

COUNCIL AGENDA

(Budget Council Meeting)

Wednesday 24 February 2010



The Mayor (Councillor Alex Karmel)
Deputy Mayor (Councillor Adronie Alford)

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

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)
Ollie Craig (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 24 February 2010
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

15 February 2010
Town Hall
Hammersmith W6

Geoff Alltimes
Chief Executive

Full Council Agenda

24 February 2010

| <u>Item</u> | | <u>Pages</u> |
|-------------|--|--------------|
| 1. | MINUTES To approve and sign as an accurate record the Minutes of the Ordinary Council Meeting and the Special Council Meeting held on 27 January 2010. | 287 - 313 |
| 2. | APOLOGIES FOR ABSENCE | |
| 3. | MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY) | |
| 4. | DECLARATIONS OF INTERESTS If a Councillor has any prejudicial or personal interest in a particular report he/she should declare the existence and nature of the interest at the commencement of the consideration of the item or as soon as it becomes apparent. 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. Where members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration, unless the disability has been removed by the Standards Committee. | |
| 5. | PUBLIC QUESTIONS (20 MINUTES) The Leader / relevant Cabinet Member to reply to questions submitted by members of the public. There are none. | |
| 6. | ITEMS FOR DISCUSSION/COMMITTEE REPORTS (IF ANY) | |
| 6.1 | REVENUE BUDGET AND COUNCIL TAX LEVELS 2010/11 This report sets out proposals in respect of the revenue budget for the Council for 2010/11 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues. | 314 - 376 |

- 6.2 TREASURY MANAGEMENT STRATEGY** 377 - 408
This report requests the formal adoption of the new Treasury Management Code of Practice. It also provides information on the Council's Treasury Management Strategy for 2010/11, including interest rate projections and borrowing and investment activity reports for the period April to December 2009. Members are requested to approve the borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in the year 2010/11.
- 6.3 CAPITAL PROGRAMME 2010/11 TO 2014/15** 409 - 435
This report sets out proposals in respect of the Capital Programme, together with ancillary issues.
- 6.4 COUNCILLORS' ALLOWANCES SCHEME: ANNUAL REVIEW** 436 - 442
This report performs the statutory annual review of Councillors' allowances for the 2010/11 financial year.
- 7. SPECIAL MOTIONS**
To consider and determine any Special Motions.

There are none.
- 8. INFORMATION REPORTS - TO NOTE (IF ANY)**
- 8.1 SPECIAL URGENCY DECISIONS - MONITORING REPORT** 443 - 444
This report presents details of decisions taken by the Leader or Cabinet under the special urgency provisions of the Constitution (decision not in the Forward Plan). The report covers the period 1 October 2009 to 31 January 2010.

COUNCIL MINUTES

(ORDINARY COUNCIL MEETING)

WEDNESDAY 27 JANUARY 2010

PRESENT

The Mayor Councillor Alex Karmel
Deputy Mayor Councillor Adronie Alford

Councillors:

| | | |
|-----------------------------|-----------------|----------------------|
| Michael Adam | Lucy Gugen | Harry Phibbs |
| Colin Aherne | Steve Hamilton | Sally Powell |
| Nicholas Botterill | Wesley Harcourt | Alexandra Robson |
| Victoria Brocklebank-Fowler | Lisa Homan | Minnie Scott Russell |
| Jean Campbell | Lucy Ivimy | Greg Smith |
| Michael Cartwright | Andrew Johnson | Frances Stainton |
| Alex Chalk | Donald Johnson | Peter Tobias |
| Stephen Cowan | Jane Law | Mercy Umeh |
| Oliver Craig | Ali de Lisle | Rory Vaughan |
| Belinda Donovan | Mark Loveday | Eugenie White |
| Gavin Donovan | Reg McLaughlin | |
| Sarah Gore | Ed Owen | |

28. MINUTES

The minutes of the Council Meeting held on 28 October 2009 were confirmed and signed as an accurate record.

29. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Paul Bristow, Gill Dickenson, Caroline Ffiske, Rachel Ford, Stephen Greenhalgh, Lisa Nandy and Robert Iggulden.

30. MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)

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

31. DECLARATIONS OF INTERESTS

Councillor Owen declared a personal interest in agenda item 6.2 (Licensing Act 2003: Fulham Town Centre – Adoption of a Special Licensing Policy) as a consultant to the British Beer and Pub Association.

The following Councillors declared a personal interest in agenda item 7.4 (Special Motion 4 – Freedom Pass), as follows:-

- Councillors Aherne, Alford, Campbell, Cartwright and Stainton declared that they are in receipt of a Freedom Pass;
- Councillors Umeh and White declared that their husbands are in receipt of a Freedom Pass;
- Councillors Chalk and Karmel declared that their mothers are in receipt of a Freedom Pass;
- Councillor Vaughan declared that his mother-in-law and father-in-law are in receipt of a Freedom Pass;
- Councillor McLaughlin declared that he is in receipt of a Disability Pass;
- Councillor Powell declared that her husband is in receipt of a Disability Pass.

32. PUBLIC QUESTION TIME

7.06pm – 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 Rob Easthope to the Cabinet Member for Environment (Councillor Nicholas Botterill);

Question No. 2 – Mr Jon Burden to the Cabinet Member for Environment (Councillor Nicholas Botterill);

Question No. 3 – Mr John Grigg to the Cabinet Member for Housing (Councillor Lucy Ivimy).

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

33. ITEMS FOR DISCUSSION/COMMITTEE REPORTS

33.1 Council Tax Base and Collection Rate 2010/11

7.25 pm - The report and recommendations were moved for adoption by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

| | |
|---------|----|
| FOR | 24 |
| AGAINST | 0 |

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

7.25 pm - **RESOLVED:**

That for the 2010-2011 financial year:

- (i) That the estimated numbers of properties for each Valuation Band as set out in this report be approved;
- (ii) That an estimated Collection rate of 97.5% be approved;
- (iii) That the Council Tax Base of 79,052 Band "D" equivalent properties be approved.

33.2 Licensing Act 2003 : Fulham Town Centre - Adoption of a Special Licensing Policy

7.26 pm - The report and recommendations were formally moved for adoption by the Deputy Leader of the Council, Councillor Nicholas Botterill.

The report and recommendation was put to the vote:

| | |
|-------------|-----------|
| FOR | Unanimous |
| AGAINST | 0 |
| ABSTENTIONS | 0 |

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

7.26 pm - **RESOLVED:**

That the Special Licensing Policy and Area for the Fulham Town Centre, as set out in Appendices 1 and 2 to the report, be agreed and incorporated into the Council's current Licensing Policy.

33.3 Amendment to Member Involvement in the Council's Appointments and Dismissals Panels

7.27 pm - The report and recommendations were formally moved for adoption by the Deputy Leader of the Council, Councillor Nicholas Botterill.

Speeches on the report was made by Councillor Stephen Cowan (for the Opposition) and Councillor Nicholas Botterill (for the Administration), before being put to the vote:

| | |
|---------|----|
| FOR | 23 |
| AGAINST | 11 |

ABSTENTIONS 0

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

7.32 pm - **RESOLVED:**

1. To approve the delegation of appointments and dismissals of all staff below Chief Officer level to the Head of Paid Services or his/her nominee.
2. To amend the Council's Constitution as set out in Appendix A of the report.

34. SPECIAL MOTIONS

34.1 Special Motion 1 - Change of Committee Membership

7.33 pm – Councillor Mark Loveday moved, seconded by Councillor Nicholas Botterill, the special motion:

"This Council agrees the following appointment under its Constitution for the rest of the Municipal Year 2009/10, effective from the day after the Council meeting:

Councillor Oliver Craig be appointed a member of the Audit Committee".

The motion was put to the vote:

| | |
|-------------|-----------|
| FOR | Unanimous |
| AGAINST | 0 |
| ABSTENTIONS | 0 |

The motion was declared **CARRIED**.

7.33 pm – **RESOLVED:**

This Council agrees the following appointment under its Constitution for the rest of the Municipal Year 2009/10, effective from the day after the Council meeting:-

Councillor Oliver Craig be appointed a member of the Audit Committee.

34.2 Special Motion 2 - Crime

7.34 pm – Councillor Greg Smith moved, seconded by Councillor Oliver Craig, the special motion standing in their names:

"This Council notes:

- a. The poor legacy of the previous administration in making inadequate provision for fighting crime;
- b. The firm action taken by this administration on crime in our Town Centres, including the ground breaking 24/7 police teams in Fulham Broadway and Shepherds Bush Green, enhanced police teams in Hammersmith

Broadway and a zero tolerance approach to drugs and violence on our estates.

This Council welcomes:

- a. The much improved security in the borough (and in particular the main Town Centres) under this Conservative administration;
- b. The overall reduction in crime from 25,861 crimes in 2005/06 to 22,858 crimes in 2009/09; with a real terms reduction in crime projected for 2009/10;
- c. The contribution of crime fighting measures by the Council to delivery of the 2006 Conservative election promise of "Lower Taxes, Less Waste and Better Services."

Speeches on the special motion were made by Councillors Greg Smith and Oliver Craig (for the Administration).

Under Council Procedure Rule 15(e) (vi), Councillor Lisa Homan, seconded by Councillor Ed Owen, moved an amendment to the motion as follows:

Delete all after "This council notes" and replace with:

"the failure of this Administration to deliver on the motion brought before this Council by Councillor Greg Smith on the 31 January 2007 anticipating annual reductions in overall crime of 10 per cent in the wards trialling so-called 24/7 policing; points out that overall crime in these wards has often risen in the subsequent period, and that the performance across the borough lags behind that of the previous Labour Administration and of London as a whole.

We therefore call for a comprehensive review of the causes of this Administration's failure and for investment funding to be made immediately available by LBHF for the Police to provide the five wards with the highest crime rates 24/7 Police Task Squad cover."

Speeches on the amendment were made by Councillors Lisa Homan, Ed Owen, and Stephen Cowan (for the Opposition) and Councillors Greg Smith and Nicholas Botterill (for the Administration) before it was put to the vote:

| | |
|-------------|----|
| FOR | 10 |
| AGAINST | 23 |
| ABSTENTIONS | 0 |

The motion was declared **LOST**.

Speeches on the substantive motion were then made by Councillor Belinda Donovan (for the Administration) and Councillors Ed Owen and Stephen Cowan (for the Opposition).

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

| | |
|-------------|----|
| FOR | 24 |
| AGAINST | 11 |
| ABSTENTIONS | 0 |

The motion was declared **CARRIED**.

8.25 pm – **RESOLVED**:

This Council notes:

- a. The poor legacy of the previous administration in making inadequate provision for fighting crime;
- b. The firm action taken by this administration on crime in our Town Centres, including the ground breaking 24/7 police teams in Fulham Broadway and Shepherds Bush Green, enhanced police teams in Hammersmith Broadway and a zero tolerance approach to drugs and violence on our estates.

This Council welcomes:

- a. The much improved security in the borough (and in particular the main Town Centres) under this Conservative administration;
- b. The overall reduction in crime from 25,861 crimes in 2005/06 to 22,858 crimes in 2009/09; with a real terms reduction in crime projected for 2009/10;
- c. The contribution of crime fighting measures by the Council to delivery of the 2006 Conservative election promise of "Lower Taxes, Less Waste and Better Services.

34.3 **Special Motion 3 - Street Cleaning**

8.26 pm – Councillor Nicholas Botterill moved, seconded by Councillor Greg Smith, the special motion standing in their names:

"This Council notes:

- a. The poor legacy of the previous administration which included amongst the dirtiest streets in England and a budget overspend on street cleaning;
- b. The firm action taken by this administration including the re-specification of the entire borough street cleaning contract, market testing of the contract and the adoption of a firm but practical and fair working relationship with the successful contractor Serco.

This Council welcomes:

- a. The much improved cleanliness of the borough's streets (and in particular the main thoroughfares) under this Conservative administration;
- b. The overall reduction in the cost of providing the service;
- c. The contribution of cleaner streets to delivery of the 2006 Conservative election promise of "Lower Taxes, Less Waste and Better Services".

A speech was made on the motion by Councillor Nicholas Botterill (for the Administration).

Under Council Procedure Rule 15(e) (vi), Councillor Michael Cartwright, seconded by Councillor Stephen Cowan, moved an amendment to the motion as follows:

Delete all after "This council notes" and replace with:

"There has been considerable criticism throughout the London Borough of Hammersmith and Fulham about the lack of gritting and snow clearance by the local authority responsible, especially on side streets and pavements. In Hammersmith, Shepherds Bush and Fulham there has been, at best, minimal gritting on main roads only. Pavements are particularly treacherous with many residents unsure if they are supposed to clear the path outside their home... we hear the same excuses every year."

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

| | |
|-------------|----|
| FOR | 10 |
| AGAINST | 24 |
| ABSTENTIONS | 0 |

The motion was declared **LOST**.

Under Council Procedure Rule 15(e) (vi), Councillor Michael Cartwright, seconded by Councillor Stephen Cowan, moved a further amendment to the motion as follows:

Delete all after "This Council notes" and replace with:

"that in 2006, under the leadership of the Labour Administration, the Tidy Britain Group classed Hammersmith and Fulham as having the fourth cleanest streets out of the all of the thirty three London boroughs.

We call on the Administration to bring a halt to the deteriorating situation that has seen intolerable increases in dog fouling, litter and fly-tipping.

This Council also notes the concerns raised by the Environment Agency about the "significant increase" in fly-tipping which cost the borough more than £1 m to clear up and which was an additional unbudgeted cost. Indeed, the Environment Agency reported that "The number of fly-tipping incidents in Hammersmith and Fulham decreased between 2005/06 to 2006/07 from 5941 to 5275. However, there was a

significant increase in the number recorded in 2007/08 - to 9334 incidents" under the current Conservative Administration.

The borough's filthy streets are a direct result of the Conservative Administration's incompetent management of the Serco contract; the incompetent management of the garden waste service; the new charges for bulky waste removal and the failure to have a comprehensive range of policies that tackle dog fouling and littering. We call on the Administration to urgently address these matters."

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

| | |
|-------------|----|
| FOR | 11 |
| AGAINST | 24 |
| ABSTENTIONS | 0 |

The motion was declared **LOST**.

Speeches on the substantive motion were then made by Councillors Eugenie White, Sarah Gore and Nicholas Botterill (for the Administration).

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

| | |
|-------------|----|
| FOR | 23 |
| AGAINST | 10 |
| ABSTENTIONS | 0 |

The motion was declared **CARRIED**.

9.08 pm – **RESOLVED**:

This Council notes:

- a. The poor legacy of the previous administration which included amongst the dirtiest streets in England and a budget overspend on street cleaning;
- b. The firm action taken by this administration including the re-specification of the entire borough street cleaning contract, market testing of the contract and the adoption of a firm but practical and fair working relationship with the successful contractor Serco.

This Council welcomes:

- a. The much improved cleanliness of the borough's streets (and in particular the main thoroughfares) under this Conservative administration;
- b. The overall reduction in the cost of providing the service;

- c. The contribution of cleaner streets to delivery of the 2006 Conservative election promise of “Lower Taxes, Less Waste and Better Services”.

34.4 **Special Motion 4 - Freedom Pass**

9.10 pm – Councillor Mark Loveday moved, seconded by Councillor Frances Stainton, the special motion:

"This Council notes:

- a. Its commitment to the Freedom Pass, which provides free travel 24 hours a day, 7 days a week on bus, tube and most rail routes for the borough's over 60 and disabled residents;
- b. The 3-year agreement made with government in April 2008 to part-fund the Freedom Pass;
- c. The decision in July 2009 by Transport Minister Sadiq Khan MP to re-open funding of the Freedom Pass;
- d. The proposals in the consultation paper "*Local Authority special grant funding in 2010/11 for the national bus concession in England*" to renege on the funding agreement so that London will lose £29 million - almost half its agreed funding for 2010-11;
- e. The threat this entails to free travel for thousands of pensioners and disabled residents in Hammersmith & Fulham.

This Council resolves:

- a. To oppose the Department for Transport's re-opening of the 3-year funding deal;
- b. To ask both borough MPs to write to the Prime Minister seeking his intervention to protect funding for the Freedom Pass".

Speeches on the special motion were made by Councillors Mark Loveday and Frances Stainton (for the Administration).

Under Council Procedure Rule 15(e) (vi), Councillor Rory Vaughan, seconded by Councillor Colin Aherne, moved an amendment to the motion as follows:

Delete all after "This Council" and add:

"reaffirms its commitment to providing the Freedom Pass for the borough's over 60 and disabled residents. And as this is a key priority for the Council, it confirms that this free travel will continue despite the extra costs imposed on inner London authorities, including Hammersmith and Fulham, by London Councils as a result of their usage rating exercise."

Speeches on the amendment were made by Councillors Rory Vaughan and Colin Aherne (for the Opposition) and Councillor Mark Loveday (for the Administration) before it was put to the vote:

| | |
|-------------|----|
| FOR | 10 |
| AGAINST | 23 |
| ABSTENTIONS | 0 |

The motion was declared **LOST**.

Speeches on the substantive motion were then made by Councillor Steve Hamilton (for the Administration) and Councillor Stephen Cowan (for the Opposition).

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

| | |
|-------------|----|
| FOR | 23 |
| AGAINST | 0 |
| ABSTENTIONS | 9 |

The motion was declared **CARRIED**.

9.40 pm – **RESOLVED:**

This Council notes:

- a. Its commitment to the Freedom Pass, which provides free travel 24 hours a day, 7 days a week on bus, tube and most rail routes for the borough's over 60 and disabled residents;
- b. The 3-year agreement made with government in April 2008 to part-fund the Freedom Pass;
- c. The decision in July 2009 by Transport Minister Sadiq Khan MP to re-open funding of the Freedom Pass;
- d. The proposals in the consultation paper "*Local Authority special grant funding in 2010/11 for the national bus concession in England*" to renege on the funding agreement so that London will lose £29 million - almost half its agreed funding for 2010-11;
- e. The threat this entails to free travel for thousands of pensioners and disabled residents in Hammersmith & Fulham.

This Council resolves:

- a. To oppose the Department for Transport's re-opening of the 3-year funding deal;
- b. To ask both borough MPs to write to the Prime Minister seeking his intervention to protect funding for the Freedom Pass.

34.5 Special Motion 5 - False Statements

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

"This Council calls upon Councillor Greenhalgh to stop allowing his Administration to mislead residents and the media on the amount of affordable housing provided by his administration and insist that all information is double checked and is true before being released.

The facts are as follows. Firstly, this Council does not build homes. It has granted planning permissions for housing associations to build homes. In November 2009 the council's Chief Executive wrote to Councillor Stephen Cowan to respond to a query about the figures being quoted.

When responding to a question about this Administration's lack of commitment to affordable rented housing, Mr Alltimes wrote to confirm that of the 870 home "built or are anticipated to be built" none would be built by H&F Homes or the London Borough of Hammersmith and Fulham. Indeed, 723 of the 870 affordable rented homes being claimed had been given planning permission by previous Labour administrations between 2001 and March 2006 - with most of those being opposed by the Conservatives at the time. And, out of the remaining 147 homes, 104 of those were forced on this Conservative Administration by Ken Livingston when he was Mayor of London.

The Conservative leader David Cameron has also misled our residents by repeating this false information".

Speeches on the special motion were made by Councillors Michael Cartwright and Stephen Cowan (for the Opposition) and Councillors Lucy Ivimy, Harry Phibbs and Andrew Johnson (for the Administration).

At 9.58pm, under Standing Order 24.3, Councillor Mark Loveday moved that the meeting be extended until 10.03 p.m.

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

| | |
|-------------|----|
| FOR | 8 |
| AGAINST | 23 |
| ABSTENTIONS | 0 |

The motion was declared **LOST**.

35. **INFORMATION REPORTS - TO NOTE (IF ANY)**

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

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

Meeting started: 7.00 pm
Meeting ended: 10.03 pm

Mayor

ANNOUNCEMENTS BY THE MAYOR

1. I would like to congratulate residents of our Borough, who received various honours in the New Years Day Honours list 2010. Dame Commander of the Order of the British Empire (DBE) Clare Tickell, CE of Action for Children charity. Anthony Simonds-Gooding CBE, Chairman of DA&D. Helen Fraser CBE, former MD of Penguin UK. Lady Ruth Rogers MBE and Rose Gray MBE, River Café. Maya Donelan MBE. Antony Beevor MBE, former Chairman of Fairbridge organisation for Disadvantaged Young People. Sergeant Geoffrey Owen Queen's Police Medal, (QPM).
2. On 29th October 2009, I attended the Hammersmith Rotary Club Meeting, Polish Centre, King Street, W6.
3. On 30th October, I attended the 7th Rifles Annual Battalion Dinner, Haberdashers Hall, Smithfield, London, EC1A 9HQ
4. On 3rd November, accompanied by my Mayoress, I attended the 'Friends of Parks' Group reception, Mayor's Parlour, HTH.
5. On 4th November, accompanied by my Mayoress, I officially opened the 3rd Best Mangal restaurant in Fulham, Fulham Broadway, SW6.
6. On 6th November, I attended the Annual Service of Remembrance, Greater London Authority, City Hall, Queen's Walk, SE1.
7. On 6th November, accompanied by my Mayoress and the Deputy Mayor, I was delighted to attend and countdown H&F Fireworks display, Bishops Park; SW6;
8. On 7th November, accompanied by my Mayoress, I attended Top Gear Live, Earls Court & Olympia, SW5.
9. On 7th November, accompanied by my Mayoress, I was delighted to attend and countdown H&F Fireworks display, Ravenscourt Park, W6.
10. On 8th November, accompanied by my Mayoress, I was honoured to take the salute at the Remembrance Day Parade and Service, Shepherds Bush Green. W12.
11. On 9th November, accompanied by Cllr Frances Stainton, Cabinet Member for Culture & Heritage, attended the 'Leonardo Da Vinci - Citizen Of Milan' viewing, held at the Italian Cultural Institute 39 Belgrave Square, SW1X.
12. On 11th November, I attended Palingswick House Open Day event, Palingswick House, King Street, W6.
13. On 12th November, I attended Hestia Housing AGM, Novotel Hammersmith, Shortlands, W6.

14. On 13th November, I was delighted to attend and officially open Little People Sensory Garden, Willow Vale, W12.
15. On 13th November, I attended the Jack Petchey Speak Out Challenge Competition, Burlington Danes School, W12.
16. On 14th November, accompanied by my Mayoress, I attended the Lord Mayor Elect Outward Procession, Mansion House, EC4.
17. On 14th November, accompanied by my Mayoress, I attended the Mayor of Harrow's Charity Ball, Elliott Hall Harrow Art Centre, Hatch End.
18. On 16th November, I attended Cambridge School celebration evening for academic success and the official launch of 'The Virtual School', Cambridge School, W6.
19. On 16th November, accompanied by my Mayoress, I attended the Army Presentation Team reception and briefing, Cadogan Hall, SW1X.
20. On 18th November, I attended H&F Schools' Children's Parliament on the environment, Council Chamber, HTH.
21. On 18th November, I was delighted to attend and part host a reception for the Members of the Education and Children's Services Scrutiny Committee, Mayor's Parlour, HTH.
22. On 18th November, accompanied by my Mayoress, I attended The Bhavan Centre's Annual Fund-raising Diwali Banquet, Millennium Mayfair Hotel - Grosvenor Square W1.
23. On 19th November, I attended the Speaker of Hackney's Charity Quiz Night, Hackney Town Hall, Mare Street, E8.
24. On 20th November, I attended the GLA Pan London Citizenship Ceremony, City Hall, Queen's Walk, SE1.
25. On 20th November, I attended the Mayor of Ealing's Charity Quiz Night, Ramada Jarvis Hotel, NW10.
26. On 21st November, I was delighted to attend H&F Credit Union 1st Anniversary celebration and officially launch their Saturday Openings, North End Road, SW6.
27. On 23rd November, I hosted a small reception to welcome Chinese delegates, Mayor's Parlour, HTH.
28. On 23rd November, accompanied by my Mayoress, I was delighted to present awards to winners of the London In Bloom competition, Mayor's Foyer, HTH.
29. On 25th November, I attended 'Reflecting on Japan-UK 150' reception, hosted by H.E. Japanese Ambassador and Madam Ebihara, in the presence of The Royal Highness the Duke and Duchess of Gloucester, British Museum, WC1B.

30. On 26th November, I attended the Mayor of Hounslow's Freedom of the Borough Ceremony and reception, Civic Centre, TW3.
31. On 26th November, accompanied by my Mayoress, I attended St Clements Church 75th Birthday celebration, St Clements Church, Fulham Palace Road, SW6.
32. On 30th November, I attended the Counselling & Prayer Trust Carol Service, All Saints Church, Fulham, SW6.
33. On 1st December, accompanied by my Mayoress, I attended the Mayor of Islington's Charity visit to LK Bennett, Covent Garden Piazza;
34. On 2nd December, I attended HAFFTRA Quiz Evening, Nye Bevan Hall, Aspen Gardens, W6.
35. On 3rd December, accompanied by my Mayoress, I attended the Lighting Up Ceremony and reception of the Oslo Christmas Tree, Trafalgar Square.
36. On 4th December, accompanied by my Mayoress, I was delighted to attend Vanessa Nursery School Christmas Party, Cathnor Road, W12.
37. On 7th December, accompanied by my Mayoress, I attended West London Magistrates 'Christmas Social', House of Commons, SW1A.
38. On 8th December, I attended Larmenier and Sacred Heart School Christmas celebration, Brook Green.
39. On 8th December, I attended the Mayor of Richmond's Evening of Festive Music by the Royal Military School of Music, Clarendon Hall, York House, TW1.
40. On 9th December, I was delighted to attend and officially open North End News Post Office, North End Road, W14.
41. On 9th December, accompanied by my Mayoress, I attended Fulham Society Annual Carol Service, Fulham Palace Chapel, Fulham Palace, SW6.
42. On 10th December, I helped 'Furnish and Family Friends' to deliver Christmas Hampers to borough residents, W6.
43. On 10th December, I attended NDC Carols by Candlelight, Normand Park, SW6.
44. On 10th December, accompanied by the past Mayor, Mrs Pat Ward, I was delighted to attend the 25th Anniversary celebration of Astor Court, Maynard Close, SW6
45. On 10th December, I attended the Historic Building Group Committee Christmas Celebration Party, St Peters Square, W6.
46. On 11th December, I attended the Brackenbury Residents, Christmas Carols concert, Brackenbury Road, W6.

47. On 15th December, accompanied by my Mayoress, I attended All Saints Church Carol Service, All Saints Church, SW6.
48. On 16th December, accompanied by my Mayoress, I attended the Mayor of RBKC Christmas reception party, Mayor's Parlour, Town Hall, W8.
49. On 18th December, I was honoured to attend and present a prize at the Olympia International Show Jumping Championships, Olympia, W14.
50. On 18th December, accompanied by my Mayoress, I attended the Mayor of Brent's Charity Christmas Party, Crown Moran Hotel, NW2.
51. On 20th December, accompanied by my Mayoress, I attended the Community Carol Service, St Andrews Church, W14.
52. On 21st December, I was delighted to host a small reception and presentation with Cllr Frances Stainton of a soft toy to Master Sid Sanderson, from John Betts School, Mayor's Parlour, HTH.
53. On 22nd December, I attended the funeral of late Mr. Alec Cottrell, St Saviours Church, W12, followed by attending Mortlake Crematorium, TW1.
54. On 25th December, I was honoured to attend with the Deputy Mayor and other senior cabinet members H&F Resident Services Pensioners' Christmas Lunch, Assembly Hall, HTH.
55. On 28th December, accompanied by my Mayoress, I attended the London Borough Derby match Chelsea FC vs. Fulham FC, Stamford Bridge, SW6.
56. On 1st January 2010, accompanied by my Mayoress, I attended the New Year's Day Parade, One Whitehall Place SW1. Albert & Friends represented our borough.
57. On 2nd January, accompanied by my Mayoress, I attended the New Year's Day Concert, Westminster Cathedral, SW1;
58. On 7th January, I attended the London Government Dinner, Mansion House EC4N;
59. On 9th January, accompanied by Ms Izzie Lamport-Went and Ms Octavia Colehan, I attended The Lord Mayor and Lady Mayoress of London Fancy Dress Party, Mansion House, EC4N
60. On 12th January, I was delighted to attend Mrs Evelyn Engelback's 100th Birthday Celebration, 24 Swanbank Court, Willow Bank, SW6.
61. On 12th January, I visited past Mayor, William C Smith OBE, Farm Lane SW6.
62. On 13th January, I attended the British Land and Capital Kids Cricket reception, hosted by the Lord Mayor of London, Westminster City Hall, SW1.

63. On 15th January, accompanied by my Mayoress, I attended the performance of Dr Marigold and Mr Chops, Riverside Studios, W6.
64. On 18th January, I attended the funeral and requiem mass for the late Mr Peter Moore, Town Crier, St George's Cathedral, SE1.
65. On 18th January, I attended the 'Jack Petchey Awards' evening, Great Hall, Town Hall, W8.
66. On 21st January, I attended the Mayor of Greenwich charity tour of the Royal Observatory, Greenwich Park, SE10.
67. On 25th January, accompanied by my Mayoress, I was delighted to host a small reception and attend the performance of 'The Three Sisters' in aid of my chosen charity, Help For the Heroes; 9 other London borough Mayors' attended, Lyric Theatre, W6.
68. On 26th January, I attended the Holocaust Memorial Day Ceremony, City Hall, Queen's Walk, SE1.
69. On 27th January, I attended a Citizenship Ceremony during which, I presented each citizen with their official certificate, Council Chamber, FTH.

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 27 JANUARY 2010

Question by: Rob Easthope

To the: Deputy Leader and Cabinet Member for Environment

QUESTION

“Would the Council please explain the lack of gritting for pavements during the recent winter freeze, creating treacherous conditions for children walking to school and disrupting local businesses on Askew Road?”

RESPONSE

Thank you for your question concerning the Council’s response to the severe weather and gritting activities.

The carriageway in Askew Road was gritted at least twice a day on every occasion there has been frost, ice and snow during this winter as it is on the Council's core reliance highway network. However, the background to why the footpaths were not gritted is given below.

The problems which affected Hammersmith and Fulham have been experienced across all London boroughs and the majority of the United Kingdom. We started the winter with our salt stores full, and immediately we had the period of bad weather before Christmas we ordered more, to keep our stocks at their maximum. At that stage we were gritting all the roads and footways the Council has historically gritted. Under normal winter snow conditions we would aim to grit all roads in the borough within two days of the snow settling, following the treatment of the main roads.

