



London Borough of Hammersmith & Fulham

# Cabinet

## Agenda

**MONDAY**  
**11 FEBRUARY 2013**  
**7.00 pm**

**COURTYARD ROOM**  
**HAMMERSMITH**  
**TOWN HALL**  
**KING STREET**  
**LONDON W6 9JU**

### Membership

Councillor Nicholas Botterill, Leader (+ Regeneration, Asset Management and IT)

Councillor Greg Smith, Deputy Leader (+ Residents Services)

Councillor Helen Binmore, Cabinet Member for Children's Services

Councillor Mark Loveday, Cabinet Member for Communications (+ Chief Whip)

Councillor Marcus Ginn, Cabinet Member for Community Care

Councillor Andrew Johnson, Cabinet Member for Housing

Councillor Victoria Brocklebank-Fowler, Cabinet Member for Transport and Technical Services

**Date Issued**  
**01 February 2013**

If you require further information relating to this agenda please contact: David Viles, Committee Co-ordinator, Governance and Scrutiny, tel: 020 8753 2063 or email: [David.Viles@lbhf.gov.uk](mailto:David.Viles@lbhf.gov.uk)

Reports on the open Cabinet agenda are available on the Council's website: [http://www.lbhf.gov.uk/Directory/Council\\_and\\_Democracy](http://www.lbhf.gov.uk/Directory/Council_and_Democracy)

### PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items 15 and 16 which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

The Cabinet has received no representations as to why the relevant part of the meeting should not be held in private.

**Members of the Public are welcome to attend.**  
**A loop system for hearing impairment is provided, together with disabled access to the building**

### DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4 -12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to David Viles at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 6 February 2013**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 13 February 2013**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 18 February 2013 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Monday 18 February 2013**.

# Cabinet Agenda

11 February 2013

<u>Item</u>		<u>Pages</u>
1.	<b>MINUTES OF THE CABINET MEETING HELD ON 14 JANUARY 2013</b>	1 - 10
2.	<b>APOLOGIES FOR ABSENCE</b>	
3.	<b>DECLARATION OF INTERESTS</b>	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant 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.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4.	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2013/14</b>	11 - 93
	<p>To recommend Budget Estimates and Council Tax levels to Budget Council for Approval</p>	
5.	<b>4 YEAR CAPITAL PROGRAMME 2013/14 TO 2015/16</b>	94 - 122
6.	<b>TREASURY MANAGEMENT STRATEGY REPORT</b>	123 - 144

<b>7.</b>	<b>STRATEGIC REVIEW OF THE COUNCIL'S CORPORATE COMPLAINTS POLICY</b>	145 - 162
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<b>12.</b>	<b>APPROVAL OF THE 2013/14 HIGHWAY MAINTENANCE PROGRAMME</b>	264 - 275
<b>13.</b>	<b>FORWARD PLAN OF KEY DECISIONS</b>	276 - 299
<b>14.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>	

The Cabinet is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

<b>15.</b>	<b>TRI-BOROUGH MANAGED SERVICES - FINANCE AND HUMAN RESOURCES (TRANSACTIONAL SERVICES) : EXEMPT ASPECTS (E)</b>	
<b>16.</b>	<b>BARCLAY CLOSE LIFTS A-D, ETHEL RANKIN COURT AND THE GRANGE LISGAR TERRACE LIFTS A &amp; B - MODERNISATION OF THE EXISTING PASSENGER LIFTS : EXEMPT ASPECTS (E)</b>	

London Borough of Hammersmith & Fulham



# Cabinet

## Minutes

Monday 14 January 2013

### **PRESENT**

Councillor Nicholas Botterill, Leader (+ Regeneration, Asset Management and IT)  
Councillor Greg Smith, Deputy Leader (+ Residents Services)  
Councillor Helen Binmore, Cabinet Member for Children's Services  
Councillor Mark Loveday, Cabinet Member for Communications (+ Chief Whip)  
Councillor Marcus Ginn, Cabinet Member for Community Care  
Councillor Andrew Johnson, Cabinet Member for Housing  
Councillor Victoria Brocklebank-Fowler, Cabinet Member for Transport and Technical Services

### **129. MINUTES OF THE CABINET MEETING HELD ON 10 DECEMBER 2012**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 10 December 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **130. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **131. DECLARATION OF INTERESTS**

Councillor Helen Binmore declared a non pecuniary interest in Item 12 Schools Organisation Strategy 2012/13 as a Governor of Burlington Dames Academy.

### **132. COUNCIL TAX BASE AND COLLECTION RATE 2013/2014**

#### **RESOLVED:**

That the Cabinet recommends to Council for the financial year 2013/14:

1. That the estimated numbers of properties for each Valuation Band as set out in the report, be approved.

2. That an estimated Collection rate of 97.5%, be approved.
3. That the Council Tax Base of 67,895 Band "D" equivalent properties, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**133. COUNCIL TAX DISCOUNTS AND EXEMPTIONS**

**RESOLVED:**

That Cabinet recommends to Council for the financial year 2013/14 and subsequent years until revoked to:

- a) Reduce the council tax discount on second homes from 10% to 0%.
- b) Determine that the council tax discount on empty and unfurnished dwellings be 0%.
- c) Determine that the council tax discount on empty and unfurnished dwellings undergoing major repair be 0%.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**134. LOCALISING COUNCIL TAX SUPPORT 2013/14**

**RESOLVED:**

That the Council continues to award a Council Tax discount as though the current regulations were still in place, as published in the DCLG's "default scheme", meaning that no one currently in receipt of Council Tax benefit will be worse off, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**135. LOCAL SUPPORT PAYMENTS - REPLACEMENT OF THE SOCIAL FUND**

**RESOLVED:**

1. That the Tri- Borough solution for the administration of a new Local Support scheme for the provision of discretionary emergency payments, be approved.
2. That the Royal Borough of Kensington and Chelsea (RBKC) administer the service for Westminster City Council (WCC) and London Borough of Hammersmith and Fulham utilising an agreed eligibility criteria for each borough, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**136. CORPORATE PLAN 2012-15**

**RESOLVED:**

That the publication of the Corporate Plan on the Council's website, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**137. CORPORATE PLANNED MAINTENANCE PROGRAMME 2013/2014**

**RESOLVED:**

1. That the 2013/2014 Corporate Planned Maintenance Programme and scheme budgets (Appendices A and B), subject to any amendments as agreed for operational reasons by the Executive Director of Finance and Corporate Governance and the Director of Building and Property Management, be approved
2. That the Corporate Planned Maintenance Programme be monitored, incorporating operational changes made by the Executive Director of Finance and Corporate Governance and the Director of Building and Property Management via progress reports to the Leader, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.



**138. THE IMPLEMENTATION OF THE TRI-BOROUGH ADULT REDUCING REOFFENDING SERVICE**

**RESOLVED:**

1. That the implementation of a new service model for a 2 year pilot period to reduce re-offending incidents by adult prisoners sentenced to fewer than 12 months in custody, be approved.
2. That the release of funds from the Mayor's Office for Policing and Crime and from Public Health grant to support the 2 year pilot programme, subject to sufficient funds being allocated to the Tri-borough, be approved.
3. That the decommissioning of the current approach to the delivery of the Drug Interventions Programme across the Tri-borough, be approved.
4. That the new governance arrangements to oversee the implementation of the two year pilot of a Tri-borough Re-offending Board attended by senior officers and partner agencies which will report into all three separate community safety partnerships to ensure robust performance management and accountability across the Tri-Borough, be approved.
5. That Westminster City Council act as the lead commissioner for the implementation of the Reducing Re-offending Service as set out in the report, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**139. LOOKED AFTER CHILDREN SUMMARY REPORT 2011/12**

**RESOLVED:**

That the report to be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**140. SCHOOLS ORGANISATION STRATEGY 2012/13**

**RESOLVED:**

That the schemes listed below to support the development of the place planning element of the School Organisation Strategy as set out in the report agreed by Cabinet on 5 March 2012, be approved:

**Community and Voluntary Aided Schools**

1. That authority be delegated to the Cabinet Member for Children's Services, in conjunction with the Executive Director of Children's Services, to agree disbursement of resources, as required by design development, to progress the following schemes to expand provision in line with the additional feasibility work approved by Cabinet on 5 March 2012 up to the cash limits below:
  - 1.1 Pope John Primary: £4.5 million;
  - 1.2 St. Stephen's Primary; £3.7 million
  - 1.3 St Stephens additional land purchase £1.7 million
2. That £50,000 be allocated to William Morris Sixth Form College to fund a feasibility study to inform decisions on further funding allocation in relation to increasing capacity;

**Academy, Trust and Free Schools:**

3. That £50,000 be allocated to Sacred Heart High School to fund a feasibility study to inform decisions on further funding allocation in relation to the possibilities of expansion by 1 form of entry;
4. That up to £6 million, pending tender returns, be allocated to Lady Margaret Secondary School to fund 1 form of entry expansion proposals;
5. That authority be delegated to the Cabinet Member for Children's Services, in conjunction with the Executive Director of Children's Services, to agree disbursement of resources, as required by design development, up to a cash limit of £4.5 million, to progress the Burlington Danes creation of primary aged provision as set out in this report.

**Proposed New Schools of Choice Schemes:**

6. That in order to ensure that provision is both sufficient and of the highest possible quality, following the recent bidding process and in compliance

with Schools of Choice priorities articulated in the report to Cabinet on 5 March 2012, approval be given to:

Community and Aided Schools:

- 6.1 An allocation of £77,500 to Addison School to improve reception class free flow arrangements and upgrade toilet provision;
- 6.2. An allocation of £40,000 to Brackenbury Primary School to upgrade ICT teaching and learning provision;
- 6.3. An allocation of £50,000 to The Bridge Academy to fund a feasibility study concerning possible new accommodation;
- 6.4. An allocation of £176,000 to Fulham Primary School to improve the teaching and learning environment in some classrooms and in the halls and to upgrade toilets;
- 6.5. An allocation of £440,000 to Jack Tizard School to develop food technology and sensory areas and upgrade specialist lift provision;
- 6.6. An allocation of £100,000 to St John's, Walham Green, Church of England Primary School to improve the outdoor learning environment;
- 6.7. An allocation of £223,000 to St. Peter's Church of England Primary School for works to include a feasibility study to inform decisions on further funding allocation to rationalise accommodation;
- 6.8. An allocation of £328,000 to The Good Shepherd Primary School to support remodelling to enable effective and appropriate movement of pupils around the school;
- 6.9. An allocation of £500,000 to Wormholt Park Primary School to significantly remodel the internal and external infrastructure to create better facilities for learning;
- 6.10. An allocation of £60,000 to Fulham College Boys' School to improve its carbon footprint through more efficient lighting;
- 6.11. An allocation of £184,500 to Fulham Cross Girls' School to improve learning environments, particularly in the ICT area, and to improve the carbon footprint with, for example, solar panels;
- 6.12. A further allocation of £105,000 to John Betts Primary School to improve access and security at the site.

Academy/Free Schools:

- 6.13. A contribution of £2,400,000 to The London Oratory School towards a £5 million project to upgrade teaching and learning spaces and improve opportunities for local children;

- 6.14. An allocation of £500,000 to ARK Bentworth Academy to increase physical capacity at the school due to its constricted facilities;
- 6.15. An allocation of £117,375 to Burlington Danes Academy for improvements to science facilities.
- 6.16. An allocation of £299,309 be made to West London Free School to provide rooftop recreation space at Palingswick House subject to planning constraints;
- 6.17. The delegation of authority to the Cabinet Member for Children's Services, in conjunction with the Executive Director of Children's Services, to agree disbursement of resources, within the overall cash envelope, for all proposed new Schools of Choice schemes approved by this report as required by design development, up to a cash limit of £4.5 millions, to progress the procurement and delivery of the 2012/13 Capital programme.

**Other Condition Works:**

- 6.18. That the proposed allocation of resources to the schemes addressing priority condition issues as agreed with the Cabinet Member for Children's Services and as outlined in paragraph 9.4 of the report be endorsed, and the delegation of resources to schools as appropriate, be approved.

**Adoption of overarching policy:**

7. That the overarching policy to deliver the Council's 'Schools of Choice' agenda as set out in section 4 of the report, be adopted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**141. LONDON BOROUGH'S GRANTS SCHEME BUDGET 2013-14**

**RESOLVED:**

1. That the London Boroughs Grants Scheme budget for 2013-14, be approved.
2. That the London Borough of Hammersmith and Fulham contribution of £200,095 in 2013-14, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**142. TRI-BOROUGH PASSENGER TRANSPORT**

**RESOLVED:**

1. That officers proceed to the next stage of the procurement process which will be to invite tenders for the provision of the services outlined in the report on a tri-borough basis, be approved.
2. That the recommended Tri-borough Passenger Transport Operating Model set out in the report so The Invitation to Tender (ITT) can be developed on a tri-borough basis, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**143. COUNCIL HOUSING TENANCY AGREEMENT**

**RESOLVED:**

1. That the consultation process undertaken to seek all tenants' views on the changes proposed to their current Tenancy Agreement, be noted.
2. That the Tenancy Agreement and to its implementation following service of a Notice of Variation in early February 2013, be approved.
3. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to

make such minor changes to the documents annexed to this report as they consider necessary, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**144. KEY DECISIONS LIST**

**RESOLVED:**

The Key Decisions list was noted.

Meeting started: 7.00 pm  
Meeting ended: 7.02 pm

Chairman .....

# Agenda Item 4

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>11 FEBRUARY 2013</b>
<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2013/14</b>	
<b>Report of the Leader of the Council – Councillor Nicholas Botterill</b>	
<b>Open Report.</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director: Jane West - Executive Director of Finance and Corporate Governance</b>	
<b>Report Author:</b> Andrew Lord- Head of Strategic Planning and Monitoring	<b>Contact Details:</b> Tel: 020 8753 2531 E-mail: andrew.lord@lbhf.gov.uk

## 1. EXECUTIVE SUMMARY

1.1. This reports sets out the Council's 2013/14 revenue budget proposals which includes :

- Council tax levels
- Detailed Savings and Growth Schedules
- Budget Risks
- A brief overview of the new local government finance system (business rate scheme) and its impact on Hammesmith and Fulham
- New Responsibilities to be undertaken by the Council
- An Equalities Impact Assessment

## 2. RECOMMENDATIONS

- 2.1 That approval be given to a council tax reduction of 3% for the Hammersmith & Fulham element for 2013/14.
- 2.2 That the council tax be set for 2013/14 for each category of dwelling, as calculated in accordance with Sections 31A to 49B of the Localism Act 2011, as outlined below and in full in Appendix A:
- (a) *The element of council tax charged for Hammersmith & Fulham Council will be £757.90 per Band D property in 2013/14.*
  - (b) *The element of council tax charged by the Greater London Authority will be confirmed on the 25<sup>th</sup> February and is expected to be £303.00 per Band D property in 2013/14. A reduction of 1%.*
  - (c) *The overall Council Tax to be set will be £1,060.90 per Band D property in 2013/14.*

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	505.27	589.48	673.69	757.90	926.32	1,094.74	1,263.17	1,515.80
b) GLA	202.00	235.67	269.34	303.00	370.34	437.67	505.00	606.00
<b>c) Total</b>	<b>707.27</b>	<b>825.15</b>	<b>943.03</b>	<b>1,060.90</b>	<b>1,296.66</b>	<b>1,532.41</b>	<b>1,768.17</b>	<b>2,121.80</b>

- 2.3 That the Council's own total net expenditure budget for 2013/14 is set at £181.944m
- 2.4 That fees and charges are approved as set out in paragraph 5.2
- 2.5 That the budget projections made by the Executive Director of Finance and Corporate Governance to 2015/16 be noted.
- 2.6 That the statement made by the Executive Director of Finance and Corporate Governance under Section 25 of the Local Government Act 2003 regarding the adequacy of reserves and robustness of estimates be noted (section 14).
- 2.7 That the Executive Director of Finance and Corporate Governance 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.



- 2.8 That all Executive Directors be required to report monthly on their projected financial position compared to their revenue estimates (as part of the Corporate Monitoring Report).
- 2.9 That all Executive Directors be authorised to implement their service spending plans for 2013/14 in accordance with the recommendations within this report and the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation.
- 2.10 Members' attention is drawn to S106 of the Local Government Finance Act 1992 which requires any Member who is two months or more in arrears on their Council Tax to declare their position and not to vote on any issue that could affect the calculation of the budget or Council Tax.

