is more sustainable for the debt to be repaid over the asset life. This ensures that revenue capacity is retained for its replacement. It also requires Departments to properly cost out their business case.

For option 3 to work clear accounting records will need to be maintained of the use of supported and unsupported borrowing.

The potential revenue savings from this option are subject to Audit confirmation. Allowance will be made within future Revenue Monitoring reports and Estimates as appropriate.

#### Option 4

This is similar to Option 3. It provides for separate treatment for supported and unsupported (prudential borrowing).

The difference is that it provides for schemes that have been financed from unsupported borrowing to be written down by an amount equivalent to the amount of depreciation provision arrived at under standard accounting rules.

This would be technically more difficult for the Council to introduce and would require a change in existing practice. There could also be future complications regarding asset revaluations that could result in significant increases in debt repayment levels.

Option 4 is not considered as attractive as option 3.

#### Conclusion

Option 3 was adopted by LBHF in 2007/08 and 2008/09. It is recommended that this continue in 2009/10.

**25 FEBRUARY 2009**

**LEADER**  
*Councillor Stephen  
Greenhalgh*

**COUNCILLORS' ALLOWANCES SCHEME:  
ANNUAL REVIEW**

**WARDS  
All**

Synopsis

This report performs the statutory annual review of Councillors' allowances for the 2009-2010 financial year, and takes into account the recommendations made in the Independent Remunerator's report to London Councils (December 2006).

**CONTRIBUTORS**

DFCS, ADLDS

**RECOMMENDATION:**

**That the Councillors' Allowances Scheme 2009-10 as set out in Appendix 1, be approved with all allowances frozen at the levels agreed in May 2008.**

## **1. BACKGROUND**

- 1.1 The Council is required under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 to undertake an annual review of its members' allowances scheme.
- 1.2 The Council's proposed Scheme for the financial year 2009/10 is set out at **APPENDIX 1** to this report. The Council's Scheme broadly remains the same as agreed in May 2008 with no additional SRA being recommended. The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance. In previous years, an automatic uplifted in line with the previous year's Local Government Pay Settlement has made. The pay award for 2008/9 was 2.45%. Due to the current economic conditions it is recommended that all allowances be frozen at the 2008/9 levels.

## **2. INDEPENDENT REMUNERATOR'S REPORT**

- 2.1 The Council is formally required to undertake a review of its members' allowances scheme each financial year. Any changes in allowances are required to take into account the recommendations of a local independent panel on remuneration for Councillors. Where a scheme includes a provision for an automatic uplift, the operation of this provision may only be relied on for a period of four years before reference must again be made to a local independent remunerator's report and recommendations.
- 2.2 In the case of London, there is a standing report produced by the local remuneration panel appointed by London Councils which is applicable to all London Borough Councils. This independent remunerator's report was previously known as the Grant Report after its author, Professor Malcolm Grant. In December 2006, a further independent remunerator's report, co-authored by Rodney Brooke, Drew Stevenson and Jo Valentine was produced and has been used as the reference report. The Executive summary of this report appears at Appendix 2. A full copy of the report can be viewed at <http://www.londoncouncils.gov.uk/doc.asp?doc=18598&cat=1791>
- 2.3 In accordance with the Members' Allowances Regulations, the Council must have regard to the independent remunerator's report but is not required to adopt its recommendations. The Council is therefore free to determine its own levels of allowances payable to members. The proposals contained within this report are broadly consistent with the independent remunerator's report and recommendations with the following significant differences:-
- The Council's basic allowance will be £8940 rather than £9964 as recommended by remunerator report.
  - The Council will retain its scheme of Special Responsibility Allowances as opposed to the more costly Scheme recommended by the remunerators.

**3. COMMENTS OF THE ASSISTANT DIRECTOR OF LEGAL AND DEMOCRATIC 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 AND CORPORATE SERVICES**

4.1 The Director of Finance and Corporate Services can confirm that sufficient provision exists in the 2009/10 budget to fully fund the costs as contained in this report.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	The Remuneration of Councillors in London: 2006 Review (December 2006)	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall
2.	Previous Members' Allowances reports	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall

# APPENDIX 1

## Members' Allowances Scheme 2009-10

[Scheme effective from 1<sup>st</sup> April 2009]

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This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2009 –2010 and subsequent years. The allowances scheme has been prepared having regard to the report of the Independent Panel on the Remuneration of Councillors in London established by London Councils on behalf of all London Councils, co-authored by Rodney Brooke, Drew Stevenson and Jo Valentine, and published in December 2006.