With the exceptional weather we have had since early January, we started to limit the amount of gritting we were carrying out, when it became clear that the suppliers of salt used to de-ice roads and footpaths could not meet the demands being placed on them. There remain real concerns over the depletion of the stock of de-icing salt over the prolonged cold spell. The national prioritisation and reallocation of salt led to the Council deciding to reserve its current salt stock for the main priority roads and therefore we were unable to treat some footways on main roads and many side roads/ footways as we would have liked. This was not because the council was close to running out of salt but because it is unclear when further deliveries will be made and we must preserve the current stock.

The Government requested highway authorities to reduce salt usage, initially by 25% (on 8 January 2010), which was then increased to a reduction of 50% (on 11 January 2010), although the Council had already taken measures to conserve its salt prior to these dates. London already had contingency plans in place to manage such a scenario and was asked to conserve salt usage to treat only those roads which are necessary to ensure essential services and supplies can be delivered. These are to grit the very main roads and heaviest used footways and those roads adjacent to sites such as hospitals and emergency service depots and a limited number of special need schools and community centres. These areas are essential to ensure the capital is able to continue to function with managed local disruption rather than uncontrolled chaos. This may have appeared that many areas, particularly side streets and footways were neglected or forgotten about.

During the time since the 8 January 2010 the government promised London 12,000 tonnes of salt to be delivered to replenish stock. To date only half of this has arrived. The Council continues to attempt to replenish stocks, but so is the rest of the country and it will take some time to get our stocks back to the maximum level. Therefore, if bad weather returns we will return to only gritting the main road network.

The instructions to reduce salt usage by such an amount were issued to all Highway Authorities but a small number of councils decided not to adjust their winter service delivery arrangements. This is the reason that some residents may have noted that other boroughs appeared to be treating more extensive parts of their networks. Their activity has put additional pressure on the capital's salt supply and if further severe weather comes and the salt runs out then they may face the consequences of their actions.

A review of this council's and London's winter service delivery arrangements is planned. The main priority network may have some amendments, pan London, so that emergency salt allocations are distributed more equitably and the resilience road network adjusted accordingly.

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 27 JANUARY 2010

Question by: Jon Burden

To the: Deputy Leader and Cabinet Member for Environment

QUESTION

“Would the Council please explain all of the projects that will be undertaken with the £3.8million recently provided by TfL? There have been press reports about some of the projects, but I would like to know all of the projects that are being undertaken with this funding”.

RESPONSE

The £3.8 million Local Transport funding which Transport for London has allocated the borough for 2010/11 is broken down as follows:

CORRIDORS: £1,246,000:

This programme aims to improve conditions and safety and reduce congestion for all road users, including car drivers, freight vehicles, pedestrians, cyclists and motorcyclists, bus passengers and residential and business frontages. Our priorities are:

Goldhawk Road: £400,000 for improved crossing at Brackenbury Road/Coningham Road and a complete review of the road with a view to removing unsightly and unnecessary guardrail, reducing street clutter, reducing barrier effect and stimulating regeneration.

North End Road: £50,000: completion of streetscape improvements of last two years, reviewing and improving waiting and loading controls to reduce congestion while enabling deliveries to be made, improving pedestrian convenience and road safety.

Riverwalk: £200,000

Completion of Upper Mall enhancements, re-paving and re-signing near Putney Bridge, re-signing other sections to reduce pedestrian-cyclist conflict, installing new cycle path in Bishop’s Park.

Askew Road: £200,000 – completion of schemes implemented in 2009/10, including de-cluttering, roadspace reallocation, footway upgrading, decluttering and improving the Askew Road/Uxbridge Road junction.

Accident Analysis and Investigation: £36,000. Studying incidence of personal injury accidents and decide priorities and measures to address them.

Cycle Training; £60,000: to train 500 children and 100 adults to give them the skills and confidence to ride on the road, reduce accidents and make them less likely to ride on the footway.

Wayfinding for Hammersmith & Fulham Town Centres: £150,000. Enhance the attractiveness of town centres, shops and leisure facilities, improving streetscape, decluttering and encouraging walking.

Reserve scheme: Fulham Palace Road – complementary measures to improvements to Fulham Palace Road/Hammersmith gyratory currently being implemented and funded by TfL through a separate stream. Measures to smooth traffic flow including the upgrading of pelican crossings to puffins.

All the above schemes are subject to detailed design and public consultation.

NEIGHBOURHOODS: £798,000:

Reviews of the traffic claming and management arrangements, with a “blank canvass” of measures on which local residents will be consulted. We will be looking at rat running, traffic speeds, 20mph limits accident records, school travel plans, streetscape improvements, de-cluttering, planting of street trees and provision of electric car charging points and car cub bays in the following areas:

Wendell Park : £270,000 (area bounded by Askew Road, Goldhawk road and western borough boundary): work will complement the review of parking controls in zone I

Brook Green : £199,000 (area bounded by Shepherds Bush Green, Shepherds Bush Road, Hammersmith Road and eastern borough boundary)

South Park.: £130,000 (area bounded by Wandsworth Bridge Road, New Kings Road, the District Line and the River Thames).

Ravenscourt Park: £199,000. (residential areas either side of King Street. This will complement the station access scheme and the review of parking controls in Zones L and M.

Reserve scheme: Wormholt Park: £159,000 (area bounded by Westway, Bloemfontein Road, Uxbridge Road and Old Oak Road.

SMARTER TRAVEL: £297,000:

Includes education and information on road safety, focussing on in-car child safety, (£10,000) Theatre in Education bringing road safety messages to schools (£10,000), teaching road safety awareness to year 6 children (£5,000), working with QPR football club to promote road safety in the “Roadwise Rangers” project (£20,000),

teaching road safety through the “Junior Citizen” scheme with the police (£10,000), support for Urban Studies Centre working with schools on their travel plans (£24,000), small grants to schools to help in their travel plans (eg cycle sheds) (£60,000), assistance to schools to produce travel plans (£40,000), Walk to School promotions (£10,000), safety training for motorcyclists (£15,000), Cyclist/HGV Danger Awareness (£15,000), drink/drug driving awareness (£10,000), workplace travel plan development with sub-regional partners (£28,000), Travel awareness – promoting healthier and greener travel modes (£30,000).

PRINCIPAL ROAD MAINTENANCE: £1,404,000.

Resurfacing Fulham Road and Fulham High Street:£354,000

Roads 2000 Londonwide Principal Roads conditions survey: £850,000

TfL Principal Roads Network Asset management £200,000 .

We manage these last two Londonwide schemes on behalf of TfL.

LOCAL TRANSPORT FUND:£100,000

This money can be spent at the council’s discretion. We have not yet allocated it to projects.

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 27 JANUARY 2010

Question by: John Grigg

To the: Cabinet Member for Housing

QUESTION

“At a public meeting at St Pauls Church on 5 January, David Cameron said he supported the Council's housing plans but added that you *"don't have plans to knock down estates"*. This seems at odds with information already in the public realm. Could you give me details of the information your Administration gave to Mr Cameron?”

RESPONSE

Mr Grigg, this is a party political question and I appreciate that we come from different political sides of the debate. This Conservative Council has a regular dialogue with David Cameron and his team and I am not going to, nor should I, give you the private details of those conversations.

What I shall say is that this Administration is proud that we shall have one of the most ambitious programmes of house building in London over the next few years.

COUNCIL MINUTES

(SPECIAL COUNCIL MEETING)

WEDNESDAY 27 JANUARY 2010

PRESENT

The Mayor Councillor Alex Karmel
Deputy Mayor Councillor Adronie Alford

Councillors:

| | | |
|-----------------------------|-----------------|----------------------|
| Colin Aherne | Steve Hamilton | Harry Phibbs |
| Nicholas Botterill | Wesley Harcourt | Alexandra Robson |
| Victoria Brocklebank-Fowler | Lisa Homan | Minnie Scott Russell |
| Michael Cartwright | Lucy Ivimy | Greg Smith |
| Stephen Cowan | Andrew Johnson | Frances Stainton |
| Oliver Craig | Donald Johnson | Peter Tobias |
| Belinda Donovan | Jane Law | Mercy Umeh |
| Gavin Donovan | Ali de Lisle | Rory Vaughan |
| Sarah Gore | Mark Loveday | Eugenie White |
| Lucy Gugen | Reg McLaughlin | |

36. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Paul Bristow, Jean Campbell, Alex Chalk, Gill Dickenson, Caroline Ffiske, Rachel Ford, Stephen Greenhalgh, Robert Iggulden, Lisa Nandy, Ed Owen and Sally Powell.

37. DECLARATIONS OF INTERESTS

There were no declarations of interest.

38. ITEMS FOR DISCUSSION/COMMITTEE REPORTS (IF ANY)

38.1 Changing Governance Arrangements

10.04 pm – the report and recommendations were formally moved by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

| | |
|-------------|-----------|
| FOR | Unanimous |
| AGAINST | 0 |
| ABSTENTIONS | 0 |

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

10.04 pm **RESOLVED:**

That the Council

- a) adopts the new Leader and Cabinet executive model with effect from the third day after the local elections in May 2010;
- b) agrees that the Leader may be removed by a resolution of Full Council;
- c) agrees the main constitutional changes detailed in Appendix 1 of the report, and notes that further changes could be made later in the municipal year.

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

Meeting started: 10.03 pm
Meeting ended: 10.04pm

Mayor



Report to Council

24 FEBRUARY 2010

LEADER

Councillor Stephen Greenhalgh

REVENUE BUDGET AND COUNCIL TAX LEVELS 2010/11

WARDS
All

This report sets out proposals in respect of the revenue budget for the Council for 2010/11 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues.

CONTRIBUTORS

All Departments

Recommendations:

1. To note the Council Tax decrease, for the Hammersmith & Fulham element, of 3% for 2010/11. For planning purposes, there will be no change for 2011/12 and 2012/13.
2. The Council Tax be set for 2010/11 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 £811.78 per Band D property in 2010/11.
 - (b) The element of Council Tax charged by the Greater London Authority will be £309.82 per Band D property in 2010/11.
 - (c) The overall Council Tax to be set will be £1,121.60 per Band D property in 2010/11.

| Category of Dwelling | A | B | C | D | E | F | G | H |
|-----------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Ratio | 6/9 £ | 7/9 £ | 8/9 £ | 1 £ | 11/9 £ | 13/9 £ | 15/9 £ | 18/9 £ |
| a) H& F | 541.19 | 631.38 | 721.58 | 811.78 | 992.18 | 1,172.57 | 1,352.97 | 1,623.56 |
| b)GLA | 206.55 | 240.97 | 275.40 | 309.82 | 378.67 | 447.52 | 516.37 | 619.64 |
| c)Total (Draft) | 747.74 | 872.35 | 996.98 | 1,121.60 | 1,370.85 | 1,620.09 | 1,869.34 | 2,243.20 |

3. **The Council's own total net expenditure budget for 2010/11 is set as £184.345m**
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 2012/13 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 2010/11 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 2010/11 (sections 2 to 7);
 - the Aggregate External Support estimated by the Council (section 8);
 - the Council Tax base set at Council on 27 [January 2010](#) (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 In general, in order to contain growth, no inflation has been applied except where there is a contract in place. In 2009/10, the Council faced exceptional cost increases regarding certain non-contract items, such as energy or food and additional growth of £0.421m was provided for within the MTFS. These increases have proved to be short-lived and growth has not been required for future years. 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**.
- 2.2 No additional inflation has been built into the 2010/11 salary budgets as they are considered adequate at the current level. The Government in its Pre-Budget Report 2009 has set out a public sector pay cap of 1% for two years from 2011 although it is not clear how this will operate for local government. At this point, it has been decided not to hold a pay inflation contingency for later years, but to increase the general contingency instead. This is because the uncertainty around the future economy makes it impossible to predict how financial pressures will manifest. The only certainty is that there will be pressures.
- 2.3 The last Actuarial Valuation, undertaken in 2007, required a 1% increase in the Employer's Pension Contribution rate for 2010/11. A new valuation report has been commissioned for March 2010, the results of which will be available next autumn. Any further changes to pension contribution rates will be applicable from 2011/12.
- 2.4 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.

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 2010/11.

Table 1

| | £000s |
|--------------------------------|---------------|
| Children's Services | 1,515 |
| Community Services | 840 |
| Environment Services | 200 |
| Finance and Corporate Services | 2,157 |
| Residents Services | 2,037 |
| Corporate Items | 3,693 |
| Total Growth | 10,442 |

- 3.2 The economic slow down had a significant impact on Council budgets for 2009/10. In particular, the down turn in the property market led to a significant reduction in forecast income for services such as Building Control. The Council's current budget strategy assumes that the impact of the recession will not be on-going beyond 2010/11.
- 3.3 The revenue monitoring reports for 2009/10 have identified areas of spending pressures. The most significant relates to the increase in demand faced by Children's Services following the Baby Peter case. New growth of £1.0m has been set aside from 2010/11 onwards to address this cost increase.
- 3.4 The financial environment in which the Council operates has become more challenging. There is still uncertainty surrounding the current year spending pressures and the impact of the recession. Departments have identified a number of risks for future years (Appendix E).
- 3.5 In addition, the outlook for public finances in general is bleak with public borrowing now forecast to be £178bn in 2009/10. In the recent Pre-Budget Report, the Chancellor of the Exchequer forecast that public spending will increase by an average rate of 0.8% between 2011 and 2015. The increase for local government will be less than that average given that the Government has confirmed its commitment to deliver real terms increases for health, defence and education. Some commentators are already predicting cash reductions for local government. The current MTFS model assumes that there is no increase in formula grant from 2011/12. However, there is a significant concern that there will be a reduction in funding and this has been identified as a risk (Appendix E).

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 2010/11:

Table 2

| | £000s |
|--|---------------|
| Children's Services | 2,165 |
| Community Services | 3,604 |
| Environment Services | 3,516 |
| Finance and Corporate Services | 1,870 |
| Residents Services | 1,562 |
| Corporate Items | 580 |
| Total Savings and Income Generation | 13,297 |

5 FEES AND CHARGES

- 5.1 The 2010/11 budget has been prepared on the basis of an average 2% increase in income budgets. This is lower than the 5% assumed for the last three years. Where fees and charges have been increased by a rate other than 2%, except when the increases are set by statute, details are provided in **Appendix G**. The total income due to be collected (excluding Parking) will be approximately £40m of which £9m relates to income from residents.

6 REVENUE BALANCES, RESERVES AND PROVISIONS

- 6.1 The Council's general reserves stood at £14.8m as at 1st April 2009 and it is currently projected that £2.8m will be drawn down in the current financial year. This will leave approximately £12.0m in general reserves at year end, which represents 6.5% of the current budget requirement. In 2009/10, the Council has implemented a budget recovery plan to minimise the impact of emergent spend pressures. It is expected that this will reduce the current planned drawdown from reserves. At present, there are no proposals to increase the reserves in 2010/11.
- 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 2010/11 is in the order of £184.3m. 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 £9.6m. 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 between £12-£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. This range is £2m higher than that identified as part of the 2008/09 Budget Report (£11m-£13m). This higher optimal range reflects the Council's need to set aside sufficient resources to mitigate some of the risk associated with current economic conditions and uncertainty over future funding levels.

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 2010/11 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.
 - Contract inflation is provided for.
 - 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.
- The corporate contingency has been increased to reflect the uncertainty surrounding the economy and its impact on the Council.

7.3 The Director of Finance and Corporate Service's projection of the budget requirement for the Council in the medium term to 2012/13 is set out in Appendix B and summarised in Table 3 for 2010/11:

Table 3

| | £000s |
|---|----------------|
| 2009/10 Original Budget | 185,764 |
| One off Contribution to General Reserves in 2009/10 | (1,337) |
| <i>Plus</i> | |
| Inflation | 2,119 |
| Growth | 10,442 |
| Contribution to General Contingency | 654 |
| <i>Less</i> | |
| Efficiency Savings and Income Generation | (13,297) |
| Net Council Budget 2010/11 | 184,345 |

8 EXTERNAL FUNDING

8.1 A three-year Settlement was announced from 2008/09. 2010/11 is the final year of this settlement and the Council will receive Formula Grant of £120.922m – an increase of 1.5% from 2009/10.

Table 4

| | £000s |
|------------------------------------|----------------|
| Revenue Support Grant | 15,332 |
| Redistributed Non-Domestic Rates | 105,590 |
| Total 2010/11 Formula Grant | 120,922 |
| Prior Year Collection Fund Deficit | (750) |
| Total External Support | 120,172 |

- 8.2 Hammersmith and Fulham is a 'floor' authority and has received the national minimum in grant funding for each year of the existing 3-year settlement. 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 2010/11, this Council's Formula Grant allocation would be £26m lower.
- 8.3 The Government has abandoned the expected 2009 Comprehensive Spending Review (CSR). The CSR represents a long-term and fundamental review of government expenditure and sets out departmental allocations, including those for local government, for the next three years. In the absence of the CSR funding allocations beyond 2010/11 are subject to significant uncertainty. The expectation is that local government faces a lengthy period of spending restraint and a freeze in formula grant is currently assumed beyond 2010/11.
- 8.4 In 2008/09 a number of specific grants were replaced by a new general grant, Area Based Grant (ABG), which is usable for any purpose. 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. In 2010/11, the Council's ABG allocation is £22.6m. This includes funding of £11.47m for Supporting People, which has been directly passported to Community Services. As part of the Council's ABG process it was agreed that some schemes would be incorporated with the Council's mainstream service plans and challenged via the MTFs process. Other schemes would be subject to an annual bidding process and these are set out in summary in **Appendix H**. All allocations agreed to date are included within departmental revenue estimates.
- 8.5 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 recession has impacted on recovery rates and the level of council tax income collected has been lower than anticipated. A deficit of £0.750m is now forecast regarding the Collection Fund and allowance for this is made in the prior year adjustment shown in Table 4. A contribution will be received from the Greater London Authority regarding their share of the deficit.

- 8.6 A reformed Local Authority Business Growth Incentive (LABGI) Scheme is now in operation. It allows London boroughs to gain some benefit from the growth in business rate income across the London region. Hammersmith and Fulham received a grant allocation of £0.245m in 2009/10 and a similar sum is expected for 2010/11. The Council uses the LABGI award to help fund the Council's regeneration agenda.

9 COUNCIL TAX BASE

- 9.1 The Council has formally agreed a Tax Base of 79,052 equivalent Band D properties for 2010/11. Therefore the Council's element of the Council Tax can be calculated as follows:

| |
|---|
| $\frac{\text{Total Budget Requirement}}{\text{Tax Base}} = \frac{\text{£184.345m} - \text{£120.172m}}{79,052} = \text{£811.78}$ |
|---|

- 9.2 This represents a decrease of £25.11 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 £24.492m 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.

| |
|--|
| $\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\text{£24.492m}}{79,052} = \text{£309.82}$ |
|--|

- 10.2 For a second year this represents no change from the 2008/09 Council Tax level.

11 OVERALL COUNCIL TAX REQUIREMENTS 2010/11 AND 2011/12

- 11.1 It is proposed to decrease Hammersmith and Fulham's element of the Council Tax by 3% in 2010/11 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

| | |
|--|---------------|
| | £000s |
| London Borough of Hammersmith & Fulham | 184,345 |
| Greater London Authority | 24,492 |
| <u>Less</u> | |
| External Support | (120,172) |
| Total Requirement for Council Tax | 88,665 |

- 11.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a Council Tax for its own budgetary purposes (section 9) and then add the separate Council Tax requirements for each of the preceptors (section 10).
- 11.3 It must then set the overall Council Tax for the Borough. These calculations have to be carried out for each of the valuation bands A to H, and are set out in the recommendations at the front of the report. The amount per Band D equivalent property is calculated as follows:

| | | | | |
|---------------------------------|---|-----------------|---|-----------|
| <u>Total Budget Requirement</u> | = | <u>£88.665m</u> | = | £1,121.60 |
| Tax Base | | 79,052 | | |

- 11.4 In 2009/10 the overall amount per Band D equivalent property was £1,146.71. The decrease of £25.11 (2.2%) can be explained as follows:

Table 6

| | 2009/10 Band D | 2010/11 Band D | Change From 2009/10 |
|--------------------------|---------------------------|---------------------------|--------------------------------|
| | £ | £ | £ |
| Hammersmith & Fulham | 836.89 | 811.78 | (25.11) |
| Greater London Authority | 309.82 | 309.82 | 0 |
| Total | 1,146.71 | 1,121.60 | (25.11) |

- 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 2011/12. It is planned that it remain at the 2010/11 level of £811.78. For 2012/13 planning purposes, the Director of Finance and Corporate Services has again assumed no change to the 2010/11 Council Tax level.
- 11.6 The current Band D Council Tax charge is the 4th lowest in London. The proposed 2010/11 budget will enable a fourth successive 3% decrease to be delivered. Table 7 sets out the changes in the Band D charge for the Hammersmith and Fulham element of Council Tax since 2002/03. The proposed Band D charge for 2010/11 is the lowest charge since that approved for 2002/03. Table 8 sets out a comparison against the average London Borough.

Table 7

| | Band D Hammersmith and Fulham Element | Change | Change |
|---------------------------------|--|---------------|---------------|
| | £ | £ | % |
| 2002/03 | 772.41 | 0 | 0 |
| 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 | 811.78 | -25.11 | -3.00 |
| 2011/12 (for planning purposes) | 811.78 | 0 | 0.00 |

Table 8 – Comparison Against Other Boroughs



While Council Tax in Hammersmith & Fulham has reduced by 9% from 2006/07 to 2009/10, the London average has risen by 8% over the same period. This represents a cash saving of £320 for Hammersmith & Fulham residents against the average Borough increase from 2006/07 to 2009/10.

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 Committee. Verbal Comments from the Scrutiny Committees were received by Cabinet at the meeting on 8 February 2010. However, in the absence of any written comments, there is no **Appendix F** to this report.

14 COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

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

15 COMMENTS OF 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

| No. | Brief Description of Background Papers | Name/Ext. of holder of file/copy | Department |
|------------|---|---|---|
| 1. | Revenue Budget 2010/11 | Andrew Lord Ext. 2531 | Finance and Corporate Services Town Hall |
| 2. | Formula Grant Papers 2010/11 | Andrew Lord Ext. 2531 | Finance and Corporate Services Town Hall |
| 3. | Finance and Corporate Services Budget Papers | Dave Lansdowne Ext. 2549 | Finance and Corporate Services Town Hall |
| 4. | Community Services Budget Papers | Mark Jones Ext 5006 | Community Services Department 77 Glenthorne Road |
| 5. | Children's Services Budget Papers | Dave McNamara Ext. 3404 | Children's Services Department Cambridge House |
| 6. | Housing Revenue Account Budget Papers | Mark Jones Ext 5006 | Community Services Department 77 Glenthorne Road |
| 7. | Residents Services Budget Papers | Gary Hannaway Ext 3031 | Residents Services Department 77 Glenthorne Road |
| 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. | 692,114 |
| (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. | 507,769 |
| (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. | 184,345 |
| (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). | (120,172) |
| (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 | 64,173 |
| (f) | being the amount at (c) above less the amount at (d) above all divided by the amount in Section 8 of the report, calculated by the Council, in accordance with Section 33 (1) of the Act, as the Basic Amount of its Council Tax (Band D) for the year i.e. $\frac{\pounds(c)k - \pounds(d)k}{\text{Amount Section 9}}$ | 811.78 |

(g) Valuation Bands – Hammersmith & Fulham Council:

| Band A | Band B | Band C | Band D |
|---------------|---------------|---------------|---------------|
| 541.19 | 631.38 | 721.58 | 811.78 |
| Band E | Band F | Band G | Band H |
| 992.18 | 1,172.57 | 1,352.97 | 1,623.56 |

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:

| Band A | Band B | Band C | Band D |
|---------------|---------------|---------------|---------------|
| 206.55 | 240.97 | 275.40 | 309.82 |
| Band E | Band F | Band G | Band H |
| 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:

| Band A | Band B | Band C | Band D |
|---------------|---------------|---------------|---------------|
| 747.74 | 872.35 | 996.98 | 1,121.60 |
| Band E | Band F | Band G | Band H |
| 1,370.85 | 1,620.09 | 1,869.34 | 2,243.20 |

OVERVIEW

Appendix B

| | Year 1 2010/11 £'000 | Year 2 2011/12 £'000 | Year 3 2012/13 £'000 |
|---|----------------------------|----------------------------|----------------------------|
| 2009/10 Council Budget | 185,764 | | |
| Less: Contribution to General Reserves in 2009/10 | -1,337 | | |
| Less: Adjustment for Economic Slowdown | -421 | -850 | |
| 2010/11 Net General Fund Base Budget | 184,006 | 183,156 | 183,156 |

Known Changes:

| | | | |
|--------------------------------|----------------|----------------|----------------|
| Contract and Income Inflation | 2,119 | 5,698 | 9,298 |
| Growth (Appendix B) | 10,442 | 17,657 | 18,497 |
| Additional General Contingency | 654 | 4,328 | 7,932 |
| Efficiencies (Appendix C) | -13,297 | -27,015 | -35,059 |
| Total Expenditure | 183,924 | 183,824 | 183,824 |

| | | | |
|--|----------------|----------------|----------------|
| Reduction in Drawdown from Earmarked Reserves (Economic Slowdown) | 421 | 1,271 | 1,271 |
| Budget Requirement | 184,345 | 185,095 | 185,095 |
| Formula Grant (1.5% increase in 2010/11 no subsequent increase) | 120,922 | 120,922 | 120,922 |
| Council Tax - 3% decrease in 2010/11. 0% for planning purposes from 2011/12. | 64,173 | 64,173 | 64,173 |
| Collection Fund Deficit | -750 | 0 | 0 |
| Total Resources | 184,345 | 185,095 | 185,095 |

| | | | |
|-------------------|----------|----------|----------|
| Budget Gap | 0 | 0 | 0 |
|-------------------|----------|----------|----------|

Risks (Appendix G)

9,584 17,505 24,469

Growth

| Children's Services | | | | | |
|---------------------------------------|--|--------------|--------------|--------------|--------------|
| Growth | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Asylum | Unaccompanied Asylum Seekers - increased costs due to change in grant conditions for leaving care | 200 | 200 | 200 | 200 |
| Building Schools for the Future (BSF) | Prudential Borrowing for Council contribution to BSF | 0 | 150 | 300 | 300 |
| Children, Youth & Communities | Implementation of the Safeguarding Children agenda | 335 | 335 | 335 | 335 |
| Supporting Parents | Small reduction in last year's growth for support to parents of 5-12 year olds (previously a gap in our provision) | -20 | -20 | -20 | -20 |
| Complex Needs | Increased spend pressures following Baby P case | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Growth | | 1,515 | 1,665 | 1,815 | 1,815 |

| Community Services | | | | | |
|-----------------------|---|--------------|--------------|--------------|--------------|
| Growth | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Adult Social Care | Increase in demand for disabled people placements and care packages | 200 | 200 | 405 | 405 |
| Adult Social Care | Increase in demand for older people placements and care packages | 200 | 200 | 200 | 200 |
| Adult Social Care | Increase in demand for mental health placements and care packages | 125 | 125 | 125 | 125 |
| Adult Social Care | Placement packages and direct payments | 0 | 840 | 840 | 840 |
| Adult Social Care | Mental Health - New Continuing Care Placements as a result of a change in funding from NHS to the Council | 0 | 703 | 703 | 703 |
| Learning Disabilities | Increase in demand for learning disability placements and care packages | 315 | 315 | 650 | 650 |
| Total Growth | | 840 | 2,383 | 2,923 | 2,923 |

| Environment Services | | | | | |
|----------------------|-----------------------------------|--------------|--------------|--------------|--------------|
| Growth | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Planning | Planning Delivery Grant shortfall | 200 | 200 | 200 | 200 |
| Total Growth | | 200 | 200 | 200 | 200 |

Growth

| Finance & Corporate Services | | | | | |
|------------------------------|--|--------------|--------------|--------------|--------------|
| Growth | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Councillor Services | Councillor Briefings after May Elections | 15 | 0 | 0 | |
| H&F Direct | Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London | 1,312 | 1,797 | 1,797 | |
| H&F Direct | Admin Grant Income | 0 | 85 | 85 | |
| H&F Direct | H&F Direct Court Cost Income | 40 | 40 | 40 | |
| H&F Direct | Customer Access Strategy (double counted saving - offset by extra savings within Finance & Corporate Services) | 40 | 40 | 40 | |
| H&F Direct | H&F Direct (double counted saving - offset by extra savings within Finance & Corporate Services) | 500 | 500 | 500 | |
| Local Elections | May 2010 Election and Implementing the new Electoral Administration Bill | 250 | 0 | 0 | |
| Total Growth | | 2,157 | 2,462 | 2,462 | |

| Residents Services | | | | | |
|---------------------------------|--|--------------|--------------|--------------|--------------|
| Growth | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Cleaner, Greener Neighbourhoods | Increased contractual costs of waste disposal and increases in landfill tax. | 1,342 | 1,342 | 1,342 | |
| Cleaner, Greener Neighbourhoods | Serco - Ad hoc Contract Costs | 175 | 175 | 175 | |
| Cross-Cutting | Programme Director for Transforming the Customer Experience | 120 | 120 | 120 | |
| Parks & Culture | To cover underachievement of income from events | 200 | 200 | 200 | |
| Parks & Culture | To cover annual maintenance for Normand Park and Looked after Graves (previously not included in contract) | 50 | 50 | 50 | |
| Safer Neighbourhoods | Round the Clock Beat Policing - future costs to continue service | 0 | 1,600 | 1,600 | |
| Safer Neighbourhoods | Realignment of security budgets | 150 | 150 | 150 | |
| Total Growth | | 2,037 | 3,637 | 3,637 | |