### **3. REASONS FOR DECISION**

- 3.1 The Council is obliged to set a balanced budget and council tax charge in accordance with the Local Government Finance Act 1992.

### **4. BUDGET OVERVIEW**

- 4.1 **A council tax reduction of 3% is proposed for 2013/14.** This will be the sixth reduction in the last seven years and has been delivered against a background of:

- On-going reductions in government funding
- Major changes in the local government finance system.

#### Reductions in Government Funding.

- 4.2 In the context of the government's aim to eliminate the fiscal deficit by 2017/18<sup>1</sup> local authority funding is expected to be 30% lower than in 2010.
- 4.3 Hammersmith and Fulham is a grant 'floor'<sup>2</sup> authority. As such it faces above average grant reductions. This council's grant funding has already reduced by more than 15% over the past two years. It will reduce by a further £19m (13%) in 2013/14 and 2014/15<sup>3</sup>.

#### Changes to the Local Government Finance System

- 4.4 Following the resource review the government have implemented major changes to the local government finance system.

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<sup>1</sup> Autumn Statement 2012.

<sup>2</sup> Floor authorities receive the maximum possible funding reduction. This is due to historic changes in the funding formula.

<sup>3</sup> 2013/14 Local Government Finance Settlement. See Appendix E details

Current system	New System
Government provides formula grant plus specific grants	A much lower level of revenue support grant funding.  A change in funding streams (several specific grants are rolled into general funding)
Business rates paid to Central Government	A partial local business rates retention scheme.
Council tax benefit support is mainly funded by a national scheme	Local Council tax discounts - funding will reduce by 10%.
The Council tax requirement is the budget requirement less Formula Grant	The Council Tax requirement is the budget requirement less revenue support grant and locally retained business rates.

4.5 The new system has more moving parts and offers both greater risk and opportunity. In budget terms the local business rates retention scheme will leave the council £4.1m worse off. This is detailed further in section 8.

4.6 The Council's budget proposals reflect this challenging financial background whilst delivering a council tax reduction. There is a focus on key local priorities, protecting front-line services and value for money. Cross-cutting transformational projects are being taken forward whilst significant savings are coming through from collaborative working with the Royal Borough of Kensington and Chelsea and City of Westminster Council.

## 5. THE COUNCIL TAX REQUIREMENT

5.1 The medium projection of the council tax requirement to 2015/16, is set out in Appendix B with the 2013/14 position summarised in Table 1.

5.2 A number of assumptions underpin the budget:

- **Price inflation** is provided for when there is a contract in place.
- A contingency equivalent to a 1% increase is held for any **pay award**.
- **Fees and charges** have increased in line with the Retail Price Index (3.2% - November 2012). Any exceptions to this standard increase are reported in Appendix F.

- **The employers pension contribution rate** remains at 24.7%. The next actuarial valuation is due in 2013 and will impact from 2014/15.

5.3 Aside from inflation the key elements that make up the budget are:

- Growth and new responsibilities
- Efficiencies
- External funding
- The business rates retention scheme

Sections 6 to 8 of this report consider each of these elements in more detail.

**Table 1: The Council Tax Requirement**

	<b>£'000s</b>
Base budget rolled forward from 2012/13	<b>200,256</b>
<b>Plus:</b>	
Inflation	3,000
Growth (section 6)	3,100
New responsibilities (section 6)	1,026
Contingency and contribution to reserves (section 6)	3,689
Non-domestic rates tariff payable to government (section 8)	2,826
<b>Less:</b>	
Savings and additional income (section 7)	(21,431)
Specific unringfenced grants (section 8)	(10,522)
<b>Net Budget Requirement for 2013/14</b>	<b>181,944</b>
<b>Less :</b>	
Revenue Support Grant (section 8)	(81,225)
Locally retained business rates (section 8)	(49,261)
<b>2013/14 Council Tax Requirement</b>	<b>51,458</b>

## 6. GROWTH AND NEW RESPONSIBILITIES

### Growth

- 6.1 Growth has been provided through the budget process as necessary. This is detailed in Appendix C and summarised, for 2013/14, in Table 2.

**Table 2: Growth Proposals**

	£'000s
Adult Social Care	1,400
Children's Services	0
Environment Leisure and Residents Services	380
Finance and Corporate Services	670
Housing and Regeneration Department	0
Transport and Technical Services	650
<b>Total Growth</b>	<b>3,100</b>

- 6.2 The reasons why growth has been provided are set out in Table 3.

**Table 3: Reasons for Budget Growth**

	£'000s
Government related	150
Other public bodies	900
Increase in demand/demographic growth	1,400
Realignment of budgets regarding one-off 2012/13 savings	500
Other	150
<b>Total Growth</b>	<b>3,100</b>

### New Responsibilities and Contingencies

- 6.3 Local authorities have become responsible for several new duties in 2013/14. Those that fall to be funded through the budget requirement, for which unringfenced grants are provided, are set out below:

**Table 4: New Responsibilities Funded from Unringfenced Resources**

<b>New Grant</b>	<b>£'000s</b>	<b>Purpose</b>
Social Fund (Welfare Reform Act)	713	The current 'social fund' (which is administered by the DWP) is being transferred to local authorities who must devise a local scheme. A tri-borough shared service is to be provided for this new function, administered by RBKC.
Community Right to Challenge/Bid	17	
Local Reform and Community Voices	161	For new NHS advocacy and healthwatch duties.
Council Tax support and new burdens grant	135	This is for costs associated with the administration of the new local council tax discounts.
<b>Total</b>	<b>1,026</b>	

6.4 The Council will also receive specific, ring-fenced grant, for other new responsibilities. The largest, £20.3m, relates to Public Health<sup>4</sup>. As this funding is ring-fenced this will have no net impact on the budget requirement.

6.5 A new responsibility will also arise regarding remand arrangements for children. Indicative funding of £0.24m has been allocated to Hammersmith and Fulham. Budget adjustments will be made when the funding is confirmed.

#### Contribution to Reserves

6.6 A key part of the tri-borough programme is the provision of managed services for a number of transactional back office functions, such as finance and human resources. The implementation of the new arrangements will require significant investment. Whilst final decisions are yet to be taken, and business cases signed-off, it is considered prudent that the council set aside £2.3m for this purpose now. The actual sum required will be subject to agreement by Members.

<sup>4</sup> Public Health is to be managed as a Tri-Borough service hosted by the City of Westminster Council and will be established as a new department.

## 7 SAVINGS AND INCOME GENERATION

7.1 Savings of £21.4m are required in 2013/14 to balance the budget over the next 3 years. In bringing forward proposals to meet this challenge the Council has:

- Protected front-line services.
- Continued to focus on asset rationalisation to reduce accommodation costs and deliver debt reduction savings.
- Built on previous practice of seeking to deliver the best possible service at the lowest possible cost. Effective budget management is essential.
- Considered thoroughly what benefits can be obtained from commercialisation and competition.
- Recognised that more cross-cutting action is necessary. A number of council-wide transformation portfolios have been created such as; Transforming Business, Market Management and Customer access portfolios.
- Taken forward working collaboratively with others. New collaborative working arrangements (Tri-Borough) are now in place or in development with the City of Westminster and the Royal Borough of Kensington and Chelsea. Other shared solutions will be taken forward as and when appropriate.
- Made best use of the NHS funding for social care.

7.2 The saving proposals for the next three years are detailed in Appendix C with the 2013/14 position summarised in Table 4.

**Table 5: 2013/14 Savings Proposals**

	<b>£000s</b>
Adult Social Care	4,454
Children's Services	4,194
Environment Leisure and Residents Services	1,272
Finance and Corporate Services	1,956
Housing and Regeneration Department	1,217
Transport and Technical Services	2,531
Corporate transformation programmes	1,726
Centrally managed budgets	4,081
<b>Total Savings</b>	<b>21,431</b>

7.3 For 2014/15, on current projections, savings amounting to £16.8m will need to be delivered on top of the £21.4 million above and for 2015/16

further savings amounting to £11.8 million will be required. The government have announced that a Spending Review will take place in 2013. Local authority funding levels may subsequently be worse than current projections.

- 7.4 A categorisation of the savings is shown in Table 6. They are categorised according to their main element. Redundancies are unavoidable but will be kept to a minimum by focusing on vacant posts, controlling recruitment, improving redeployment procedures and releasing agency staff.

**Table 6: Analysis of the 2013/14 Savings**

<b>Type of Saving</b>	<b>£'000s</b>
Commercialisation / Income	1,894
Commissioning	1,345
Customer Access Transformation Portfolio	716
Debt Reduction Strategy	2,036
Market Management Transformation Portfolio	2,495
People Transformation Portfolio	826
Procurement/Market Testing	953
Reconfiguration/Rationalisation of Services	3,276
Staffing/Productivity	2,079
Transforming Business Portfolio	540
Tri Borough/Bi Borough	5,271
<b>Total</b>	<b>21,431</b>

- 7.5 As part of the budget process the key budget risks that face the council have been carefully considered. These total £21.6m and are detailed in Appendix D. They are summarised in Table 7.

**Table 7: 2013/14 Budget Risks**

	<b>£'000s</b>
Demand Pressures	2,670
Efficiency delivery	2,203
Income variation	5,450
Inflation (above expectation)	3,900
Contract risks	2,400
Government Policy Impacts	4,943
<b>Total</b>	<b>21,566</b>

## **8. EXTERNAL AND BUSINESS RATES FUNDING**

- 8.1 The old formula grant system has been replaced by a new business rates retention system. The key elements of the new system, as they impact on Hammersmith and Fulham, are set out in Appendix H and included within the MTFS forecast (Appendix B).
- 8.2 The new system is more complex and has more moving parts. Local authorities have to take account of both changes in government funding and the level of business rates collected.
- 8.3 The government funding receivable is detailed in Appendix E. On a like-for-like-basis 2013/14 funding is £6m (4.1% in cash terms and 7.3% in real terms) less than in 2012/13. This compares to a national reduction of 4%. The funding includes council tax freeze grant of £0.533m (equivalent to 1% of the Band D charge) receivable for two years.
- 8.4 The launch of the business rates retention scheme disadvantages this authority. Previously all business rates income collected by a local authority was paid to government. Now 30% is to be retained locally whilst 50% is paid to the government and 20% to the Greater London Authority.
- 8.5 Under the starting point of the new system Hammersmith and Fulham is budgeting to be worse-off than under the previous formula grant system. This is because what is actually expected to be collected (the LBHF 30% share) is significantly lower than what is assumed within the system. The gross loss is £7.602m but safety net arrangements cap the loss at £4.054m.
- 8.6 The main reason why Hammersmith and Fulham expects to initially lose out from the new business rates retention scheme is due to very high levels of rating appeals. A schedule of outstanding appeals for Hammersmith and Fulham has been received from the Valuation Office Agency (VOA). This shows that nearly 45% of our overall rating list (£456m at 30 September 2012) is currently subject to appeal. Of these 258 appeals relate to Shepherds Bush Westfield, which are definitely proceeding. In total in the borough there are over 1,800 appeals still outstanding with a rateable value of £219m. There are 277 potential refunds (rateable value £47m) that go back as far as the 2005 rating list.
- 8.7 Appeals are outside the Council's control. The council does not know whether appeals will be considered and decided in the remaining months of this year or in later years. Nor does this authority know what the final impact will be on the business rate yield.
- 8.8 The Council does know that some local appeals have ended in a significant downwards adjustment in rateable value. The Westfield appeals are currently resulting in reductions approaching 30%. The Council estimates that this will reduce annual business rates income by



£10m per annum whilst significant backdated payments will also arise. Just in relation to Westfield, as there are 159 outstanding appeals for the 2010 list and 99 outstanding appeals for the 2005 list. There is a real prospect that at least some of the backdated payments will slip to 2013/14 and beyond.

- 8.9 The lack of transparency around the appeals process makes it very difficult to produce any realistic assessment of the actual business rates income receivable in 2013/14. Given the sheer volume of appeals, and their potential high impact (as demonstrated at Westfield), the only prudent assumption that can be made is that the safety net arrangements will be triggered.
- 8.10 There are obvious shortcomings in the datasets available from the VOA. The Council continues to lobby on how appeals are handled within the business rates retention scheme. Authorities should gain or lose dependant on how they deliver economic growth, not on how well the VOA performs locally.
- 8.11 The current budget assumes a worse case scenario regarding the business rates retention scheme. Final figures for actual collection will not be known until the close of 2013/14. The in-year position will be monitored and updates provided as appropriate.

## 9. COUNCIL TAX BASE

- 9.1 Council on 30th January 2013 formally agreed a Tax Base of 67,895<sup>5</sup> equivalent Band D properties for 2013/14. Therefore the Council's element of the Council Tax can be calculated as follows:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base}} = \frac{\underline{\pounds 51.458m}}{67,895} = \pounds 757.90$
--

- 9.3 This represents a 3% cut in the LBHF element of the council tax charge.

## 10. PRECEPTOR'S COUNCIL TAX REQUIREMENTS

- 10.1 The Greater London Authority's precept of £20.572<sup>6</sup>m 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.

<sup>5</sup> This is 12,192 Band D equivalents less than 2012/13 due to the impact of the new council tax support scheme. Residents that used to receive council tax benefit now receive a council tax discount. The income loss from the taxbase is largely compensated through government grant.

<sup>6</sup> This is the current proposal and is subject to confirmation.

$\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\text{£20.572m}}{67,895} = \text{£303.00}$
--

10.2 This represents a 1% reduction from the 2012/13 level.

**11 OVERALL COUNCIL TAX REQUIREMENTS 2013/14**

11.1 It is proposed to reduce Hammersmith and Fulham’s element of the Council Tax in 2013/14 by 3% in order to provide a balanced budget in year with £14m - £20m in current reserves (see section 14). The overall amount to be funded from the Council Tax is calculated as follows:

**Table 8 – Overall 2013/14 Council Tax Requirement**

London Borough of Hammersmith & Fulham	<b>£000s</b> 51,458
Greater London Authority	20,572
<b>Total Requirement for Council Tax</b>	<b>72,030</b>

11.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a council tax requirement for its own budgetary purposes (section 9) and then add the separate Council Tax requirements for each of the preceptors (section 10). The requisite calculation is set out in Appendix A.

11.3 The Council must then set the overall Council Tax for the Borough. These calculations have to be carried out for each of the valuation bands A to H, and are set out in the recommendations at the front of the report. The amount per Band D equivalent property is calculated as follows:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base}} = \frac{\text{£ 72.030m}}{67,895} = \text{£1060.90}$
--

11.4 For 2014/15 planning purposes, the Executive Director of Finance and Corporate Governance has assumed no change to the 2013/14 Council Tax level.

- 11.5 The reduction of 3% is the sixth reduction in the past seven years. Table 8 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 2013/14 is the lowest charge since that approved for 2000/01.

**Table 9 – Band D Council Tax for Hammersmith and Fulham from 2002/03**

	<b>Band D Hammersmith and Fulham Element</b>	<b>Change</b>	<b>Change</b>
	£	£	%
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	811.78	0	0
2012/13	781.34	-30.45	-3.75
2013/14	757.90	-23.44	-3.00
2014/15 (indicative)	757.90	0	0
2015/16 (indicative)	757.90	0	0

- 11.6 Council tax in Hammersmith & Fulham has reduced by 17% in cash terms (46% in real terms) from 2006/07 to 2013/14. This compares to a forecast London average increase of 8% over the same period. This represents a £1,297 cash saving for Hammersmith & Fulham residents against the average Borough increase from 2006/07 to 2013/14.

## **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 COMMITTEE**

- 13.1 As part of the Scrutiny process each department's estimates have been reviewed by a relevant Scrutiny Committee. There are no formal comments to report.

### **14 COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE.**

#### **The Robustness of the Budget Estimates**

- 14.1 Under Section 25 of the Local Government Act 2003, the Executive Director of Finance and Corporate Governance is required to include, in the budget report, a statement of her view of the robustness of the 2013/14 estimates.

- 14.2 Budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but gives Members reasonable assurances that the budget has been based on the best available information and assumptions. For the reasons set out below the Executive Director of Finance and Corporate Governance is satisfied with the accuracy and robustness of the estimates included in this report :

- The budget proposals have been developed following guidance from the Executive Director of Finance and Corporate Governance and have been through a robust process of development and challenge.
- Contract inflation is provided for.
- Adequate allowance has been made for 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 savings.
- Key risks have been identified and considered.
- 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 provision for redundancy is reasonable to meet future restructuring and downsizing.
- The use of budget monitoring in 2012/13 in order to re-align budgets where required.
- A review via the Council Business Board of proposed savings and their achievability.