### 1. BASIC ALLOWANCE

- 1.1 The independent remunerator's report suggests a flat-rate basic allowance be paid to each member of the authority of £9,964 per annum to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.
- 1.2 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level.

The basic rate allowance for all LBHF Councillors will therefore be:

£8,940 - to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year.

### 2. SPECIAL RESPONSIBILITY ALLOWANCES

- 2.1 Regard has been had to the recommendations in the independent remunerator's report for differential banding in relation to the payment of Special Responsibility Allowances (SRA's), but in the interest of maintaining a low Council Tax and the current economic conditions, it has been decided to freeze the Council's own scheme of SRA's at the same level approved for 2008 - 9 and not to follow the independent remunerator's recommendations which would have proved considerably more costly to local council taxpayers.
- 2.2 The following Special Responsibility Allowances shall therefore be paid to Councillors holding the specified offices indicated :

The Leader	£35,763
Deputy Leader	£29,796
Other Cabinet members (6)	£23,838
Chief Whip (where not a member of Cabinet)	£23,838
Deputy Chief Whip	£5,000
Chairmen of Overview & Scrutiny Committees (6)	£5,000
Leader of the Opposition	£17,874

Deputy Leader of the Opposition	£6,183
Opposition Whip	£6,183
Chairmen of Planning Applications Committee, Personnel Appeals, Appointments Panel, Audit Committee, Licensing Committee/Sub-Committee, & Councillor member on Adoption Panel	£6,183
The Mayor	£11,922
Deputy Mayor	£6,183
Lead Member HAFFTRA Liaison	£3,000
Lead Member for ALMO VFM Scrutiny and Leaseholder Liaison	£5,000
Lead Member for IT Projects	£5,000

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year.

### 3) OTHER ALLOWANCES

#### a) 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.

- (1) £4.18 per half hour before 10 p.m.; £5.31 per half hour after 10 p.m.  
(not payable in respect of a member of the councillor's household).

#### b) Travel & Subsistence

Allowances are payable (at the same rates as employees) for duties undertaken away from the Town Halls when discharging duties under paragraph 8 of the Regulations. In addition, the cost of travel after late evening meetings from the Town Hall would be paid.

##### (1) Public Transport

Actual travel costs (second class only) will be reimbursed.

##### (2) Car mileage

Cc	first 8500 miles (pence per mile)	above 8500 miles (pence per mile)
Below 1000	42.9	13.3
1000 or more	46.9	13.6

The figures above are the 2008/9 rates as car mileage is paid at the same rate as for officers.

##### (3) Cycle allowance

£36.93 per month – where this is claimed, no other travel claims are permissible.

#### **(4) Subsistence**

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

#### **C) Sickness, Maternity and Paternity Allowance**

Where a Member is entitled to a Special Responsibility Allowance, it will continued to be paid in the case of sickness, maternity and paternity leave in the same way as employees.

#### **4) ANNUAL INCREASE**

The allowances in this scheme apply to the financial year 2009-10, All allowances have been frozen at the 2008 – 9 level.

#### **5) ELECTION TO FOREGO ALLOWANCES**

In accordance with the provisions of regulation 13, a Councillor may, by notice in writing to the Chief Executive, elect to forego any part, or all, 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 a Councillor being suspended or partially 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) MEMBERS' PENSIONS**

Previously, Councillors could only join the authority's pension scheme if they were aged under 70 and could only pay contributions and accrue benefits until their 70<sup>th</sup> birthday. However, under new pensions regulations, the situation has changed, and the independent remunerator's report now recommends all Councillors under the age of 75 years be entitled to join the London Borough of Hammersmith & Fulham Pension Scheme, and have their basic allowance and special responsibility allowances treated as pensionable. This recommendation has accordingly been adopted.

#### **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.

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

### **Co-optees**

The independent remunerator's report recommends a rate of allowance for co-opted members of £117 per meeting, to be calculated on an annualised basis by the number of meetings. This recommended figure has not been adopted. The Council's own figure of £921.00 p.a., frozen at the 2008 – 9 level, will be payable by equal monthly instalments of £76.75 on the 15<sup>th</sup> of each month.