Growth

| Corporate | | 2010/11 | 2011/12 | 2012/13 |
|---|---|----------------|----------------|----------------|
| Growth | | £'000 | £'000 | £'000 |
| Business Rate Supplement & NDR | New 20-year business rate addition at 2p in the pound for Crossrail and business rates net growth arising from revaluation and fall in multiplier | 172 | 603 | 603 |
| Corporate | Immigration Office Checks | 250 | 250 | 250 |
| Employees | 1% increase in employer contributions for National Insurance | 0 | 1,600 | 1,600 |
| H&F Direct | Concessionary Fares - loss of national grant | 1,182 | 1,657 | 1,657 |
| Microsoft Licence | Renewal of licence | 350 | 350 | 350 |
| Office Accommodation | Rental and service charges increases | 150 | 300 | 450 |
| Support Services | Reduced Income from Service Level Agreements (SLA) with HF Homes and the Housing Revenue Account (HRA) | 273 | 273 | 273 |
| Pension Fund | Additional Contributions arising from the actuarial valuations | 1,000 | 1,000 | 1,000 |
| Pensions | Additional contributions to the London Pensions Fund Authority | 316 | 527 | 527 |
| Land Charges | Impact of legal review on ability of local authorities to generate land charges income | 0 | 750 | 750 |
| Total Growth | | 3,693 | 7,310 | 7,460 |
| Hammersmith and Fulham - Summary | | | | |
| | | 2010/11 | 2011/12 | 2012/13 |
| | | £'000 | £'000 | £'000 |
| Grand Total | | 10,442 | 17,657 | 18,497 |

| Children's Services | | | | | |
|---------------------------------|---------|---------|---------|--|-------|
| Efficiencies | 2010/11 | 2011/12 | 2012/13 | | |
| Title | £'000 | £'000 | £'000 | | £'000 |
| Building Schools for the future | -50 | -50 | -50 | Staffing Efficiencies | -50 |
| Building Schools for the future | -50 | -50 | -50 | Expansion of School Management Support in serving other schools in other boroughs | -50 |
| Children, Youth & Communities | -38 | -38 | -38 | Efficiencies reducing maintenance costs | -38 |
| Children, Youth & Communities | -260 | -287 | -287 | Commissioning of services to reduce costs (including employment costs) | -287 |
| Children, Youth & Communities | -90 | -90 | -90 | Efficiencies from co-location at Cobbs Hall | -90 |
| Children, Youth & Communities | -62 | -73 | -73 | Reduction of vehicle lease costs | -73 |
| Children, Youth & Communities | -161 | -161 | -161 | Reduction in Civic Services management and support function | -161 |
| Children, Youth & Communities | 0 | -120 | -120 | Extended services - end of match funding grants | -120 |
| Children, Youth & Communities | -50 | -50 | -50 | Full year impact of savings resulting from market testing | -50 |
| Children, Youth & Communities | -150 | -350 | -350 | Efficiencies from re-provision of services in schools as part of extended services offer | -350 |
| Commissioning & Partnerships | -29 | -29 | -29 | Staffing Efficiency - Performance & Planning | -29 |
| Commissioning & Partnerships | -33 | -33 | -33 | Staffing Efficiency - Services to Schools | -33 |
| Commissioning & Partnerships | -54 | -54 | -54 | Staffing Efficiency - Common Assessment Framework co-ordinator | -54 |
| Commissioning & Partnerships | -20 | -20 | -20 | Children's Rights - changes in agency and sessional work | -20 |
| Commissioning & Partnerships | -273 | -273 | -273 | Staffing Efficiency - Commissioning; review of funding arrangements to streamline delivery | -273 |
| Commissioning & Partnerships | -45 | -45 | -45 | Minor re-organisation | -45 |
| Finance | -140 | -140 | -140 | Capital income - possible asset disposal | -140 |
| Finance | -50 | -50 | -50 | Rental Income from Askham | -50 |
| Finance | -60 | -60 | -60 | Reorganisation - Accountancy | -60 |
| School Improvement & Standards | -8 | -16 | -16 | End of discretionary grants | -16 |

| Efficiencies | 2010/11 | 2011/12 | 2012/13 |
|--------------------------------|--|---------------|---------------|
| Title | Description | £'000 | £'000 |
| School Improvement & Standards | Reduction in centrally held budget for Primary and Early Years | -100 | -100 |
| School Improvement & Standards | Reduction in centrally held budget for Secondary Improvement Service | -100 | -100 |
| School Improvement & Standards | Staffing Efficiencies - Cross Phase School Improvement Service | -90 | -90 |
| School Improvement & Standards | Special Educational Needs (SEN) budget efficiencies | 0 | -40 |
| Social Care | Reduction of management costs in Disabled Children's Service | -25 | -25 |
| Social Care | Reduce citizen children in care by 10% by additional support of families | -95 | -95 |
| Social Care | Staffing Efficiencies - Business Support Officers | -100 | -100 |
| Social Care | H&F Advice Centre - Staffing Efficiencies | -32 | -63 |
| Total Efficiencies | | -2,165 | -2,602 |

| Community Services | | | | | |
|--------------------|---|---------|---------|---------|-------|
| Efficiencies | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Adult Social Care | Changes to processes and staffing for Social Work services since the opening of the H & F Advice Centre. | 0 | -122 | -122 | |
| Adult Social Care | Stars- Impact of New Homecare Re-enablement. | -800 | -800 | -800 | |
| Adult Social Care | Imperial Wharf - Changes to the model from residential care to extra care sheltered support by providing integrated care and support base at the new Olive House. | -95 | -95 | -95 | |
| Adult Social Care | Transformation of Adult Social Care - Self directed support | 0 | -1,000 | -1,000 | |
| Adult Social Care | West London Residential Care Contract - standardise prices | -200 | -200 | -200 | |
| Adult Social Care | Registered Royal Nursing Care Contributions (RNCC) Reimbursement - Charge the PCT for nursing element of short stay. | -10 | -10 | -10 | |
| Adult Social Care | Staffing Efficiencies - Deletion of Management posts due to Adult Social Care management review and restructure. | -508 | -447 | -447 | |
| Adult Social Care | Staffing Efficiencies - Deletion of vacant posts which have been vacant for more than 6 months and reinstatement vacancy factor margins. | -432 | -432 | -432 | |
| Adult Social Care | Reduction in Packages & Placements forecasts based on a review of activities over the last 4 years. | -103 | -103 | -103 | |
| Adult Social Care | Efficiencies from Private Finance Initiative (PFI) for nursing home contracts based on forecast interest payments. | 0 | 0 | -165 | |
| Cross Cutting | Reduction of Supplies and Services Expenditure | -157 | -157 | -157 | |
| Housing | Review of rehousing/letting services shared with H & F Homes. This is a deletion of a post due to efficiencies in the administration of the service. | 0 | -36 | -36 | |
| Housing | Reduction in legal costs for Homelessness cases as a result of lower activity in legal challenges due to statutory and legal changes. | -10 | -10 | -10 | |
| Housing | Review and reorganisation of Housing Advice & Assessment management structure | 0 | -111 | -113 | |
| Housing | Efficiencies on Rent payments to landlords achieved from re-negotiation of contracts at DuCane Road | -87 | -87 | -44 | |
| Housing | Reduction in Equipment contributions resulting from a new framework contract | -50 | -100 | -150 | |
| Housing | Review of the Elders support team administration costs. | -10 | -10 | -10 | |
| Housing | Improvement of PSL performance by 0.5% by better management of voids of empty properties. | -50 | -50 | -50 | |
| Housing | Review of Housing Management Support costs. | -63 | -63 | -63 | |

| Efficiencies | 2010/11 | 2011/12 | 2012/13 |
|--------------------------------------|---------|---------|---------|
| Title | £'000 | £'000 | £'000 |
| Housing | -40 | -65 | -105 |
| Housing | -157 | -157 | -157 |
| Housing | -100 | -150 | -150 |
| Housing | -42 | -42 | -42 |
| Housing | -25 | -25 | -25 |
| Housing | -50 | -50 | -50 |
| Housing | -37 | -37 | -37 |
| Housing | -60 | -60 | -60 |
| Housing | 40 | 40 | 40 |
| Quality, Commissioning & Procurement | 0 | -75 | -100 |
| Quality, Commissioning & Procurement | -40 | -40 | -40 |
| Quality, Commissioning & Procurement | -20 | -20 | -20 |
| Quality, Commissioning & Procurement | -40 | -74 | -74 |
| Quality, Commissioning & Procurement | -50 | -50 | -50 |
| Quality, Commissioning & Procurement | 0 | 0 | -100 |
| Quality, Commissioning & Procurement | -60 | -60 | -60 |
| Regeneration | 0 | -30 | -30 |
| Regeneration | -25 | -70 | -70 |
| Regeneration | -25 | -50 | -50 |

| Efficiencies | 2010/11 | 2011/12 | 2012/13 |
|---------------------------|---------------|---------------|---------------|
| Title | £'000 | £'000 | £'000 |
| Resources | -75 | -75 | -75 |
| Resources | -25 | -25 | -25 |
| Resources | -33 | -33 | -33 |
| Resources | 0 | -120 | -180 |
| Resources (Finance) | -165 | -165 | -165 |
| Total Efficiencies | -3,604 | -5,266 | -5,665 |

| Environment Services | | | | | |
|--------------------------------|---------|---------|---------|--|--------|
| Efficiencies | 2010/11 | 2011/12 | 2012/13 | | |
| Title | £'000 | £'000 | £'000 | Description | £'000 |
| Accommodation | -789 | -789 | -789 | Home and mobile working. Review of space standards, hot desking, shared buildings. Resident Services & Community Support Strategy | -789 |
| Building & Property Management | -50 | -50 | -50 | Building Control - Increased income and efficiency | -50 |
| Building & Property Management | -17 | -17 | -17 | Facilities Management Review leads to an integration of a number of repairs and help desk mechanisms | -17 |
| Building & Property Management | -36 | -36 | -36 | A Building Technical Services (BTS) Practice Manager post deleted following market testing programmes. | -36 |
| Building & Property Management | -544 | -919 | -919 | Advertising Income | -919 |
| Building & Property Management | -100 | -100 | -100 | Review of Valuation & Property Services management, staffing structure and outsourcing | -100 |
| Building & Property Management | -500 | -1,000 | -1,000 | Civic Accommodation Savings | -1,000 |
| Building & Property Management | -250 | -250 | -250 | Additional Advertising Income | -250 |
| Building Technical Services | -100 | -100 | -100 | 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 |
| Building Technical Services | 25 | 25 | 25 | Reduction in last year's efficiency for increased fee recovery via rigid no fee no service provided policy, commenced April 2007 | 25 |
| Building Technical Services | -60 | -60 | -60 | Streamlining of management structure post market testing | -60 |
| Director's Office | -30 | -30 | -30 | Reduction in project budget | -30 |
| Finance & Resources | -5 | -10 | -10 | Other Support Costs - Reduction in the Supplies and Services budget | -10 |
| Finance & Resources | -16 | -32 | -32 | Reduction in decentralised Maternity & Redundancy payments | -32 |
| Finance Team | -63 | -63 | -63 | Reorganisation of staff and greater efficiency in Accountancy and Financial Administration | -63 |
| Highways & Engineering | 15 | 15 | 15 | Reduction in last year's efficiency for road marking works, which have been varied into the existing Colas term maintenance contract. Rates for this variation are favourable compared to the old road marking contract. | 15 |
| Highways & Engineering | 50 | 50 | 50 | Reduction in last year's efficiency for the 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. | 50 |

| Efficiencies | 2010/11 | 2011/12 | 2012/13 |
|----------------------------|---------------|---------------|---------------|
| Title | £'000 | £'000 | £'000 |
| Highways & Engineering | -100 | -100 | -100 |
| Highways & Engineering | -250 | -250 | -250 |
| Highways & Engineering | -200 | -200 | -200 |
| Highways & Engineering | -100 | -100 | -100 |
| Housing | -70 | -70 | -70 |
| Parking Services | 5 | 5 | 5 |
| Planning | -50 | -50 | -50 |
| Planning | -11 | -11 | -11 |
| Public Protection & Safety | -35 | -35 | -35 |
| Public Protection & Safety | -35 | -35 | -35 |
| Various | -100 | -100 | -100 |
| Various | -100 | -100 | -100 |
| Total Efficiencies | -3,516 | -4,412 | -4,412 |

| Finance & Corporate Services (FCS) | | | | | |
|------------------------------------|--|---------|---------|---------|-------|
| Efficiencies | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Business Support | Debt Management and Restructuring | -277 | -377 | -477 | |
| Business Technology | Cost containment - Freedom of Information (FOI) Improvements achieved by implementing better workflows through new systems and using information on the website to enable enquirers to self serve | 0 | -15 | -42 | |
| Communications | Productivity Improvements | -9 | -9 | -9 | |
| Communications | Income generation | -31 | -31 | -31 | |
| Communications | Printing services moving to using paper from sustainable sources rather than recycling | -100 | -100 | -100 | |
| Communications | Additional income streams around new advertising opportunities: advertising panels (six sheet) | 0 | -150 | -150 | |
| Communications | Digital print contract renegotiation with Xerox and market testing of variable data printing | -75 | -100 | -100 | |
| Communications | Additional income streams around new advertising opportunities: web adverts on H&F News website; lamp post advertising and neighbourhood guides | -40 | -45 | -50 | |
| Department Wide | Rationalisation of services within FCS following the merger of Finance & Assistant Chief Executive's Departments | -38 | -160 | -160 | |
| Executive Services | On going efficiencies from implementation of a corporate complaints and enquiries system incorporating requests for information, freedom of information enquiries and complaints. Introduction of a consistent approach to dealing with complaints | -31 | -39 | -39 | |
| Finance | Audit Commission fee reduction to be achieved through improving the quality of the annual statement of accounts and associated working papers, specifically improving financial controls, reducing grant claims audit work, and improving the closing process. | -60 | -100 | -100 | |
| Finance | Reduction in contributions to the insurance fund following a review of fund levels by improving management of insurance risks and claims | -150 | -150 | -150 | |
| H & F Direct | Improved Housing Benefit administration | -250 | -400 | -400 | |
| H & F Direct | Contact Centre Improvements | -30 | -60 | -60 | |
| H & F Direct | Additional services transferred to relocated contact centre | 0 | -50 | -50 | |
| H & F Direct | Relocation/ Out sourcing of some H & F Direct Services | -40 | -120 | -120 | |
| H & F Direct | Administration of all petty cash payments through the payroll system using Trent Self Service. | 0 | -50 | -50 | |
| H&F Direct | Customer Access Strategy through the impact of multi-skilling | -88 | -88 | -88 | |

| Efficiencies | 2010/11 | 2011/12 | 2012/13 |
|-------------------------------|---------------|---------------|---------------|
| Title | £'000 | £'000 | £'000 |
| H&F Direct | 0 | -73 | -73 |
| H&F Direct | 0 | -120 | -120 |
| Human Resources | -106 | -120 | -120 |
| Human Resources | -30 | -30 | -30 |
| Human Resources | -150 | -300 | -300 |
| Human Resources | -30 | -30 | -30 |
| Legal and Democratic Services | -32 | -32 | -80 |
| Legal and Democratic Services | -60 | -60 | -60 |
| Legal and Democratic Services | -10 | -20 | -20 |
| Legal and Democratic Services | -45 | -49 | -49 |
| Legal and Democratic Services | -90 | -90 | -90 |
| Legal and Democratic Services | -10 | -10 | -10 |
| Organisational Development | -68 | -68 | -68 |
| Strategy, Perf & Procure't | -20 | -25 | -25 |
| Strategy, Perf & Procure't | 0 | -60 | -60 |
| Total Efficiencies | -1,870 | -3,131 | -3,311 |

| Residents Services | | | | | |
|---------------------------------|---|---------|---------|---------|-------|
| Efficiencies | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Cleaner ,Greener Neighbourhoods | Environmental Protection - Increased efficiency in street scene enforcement | -35 | -35 | -35 | -35 |
| Cleaner ,Greener Neighbourhoods | Increased Trade Waste income as a result of a major drive to recruit additional customers and increase fees and charges | -200 | -350 | -350 | -350 |
| Cleaner ,Greener Neighbourhoods | Remodel the garden waste service | -60 | -60 | -60 | -60 |
| Cleaner, Greener Neighbourhoods | Streamlining of current area monitoring arrangements as part of restructure | -35 | -35 | -35 | -35 |
| Cleaner, Greener Neighbourhoods | Combining Admin functions across Waste, Street Scene and Graffiti | -40 | -40 | -40 | -40 |
| Cleaner, Greener Neighbourhoods | Reduction in non-staff controllable budget in Graffiti team | -20 | -20 | -20 | -20 |
| Cleaner, Greener Neighbourhoods | Review of Fleet Transport service - operation on a trading basis | -34 | -34 | -34 | -34 |
| Cleaner, Greener Neighbourhoods | Staffing Efficiency - Graffiti Manager role to be shared with other senior officers in Street Scene Enforcement | -35 | -35 | -35 | -35 |
| Cleaner, Greener Neighbourhoods | Reassignment of Recycling post to Recycling Apprentice | -30 | -30 | -30 | -30 |
| Parks & Culture | Implementation of the Nationality Checking Service - New Income generation | -5 | -15 | -15 | -15 |
| Parks & Culture | Reviewing and streamlining booking of halls, catering, sports pitches, coaching sessions etc to create an online booking service and online/electronic payment. | 0 | -25 | -25 | -25 |
| Parks & Culture | Introduce new ways of working and more self-service for customers and implement smarter working arrangements - efficiency saving. | -26 | -52 | -52 | -52 |
| Parks & Culture | Closing of the annexe store at Hammersmith Library, making better use of other storage areas across the library network | -45 | -45 | -45 | -45 |
| Parks & Culture | Review of rotas across the library network making better use of weekend staff | -10 | -10 | -10 | -10 |
| Parks & Culture | Support archive service to maximise income streams | -20 | -20 | -20 | -20 |
| Parks & Culture | Jointly commission services with other library authorities. | -25 | -25 | -25 | -25 |

| Efficiencies | | 2010/11 | 2011/12 | 2012/13 |
|-------------------------------|--|---------------|---------------|---------------|
| Title | Description | £'000 | £'000 | £'000 |
| Parks & Culture | Increase income from tendering the provision of the fireworks display. | -5 | -10 | -10 |
| Parks & Culture | Sharing premises and costs with Libraries and other service areas e.g. Adult Learning | -30 | -30 | -30 |
| Parks & Culture | Partnership working with leisure contractors - This is due to existing profit share arrangements already in place starting 09/10 | -100 | -100 | -100 |
| Parks & Culture | Review location of the RBDM staff, two cemeteries staff and the marriage room functions to improve access and income potential. | -10 | -10 | -10 |
| Parks & Culture | Review monitoring arrangements of parks maintenance contracts leading to improved efficiencies | -43 | -43 | -43 |
| Parks & Culture | Review Squadron contract, leading to improved efficiencies | -25 | -25 | -25 |
| Parks & Culture | Review Fulham Palace gallery and functions in order to maximise revenue | -30 | -30 | -30 |
| Parks & Culture | Review Community Sports team | -29 | -29 | -29 |
| Parks & Culture | Review P&C Management Structure - merge 4 service units into 3 giving rise to a reduction of 1 Head of Service post | -68 | -68 | -68 |
| Parks & Culture | Review of Library staffing arrangements | -145 | -145 | -145 |
| Parks & Culture | Review income generation activities and fees and charges at Fulham Palace | -76 | -76 | -76 |
| Resources & Director's Office | Realignment of support budgets across the division | -30 | -30 | -30 |
| Resources & Director's Office | Reduction of post in Finance and Resources team | -39 | -39 | -39 |
| Safer Neighbourhoods | Realignment of historic Keyholder Budget | -22 | -22 | -22 |
| Safer Neighbourhoods | Reorganisation of Transport Fleet to ensure a more efficient use of vehicles | -8 | -8 | -8 |
| Safer Neighbourhoods | Out-of-hours service review to improve efficiencies | -30 | -30 | -30 |
| Safer Neighbourhoods | Review of security contract - reduction in security posts in LBHF estate contracts | -46 | -46 | -46 |
| Safer Neighbourhoods | Warden/ ASBU income - increase through services to RSLs | -25 | -25 | -25 |
| Safer Neighbourhoods | Efficiency in the management of CCTV | -35 | -35 | -35 |
| Safer Neighbourhoods | Amalgamation of Estate and Street Wardens in a single unified service across the whole borough | -133 | -133 | -133 |
| Safer Neighbourhoods | Review of Supplies and Services Expenditure | -13 | -13 | -13 |
| Total Efficiencies | | -1,562 | -1,778 | -1,778 |

| Corporate | | | | | |
|----------------------------------|--|----------------|----------------|----------------|-------|
| Efficiencies | | 2010/11 | 2011/12 | 2012/13 | |
| Title | Description | £'000 | £'000 | £'000 | £'000 |
| Cross-Cutting | Further productivity and other efficiencies from outsourcing and new ways of working | 0 | -6,047 | -4,512 | |
| Cross-Cutting | Target for Executive Management Team cross-cutting efficiencies | 0 | -3,000 | -12,000 | |
| Cross-Cutting | Efficiencies arising from Transforming the Customer Experience | -120 | -120 | -120 | |
| Capital Debt Reduction | Debt Reduction Strategy (Allowance of £140k also shown in CHS) | -460 | -660 | -660 | |
| Total Efficiencies | | -580 | -9,827 | -17,292 | |
| Hammersmith and Fulham - Summary | | | | | |
| | | 2010/11 | 2011/12 | 2012/13 | |
| | | £'000 | £'000 | £'000 | £'000 |
| Grand Total | | -13,297 | -27,015 | -35,059 | |

| Children's Services | | | | | |
|---------------------|--|------------------|------------------|------------------|--|
| Title | Description | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | |
| Cross Cutting | Increase in demand for Interpreter Services | 60 | 60 | 60 | |
| Asylum | Risk of increase in Asylum numbers | 150 | 150 | 150 | |
| Complex Needs | Loss of income from PCT due to cessation of Joint Funding agreements between H&F and PCT as pupils turning 18. | 375 | 375 | 375 | |
| Complex Needs | Additional security for potentially violent service users | 60 | 60 | 60 | |
| Total | | 645 | 645 | 645 | |

| Community Services | | | | | |
|--------------------------------------|--|------------------|------------------|------------------|--|
| Title | Description | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | |
| Adult Social Care | Stars-impact of new re-enablement model (existing proposal may not be fully achieved) | 200 | 200 | 200 | |
| Adult Social Care | Continuing Care | 250 | 250 | 250 | |
| 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 | 1,000 | 1,000 | 1,000 | |
| Housing | Changes to the Housing Benefit thresholds (possible further 5% reduction) relating to the temporary accommodation account | 330 | 330 | 330 | |
| Adult Social Care | Inflationary placements increase. | 570 | 570 | 570 | |
| Housing | Prevention Initiatives: Possible withdrawal of funding on preventative areas of funding | 0 | 1,232 | 1,232 | |
| Quality, Commissioning & Procurement | Supporting People - Inflation on Contracts above funded levels | 300 | 300 | 300 | |
| Quality, Commissioning & Procurement | White City Collaborative Care Centre | 200 | 200 | 200 | |
| Adult Social Care/Housing | Home Care & Housing Related Support - new contracts | 700 | 700 | 700 | |
| Resources | Bad debt provision for Income Collection | 150 | 150 | 150 | |
| Total | | 3,700 | 4,932 | 4,932 | |

| Environment Services | | | | | |
|---------------------------------|---|------------------|------------------|------------------|--|
| Title | Description | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | |
| Utility Costs | energy is procured on an annual basis and as well as general uncertainty over volume, prices can not be guaranteed for the final 4 months of the year. | 200 | 200 | 200 | |
| New Contracts | Both the new non-housing maintenance contract and the Highway Maintenance contracts are expected to deliver overall cost reductions. However it is possible that these savings may be skewed towards the capital programme with an increase on revenue. | 300 | 300 | 300 | |
| Advertising Income | The lead-in time to establishing new sites and the economic conditions may lead to delayed or reduced income in this area | 250 | 250 | 250 | |
| Total | | 750 | 750 | 750 | |
| Residents Services | | | | | |
| Title | Description | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | |
| Cleaner, Greener Neighbourhoods | Waste Contract - Trade Refuse increase income | 150 | 300 | 300 | |
| Parks and Culture | Fulham Palace - reduced income | 76 | 76 | 76 | |
| Total | | 226 | 376 | 376 | |
| Corporate | | | | | |
| Title | Description | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 | |
| Employees | 2010/11 Pay Award at 2% rather than 1% | 1,500 | 1,500 | 1,500 | |
| Inflation | Contract inflation 1% higher than currently allowed for | 1,246 | 2,492 | 3,738 | |
| Formula Grant | Formula Grant reduction - 3% per annum | 0 | 3,628 | 7,147 | |
| Formula Grant | Formula Grant - 0.5% in year reduction | 605 | 0 | 0 | |
| Area Based Grant | Area Based grant - 5% annual reduction | 0 | 558 | 1,116 | |
| Total | | 3,351 | 8,178 | 13,501 | |

| Risks due to Economic Slowdown | | | | |
|---|--------------|---------------|---------------|--|
| | 2010/11 | 2011/12 | 2012/13 | |
| Community Services | 0 | 0 | 141 | |
| Community Services | 112 | 224 | 224 | |
| Corporate | 0 | 1,500 | 3,000 | |
| Corporate | 500 | 500 | 500 | |
| Corporate | ? | ? | ? | |
| Environment Services | 300 | 400 | 400 | |
| Total | 912 | 2,624 | 4,265 | |
| Hammersmith and Fulham - Summary | | | | |
| | 2010/11 | 2011/12 | 2012/13 | |
| | £'000 | £'000 | £'000 | |
| Grand Total | 9,584 | 17,505 | 24,469 | |

| Appendix G: Housing Fees and Charges 2010/11: Exceptions | | | | |
|---|--------------------------------|---------------------------------|---------------------------------------|---|
| Reviewed at Housing Scrutiny Committee | | | | |
| Description of Service | 2009/10 Current Fee (£) | 2010/11 Proposed Fee (£) | Proposed % Increase in 2010/11 | Comment |
| Private Sector Leasing | | | | |
| Private Sector Leasing Water Charges | Varies | Varies | | |
| Private Sector Leasing Rent (per week) | 303.8 | 290 | See comment | From 1 April 2010, the PSL Rent threshold is based on the January 2010 Local Housing Allowance (LHA) which is primarily determined by the location of the property and its bedroom size. The threshold formula is 90% of LHA plus £40. The proposed fee is base |
| B & B Rent Single/Family | | | | |
| | 191.1 | 191.1 | see comment | From 1 April 2010, the B&B Housing Benefit threshold is based on the Local Housing Allowance (LHA) of the location of the Hotel. The threshold will be that of a one bed property LHA rate at January 2010. |
| B & B Amenity Charge | | | | |
| " 1 Adult | 9.2 | 9.2 | 0% | It is recommended to leave the charges unchanged as costs are being covered. |
| " 2 Adults | 11.75 | 11.75 | 0% | |
| " 3 Adults | 14.8 | 14.8 | 0% | |
| " 4 Adults | 17.35 | 17.35 | 0% | |

Appendix G: Children's Services Fees and Charges 2010/11: Exceptions

Reviewed at Education and Children's Services Scrutiny Committee

| Type of Fee and Charge | 2009/10 Charge £. P. | Percentage Increase 2009/10 to 2010/11 | Rounded £. P. | Comment |
|--|-----------------------------------|---|-----------------------------------|-------------------------------|
| School Meal Fees | | | | |
| School Meal fees - Primary, Special and Secondary | Primary £1.80, Secondary £1.80 | | Primary £1.80, Secondary £1.80 | Inflation at RPI currently 0% |
| School Meals fees - Adults | £ 2.56 | | £ 2.56 | Inflation at RPI currently 0% |