- A Member review and challenge of each department's proposals for the budget.
- The establishment of appropriate management and monitoring arrangements for the delivery of transformation programmes.
- A prudent approach has been adopted on the local share of income receivable through the business rates retention scheme.

### **Risk, Revenue Balances and Earmarked Reserves**

- 14.3 Under Section 25 of the Local Government Act 2003, the Executive Director of Finance and Corporate Governance is required to include in budget reports a statement of her view of the adequacy of the balances and reserves the budget provides for. The level of balances is examined each year along with the level of reserves in light of the risks facing the Authority in the medium term.

### **General Fund Balances**

- 14.4 The Council's general balance stood at £17m as at 1<sup>st</sup> April 2012 and it is currently projected that this will not reduce in the current financial year. This will leave general balances at 9%, as a minimum, of the current budget requirement.
- 14.5 The Council's budget requirement for 2013/14 is in the order of £181.9m. Within a budget of this magnitude there are inevitably areas of risk and uncertainty particularly within the current challenging financial environment. The key financial risks that currently face the Council have been identified and quantified. They are set out in Appendix D and amount to £21.6m. The Council has in place rigorous budget monitoring arrangements and a policy of restoring balances once used.
- 14.6 Given the on-going scale of change in local government funding, the Executive Director of Finance and Corporate Governance considers that a wider than normal range needs to be specified for the optimal level of balances. She is therefore recommending that reserves need to be maintained within the range £14m - £20m. This compares to a range of £8m-£9m in 2006/07. The optimal level of £14m-£20m is projected to be broadly met over the next 3 years and is, in the Executive Director of Finance and Corporate Governance's view, sufficient to allow for the risks identified and to support effective medium term financial planning.

### **Earmarked Reserves**

- 14.8 The Council also holds a number of earmarked reserves to deal with anticipated risks and liabilities, and to allow for future investment in priority areas. Reviews are undertaken of the need for, and the adequacy of, each earmarked reserve as part of the budget process and again when the accounts are closed.

## **Council Tax Setting**

- 14.9 As part of the Localism Act 2011, the Government replaced the power to cap excessive budgets and Council Tax increases with compulsory referenda on Council Tax increases above limits it sets. For 2013/14 local authorities “will be required to seek the approval of their local electorate in a referendum if, compared with 2012/13, they set an increase in the relevant basic amount of council tax that is more than 2%”. This will not apply to the Council.

## **LEGAL IMPLICATIONS**

- 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 Executive Director of Finance and Corporate Governance 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.
- 15.5 A public authority must in, the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). Where specific budget proposals have a potential equalities impact these are considered and assessed by the relevant service as part of the final decision-making and implementation processes and changes made where appropriate.
- 15.6 The protected characteristics to which the Public Sector Equality Duty (“PSED”) applies now include age as well as the characteristics covered by the previous equalities legislation applicable to public authorities (i.e. disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex).
- 15.7 The PSED is set out in section 149 of the Equality Act 2010 (“the Act”) provides (so far as relevant) as follows:

(1) A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) tackle prejudice, and
- (b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

15.8 Case law has established the following principles relevant to compliance with the PSED which Council will need to consider:

(i) Compliance with the general equality duties is a matter of substance not form.

(ii) The duty to have "due regard" to the various identified "needs" in the

relevant sections does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

(iii) Due regard is regard that is appropriate in all the circumstances, including the importance of the area of life of people affected by the decision and such countervailing factors as are relevant to the function that the decision-maker is performing.

(iv) The weight to be given to the countervailing factors is in principle a matter for the authority to determine, provided it acts reasonably. However it has been held in some cases that in the event of a legal challenge it is for the court to determine whether an authority has given "due regard" to the "needs" listed in s149. This will include the court assessing for itself whether in the circumstances appropriate weight has been given by the authority to those "needs" and not simply deciding whether the authority's decision is a rational or reasonable one.

(v) The duty to have "due regard" to disability equality is particularly important where the decision will have a direct impact on disabled people. The same goes for other protected groups where they will be particularly and directly affected by a decision.

(vi) The PSED does not impose a duty on public authorities to carry out a formal equalities impact assessment in all cases when carrying out their functions, but where a significant part of the lives of any protected group will be directly affected by a decision, a formal equalities impact assessment ("EIA") is likely to be required by the courts as part of the duty to have 'due regard'.

(vii) The duty to have 'due regard' involves considering not only whether taking the particular decision would unlawfully discriminate against particular protected groups, but also whether the decision itself will be compatible with the equality duty, i.e. whether it will eliminate discrimination, promote equality of opportunity and foster good relations. Consideration must also be given to whether, if the decision is made to go ahead, it will be possible to mitigate any adverse impact on any particular protected group, or to take steps to promote equality of opportunity by, for e.g., treating a particular affected group more favourably.

15.9 All these matters will be considered by service departments as part of the final decision-making and implementation processes, but must also be considered by the Council when taking its decision.

15.10 To assist the Council in fulfilling its PSED, the EIA that has been carried out in respect of the proposed budget, including the proposed Council Tax reduction, is attached to this report. This will need to be read and taken into account by the Council, together with the requirements of the PSED itself set out above, in reaching a decision on the recommendations in the report. In addition, the equality implications are summarised in section 15 below.



15.11 The EIA addresses the broad issue of the proposed reduction in Council Tax and identifies the areas of the budget which may have particular equality implications. It also identifies areas that are likely to require further detailed consideration prior to implementation during the financial year and which may, as a result, be subject to change. The courts have found that this is a legitimate approach.

## **16. EQUALITY IMPLICATIONS**

16.1 Published with this report is an Equality Impact Analysis ('EIA'). The EIA assesses the impacts on equality of the main items in the budget proposed to Full Council as well as the decision to reduce Council tax by 3%. Its findings are summarised here and members should refer to the full EIA for more detail.

16.2 The EIA looks first at the proposal to reduce Council Tax. It finds those who will directly benefit from a decision to reduce Council Tax will be all those who pay full Council Tax and, to a proportionately lesser extent, those who receive partial Local Council Tax Support ('LCTS'). In addition, there will be an indirect benefit to all residents through the reduction in cost to the public purse of CTB payments by the state. LCTS comes into effect from 01 April 2013, and replaces Council Tax Benefit which is abolished as part of the Government's Welfare Reforms (which include the introduction of Universal Credit). The proposed scheme for H&F for 2013/14 is to retain the same criteria and level of support as for Council Tax benefit. Therefore, for the purposes of the EIA, CTB data is used because LCTS comes into effect on 01 April 2013 and replaces CTB.

16.3 All full Council Tax payers will benefit from the reduction in Council Tax. So, too, will those who pay Council Tax in a lower band than they otherwise would do because they benefit from the Council's scheme for reducing Council Tax for disabled people who need extra room in their home on account of their disability. On average, this reduction will be £23.44 (being the reduction for a Band D Council Tax payer, based on the LBHF element of Council Tax calculation).

16.4 Those to whom the reduction in Council Tax is likely to be most beneficial are those low income groups whose incomes are just above the threshold for CTB/LCTS or partial CTB/LCTS. These are likely to include greater proportions of disabled people, ethnic minority groups, women on maternity leave, single parents (who are normally women) and families with young children than are present in the borough population as a whole. A decision to reduce Council Tax will promote equality of opportunity for these groups.

16.5 Those who are eligible for partial CTB/LCTS (which includes a much larger proportion of pensioners than is present in the borough population as a

whole – 29.98% as against 10.2% and a somewhat higher proportion of women than is present in the population as a whole – about 62.33 % as against 51.3%) will also benefit from a reduction in Council Tax, but to a lesser extent because of the way partial CTB/LCTS is calculated.

- 16.6 There will be no benefit to those who are eligible for full CTB or who are exempt from paying it. The effect on this group will be neutral. This group also includes proportionately more pensioners (35.25% as against 10.2%) and proportionately more women (62.33% as against 51.3%) than in the general population.
- 16.7 All residents may consider that there may be an indirect adverse impact to them because if Council Tax is reduced by 3%, the Council will forego income of £1.6M which might otherwise have been used to provide services. In particular, those eligible for CTB/LCTS or partial CTB/LCTS are more likely to be in receipt of Council services (especially care services) than those who pay full Council Tax.
- 16.8 However, in the proposed budget the £1.6M sum is outweighed by the Government Grant for freezing Council Tax of £0.6M, by figures such as budget savings of £5.2m from tri-borough/bi-borough working and £2m from the capital debt reduction programme. Although the proposed budget is based in part on various proposed changes to the ways in which services (in all areas) are to be provided to borough residents, it is not possible to say that there is any direct link between the proposed Council Tax reduction and any particular proposed service change.
- 16.9 The EIA also assesses, insofar as it is possible to do so on the basis of the information available, the overall impact of the budget on which the proposed reduction in Council Tax is based.
- 16.20 Overall, the budget contains some items that will promote equality of opportunity for vulnerable groups (in particular older people, the disabled, women and ethnic minorities), a large number of items that are neutral in their impact on equalities and some items where there may be some negative impact (although in most cases steps to mitigate that impact have either already been identified or will be identified as part of more detailed EIAs in due course).
- 16.21 Items that will promote equality of opportunity include the growth in the areas of ASC and FCS which will support the participation of disabled people in public life, and help to advance equality of opportunity between disabled and non-disabled people. These items will help to manage the demand for services for older and disabled people and those with mental health needs, as well as to help fund free travel on almost all public transport in London.
- 16.22 The proposal not to increase home care charges will mean that any disabled people who pay Council Tax (at any level) will not lose the benefit of the cut through an increase in home care charges. In other areas of the

Council, charging proposals are to be reviewed at a later date and so at present there is no impact. If, when those proposals are reviewed (which it is envisaged will be throughout 2013/14) it is decided that the adverse impact on any protected group will be too great, the Council has sufficient in reserves to fund the continuation of those services at current rates.

- 16.23 Items that may have a negative impact include the increase charged to service users for Meals on Wheels, from £4.30 to £4.50. As given in the EIA, the Council subsidises this service. H&F continues to try and keep its price lower by making efficiencies in the costs of delivery. This proposed increase will be of high relevance to disabled and older people who are the users of the Meals on Wheels service. However, it is anticipated that the modest increase will be affordable for this group. The impact of the proposed increase will be monitored at the point that the meal charge rises to see if any users either cancel services saying they cannot afford them, or reduce services to fit their respective budgets. In such circumstances, social care will ensure the reasons why the service user has stopped using the service are recorded and appropriate action would be taken. It is anticipated that through this mechanism the adverse impact on users of the Meals on Wheels service can be mitigated.
- 16.24 In a few cases, detailed EIAs will be required before the full nature of any impact the particular budget proposal can be assessed, or mitigating measures identified.
- 16.25 Ultimately if, on further analysis, it is decided that any particular proposed policy would have an unacceptable negative impact (or an insufficient positive impact) on any protected group, H&F could, if it is considered appropriate, use reserves or virements to subsidise those services in 2013/14.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		

**LIST OF APPENDICES:**

Appendix A – The Requisite Council Tax Calculations for Hammersmith and Fulham

Appendix B – Medium Term Financial Forecast

Appendix C – Growth and Savings Proposals

Appendix D - Budget Risks

Appendix E – Government Grant Funding

Appendix F – Fees and Charges – exceptions to standard 3.2% increase.

Appendix G – Equalities Impact Assessment (published separately)

Appendix H – The Business Rates Retention Scheme for Hammersmith and Fulham

## APPENDIX A

The Requisite Calculations for Hammersmith & Fulham (as set out in Section 31A to 49B in the Localism Act 2011)

		<u>£000s</u>
(a)	Being the aggregate of the amounts which the Council estimates for the items set out in section 31A (2) (a) to (f) of the Act.	684,006
(b)	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act.	(611,976)
(c)	Being the aggregate difference of (a) and (b) above calculated by the Council in accordance with Section 31A (4) of the Act, as its council tax requirement for the year.	72,030
(d)	Being the amount calculated by the council as the council tax base for 2013/14 and formerly agreed by council on the 30 <sup>th</sup> January.	67,895
(e)	Being the amount at (c) divided by the amount at (d) above, calculated by the Council in accordance with Section 31B of the Act as the Basic amount of council tax (Band D) for the year.	1,060.90
(f)	Hammersmith and Fulham proportion of the Basic amount of its Council Tax (Band D)	757.90

(g) Valuation Bands – Hammersmith & Fulham Council:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
505.27	589.48	673.69	757.90
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
926.32	1,094.74	1,263.17	1,515.80

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 2013/14 the following amounts in precepts issued to the Council in respect of the Greater London Authority, its functional and predecessor bodies, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
202.00	235.67	269.34	303.00
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
370.34	437.67	505.00	606.00

(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 2013/14 for each of the categories of dwellings shown below:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
707.27	825.15	943.03	1,060.90
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,296.66	1,532.41	1,768.17	2,121.80

### Medium Term Budget Requirement

	Year 1 2013/14 £'000	Year 2 2014/15 £'000	Year 3 2015/16 £'000
<b>2012/13 Net General Fund Base Budget</b>	<b>200,817</b>	<b>200,817</b>	<b>200,817</b>
Less : Expenditure aligned with specific grants	(561)	(561)	(561)
<b>2013/14 Net General Fund Base Budget</b>	<b>200,256</b>	<b>200,256</b>	<b>200,256</b>
New Burdens	1,026	1,015	1,015
Contract and Income Inflation	3,000	6,000	9,000
Contribution to reserves for Managed Services	2,300	0	0
Growth	3,100	5,210	5,789
Savings	(21,431)	(38,234)	(50,027)
General Contingency (pay and new burdens)	1,389	2,389	4,889
Non-domestic rates tariff payment to Government	2,826	2,913	2,986
<b>Gross Budget Requirement</b>	<b>192,466</b>	<b>179,549</b>	<b>173,908</b>
<b>Less</b>			
New Homes Bonus Grant	(2,963)	(3,913)	(4,863)
Other unringfenced specific grants	(2,984)	(2,694)	(2,131)
Grant funding for new burdens	(1,026)	(1,015)	(1,015)
Safety Net Grant re localised element of Non-Domestic Rates	(3,549)	0	0
<b>Revenue Grants and Use of Reserves</b>	<b>(10,522)</b>	<b>(7,622)</b>	<b>(8,009)</b>
<b>Net Budget Requirement</b>	<b>181,944</b>	<b>171,927</b>	<b>165,899</b>
<b>Funded by</b>			
Revenue Support Grant	81,225	66,039	58,650
Localised Element of Non Domestic Rates	49,261	54,430	55,791
Council Tax - 3% reduction Year 1, then freeze for planning purposes	51,458	51,458	51,458
<b>Gross Resources</b>	<b>181,944</b>	<b>171,927</b>	<b>165,899</b>
<b>Adjusted Net Budget Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Risks

21,566

30,767

37,087

### Adult Social Care Budget Proposals

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
<b>Departmental savings</b>				
Provided Services & Mental Health Partnerships	Alternative home support for placements for people with Mental Health conditions and Learning Disabilities.	(360)	(360)	(360)
Commissioning	Reprioritisation of 3rd Sector Investment Funds. The proposal is to review the Councils 3rd sector providers contracts with a reallocation of the investment fund and fast track budget.	(150)	(150)	(150)
Commissioning	Mental Health - Recommissioning of psychological therapies	(34)	(34)	(34)
Commissioning	Drug Intervention Programme - recommissioning of service with RBKC	(46)	(46)	(46)
Commissioning	Supporting People Grant - Re-procuring with other boroughs to reduce prices and share management costs	(369)	(369)	(369)
Provided Services & Mental Health Partnerships	Review of Support Planning	(120)	(245)	(245)
Tri Borough	Commissioning, Finance and In-house Services	(0)	(480)	(480)
Tri Borough	Overheads (Training, Project management)	0	(252)	(252)
Tri Borough	Clinical Commissioning Group and support services with GP consortia	0	(433)	(433)
Tri Borough	Procurement savings	(105)	(212)	(212)
Tri Borough	Better gate keeping into residential and nursing care	(1,450)	(1,800)	(1,800)
Tri Borough	Increase capacity in extra care and sheltered accommodation	0	(1,100)	(1,100)



Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Operations & Provided Services	Reduction anticipated in demand for all aged people with care placements and care packages.	(450)	(450)	(450)
Procurement & Business Intelligence	Manage inflation requests from providers	(200)	(200)	(200)
Commissioning	Review of West London Alliance arrangement	(60)	(60)	(60)
Commissioning	Reprioritisation of 3rd Sector Investment Funds	(126)	(126)	(126)
Provided Services	Day service review- Ellerslie	(70)	0	0
Provided Services	Joint Tri-Borough tendering of meals service	(256)	(256)	(256)
Operations	Limiting the cost of operational services	(150)	(300)	(300)
Procurement & Business Intelligence	Extension of Framework contract inline with Tri-Borough partners	0	(100)	(100)
Provided Services	Transport Review	0	(150)	(150)
Commissioning	Reprocurement of Supporting People contracts	(300)	(300)	(300)
Provided Services	Review of no recourse to public fund clients	(40)	(40)	(40)
Commissioning	Third Sector Grants - 10% reduction across all areas as contracts end and review of "small pot".	(168)	(100)	(100)
<b>Total Efficiencies</b>		<b>(4,454)</b>	<b>(7,563)</b>	<b>(7,563)</b>

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
<b>Growth</b>				
Operations	Increase in demand for learning disabled people placements and care packages.	700	905	1,110
Operations	Increase in demand, due to demographic and other factors, for care placements and packages.	450	450	450
MH Placements	Increase in demand for Mental health placements.	250	250	250
	<b>Growth totalled</b>	<b>1,400</b>	<b>1,605</b>	<b>1,810</b>
	<b>Net Total</b>	<b>(3,054)</b>	<b>(5,958)</b>	<b>(5,753)</b>

### Children's Services Budget Proposals

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
<b>Departmental savings</b>				
Social Care	More efficient procurement of the workers providing support in the home for disabled children and their families thereby reducing agency costs.	(75)	(75)	(75)
Social Care	It is anticipated that following the publication of the Munro Review it will be possible to deliver process efficiencies, reducing staffing requirements.	(250)	(250)	(250)
Social Care	Senior management/ senior business support - delaying of management tiers.	(135)	(135)	(135)
Social Care	Continuing to reduce the population of children in care with better preventative services [see Locality teams] and more timely permanent placements [Adoption/Special Guardianship/Residence]; thereby reducing placement costs	(320)	(320)	(320)
Social Care	Transport costs reduced as a result of there being fewer children in care	(60)	(60)	(60)
Social Care	Independent Reviewing Officer costs being reduced as a result of there being fewer children in care	(50)	(50)	(50)
Social Care	More efficient procurement of placements for children in care from Independent Fostering Agencies and from Private & Voluntary Residential Care Services arising from joint working and joint negotiating with the other Local Authorities forming the West London Alliance. (LBHF uni-borough Saving)	(128)	(128)	(128)
Social Care	Reduced expenditure on leaving care services resulting from there being fewer children in care	(60)	(60)	(60)
Market Management / Tri Borough	Possible stretch related to merger - Traded Services More work is required to better understand the nature of these mergers and the developing strategies, although a further stretch of £175k on traded services if Royal Borough of Kensington and Chelsea is involved seems reasonable.	(50)	(50)	(50)

Service	Description	2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Tri Borough	Sharing of education services with WCC / RBKC with a potential to review and revise the statutory delivery component to more efficient ways, and better use of joint commissioning and sharing of overhead, management and support costs	(350)	(350)	(350)
Tri Borough	BSF Core Funding & Schools Resourcing Reorganisation following the ending of the BSF and Primary Capital programmes and a further reorganisation following the completion of the merger work	(50)	(50)	(50)
Market Management / Tri Borough	Transfer of Traded Services relating to schools into a 'Mutual'/Social Enterprise. Efficiencies as expected to be achieved through further commercialisation of the services.	(100)	(100)	(100)
Tri Borough	Merging the Looked After Children [LAC] and Young Peoples Service [YPS] to create one 0 - 18 service for children in care, reducing handovers of cases, so improving the service quality for children, their families and carers.	(125)	(125)	(125)
Tri Borough	Savings in foster care costs as a result of there being fewer children in care, and subsequent possible re-provision as part of Tri Borough working	(250)	(250)	(250)
Tri Borough	More efficient procurement of placements for children in care from Independent Fostering Agencies and from Private & Voluntary Residential Care Services arising from joint working and joint negotiating with the other Local Authorities forming the West London Alliance. (Tri Borough Saving)	(172)	(172)	(172)
Tri Borough	Single Mgt Team - joint appointments of Executive team, directors and more efficient use of overheads through shared support	(270)	(270)	(270)
Tri Borough	Sharing of education services with WCC / RBKC with a potential to review and revise the statutory delivery component to more efficient ways, and better use of joint commissioning and sharing of overhead, management and support costs	0	(370)	(370)
Tri Borough	Commissioning staff - a single joint commissioning team across 3 boroughs allowing efficiencies in staffing and achieving best value contracts through rationalisation	(500)	(500)	(500)
	Finance Staff. Integrated finance team to support one integrated Children's Service executive team and services.	0	(170)	(170)

Service	Description	2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Tri Borough	Fostering - Trading with other boroughs.	0	(160)	(160)
Tri Borough	Further Finance Savings - revised structure for one shared cross-borough finance team	0	(80)	(80)
Social Care	Savings Created by use of Preventative Services.	(700)	(700)	(700)
Tri Borough	Further Tri borough mergers and reorganisations	(316)	(316)	(316)
Social Care	Childrens' Commissioning	(200)	(200)	(200)
Social Care	Central fund for supporting investment in Childrens' Centres	(33)	(33)	(33)
	<b>Total Efficiencies</b>	<b>(4,194)</b>	<b>(4,974)</b>	<b>(4,974)</b>
		0	0	0
	<b>Growth totalled</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Net Total</b>	<b>(4,194)</b>	<b>(4,974)</b>	<b>(4,974)</b>

**Environment, Leisure & Residents' Services Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
<b>Departmental Savings</b>				
Cleaner Greener & Cultural Services	Bi-Borough Review of the Cemeteries Service with Royal Borough of Kensington and Chelsea (RBKC)	(13)	(13)	(13)
Cleaner Greener & Cultural Services	Bi-Borough review of Parks Teams with RBKC	(50)	(50)	(50)
Cleaner Greener & Cultural Services	Review of Sports & Leisure Development Services	(25)	(25)	(25)
Cleaner Greener & Cultural Services	Review of community toilet arrangements	(134)	(134)	(134)
Cleaner Greener & Cultural Services	Bi-Borough Review of the Commercial Waste service with RBKC	(25)	(25)	(25)
Cleaner Greener & Cultural Services	Further Review of Triborough Library Service	(46)	(46)	(46)
Safer Neighbourhoods	Bi-Borough Review of Closed Circuit Television (CCTV) service - potential service integration with RBKC	(62)	(62)	(62)
Safer Neighbourhoods	Review of Anti Social Behaviour Unit (part of wider HRD review)	(15)	(15)	(15)
Safer Neighbourhoods	Review management of Enhanced Town Centre Policing teams to ensure they complement the Metropolitan Police Service Local Policing Model for Safer Neighbourhood Team management to be introduced from April 2013	(100)	(100)	(100)
Safer Neighbourhoods	Review of Community Safety Admin Function	(32)	(32)	(32)
Safer Neighbourhoods	Bi-Borough Review of Parks Constabulary with RBKC	(66)	(66)	(66)
Safer Neighbourhoods	Review the Council's Vehicle Maintenance arrangements	(90)	(90)	(90)
Safer Neighbourhoods	Identify £240k new one-off commercial funding and £40k new ongoing commercial funding for Enhanced Policing	(280)	(40)	(40)

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
ELRS Cross Cutting	Cross Cutting Income growth	(88)	(88)	(88)
ELRS Cross Cutting	Implement joint Environment, Leisure & Residents' Services (ELRS) Senior Management Structure across LBHF and RBKC and review Admin Support	(222)	(238)	(238)
Finance	Implement joint ELRS single Finance Structure across LBHF and RBKC	(25)	(101)	(101)
	<b>Total Efficiencies</b>	<b>(1,272)</b>	<b>(1,124)</b>	<b>(1,124)</b>
Cleaner Greener & Cultural Services	Western Riverside Waste Authority Growth	230	597	971
Cleaner Greener & Cultural Services	New Charge for disposing of recyclable waste	150	150	150
	<b>Growth totalled</b>	<b>380</b>	<b>747</b>	<b>1,121</b>
	<b>Net Total</b>	<b>(892)</b>	<b>(377)</b>	<b>(3)</b>

### Finance & Corporate Services Budget Proposals

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Communications	Print Service - Savings from enhanced contract management	(50)	(50)	(50)
Communications	Increased revenue from website advertising	(50)	(50)	(50)
Departmental	Spans & tiers review e.g.. through Tri Borough Corporate Services Review	(200)	(200)	(200)
Customer Access & Service Delive	E Services 1 a - Increasing My Account Functionality	(200)	(200)	(200)
Customer Access & Service Delive	E Services Carousel	(256)	(256)	(256)
Customer Access & Service Delive	Face to Face Post Office Contract	(20)	(20)	(20)
Transforming Business	Transformational Business: Business Support Review	(140)	(290)	(290)
Tri Borough	Role of the Council - Integration of London Borough of Hammersmith & Fulham and Royal Borough of Kensington & Chelsea Legal Teams	(45)	(45)	(45)
Tri Borough	Tri Borough Insurance Saving	(14)	(14)	(14)
Tri Borough	Finance & Corporate Services Tri Borough Savings	(21)	(400)	(1,300)
Core	Reduction in contribution to the HR Reserve	(400)	(400)	(400)
Trade unions	Trade Union Facility reduced in 2012/13	(170)	(170)	(170)
Audit	Reduction in Audit Fees	(150)	(150)	(150)
Insurance	Insurance tenders have now been returned and a saving is achievable.	(100)	(100)	(100)



Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Audit	Bi Borough Audit and Risk Service	(50)	(50)	(50)
Fraud	Fraud Team Staffing	(40)	(40)	(40)
Communications	Printing, Publications and more use of online services	(10)	(10)	(10)
Electoral Services	Electoral Services	(40)	(40)	(40)
	<b>Total Efficiencies</b>	<b>(1,956)</b>	<b>(2,485)</b>	<b>(3,385)</b>
<b>Growth</b>				
H&F Direct	Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London and cost increase	670	670	670
London Boroughs Grant Levy	Shortfall of Funding	0	138	138
	<b>Growth totalled</b>	<b>670</b>	<b>808</b>	<b>808</b>
	<b>Net Total</b>	<b>(1,286)</b>	<b>(1,677)</b>	<b>(2,577)</b>

**Transport & Technical Services Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Building & Property Management	Advertising Hoardings income	(200)	(200)	(200)
Building & Property Management	Total Facilities Management (TFM) savings	(333)	(667)	(667)
Transport & Highways	Lane Rental	0	0	0
Parking	Full effect of previous increase in Pay and Display charges	(250)	(250)	(250)
Transforming Business	Accommodation Savings	0	(460)	(1,549)
Transforming Business	Bi-Borough Joint Parking Office	(100)	(100)	(100)
Tri Borough	Bi-Borough review of Transport & Technical Services (TTS)	(433)	(919)	(919)
Planning	Match Council activity with existing unallocated s106 funding where legal agreements permit.	(240)	(240)	(240)
Environmental Health	Licensing fee increase (set nationally).	(10)	(10)	(10)
Planning	Planning fee increase (set nationally).	(50)	(50)	(50)
Building & Property Management	Charges to Lyric Theatre.	(50)	(50)	(50)
Parking	Consequential increase in income re charges already agreed and implemented in 2012	(263)	(263)	(263)
Building & Property Management	Advertising Hoardings 10% Management Charge	(50)	(50)	(50)

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Planning	Redistribution of Access Functions in Planning	(21)	(21)	(21)
TTS	Advertising - recovery of appropriate costs from Housing Revenue Account (HRA).	(151)	(151)	(151)
Transport & Highways	Pilot trial of pavement advertising	(50)	(50)	(50)
Finance & Resource	One off use of balances in 2013/14	(30)	0	0
Market Management	Metro Wireless	(300)	(300)	(300)
	<b>Total Efficiency Savings</b>	<b>(2,531)</b>	<b>(3,781)</b>	<b>(4,870)</b>
Transport & Highways	One-off Footway Planned Maintenance saving (33%) in 12/13 - restoration of budget in 13/14	150	150	150
Parking	Restoration of budget in respect of in year savings in 2012/13 through increased income arising from parking enforcement to tackle congestion and safety compliance.	500	500	500
	<b>Growth totalled</b>	<b>650</b>	<b>650</b>	<b>650</b>
	<b>Net Total</b>	<b>(1,881)</b>	<b>(3,131)</b>	<b>(4,220)</b>

### Housing and Regeneration Department Budget Proposals

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Customer Access & service	Transforming Housing Options	(240)	(240)	(240)
Housing Options	Elimination of Housing Benefit Subsidy Loss on Housing Association Leasing Direct (HALD) portfolio	(300)	(300)	(300)
Housing Options	Reorganisation of Elderly Resettlement Service	(27)	(27)	(27)
Housing Options	Reducing costs and financial risks associated with Hamlet Gardens	(350)	(350)	(350)
Director Office	Reallocation of costs as a result on changes in responsibilities	(21)	(21)	(21)
Finance & Resource	Passing on savings on amenity shared cost from the HRA	(79)	(79)	(79)
Housing Options	Withdrawal from the Hamlet Gardens Temporary Accommodation Contract	(200)	(200)	(200)
	<b>Total Efficiencies</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>
<b>Growth</b>				
	<b>Growth totalled</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Net Total</b>	<b>(1,217)</b>	<b>(1,217)</b>	<b>(1,217)</b>

**Centrally Managed Budgets Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
<b>Departmental Savings</b>				
Capital Debt Reduction	Debt Reduction Strategy (assumes 25% slippage in forecast receipts)	(2,036)	(3,372)	(3,372)
Corporate Human Resources (CHR)	Reduced cost of added years	(50)	(50)	(50)
Centrally Managed Budgets	Redundancy Savings	(300)	(300)	(300)
Market Management	Contract review and renegotiation - savings to be realised	(1,695)	(3,695)	(3,695)
Cross-Cutting	Further productivity and other efficiencies from outsourcing and new ways of working	0	(5,787)	(14,651)
	<b>Total Efficiency Savings</b>	<b>(4,081)</b>	<b>(13,204)</b>	<b>(22,068)</b>
<b>Growth</b>				
Corporate	Re-alignment of overheads re the HRA transformation programme.	0	700	700
Corporate	Impact of Transformation Programme on Service level agreements apportioned to HRA.	0	700	700
	<b>Growth Total</b>	<b>0</b>	<b>1,400</b>	<b>1,400</b>
	<b>Net Total</b>	<b>(4,081)</b>	<b>(11,804)</b>	<b>(20,668)</b>

**New Transformational Savings**

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Council Wide	Additional Stretch targets for contract renegotiation and renewals.	(500)	(1,000)	(1,500)
I.T.	Reduced IT spend through transforming contract management and IT management within departments (linked to saving above).	(100)	(200)	(200)
Corporate	Review Debt Management, including analytics and fraud taken to another level with Aglysis. (Enhanced Revenue Collection)	(300)	(400)	(400)
Sheltered Housing	Phase 2 of the Sheltered Housing Review, with the provision of extra care units. Phase 1 is green and Phase 2 due to commence in September 2012.	0	(1,100)	(1,100)
Council Wide	Changing working patterns	(110)	(176)	(281)
Council Wide	Internships	(566)	(760)	(995)
Council Wide	Pay Strategy	(150)	(250)	(350)
<b>Total Efficiency Savings</b>		<b>(1,726)</b>	<b>(3,886)</b>	<b>(4,826)</b>