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

### **Standards Committee Independent Members**

The independent remunerator's report also recommends the independent Chairman of a Standards Committee be paid an allowance of £240 per meeting, calculated on an annualised basis by the number of meetings, to reflect not just attendance at meetings, but related and incidental additional activity carried out by this particular postholder. This recommendation has not been adopted. The Council's own figure of £459.00 p.a., frozen at the 2008 – 9 level, will be payable by equal monthly instalments of £38.25 on the 15<sup>th</sup> of each month.

In all cases, the allowances given in this scheme shall not be uprated by the same percentage rate of increase as the previous years national Local Government Pay Settlement but frozen at the 2008 – 9 levels.

## Executive Summary

This report is required by law to address the questions set out in italics below. Our recommendations are in bold type.

*(a) as to the responsibilities or duties in respect of which the following should be available -*

- (i) special responsibility allowance;*
- (ii) travelling and subsistence allowance; and*
- (iii) co-optees' allowance;*

**We recommend that:**

- (1) special responsibility allowances should be paid in respect of the responsibilities set out in Appendix Three this report;**
- (2) Not more than 50% of councillors should receive a special responsibility allowance in respect of duties with an authority and should not receive more than one special responsibility allowance for responsibilities within that authority;**
- (3) the basic allowance should be treated as covering all intra-Borough travel costs and subsistence, but councils may consider that there are circumstances where it may be appropriate for a scheme to provide payment for the cost of transport, e.g. journeys home after late meetings and for people with disabilities;**
- (4) the annual allowance for co-optees should be calculated in each case with reference to the number of meetings per year, at a standard rate per meeting and such allowances should be confined to co-optees on the Standards Committee, to Education co-optees and to the independent chair of an Audit Committee;**

*(b) as to the amount of such allowances and as to the amount of basic allowance;*

- (5) special responsibility allowances should be paid on the basis of the bands and the ranges of allowance within each band, set out in Appendix Three to this report;**
- (6) Councils should make arrangements in their allowances schemes to allow the continuance of special responsibility allowances in the case of sickness, maternity and paternity leave in the same way that the Council's employees enjoy such benefits.**

- (7) where travel and subsistence allowances are payable, having regard to Recommendation (3) above, they should be in accordance with the current scheme for travel and subsistence applicable to the Borough's officers;**
- (8) travel allowances should extend to travel by bicycle;**
- (9) the standard rate of allowance for statutory co-optees should be £117 per meeting with the exception of the independent chair of the Standards Committee, whose rate should be £240 per meeting; and these amounts should be translated into an annual allowance by multiplying by the anticipated number of meetings;**
- (10) co-optees should be reimbursed for all travel costs in accordance with recommendation (5) above, whether the travel is within or outside the Borough, but co-optees should not be paid subsistence;**
- (11) the amount of the basic allowance should be £9,964;**

*(c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;*

- (12) dependants' carers' allowances should be payable, and we recommend a flexible approach; in particular, boroughs should have regard, when setting appropriate levels, to the levels of reimbursement set by their authorities. The principles should be:**
  - (a) a maximum rate should be set locally to reflect local costs, in accordance with social service departments levels;**
  - (b) payment should be claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;**
  - (c) only one weekly payment should be claimable in respect of the household of each member, except in special circumstances to be judged by the Council's Standards Committee;**
  - (d) the allowance should be paid as a reimbursement of incurred expenditure against receipts;**
  - (e) the allowance should not be payable to a member of the claimant's own household;**
  - (f) any dispute as to entitlement and any allegation of abuse should be referred to the Council's Standards Committee for adjudication;**

*(d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);*

**(13) schemes should make appropriate provision to ensure that, where an amendment to the scheme results in an increase in any allowance, payment of it may, if the resolution effecting the amendment so provides, be backdated for a specified period, not extending beyond the beginning of the year to which the scheme applies.**

*(e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;*

**(14) schemes should provide for all allowances to be automatically uprated annually with reference to the annual Local Government Pay Settlement;**

**(15) the LGPS index should apply for the next four years unless reviewed earlier by the Panel;**

*(f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and*

**(16) all Members under the age of 75 should be entitled to apply for inclusion in a pensions scheme, without satisfying any period of qualification;**