Appendix G: Environment Services Fees and Charges 2010/11: Exceptions

Reviewed at Cleaner and Greener Scrutiny Committee

Building Control - 7.5%

BC SCHEDULE 1

| Number of Dwellings | BC Charge 2008/09 | VAT @ 15% | BC Charge 2008/09 Inc VAT | Charges from 1/4/09 to 31/12/09 | | | Charges from 1/1/10 to 31/3/10 | | |
|---------------------------|--|-----------|---------------------------|--|-----------|---------------------------|--|-------------|---------------------------|
| | | | | 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 |
| Plan Charge | | | | | | | | | |
| 1 | 169.79 | 25.47 | 195.26 | 182.61 | 27.39 | 210.00 | 182.13 | 31.87 | 214.00 |
| 2 | 249.17 | 37.37 | 286.55 | 267.83 | 40.17 | 308.00 | 268.09 | 46.91 | 315.00 |
| 3 | 328.55 | 49.28 | 377.83 | 353.04 | 52.96 | 406.00 | 353.19 | 61.81 | 415.00 |
| 4 | 407.93 | 61.19 | 469.12 | 438.26 | 65.74 | 504.00 | 438.30 | 76.70 | 515.00 |
| 5 | 487.31 | 73.10 | 560.41 | 523.48 | 78.52 | 602.00 | 524.26 | 91.74 | 616.00 |
| 6 | 511.56 | 76.73 | 588.29 | 549.57 | 82.43 | 632.00 | 549.79 | 96.21 | 646.00 |
| 7 | 535.82 | 80.37 | 616.19 | 575.65 | 86.35 | 662.00 | 576.17 | 100.83 | 677.00 |
| 8 | 560.07 | 84.01 | 644.08 | 601.74 | 90.26 | 692.00 | 601.70 | 105.30 | 707.00 |
| 9 | 584.33 | 87.65 | 671.98 | 627.83 | 94.17 | 722.00 | 628.09 | 109.91 | 738.00 |
| 10 | 608.58 | 91.29 | 699.87 | 653.91 | 98.09 | 752.00 | 654.47 | 114.53 | 769.00 |
| 11 | 626.22 | 93.93 | 720.15 | 673.04 | 100.96 | 774.00 | 673.19 | 117.81 | 791.00 |
| 12 | 643.86 | 96.58 | 740.44 | 692.17 | 103.83 | 796.00 | 691.91 | 121.09 | 813.00 |
| 13 | 661.50 | 99.23 | 760.73 | 711.30 | 106.70 | 818.00 | 711.49 | 124.51 | 836.00 |
| 14 | 679.14 | 101.87 | 781.01 | 730.43 | 109.57 | 840.00 | 730.21 | 127.79 | 858.00 |
| 15 | 696.78 | 104.52 | 801.30 | 748.70 | 112.30 | 861.00 | 748.94 | 131.06 | 880.00 |
| 16 | 714.42 | 107.16 | 821.58 | 767.83 | 115.17 | 883.00 | 767.66 | 134.34 | 902.00 |
| 17 | 732.06 | 109.81 | 841.87 | 786.96 | 118.04 | 905.00 | 787.23 | 137.77 | 925.00 |
| 18 | 749.70 | 112.46 | 862.16 | 806.09 | 120.91 | 927.00 | 805.96 | 141.04 | 947.00 |
| 19 | 767.34 | 115.10 | 882.44 | 825.22 | 123.78 | 949.00 | 824.68 | 144.32 | 969.00 |
| 20 | 784.98 | 117.75 | 902.73 | 843.48 | 126.52 | 970.00 | 844.26 | 147.74 | 992.00 |
| 21 | 797.11 | 119.57 | 916.68 | 856.52 | 128.48 | 985.00 | 857.02 | 149.98 | 1,007.00 |
| 22 | 809.24 | 121.39 | 930.63 | 869.57 | 130.43 | 1,000.00 | 869.79 | 152.21 | 1,022.00 |
| 23 | 821.37 | 123.21 | 944.58 | 882.61 | 132.39 | 1,015.00 | 882.55 | 154.45 | 1,037.00 |
| 24 | 833.50 | 125.03 | 958.53 | 895.65 | 134.35 | 1,030.00 | 896.17 | 156.83 | 1,053.00 |
| 25 | 845.63 | 126.84 | 972.47 | 908.70 | 136.30 | 1,045.00 | 908.94 | 159.06 | 1,068.00 |
| 26 | 857.76 | 128.66 | 986.42 | 921.74 | 138.26 | 1,060.00 | 921.70 | 161.30 | 1,083.00 |
| 27 | 869.89 | 130.48 | 1,000.37 | 934.78 | 140.22 | 1,075.00 | 935.32 | 163.68 | 1,099.00 |
| 28 | 882.02 | 132.30 | 1,014.32 | 947.83 | 142.17 | 1,090.00 | 948.09 | 165.91 | 1,114.00 |
| 29 | 894.15 | 134.12 | 1,028.27 | 960.87 | 144.13 | 1,105.00 | 960.85 | 168.15 | 1,129.00 |
| 30 | 906.28 | 135.94 | 1,042.22 | 973.91 | 146.09 | 1,120.00 | 974.47 | 170.53 | 1,145.00 |
| 31 | 912.33 | 136.85 | 1,049.18 | 980.87 | 147.13 | 1,128.00 | 980.43 | 171.57 | 1,152.00 |
| | For each dwelling in excess of 31 add £6.08 + VAT | | | For each dwelling in excess of 31 add £6.54 + VAT | | | For each dwelling in excess of 31 add £6.54 + VAT | | |
| Inspection Charges | | | | | | | | | |
| 1 | 194.04 | 29.11 | 223.15 | 208.70 | 31.30 | 240.00 | 208.51 | 36.49 | 245.00 |
| 2 | 363.83 | 54.57 | 418.40 | 391.30 | 58.70 | 450.00 | 391.49 | 68.51 | 460.00 |
| 3 | 533.61 | 80.04 | 613.65 | 573.91 | 86.09 | 660.00 | 573.62 | 100.38 | 674.00 |
| 4 | 703.40 | 105.51 | 808.91 | 756.52 | 113.48 | 870.00 | 755.74 | 132.26 | 888.00 |
| 5 | 873.18 | 130.98 | 1,004.16 | 938.26 | 140.74 | 1,079.00 | 938.72 | 164.28 | 1,103.00 |
| 6 | 1,053.78 | 158.07 | 1,211.85 | 1,133.04 | 169.96 | 1,303.00 | 1,132.77 | 198.23 | 1,331.00 |
| 7 | 1,234.38 | 185.16 | 1,419.54 | 1,326.96 | 199.04 | 1,526.00 | 1,326.81 | 232.19 | 1,559.00 |
| 8 | 1,414.98 | 212.25 | 1,627.23 | 1,520.87 | 228.13 | 1,749.00 | 1,520.85 | 266.15 | 1,787.00 |
| 9 | 1,595.68 | 239.34 | 1,835.02 | 1,715.65 | 257.35 | 1,973.00 | 1,715.74 | 300.26 | 2,016.00 |
| 10 | 1,776.18 | 266.43 | 2,042.61 | 1,909.57 | 286.43 | 2,196.00 | 1,909.79 | 334.21 | 2,244.00 |
| 11 | 1,937.88 | 290.68 | 2,228.56 | 2,083.48 | 312.52 | 2,396.00 | 2,083.40 | 364.60 | 2,448.00 |
| 12 | 2,099.58 | 314.94 | 2,414.52 | 2,257.39 | 338.61 | 2,596.00 | 2,257.02 | 394.98 | 2,652.00 |

| BC SCHEDULE 1 | | | | Charges from 1/4/09 to 31/12/09 | | | Charges from 1/1/10 to 31/3/10 | | |
|------------------------|---|-----------|---------------------------|---|-----------|---------------------------|---|-------------|---------------------------|
| Number of Dwellings | 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 |
| 13 | 2,261.28 | 339.19 | 2,600.47 | 2,431.30 | 364.70 | 2,796.00 | 2,430.64 | 425.36 | 2,856.00 |
| 14 | 2,422.98 | 363.45 | 2,786.43 | 2,604.35 | 390.65 | 2,995.00 | 2,605.11 | 455.89 | 3,061.00 |
| 15 | 2,584.68 | 387.70 | 2,972.38 | 2,778.26 | 416.74 | 3,195.00 | 2,778.72 | 486.28 | 3,265.00 |
| 16 | 2,746.38 | 411.96 | 3,158.34 | 2,952.17 | 442.83 | 3,395.00 | 2,952.34 | 516.66 | 3,469.00 |
| 17 | 2,908.08 | 436.21 | 3,344.29 | 3,126.09 | 468.91 | 3,595.00 | 3,125.96 | 547.04 | 3,673.00 |
| 18 | 3,069.78 | 460.47 | 3,530.25 | 3,300.00 | 495.00 | 3,795.00 | 3,300.43 | 577.57 | 3,878.00 |
| 19 | 3,231.48 | 484.72 | 3,716.20 | 3,473.91 | 521.09 | 3,995.00 | 3,474.04 | 607.96 | 4,082.00 |
| 20 | 3,393.18 | 508.98 | 3,902.16 | 3,647.83 | 547.17 | 4,195.00 | 3,647.66 | 638.34 | 4,286.00 |
| 21 | 3,514.46 | 527.17 | 4,041.63 | 3,778.26 | 566.74 | 4,345.00 | 3,777.87 | 661.13 | 4,439.00 |
| 22 | 3,635.74 | 545.36 | 4,181.10 | 3,908.70 | 586.30 | 4,495.00 | 3,908.09 | 683.91 | 4,592.00 |
| 23 | 3,757.02 | 563.55 | 4,320.57 | 4,039.13 | 605.87 | 4,645.00 | 4,039.15 | 706.85 | 4,746.00 |
| 24 | 3,878.30 | 581.74 | 4,460.04 | 4,169.57 | 625.43 | 4,795.00 | 4,169.36 | 729.64 | 4,899.00 |
| 25 | 3,999.58 | 599.93 | 4,599.51 | 4,299.13 | 644.87 | 4,944.00 | 4,299.57 | 752.43 | 5,052.00 |
| 26 | 4,120.86 | 618.12 | 4,738.98 | 4,429.57 | 664.43 | 5,094.00 | 4,429.79 | 775.21 | 5,205.00 |
| 27 | 4,242.14 | 636.32 | 4,878.46 | 4,560.00 | 684.00 | 5,244.00 | 4,560.00 | 798.00 | 5,358.00 |
| 28 | 4,363.42 | 654.51 | 5,017.93 | 4,690.43 | 703.57 | 5,394.00 | 4,691.06 | 820.94 | 5,512.00 |
| 29 | 4,484.70 | 672.70 | 5,157.40 | 4,820.87 | 723.13 | 5,544.00 | 4,821.28 | 843.72 | 5,665.00 |
| 30 | 4,605.98 | 690.89 | 5,296.87 | 4,951.30 | 742.70 | 5,694.00 | 4,951.49 | 866.51 | 5,818.00 |
| 31 | 4,697.15 | 704.57 | 5,401.72 | 5,049.57 | 757.43 | 5,807.00 | 5,049.36 | 883.64 | 5,933.00 |
| | For each dwelling in excess of 31 add £91.22 + VAT | | | For each dwelling in excess of 31 add £98.06 + VAT | | | For each dwelling in excess of 31 add £98.06 + VAT | | |
| Building Notice | | | | | | | | | |
| 1 | 363.83 | 54.57 | 418.40 | 391.30 | 58.70 | 450.00 | 391.49 | 68.51 | 460.00 |
| 2 | 613.00 | 91.95 | 704.95 | 659.13 | 98.87 | 758.00 | 658.72 | 115.28 | 774.00 |
| 3 | 862.16 | 129.32 | 991.48 | 926.96 | 139.04 | 1,066.00 | 926.81 | 162.19 | 1,089.00 |
| 4 | 1,111.33 | 166.70 | 1,278.03 | 1,194.78 | 179.22 | 1,374.00 | 1,194.89 | 209.11 | 1,404.00 |
| 5 | 1,360.49 | 204.07 | 1,564.56 | 1,462.61 | 219.39 | 1,682.00 | 1,462.13 | 255.87 | 1,718.00 |
| 6 | 1,565.34 | 234.80 | 1,800.14 | 1,682.61 | 252.39 | 1,935.00 | 1,682.55 | 294.45 | 1,977.00 |
| 7 | 1,770.20 | 265.53 | 2,035.73 | 1,902.61 | 285.39 | 2,188.00 | 1,902.98 | 333.02 | 2,236.00 |
| 8 | 1,975.05 | 296.26 | 2,271.31 | 2,123.48 | 318.52 | 2,442.00 | 2,123.40 | 371.60 | 2,495.00 |
| 9 | 2,180.01 | 326.00 | 2,507.01 | 2,343.48 | 351.52 | 2,695.00 | 2,343.83 | 410.17 | 2,754.00 |
| 10 | 2,384.76 | 357.71 | 2,742.47 | 2,563.48 | 384.52 | 2,948.00 | 2,563.40 | 448.60 | 3,012.00 |
| 11 | 2,564.10 | 384.62 | 2,948.72 | 2,756.52 | 413.48 | 3,170.00 | 2,756.60 | 482.40 | 3,239.00 |
| 12 | 2,743.44 | 411.52 | 3,154.96 | 2,949.57 | 442.43 | 3,392.00 | 2,948.94 | 516.06 | 3,465.00 |
| 13 | 2,922.78 | 438.42 | 3,361.20 | 3,141.74 | 471.26 | 3,613.00 | 3,142.13 | 549.87 | 3,692.00 |
| 14 | 3,102.12 | 465.32 | 3,567.44 | 3,334.78 | 500.22 | 3,835.00 | 3,334.47 | 583.53 | 3,918.00 |
| 15 | 3,281.46 | 492.22 | 3,773.68 | 3,527.83 | 529.17 | 4,057.00 | 3,527.66 | 617.34 | 4,145.00 |
| 16 | 3,460.80 | 519.12 | 3,979.92 | 3,720.00 | 558.00 | 4,278.00 | 3,720.00 | 651.00 | 4,371.00 |
| 17 | 3,640.14 | 546.02 | 4,186.16 | 3,913.04 | 586.96 | 4,500.00 | 3,913.19 | 684.81 | 4,598.00 |
| 18 | 3,819.48 | 572.92 | 4,392.40 | 4,106.09 | 615.91 | 4,722.00 | 4,105.53 | 718.47 | 4,824.00 |
| 19 | 3,998.82 | 599.82 | 4,598.64 | 4,299.13 | 644.87 | 4,944.00 | 4,298.72 | 752.28 | 5,051.00 |
| 20 | 4,178.16 | 626.72 | 4,804.88 | 4,491.30 | 673.70 | 5,165.00 | 4,491.91 | 786.09 | 5,278.00 |
| 21 | 4,311.57 | 646.74 | 4,958.31 | 4,634.78 | 695.22 | 5,330.00 | 4,634.89 | 811.11 | 5,446.00 |
| 22 | 4,444.98 | 666.75 | 5,111.73 | 4,778.26 | 716.74 | 5,495.00 | 4,778.72 | 836.28 | 5,615.00 |
| 23 | 4,578.39 | 686.76 | 5,265.15 | 4,921.74 | 738.26 | 5,660.00 | 4,921.70 | 861.30 | 5,783.00 |
| 24 | 4,711.80 | 706.77 | 5,418.57 | 5,065.22 | 759.78 | 5,825.00 | 5,065.53 | 886.47 | 5,952.00 |
| 25 | 4,845.21 | 726.78 | 5,571.99 | 5,208.70 | 781.30 | 5,990.00 | 5,208.51 | 911.49 | 6,120.00 |
| 26 | 4,978.62 | 746.79 | 5,725.41 | 5,352.17 | 802.83 | 6,155.00 | 5,352.34 | 936.66 | 6,289.00 |
| 27 | 5,112.03 | 766.80 | 5,878.83 | 5,495.65 | 824.35 | 6,320.00 | 5,495.32 | 961.68 | 6,457.00 |
| 28 | 5,245.44 | 786.82 | 6,032.26 | 5,639.13 | 845.87 | 6,485.00 | 5,639.15 | 986.85 | 6,626.00 |
| 29 | 5,378.85 | 806.83 | 6,185.68 | 5,782.61 | 867.39 | 6,650.00 | 5,782.13 | 1,011.87 | 6,794.00 |
| 30 | 5,512.26 | 826.84 | 6,339.10 | 5,926.09 | 888.91 | 6,815.00 | 5,925.96 | 1,037.04 | 6,963.00 |

| BC SCHEDULE 1 | | | | Charges from 1/4/09 to 31/12/09 | | | Charges from 1/1/10 to 31/3/10 | | |
|---------------------|--|-----------|---------------------------|--|-----------|---------------------------|--|-------------|---------------------------|
| Number of Dwellings | 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 |
| 31 | 5,609.48 | 841.42 | 6,450.90 | 6,030.43 | 904.57 | 6,935.00 | 6,029.79 | 1,055.21 | 7,085.00 |
| | 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 |
| Plan Charge | | | | | | | | | |
| 1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m ² , 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 ² , 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 ² but does not exceed 40m ² , 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 ² but does not exceed 60m ² , 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 |
| Inspection Charge | | | | | | | | | |
| 1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m ² , 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 ² , 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 ² but does not exceed 40m ² , 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 ² but does not exceed 60m ² , 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 |
| Building Notice | | | | | | | | | |
| 1.Erection of a detached building which consists of a garage or carport or both having a floor area not exceeding 40m ² , 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 ² , 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 ² but does not exceed 40m ² , 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 ² but does not exceed 60m ² , 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 |

Building Control - 7.5%

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 |
| Plan Charges | | | | | | | | | |
| 0 - 2,000 | 156.37 | 23.46 | 179.83 | 167.83 | 25.17 | 193.00 | 167.66 | 29.34 | 197.00 |
| 2,001 - 5,000 | 260.62 | 39.09 | 299.71 | 280.00 | 42.00 | 322.00 | 280.00 | 49.00 | 329.00 |
| 5,001 - 6,000 | 68.71 | 10.31 | 79.02 | 73.91 | 11.09 | 85.00 | 74.04 | 12.96 | 87.00 |
| 6,001 - 7,000 | 72.26 | 10.84 | 83.1 | 77.39 | 11.61 | 89.00 | 77.45 | 13.55 | 91.00 |
| 7,001 - 8,000 | 75.81 | 11.37 | 87.18 | 81.74 | 12.26 | 94.00 | 81.70 | 14.30 | 96.00 |
| 8,001 - 9,000 | 79.36 | 11.9 | 91.26 | 85.22 | 12.78 | 98.00 | 85.11 | 14.89 | 100.00 |
| 9,001 - 10,000 | 82.91 | 12.44 | 95.35 | 89.57 | 13.43 | 103.00 | 89.36 | 15.64 | 105.00 |
| 10,001 - 11,000 | 86.46 | 12.97 | 99.43 | 93.04 | 13.96 | 107.00 | 92.77 | 16.23 | 109.00 |
| 11,001 - 12,000 | 90.01 | 13.5 | 103.51 | 96.52 | 14.48 | 111.00 | 96.17 | 16.83 | 113.00 |
| 12,001 - 13,000 | 93.56 | 14.03 | 107.59 | 100.87 | 15.13 | 116.00 | 101.28 | 17.72 | 119.00 |
| 13,001 - 14,000 | 97.11 | 14.57 | 111.68 | 104.35 | 15.65 | 120.00 | 104.68 | 18.32 | 123.00 |
| 14,001 - 15,000 | 100.66 | 15.1 | 115.76 | 107.83 | 16.17 | 124.00 | 108.09 | 18.91 | 127.00 |
| 15,001 - 16,000 | 104.21 | 15.63 | 119.84 | 112.17 | 16.83 | 129.00 | 112.34 | 19.66 | 132.00 |
| 16,001 - 17,000 | 107.76 | 16.16 | 123.92 | 115.65 | 17.35 | 133.00 | 115.74 | 20.26 | 136.00 |
| 17,001 - 18,000 | 111.31 | 16.7 | 128.01 | 120.00 | 18.00 | 138.00 | 120.00 | 21.00 | 141.00 |
| 18,001 - 19,000 | 114.86 | 17.23 | 132.09 | 123.48 | 18.52 | 142.00 | 123.40 | 21.60 | 145.00 |
| 19,001 - 20,000 | 118.41 | 17.76 | 136.17 | 126.96 | 19.04 | 146.00 | 126.81 | 22.19 | 149.00 |
| 20,001 - 100,000 | | 1/4 of total fee | | 1/4 of total fee | | | 1/4 of total fee | | |
| 100,001 - 1,000,000 | | 1/4 of total fee | | 1/4 of total fee | | | 1/4 of total fee | | |
| 1,000,001 - 10,000,000 | | 1/4 of total fee | | 1/4 of total fee | | | 1/4 of total fee | | |
| 10,000,001 - > | | 1/4 of total fee | | 1/4 of total fee | | | 1/4 of total fee | | |
| Inspection Charge | | | | | | | | | |
| 0 - 2,000 | No inspection charge | | | | | | | | |
| 2,001 - 5,000 | (included in plan charge) | | | | | | | | |
| 5,001 - 6,000 | 206.12 | 30.92 | 237.04 | 221.74 | 33.26 | 255.00 | 222.13 | 38.87 | 261.00 |
| 6,001 - 7,000 | 216.77 | 32.52 | 249.29 | 233.04 | 34.96 | 268.00 | 233.19 | 40.81 | 274.00 |
| 7,001 - 8,000 | 227.42 | 34.11 | 261.53 | 244.35 | 36.65 | 281.00 | 244.26 | 42.74 | 287.00 |
| 8,001 - 9,000 | 238.07 | 35.71 | 273.78 | 255.65 | 38.35 | 294.00 | 255.32 | 44.68 | 300.00 |
| 9,001 - 10,000 | 248.72 | 37.31 | 286.03 | 266.96 | 40.04 | 307.00 | 267.23 | 46.77 | 314.00 |
| 10,001 - 11,000 | 259.37 | 38.91 | 298.28 | 279.13 | 41.87 | 321.00 | 279.15 | 48.85 | 328.00 |
| 11,001 - 12,000 | 270.02 | 40.5 | 310.52 | 290.43 | 43.57 | 334.00 | 290.21 | 50.79 | 341.00 |
| 12,001 - 13,000 | 280.67 | 42.1 | 322.77 | 301.74 | 45.26 | 347.00 | 302.13 | 52.87 | 355.00 |
| 13,001 - 14,000 | 291.32 | 43.7 | 335.02 | 313.04 | 46.96 | 360.00 | 313.19 | 54.81 | 368.00 |
| 14,001 - 15,000 | 301.97 | 45.3 | 347.27 | 324.35 | 48.65 | 373.00 | 324.26 | 56.74 | 381.00 |
| 15,001 - 16,000 | 312.62 | 46.89 | 359.51 | 335.65 | 50.35 | 386.00 | 335.32 | 58.68 | 394.00 |
| 16,001 - 17,000 | 323.27 | 48.49 | 371.76 | 347.83 | 52.17 | 400.00 | 348.09 | 60.91 | 409.00 |
| 17,001 - 18,000 | 333.92 | 50.09 | 384.01 | 359.13 | 53.87 | 413.00 | 359.15 | 62.85 | 422.00 |
| 18,001 - 19,000 | 344.57 | 51.69 | 396.26 | 370.43 | 55.57 | 426.00 | 370.21 | 64.79 | 435.00 |
| 19,001 - 20,000 | 355.22 | 53.28 | 408.5 | 381.74 | 57.26 | 439.00 | 382.13 | 66.87 | 449.00 |
| 20,001 - 100,000 | | 3/4 of total fee | | 3/4 of total fee | | | 3/4 of total fee | | |
| 100,001 - 1,000,000 | | 3/4 of total fee | | 3/4 of total fee | | | 3/4 of total fee | | |
| 1,000,001 - 10,000,000 | | 3/4 of total fee | | 3/4 of total fee | | | 3/4 of total fee | | |
| 10,000,001 - > | | 3/4 of total fee | | 3/4 of total fee | | | 3/4 of total fee | | |
| Total Fee or Building Notice Fee | | | | | | | | | |
| 0 - 2,000 | 156.37 | 23.46 | 179.83 | 167.83 | 25.17 | 193.00 | 167.66 | 29.34 | 197.00 |
| 2,001 - 5,000 | 260.62 | 39.09 | 299.71 | 280.00 | 42.00 | 322.00 | 280.00 | 49.00 | 329.00 |
| 5,001 - 6,000 | 274.83 | 41.22 | 316.05 | 295.65 | 44.35 | 340.00 | 295.32 | 51.68 | 347.00 |
| 6,001 - 7,000 | 289.03 | 43.35 | 332.38 | 310.43 | 46.57 | 357.00 | 310.64 | 54.36 | 365.00 |
| 7,001 - 8,000 | 303.23 | 45.48 | 348.71 | 326.09 | 48.91 | 375.00 | 325.96 | 57.04 | 383.00 |
| 8,001 - 9,000 | 317.43 | 47.61 | 365.04 | 340.87 | 51.13 | 392.00 | 341.28 | 59.72 | 401.00 |
| 9,001 - 10,000 | 331.63 | 49.74 | 381.37 | 356.52 | 53.48 | 410.00 | 356.60 | 62.40 | 419.00 |
| 10,001 - 11,000 | 345.83 | 51.87 | 397.7 | 372.17 | 55.83 | 428.00 | 371.91 | 65.09 | 437.00 |
| 11,001 - 12,000 | 360.03 | 54 | 414.03 | 386.96 | 58.04 | 445.00 | 387.23 | 67.77 | 455.00 |
| 12,001 - 13,000 | 374.23 | 56.13 | 430.36 | 402.61 | 60.39 | 463.00 | 402.55 | 70.45 | 473.00 |

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 |
| 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 | | |
| 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 | | |
| 1,000,001 - 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 | | |
| 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 | | |

| Appendix G: Adult Education Fees and Charges 2010/11: Exceptions | | | | | |
|---|--------------------------------|---------------------------------|---|---------------------------------------|----------------|
| | | | | | |
| Reviewed at Local Neighbourhoods Scrutiny Committee | | | | | |
| | | | | | |
| Description of Service | 2009/10 Current Fee (£) | 2010/11 Proposed Fee (£) | Proposed Fee Increase in 2010/11 | Proposed % Increase in 2010/11 | Comment |
| Adult Education | | | | | |
| Adult Education Class Full Fee per hour Band 1 | 1.8 | 1.90 | 5% increase | | |
| Adult Education Class Full Fee per hour Band 2 | 2.85 | 3.00 | 5% increase | | |
| Adult Education Class Full Fee per hour Band 3 | 3.9 | 4.10 | 5% increase | | |
| Adult Education Class Full Fee per hour Band 4 | 4.9 | 5.15 | 5% increase | | |
| Adult Education Class Full Fee per hour Band 5 | 10.2 | 10.70 | 5% increase | | |
| Adult Education Class Conc. Fee per hour Band 1 | 0.75 | 0.80 | 5% increase | | |
| Adult Education Class Conc. Fee per hour Band 2 | 1.15 | 1.20 | 5% increase | | |
| Adult Education Class Conc. Fee per hour Band 3 | 1.55 | 1.65 | 5% increase | | |
| Adult Education Class Conc. Fee per hour Band 4 | 1.95 | 2.05 | 5% increase | | |
| Adult Education Creche Full Fee | 8.7 | 9.15 | 5% increase | | |
| Adult Education Creche Standard Fee | 3.2 | 3.35 | 5% increase | | |
| Adult Education Creche Conc. Fee | 1.4 | 1.45 | 5% increase | | |
| Adult Education Creche. Fee for Skills for Life | 1.4 | 1.45 | 5% increase | | |

Please note that the fee increase will only apply w.e.f September 2010. The proposed uplift is in line with neighbouring boroughs.

RESIDENTS SERVICES

REPORT ON FEES AND CHARGES

Increases above 2% for 2010/11

PARKS AND CULTURE

Overall, services have benchmarked costs with London averages and with near neighbours where possible. Further reviews of charges will be conducted during 2010/11 as a result of market assessments conducted in conjunction with the new AD Commercial and Customer Services and these may result in further recommendations for changes to charges or the application of incentivisation/discount schemes in-year.

Sports Charges

Sports charges were subject to a wide ranging and thorough benchmarking exercise in 2008/9 which has been updated for 2009/10. The result of this benchmarking demonstrated that LBHF was charging way below neighbouring boroughs with a very complicated charging system. Charges were simplified and standardised for 2009/10 and in some cases, charges were raised by over 100% to bring them more into line with the market. Favourable discounts were then applied for schools; and to encourage block booking and minimise staff input. There was some negative publicity as a result of the rate of these increases, particularly from schools but the overall rate of bookings remained steady for 2009/10 (but see below).

Although improving, LBHF pitches are still not up to the quality of neighbours e.g. we still have significant drainage problems at Wormwood Scrubs and Lillie Road and we have experienced cancellations due to poor quality pitches. For 2010/11 we are recommending an increase of 9% for all pitches (from £57.50 to £60) which will still mean LBHF is in the lower end of charging compared to the London average and with most neighbours but takes into account the quality of the product. Variable discounts will still be applied to encourage block booking but at a lesser discounted rate than 2009/10 (no more than 15% or 15% + VAT exemption where applicable)

Cemeteries

Benchmarking of cemeteries charges has been undertaken during 2009/10 and for the most part these demonstrate that there is a wide variation within individual charges across neighbouring authorities; e.g. 'exhumation of cremated remains' charges vary from £4,645 in Ealing to £110 in Brent. Therefore it is difficult to assess the market forces in operation or to see how these charges were originally derived. In addition, we are awaiting a wide-scale review of burial space across London with pending legislation re the availability of burial space which

will have an effect on charging rates. However, where there is obvious disconnect between LBHF charges and surrounding boroughs, charges have been adjusted to bring LBHF into line and this means increases of around 9% for some charges. However, in other cases, charges will be frozen as a result of this review.

Libraries

Benchmarking here shows that for overdue charges, LBHF is in the top quartile range compared to neighbours and that DVD/CD hire is still a declining market for libraries across the board. Therefore major increases in these income streams are not planned. However, it is proposed to increase charges above the 2% for British Library reservations (to recoup costs) and for memory stick sales.

Arts Events and Registrations

Market assessments and benchmarking indicate that there is scope to increase hall hire/marriage charges above 2%. External hire is holding despite the economic downturn.

Fulham Palace

For 2010/11 it is proposed to change the charging scheme for venue hire from a separate room rate applied across the week by maintaining existing separate room charges for Mon-Thursday bookings but introducing a flat rate minimum hire charge for weekends, adjusted seasonally. This would mean that the hire of one or more rooms at weekends (where there is already 90-100% take-up) will be subject to this total minimum hire rate, increasing weekend revenue significantly whilst stimulating a market for weekday bookings (where bookings are significantly lower). The charge for exclusive use of the Palace will rise from £5,000 to £6,500. These charges have been benchmarked with other like venues.

CLEANER GREENER NEIGHBOURHOODS

Transport Workshop

The proposed increases to on-costs reflect the need to recoup overheads (admin etc) and still compare favourably with other internal service providers. A review of transport services is currently being undertaken and may lead to further updates in June 2010, depending on the soft market testing that will be undertaken.

Trade Waste

Waste disposal costs are increasing by 17% in 2010/11 and this is reflected in the increases for trade waste collections. However, as the costs for recycling have not increased by the same level and as we wish the service to be competitive against other local providers, charges for this element of the service will be frozen for this year. Further updates to charges may be required in June 2010, depending on customer consultation and the outcome of the growth in sales planned for Q1 of 2010/11.

Household Bulky Collections

Waste disposal costs are increasing by 17% in 2010/11 and this is reflected in the increases for household bulky collections.

Street Trading Charges

A review of street trading services is currently being undertaken and may lead to further updates in June 2010, depending on the soft market testing and customer consultation that will be undertaken.