## Departmental Risk/Challenges

Division	Short Description of Risk	Risk			Comment
		2013/14 Value £000k	2014/15 Value £000k	2015/16 Value £000k	
<b>Environment, Leisure and Residents Services</b>					
Cleaner Greener & Cultural Services	Retender of the Waste & Street Cleansing service.	-	-	750	The current contract delivers an estimated £0.5m-£0.75m loss to the contractor.
Cleaner Greener & Cultural Services	New charge for disposing of recyclable waste	153	153	153	Cost increase may exceed growth provision of £150k
<b>Environment, Leisure and Residents Services Total</b>					
<b>Transport and Technical Services</b>		<b>153</b>	<b>153</b>	<b>903</b>	
Parking	Moving Traffic Offences	2,400	2,400	2,400	
Building & Property Management	Total Facilities Management	333	667	667	The key risk is that we do not achieve the £2m minimum savings due to the best and final offer being higher than expected.
Highways and Engineering	Wi-Fi on Lamp Columns	300	300	300	Main risks are that the tender price does not deliver the level of planned income, or the way companies bid may result in a different timing of cash flows.
Building & Property Management	Advertising Hoarding Income	1,300	1,300	1,300	The Council is exposed to the risk changes in market demand for advertising.
Commercialisation	Income	300	300	300	Full year developer and regeneration related income was £1.2m in 2011/12. Risk that developers may change their plans and income may fall. Assume fall of 50% but cost reduction only 33%.
Finance and Corporate Services	Land Charges Income	450	450	450	
Planning	Increasing incidence of exceptional costs of dealing with legal challenges, public inquiries etc	500	500	500	
Planning	Localism Act - supporting neighbourhood planning	50	50	50	
<b>Transport and Technical Services Total</b>		<b>5,633</b>	<b>5,967</b>	<b>5,967</b>	
<b>Housing &amp; Regeneration</b>					

Government	Cap on Household Benefits - potential impact on Housing Association Leasing Scheme (HALS) portfolio	1,705	1,705	1,705	1,705
Government	Cap on Household Benefits - potential impact on B&B portfolio	76	76	76	76
Government	Cap on Household Benefits - potential impact on Private Sector Leasing (PSL) portfolio	1,709	1,709	1,709	1,709
		<b>3,490</b>	<b>3,490</b>	<b>3,490</b>	<b>3,490</b>
Government	Direct Payment of benefits under Universal Credit - potential impact on B&B portfolio	0	288	288	288
Government	Direct Payment of benefits under Universal Credit - potential impact on Private Sector Leasing (PSL) portfolio	0	722	722	722
		<b>0</b>	<b>1,010</b>	<b>1,010</b>	<b>1,010</b>
<b>Housing &amp; Regeneration Total</b>		<b>3,490</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Children's Services</b>					
Social Care	Continued Reduction in the number of Looked After Children	570	570	570	570
Tri Borough	Single Joint Commissioning Team	500	500	500	500
Social Care	Saving created by use of Preventative Services	700	700	700	700
	Troubled Families	120	240	360	360
School Improvement	Change in Education provision	750	750	750	750
Social Care	Increases in Looked After Children (LAC) numbers.	500	500	500	500
Schools	Academy funding	tbc	tbc	tbc	tbc
Schools	Academies	tbc	tbc	tbc	tbc
Social Care	Youth Offending Service, children on remand becoming looked after. Impact on looked after and leaving care service provision.	200	300	400	400
<b>Children's Services Total</b>		<b>3,340</b>	<b>3,560</b>	<b>3,780</b>	<b>3,780</b>



<b>Adult Social Care</b>						
Operations	There is an aging population, in London Borough of Hammersmith & Fulham growth is expected to be 1% per annum. At some stage the reduction in client numbers that we are currently experiencing will plateau and should actually start to rise.	450	900	1,350		
Operations & Provided Services and MH Partnerships.	Increases due to continuing care transfers into social care	500	500	500		
Operations	Increased pressure on equipment budgets as a whole as the Health & Social Care community work together to deliver on admission avoidance & delaying the admission to Residential or Nursing Facilities	100	100	100		
Operations	Maximising revenue from Careline.	400	400	400		The service is being reviewed with Commissioning to look at recommissioning a telephony /Monitoring service on a bi or triborough basis following the conclusion of the Sheltered Schemes currently being conducted by Housing. A local response service will be developed as part of the wider rapid Response Service developments.
Commissioning	NHS Funding for social care ending in 2013/14 and assumed to be on going in the MTFs model.	0	3,287	3,287		Funding unknown from 2014/15
<b>Adult Social Care Total</b>		<b>1,450</b>	<b>5,187</b>	<b>5,637</b>		
<b>Centrally Managed Budgets</b>						
Corporate	Resource Review - Increase in Council Tax Benefit Caseload	600	600	600		Cost of caseload increase will fail to be fully met by local authorities. Increase possible regarding demographic changes and economic downturn.
Corporate	Asset Disposal Programme - delay	700	700	700		20% slippage in the disposals programme based on £35m of sales in 12/13. Also possible downturn in receipts and interest rate adjustments
Corporate	Public Sector Pensions Reform	300	300	300		2% increase in cost modelled. Based on £45m estimated national cost of auto enrolment
Corporate	Contract Inflation -Above expectation	2,900	5,800	9,700		The mainstream forecast assumes inflation of 2.5%. Current rate is 3.5%.
Corporate	Pay inflation - Above expectation	1,000	2,000	3,000		1% pay award currently assumed for 13/14 and 14/15. 2.5% in 15/16.
Corporate	Potential breach of VAT Partial exemption	2,000	2,000	2,000		The Council is able to reclaim VAT incurred on VAT-exempt activities providing this does not exceed 5% of the Council's overall VAT liability in any one year. If this threshold is breached, no VAT can be reclaimed on expenditure incurred in support of these activities.
<b>Centrally Managed Budgets Total</b>		<b>7,500</b>	<b>11,400</b>	<b>16,300</b>		
		<b>21,566</b>	<b>30,767</b>	<b>37,087</b>		

## REVENUE GRANT FUNDING

Funding Stream	2012/13 Award £'000	2013/14 Award £'000	2014/15 Award £'000	Comments
<b>Formula Grant/New RSG Baseline</b>	<b>114,921</b>	<b>110,037</b>		
<b>Grants Rolled-In</b>				
2011/12 Council Tax Freeze Grant	1,619	1,620		
Local Council Tax Support Grant	10,958	10,610		
Early Intervention Grant	8,697	7,069		
Homelessness Prevention Grant	1,775	1,591		
Lead Flood Authority Grant	159	160		
Learning Disability and Health Reform	3,244	4,175		
<b>2013/14 Start-Up Allocation</b>	<b>141,373</b>	<b>135,262</b>	<b>121,733</b>	
<b>Other Unringfenced Specific/Special Grants</b>				
Council Tax Freeze Grant	1,625	533	533	
New Homes Bonus Grant	1,822	2,963	3,913	
Council Tax Localisation Transitional Grant	0	290	0	One-off Grant
Flood	172	172	172	
Housing Benefit & Council tax Administration Grant	2,215	1,989	1,989	14/15 not yet confirmed
Adult Social Care PFI Grant	tbc	tbc	tbc	
Unallocated New Homes Bonus Grant				Allocation of national surplus
LACSEG Grant Added Back	<b>5,834</b>	<b>5,947</b>	<b>6,607</b>	Net of Academy top slice
<b>Like for Like Comparison All General Grants</b>	<b>147,207</b>	<b>141,209</b>	<b>128,340</b>	
<b>Like for Like % reduction</b>		<b>-4.1%</b>	<b>-12.8%</b>	

**New Responsibilities- Unringfenced**

Social Fund (Welfare Reform Act)	124	114	admin grant
Social Fund (Welfare Reform Act)	589	589	prog funding
Community Right to challenge/bid	17	16	
Local Reform & Community Voices	161	166	
Council Tax Support New Burdens Grant	135	130	
	<b>1,026</b>	<b>1,015</b>	

**New Ringfenced Grant**

Public Health

**Status/Amount not yet known**

Children on Remand (Legal Aid Sentencing & Punishment of Offenders Act)

<b>Transport &amp; Technical Services Fees &amp; Charges</b>										
<b>Division/Service</b>	<b>Fee Description</b>	<b>2012/13 Charge (£)</b>	<b>2013/14 Charge (£)</b>	<b>Proposed Uplift (%)</b>	<b>Total Estimated Income Stream for 13/14</b>	<b>Reason for uplift</b>				
Building Control	Schedule A	Various, depending on size and type of work	Various, depending on size and type of work	0%	£1,285,900	The building control market is now a fully mature market with aggressive marketing being done by our competitors including pricing. With increasing market penetration into our domestic market, the price is increasingly seen as the differentiator. For these reasons we believe in order to maintain our current market share fees should not be increased.				
Building Control	Schedule B	Various, depending on size and type of work	Various, depending on size and type of work	0%						
Building Control	Exempt Building Works Consent	100	100	0%						
Building Control	Retrieval of archived Files and Records, & Investigation and Retrieval of Microfiche data	88	100	14%				The BC Project Board at their 21st November 2012 meeting agreed the above amendments to the existing charges including the addition of a new charge for Fast-track completion certificates.		
Building Control	Resurrection of 'old' jobs where no completion inspection had been requested or carried out, and for subsequent issuing of completion letters	88	200	127%						
Building Control	Fast-track Completion Certificate - Resurrection of 'old' jobs where no completion inspection had been requested or carried out – for carrying out of site inspection & issuing of completion certificate within 48 hours	0	300	100%						
Valuation Services	Third Party fees charged for valuation services	510	510	0%			£18,100	The commercial property sector continues to be in recession and businesses are under severe pressure. We continue to have complaints about these charges especially from tenants at Townmead and Sulivan Industrial Estates.		
Parking Pay & Display	Per hour	2.2	2.2	0%			£12,598,900	Price increase in November 2010 - Expecting increase in revenue through MTFS		
Parking Permits	Residents First Permit (6 months)	71	71	0%			£3,853,500	The Resident first permit charge has been frozen until 2014/15, as per the cabinet report in October 2010.		
Parking Permits	Residents First Permit (12 months)	119	119	0%						
Parking Pay Suspensions	1-5 days	35	40	14%	£1,180,200	New charging structure - from cabinet paper on 23rd July 2012				
Parking Pay Suspensions	6-42 days	35	60	71%						
Parking Pay Suspensions	43 days +	35	80	129%						

Division/Service	Fee Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 13/14	Reason for uplift
Community Infrastructure Levy - Residential	South		200	100%		
Community Infrastructure Levy - Residential	Central A - Hammersmith Town Centre		400	100%		
Community Infrastructure Levy - Residential	Central B - Outside Hammersmith Town Centre		400	100%		
Community Infrastructure Levy - Residential	North		100	100%		
Community Infrastructure Levy - Office/ Health/ Education/ Industrial	South		0	0%		
Community Infrastructure Levy - Office/ Health/ Education/ Industrial	Central A - Hammersmith Town Centre		80	100%		
Community Infrastructure Levy - Office/ Health/ Education/ Industrial	Central B - Outside Hammersmith Town Centre		0	0%		
Community Infrastructure Levy - Office/ Health/ Education/ Industrial	North		0	0%		
Community Infrastructure Levy - Warehousing	South		0	0%		
Community Infrastructure Levy - Warehousing	Central A - Hammersmith Town Centre		0	0%		
Community Infrastructure Levy - Warehousing	Central B - Outside Hammersmith Town Centre		0	0%		
Community Infrastructure Levy - Warehousing	North		0	0%		
Community Infrastructure Levy - All other uses	South		80	100%		
Community Infrastructure Levy - All other uses	Central A - Hammersmith Town Centre		80	100%		
Community Infrastructure Levy - All other uses	Central B - Outside Hammersmith Town Centre		80	100%		
Community Infrastructure Levy - All other uses	North		80	100%		
						New charge - starting April 2013

Environment, Leisure & Residents' Services Fees & Charges

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
<b>CEMETERIES - VAT Exempt</b>					
<b>CEMETERIES - VAT Exempt</b>					
	<b>Resident Fees</b>				
Private Grave	Purchase and Grant (75 years)	£1,680.00	£1,680.00	0%	
Interment/Reopening	Up to 2 interments (each)	£1,260.00	£1,260.00	0%	
Interment/Reopening	Per extra interment (below 7ft)	£263.00	£263.00	0%	
Exhumations	Standard Charge (Coffin or Casket)	£1,968.00	£1,968.00	0%	
Exhumations	Disinterment of Cremated Remains	£158.00	£158.00	0%	
Exhumations	Grave Diggers Allowance per Grave	£105.00	£105.00	0%	
Interment of cremated remains	Purchase and Grant	£578.00	£578.00	0%	
Interment of cremated remains	Interment	£315.00	£315.00	0%	
Interment of cremated remains	Scattering of Ashes	£79.00	£79.00	0%	
Search Fee	Standard	£10.00	£10.00	0%	
Change of Ownership	Standard	£90.00	£90.00	0%	
Chapel	Use of chapel	£89.00	£89.00	0%	
Grave Maintenance	Soil or Turf	£77.00	£77.00	0%	
Grave Maintenance	Full Maintenance	£162.00	£162.00	0%	
Grave Maintenance	Attention only	£116.00	£116.00	0%	

Significant Revisions in April 2011. Service review currently underway to determine the long term delivery of the cemetery and grave maintenance service. Fees and charges for 2013/14 to be reviewed as part of the service review.

Environment, Leisure & Residents' Services Fees & Charges

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
<b>CEMETERIES - VAT Exempt</b>	<b>Non Resident Fees</b>				
Private Grave	Purchase and Grant (75 years)	£4,095.00	£4,095.00	0%	
Interment/Reopening	Up to 2 interments (each)	£1,838.00	£1,838.00	0%	
Interment/Reopening	Per extra interment (below 7ft)	£735.00	£735.00	0%	
Interment/Reopening	Casket (includes interment fee)	£2,363.00	£2,363.00	0%	
Non private grave	Grave space only	£1,733.00	£1,733.00	0%	
Exhumations	Standard Charge (Coffin or Casket)	£1,968.00	£1,968.00	0%	Significant Revisions in April 2011.
Exhumations	Disinterment of Cremated Remains	£158.00	£158.00	0%	Service review currently underway to determine the long term delivery of the cemetery and grave
Exhumations	Grave Diggers Allowance per Grave	£105.00	£105.00	0%	maintenance service. Fees and charges for 2013/14 to be reviewed as part of the service review.
Interment of cremated remains	Purchase and Grant	£1,365.00	£1,365.00	0%	
Interment of cremated remains	Interment	£420.00	£420.00	0%	
Interment of cremated remains	Scattering of Ashes	£79.00	£79.00	0%	
Search Fee	Standard	£10.00	£10.00	0%	
Change of Ownership	Standard	£90.00	£90.00	0%	
Chapel	Use of chapel	£89.00	£89.00	0%	
Grave Maintenance	Soil or Turf	£77.00	£77.00	0%	
Grave Maintenance	Full Maintenance	£162.00	£162.00	0%	
Grave Maintenance	Attention only	£116.00	£116.00	0%	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
<b>LIBRARIES</b>						
<b>Adults 16-59, Concessions: Children 0-11, Teens 12-15, Pensioners 60+, Lifestyle Plus cardholders.</b>						
Book Overdue and Reservation Charges	Overdue Books - Per Day Age 16-59	£0.25	TBC			
Book Overdue and Reservation Charges	Requests not in stock- British Library	£5.00	TBC			
Book Overdue and Reservation Charges	Requests not in stock - SELMS partners	£2.00	TBC			
Book Overdue and Reservation Charges	Requests- Age 16-59	£1.00	TBC			
Book Overdue and Reservation Charges	Overdue Notifications Printed- all ages (No VAT Charged)	£0.40	TBC		Tri Borough Review of Fees and charges being undertaken as part of separate exercise by WCC	
Audio-Visual Loan and Overdue Charges	DVD Loans Feature Films 3 days Adult Age 16-59	£1.50	TBC			
Audio-Visual Loan and Overdue Charges	Overdue DVDs- Age 16-59 Per Day Max £7.50	£0.75	TBC			
Audio-Visual Loan and Overdue Charges	Language Courses/ Learning Packs-three weeks	£2.50	TBC			
Audio-Visual Loan and Overdue Charges	Overdue CDs- Per Day Max £7.50 (No VAT Charged)	£0.25	TBC			
Audio-Visual Loan and Overdue Charges	Box sets DVDs loans Age 16-59 (No VAT Charged)	£3.50	TBC			
Audio-Visual Loan and Overdue Charges	Box sets DVDs Overdues to a maximum of 7.50 Age 16-59 (No VAT Charged)	£0.75	TBC			
Audio-Visual Loan and Overdue Charges	Talking Book Loans	£1.00	TBC			
Internet Charges	Access - After First Half Hour - Per Half Hour members	£0.50	TBC			
Internet Charges	(H&F School Children Free)	£0.00	TBC			
Internet Charges	A4 Print - black and white	£0.10	TBC			