*(g) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.*

**(17) both the basic allowance and any special responsibility allowance should be pensionable.**

*Other matters*

**(18) Quasi-judicial work: London boroughs which experience a sufficiently heavy workload of quasi-judicial hearings should set up a panel of non-executive councillors who are available and willing to serve in this capacity, and should make provision for payment of a special quasi-judicial allowance to all members of that panel based on the allowances recommended for co-optees;**

**(19) Accountability: the current system of Members' remuneration allowances, with its principle of annualised allowances rather than attendance allowances, places a high premium on trust. We therefore regard accountability for this use of public money as being of the highest importance. We welcome the provisions in the regulations which require boroughs to keep a record of all**

payments made under their schemes of allowances, and for these records to be available for inspection upon request. We further welcome the requirement for a full report to be made at the end of the year, of the total sum paid by a Borough in the year under the scheme to each recipient in respect of each of the following: (a) basic allowance; (b) special responsibility allowance; (c) dependants' carers' allowance; (d) travelling and subsistence allowance; and (e) co-optees' allowance. We recommend that members themselves should go further. We believe that all members should have a job description and we expect them to be used as the basis for reporting by members on their activities on behalf of their electors and their boroughs. We set out a proposed job description for frontline councillors as Appendix 4 to this report. Councillors should see making such reports as a way of broadcasting the extensive range of tasks and duties which they undertake on behalf of the electorate. We would like them to give an account of what services they have provided to their constituents; what their objectives have been; and their success in achieving them; as well as some record of their general industry. We provide examples of good practice in Appendix 5 of this report

- (20) **Withholding allowances:** We recommend that boroughs should include in their Allowances Scheme provision for their Standards Committee to withdraw allowances in whole or in part in the event of a member being suspended or partially suspended. All allowances should be withheld for the period of total suspension, and in the case of partial suspension the basic allowance should continue to be paid (though we would expect a member voluntarily to abate their claim according to the extent to which they were able to continue to perform the functions of a non-executive member), and to the extent that the partial suspension made it impossible or impracticable for a member to undertake activities in respect of which a special responsibility allowance was payable, that allowance should be withdrawn. It is likely that this would occur in any event, because of the need to appoint another member to undertake the functions concerned, who would then become entitled to the allowance.
- (21) **Electing to forgo allowances:** we recommend in accordance with reg. 13 of the regulations that allowances schemes should provide that a person may by notice in writing given to the proper officer of the authority, elect to forgo his/her entitlement or any part of his/her entitlement to allowances.
- (22) **Time limit for claims and payments:** we recommend, in accordance with reg. 14 of the regulations, that schemes of allowances should impose a time of limit of six months for the making of claims for payment of: (a) dependants' carers' allowance; (b) travelling and subsistence allowance; and (c) co-optees' allowance.

**25 FEBRUARY 2009**

**REVIEW OF THE COUNCIL'S CONSTITUTION -  
CHANGES TO SCHEMES OF DELEGATION**

**WARDS  
All**

**Summary**

The Council at its last meeting on 28 January 2009 approved changes to Cabinet portfolio responsibilities. This report outlines proposed changes and amendments to the Officer Schemes of Delegation. These revisions are mainly required to transfer powers and functions from the Environment department to Resident Services department from 1 April 2009 in line with the new Corporate structure.

**CONTRIBUTOR:**

**RECOMMENDATIONS**

**ADLDS**

- 1. That the changes and amendments proposed to the Council Constitution, as summarised in Annex 1 to the report, be agreed.**

## 1. COMMENTS OF MONITORING OFFICER

- 1.1 The Monitoring Officer is satisfied that the Council's Constitution continues to fulfil its stated purposes, as set out in Article 1 of the Constitution. A further report reviewing the Council's Constitution to ensure that its aims and principles are given full effect in accordance with Article 15 of the Constitution will be included on the Annual Council Meeting agenda.

## 2. SCHEMES OF DELEGATION

- 2.1 Due to the changes to the Council's Corporate structure, this report outlines changes and amendments to the detailed Officer Schemes of Delegation (which set out how responsibilities are assigned from the Council to its Directors and other officers) to reflect the changes to the Council's departmental structure and the responsibilities of individual Directors. The main changes have been made to the Officer Schemes of Delegation to accommodate the transfer of functions from the Environment Department to the Residents Service department. Full copies of the proposed amendments to the constitution are available on the Internet, Intranet, Members' room and around the Council Chamber. In addition, copies can also be obtained on request from Councillors' Services staff.