Appendix G: Residents Services Fees and Charges 2010/11: Exceptions

Reviewed at Value for Money Scrutiny Committee

| TRANSPORT AND WASTE MANAGEMENT | 2009/10 | 2010/11 | VAT Charged | % Change | Explanation for Increase in Fees and Charges |
|---|--|---|-------------|----------|---|
| Transport Workshops - Internal Charges - Net of VAT | | | | | |
| Parts | Cost + 10% | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Fuel - Diesel / Petrol / LPG | Cost + 10% | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Ad Hoc Vehicle Hire | Cost + 10% | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Management and Administration Charge | Total Cost (excluding Fuel and NSEs) + 10% | Total Cost (excluding Fuel and NSEs) + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Transport Workshops - External Charges - Net of VAT | | | | | |
| Parts | Cost + 10% | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Fuel - Diesel / Petrol | Cost + 10% | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Ad Hoc Vehicle Hire | Cost + 10% | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Management and Administration Charge | Based on Insurance Cost only + 10% | Based on Insurance Cost only + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Trade Waste Charges - Internal - Net of VAT | | | | | |
| Trade Waste Sacks - General Waste - cost per sack | £1.15 | £1.25 | N/A | 5% | This 5% uplift reflects the significant increases in Disposal costs for general waste next year from £90 per tonne to £107 |
| Trade Waste Sacks - Recycling - cost per sack | £0.85 | £0.85 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 360 Ltr Wheelie Bins - General Waste - cost per empty | £6.50 | £6.75 | N/A | 5% | please see note on disposal costs, above |
| 360 Ltr Wheelie Bins - Recycling - cost per empty | £4.85 | £4.85 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 1100 Ltr Euro Bins - General Waste - cost per empty | £9.50 | £10.00 | N/A | 5% | please see note on disposal costs, above |
| 1280 Ltr Euro Bins - Recycling - cost per empty | £7.70 | £7.70 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 940 Ltr Paladins & Chamberlains - General Waste Only | £9.05 | £9.50 | N/A | 5% | please see note on disposal costs, above |
| Trade Waste Charges - External - Net of VAT | | | | | |
| Trade Waste Sacks - General Waste - cost per sack | £1.15 | £1.20 | Yes | 5% | please see note on disposal costs, above |
| Trade Waste Sacks - Recycling - cost per sack | £0.85 | £0.85 | Yes | 0% | see not above |
| 360 Ltr Wheelie Bins - General Waste - cost per empty | £6.50 | £6.75 | Yes | 5% | please see note on disposal costs, above |
| 360 Ltr Wheelie Bins - Recycling - cost per empty | £4.85 | £4.85 | Yes | 0% | see not above |
| 1100 Ltr Euro Bins - General Waste - cost per empty | £9.50 | £10.00 | Yes | 5% | please see note on disposal costs, above |
| 1280 Ltr Euro Bins - Recycling - cost per empty | £7.70 | £7.70 | Yes | 0% | see not above |
| 940 Ltr Paladins & Chamberlains - General Waste Only | £9.05 | £9.50 | Yes | 5% | please see note on disposal costs, above |
| Household Bulky Collections - VAT Zero rated | | | | | |
| Minimum charge for up to 3 large items or 10 sacks of miscellaneous waste | £15.00 | £15.75 | N/A | 5% | please see note on disposal costs, above |
| 4 items | £28.75 | £30.00 | N/A | 5% | please see note on disposal costs, above |
| 5 items | £34.50 | £36.25 | N/A | 5% | please see note on disposal costs, above |
| 6 items | £40.25 | £42.50 | N/A | 5% | please see note on disposal costs, above |
| 7 items | £46.00 | £48.50 | N/A | 5% | please see note on disposal costs, above |
| 8 items | £51.75 | £54.50 | N/A | 5% | please see note on disposal costs, above |
| 9 items | £57.50 | £60.50 | N/A | 5% | please see note on disposal costs, above |
| 10 items | £63.25 | £66.50 | N/A | 5% | please see note on disposal costs, above |
| 11 items | £69.00 | £72.50 | N/A | 5% | please see note on disposal costs, above |
| 12 items | £74.75 | £78.50 | N/A | 5% | please see note on disposal costs, above |
| 13 items | £80.50 | £84.50 | N/A | 5% | please see note on disposal costs, above |
| 14 items | £86.25 | £90.50 | N/A | 5% | please see note on disposal costs, above |
| 15 items | £92.00 | £96.50 | N/A | 5% | please see note on disposal costs, above |
| (for extra items there is an additional fee of £5.75 per item) | | (extra items charged for at the rate of £6.04 each) | N/A | 5% | please see note on disposal costs, above |

| | | | | | | | | | |
|--|--------|--|--|--|--|--|--|----|--|
| General Bagged Household Waste - VAT Zero rated | | | | | | | | | |
| 11 bags | £28.75 | £30.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 12 bags | £29.90 | £31.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 13 bags | £31.05 | £32.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 14 bags | £32.20 | £33.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 15 bags | £33.35 | £35.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| (for each extra bags there is an additional fee of £1.15 per bag) | | (extra bags charged for at the rate of £1.21 each) | | | | | | 5% | please see note on disposal costs, above |
| Household Derived Builders Rubble - VAT Zero rated | | | | | | | | | |
| First 5 bags | £28.75 | £30.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 11 bags | £31.05 | £32.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 12 bags | £33.35 | £35.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 13 bags | £35.65 | £37.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 14 bags | £37.95 | £40.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 15 bags | £40.25 | £42.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 20 bags | £51.75 | £54.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 25 bags | £63.25 | £66.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 30 bags | £74.75 | £78.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| (extra bags charged for at the rate of £2.30 per bag) | | (extra bags charged for at the rate of £2.42 per bag) | | | | | | 5% | please see note on disposal costs, above |
| Bathroom Suites (items include bath, toilet, hand basin & shower stand) | | | | | | | | | |
| First item | £28.75 | £30.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 2 items | £31.05 | £32.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 3 items | £33.35 | £35.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 4 items | £35.65 | £37.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 5 items | £37.95 | £40.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 6 items | £40.25 | £42.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| (extra items charged for at the rate of £5.75 per item) | | (extra items charged for at the rate of £6.04 per item) | | | | | | 5% | please see note on disposal costs, above |
| Household Fencing Waste | | | | | | | | | |
| First 5 panels | £28.75 | £30.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 6 panels | £34.50 | £36.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 7 panels | £40.25 | £42.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 8 panels | £46.00 | £48.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 9 panels | £51.75 | £54.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 10 panels | £57.50 | £60.00/N/A | | | | | | 5% | please see note on disposal costs, above |
| 11 panels | £63.25 | £66.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 12 panels | £69.00 | £72.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 13 panels | £74.75 | £78.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 14 panels | £80.50 | £84.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| 15 panels | £86.25 | £90.50/N/A | | | | | | 5% | please see note on disposal costs, above |
| (extra panels charged for at the rate of £5.75 per panel) | | (extra panels charged for at the rate of £6.04 per item) | | | | | | 5% | please see note on disposal costs, above |
| Broken down sheds | £46.00 | £48.00/N/A | | | | | | 5% | please see note on disposal costs, above |

| | | | | | | | |
|--|-----------------------------|-----------------------------|---------------------------|--|--|--|--|
| Household Fridges and Fridge Freezers etc | | | | | | | |
| One fridge / freezer | £15.00 | £15.75 | 5% | please see note on disposal costs, above | | | |
| Two fridges / freezers | £15.00 | £15.75 | 5% | please see note on disposal costs, above | | | |
| Three fridges / freezers | £15.00 | £15.75 | 5% | please see note on disposal costs, above | | | |
| Trade Bulky Collections | As above but subject to VAT | As above but subject to VAT | | | | | |
| Trade Fridges and Fridge Freezers etc | | | | | | | |
| One fridge / freezer | £25.00 | £26.25 | 5% | please see note on disposal costs, above | | | |
| Two fridges / freezers | £30.00 | £31.50 | 5% | please see note on disposal costs, above | | | |
| Three fridges / freezers | £35.00 | £36.75 | 5% | please see note on disposal costs, above | | | |
| STREET TRADING CHARGES - all inclusive of VAT | 2009/10 | 2010/11 | New Charge 2010/11 | | | | |
| REGISTRATION | | | | | | | |
| Permanent Trader | £54.00 | £55.00 | £4.00 | 9% Increase due to a new charge to cover the collection of Waste from Street traders | | | |
| Temporary Trader | £54.00 | £55.00 | £4.00 | 9% Increase due to a new charge to cover the collection of Waste from Street traders | | | |
| Annual Renewal | £54.00 | £55.00 | £4.00 | 9% Increase due to a new charge to cover the collection of Waste from Street traders | | | |

PARKS AND CULTURE

SPORTS CHARGES - all inclusive of VAT

Explanation for Increase in Fees and Charges

| | 2009/10 | 2010/11 | VAT Charged | % Change |
|---|----------------|----------------|--------------------------------------|-----------------|
| Football pitches | £55 | £60 | Y (exempt for block bookings for 10+ | 9% |
| Hurlingham - Centre Pitch | £55 | £60 | Y (exempt for block bookings for 10+ | 9% |
| 11-a-side All Weather Pitch | £55 | £60 | Y (exempt for block bookings for 10+ | 9% |
| 5-a-side All Weather Pitch | £30.00 | £32.50 | Y (exempt for block bookings for 10+ | 8% |
| RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY | £55 | £60 | Y (exempt for block bookings for 10+ | 9% |
| CRICKET | £55 | £60 | Y (exempt for block bookings for 10+ | 9% |
| ROUNDERS/BASEBALL | £55.00 | £60 | Y | 9% |
| Per pitch per game | £55.00 | £60 | Y | 9% |
| MINI BASEBALL | £55.00 | £60 | Y | 9% |
| Per pitch per game | £55.00 | £60 | Y | 9% |
| SOFTBALL | £55.00 | £60 | Y | 9% |
| Per pitch per game | £55.00 | £60 | Y | 9% |
| BICYCLE POLO | £55.00 | £60 | Y | 9% |
| Athletics per hour | £30.00 | £35.00 | Y | 17% |
| Athletics Half Day | £120.00 | £140.00 | Y | 17% |
| Athletics Full Day | £240.00 | £280.00 | Y | 17% |
| Changing room @ Hurlingham for bowls | | | | |
| OAP/Youth season ticket | £20.00 | £21.00 | Y | 5% |
| Locker rent | £9.00 | £10.00 | Y | 11% |
| @ HURLINGHAM | | | | |
| TRAINING AREA & FLOODLIGHTS | | | | |
| Training area per hour - includes Change & Com room | £27.50 | £30.00 | Y | 9% |
| Fulham Football Club - Grass pitch and Community Room | | | | |
| Prices | | | | |
| Grass pitches; Com Room & Changing room -per day | £200.00 | £225.00 | Y | 13% |
| CEMETERIES CHARGES - Exempt for VAT | 2009/10 | 2010/11 | VAT Charged | % Change |
| Resident Fees | | | | |
| Private Grave | | | | |
| Purchase and Grant (75 years) | £1,102.50 | £1,200.00 | N | 9% |
| Interment/Reopening | | | | |
| Up to 2 interments (each) | £997.50 | £1,047.00 | N | 5% |
| Per extra interment (below 7ft) | £199.50 | £219.00 | N | 10% |
| Exhumations | | | | |
| Standard Charge (Coffin or Casket) | £1,785.00 | £1,874.00 | N | 5% |
| Disinterment of Cremated Remains | £78.75 | £150.00 | N | 90% |
| Grave Diggers Allowance per Grave | £78.75 | £100.00 | N | 27% |
| Interment of cremated remains | | | | |
| Purchase and Grant | £336.00 | £353.00 | N | 5% |
| Interment | £220.50 | £232.00 | N | 5% |
| Scattering of Ashes | £55.65 | £59.00 | N | 6% |
| Search Fee | | | | |
| Standard | £55.65 | £58.00 | N | 4% |
| Change of Ownership | | | | |
| Standard | £78.75 | £83.00 | N | 5.00% |

London average £1,069, Brent £1638, Richmond £1260, Hounslow £871, Ealing £1,236, Wandsworth £1440

London average £714.88, Brent £508.00, Ealing £654, Hounslow £565, Ken & Chel £1210, Richmond £740, Wandsworth £757

Brent £300, Ealing £1,394, Richmond £630, Ken & Chel £868, Wandsworth £68

5% Brent £2000, Ealing £4645, Richmond £1700, Ken & Chel £2611

90% Brent £110, Ealing £4645, Richmond £525, Ken & Chel £2611

27% Ealing £924, Richmond £115, Ken & Chel £262

5% Brent £600, Ealing £353, Richmond £420, Ken & Chel £368

5% Brent £110, Ealing £200, Richmond £110, Ken & Chel £218, Wandsworth £305

6% Richmond £110, Ken & Chel £59

4% Brent £10.00, Ealing £116.00, Richmond £40, Ken & Chelsea free

Ealing £101, Richmond £120,

| ARTS, EVENTS & REGISTRATION CHARGES | | 2009/10 | 2010/11 | VAT Charged | % Change |
|--|-----------|-----------|---------|-------------|----------|
| Hire of Halls | | | | | |
| HTH Assembly Hall & FTH Grand Hall - per hour | | | | | |
| Weekday per hour | £140.00 | £150.00 | N | | 7.14 |
| Commercial ticketed events per hour | £400 | £410.00 | N | | 2.50 |
| New Years Eve falling on a Sunday per hour | £600 | £615.00 | N | | 2.50 |
| Parks & Open Spaces | | | | | |
| Exercise permits - (per location / per month) | £120.00 | £130.00 | N | | 8.33 |
| Medium event 500-1000 Commercial Public kt | £800.00 | £825.00 | N | | 3.13 |
| Small event up to 499 Private/commercial | £1,000.00 | £1,050.00 | N | | 5.00 |
| Fairground - Large scale | £1,000.00 | £1,050.00 | N | | 5.00 |
| Civil Marriage/Civil Partnership | | | | | |
| Mayor's Parlour, Fulham Town Hall (Register Office) | | | | | |
| Fri - Sat | £83.50 | £93.50 | N | | 11.98 |
| Walham Green Room Fulham Town Hall | | | | | |
| Mon - Thur | £128.50 | £143.50 | N | | 11.67 |
| Fri - Sat | £153.50 | £193.50 | N | | 26.08 |
| Council Chamber - Fulham Town Hall | | | | | |
| Compared with Wandsworth (£177 approx p.h.), Brent (£312 average per hour) and Ealing (£175 p.h.) this is at the lower end of the scale but their facilities are better. | | | | | |
| Mon - Thur | £323.50 | £353.50 | N | | 9.27 |
| Brent charge £546 p.h. | | | | | |
| Remains competitive with Brent who charge on a normal Sunday £489 p.h. | | | | | |
| This is in line with what the market can take and what they charge their users | | | | | |
| Reflects the impact of the event on the local area | | | | | |
| Reflects the impact of the event on the local area | | | | | |
| Reflects the impact of the event on the local area | | | | | |
| This remains competitive RBKC charge £190 Westminster charge £100 (09/10) | | | | | |
| This remains competitive RBKC charge £360, Westminster charge £280 (09/10) | | | | | |
| This remains competitive RBKC charge £460 - 565, Westminster charge £300 (09/10) | | | | | |
| This remains competitive Westminster charge £280 (09/10) for a smaller room | | | | | |
| Fri | £403.50 | £453.50 | N | | 12.39 |
| This remains competitive Westminster charge £300 for a smaller room (09/10) | | | | | |
| Sat | £453.50 | £503.50 | N | | 11.03 |
| This remains competitive Westminster charge £300 for a smaller room (09/10) | | | | | |
| Sun/Bank Holidays | | | | | |
| Approved Venues | | | | | |
| Mon - Thur | £303.50 | £323.50 | N | | 6.59 |
| RBKC charge £360, Westminster charge £290 (09/10) | | | | | |
| Fri - Sat | £353.50 | £403.50 | N | | 14.14 |
| Ealing charge £350, RBKC charge £460, Westminster charge £390 (09/10) | | | | | |
| Sun/Bank Holidays | £453.50 | £503.50 | N | | 11.03 |
| Ealing Charge £450, RBKC charge £565, Westminster charge £465-490 (09/10) | | | | | |

| Area Based Grant (ABG) Allocations 2010/11 | | | | | | Appendix H |
|---|------|---|----------------------|-------------------|-----------------------|-----------------------------|
| Ref No | Dept | Project Title | Revised 09/10 Budget | MTFS Schemes | LAA 10/11 Allocations | Total ABG 10/11 Allocations |
| 2 | CHS | Young Person Substance Misuse Services | 123,000 | 0 | 123,000 | 123,000 |
| 3 | CHS | Opportunities for Young People with Disabilities | 36,000 | 0 | 36,000 | 36,000 |
| 11 | CHS | Carers Initiatives (20%) | 187,200 | 176,226 | 0 | 176,226 |
| 19 | CHS | Parenting Support Service | 85,000 | 0 | 85,000 | 85,000 |
| 22 | CHS | Personal Educational Allowances for Looked after Children | 105,000 | 0 | 105,000 | 105,000 |
| 25 | CHS | Choice advice and transition and transfer team | 200,000 | 200,000 | 0 | 200,000 |
| 28 | CHS | Secondary Behaviour and Attendance | 68,000 | 72,000 | 0 | 72,000 |
| 30 | CHS | Excellence in Cities | 320,000 | 320,000 | 0 | 320,000 |
| 34 | CHS | Behaviour Improvement Programme | 325,000 | 325,000 | 0 | 325,000 |
| 36 | CHS | Extended Services for Schools | 460,000 | 237,000 | 0 | 237,000 |
| 38 | CHS | Youth Offenders Substance Misuse Services | 40,000 | 0 | 40,000 | 40,000 |
| 39 | CHS | Teenage Pregnancy Partnership | 150,000 | 150,000 | 0 | 150,000 |
| 40 | CHS | Street Outreach Service (Reducing Gang Crime) | 38,500 | 0 | 38,500 | 38,500 |
| 41 | CHS | Diversion Project for First Time Youth Offenders | 72,000 | 0 | 40,000 | 40,000 |
| 42 | CHS | Child Death Review Arrangements | 38,000 | 0 | 38,000 | 38,000 |
| 43 | CHS | Children's Service Annual Training Programme | 280,000 | 0 | 280,000 | 280,000 |
| 44 | CHS | Initial Assessments for Children in Need | 60,000 | 0 | 60,000 | 60,000 |
| 47 | CHS | Vulnerable Children Services | 238,000 | 0 | 269,000 | 269,000 |
| 48 | CHS | Positive Activities for Young People | 580,000 | 0 | 580,000 | 580,000 |
| 49 | CHS | 14-19 Programme Development | 65,000 | 0 | 65,000 | 65,000 |
| 50 | CHS | Special Educational Needs Projects | 278,000 | 0 | 278,000 | 278,000 |
| 52 | CHS | Child & Adolescent Mental Health Services | 608,000 | 608,000 | 0 | 608,000 |
| 53 | CHS | Children's Fund Projects | 390,000 | 390,000 | 0 | 390,000 |
| 54 | CHS | Connexions Service | 1,475,205 | 1,475,205 | 0 | 1,475,205 |
| 55 | CHS | Early Interventions (ASSIST) | 525,597 | 456,870 | 0 | 456,870 |
| 56 | CHS | Phoenix Neighbourhood Renewal Programme | 300,000 | 0 | 200,000 | 200,000 |
| 57 | CHS | School Improvement and Standards | 552,000 | 578,000 | 0 | 578,000 |
| 61 | CHS | Study Support | 74,000 | 74,000 | 0 | 74,000 |
| Children's Services Total | | | 7,673,502 | 5,062,301 | 2,237,500 | 7,299,801 |
| 7 | CSD | Bishop Creighton House Safer Homes Services | 125,000 | 0 | 125,000 | 125,000 |
| 9 | CSD | Adult Social Care Workforce Training | 497,000 | 0 | 497,000 | 497,000 |
| 10 | CSD | Local Involvement Network [LINKs] | 123,000 | 0 | 123,000 | 123,000 |
| 11 | CSD | Carers Initiatives (80%) | 748,800 | 704,600 | 0 | 704,600 |
| 12 | CSD | Mental Capacity Advocate Service and Safeguards | 126,000 | 121,000 | 0 | 121,000 |
| 13 | CSD | Support to Adults with Mental Health needs | 714,000 | 752,000 | 0 | 752,000 |
| 14 | CSD | Preserved Rights Funding | 1,200,000 | 1,160,000 | 0 | 1,160,000 |
| 15 | CSD | Supporting People Administration | 212,000 | 182,000 | 0 | 182,000 |
| 16 | CSD | Support to People with Learning Disability | 213,000 | 214,000 | 0 | 214,000 |
| 18 | CSD | Work Matters Employment Initiatives | 200,000 | | 100,000 | 100,000 |
| NEW | CSD | Supporting People | | 11,465,155 | | 11,465,155 |
| Community Services Total | | | 4,158,800 | 14,598,755 | 845,000 | 15,443,755 |
| 6 | FCS | CSVN Forum | 0 | 0 | 32,500 | 32,500 |
| 20 | FCS | Joint strategic needs assessment | 28,950 | 0 | 28,950 | 28,950 |
| 21 | FCS | Director of Public Health | 37,500 | 0 | 37,500 | 37,500 |
| 37 | FCS | Preventing Violent Extremism | 0 | 0 | 50,000 | 50,000 |
| Finance and Corporate Services Total | | | 66,450 | 0 | 148,950 | 148,950 |
| | | | 0 | 0 | 0 | 0 |
| Environment Total | | | 0 | 0 | 0 | 0 |
| 1 | RSD | Vehicle Crime Decoy Tracking Equipment | 17,570 | 0 | 17,600 | 17,600 |
| 4 | Env | Housing Estate Recycling Project | 35,000 | 0 | 35,000 | 35,000 |
| 17 | RSD | Crime & Disorder Reduction Initiatives | 589,000 | 589,000 | 0 | 589,000 |
| 23 | RSD | Prolific and Priority Offender Projects | 107,000 | 0 | 107,000 | 107,000 |
| Residents Services | | | 748,570 | 589,000 | 159,600 | 748,600 |
| Total Allocations 2009/10 | | | 12,647,322 | 20,250,056 | 3,391,050 | 23,641,106 |

CLEANER GREENER NEIGHBOURHOODS

| TRANSPORT AND WASTE MANAGEMENT | | 2009/10 | 2010/11 | VAT Charged | % Change | Explanation for Increase in Fees and Charges |
|--|--|----------------|--|--------------------|-----------------|---|
| Transport Workshops - Internal Charges - Net of VAT | | | | | | |
| Parts | Cost + 10% | | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Fuel - Diesel / Petrol / LPG | Cost + 10% | | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Ad Hoc Vehicle Hire | Cost + 10% | | Cost + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Management and Administration Charge | Total Cost (excluding Fuel and NSEs) + 10% | | Total Cost (excluding Fuel and NSEs) + 10.5% | N/A | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Transport Workshops - External Charges - Net of VAT | | | | | | |
| Parts | Cost + 10% | | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Fuel - Diesel / Petrol | Cost + 10% | | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Ad Hoc Vehicle Hire | Cost + 10% | | Cost + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Management and Administration Charge | Based on Insurance Cost only + 10% | | Based on Insurance Cost only + 10.5% | Yes | 5% | Increase in order to meet MTFS targets and cover on-costs, under recovered in the past |
| Trade Waste Charges - Internal - Net of VAT | | | | | | |
| Trade Waste Sacks - General Waste - cost per sack | | £1.15 | £1.25 | N/A | 5% | This 5% uplift reflects the significant increases in Disposal costs for general waste next year from £30 per tonne to £107 |
| Trade Waste Sacks - Recycling - cost per sack | | £0.85 | £0.85 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 360 Ltr Wheelie Bins - General Waste - cost per empty | | £6.50 | £6.75 | N/A | 5% | please see note on disposal costs, above |
| 360 Ltr Wheelie Bins - Recycling - cost per empty | | £4.85 | £4.85 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 1100 Ltr Euro Bins - General Waste - cost per empty | | £9.50 | £10.00 | N/A | 5% | please see note on disposal costs, above |
| 1280 Ltr Euro Bins - Recycling - cost per empty | | £7.70 | £7.70 | N/A | 0% | The costs for trade recycling are frozen for next year, to encourage customers to switch to this option, which provides significantly cheaper disposal costs to the authority |
| 940 Ltr Paladins & Chambertains - General Waste Only | | £9.05 | £9.50 | N/A | 5% | please see note on disposal costs, above |
| Trade Waste Charges - External - Net of VAT | | | | | | |
| Trade Waste Sacks - General Waste - cost per sack | | £1.15 | £1.20 | Yes | 5% | please see note on disposal costs, above |
| Trade Waste Sacks - Recycling - cost per sack | | £0.85 | £0.85 | Yes | 0% | see not above |
| 360 Ltr Wheelie Bins - General Waste - cost per empty | | £6.50 | £6.75 | Yes | 5% | please see note on disposal costs, above |
| 360 Ltr Wheelie Bins - Recycling - cost per empty | | £4.85 | £4.85 | Yes | 0% | see not above |
| 1100 Ltr Euro Bins - General Waste - cost per empty | | £9.50 | £10.00 | Yes | 5% | please see note on disposal costs, above |
| 1280 Ltr Euro Bins - Recycling - cost per empty | | £7.70 | £7.70 | Yes | 0% | see not above |
| 940 Ltr Paladins & Chambertains - General Waste Only | | £9.05 | £9.50 | Yes | 5% | please see note on disposal costs, above |

| | | | | | | |
|---|--------|---|-----|--|--|---|
| Household Bulky Collections - VAT Zero rated | | | | | | |
| Minimum charge for up to 3 large items or 10 sacks of miscellaneous waste | £15.00 | £15.75 | N/A | | | 5% please see note on disposal costs, above |
| 4 items | £28.75 | £30.00 | N/A | | | 5% |
| 5 items | £34.50 | £36.25 | N/A | | | 5% please see note on disposal costs, above |
| 6 items | £40.25 | £42.50 | N/A | | | 5% please see note on disposal costs, above |
| 7 items | £46.00 | £48.50 | N/A | | | 5% please see note on disposal costs, above |
| 8 items | £51.75 | £54.50 | N/A | | | 5% please see note on disposal costs, above |
| 9 items | £57.50 | £60.50 | N/A | | | 5% please see note on disposal costs, above |
| 10 items | £63.25 | £66.50 | N/A | | | 5% please see note on disposal costs, above |
| 11 items | £69.00 | £72.50 | N/A | | | 5% please see note on disposal costs, above |
| 12 items | £74.75 | £78.50 | N/A | | | 5% please see note on disposal costs, above |
| 13 items | £80.50 | £84.50 | N/A | | | 5% please see note on disposal costs, above |
| 14 items | £86.25 | £90.50 | N/A | | | 5% please see note on disposal costs, above |
| 15 items | £92.00 | £96.50 | N/A | | | 5% please see note on disposal costs, above |
| (for extra items there is an additional fee of £5.75 per item) | | (extra items charged for at the rate of £6.04 each) | | | | |
| General Bagged Household Waste - VAT Zero rated | | | | | | |
| 11 bags | £28.75 | £30.00 | N/A | | | 5% please see note on disposal costs, above |
| 12 bags | £29.90 | £31.50 | N/A | | | 5% please see note on disposal costs, above |
| 13 bags | £31.05 | £32.50 | N/A | | | 5% please see note on disposal costs, above |
| 14 bags | £32.20 | £33.50 | N/A | | | 5% please see note on disposal costs, above |
| 15 bags | £33.35 | £35.00 | N/A | | | 5% please see note on disposal costs, above |
| (for each extra bags there is an additional fee of £1.15 per bag) | | (extra bags charged for at the rate of £1.21 each) | | | | |
| Household Derived Builders Rubble - VAT Zero rated | | | | | | |
| First 5 bags | | | | | | 5% please see note on disposal costs, above |
| 11 bags | £28.75 | £30.00 | N/A | | | 5% please see note on disposal costs, above |
| 12 bags | £31.05 | £32.50 | N/A | | | 5% please see note on disposal costs, above |
| 13 bags | £33.35 | £35.00 | N/A | | | 5% please see note on disposal costs, above |
| 14 bags | £35.65 | £37.50 | N/A | | | 5% please see note on disposal costs, above |
| 15 bags | £37.95 | £40.00 | N/A | | | 5% please see note on disposal costs, above |
| 20 bags | £40.25 | £42.00 | N/A | | | 5% please see note on disposal costs, above |
| 25 bags | £51.75 | £54.50 | N/A | | | 5% please see note on disposal costs, above |
| 30 bags | £63.25 | £66.50 | N/A | | | 5% please see note on disposal costs, above |
| (extra bags charged for at the rate of £2.30 per bag) | | (extra bags charged for at the rate of £2.42 per bag) | | | | |
| | | | | | | 5% please see note on disposal costs, above |

| PARKS AND CULTURE | | 2009/10 | | 2010/11 | | VAT Charged | | % Change | |
|---------------------------------------|--|---------|--|---------|---|-------------------------------------|--|----------|--|
| SPORTS CHARGES - all inclusive of VAT | | | | | | | | | |
| Football pitches | | £55 | | £80 | | Y (exempt for block bookings of 10+ | | 9% | |
| Hurlingham - Centre Pitch | | £55 | | £80 | | Y (exempt for block bookings of 10+ | | 9% | |
| 11-a-side All Weather Pitch | | £55 | | £80 | | Y (exempt for block bookings of 10+ | | 9% | |
| 5-a-side All Weather Pitch | | £30.00 | | £32.50 | | Y (exempt for block bookings of 10+ | | 8% | |
| RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY | | £55 | | £80 | | Y (exempt for block bookings of 10+ | | 9% | |
| CRICKET | | £55 | | £80 | | Y (exempt for block bookings of 10+ | | 9% | |
| ROUNDERS/BASEBALL | | | | | | | | | |
| Per pitch per game | | £55.00 | | £80 | Y | | | 9% | |
| MINI BASEBALL | | | | | | | | | |
| Per pitch per game | | £55.00 | | £80 | Y | | | 9% | |
| SOFTBALL | | | | | | | | | |
| Per pitch per game | | £55.00 | | £80 | Y | | | 9% | |
| BICYCLE POLO | | | | | | | | | |
| Athletics per hour | | £30.00 | | £35.00 | Y | | | 17% | |
| Athletics Half Day | | £120.00 | | £140.00 | Y | | | 17% | |
| Athletics Full Day | | £240.00 | | £280.00 | Y | | | 17% | |