**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Internet Charges	Access- None members pay for every Half Hour	£0.50	TBC		Tri Borough Review of Fees and charges being undertaken as part of separate exercise by WCC
Internet Charges	Access- Advance 3 hour booking	£2.00	TBC		
Internet Charges	A4 Colour	£1.00	TBC		
Fax Charges - Per Page	UK	£1.00	TBC		
Fax Charges - Per Page	Europe	£1.50	TBC		
Fax Charges - Per Page	North America	£2.00	TBC		
Fax Charges - Per Page	Australia	£2.00	TBC		
Fax Charges - Per Page	Elsewhere	£4.00	TBC		
Fax Charges - Per Page	Incoming Material	£1.00	TBC		
Photocopying - Per Page	A4 black and white - self service	£0.10	TBC		
Photocopying - Per Page	A3 black and white - self service	£0.20	TBC		
Photocopying - Per Page	A4 black and white - assisted service	£0.20	TBC		
Photocopying - Per Page	A3 black and white - assisted service	£0.40	TBC		
Photocopying - Per Page	A4 colour - self service	£1.00	TBC		
Photocopying - Per Page	A3 colour - self service	£1.50	TBC		
Photocopying - Per Page	A4 colour - assisted	£1.50	TBC		
Photocopying - Per Page	A3 colour - assisted	£20.00	TBC		

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
	<b>Withdrawn Library Books</b>				
Sale Items - guide prices - No VAT Charged	Adult Fiction and Children's books	£0.60	TBC		
Sale Items - guide prices - No VAT Charged	Adult Non-Fiction	£1.00	TBC		
Sale Items - guide prices - No VAT Charged	Paperbacks	£0.50	TBC		
Sale Items - guide prices - No VAT Charged	Cassettes	£0.50	TBC		
Sale Items - guide prices - No VAT Charged	CD's	£0.50	TBC		
Sale Items - guide prices - No VAT Charged	Videos/DVDs	£0.50	TBC		Tri Borough Review of Fees and charges being undertaken as part of separate exercise by WCC
	<b>Miscellaneous Sale Items</b>				
Sale Items - guide prices - No VAT Charged	ECO Bags	£1.00	TBC		
Sale Items - guide prices - No VAT Charged	Memory Sticks	£9.00	TBC		
	<b>(Voluntary groups in H&amp;F, Registered charities and Residents Associations only)</b>				
Premises Hire - Per Hour	During Library Hours	£15.00	TBC		
Premises Hire - Per Hour	Outside library Hours	£50.00	TBC		

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
	<b>Other</b>				
Premises Hire - Per Hour	During Library Hours	£30.00	TBC		
Premises Hire - Per Hour	Outside library Hours	£100.00	TBC		
Exhibition Space - Per Day	Preparatory Day	£60.00	TBC		
Exhibition Space - Per Day	Exhibition Days	£120.00	TBC		
<b>RECREATION (All charges Inclusive of VAT @ 20% unless Stated Otherwise)</b>					
	<b>Winter Pitch Bookings</b>				
	<b>Inclusive of Changing Rooms &amp; Nets/Flags</b>				
FOOTBALL (GRASS PITCHES)	Full-Size Pitch Per Game	£75.00	£80.00	7%	Same rise as last year.
FOOTBALL (GRASS PITCHES)	Full-Size Pitch Per Day	£300.00	£320.00	7%	4x Standard Price
FOOTBALL (GRASS PITCHES)	Junior-Size Pitch Per Game	£48.00	£50.00	4%	Standard price rise.
FOOTBALL (GRASS PITCHES)	7-A-Side Size Pitch Per Game (Goals/Nets/Flags not supplied)	£38.00	£40.00	5%	Standard price rise.
FOOTBALL (GRASS PITCHES)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
FOOTBALL (GRASS PITCHES)	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT	
	<b>Inclusive of Pitch Hire Only</b>					
11-A-SIDE ALL-WEATHER PITCHES (11AWP)	Per Pitch Per Hour	£75.00	£80.00	7%	Standard price rise.	
11-A-SIDE ALL-WEATHER PITCHES (11AWP)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.	
11-A-SIDE ALL-WEATHER PITCHES (11AWP)	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-borough price + VAT	
	<b>Inclusive of Pitch Hire Only</b>					
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour	£38.00	£40.00	5%	Standard price rise.	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Chelsea FC (Eel Brook Common Only)	£17.50	£20.00	14%	50% of standard rate. Old price not previously recorded	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£20.00	£22.00	10%	Standard price rise.	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Out of Borough & Private Schools	£24.00	£26.40	10%	In-borough price + VAT	
	<b>Inclusive of Changing Rooms if Desired</b>					
	<b>Off-Peak Hours 09:00-18:00 Mon-Fri. Peak Hours 18:00-22:00 Mon-Fri &amp; Weekends</b>					
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Adult / Club (Peak)	£38.00	£40.00	5%	Standard price rise.	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Adult / Club (Off Peak)	£22.00	£25.00	14%	Standard price rise.	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£20.00	£22.00	10%	Standard price rise.	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Out of Borough & Private Schools	£24.00	£26.40	10%	In-Borough price + VAT	
	<b>Contact Price for QPR / Chelsea FC / Chiswick Hockey</b>					
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Contract Adult	£22.00	£25.00	14%	Standard price rise.	
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour - Contract Junior	£20.00	£22.00	10%	Standard price rise.	
	<b>Pay &amp; Play (Un-booked) Cash Rate</b>					
5-A-SIDE ALL-WEATHER PITCHES (5AWP)	Per Pitch Per Hour		£55.00		New rate to encourage pre-booking	
	<b>Inclusive of Changing Rooms</b>					
RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY/AUSTRALIAN RULES	Per Pitch Per Hour - In Borough State Schools	£75.00	£80.00	7%	Same rise as last year.	
RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY/AUSTRALIAN RULES	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.	
RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY/AUSTRALIAN RULES	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT	
	<b>Summer Pitch Bookings</b>					
	<b>Inclusive of Changing Rooms. No Stumps, Equipment, Etc Provided</b>					

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
CRICKET (PITCH)	Per Pitch Per Game - Weekend	£95.00	£105.00	11%	Same rise as last year.
CRICKET (PITCH)	Per Pitch Per Game - Weekend (Inclusive of Nets)	N/A	£115.00	New Charge	New price for proposed facility. Standard price + £10.00
CRICKET (PITCH)	Per Pitch Per Game - Weekday	£85.00	£90.00	6%	Standard price rise.
CRICKET (PITCH)	Per Pitch Per Game - Weekday (Inclusive of Nets)	N/A	£100.00	New Charge	New price for proposed facility. Standard price + £10.00
CRICKET (PITCH)	Per Pitch Per Game - Bank Holiday	£110.00	£115.00	5%	Standard price rise.
CRICKET (PITCH)	Per Pitch Per Game - Bank Holiday (Inclusive of Nets)	N/A	£125.00	New Charge	New price for proposed facility. Standard price + £10.00
CRICKET (PITCH)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.
CRICKET (PITCH)	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT
	<b>Inclusive of Net Hire only, where requested without a pitch.</b>				
CRICKET (NETS)	Per Pair Per Hour	N/A	£25.00	New Charge	New price for proposed facility.
CRICKET (NETS)	Per Pair Per Hour - In-Borough State Schools (VAT Exempt)	N/A	£20.00	New Charge	New price for proposed facility.
CRICKET (NETS)	Per Pair Per Hour - Out of Borough and Private Schools	N/A	£24.00	New Charge	New price for proposed facility.
	<b>Inclusive of Changing Rooms.</b>				
ROUNDERS/BASEBALL	Per Pitch Per Game	£75.00	£80.00	7%	Standard price rise.

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
ROUNDERS/BASEBALL	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.
ROUNDERS/BASEBALL	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT
	<b>Inclusive of Pitch Hire Only</b>				
MINI BASEBALL	Per Pitch Per Game	£50.00	£55.00	10%	Price has not risen for 2 years
	<b>Inclusive of Pitch Hire Only</b>				
SOFTBALL	Per Pitch Per Game	£75.00	£80.00	7%	Standard price rise.
SOFTBALL	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	N/A	£38.00	New Charge	Standard price rise.
SOFTBALL	Per Pitch Per Hour - Out of Borough & Private Schools	N/A	£45.60	New Charge	In-Borough price + VAT
	<b>Inclusive of Pitch Hire Only</b>				
BICYCLE POLO	Per Pitch Per Game - Weekend	£75.00	£80.00	7%	Standard price rise.
BICYCLE POLO	Per Pitch Per Game - Weekday	£65.00	£70.00	8%	Standard price rise.
	<b>Inclusive of Pitch Hire Only</b>				
TOUCH/TAG RUGBY	Per Pitch Per Game	£35.00	£40.00	14%	Raised slightly ahead of schools

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
TOUCH/TAG RUGBY	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.	
TOUCH/TAG RUGBY	Per Pitch Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT	
	<b>ATHLETICS &amp; SPORTS DAYS</b>					
	<b>Inclusive of Line Markings (100m Track) &amp; Changing Rooms</b>					
Hurlingham Park & South Park	Per Space Per Hour	£50.00	£55.00	10%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Half Day (3 Hours)	£140.00	£150.00	7%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Full Day (6 Hours)	£275.00	£300.00	9%	Standard price rise.	
	<b>Inclusive of Pitch Hire Only</b>					
Hurlingham Park & South Park	Per Space Per Hour	£40.00	£45.00	13%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Half Day (3 Hours)	£110.00	£120.00	9%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Full Day (6 Hours)	£210.00	£230.00	10%	Standard price rise.	
	<b>Inclusive of Line Markings (100m Track) &amp; Changing Rooms</b>					



**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
Hurlingham Park & South Park	Per Space Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Hour - Out of Borough & Private Schools	£42.00	£45.60	New Charge	In-Borough price + VAT	
Hurlingham Park & South Park	Per Space Per Half Day (3 Hours) - In Borough State Schools (VAT Exempt)	£95.00	£100.00	5%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Half Day (3 Hours) - Out of Borough & Private Schools	£114.00	£120.00	New Charge	In-Borough price + VAT	
Hurlingham Park & South Park	Per Space Per Full Day (6 Hours) - In Borough State Schools (VAT Exempt)	£185.00	£195.00	5%	Standard price rise.	
Hurlingham Park & South Park	Per Space Per Full Day (6 Hours) - Out of Borough & Private Schools	£222.00	£234.00	New Charge	In-Borough price + VAT	
	<b>Inclusive of Pitch Hire Only</b>					
Ravenscourt Park, Brook Green, Bishops Park & Lillie Road Rec	Per Space Per Hour	£22.00	£25.00	14%	Standard price rise.	
Ravenscourt Park, Brook Green, Bishops Park & Lillie Road Rec	Per Space Per Half Day (3 Hours)	£60.00	£70.00	17%	Standard price rise.	
Ravenscourt Park, Brook Green, Bishops Park & Lillie Road Rec	Per Space Per Full Day (6 Hours)	£115.00	£130.00	13%	Standard price rise.	
Ravenscourt Park, Brook Green, Bishops Park & Lillie Road Rec	Per Space Per Hour - In Borough State Schools (VAT Exempt)	£20.00	£22.00	10%	Standard price rise.	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Ravenscourt Park, Brook Green, Bishops Park & Lillie Road Rec	Per Space Per Hour - Out of Borough & Private Schools	£24.00	£26.40	10%	In-Borough price + VAT
	<b>TENNIS</b>				
Daytime Pay & Play	Pay & Play Per Hour	£9.00	£9.00	0%	Benchmarking with similar facilities in similar condition
Daytime Pay & Play	Pre Booked Per Hour (Minimum 5 bookings)	£7.00	£7.00	0%	Benchmarking with similar facilities in similar condition
Daytime Pay & Play	Pay & Play Per Hour - Youth (U18)	£3.50	£3.50	0%	Benchmarking with similar facilities in similar condition
Daytime Pay & Play	Pre-Booked Per Hour - School	£3.50	£3.50	0%	Benchmarking with similar facilities in similar condition
Pay & Play Per Hour (Adult)	Pay & Play Per Hour (Adult)	£11.00	£11.00	0%	Benchmarking with similar facilities in similar condition
Pre Booked Per Hour (Charge for 5 minimum bookings)	Pre Booked Per Hour (Charge for 5 minimum bookings)	£7.00	£35.00	400%	Benchmarking with similar facilities in similar condition
Pre Booked Per Hour (Charge for 10 minimum bookings)	Pre Booked Per Hour (Charge for 10 minimum bookings)	£70.00	£70.00	0%	Benchmarking with similar facilities in similar condition
Pay & Play Per Hour - Youth (U18)	Pay & Play Per Hour - Youth (U18)	£5.50	£5.50	0%	Benchmarking with similar facilities in similar condition
Pre-Booked Per Hour - School	Pre-Booked Per Hour - School	£5.50	£5.50	0%	Benchmarking with similar facilities in similar condition

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
	<b>Miscellaneous</b>					
Coaches Licence Fee (One payment)	Coaches Licence Fee (One payment)	£920.00	£960.00	4%	Price has not risen for 2 years	
NETBALL	Inclusive of Court Hire Only					
NETBALL	Per Court Per Hour - Daytime	£15.00	£18.00	20%	Same rise as last year.	
NETBALL	Per Court Per Hour - Floodlit	£25.00	£28.00	12%	Same rise as last year.	
NETBALL	Per Court Per Hour - In Borough State Schools (VAT Exempt)	£12.00	£15.00	25%	Standard price rise.	
NETBALL	Per Court Per Hour - Out of Borough & Private Schools	£14.40	£18.00	25%	In-Borough price + VAT	
COMMUNITY ROOM - Hurlingham Park	Room Hire Only	£50.00	£52.00	4%	Standard price rise.	
COMMUNITY ROOM - Hurlingham Park	Party Hire	£95.00	£100.00	5%	Standard price rise.	
LINE MARKINGS (Where supplied as an extra)	Athletics Per Hour	£20.00	£25.00	25%	Same rise as last year.	
CHANGING ROOMS (Where supplied as an extra)	Per Booking	£18.00	£20.00	11%	Raised slightly ahead of schools	
CHANGING ROOMS (Where supplied as an extra)	Per Booking - In Borough State Schools (VAT Exempt)	£18.00	£20.00	11%	Standard price rise.	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
CHANGING ROOMS (Where supplied as an extra)	Per Booking - Out of Borough & Private Schools	£21.60	£24.00	11%	In-Borough price + VAT	
BOWLS	Operation of Bowling Greens is carried out by local Bowling Clubs					
BOWLS	Adult - per person per round	£2.00	£2.00	0%	Market forces - low uptake currently	
BOWLS	OAP/Youth - per person per round	£1.00	£1.00	0%	Market forces - low uptake currently	
BOWLS	Adult season ticket	£44.00	£44.00	0%	Market forces - low uptake currently	
BOWLS	OAP/Youth season ticket	£22.00	£22.00	0%	Market forces - low uptake currently	
BOWLS	Locker rent	£10.00	£10.00	0%	Market forces - low uptake currently	
TRAINING AREAS - Hurlingham Park - Inclusive of Changing Rooms & Floodlights	Training Area Per Hour	£35.00	£38.00	9%	Raised slightly ahead of schools	
TRAINING AREAS - Hurlingham Park - Inclusive of Changing Rooms & Floodlights	Training Area Per Hour - In Borough State Schools (VAT Exempt)	£35.00	£38.00	9%	Standard price rise.	
TRAINING AREAS - Hurlingham Park - Inclusive of Changing Rooms & Floodlights	Training Area Per Hour - Out of Borough & Private Schools	£42.00	£45.60	9%	In-Borough price + VAT	
	<b>Fulham Football Club - Grass pitch and Community Room</b>					
TRAINING AREAS - Hurlingham Park - Inclusive of Changing Rooms & Floodlights	Grass pitches, Com Room & Changing room -per day	£75.00	£85.00	13%		

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Lillie Road, Bishops Park, South Park & Eel Brook Common - Inclusive of Pitch Hire Only	Training Area Per Hour	£35.00	£38.00	9%	Standard price rise.
Lillie Road, Bishops Park, South Park & Eel Brook Common - Inclusive of Pitch Hire Only	Equipment Storage	£150.00	£160.00	7%	Standard price rise.
PERSONAL TRAINER ANNUAL LICENCE FEE	GROUP TRAINING INSTRUCTOR ANNUAL LICENCE FEE	£1,200.00	£1,200.00	0%	Local benchmarking
DISCOUNT RATES - Discounts apply to all prices above except where stated otherwise.	6+ Block Booking	20%	20%	0%	No Change.
DISCOUNT RATES - Discounts apply to all prices above except where stated otherwise.	10+ Block Booking (that meet criteria) VAT Exempt	20%	20%	0%	No Change.
DISCOUNT RATES - Discounts apply to all prices above except where stated otherwise.	Council Departments	20%	20%	0%	No Change.
DISCOUNT RATES - Discounts apply to all prices above except where stated otherwise.	Registered Charities	10%	10%	0%	No Change.
<b>LINFORD CHRISTIE STADIUM</b>					
Athletics - Annual Inclusive Pass	Adult (Member)	£90.00	£90.00	0%	
Athletics - Annual Inclusive Pass	Adult ( Non Member)	£140.00	£140.00	0%	
Athletics - Annual Inclusive Pass	*Concessionary (12 months only) (member)	£40.00	£40.00	0%	*Under 16's Over 60's or Disabled
Athletics - Annual Inclusive Pass	*Concessionary (12 months only) (Non Member)	£70.00	£70.00	0%	*Under 16's Over 60's or Disabled