## 3. CONTRACTS STANDING ORDERS

- 3.1 These will be reviewed and updated where necessary during the annual review in May.

### LOCAL GOVERNMENT ACT 2000 - BACKGROUND PAPERS

No.	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department/Location
1.	Review of the Constitution Working papers/file	Michael Cogher Assistant Director of Legal and Democratic Services, Ext 2700	First Floor, Hammersmith Town Hall, Room 133a

## ANNEX 1

### CHANGES TO OFFICERS' SCHEMES OF DELEGATION - SUMMARY

#### A. Changes to accommodate the reconfigured Residents Services Department

DEPARTMENT	POWERS TRANSFERRED	POWERS RECEIVED
FINANCE AND CORPORATE SERVICES		<b>From Resident Services:</b> Housing Benefit payments; powers relating to non-payment of Council Tax etc.; powers relating to benefit fraud; Discretionary Housing Payments; Parking Permits/ Blue Badges/Freedom Passes; registration of Houses in Multiple Occupation.
ENVIRONMENT	<b>To Resident Services:</b> Cemeteries; Fulham Palace management.  <b>Shared powers with Resident Services:</b> Seasonal street decorations; Regulation of Investigatory Powers; Anti-Social Behaviour; various building control powers; powers under the following legislation: Clean Neighbourhoods, Control of Pollution Criminal Damage, Criminal Justice, dangerous Dogs, Environmental Protection, various LSC and GLC General Powers Acts and London local Authorities Acts, Health, Highways, Protection from Harassment, Refuse Disposal (Amenity), Sunday Trading.	



DEPARTMENT	POWERS TRANSFERRED	POWERS RECEIVED
<b>COMMUNITY SERVICES</b>	<b>To Resident Services:</b> Powers relating to cleaner neighbourhoods, flyposting and graffiti; criminal damage to the highway and property; powers relating to waste disposal including fly-tipping/ littering/ trade waste; powers relating to highway obstruction; mortuary and Coroners Act powers.	
<b>RESIDENT SERVICES</b>	<b>To Finance and Corporate Services:</b> Housing Benefit payments; powers relating to non-payment of Council Tax etc ;, powers relating to benefit fraud; Discretionary Housing Payments; Parking Permits/ Blue Badges/Freedom Passes; registration of Houses in Multiple Occupation.	<p><b>From Community Services:</b> Powers relating to cleaner neighbourhoods, flyposting and graffiti; criminal damage to the highway and property; powers relating to waste disposal including fly-tipping/ littering/ trade waste; powers relating to highway obstruction; mortuary and Coroners Act powers.</p> <p><b>From Environment:</b> Cemeteries; Fulham Palace management.</p> <p><b>Shared powers with Environment:</b> Seasonal street decorations; Regulation of Investigatory Powers; Anti-Social Behaviour; various building control powers; powers under the following legislation: Clean Neighbourhoods, Control of Pollution Criminal Damage, Criminal Justice, dangerous Dogs, Environmental Protection, various LCC and GLC General Powers Acts and London local Authorities Acts, Health, Highways, Protection from Harassment, Refuse Disposal (Amenity), Sunday Trading.</p>

**B. Other changes to Schemes of Delegation**

**ALL SCHEMES:** Standardisation of formats. Updating of Proper Officer descriptions to reflect current job titles.

**GENERAL SCHEME OF DELEGATION TO ALL CHIEF OFFICERS:** Rationalisation of duplication with and discrepancies in Chief Officers' individual Schemes, and transfer of relevant powers from Chief Officers' individual Schemes to the General Scheme of Delegation.

**CHIEF EXECUTIVE:** Changes to the allocation of authorisations between the current Proper Officers [Director of Finance and Corporate Services and Assistant Director (Legal and Democratic Services)] empowered to act in the Chief Executive's absence.

**DIRECTOR OF COMMUNITY SERVICES AND DIRECTOR OF ENVIRONMENT:** New power, shared between the two Directors, to determine requests by owners of discounted properties to be released from the obligation to sell at a discounted rate.