Explanation for Increase in Fees and Charges

| | | | | | |
|---|-----------|----------------|----------------|--------------------|---|
| Changing room @ Hurlingham for bowls | | | | | |
| OAP/Youth season ticket | £20.00 | | £21.00 | Y | 5% |
| Locker rent | £9.00 | | £10.00 | Y | 11% |
| @ HURLINGHAM | | | | | |
| TRAINING AREA & FLOODLIGHTS | | | | | |
| Training area per hour - includes Change & Com room | £27.50 | | £30.00 | Y | 9% |
| Fulham Football Club - Grass pitch and Community Room Prices | | | | | |
| Grass pitches, Com Room & Changing room - per day | £200.00 | | £225.00 | Y | 13% |
| CEMETERIES CHARGES - Exempt for VAT | | | | | |
| Resident Fees | | 2009/10 | 2010/11 | VAT Charged | % Change |
| Private Grave | | | | | |
| Purchase and Grant (75 years) | £1,102.50 | | £1,200.00 | N | 9% |
| Interment/Reopening | | | | | |
| | | | | | London average £1,069, Brent £1,638, Richmond £1,260, Hounslow £871, Ealing £1,236, Wandsworth £1,140 |
| Up to 2 interments (each) | £997.50 | | £1,047.00 | N | 5% |
| Per extra interment (below 7ft) | £199.50 | | £219.00 | N | 10% |
| Exhumations | | | | | |
| Standard Charge (Coffin or Casket) | £1,785.00 | | £1,874.00 | N | 5% |
| Disinterment of Cremated Remains | £78.75 | | £150.00 | N | 90% |
| Grave Diggers Allowance per Grave | £78.75 | | £100.00 | N | 27% |
| Interment of cremated remains | | | | | Ealing £924, Richmond £115, Ken & Chel £262 |
| Purchase and Grant | £336.00 | | £353.00 | N | 5% |
| Interment | £220.50 | | £232.00 | N | 5% |
| Scattering of Ashes | £55.65 | | £59.00 | N | 6% |
| Search Fee | | | | | Richmond £110, Ken & Chel £59 |
| Standard | £55.65 | | £58.00 | N | 4% |
| Change of Ownership | | | | | Brent £10.00, Ealing £116.00, Richmond £40, Ken & Chelsea free |
| Standard | £78.75 | | £83.00 | N | 5.00 |
| Chapel | | | | | Ealing £101, Richmond £120, |
| Use of chapel | | | | | |
| Grave Maintenance | £55.65 | | £58.00 | N | 5.00 |
| | | | | | Brent £50, Ealing £83, Richmond £65, Ken & Chel £71 |
| Soil or Turf | £73.50 | | £77.00 | N | 5% |
| Full Maintenance | £147.00 | | £154.00 | N | 5% |
| Attention only | £105.00 | | £110.00 | N | 5% |
| | | | | | Ealing £110, Wandsworth £90 |
| | | | | | Wandsworth £48 |
| Non Resident Fees | | | | | |
| Private Grave | | | | | |
| Purchase and Grant (75 years) | £3,517.50 | | £3,693.00 | N | 5% |
| Interment/Reopening | | | | | London average £2321, Brent £2457, Ealing £2472, Hounslow £2613, Kingston £2030, Richmond £2520, Wandsworth £2205 |
| Up to 2 interments (each) | £1,470.00 | | £1,600.00 | N | 9% |
| Per extra interment (below 7ft) | £651.00 | | £700.00 | N | 8% |
| Casket (includes interment fee) | £1,848.00 | | £1,948.00 | N | 5% |
| Non private grave | | | | | London average £1542, Brent £412.50, Ealing £654, Hounslow £1695, Ken & Chel £1688, Wandsworth £1785 |
| Grave space only | £1,470.00 | | £1,544.00 | N | 5.00 |
| Exhumations | | | | | |
| Standard Charge (Coffin or Casket) | £1,785.00 | | £1,874.00 | N | 5% |
| Disinterment of Cremated Remains | £78.75 | | £150.00 | N | 90% |
| Grave Diggers Allowance per Grave | £78.75 | | £100.00 | N | 27% |
| | | | | | Brent £110, Ealing £4645, Richmond £525, Ken & Chel £2611 |

| | | | | | | |
|---|----------------|----------------|--------------------|-----|------------|------------------------------------|
| Interment of cremated remains | | | | | | |
| Purchase and Grant | £1,123.50 | £1,180.00 | N | | | 5% |
| Interment | £315.00 | £360.00 | N | | | 14% Richmond £360, Wandsworth £341 |
| Scattering of Ashes | £55.65 | £59.00 | N | | | 6% |
| Search Fee | | | | | | |
| Standard | £55.65 | £58.00 | N | | | 5.00 |
| Change of Ownership | | | | | | |
| Standard | £78.75 | £83.00 | N | | | 5.00 |
| Chapel | | | | | | |
| Use of chapel | | | | | | |
| Grave Maintenance | £55.65 | £70.00 | N | | | 26% Richmond £70 |
| Soil or Turf | £73.50 | £77.00 | N | | | 5.00 |
| Full Maintenance | £147.00 | £154.00 | N | | | 5.00 |
| Attention only | £105.00 | £110.00 | N | | | 5.00 |
| LIBRARIES CHARGES - all inclusive of VAT | 2009/10 | 2010/11 | VAT Charged | | | |
| Book Overdue and Reservation Charges | | | | | | |
| Requests not in stock - British Library | £4.50 | £5.00 | | Yes | | 11.0% |
| Requests not in stock - SELMS partners | £0.00 | £2.00 | | Yes | New Charge | |
| Sale Items - guide prices | | | | | | |
| Miscellaneous Sale Items | | | | | | |
| Memory Sticks | £7.00 | £9.00 | | Yes | | 29.0% |

London average £362.97, Brent £370, Ealing £296, Hounslow £453, Ken & Chel £336, Richmond £360, Wandsworth £341

London average £72.98, Brent £55, Ealing £76, Hounslow £73, Ken & Chel £78, Richmond £70

Current cost to LBH&F £9.90 so recovering more of the costs. As part of the SELMS consortium this is an enhanced new Service. The charge is set across all members, therefore new charge

To reflect the increase in current market rate

| ARTS, EVENTS & REGISTRATION CHARGES | | 2009/10 | 2010/11 | VAT Charged | % Change |
|--|-----------|-----------|---------|-------------|----------|
| Hire of Halls | | | | | |
| HTH Assembly Hall & FTH Grand Hall - per hour | | | | | |
| Weekday per hour | £140.00 | £150.00 | N | | 7.14 |
| Commercial ticketed events per hour | £400 | £410.00 | N | | 2.50 |
| New Years Eve falling on a Sunday per hour | £600 | £615.00 | N | | 2.50 |
| Parks & Open Spaces | | | | | |
| Exercise permits - (per location / per month) | £120.00 | £130.00 | N | | 8.33 |
| Medium event 500-1000 Commercial Publics lkt | £800.00 | £825.00 | N | | 3.13 |
| Small event up to 499 Private/commercial | £1,000.00 | £1,050.00 | N | | 5.00 |
| Fairground - Large scale | £1,000.00 | £1,050.00 | N | | 5.00 |
| Civil Marriage/Civil Partnership | | | | | |
| Mayor's Parlour, Fulham Town Hall (Register Office) | | | | | |
| Fri - Sat | £83.50 | £93.50 | N | | 11.98 |
| Walham Green Room Fulham Town Hall | | | | | |
| Mon - Thur | £128.50 | £143.50 | N | | 11.67 |
| Fri - Sat | £153.50 | £193.50 | N | | 26.06 |
| Council Chamber – Fulham Town Hall | | | | | |
| Mon - Thur | £323.50 | £353.50 | N | | 9.27 |
| Fri | £403.50 | £453.50 | N | | 12.39 |
| Sat | £453.50 | £503.50 | N | | 11.03 |
| Sun/Bank Holidays | | | | | |
| Approved Venues | £603.50 | £653.50 | N | | 8.29 |
| Mon - Thur | £303.50 | £323.50 | N | | 6.59 |
| Fri - Sat | £353.50 | £403.50 | N | | 14.14 |
| Sun/Bank Holidays | £453.50 | £503.50 | N | | 11.03 |

Compared with Wandsworth (£177 approx p.h.), Brent (£312 average per hour) and Ealing (£175 p.h.) this is at the lower end of the scale but their facilities are better.

Brent charge £546 p.h.
Remains competitive with Brent who charge on a normal Sunday £489 p.h.

This is in line with what the market can take and what they charge their users

Reflects the impact of the event on the local area

Reflects the impact of the event on the local area

Reflects the impact of the event on the local area

This remains competitive RBKC charge £190 Westminster charge £100 (09/10)

This remains competitive RBKC charge £360, Westminster charge £280 (09/10)

This remains competitive RBKC charge £460 - 565, Westminster charge £300 (09/10)

This remains competitive Westminster charge £280 (09/10) for a smaller room

This remains competitive Westminster charge £300 for a smaller room (09/10)

This remains competitive Westminster charge £300 for a smaller room (09/10)

This remains competitive Westminster charge £300 for a smaller room (09/10)

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This remains competitive Westminster charge £300 for a smaller room (09/10)

This remains competitive Westminster charge £300 for a smaller room (09/10)

| FULHAM PALACE - all exclusive of VAT | 2009/10 | 2010/11 | VAT Charged | % Change |
|--|---------|---|-------------|----------|
| | | Minimum Hire Charge Friday - Saturday April - September | | |
| Minimum Hire Charge for 1 or more rooms Friday - Saturday April - September | n/a | £4,000.00 N | New Charge | |
| Minimum Hire Charge for 1 or more rooms Friday - Saturday October - March | n/a | £3,500.00 N | New Charge | |
| Exclusive use of Fulham Palace | £5,000 | £6,000 N | | 20% |

On a comparative basis taking 80 person Wedding room hire the following charges are applied across our nearest competitors: Osterley park £1950, Syon Park £7420, Chiswick House £4000, Cambridge Cottage £3500, Hampton Court £8400, Parkstead house £3450, Kensington Palace £11000.

Report to Council

24 FEBRUARY 2010

LEADER

*Councillor Stephen
Greenhalgh*

TREASURY MANAGEMENT STRATEGY REPORT

**WARDS
All**

This report explains that CIPFA has published a new Treasury Management Code of Practice and seeks formal adoption of the new Code.

In addition the report provided information on the Council's Treasury Management Strategy for 2010/11 including interest rate projections and borrowing and investment activity reports for the period April to December 2009

The report seeks approval for borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in the year 2010/11.

CONTRIBUTORS

DFCS
ADLDS

RECOMMENDATIONS:

- 1. To adopt the new CIPFA's Treasury Management in the Public Services Code of Practice, with effect from 1st April 2010.**
- 2. To adopt the Treasury Management Policy Statement and clauses as per paragraphs 2 and 3 of the report.**
- 3. To approve the future borrowing and investment strategies.**
- 4. In relation to the Council's overall borrowing for the financial year 2010/11, approve the Prudential Indicators as set out in Section 3 of this report.**
- 5. To approve the methodology for establishing credit criteria.**
- 6. To delegate future amendments to the credit criteria methodology to Cabinet.**

1. INTRODUCTION

1.1. A revised CIPFA Code of Practice on Treasury Management in the Public Services and guidance notes were published in November 2009. The Local Authorities (Capital Finance and Accounting) Regulations 2003 require authorities to “have regard” to the code and guidance notes. The Council is required to formally adopt the revised Code of Practice and the treasury management policy statement as set out in paragraph 2 and clauses as set out in paragraph 3 below. The principal reasons for revising the code were that CIPFA has:

- Published a revised Prudential Code for Capital Finance in Local Authorities (the Prudential Code);
- Adopted the principles of International Financial Reporting Standards for Financial Instruments;
- Responded to the Icelandic bank crisis, including providing evidence at the Select Committee into local authority investments.

1.2. The financial markets have experienced a period of considerable turmoil during the ‘credit crunch’ starting in 2008, focusing attention on a wide range of treasury management practices but, in particular, the assessment of the credit standing of counterparties with whom local authorities transact their treasury business. National reports have been produced by the Audit Commission and the Communities and Local Government Select Committee which have made recommendations that certain elements of the Treasury Management Code and guidance notes be reviewed.

1.3. The Department for Communities and Local Government published a consultation paper in November 2009 on proposed changes to the CLG investments guidance which, subject to the outcome of the consultation, will come into effect on 1st April 2010.

1.4. The Local Government Act 2003 requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; which sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.5. The suggested strategy for 2010/11 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;

- 1.6. 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.

2. THE TREASURY MANAGEMENT POLICY STATEMENT

- 2.1. CIPFA recommends that the Council's treasury management policy statement adopts the following form of words below to define the policies and objectives of its treasury management activities.

- This Council defines its Treasury Management activities as;

The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation.
- This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

3. CLAUSES TO BE FORMALLY ADOPTED

CIPFA recommends that public service organisations adopt the following four clauses:

- 3.1 This Council will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.

- Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations of the Code subject only to amendments where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- 3.2 This Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 3.3 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Director of Finance and Corporate Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 3.4 This Council nominates audit committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

4. TREASURY MANAGEMENT PRACTICES

The new code has revised the guidance notes for the Treasury Management Practices. The practices are attached in full as Appendix A. Behind the Treasury Management Practices are supporting schedules and details of the systems and routines to be employed and the records to be maintained. These will be updated to reflect the changes in the Code of Practice.

5. TREASURY LIMITS 2009/10 TO 2011/12

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 "Authorised Limit".

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.

5.1 Limits to Borrowing Activity

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

5.2 Interest Rate Exposures

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

- a) Upper Limit on fixed rate exposure — This indicator identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- b) Upper Limit on variable rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- c) Total principal funds invested for periods longer than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.
- d) Maturity structures of borrowing – This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is not necessary to include variable rate debt because local authorities do not face substantial refinancing risks. The indicator is, in effect, a limit on longer term interest rate exposure.

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

6. PRUDENTIAL INDICATORS FOR 2009/10 – 2012/13

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 revised 2009 CIPFA Code of Practice on Treasury Management.

| Treasury Management Indicators | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | 2012/13 £000 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Authorised limit for external debt | | | | |
| Borrowing | 506,991 | 570,171 | 573,144 | 575,829 |
| Other Long Term Liabilities | 0 | 0 | 0 | 0 |
| Total authorised limit | 506,991 | 570,171 | 573,144 | 575,829 |
| | | | | |
| Operational boundary | | | | |
| Borrowing | 490,450 | 506,275 | 512,555 | 534,755 |
| Other Long Term Liabilities | 0 | 0 | 0 | 0 |
| Total operational boundary | 490,450 | 506,275 | 512,555 | 534,755 |
| | | | | |
| Upper limit for fixed rate exposure expressed as :- net principal re fixed rate borrowing/ investments | 493,000 | 540,000 | 547,000 | 555,000 |
| | | | | |
| Upper limit for variable rate exposure expressed as :- net principal re variable rate borrowing /investments | 98,000 | 108,000 | 109,400 | 110,000 |
| | | | | |
| Upper limit for total principal sums invested for over 364 days | 20,000 | 20,000 | 20,000 | 20,000 |

| Maturity structure of fixed rate borrowing during 2010/11 | Upper Limit | Lower Limit |
|---|-------------|-------------|
| Under 12 months | 15% | 0% |
| 12 months and within 24 months | 15% | 0% |
| 24 months and within 5 years | 60% | 0% |
| 5 years and within 10 years | 75% | 0% |
| 10 years and above | 100% | 0% |

7. CURRENT PORTFOLIO POSITION

7.1 The Council's treasury portfolio position at the 31 December 2009 is shown in the following table.

| | | Principal | | Ave. rate |
|-------------------------------------|--------|-----------|---------|-----------|
| | | £000's | £000's | % |
| Fixed rate funding | PWLB | 475,520 | | |
| | Market | 0 | 475,520 | 5.93 |
| Variable rate funding | PWLB | 0 | | |
| | Market | 0 | 0 | |
| Total Debt | | | 475,520 | 5.93 |
| Total Short Term Investments | | | 144,600 | 1.34 |
| Total Debt net of total Investments | | | 330,920 | |

7.2 The reason for the difference between the gross and net debt is because the Council has borrowed £77 million for the Decent Homes Initiative and expects this to be used by 31st March 2010. In addition, the Council is holding monies on behalf of Capital Ambition, West London Housing in addition to Section 106 planning money.

8. BORROWING REQUIREMENT

| | 2009/10 £'000 | 2010/11 £'000 | 2011/12 £'000 | 2012/13 £'000 |
|--------------------------------|------------------|------------------|------------------|------------------|
| | Actual | Estimate | Estimate | Estimate |
| New borrowing (including ALMO) | 77,000 | 10,800 | 22,200 * | 6,200 |

*Note: this includes £16 million of replacement borrowing for maturing loans

- 8.1 Under the capital finance regulations, local authorities are permitted to borrow up to three years in advance of need. This Council will only consider borrowing up to 1 year in advance of need as the borrowing requirement in later years is only an estimate at this stage. The reason for borrowing in advance is to take advantage of low long term interest rates. There is a short term cost to borrowing in advance of need as currently investment rates are considerably lower than long term borrowing rates. This will be evaluated before any decision is taken to borrow in advance of need.
- 8.2 Borrowing in advance of need increases the level of temporary investments and thus increases the risk of loss of investment principal. However, the Council has put in place a prudent methodology to minimise this risk, see paragraph 13.

9. PROSPECTS FOR INTEREST RATES

9.1 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 B 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:

9.2 Sector Bank Rate forecast for financial year ends (March)

2010 0.50%
 2011 1.50%
 2012 3.50%
 2013 4.50%

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

10. BORROWING STRATEGY

Sector interest rate forecast - 23.11.09

| | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Mar-12 | Mar-13 |
|----------------|--------|--------|--------|--------|--------|--------|--------|
| Bank rate | 0.50% | 0.50% | 0.75% | 1.00% | 1.50% | 3.50% | 4.50% |
| 5yr PWLB rate | 3.05% | 3.20% | 3.30% | 3.40% | 3.60% | 4.60% | 4.85% |
| 10yr PWLB rate | 4.00% | 4.05% | 4.15% | 4.30% | 4.45% | 5.00% | 5.15% |
| 25yr PWLB rate | 4.55% | 4.65% | 4.70% | 4.80% | 4.90% | 5.20% | 5.35% |
| 50yr PWLB rate | 4.60% | 4.70% | 4.75% | 4.90% | 5.00% | 5.30% | 5.45% |

In view of the above forecast the Council's borrowing strategy will be based upon the following information.

- 10.1 Rates are expected to gradually increase during the year, so it should therefore be advantageous to time new long term borrowing for the start of the year. However, a cautious approach is adopted to any borrowing in advance of need as this increases the security risk of investments.
- 10.2 Under 10 year PWLB rates are expected to be substantially lower than longer term PWLB rates offering a range of options for new borrowing which will spread debt maturities away from a concentration in long dated debt.
- 10.3 There is expected to be little difference between 25 year and 50 year rates thus loans in the 25-30 year periods could be seen as being more attractive than 50 year borrowing as the spread between the PWLB new borrowing and early repayment rates is considerably less. This would maximise the potential for debt rescheduling and allow the Council to rebalance its debt maturity profile.
- 10.4 **Sensitivity of the forecast** – In normal times the main sensitivities of the forecast are likely to be the two scenarios below. Treasury 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 fall in long and short term rates, due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowing will be postponed.
 - If it were felt that there was a significant risk of a sharp rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, 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.

11. ANNUAL INVESTMENT STRATEGY

- 11.1 The Council is required to have regard to the CLG's Guidance on Local Government Investments ("the Guidance") issued in March 2004. and the 2009 CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). This strategy also takes into account proposed changes to the CLG's guidance as set out in the consultation paper published in November 2009. The investment strategy has to be approved by full Council, but it is proposed that amendments to the investment methodology will be delegated to Cabinet to enable changes to be made on a timely basis to reflect changes in market conditions.

11.2 The Council's investments priorities are:-

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

Provided that proper levels of security and liquidity are achieved the Council will then aim to achieve the optimum return on its investments consistent with these priorities.

11.3 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.

11.4. 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.

11.5 The Council in conjunction with its treasury advisor Sector, will use Fitch, Moody's and Standard and Poor ratings plus data on movements in credit default swaps to derive its credit criteria. Credit ratings alerts and changes are notified to treasury officers on a daily basis and these are acted upon immediately. In addition officers monitor the financial press and economic reports. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swaps (CDSs) against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list. It should be noted that the Council is only monitoring CDS movements for information purposes, and is not actually purchasing any CDSs.

11.6 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 | Individual | Support |
| A- | F2 | C | 2 |
| Moody's | | | |
| Long Term | Short Term | Financial Strength | |
| A3 | P-2 | C | |
| S & P | | | |
| Long Term | Short Term | | |
| A- | A-3 | | |

12. INTEREST RATE OUTLOOK FOR INVESTMENTS

Bank Rate has been unchanged at 0.50% since March 2009. Bank rate is forecast to commence rising in quarter 3 of 2010 and then to rise steadily from thereon. Bank Rate forecasts for financial year ends (March) are as follows:-

| | |
|------|-------|
| 2010 | 0.50% |
| 2011 | 1.50% |
| 2012 | 3.50% |
| 2013 | 4.50% |

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile.

The Council will report on its investment activity as part of a mid year review and at the end of the financial year as part of the Annual Outturn Report.

12.1 Specified Investments

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
Callable deposits – under 1 year
Certificates of deposits - issued by banks and building societies.
UK Government Gilts
Treasury Bills

12.2 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 12.1 above.

12.3 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.
- Structured deposits.
- 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

13. METHODOLOGY FOR ESTABLISHING CREDIT CRITERIA

13.1 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 e.g. on mergers or takeovers occur during the month Sector e-mail the amendments to the Treasury Section on a daily basis and the section adds/deletes counterparties as appropriate to/from the approved counterparty list.

13.2 The banking sector is still a volatile area and the current policy is that whilst we maintain our lending list in accordance with the methodology in Appendix C. we are continuing to operate a more restricted lending list. For illustrative purposes Appendix D is attached to show the countries and organisations on the lending list at the present time using this methodology. This means that organisations will be added to and removed from the lending list during the year depending on changes to the ratings.

13.3 **Nationalised Banks and Part Nationalised Bank** 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 by the Government or E rating which means it requires external support and is part owned by the Government.

However it should be noted that the individual rating is only one component of Fitch's rating. 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.

It should also be noted that in December 2009 the individual ratings on both the Lloyds Banking Group and The Royal of Scotland Group have been upgraded by Fitch from E to C and E to D/E respectively whilst still part nationalised. This reflects Fitch's view that there have been improvements in the groups' capital combined with some progress in restructuring their balance sheet.

14. DEBT RESCHEDULING

14.1 The introduction of different PWLB rates on 1st November 2007 that introduced a spread between the rates applied to new borrowing and repayment of debt, has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date.

14.2 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 10 above; and
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

15. HAMMERSMITH & FULHAM HOUSING MANAGEMENT SERVICES (HFHMS)

H& F Homes submitted a bid in 2005/06 for £192 million to the DCLG for supported borrowing for the Decent Homes Initiative. This funding has been drawn down since 2005/06 but for 2009/10 there was a borrowing requirement of £77 million and this borrowing was taken in November 2009. This borrowing will be supported through Housing Revenue Account Subsidy. There is a further borrowing requirement for the Decent Homes Initiative of £4.7 million in 2010/11.

16. INVESTMENT CONSULTANTS AND INVESTMENT TRAINING

16.1 Sector Treasury Services Ltd were appointed on 1st February 2009 for a three year period following a tendering exercise. Sector provide interest rate forecasts, economic updates, strategy reviews, training for treasury management staff and advice on the formulation of suitable borrowing and investment strategies and advice on investment counterparty creditworthiness.

16.2 The Council is a member of the Cipfa treasury management network which provides a forum for the exchange of views and training of treasury management staff independent of the treasury management consultants. It also provides a quality check on the services received from the consultants.

16.3 Treasury management staff are required to attend the Cipfa network meetings and Sector seminars and training events on a regular basis throughout the year to ensure that they are up to date at all times on developments in treasury management and continue to develop their expertise in this area.

17. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

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

18. COMMENTS OF THE ASSISTANT DIRECTOR, LEGAL AND DEMOCRATIC SERVICES

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

19. COMMENTS OF THE VALUE FOR MONEY SCRUTINY COMMITTEE

19.1 The Value for Money Scrutiny Committee considered this report at its meeting held on 26th January 2010.

**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 | Ground Floor Town Hall |
| 2 | CIPFA-Prudential Code - Accounting for Capital Finance | Rosie Watson Ext. 2563 | Ground Floor Town Hall |
| 3 | Various Economic commentaries | Rosie Watson Ext. 2563 | Ground Floor Town Hall |

APPENDIX A

TREASURY MANAGEMENT PRACTICES

CIPFA recommends that the Council's treasury management practices (TMPs) include these of the following that are relevant to its treasury management powers and the scope of its treasury management activities:

TMP 1 Risk Management

General Statement

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

i) Credit and counterparty risk management

This council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, method and techniques referred to in *TMP 4 Approved instruments methods and techniques* and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financial arrangements.

ii) Liquidity risk management

This council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

This council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

iii) Interest rate risk management

This council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP 6 Reporting requirement and management information arrangements*.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

iv) Exchange rate risk management

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

v) Refinancing risk management

This council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

vi) Legal and regulatory risk management

This council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *TMP 1 (i) Credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the council, particularly with regard to duty of care and fees charged.

vii) Fraud, error and corruption, and contingency management

This council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

viii) Market risk management

This council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP 2 Performance measurement

This council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

According, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TMP 3 Decision-making and analysis

This council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TMP 4 Approved Instruments, method and techniques

This council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in *TMP1 Risk management*.

TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

This council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with *TMP 6 Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the responsible officer in respect of treasury management are set out in the schedule to this document. The responsible officer will fulfil all such responsibilities in accordance with the council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP 6 Reporting requirements and management information arrangements

This council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effect of decisions taken and transactions executed in pursuit of those policies ; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

The council will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the council's treasury management policy statement and TMPs.

The Cabinet will receive regular monitoring reports on treasury management activities and risks.

The body responsible for scrutiny, such as audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

The Council will report the treasury management indicators as detailed in the sector specific guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

TMP 7 Budgeting, accounting and audit arrangements

The responsible officer will prepare, and this council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *TMP1 Risk Management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques*. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with *TMP 6 Reporting requirements and management information arrangements*.

This council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP 8 Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with *TMP 1 Liquidity risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

TMP 9 Money laundering

This council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

TMP10 Training and qualifications

This council recognises that the importance of ensuring that all staff involved in the treasury management functions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

The responsible officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

TMP11 Use of external providers

This council recognises that responsibility for treasury management decisions remains with the council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such services providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. And it will ensure, where feasible and necessary, that a spread of service providers, is used, to avoid over reliance on one or a small number of companies. Where services are subject to

formal tender or re-tender arrangements, legislative requirements will be observed. The monitoring of such arrangements rests with the responsible officer, and details of the current arrangements are set out in the schedule to this document.

TMP12 Corporate governance

This council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This council has adopted and has implemented the key principles of the Code. This together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Appendix B

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 – 23.11.09

| | Dec-09 | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Jun-11 | Sep-11 | Dec-11 | Mar-12 | Jun-12 | Sep-12 | Dec-12 | Mar-13 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank rate | 0.50% | 0.50% | 0.50% | 0.75% | 1.00% | 1.50% | 2.25% | 2.75% | 3.25% | 3.50% | 3.75% | 4.25% | 4.25% | 4.50% |
| 5yr PWLB rate | 2.85% | 3.05% | 3.20% | 3.30% | 3.40% | 3.60% | 3.85% | 4.15% | 4.55% | 4.60% | 4.80% | 4.80% | 4.85% | 4.85% |
| 10yr PWLB rate | 3.90% | 4.00% | 4.05% | 4.15% | 4.30% | 4.45% | 4.60% | 4.80% | 4.90% | 5.00% | 5.10% | 5.10% | 5.15% | 5.15% |
| 25yr PWLB rate | 4.40% | 4.55% | 4.65% | 4.70% | 4.80% | 4.90% | 5.00% | 5.05% | 5.10% | 5.20% | 5.30% | 5.30% | 5.35% | 5.35% |
| 50yr PWLB rate | 4.45% | 4.60% | 4.70% | 4.75% | 4.90% | 5.00% | 5.10% | 5.15% | 5.20% | 5.30% | 5.40% | 5.40% | 5.45% | 5.45% |

Capital Economics interest rate forecast – 5.11.09

| | Dec-09 | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Jun-11 | Sep-11 | Dec-11 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| 5yr PWLB rate | 2.85% | 2.65% | 2.15% | 2.15% | 2.15% | 2.15% | 2.15% | 2.15% | 2.15% |
| 10yr PWLB rate | 3.75% | 3.15% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% | 2.65% |
| 25yr PWLB rate | 4.25% | 3.95% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% |
| 50yr PWLB rate | 4.35% | 4.15% | 4.05% | 4.05% | 4.05% | 4.05% | 4.05% | 4.05% | 4.05% |

UBS interest rate forecast (for quarter ends) – 30.10.09

| | Dec-09 | Mar-10 | Jun-10 | Sep-10 | Dec-10 | Mar-11 | Jun-11 | Sep-11 | Dec-11 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate | 0.50% | 0.50% | 0.50% | 0.75% | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% |
| 10yr PWLB rate | 3.75% | 3.90% | 4.05% | 4.40% | 4.75% | 4.90% | 5.15% | 5.40% | 5.40% |
| 25yr PWLB rate | 4.40% | 4.45% | 4.65% | 5.00% | 5.15% | 5.40% | 5.65% | 5.90% | 5.90% |
| 50yr PWLB rate | 4.50% | 4.55% | 4.75% | 5.10% | 5.25% | 5.50% | 5.75% | 6.00% | 6.00% |

2. SURVEY OF ECONOMIC FORECASTS

HM Treasury – summary of forecasts of 23 City and 12 academic analysts for Q4 2009 and 2010 published in November 2009. Forecasts for 2010 – 2013 are based on 21 forecasts in the last quarterly forecast – November 2009.

| BANK RATE FORECASTS | quarter ended | | | annual average Bank Rate | | | |
|---------------------|---------------|---------|---------|--------------------------|-----------|-----------|-----------|
| | actual | Q4 2009 | Q4 2010 | ave. 2010 | ave. 2011 | ave. 2012 | ave. 2013 |
| Median | 0.50% | 0.50% | 1.30% | 0.70% | 1.80% | 3.00% | 3.70% |
| Highest | 0.50% | 0.50% | 2.30% | 1.30% | 3.30% | 4.30% | 4.60% |
| Lowest | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 1.00% | 1.40% |

APPENDIX C

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+

Exposure limit of £25 Million to be placed with any one country except the UK which would be unlimited.

The Council will use all 3 credit rating agencies Fitch, Moody's and Standard & Poor to derive its credit criteria. The methodology has a mathematical basis and gives a score to each of the ratings. An average score is then calculated for each of the constituent rating for Long Term, Short Term, Individual and Support. A sum of the averages is then taken and duration calculated based on this final value. The methodology is completely objective and mathematical, applying equal weight to each credit rating component.

The system also takes into account negative and positive rating watches and outlook.

The methodology applies a ranking and scoring procedure to the credit rating to obtain a number, based on all the credit ratings of every rating agency, which is then compared to the scoring bands.

Scoring procedure for the 3 Credit Rating Agencies

Long Term Ratings

| Fitch | | Moody's | | S&P | |
|--------|---------|---------|---------|--------|---------|
| Rating | Scoring | Rating | Scoring | Rating | Scoring |
| AAA | 1 | Aaa | 1 | AAA | 1 |
| AA+ | 2 | Aa1 | 2 | AA+ | 2 |
| AA | 3 | Aa2 | 3 | AA | 3 |
| AA- | 4 | Aa3 | 4 | AA- | 4 |
| A+ | 5 | A1 | 5 | A+ | 5 |
| A | 6 | A2 | 6 | A | 6 |
| A- | 7 | A3 | 7 | A- | 7 |

Short Term Ratings

| Fitch | | Moody's | | S&P | |
|--------|---------|---------|---------|--------|---------|
| Rating | Scoring | Rating | Scoring | Rating | Scoring |
| F1+ | 1 | - | - | A-1+ | 1 |
| F1 | 2 | P-1 | 2 | A-1 | 2 |
| F2 | 3 | P-2 | 3 | A-3 | 3 |

Only Fitch and Moody's use Individual Ratings

Individual Ratings

| Fitch | | Moody's | |
|--------|---------|---------|---------|
| Rating | Scoring | Rating | Scoring |
| - | - | A+ | 0.5 |
| A | 1 | A | 1 |
| - | - | A- | 1.5 |
| A/B | 2 | B+ | 2 |
| B | 3 | B | 3 |
| - | - | B- | 3.5 |
| B/C | 4 | C+ | 4 |
| C | 5 | C | 5 |

Support Ratings

As only Fitch uses Support ratings, there is no need to create any equivalency tables and we can use the rating directly into the calculation.