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Athletics - Annual Inclusive Pass	Student 12 months	£70.00	£70.00	0%	
Athletics - Annual Inclusive Pass	Adult 6 months (member)	£50.00	£50.00	0%	
Athletics - Annual Inclusive Pass	Adult 6 months (non member)	£80.00	£80.00	0%	
Causal Use session Price	Adult (Member)	£4.00	£4.00	0%	
Causal Use session Price	Adult (Non Member)	£5.00	£5.00	0%	
Causal Use session Price	*Concessionary (12 months only) (member)	£2.00	£2.00	0%	*Under 16's Over 60's or Disabled
Causal Use session Price	*Concessionary (12 months only) (Non Member)	£3.00	£3.00	0%	*Under 16's Over 60's or Disabled
Causal Use session Price	Lifestyle Plus Member	£0.50	£0.50	0%	
Causal Use session Price	Adult spectator/ entrance fee (events)	£2.00	£2.00	0%	
Causal Use session Price	Use of shower facilities / changing facilities	£2.00	£2.00	0%	
Running Track Hire	Training (LBHF School) facilities only (VAT Exempt)	£24.00	£27.00	13%	Price was frozen for 2 years
Running Track Hire	Training (non LBHF School) facilities only	£48.00	£52.00	8%	This price is not tied to In-borough rate
Running Track Hire	Training (LBHF School) facilities and Instructor (VAT Exempt)	£42.00	£48.00	14%	Price was frozen for 2 years

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Running Track Hire	Training (non LBHF School) facilities and Instructor	£56.00	£60.00	7%	This price is not tied to In-borough rate
Running Track Hire	Sports Day (LBHF School) up to 3 hrs - Facility only (VAT Exempt)	£140.00	£150.00	7%	
Running Track Hire	Sports Day (non LBHF School) up to 3 hrs - Facility only	£164.50	£180.00	9%	In-Borough price + VAT
Running Track Hire	Sports Day (LBHF School) up to 3 hrs - Facility and Instructor (VAT Exempt)	£220.00	£230.00	5%	
Running Track Hire	Sports Day (non LBHF School) up to 3 hrs - Facility and Instructor	£258.50	£276.00	7%	In-Borough price + VAT
Running Track Hire	Sports Days Per Hour (LBHF School) in excess of 3 hrs (VAT Exempt)	£56.00	£60.00	7%	Standard price rise.
Running Track Hire	Sports Days Per Hour (non LBHF School) in excess of 3 hrs	N/A	£72.00	New Charge	In-Borough price + VAT
Running Track Hire	Thames Valley Harriers meetings	£48.00	£50.00	4%	Standard price rise.
Running Track Hire	Additional miscellaneous fee - setting out and clearing up	£56.00	£60.00	7%	Standard price rise.
Pitches & Ancillary Hire Services - 11-A-SIDE ALL-WEATHER PITCH (11AWP) - (Inclusive of Changing Rooms if Desired	Per Pitch Per Hour - Adult	£82.00	£85.00	4%	Standard price rise.
Pitches & Ancillary Hire Services - 11-A-SIDE ALL-WEATHER PITCH (11AWP) - (Inclusive of Changing Rooms if Desired	Per Pitch Per Hour - FA-Recognised Club	£62.00	£65.00	5%	Standard price rise.

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
Pitches & Ancillary Hire Services - 11-A-SIDE ALL-WEATHER PITCH (11AWP) - (Inclusive of Changing Rooms if Desired)	Per Pitch Per Hour - In Borough State Schools (VAT Exempt)	£42.00	£45.00	7%	Standard price rise.	
Pitches & Ancillary Hire Services - 11-A-SIDE ALL-WEATHER PITCH (11AWP) - (Inclusive of Changing Rooms if Desired)	Per Pitch Per Hour - Out of Borough & Private Schools	£50.40	£54.00	7%	In-Borough price + VAT	
Contact Price for QPR / Chelsea FC / Chiswick Hockey	Per Pitch Per Hour - Contract Adult	£45.00	£48.00	7%	Standard price rise.	
Contact Price for QPR / Chelsea FC / Chiswick Hockey	Per Pitch Per Hour - Contract Junior	£30.00	£32.00	7%	Standard price rise.	
Play & Play (Un-booked) Cash Rate	Per Pitch Per Hour	N/A	£100.00	New Charge	New rate to encourage pre-booking	
GRASS RUGBY PITCH - Inclusive of Changing Rooms	Centre - without Floodlighting	£80.00	£85.00	6%	Standard price rise.	
GRASS RUGBY PITCH - Inclusive of Changing Rooms	Centre - without Floodlighting - School	£55.00	£60.00	9%	Standard price rise.	
GRASS RUGBY PITCH - Inclusive of Changing Rooms	Centre - with Floodlighting	£100.00	£105.00	5%	Standard price rise.	
GRASS RUGBY PITCH - Inclusive of Changing Rooms	Centre - with Floodlighting - School	£65.00	£70.00	8%	Standard price rise.	
GRASS RUGBY PITCH - Inclusive of Changing Rooms	Rugby Training area - top & bottom (no Floodlights)	£32.00	£35.00	9%	Standard price rise.	
ROOMS / STORAGE HIRE	Community Room	£32.00	£35.00	9%	Standard price rise.	



**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
ROOMS / STORAGE HIRE	Announcer's Box	£32.00	£35.00	9%	Standard price rise.	
ROOMS / STORAGE HIRE	Changing Room Per Team (when no pitch hire)	£32.00	£35.00	9%	Standard price rise.	
ROOMS / STORAGE HIRE	Storage Container (Per Annum)	£1,750.00	£1,850.00	6%	Price has not risen for 2 years	
ROOMS / STORAGE HIRE	Community Room - School	£18.00	£20.00	11%	Standard price rise.	
ROOMS / STORAGE HIRE	Announcer's Box - School	£18.00	£20.00	11%	Standard price rise.	
ROOMS / STORAGE HIRE	Changing Room Per Team (when no pitch hire) - School	£18.00	£20.00	11%	Standard price rise.	
ROOMS / STORAGE HIRE	Storage Container (Per Annum) - School	£1,200.00	£1,300.00	8%	Price has not risen for 2 years	
<b>WASTE MANAGEMENT (20% Discount Applied for Charities)</b>						
Sack Waste & Recycling	Trade Waste Sacks - General Waste - cost per sack	£1.65	£1.83	11%	In line with RBKC	
Sack Waste & Recycling	Pay As You Throw Trade Waste Sacks - General Waste - cost per sack	£1.45	£1.83	26%	Now same as contract price	
Sack Waste & Recycling	Trade Waste Sacks - Recycling - cost per sack	£1.35	£1.40	4%		

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
Sack Waste & Recycling	Pay As You Throw Trade Waste Sacks - Recycling - cost per sack	£1.25	£1.40	12%	Now same as contract price	
Wheelee Bin Waste & Recycling	360 Ltr Wheelee Bins - General Waste - cost per empty	£7.65	£8.83	15%	15% increase - it is felt this charge is viable considering the current demand for this container type	
Wheelee Bin Waste & Recycling	360 Ltr Wheelee Bins - Recycling - cost per empty	£4.85	£5.20	7%		
Wheelee Bin Waste & Recycling	660 Ltr Wheelee Bins - General Waste - cost per empty	£10.03	£11.58	15%	15% increase - within range of low and high weight break even costs	
Wheelee Bin Waste & Recycling	660 Ltr Wheelee Bins - Recycling - cost per empty	£7.00	£7.35	5%		
PALADINS/Chamberlains	940 Ltr Paladins & Chamberlains - General Waste Only	£13.81	£15.00	9%	Prices matched to 1100 litre bins	
PALADINS/Chamberlains	940 Ltr Paladins & Chamberlains - General Waste Only - at 25%	£3.45	£3.75	9%		
Euro Bins Waste & Recycling	1100 Ltr Euro Bins - General Waste - cost per empty	£13.81	£15.00	9%	In line with RBKC	
Euro Bins Waste & Recycling	1280 Ltr Euro Bins - General Waste - cost per empty	£13.81	£15.00	9%	Prices matched to 1100 litre bins	
Euro Bins Waste & Recycling	1280 Ltr Euro Bins - Recycling - cost per empty	£10.39	£10.91	5%	Non-standard bin occasionally supplied in absence of 1100 litre bin - priced to match	
Euro Bins Waste & Recycling	1280 Ltr Euro Bins - Recycling - cost per empty - at 25%	£2.60	£2.73	5%	Non-standard bin occasionally supplied in absence of 1100 litre bin - priced to match	
Euro Bins - Domestic Bin Hire	360 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£1.00	£1.05	5%		

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Euro Bins - Domestic Bin Hire	1100 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£1.99	£2.09	5%	
Euro Bins - Domestic Bin Hire	1280 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£1.99	£2.09	5%	
Euro Bins - Domestic Bin Hire	Chamberlain Bins - Domestic Bin Hire - cost per bin per week	£1.53	£1.61	5%	
Euro Bins - Domestic Bin Hire	Paladin Bins - Domestic Bin Hire - cost per bin per week	£1.53	£1.61	5%	
CONTAINER REPLACEMENT	1280 Litre replacement	N/A	£352.63	N/A	cost + 15%
CONTAINER REPLACEMENT	Paladin replacement	N/A	£283.18	N/A	cost + 15%
CONTAINER REPLACEMENT	Chamberlain 940 Litre replacement	N/A	£283.18	N/A	cost + 15%
CONTAINER REPLACEMENT	1100 Litre replacement	N/A	£278.87	N/A	cost + 15%
CONTAINER REPLACEMENT	660 Litre replacement	N/A	£269.20	N/A	cost + 15%
CONTAINER REPLACEMENT	360 Litre replacement - waste	N/A	£101.20	N/A	cost + 15%
CONTAINER REPLACEMENT	360 Litre replacement - recycling	N/A	£295.59	N/A	cost + 15%
BIN REPAIR (NON-RBKC CONTAINER)	Lid	N/A	No Charge	N/A	Included in maintenance charge

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
BIN REPAIR (NON-RBKC CONTAINER)	Wheels (per wheel)	N/A	No Charge	N/A	Included in maintenance charge	
Trade Bulky Collections	Bulky Waste Collection (e.g. Fridge / Freezer Collection)	POA	POA	N/A		
Trade Bulky Collections	Two fridges / freezers	POA	POA	N/A		
Trade Bulky Collections	Three fridges / freezers	POA	POA	N/A		
Trade Bulky Collections	Minimum Charge		£25.00			
Skips & Compactors	Domestic Compactors - Internal - All Sizes	£141.12	£141.12	0%		
Skips & Compactors	Domestic Compactors - External - All Sizes	£141.12	£141.12	0%		
Skips & Compactors	Commercial Compactors	£350.00	£385.00	10%	10% increase to cover costs as no price increase in Apr 12	
Skips & Compactors	Skips	£200.00	£220.00	10%	10% increase to cover costs as no price increase in Apr 12	
Duty of Care Certificates	Annual Duty of Care Certificate for casual Pay As You Throw customers	£25.00	£30.00	20%	tbc	
Duty of Care Certificates	Annual Duty of Care Certificate for contract customers	£30.00	£30.00	0%	Same as 2012/13	
Duty of Care Certificates	Revisions to Duty of Care Certificates	£25.00	£25.00	0%	Same as 2012/13	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Recycling Contamination Charge	Orange Sack - Customer not removing contamination - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	Orange Sack - Customer not removing contamination - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	360 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	360 Ltr Euro Bins - Customer not removing contamination - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	360 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	360 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	660 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	660 Ltr Euro Bins - Customer not removing contamination - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	660 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	660 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1100 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Recycling Contamination Charge	1100 Ltr Euro Bins - Customer not removing contamination - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1100 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1100 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1280 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1280 Ltr Euro Bins - Customer not removing contamination - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1280 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Recycling Contamination Charge	1280 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	N/A	£25.50	New Charge	Based on increased waste collection and disposal costs and administration costs
Household Bulky Collections - VAT Zero rated	Up to 10 items of unwanted household furniture or similar items	£25.00	£25.00	0%	Current charges per item are close to the London average; price increase could have detrimental impact on street scene (dumping); charge in line with current WRWA Re-use charge
Household Bulky Collections - VAT Zero rated	Up to 10 electrical items/domestic appliances	£25.00	£25.00	0%	
Household Bulky Collections - VAT Zero rated	Further items (furniture and electrical appliances) charged at £5.75 per additional item	£5.75	£5.75	0%	
Household Bulky Collections - VAT Zero rated	Up to 10 bags of miscellaneous effects	£25.00	£25.00	0%	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
Household Bulky Collections - VAT Zero rated	Further bags charged at £2.00 per additional bag	£2.00	£2.00	0%	
Household Derived Builders Rubble - VAT Zero rated	Minimum charge for up to 10 sacks of household derived builders rubble	£30.00	£30.00	0%	Current charges per item are close to the London average; price increase could have detrimental impact on street scene (dumping)
Household Derived Builders Rubble - VAT Zero rated	Further items charged at £3.00 per additional sack		£3.00		
Bathroom Suites (items include bath, toilet, hand basin & shower stand)	First item	£30.00	£30.00	0%	Current charges per item are close to the London average; price increase could have detrimental impact on street scene (dumping)
Bathroom Suites (items include bath, toilet, hand basin & shower stand)	Further items charged at £5.75 per additional item		£5.75		
Household Fencing Waste	First 5 panels	£35.00	£35.00	0%	Current charges per item are close to the London average; price increase could have detrimental impact on street scene (dumping)
Household Fencing Waste	Additional Panels		£5.75		
Household Fencing Waste	Broken down sheds	£60.00	£60.00	0%	
<b>STREET TRADING CHARGES</b>					
CERTIFICATE OF REGISTRATION	Permanent Trader	£55.00	£55.00	0%	
CERTIFICATE OF REGISTRATION	Temporary Trader	£55.00	£55.00	0%	
CERTIFICATE OF REGISTRATION	Annual Renewal	£55.00	£55.00	0%	

Environment, Leisure & Residents' Services Fees & Charges

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
CERTIFICATE OF REGISTRATION	Replacement Licence	£55.00	£55.00	0%	
Street & Market Traders - Weekly charges	1 day per week (Standard)	£20.40	£20.40	0%	Prices frozen due to planned service review. To be revisited mid year in line with service review recommendations
Street & Market Traders - Weekly charges	1 day per week (Extended)	£29.58	£29.58	0%	
Street & Market Traders - Weekly charges	2 days per week (Standard)	£27.54	£27.54	0%	
Street & Market Traders - Weekly charges	2 days per week (Extended)	£41.82	£41.82	0%	
Street & Market Traders - Weekly charges	3 days per week (Standard)	£42.84	£42.84	0%	
Street & Market Traders - Weekly charges	3 days per week (Extended)	£61.20	£61.20	0%	
Street & Market Traders - Weekly charges	4 days per week (Standard)	£54.06	£54.06	0%	
Street & Market Traders - Weekly charges	4 days per week (Extended)	£80.58	£80.58	0%	
Street & Market Traders - Weekly charges	5 days per week (Standard)	£68.34	£68.34	0%	
Street & Market Traders - Weekly charges	5 days per week (Extended)	£99.96	£99.96	0%	
Street & Market Traders - Weekly charges	6 days per week (Standard)	£83.64	£83.64	0%	
Street & Market Traders - Weekly charges	6 days per week (Extended)	£120.36	£120.36	0%	
Street & Market Traders - Weekly charges	An additional charge of £10 per day will be payable for trading on Friday and/or Saturday				
News Vendors	<b>Annual Charges</b>	£3,053.00	£3,053.00	0%	Prices frozen due to planned service review. To be revisited mid