We then calculate the scoring for each counterparty on the scoring procedure.

Example

| | Fitch | | | | Moody's | | | S&P | |
|---|-----------|------------|-------|---------|-----------|------------|-----|-----------|------------|
| | Long Term | Short Term | Indiv | Support | Long Term | Short Term | FRS | Long Term | Short Term |
| Bank | | | | | | | | | |
| Australia and New Zealand Banking Group | AA- | F1+ | B | 1 | Aa1 | P-1 | B | AA | A-1+ |
| Scoring | 4 | 1 | 3 | 1 | 2 | 2 | 3 | 3 | 1 |

The Average for Long Term Rating is Fitch 4, Moody's 2 and S&P 3 = 9
9 divided by 3 (the no. of agencies) = 3

The Average for Short Term Rating is Fitch 1, Moody's 2 and S&P 1 = 4
4 divided by 3 (the no. of agencies) = 1.333

The Average for Individual Rating is Fitch 3 and Moody's 3 = 6
6 divided by 2 (the no. of agencies) = 3

The average for Support Rating is Fitch 1 as it is the only agency that uses Support Ratings

The sum total of these averages = 3+1.333+3+1 = 8.333

The score is now placed within the predetermined bands.

Bands

| Colour | Lower Boundary | Upper Boundary |
|-----------|----------------|----------------|
| Purple | 4.00 | 8.50 |
| Orange | 8.50 | 10.50 |
| Red | 10.50 | 12.50 |
| Green | 12.50 | 14.50 |
| No Colour | 14.50 | 30.00 |
| | | |

Where:-

Purple - Exposure limit of £25 Million with a maximum duration of 24 months.

Orange - Exposure limit of £25 Million with a maximum duration of 364 days.

Red – Exposure limit of £20 Million with a maximum duration of 6 months.

Green – Exposure limit of £10 Million with a maximum duration of 3 months

No Colour – 0 months duration

In the example a score of 8.33 would place the bank in the Purple band and gives it a suggested maximum duration of 24 months.

Credit Watch/Outlook Overlay

To take into account credit watch and outlooks from the three credit rating agencies an overlay has been developed which penalises a counterparty's score.

The methodology focuses just on the negative and positive outlooks and watches. Although stable, evolving and developing outlooks are still considered important when looking for a broader credit perspective, they can not be correlated with a direct impact in the change of counterparties score on the credit list.

Watches – are considered short term actions, where as **outlooks** are considered over a longer period of time.

To take account of the effect of a bank being on **negative watch**, one point is added to the score of the relevant credit rating e.g. if Moody's placed a bank's short term rating on negative watch, we would add one point to its score. The opposite is applied for positive watches, 1 point is deducted.

To take account of the effect of a bank being on **negative outlook**, then 1/2 point is added to the score of the relevant credit rating e.g. if Moody's placed a bank's short term rating on negative outlook, we would add 1/2 point to its score. The opposite is applied for positive outlooks, 1/2 point is deducted.

In the example above for Australia and New Zealand Group if Fitch had placed the bank on negative watch we would have added one point to the Fitch Long Term score to penalise the bank

The Average for Long Term Rating is Fitch 4 +1, Moody's 2 and S&P 3 = 9
9 divided by 3 (the no. of agencies) = 3.333

Then when the sum total had been added together it would have changed
from 8.333 to 8.666 which would move it down to a lower band – Orange.

Banks that do not have a four way credit rating

To account for banks that do not have a full 4 way credit rating i.e. Long
Term, Short Term, Individual and Support ,adjustments will be made to that
bank's score.

By not having a full set of ratings it can skew the score for a bank making it
higher as only 2 or 3 variables are being taken into account. See example
below.

Example

| | Fitch | | | | Moody's | | | S&P | |
|---------------|--------------|---------------|-------|---------|--------------|---------------|-----|--------------|---------------|
| | Long Term | Short Term | Indiv | Support | Long Term | Short Term | FRS | Long Term | Short Term |
| Bank | | | | | | | | | |
| Jyske Bank | | | | | Aa2 | P-1 | B- | | |
| Scoring | | | | | 4 | 2 | 3.5 | | |

The average score is going to be:-

Long Term - 4, Short Term – 2, Individual 3.5, Support – 0 = 9.5

As this bank is only rated by Moody's and therefore does not have a four
way approach. Currently they have a score of 9.5 putting them into the
Orange band.

This colour of Orange is biased upwards as only 3 ratings have been taken
into account, so it is intended to drop the colour of the bank by one band for
every missing rating.

So if an bank only had a Long and Short Term rating, the initial colour would
be reduced by 2 bands.

Applying CDS spreads to the credit list

CDS spreads are used as it has been proven that credit rating agencies lag
market events and thus do not provide investors with an “up to date” picture
of the credit quality of a particular bank.

CDS spreads are used as an overlay to the credit ratings. CDS spreads
provide perceived market sentiment regarding the credit quality of an
institution. Since they are traded instruments, they reflect the market
perception related to that entity's credit quality. Credit ratings look at a
firm's fundamentals i.e. balance sheet, income statement etc. and tend to
focus on a longer term view of the firm.

It is important to note that not all entities will have an actively traded CDS spread.

Trend analysis

The weekly credit list provided by Sector shows the 1 week, 1 month and 3 month percentage change in a counterparty's CDS spread. This allows Treasury officers to monitor the short, medium and long term trends of CDS spreads.

Benchmark analysis

The benchmark CDS index which measures the "average" level of the most liquid financial CDS spreads in the market is the iTraxx Senior Financials Index. This is an index published by Markit who are the leading company in CDS pricing and valuation. The index is based on an equal weighting of CDS spreads of 25 European financial companies.

The iTraxx can be used to see where an institution's CDS spread is relative to that of the market and judge its creditworthiness in that manner, as well as looking at the credit rating.

Adjusted duration

The methodology employs the rule that if the CDS spread of a bank/building society is below or equal to the level of the iTraxx, then it is deemed "In Range." It retains its' colour and duration.

If the bank/building society's CDS spread is between the iTraxx level and the iTraxx level + 50bps, then it is deemed "Monitoring." When a bank/building society is "Monitoring" its colour and duration is reduced by one band.

If the bank/building society's CDS spread is above the iTraxx level + 50bps, then it is deemed "Out of Range" its colour becomes no colour and is removed from the list.

Exceptions to this methodology

Nationalised and Part Nationalised Banks

See paragraph 13.3

In light of this the colour Blue is used, for UK nationalised or part nationalised banks
Exposure limit of £35 Million with a maximum duration of 364 days.

Government

Debt Management Office
Treasury Bills
Government Gilts

No maximum amount because if we have no capacity to place funds with other financial institutions we need to place them with the government.

Public Authorities

Unitary Authorities
Local Authorities
Borough and District Council's
Met. Police
Fire and Police Authorities

These authorities do not have credit ratings but statute (LG Act 2003 s13) suggests that credit risk attached to these authorities is an acceptable one.

Exposure limit of £25 Million with a maximum duration of 364 days.

Money Market Funds

All funds have a AAA credit rating which have a 60 day weighted average maturity. These funds allow instant access to cash, and provide enhanced yield and security.

Exposure limit of £10 Million – no maximum duration as these are instant access funds.

| | Fitch rating | | | | Moody's rating | | | | S & P rating | | Duration | CDS Data | | | | CDS Benchmark Data | | | Adjusted Duration | Additional Notes | |
|--|--------------|-----|--------|-----|----------------|-----|--------|-----|--------------|--------|----------|------------|------------|------------|---------------|--------------------|-------------------|----------------|------------------------------------|---|------------|
| | L Term | | S Term | | L Term | | S Term | | L Term | S Term | | 18/12/2009 | 11/12/2009 | 18/09/2009 | Week % Change | 3 Month % Change | (Below) Benchmark | Over Benchmark | | | CDS Status |
| | AAA | AA | AA+ | AA- | AAA | AA | AA+ | AA- | AAA | AA | | | | | | | | | | | |
| France - Sovereign | | | | | | | | | | | | | | | | | | | Not Applicable | | |
| BNP Paribas | | AA | F1+ | B | 1 | Aa1 | P-1 | B | AA | A-1+ | 61.7 | 61.2 | 50.5 | 0.8 | 22.2 | -21.8 | 26.2 | In Range | Purple | Fitch has placed the long term rating on 'Negative Outlook'. Moody's has placed the long term and bank financial strength rating review for possible downgrade'. S&P has placed the long term rating on 'Negative Outlook'. | |
| Calyon Corp and Investment Bank (rat) | | AA- | F1+ | C | 1 | Aa3 | P-1 | D | AA- | A-1+ | 80.4 | 81.9 | 77.9 | -1.9 | 3.1 | -3.2 | -3.8 | In Range | Red | Moody's has placed the long term and FSR rating on 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | |
| Societe Generale | | A+ | F1+ | B/C | 1 | Aa2 | P-1 | C+ | A+ | A-1 | 79.8 | 80.8 | 77.6 | -1.2 | 2.8 | -3.8 | -4.5 | In Range | Green | | |
| Germany - Sovereign | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Deutsche Bank AG | | AA- | F1+ | B/C | 1 | Aa1 | P-1 | B | A+ | A-1 | 78.1 | 78.5 | 85.3 | -0.40% | -8.40% | -5.4 | -6.50% | In Range | Orange | Fitch has placed the long term rating on 'Negative Outlook'. Moody's has placed the long term and bank financial strength rating review for possible downgrade'. | |
| Norddeutsche Landesbank Girozentral | | A | F1 | C | 1 | Aa2 | P-1 | C- | A- | A-2 | | | | | | | | | No Data Available | Moody's has placed the long term and FSR rating on 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | |
| Netherlands - Sovereign | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Bank Nederlandse Gemeenten | | AAA | F1+ | A | 1 | Aaa | P-1 | A | AAA | A-1+ | 32.3 | 30 | 30.9 | 7.9 | 4.8 | -51.2 | -61.3 | In Range | Not Applicable (NO Data Available) | | |
| ING Bank NV | | A+ | F1+ | C | 1 | Aa3 | P-1 | C+ | A+ | A-1 | 64.4 | 65 | 65.3 | -1 | -1.4 | -19.1 | -22.9 | In Range | Green | Moody's placed the long term and FSR ratings 'under review for possible downgrade'. | |
| Co-operatieve Centrale Raiffeisen - Bf | | AA+ | F1+ | A | 1 | Aaa | P-1 | B+ | AAA | A-1+ | 72.7 | 73.5 | 54.1 | -1.2 | 34.3 | -10.9 | -13 | In Range | Purple | Moody's placed the long term and FSR ratings on a 'Negative Outlook'. S&P has placed the long term rating on a 'Negative Outlook'. | |
| Singapore - Sovereign | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| DBS Ltd | | AA- | F1+ | B | 1 | Aa1 | P-1 | B | AA- | A-1+ | 40 | 40 | 55 | 0 | -27.3 | -43.5 | -52.1 | In Range | Orange | Moody's has placed the long term and FSR rating on 'Negative Outlook'. | |

| | Fitch rating | | | | Moody's rating | | | | S & P rating | Duration | CDS Data | | | | CDS Benchmark Data | | | Adjusted Duration | Additional Notes | | |
|--------------------------------------|--------------|--------|-------|---------|----------------|--------|-----|--------|--------------|----------|----------|------------|------------|------------|--------------------|------------------|-------------------------|--|------------------|--------------------------|------------|
| | L Term | S Term | Indiv | Support | L Term | S Term | FSR | L Term | | | S Term | 18/12/2009 | 11/12/2009 | 18/09/2009 | Week % Change | 3 Month % Change | (Below)/ Over Benchmark | | | (Below)%/ Over Benchmark | CDS Status |
| | | | | | | | | | | | | | | | | | | | | | |
| Spain - Sovereign | | | | | | | | | | 104.4 | 91.3 | 64.5 | 14.4 | 61.9 | 20.9 | 25 | Monitoring | S&P has affirmed the sovereign rating and placed it on 'Negative Outlook'. Fitch has placed the long term rating on 'Positive Outlook'. Moody's has the long term and FSR rating on 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | | | |
| Banco Bilbao Vizcaya Agentaria | AA- | F1+ | A/B | 1 | Aa2 | P-1 | B- | AA | A-1+ | 84.6 | 85.8 | 74.6 | -1.4 | 13.4 | 1.1 | 1.3 | Monitoring | | | | |
| Banco Popular Espanol | AA- | F1+ | B | 2 | Aa3 | P-1 | C- | A | A-1 | 139.7 | 142.7 | 139.6 | -2.1 | 0.1 | 56.2 | 67.3 | Out of Range | | | | |
| Banco Santander | AA | F1+ | A/B | 1 | Aa2 | P-1 | B- | AA | A-1+ | 81.6 | 83.5 | 72.6 | -2.3 | 12.5 | -1.9 | -2.3 | In Range | Moody's has the long term and FSR rating on 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | | | |
| Confederacion Espanola de Caja de J. | AA- | F1+ | B/C | 2 | Aa3 | P-1 | C | AA | A-1+ | | | | | | | | In Range | No Colour Purple No Data Available | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Sweden - Sovereign | | | | | | | | | | | | | | | | | | | | | |
| Nordea Bank AB | AA- | F1+ | B | 1 | Aa2 | P-1 | C+ | AA- | A-1+ | 54.3 | 50.7 | 45.8 | 7.1 | 18.8 | -29.2 | -34.9 | In Range | Moody's has placed the FSR rating on a 'Negative Outlook'. | | | |
| Svenska Handelsbanken AB | AA- | F1+ | B | 1 | Aa2 | P-1 | C+ | AA- | A-1+ | 57.5 | 59.5 | 59.3 | -3.4 | -3 | -26 | -31.1 | In Range | Moody's has placed the FSR rating on a 'Negative Outlook'. | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| UK - Sovereign | | | | | | | | | | | | | | | | | | | | | |
| Abbey National | AA- | F1+ | B | 1 | Aa3 | P-1 | C- | AA | A-1+ | 84.4 | 76 | 46.5 | 11 | 81.5 | 0.8 | 1 | Monitoring | S&P has placed the sovereign rating on 'Negative Outlook'. | | | |
| Alliance & Leicester Plc | AA- | F1+ | B | 1 | Aa3 | P-1 | E+ | AA | A-1+ | 62.7 | 64.7 | 63.9 | -3.1 | -1.8 | -20.8 | -24.9 | In Range | Moody's has placed the long term and FSR rating on a 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | | | |
| Barclays Bank plc | AA- | F1+ | B | 1 | Aa3 | P-1 | C | AA | A-1+ | 63.7 | 64.1 | 65.7 | -0.6 | -2.9 | -19.8 | -23.7 | In Range | Moody's has placed the long term and FSR rating on a 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | | | |
| Clydesdale Bank | AA- | F1+ | C | 1 | A1 | P-1 | C- | A+ | A-1 | 87.5 | 88.7 | 76.6 | -1.4 | 14.3 | 4 | 4.8 | Monitoring | 'Negative Watch'. The outlook on the long term is stable. S&P has placed the long term rating on 'Negative Outlook'. | | | |
| HSBC Bank plc | AA | F1+ | B | 1 | Aa2 | P-1 | C+ | AA | A-1+ | 59.1 | 59.5 | 54.6 | -0.6 | 8.1 | -24.4 | -29.3 | In Range | Moody's has placed the long term and FSR rating on a 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. Fitch has downgraded the individual rating and placed the long term rating on a 'Stable Outlook'. At the same time all the other ratings have been affirmed. Moody's has placed the long term and FSR ratings on 'Negative Outlook'. S&P has placed the long term rating on 'Negative Outlook'. | | | |



Report to Council

24 FEBRUARY 2010

LEADER

Councillor Stephen Greenhalgh

CAPITAL PROGRAMME 2010/11 TO 2014/15

This report sets out proposals in respect of the Capital Programme, together with ancillary issues.

WARDS

All

CONTRIBUTORS

DFCS
ADLDS

RECOMMENDATIONS:

1. To approve that the General Fund Capital Programme is £32.768m for 2010/11.
2. To approve that any new receipts which exceed the target of £2.5m per annum be set aside for debt redemption.
3. To approve new borrowing, up to the level of the minimum revenue provision, from 2011/12 onwards.
4. To approve that 25% of future receipts generated for the decent neighbourhoods programme be used to support general capital investment.
5. To approve the following initiatives within the capital programme:
 - The continuation of the rolling programmes for Corporate Planned Maintenance (£2.5m), repairs to carriageways and footways (£2.1m), private sector housing grants (£0.45m) and Disabled Access Works (£0.25m).
 - The establishment of new rolling programmes for Parks Investment (£0.5m), IT infrastructure (£0.8m) and a contribution to the Invest to Save Fund (£0.75m).
6. To note that use of the new rolling programmes will be subject to a formal evaluation process.
7. To approve, subject to agreement of the overall programme, prudential borrowing of £5.6m regarding Building Schools for the Future.

Report to Council

24 FEBRUARY 2010

8. To note the level of resource forecast (Table 5) and indicative expenditure for the decent neighbourhoods programme as detailed in Appendix 2.
9. To note the level of resource forecast and indicative expenditure for the Housing Revenue Account as detailed in Appendix 3.
10. To approve that the capital contingency of £2.5m and unused sums regarding the reserve set aside for Imperial Wharf be placed in a capital reserve.
11. To approve the prudential indicators as set out in Appendix 4 to the report.
12. To approve the following annual Minimum Revenue Provision: (Appendix 5).
 - For debt which is supported through Formula 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 should 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 2010/11 to 2014/15. Since 2006/07 the Council has put in place a debt reduction strategy which has enabled £24m of capital debt to be repaid by the end of 2008/09. By 2010/11 this will have delivered annual revenue saving of £2.9m. The capital programme now put forward seeks to consolidate these savings whilst funding essential new investment and key Council priorities. Opportunities for further debt reduction continue to be explored.
- 1.2 Progress towards meeting the decent homes standard by December 2010 is on-going.
- 1.3 The Council has embarked on a number of major projects such as Building Schools for the Future, the King Street Regeneration Strategy and a range of decent neighbourhood 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

Summary

- 2.1 The proposed capital programme and resource forecast is summarised in Table 1. The overall programme is forecast to be in broad balance with a forecast surplus of £1.079m to the end of 2014/15.

Table 1 – General Fund Capital Programme Summary

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|------------|--------------|--------------|--------------|--------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Forecast Resources (Table 2) | 33,357 | 19,734 | 7,931 | 7,888 | 7,750 |
| Capital Programme (Table 3) | 32,768 | 17,745 | 8,368 | 8,350 | 8,350 |
| In-Year Surplus/(Deficit) | 589 | 1,989 | (437) | (462) | (600) |
| Cumulative Balance Surplus/(Deficit) | 589 | 2,578 | 2,141 | 1,679 | 1,079 |

Resources

- 2.2 The general fund resource forecast is detailed in Table 2.

Table 2 General Fund Resource Forecast.

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---------------------------------|---------------|---------------|--------------|--------------|--------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Deficit b/fwd from 2009/10 | (160) | | | | |
| Right to Buy Receipts | 500 | 1,000 | 1,000 | 1,000 | 1,000 |
| Target for New Receipts | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Planned Sales | 5,452 | 3,839 | 0 | 0 | 0 |
| Borrowing (MRP) | 0 | 3,000 | 3,000 | 3,000 | 3,000 |
| Decent Neighbourhood Receipts | 2,352 | 250 | 413 | 388 | 250 |
| Scheme Specific Resources | 22,713 | 9,145 | 1,018 | 1,000 | 1,000 |
| Total Forecast Resources | 33,357 | 19,734 | 7,931 | 7,888 | 7,750 |

- 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 in 2010/11. 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
- 2.4 **Planned Sales .** The current forecast for planned asset sales is set out in Table 2. The actual level, and timing, of sales 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 an annual target of £2.5m is set for new receipts. Should receipts exceed the current target it is proposed that the additional funding be set aside for debt reduction.
- 2.5 **Borrowing.** From 2007/08 to 2009/10 the Council undertook no new general borrowing as part of the debt reduction strategy. It is now proposed that some limited new borrowing be undertaken. Each year the Council continues to set aside an amount from revenue (the MRP) for debt redemption. Rather than reduce debt further it is proposed that new borrowing be approved, from 2011/12 onwards, that is equivalent to the MRP. This will free up resources for new investment whilst not increasing net debt.
- 2.6 **Decent Neighbourhoods Receipts.** Via a number of specific Cabinet decisions, the council has opted to ringfence receipts from disposals of certain asset types (hostels, street properties, and other regeneration sites) for regeneration or affordable housing purposes. These receipts have been channelled into the Decent Neighbourhoods fund. Although this approach has allowed for investment in a number of such schemes, in general the level of receipts coming into the fund has outstripped the expenditure from it.
- 2.7 There is a central government imposed limit on the general use of these types of receipts, but this stands at £15m at the present time. Given the imbalance in funding between this and the general programme it is proposed that future receipts are top sliced by 25% to contribute to general resources. This approach will be reviewed over time to ensure that the overall limit is not breached and that there is no material impact on the delivery of regeneration or affordable housing initiatives.
- 2.8 **Specific Funding Allocations.** The specific funding resource forecast is based on current allocations and will be updated over the forthcoming months in accordance with relevant government, and other public and private, spending announcements

Expenditure

- 2.9 The Council's Capital Programme has, in recent years, been developed through a combination of agreed rolling programmes, ad hoc agreement of individual projects (via formal decision making processes), and the inclusion of specifically funded schemes. The framework for an annual bidding round has not been applied in recent years as available resources have been prioritised to repay debt.
- 2.10 The proposed programme for 2010/11 (Table 3) onwards provides for the completion of existing schemes and continuation of the previously agreed rolling programmes. Allowance is also made for a more structured approach to new investment which is intended to be both more equitable and better directed toward key priorities. The detailed programme is set out in Appendix 1.

Table 3 – 2010/11 to 2014/15 Capital Programme

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|---------------|---------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Completion of Existing Schemes (mainstream) | 2,705 | 1,250 | 0 | 0 | 0 |
| Continuation of Rolling Programmes: | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 |
| New Investment: | | | | | |
| - Parks Maintenance | 500 | 500 | 500 | 500 | 500 |
| - IT Infrastructure | 800 | 800 | 800 | 800 | 800 |
| - Process Improvement/Invest to Save | 750 | 750 | 750 | 750 | 750 |
| Scheme Specific Schemes | 22,713 | 9,145 | 1,018 | 1,000 | 1,000 |
| Total | 32,768 | 17,745 | 8,368 | 8,350 | 8,350 |

2.11 **Completion of Existing Schemes (mainstream).** The largest existing scheme is Bishops Park for which a stage 2 application for a Lottery Grant of £3.5m has been submitted. The overall scheme cost is estimated at £7.1m and the balance will be met from Council mainstream resources and other contributions. A reserve of £0.9m has been set aside should proposed elements of the partnership funding fail to be secured. Review will be on-going of all existing schemes to see if resources can be freed up for other purposes.

2.12 **Rolling Programmes.** With the exception of private sector housing grants the capital programme provides for the continuation of core rolling programmes at current funding levels. The private sector housing grants programme is reduced by £0.95m per annum from 2010/11 onwards in line with proposals put forward at the Medium Term Financial Strategy challenge meetings. Table 4 sets out the existing core programmes

Table 4 - Core Rolling Programmes

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| - Carriageways | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 |
| - Footways | 750 | 750 | 750 | 750 | 750 |
| - Planned Maintenance | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| - Disabled Access | 250 | 250 | 250 | 250 | 250 |
| - Private Sector Housing Grants | 450 | 450 | 450 | 450 | 450 |
| | | | | | |
| Total | 5,300 | 5,300 | 5,300 | 5,300 | 5,300 |

2.13 **New Investment.** As well as the current expenditure plans set out in Table 3 the Council has other ongoing expenditure requirements. The highest priorities, and proposed programmes, have been identified as:

- Continued investment in parks (£0.5m per annum).
- IT infrastructure (maintaining services) (£0.8m per annum).
- Pump-priming invest to save projects (£0.75m per annum). The Council's current method of agreeing process improvements projects is to use the

resources available from the invest to save reserve to approve funding for projects on an ad hoc basis. An annual revenue contribution of £0.75m is made to the reserve and it is proposed that this be supplemented with an annual capital contribution to the reserve. The expectation would be that the vast majority of these projects would be self-financing, but the reserve would need to be able to provide pump priming resources, and to support essential (ie externally imposed for example) process changes which do not have a beneficial financial impact.

2.14 In effect it is proposed that the current range of rolling programmes be expanded. Use of the resources within each programme will be subject to Member approval with a structured bidding process. It is intended that bids regarding use of the pump priming invest to save fund will be timed to take place alongside the consideration of MTFS revenue proposals.

2.15 For 2010/11 onwards a target of £2.5m for new capital receipts has been identified. It is proposed that if receipts generated exceed this target then they be set aside for debt redemption.

3 DECENT NEIGHBOURHOODS – EXPENDITURE AND RESOURCE FORECAST

3.1 The Council continues to set aside housing capital receipts regarding its objectives for regeneration and creating sustainable communities. The current regeneration receipts forecast, and expenditure plan, is set out in Appendix 2 and summarised in table 5.

Table 5 Decent Neighbourhoods - Resource/Expenditure Forecast.

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Forecast expenditure (Appendix 2) | 6,826 | 885 | 36 | | |
| Resources: | | | | | |
| Brought forward from 2009/10 | 13,078 | | | | |
| Planned Sales | 7,435 | 750 | 1,238 | 1,163 | 750 |
| Reimbursement from General Fund | 918 | 0 | 0 | 0 | 0 |
| Forecast Surplus/(Deficit) | 14,605 | (135) | 1,202 | 1,163 | 750 |
| Resources | | | | | |
| Cumulative Surplus resources | 14,605 | 14,470 | 15,672 | 16,835 | 17,585 |

3.2 The programme is forecast to be in surplus by £17.5m by 2014/15. The expensive voids policy is still in place and the resources forecast is likely to increase as more properties come through for disposal.

3.3 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. This position will continue to be reviewed with such receipts only drawn down if they are required to keep the HRA capital programme in balance. Allowance has been made for the top-slice of 25% of future receipts to support general investment needs. The resources brought forward from 2009/10 include £4.4m of receipts that Cabinet previously approved be used to help deliver

revenue savings for the benefit of regeneration initiatives. Options are under review that may extend this arrangement and the balance of resources brought forward would reduce accordingly.

- 3.4 The resources available for the decent neighbourhoods programme continue to be separately identified and their use is subject to Member approval.

4. OTHER MATTERS

- 4.1 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.

- 4.2 **Building Schools for the Future (BSF).** BSF is a largely 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 authority will eventually incur capital expenditure of £207m of which £190m will be funded by capital grant. The balance of the £17m is due to come from:

- Prudential Borrowing £5.6m
- Section 106 contributions £5.1m
- Land Disposals £6.0m

Allowance for the prudential borrowing has been made within the Council's Revenue Budget, Capital Programme and Treasury Management Strategy.

The BSF team within Children's Services completed the Outline Business Case (OBS) on 7 October and is currently waiting approval from Partnership for Schools (PfS) in order to proceed to the procurement phase of the programme.

The ultimate funding mix and amount receivable will depend on PfS approving the final pupil mix and individual school proposals contained within the OBC. However the funding model indicates that 100% of the funding from PfS will be capital grant.

- 4.3 **Primary and Special Schools Strategy.** This strategy sets out a five year vision.

The funding vehicle for implementation of the Primary Strategy is the government capital grant provided through the Primary Capital Programme (PCP). This is intended to provide capital funding for transformation of the primary estate from 2009/10 over a period of 15 years. The current funding allocation is £3.159m in 2009/10 and £5.537 in 2010/11. Funding for subsequent years will be subject to Central Government spending reviews. Based on current projections, the capital programme currently indicates that the 2009/10 PCP allocation of £3.159m will be fully spent.

- 4.4 **King Street Regeneration.** The Council is currently taking forward proposals for this scheme which includes 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.

- 4.5 **White City Collaborative Care Centre (LIFT CO)** - Work is expected to start on site during 2010 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.
- 4.6 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 awaits the outcome of a PFI credits bid of £4.5m to fund its ongoing running costs.
- 4.7 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 to moderate incomes

5 HOUSING CAPITAL PROGRAMME

- 5.1 The latest capital resource forecast for the Housing Capital Programme is set out in table 6 below (see Appendix 3 for details), together with the proposed Housing Revenue Account Capital Programme.

Table 6 HRA Capital resource forecast

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £'000s | £'000s | £'000s | £'000s | £'000s |
| Planned HRA Capital Programme | 60,254 | 20,857 | 18,967 | 17,621 | 18,024 |
| Resources: | | | | | |
| Supported Borrowing | (10,755) | 0 | 0 | 0 | 0 |
| Major Repairs Allowance | (25,486) | (13,605) | (17,467) | (16,121) | (16,524) |
| Expensive Voids | (2,000) | 0 | 0 | | 0 |
| Leasehold Contributions | (14,319) | (5,551) | (1,500) | (1,500) | (1,500) |
| Total mainstream resources | (52,560) | (19,156) | (18,967) | (17,621) | (18,024) |
| Specific Funding | (7,694) | (1,701) | 0 | 0 | 0 |
| Total Resources | (60,254) | (20,857) | (18,967) | (17,621) | (18,024) |
| In-Year (Surplus) / Deficit | 0 | 0 | 0 | 0 | 0 |
| Cumulative (Surplus) / Deficit | 0 | 0 | 0 | 0 | 0 |

- 5.2 The 2010/11 programme will continue to concentrate on the delivery of the decent homes programme and the majority of resources are targeted towards this end. Other programmes of work currently at design stage, such as fire safety improvements, may require some reallocation of resources once figures are firmed up. Any adjustments will be reported via the corporate capital monitor.
- 5.3 The post 2010/11 programme will be largely informed by an investment planning process which is already underway. This process seeks to identify the investment needs of the housing stock to ensure the decent homes standard is maintained.

6. DIRECTOR OF FINANCE AND CORPORATE SERVICES COMMENTS

- 6.1 The Report sets out spending plans for the General Fund, Decent Neighbourhoods and Housing Capital Programme.
- 6.2 The programme is subject to a number of risks. In particular:
- The timing and delivery of receipts is particularly uncertain in current market conditions.
 - Although new rolling programmes have been set aside to deliver new investment the programme is at risk from unavoidable new spending pressures.
 - The Council is involved in a number of major initiatives, such as King Street Regeneration or Building Schools for the Future. Whilst these are due to be funded from specific resources there may be a call for council support to ensure their effective delivery.
 - In 2009/10 the Council set aside a capital contingency of £2.5m which has not yet been called upon. £1m was also set aside as a possible contribution to the funding of the new Imperial Wharf station. It is now hoped that use of this contribution will not be required. It is proposed that these sums be carried forward as a capital reserve to help mitigate against future risks.
- 6.3 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 4 . 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 £129.8m at the start of 2010/11.
- 6.4 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 5 sets out the options now available to Hammersmith and Fulham and recommends which option should be followed.

**LOCAL GOVERNMENT ACT 2000
BACKGROUND PAPERS**

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

GENERAL FUND CAPITAL PROGRAMME SUMMARY 2010/11 TO 2014/15

Appendix 1

| Department | Future Years Budgets: Mainstream | | | | | Future Years Budgets: Scheme Specific | | | | |
|------------------------------|----------------------------------|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--------------|
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
| Children's Services | 26 | 1,250 | 0 | 0 | 0 | 10,867 | 6,050 | 0 | 0 | 0 |
| Community Services | 0 | 0 | 0 | 0 | 0 | 2,170 | 0 | 0 | 0 | 0 |
| Environment Services | 5,627 | 5,300 | 5,300 | 5,300 | 5,300 | 8,012 | 3,095 | 1,018 | 1,000 | 1,000 |
| Finance & Corporate Services | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 223 | 0 | 0 | 0 | 0 |
| Residents Services | 2,852 | 500 | 500 | 500 | 500 | 1,441 | 0 | 0 | 0 | 0 |
| Total Expenditure | 10,055 | 8,600 | 7,350 | 7,350 | 7,350 | 22,713 | 9,145 | 1,018 | 1,000 | 1,000 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget | 2011/12 Budget | 2012/13 Budget | 2013/14 Budget | 2014/15 Budget | Total Scheme Cost |
|---|---------------------------------|---|----------------|----------------|----------------|----------------|----------------|-------------------|
| | | | £000's | £000's | £000's | £000's | £000's | £000's |
| Children's Services Capital Programme. | | | | | | | | |
| CHS1 | Henry Compton School | The construction of a new independent performing arts block providing internally flexible performing arts auditorium with a professional stage lighting and audio system. | 26 | 0 | 0 | 0 | 0 | 26 |
| CHS2 | 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. | 1,368 | 0 | 0 | 0 | 0 | 1,368 |
| CHS3 | Youth Capital Fund | 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'. | 88 | 0 | 0 | 0 | 0 | 88 |
| CHS4 | Short Breaks Funding allocation | 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 provision. | 221 | 0 | 0 | 0 | 0 | 221 |
| CHS5 | Primary Capital Programme | This capital grant has been allocated to individual schools to improve the facilities on offer. | 5,537 | 0 | 0 | 0 | 0 | 5,537 |
| CHS6 | Modernisation Grant | To improve the infrastructure of the school estate. | 92 | 0 | 0 | 0 | 0 | 92 |
| CHS7 | 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 | 130 | 0 | 0 | 0 | 0 | 130 |
| CHS8 | Early Years and Child Care | To improve the quality of the environment in early years and child care settings both to support higher quality experience and ensure that all children can access services. | 1,263 | 0 | 0 | 0 | 0 | 1,263 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|---|----------------------------------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Children's Services Capital Programme. | | | | | | | | |
| CHS9 | Harnessing Technology | To support schools in delivering the priorities of the government's Harnessing Technology strategy. | 394 | 0 | 0 | 0 | 0 | 394 |
| CHS10 | School Expansion Plann | Expansion of Primary places in September 2009. | 0 | 1,700 | 0 | 0 | 0 | 1,700 |
| CHS11 | LA Basic Needs | LA Basic Needs | 1,235 | | | | | 1,235 |
| CHS12 | Schools Access Initiative | Schools Access Initiative | 149 | | | | | 149 |
| CHS13 | Locally Coordinated VA Programme | Locally Coordinated VA Programme | 390 | | | | | 390 |
| CHS14 | Prudential Borrowing - BSF | Prudential Borrowing - BSF | | 5,600 | | | | |
| Total | | | 10,893 | 7,300 | 0 | 0 | 0 | 12,593 |
| Children's Services Financing Summary | | | | | | | | |
| | Mainstream | | 26 | 1,250 | 0 | 0 | 0 | 1,276 |
| | Government Grants | | 10,867 | 0 | 0 | 0 | 0 | 10,867 |
| | Section 106 | | 0 | 450 | 0 | 0 | 0 | 450 |
| | Prudential Borrowing | | | 5,600 | | | | |
| | | | 10,893 | 7,300 | 0 | 0 | 0 | 12,593 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|--|---|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| Community Services Capital Programme. | | | | | | | | |
| CSD1 | Social Enterprise Legacy | To enable adults with mental health problems to retain work and to better access services and improve opportunities for social participation | 1,190 | 0 | 0 | 0 | 0 | 1,190 |
| CSD2 | Mental Health SCE | | 124 | 0 | 0 | 0 | 0 | 124 |
| CSD3 | Adult Social Care SCE | General Capital Expenditure on the adult social care category - programme yet to be determined | 107 | 0 | 0 | 0 | 0 | 107 |
| CSD4 | Sports and Health Initiative | Construct a floodlit artificial turf facility at the Lillie Road recreation ground, as part of the wider refurbishment of the park. | 160 | 0 | 0 | 0 | 0 | 160 |
| CSD5 | Social Care IT Infrastructure Capital Grant | To develop IT infrastructure in order to roll out the Common Assessment Framework from 2011. | 68 | 0 | 0 | 0 | 0 | 68 |
| CSD6 | Shepherds Bush Training Centre | Shepherds Bush Training Centre | 400 | 0 | 0 | 0 | 0 | 400 |
| CSD7 | BEC Building | BEC Building | 100 | 0 | 0 | 0 | 0 | 100 |
| CSD8 | Management and Admin | Management and Admin | 21 | 0 | 0 | 0 | 0 | 21 |
| Total | | | 2,170 | 0 | 0 | 0 | 0 | 2,170 |
| Community Services Financing Summary | | | | | | | | |
| | Mainstream | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Government Grants | | 299 | 0 | 0 | 0 | 0 | 299 |
| | NDC Grants | | 1,871 | 0 | 0 | 0 | 0 | 1,871 |
| | | | 2,170 | 0 | 0 | 0 | 0 | 2,170 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|--|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Environment Services Capital Programme. | | | | | | | | |
| ENV1 | Air Pollution dispersion Model (other) | | 8 | 0 | 0 | 0 | 0 | 8 |
| ENV2 | Carriageways (Mainstream) | Borough wide planned maintenance of carriageways. | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 6,750 |
| ENV3 | Highways and Footways | Highways and streetlighting improvements | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| ENV4 | Footways (Mainstream) | Borough wide planned maintenance of footways. | 750 | 750 | 750 | 750 | 750 | 3,750 |
| ENV5 | Repairs to Thames River Wall (Mainstream) | Repair damage to river wall-demolish and reconstruct. | 327 | 0 | 0 | 0 | 0 | 327 |
| ENV6 | Shepherds Bush Common Improvements | Shepherds Bush Common Improvements | 2,169 | 1,902 | 18 | 0 | 0 | 4,089 |
| ENV7 | Normand Park Development | The improvement of Normand Park is major priority for residents of the North Fulham area and the project has been identified as a key flagship regeneration project within the area's NDC programme | 2 | 0 | 0 | 0 | 0 | 2 |
| ENV8 | 54-108 Uxbridge Road - Improvement | Grant support for improvements to new shop-fronts, re-instatement of original architectural features and other works. | 1,039 | 0 | 0 | 0 | 0 | 1,039 |
| ENV9 | Imperial Wharf- Traffic Calming | Imperial Wharf- Traffic Calming | 334 | 0 | 0 | 0 | 0 | 334 |
| ENV10 | Pedestrian & Cycle 1 | Pedestrian & Cycle 1 | 109 | 0 | 0 | 0 | 0 | 109 |
| ENV11 | Fulham Palace Road Subway | Fulham Palace Road Subway | 95 | 0 | 0 | 0 | 0 | 95 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Environment Services Capital Programme. | | | | | | | | |
| ENV12 | 168-186 Fulham Palace Road | 168-186 Fulham Palace Road | 85 | 0 | 0 | 0 | 0 | 85 |
| ENV13 | Hammersmith Town Centre Improvement | Hammersmith Town Centre Improvement | 470 | 0 | 0 | 0 | 0 | 470 |
| ENV14 | Ariel Way Traffic Management Measures | Ariel Way Traffic Management Measures | 250 | 193 | 0 | 0 | 0 | 443 |
| ENV15 | Fulham Road Footways Works | Fulham Road Footways Works | 110 | 0 | 0 | 0 | 0 | 110 |
| ENV16 | Planned Maintenance (Mainstream) | This is an annual programme of works to be carried out to council properties excluding Housing and Schools. This includes the refurbishment or the replacement of plant and equipment to buildings and arises from building surveys and bids from departments. | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 12,500 |
| ENV17 | Disabled Access to Office Buildings (mainstream) | Making Council Buildings accessible in compliance with Disability Discrimination Act 1995. | 250 | 250 | 250 | 250 | 250 | 1,250 |
| ENV18 | Renovation Grants (mainstream) | Discretionary grants to carry out repairs and improvement works to bring private properties up to the decent homes standard, to improve/repair the common parts of buildings containing one or more flats and to bring empty homes back into use | 450 | 450 | 450 | 450 | 450 | 2,250 |
| ENV19 | Corridors | The high level objective for corridors is to develop holistic schemes for key corridors that address issues relating to the smoothing of traffic flow, bus reliability, safety, cycling (including parking), public realm and removal of clutter traffic smoothing?. | 1,246 | 0 | 0 | 0 | 0 | 1,246 |
| ENV20 | Neighbourhoods | The high level objective for neighbourhoods is to carry out local area improvements and also work on Legible London, shared space, reduction of street clutter, and an expansion of electric charging points. | 798 | 0 | 0 | 0 | 0 | 798 |
| ENV21 | Smart Travel | Smart Travel | 297 | 0 | 0 | 0 | 0 | 297 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost |
|--|------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|
| Environment Services Capital Programme. | | | | | | | | |
| Total | | | 13,639 | 8,395 | 6,318 | 6,300 | 6,300 | 40,952 |
| Environment Services Financing Summary | | | | | | | | |
| | Mainstream | | 5,627 | 5,300 | 5,300 | 5,300 | 5,300 | 26,827 |
| | Transport for London | | 2,341 | 0 | 0 | 0 | 0 | 2,341 |
| | Section 106 | | 4,663 | 2,095 | 18 | 0 | 0 | 6,776 |
| | Revenue Contributions | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| | Other Grants & Contributions | | 8 | 0 | 0 | 0 | 0 | 8 |
| Total | | | 13,639 | 8,395 | 6,318 | 6,300 | 6,300 | 40,952 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|--|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Finance & Corporate Services Capital Programme. | | | | | | | |
| FCS1 | Smart Working (Invest to Save) To deliver the Council's Smarter Working Programme | 223 | 0 | 0 | 0 | 0 | 223 |
| FCS2 | IT Infrastructure | 800 | 800 | 800 | 800 | 800 | 4,000 |
| FCS3 | Contribution to Invest to Save Fund | 750 | 750 | 750 | 750 | 750 | 3,750 |
| Total | | 1,773 | 1,550 | 1,550 | 1,550 | 1,550 | 7,973 |
| Finance & Corporate Services Financing Summary | | | | | | | |
| | Mainstream | 1,550 | 1,550 | 1,550 | 1,550 | 1,550 | 7,750 |
| | Invest to Save Fund | 223 | 0 | 0 | 0 | 0 | 223 |
| | | 1,773 | 1,550 | 1,550 | 1,550 | 1,550 | 7,973 |

GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15.

Appendix 1

| Ref | Schemes | Description | 2010/11 Budget £000's | 2011/12 Budget £000's | 2012/13 Budget £000's | 2013/14 Budget £000's | 2014/15 Budget £000's | Total Scheme Cost £000's |
|--|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Residents Services Capital Programme. | | | | | | | | |
| RSD1 | Ravenscourt Park | Provision for park improvements | 250 | 0 | 0 | 0 | 0 | 250 |
| RSD2 | Park Investments | Expenditure to improve the parks. | 500 | 500 | 500 | 500 | 500 | 2,500 |
| RSD3 | Bishops Park (Stage 2 and 3) | Bishops Park (Stage 2 and 3) | 2,272 | 0 | 0 | 0 | 0 | 2,272 |
| RSD4 | Safer Communities Fund | To deliver crime and disorder reduction activities and act against drugs misuse | 91 | 0 | 0 | 0 | 0 | 91 |
| RSD5 | Play Builder | Delivery of 22 new natural and adventurous play areas for 8-13 year olds. | 1,085 | 0 | 0 | 0 | 0 | 1,085 |
| RSD6 | Waste and Recycling Efficiency | Waste and Recycling Efficiency | 95 | 0 | 0 | 0 | 0 | 95 |
| Total | | | 4,293 | 500 | 500 | 500 | 500 | 6,293 |
| Residents Services Financing Summary | | | | | | | | |
| | Mainstream | | 2,852 | 500 | 500 | 500 | 500 | 4,852 |
| | TFL Grant | | 50 | 0 | 0 | 0 | 0 | 50 |
| | DEFRA | | 95 | 0 | 0 | 0 | 0 | 95 |
| | Heritage Lottery Fund | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Criminal Justice Intervention Grant | | 91 | 0 | 0 | 0 | 0 | 91 |
| | Department for Children, Schools and Families | | 1,135 | 0 | 0 | 0 | 0 | 1,135 |
| | English Heritage | | 65 | 0 | 0 | 0 | 0 | 65 |
| | Heritage for London | | 5 | 0 | 0 | 0 | 0 | 5 |
| | | | 4,293 | 500 | 500 | 500 | 500 | 6,293 |

DECENT NEIGHBOURHOODS CAPITAL PROGRAMME 2010/11 TO 2014/15

Appendix 2

| Ref | Schemes | Description | Prior Years | | | | | Total Scheme Cost |
|---|------------------------|---|----------------|----------------|----------------|----------------|----------------|-------------------|
| | | | 2010/11 Budget | 2011/12 Budget | 2012/13 Budget | 2013/14 Budget | 2014/15 Budget | |
| | | | £000's | £000's | £000's | £000's | £000's | |
| Decent Neighbourhoods Capital Programme. | | | | | | | | |
| DNC1 | Decanting Costs/Misc. | Decanting of tenants and leaseholders | 1,080 | 0 | 0 | 0 | 0 | 1,080 |
| DNC2 | Sulgrave Gardens | Decanting of tenants and leaseholders | 1,467 | 0 | 0 | 0 | 0 | 1,467 |
| DNC3 | Watermeadow Court | Decanting of tenants and leaseholders | 5,000 | 1,500 | 0 | 0 | 0 | 6,500 |
| DNC4 | Pennard Road | Land Acquisition for wider regeneration programme | 4,880 | 0 | 0 | 0 | 0 | 4,880 |
| DNC5 | Fulham Court | Fulham Court Estate Improvement Strategy : Phase 1 Physical Improvements. | 385 | 3,201 | 885 | 36 | 0 | 4,507 |
| DNC6 | Travellers Site | Match Funding to RBK&C to improve the Stable Way Travellers Site | 0 | 125 | 0 | 0 | 0 | 125 |
| DNC7 | Decent Homes (general) | Resource Transfer for Decent Homes Programme. | 2,946 | 2,000 | 0 | 0 | 0 | 4,946 |
| DNC8 | Pooling Costs | Provision for Pooling payment to Department for Communities and Local Government. | 600 | 0 | 0 | 0 | 0 | 600 |
| Total | | | 16,358 | 6,826 | 885 | 36 | 0 | 24,105 |

HRA CAPITAL EXPENDITURE FORECAST

Appendix 3

| Ref | Schemes | Forecast Budget 2010/11 £ '000 | Forecast Budget 2011/12 £ '000 | Forecast Budget 2012/13 £ '000 | Forecast Budget 2013/14 £ '000 | Forecast Budget 2014/15 £ '000 |
|---|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| SUPPLY INITIATIVES | | | | | | |
| MAJOR VOIDS | | | | | | |
| 1 | Decent Homes Voids | 1,243 | 0 | 1,768 | 0 | 0 |
| TOTAL SUPPLY INITIATIVES | | 1,243 | 0 | 1,768 | 0 | 0 |
| INTERNAL COMPONENT RENEWAL | | | | | | |
| Energy Schemes | | | | | | |
| 2 | Catch-up central heating | 75 | 0 | 0 | 0 | 0 |
| 4 | Boiler Renewals - Gas Contract | 500 | 500 | 600 | 600 | 600 |
| 6 | Bayonne Road Boiler room | 95 | 5 | 0 | 5 | 0 |
| 7 | Woodman's Mews pipework | 75 | 0 | 0 | 0 | 0 |
| 8 | Rowberry Close communal boilers | 45 | 5 | 0 | 0 | 0 |
| | | 790 | 510 | 600 | 605 | 600 |
| LIFT SCHEMES | | | | | | |
| 9 | Lift Component renewal programme | 170 | 107 | 100 | 100 | 100 |
| 11 | Sullivan Crt-Block K | 10 | 3 | 0 | 0 | 0 |
| 12 | Philpot Square Lifts | 178 | 0 | 0 | 0 | 0 |
| 13 | Alice Gilliat Ct Block P lift | 230 | 60 | 0 | 0 | 0 |
| 14 | Flora Gardens Lifts A,B,C | 16 | 0 | 0 | 0 | 0 |
| 15 | Continuing Programme | 0 | 400 | 900 | 1,400 | 1,400 |
| | | 604 | 570 | 1,000 | 1,500 | 1,500 |
| Total Internal Component Renewal | | 1,394 | 1,080 | 1,600 | 2,105 | 2,100 |
| MAJOR REFURBISHMENTS | | | | | | |
| Edward Woods -Regeneration Project | | | | | | |
| 16 | Swanscombe Road Controlled Parking Zone | 25 | 0 | 0 | 0 | 0 |
| 17 | Tower Block Overcladding | 9,576 | 2,000 | 403 | 0 | 0 |
| | | 9,601 | 2,000 | 403 | 0 | 0 |
| GENERAL CAPITAL REPAIRS | | | | | | |
| 18 | Capitalised Repairs | 942 | 500 | 0 | 0 | 0 |
| | | 942 | 500 | 0 | 0 | 0 |
| Total Major Refurbishments | | 10,543 | 2,500 | 403 | 0 | 0 |
| Preventative Planned Maintenance | | | | | | |
| 19 | Main Programme | 1,450 | 2,500 | 2,336 | 9,129 | 9,129 |
| | | 1,450 | 2,500 | 2,336 | 9,129 | 9,129 |
| Minor Programmes | | | | | | |
| 20 | Emergency Unforeseen | 50 | 50 | 50 | 50 | 50 |
| 21 | Minor Estate Improvements (MEI) | 270 | 270 | 270 | 270 | 270 |
| 22 | Groundwork Environment | 200 | 200 | 200 | 200 | 200 |
| 23 | Feasibility Future Schemes | 50 | 50 | 50 | 50 | 50 |
| 24 | Water Tanks Programme Phase4 | 300 | 300 | 0 | 0 | 0 |
| 25 | Charecroft-Amenity Deck Landscaping Ph 3 Salaries, Project Management, Programme | 50 | 0 | 0 | 0 | 0 |
| 26 | Delivery | 2,520 | 0 | 0 | 0 | 0 |
| 27 | Maystar Environmentals | 3 | 0 | 0 | 0 | 0 |
| Total Minor Programmes | | 3,443 | 870 | 570 | 570 | 570 |
| PRE PARTNERING SCHEMES | | | | | | |
| 28 | Flora Gardens,161-197 | 93 | 0 | 0 | 0 | 0 |
| | | 93 | 0 | 0 | 0 | 0 |
| DECENT HOMES PARTNERING | | | | | | |
| 29 | Framework Area 1 - Hammersmith North | 969 | 0 | 0 | 0 | 0 |

HRA CAPITAL EXPENDITURE FORECAST

Appendix 3

| Ref | Schemes | Forecast Budget 2010/11 £ '000 | Forecast Budget 2011/12 £ '000 | Forecast Budget 2012/13 £ '000 | Forecast Budget 2013/14 £ '000 | Forecast Budget 2014/15 £ '000 |
|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 30 | Framework Area 2 - Shepherds Bush | 2,291 | 0 | 0 | 0 | 0 |
| 31 | Framework Area 3 - Hammersmith Central | 10,109 | 0 | 0 | 0 | 0 |
| 32 | Framework Area 4 - Fulham North | 19,770 | 2,138 | 0 | 0 | 0 |
| 33 | Framework Area 5 - Fulham Central | 1,322 | 0 | 0 | 0 | 0 |
| 34 | Framework Area 6 - Sands End | 4,993 | 309 | 0 | 0 | 0 |
| 35 | Framework Area 7 - Sheltered Housing | 1,734 | 0 | 0 | 0 | 0 |
| 36 | DH refusals | 0 | 2,000 | 2,500 | 2,500 | 2,500 |
| 37 | Street properties | 0 | 3,990 | 3,990 | 0 | 0 |
| 38 | Sheltered windows | 0 | 3,070 | 0 | 0 | 0 |
| 39 | IRS | 0 | 1,500 | 0 | 0 | 0 |
| 40 | Uncommitted Sums | 0 | 0 | 5,000 | 2522 | 2925 |
| TOTAL DECENT HOMES PARTNERING | | 41,188 | 13,007 | 11,490 | 5,022 | 5,425 |
| GRAND TOTAL HRA | | 59,354 | 19,957 | 18,167 | 16,826 | 17,224 |
| LBHF MANAGED | | | | | | |
| 41 | Disabled Adaptations - legacy works | | | | | |
| 42 | Disabled Adaptations | 800 | 800 | 800 | 800 | 800 |
| 43 | Estates CCTV Programme Phase 1 | 100 | 100 | 0 | 0 | 0 |
| Total LBHF MANAGED | | 900 | 900 | 800 | 800 | 800 |
| Total HRA Capital | | 60,254 | 20,857 | 18,967 | 17,626 | 18,024 |

PRUDENTIAL INDICATORS

CAPITAL EXPENDITURE

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

| | Forecast 2009-10 £000 | Estimate 2010-11 £000 | Estimate 2011-12 £000 | Estimate 2012-13 £000 |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| General Fund | 46,865 | 32,768 | 17,745 | 8,368 |
| Housing Revenue Account | 93,072 | 60,254 | 20,857 | 18,967 |
| Decent Neighbourhoods | 14,643 | 6,826 | 885 | 36 |
| TOTAL | 154,580 | 99,848 | 39,487 | 27,371 |

The above figures exclude over-programming.

CAPITAL FINANCING REQUIREMENT (CFR)

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

| | Forecast 2009-10 £000 | Estimate 2010-11 £000 | Estimate 2011-12 £000 | Estimate 2012-13 £000 |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| General Fund | 133,602 | 129,840 | 134,910 | 134,167 |
| Housing Revenue Account | 404,074 | 414,829 | 421,064 | 427,299 |
| TOTAL | 537,676 | 544,669 | 555,974 | 561,466 |

The General Fund CFR includes allowance for new prudential borrowing of £5.6m regarding the Building Schools for the Future programme.

NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

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

| | Forecast 2009-10 £000 | Estimate 2010-11 £000 | Estimate 2011-12 £000 | Estimate 2012-13 £000 |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Net Borrowing | 475,520 | 482,575 | 493,880 | 499,372 |
| Capital Financing Requirement (CFR) | 537,676 | 544,669 | 555,974 | 561,466 |
| Net Borrowing Less than CFR | -62,156 | -62,094 | -62,094 | -62,094 |

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. It should be noted that the HRA expenditure is effectively reimbursed through the Housing Subsidy system.

| | Estimate 2010-11 % | Estimate 2011-12 % | Estimate 2012-13 % |
|-------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| General Fund | 4.15 | 4.05 | 4.08 |
| Housing Revenue Account | 27.99 | 28.66 | 28.50 |

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

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

| | Estimate 2010-11 £ | Estimate 2011-12 £ | Estimate 2012-13 |
|---|-----------------------------------|-----------------------------------|-----------------------------|
| General Fund– council tax £ per Band D home per annum | -£17.95 | -£8.75 | -£4.33 |
| 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:

- The options.
- A recommended annual MRP Statement for this authority.

The Options

Councils can opt for 4 options regarding the MRP calculation.

Option 1

This provides for local authorities to calculate MRP in line with the minimum statutory charge. This is 4% of their opening Capital Financing Requirement, net of Adjustment A and the Commutation adjustment. As set out in Table 1 this would provide for an LBHF charge of £3.613m in 2010/11.

| | |
|---|--------------|
| | £'000 |
| Opening 2010/11 Capital Financing Requirement (CFR) | 133,602 |
| Less Adjustment A | (43,179) |
| Adjusted CFR | 90,423 |
| Gross MRP (at 4%) | 3,617 |
| Less Commutation Adjustment | (4) |
| Minimum Statutory MRP | 3,613 |
| | |

The statutory minimum is not considered appropriate for this authority. LBHF has been concerned to ensure that all prudential borrowing is sustainable and that debt is actively managed downwards. As such it has decided to write down all prudential 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 current LBHF practice. It should be noted that for this Council:

- 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.
- The level of unsupported borrowing is 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).

Under this option authorities need 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.

The total estimated MRP charge for this option is £3.763m which is £0.150m greater than option 1.

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 is current practice and it is recommended that this continue.



Report to Council

24 FEBRUARY 2010

LEADER

*Councillor Stephen
Greenhalgh*

**COUNCILLORS' ALLOWANCES SCHEME:
ANNUAL REVIEW**

WARDS

All

This report performs the statutory annual review of Councillors' allowances for the 2010/11 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 2010/11, 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 2010/11 is set out at **APPENDIX 1** to this report. The Council's Scheme broadly remains the same as agreed in May 2009 with no additional SRA being recommended. The Council has taken into account the independent remunerator's recommendation issued in December 2006 but has decided to retain its own basic rate allowance.
- 1.3 In 2009, due to the economic conditions, it was recommended that all allowances be frozen at the 2008/9 levels. In years prior to this decision being taken, an automatic uplifted in line with the previous year's Local Government Pay Settlement was made. The pay award for 2009/10 was 1%. Due to the current economic conditions it is recommended that all allowances continue to be frozen for a second year 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. The Local Authorities (Members' Allowances) (England) Regulations 2003 authorises the establishment by the Association of London Government (now *London Councils*) of an Independent Remuneration Panel to make recommendations in respect of the members' allowances payable by London Boroughs. Such a Panel was established and reported in 2001, 2003 and 2006. The Panel was re-constituted in 2009 comprising Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Anne Watts CBE. The Panel reported to the London Councils Leaders' Committee on 9 February which considered the current Independent Panel's Remuneration Report. The Leaders made some comments which the Panel was asked to address. Due to the timing, the final report will not be considered by the Leaders until after the elections.
- 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 last report was issued in December 2006. 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.

2.4 The Local Government and Public Involvement in Health Act 2007 ("the Act") requires all Councils to change their decision making arrangements by May 2010. At the last Council meeting, the new style Leader and Cabinet executive model was adopted with effect from the third day after the local elections in May 2010. In conjunction with new arrangement, the Council is currently reviewing its governance structure particularly looking at the scrutiny function. The outcome of the review will require the Allowance Scheme to be looked at again in May.

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 2010/11 budget to fully fund the costs as contained in this report.

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

| No. | Description of Background Papers | Name/Ext. of Holder of File/Copy | Department/ Location |
|------------|--|---|--------------------------------------|
| 1. | The Remuneration of Councillors in London: 2010 Review (January 2010) | 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 2010-11

[Scheme effective from 1st April 2010]

This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2010 –2011 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 £9964 per annum to be paid in 12 monthly instalments on the 15th 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 15th 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 Customer First | £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. A Special Responsibility Allowance would cease where the SRA entitled post ceases to exist during 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 | 11.7 |
| 1000 or more | 47.7 | 12.2 |

The figures above are the 2009/10 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 2010-11. 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 70th 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.

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 15th 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 and Committee Members of a Standards Committee be paid an allowance of £256 and £127 per meeting respectively, 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 the postholders. 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 15th 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.

Report to Council

24 FEBRUARY 2010

LEADER

*Councillor Stephen
Greenhalgh*

**SPECIAL URGENCY DECISIONS –
MONITORING REPORT**

The attached report presents details of decisions taken by the Leader or Cabinet under the special urgency provisions of the Constitution (decision not in the Forward Plan). The report covers the period 1 October 2009 to 31 January 2010.

WARDS

All

CONTRIBUTORS

DFCS
ADLDS

RECOMMENDATIONS:

That the report be noted.

1. SPECIAL URGENCY PROVISIONS OF THE CONSTITUTION

- 1.1. Rule 16 of the Access to Information Procedure Rules in the Council's Constitution allows for specially urgent key decisions which are not in the Forward Plan to be taken without giving the prescribed public notice, provided the relevant Scrutiny Committee Chairman agrees that the decision cannot reasonably be deferred.
- 1.2. Rule 17.3 requires the Leader to submit reports to the Council on Executive decisions taken under Rule 16 during the preceding quarter. The reports must include the number of decisions so taken and a summary of the matters in respect of which those decisions are taken.

2. SPECIAL URGENCY DECISIONS TAKEN BY THE LEADER IN THE PERIOD OCTOBER 2009 TO JANUARY 2010

| No. | Decision taken and date | Reason for urgency |
|-----|---|---|
| 1. | Macbeth Centre Annexe – Re-instatement works following gas explosion at Riverside Gardens 16 November 2009 | In order to undertake the repairs before the main onset of the winter, urgent approval is required as the next available Cabinet meeting is not until 7 December 2009. <u>Decision taken by the Leader on: 16 November 2009</u> To approve the placing of an order under the Measured Term Contract for Non-Housing Projects 2007/2010 with Philiam Construction & Development Limited in the sum of £142,000 (plus fees of £21,300) for the proposed works. To also approve the budget required of £163,300. |

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

| No. | | Name/ext. of holder of file/copy | Department |
|-----|----------------------|----------------------------------|--|
| 1. | Council Constitution | David Viles Ext. 2063 | Finance and Corporate Services, Legal and Democratic Services |