**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
	<b>Daily charges:</b>				year in line with service review recommendations	
News Vendors	Temporary Licences for casual traders at street markets (per day)					
News Vendors	Mon-Thurs (Standard)	£20.40	£20.40	0%		
News Vendors	Mon-Thurs (Extended)	£29.58	£29.58	0%		
News Vendors	Fri/Sat (Standard)	£30.60	£30.60	0%		
News Vendors	Fri/Sat (Extended)	£39.78	£39.78	0%		
News Vendors	* An additional charge of £10 will be payable for trading on Friday and/or Saturday					
Charges for Traders outside football grounds and other Traders	Minimum charge of 1.5 sq m and maximum charge of 12 sq m					
Charges for Traders outside football grounds and other Traders	Annual Charge per square metre	£395.00	£395.00	0%		
<b>HALL, PARKS &amp; OPEN SPACES HIRE - Zero Rated VAT (Hourly Rates)</b>						
HTH Assembly Hall	Weekday daytime	£200.00	£200.00	0%	Relative to market. Freeze weekday charges - limited demand	
HTH Assembly Hall	Weekday evenings	£260.00	£260.00	0%	Relative to market. Freeze weekday charges - limited demand	
HTH Assembly Hall	Weekend (Friday from 6pm & Saturdays)	£315.00	£330.00	5%	In line with the business demand and inflation adjustment	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
HTH Assembly Hall	Weekend (Sundays)	£315.00	£330.00	5%	In line with the business demand and inflation adjustment	
HTH Assembly Hall	Commercial ticketed events	£420.00	£450.00	7%	In line with the business demand and inflation adjustment	
HTH Assembly Hall	Bank Holiday Mondays, New Years Eve	£630.00	£660.00	5%	In line with the business demand and inflation adjustment	
HTH Assembly Hall	New Years Eve falling on a Sunday	£630.00	£660.00	5%	In line with the business demand and inflation adjustment	
HTH Assembly Hall	Supplement to hourly rate after midnight	£60.00	£65.00	8%	In line with the business demand and inflation adjustment	
HTH Small Hall	Weekday	£80.00	£85.00	6%	In line with the business demand and inflation adjustment	
HTH Small Hall	Weekday evening	£100.00	£105.00	5%	In line with the business demand and inflation adjustment	
HTH Small Hall	Weekend (Friday from 6pm & Saturdays)	£125.00	£130.00	4%	In line with the business demand and inflation adjustment	
HTH Small Hall	Weekend (Sunday)	£125.00	£130.00	4%	In line with the business demand and inflation adjustment	
HTH Committee Room 1, Courtyard Room, Council Chamber	Weekday (half day)	£66.00	£70.00	6%	In line with the business demand and inflation adjustment	
HTH Committee Room 1, Courtyard Room, Council Chamber	Weekday (full day 9.00 - 17.00)		£100.00		In line with the business demand and inflation adjustment	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14						
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge	
HTH Committee Room 1, Courtyard Room, Council Chamber	Weekday evening	£86.00	£90.00	5%	In line with the business demand and inflation adjustment	
HTH Committee Room 1, Courtyard Room, Council Chamber	Weekend (Friday from 6pm & Saturdays)	£102.00	£110.00	8%	In line with the business demand and inflation adjustment	
HTH Committee Room 1, Courtyard Room, Council Chamber	Weekend (Sunday)	£107.00	£115.00	7%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Large event, 1000+ (min. £2.5 per head)	POA	POA	N/A		
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Medium event- ticketed commercial	£920.00	£965.00	5%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Medium event- free commercial	£580.00	£610.00	5%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Medium event- free community / registered charity	£130.00	£135.00	4%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Small event - commercial & promotional	£1,155.00	£1,215.00	5%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Small event - Registered Charities and community groups	£130.00	£135.00	4%	In line with the business demand and inflation adjustment	
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Promotional activity - Large scale / space	POA	POA	N/A		
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Promotional activity - Small scale / space	£290.00	£305.00	5%	In line with the business demand and inflation adjustment	

**Environment, Leisure & Residents' Services Fees & Charges**

Cleaner Greener & Cultural Services Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Promotional activity - Small scale / space	£130.00	£135.00	4%	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Fairground - Large scale - Low Season	£1,155.00	£1,215.00	5%	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Fairground - Large scale - High Season	£1,155.00	£1,330.00	15%	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Fairground - Small scale	£580.00	£610.00	5%	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Set up and break down days 50% of daily rate	50% of daily rate	50% of daily rate	As above	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Sports event e.g. Race for Life (per head)	£1.50	£1.60	7%	In line with the business demand and inflation adjustment
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY	Damage deposit (reinstatement costs)	POA % based on risk	POA % based on risk	N/A	
ADD ON SUPPLEMENTS	Large scale Infrastructure e.g. staging, toilets, Infrastructure e.g. tents, generators, catering, amplified music (each)	£210.00	£220.00	5%	In line with the business demand and inflation adjustment
ADD ON SUPPLEMENTS	Small scale Infrastructure e.g. staging, toilets, Infrastructure e.g. tents, generators, catering, amplified music(each)	£105.00	£110.00	5%	In line with the business demand and inflation adjustment
ADD ON SUPPLEMENTS	Sale of alcohol	£105.00	£210.00	100%	Based on what market can take. The fee was undervalued previously

**Environment, Leisure & Residents' Services Fees & Charges**

Safer Neighbourhoods Fees & Charges Proposals 2013/14					
Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
<b>Street Scene Enforcement (Zero VAT)</b>					
	Fixed Penalty Notices	£80.00	£80.00	0%	FPNs increased last year – large cost to change signs and FPNs themselves
	Motorcycle recovery	£30.00	£30.00	0%	Limited demand for this service
	Return of Stray Dogs to Owners	£75.00	£75.00	0%	Plans to review Dog Control on a Tri-Borough basis. Charges to be reviewed as part of that
<b>Anti Social Behaviour</b>					
	Anti Social Behaviour investigations (charge per hour)	£100.00	£100.00	0%	Price freeze as to date no requests have been made. Price is competitive.
<b>Registration of Births, Deaths &amp; Marriages</b>					
Other Fees	Same day service for copy certificates	£4.00	£4.00	0%	Statutory charge - cannot be increased on discretionary grounds.
NCS Fees	Adult	£45.00	£45.00	0%	Price freeze to bring in line with other local Register Offices prices, but still remain competitively priced.
NCS Fees	Couple	£80.00	£80.00	0%	
NCS Fees	Child	£25.00	£25.00	0%	
NCS Fees	When child is the only applicant	£45.00	£45.00	0%	

Division / Service	Description	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Basis for Charge
<b>TRANSPORT</b>					
Transport Workshops - Internal Charges	Parts	Cost + 10.5%	TBC	0%	Service review being undertaken to review the longer term delivery of the Council's vehicle maintenance. Fees and charges will be reviewed as part of that
Transport Workshops - Internal Charges	Fuel - Diesel / Petrol / LPG	Cost + 10.5%	TBC	0%	
Transport Workshops - Internal Charges	Ad Hoc Vehicle Hire	Cost + 10.5%	TBC	0%	
Transport Workshops - Internal Charges	Management and Administration Charge	Total Cost (excluding Fuel and NSEs) + 10.5%	TBC	0%	
Transport Workshops - External Charges	Parts	Cost + 10.5%	TBC	0%	
Transport Workshops - External Charges	Fuel - Diesel / Petrol	Cost + 10.5%	TBC	0%	
Transport Workshops - External Charges	Ad Hoc Vehicle Hire	Cost + 10.5%	TBC	0%	
Transport Workshops - External Charges	Management and Administration Charge	Based on Insurance Cost only + 10.5%	TBC	0%	

**Regeneration and Housing Department Fees and Charges**

Fee Description by division	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Reason for uplift
<b>Private Sector Leasing</b>				
Private Sector Leasing Water Charges	Varies	Varies	TBC	The charge is determined by the annual increase set by the water companies.
Private Sector Leasing Rent (average per week)	298.51 as at 1 October 2012	295.00 as projected on 3rd December 2012	Nil	From April 2013 to March 2014, the PSL rent threshold is based on the January 2013 Local Housing Allowance (LHA). As this is not available at the time of budgeting, the proposed fee has been calculated on the basis of the latest available data (December 2012 LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. The threshold formula is 90% of LHA plus £40 and subject to a cap of £500 on Inner London and Outer South West London Broad Rental Market Areas (BRMA) and a cap of £375 on other BRMAs.
<b>Bed &amp; Breakfast Temporary Accommodation</b>				
B & B Rent Single/Family	198.21 as at 2 September 2012	194.74 as projected on 3rd December 2012	Nil	From April 2013 to March 2014, the B&B rent threshold is based on the January 2013 Local Housing Allowance (LHA). As this is not available at the time of budgeting, the proposed fee has been calculated on the basis of the latest available data (December 2012 LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. This fee is the LHA threshold for one bedroom.

Adult Care Proposed Fees and Charges 2013/14

Description of Service	202/13 Charge (£)	Proposed Increase in 2013/14 (%)	Proposed Charge in 2013/14 (£)	Total Estimated Income Stream for 13/14 (£)	Reason for uplift/exemption 2013/14
<b>Exceptions</b>					
Meals Service	4.30	4.7%	4.50	175,500	Meals Service is due for externalisation in April 2013. Estimated income is based on the last 3 months of supply totals in 2012/13 will be circa 39000 meals
Home Care Charging	12.00	0.00%	12.00	429,000	It is proposed that there is no increase to the home care charge of £12 between 2012/13 and 2013/14. This is because savings are expected to be delivered in 2013/14 which will reduce the average home care unit cost. At this point, the charge will be reviewed again. The home care charge of £12 is compared with the average home care contract rate of £12.22




## Appendix H

### The Business Rates Retention Scheme for Hammersmith and Fulham

		LBHF Figure for 2013/14 £'000
Step 1	Notification from the government of the Start-Up Funding Assessment (SUFA). This combines formula funding (effectively what formula grant would have been had it continued) and a number of rolled in grants.	135,262
Step 2	Split of the SUFA between Revenue Support Grant (60.1%) and a Business Rates Funding Baseline (39.9%). The % split is the same for all authorities.	
	- Revenue Support Grant payable by the government - Business Rates Funding Baseline	81,225 54,037
Step 3	Identification of an individual authority Business Rates Baseline. This is what the government effectively expect a local authority to collect based on the average sums collected in 2010/11 and 2011/12.	56,863
Step 4.	Payment of a tariff to the government. For LBHF because what the government expects this authority to collect in business rates (step 3) exceeds the funding identified through the SUFA (step 2) a tariff is payable to the government. The tariff is a charge to the revenue budget. Most authorities receive a top-up rather than pay a tariff.	-2,826
Step 5	Agreement of the localised element of non-domestic rates. This is the amount of business rates income that LBHF actually expects to collect in 2013/14. This estimate was agreed by Full Council on 30 January.	49,261
Step 6	Identification of the budgeted shortfall in business rates income. This is the difference between what LBHF expects to collect in 2013/14 (step 5) and the government target (step 3)	-7,602
Step 7	Identification of safety net grant. Under the business rates retention scheme the maximum loss a local authority can suffer is capped at 7.5% of the business rates funding baseline (step 3). This is £4.054m. As LBHF expects to lose £7.602m it qualifies for safety net grant.	3,548
Step 8	Net loss from the business rates retention scheme (step 6 less step 7)	-4,054

# Agenda Item 5

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>11 FEBRUARY 2013</b>
<b>4 YEAR CAPITAL PROGRAMME 2013/14 TO 2016/17</b>	
<b>Report of the Leader of the Council – Councillor Nicholas Botterill</b>	
<b>Open Report</b>	
<b>Classification – For Decision</b>	
<b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</b>	
<b>Report Author:</b> Jade Cheung, Finance Manager (Corporate Accountancy & Capital)	<b>Contact Details:</b> Tel: 0208 753 3374 E-mail: <a href="mailto:jade.cheung@lbhf.gov.uk">jade.cheung@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. This report sets out draft proposals in respect of the Council's capital programme for 2013/14 to 2016/17. The capital programme totals gross expenditure of £129.6m for 2013/14. This comprises the Decent Neighbourhoods Programme £27.6m, the General Fund Programme £65.0m (inclusive of the School's Organisation Strategy of £39m), and the HRA Programme £37m. The balanced 4 year programme 2013/14 to 2016/17 totals £279.6m (Appendix 1).
- 1.2. This report states the latest capital estimates for the Council's debt reduction programme, the General Fund, Decent Neighbourhoods and the Housing capital programmes.
- 1.3. This report incorporates the information arising from the Local Government Finance Settlement for 2013/14, where available.

## 2. RECOMMENDATIONS

- 2.1. That the draft General Fund Capital Programme budget at £65.0m for 2013/14 be approved.
  - 2.2. That approval be given to a Debt Reduction target of £20m for 2013/14 which will reduce underlying debt – based on current forecasts and as measured by the Capital Financing Requirement (CFR)<sup>1</sup> - to £71.4m.
  - 2.3. That 25% of receipts generated for the Decent Neighbourhoods programme continue to be used to support general capital investment or debt reduction in 2013/14 to 2016/17, subject to future review and potential regulatory changes.
  - 2.4. That approval be given to the following proposed capital receipts funded initiatives within the General Fund capital programme 2013/14 (Table 5):
    - The continuation of the rolling programmes for repairs to Carriageways and Footways £2.03m;
    - Corporate Buildings Planned Maintenance £2.5m;
    - Private Sector Housing Grant (Disabled Facilities) £0.45m;
    - Parks Improvements £0.5m;
    - Contributions to the Invest to Save Fund £0.75m; andThis totals £6.23m.
  - 2.5. To note existing capital receipts funded schemes (approved for 2012/13) but now scheduled for 2013/14 as follows:
    - The Schools Capital Programme £8.906m;
    - The Corporate Buildings Planned Maintenance £1.84mThis totals £10.746m.
- The overall total use of capital receipts for General Fund capital schemes in 2013/14 is £16.976m.
- 2.6. That approval be given to the level of resource forecast (Table 2) and indicative capital expenditure budget 2013/14 of £27.6m for the Decent Neighbourhoods programme, funded fully by capital receipts, as detailed in Appendix 2.
  - 2.7. That approval be given to the 2013/14 HRA capital programme of £37.0m as set out in Table 7 (Appendix 4) and approve the use of £15.212m of Decent Neighbourhoods' capital receipts in support of this programme for 2013/14.

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<sup>1</sup> Refer to Appendix 6 for CFR definition

2.8 That approval be given to the annual Minimum Revenue Provision for 2013/14 (Appendix 7).

- 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.

2.9 That the CIPFA<sup>2</sup> prudential indicators as set out in Appendix 8 to the report be approved.

### **3. REASONS FOR DECISION**

3.1. The reason for the recommendations are to comply with the Council's Financial Regulations which form part of the Council's Constitution. It is also necessary to comply with statutory accounting requirements.

### **4. INTRODUCTION AND BACKGROUND**

4.1. This report sets out an updated resource forecast and a capital programme for 2013/14 to 2016/17. Since 2006/07, the Council has put in place a debt reduction strategy which has enabled £67m of CFR capital debt to be repaid by the end of 2011/12. The capital programme now put forward seeks to build on these savings whilst funding essential new investment and key Council priorities.

4.2. The Council remains committed to a number of major projects such as the regeneration of White City, King Street and the Earls Court area, together with a range of decent neighbourhood schemes. A brief update on these projects is set out in section 9 of this report. Consideration has been taken of known specific funded schemes. Other funding allocations will be addressed when such funding is confirmed.

### **5. GENERAL FUND DEBT REDUCTION**

5.1 The forecast closing General Fund debt as measured by the Capital Financing Requirement (CFR) for 2013/14 is £71.4m as shown in table 1 below. A surplus of £18.1m in capital receipts is projected which is proposed will be used for debt reduction purposes.

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<sup>2</sup> Chartered Institute of Public Finance & Accountancy (CIPFA)

**Table 1 - Forecast Movement in the Capital Financing Requirement (CFR)**

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
<b>Opening Capital Financing Requirement (CFR)</b>	91.4	71.4	50.7	43.6
Revenue Repayment of Debt (MRP)	(1.9)	(1.1)	(0.3)	(0.0)
Annual (Surplus) in the Capital Programme	(18.1)	(19.6)	(6.8)	(4.1)
<b>Closing CFR</b>	<b>71.4</b>	<b>50.7</b>	<b>43.6</b>	<b>39.5</b>
<i>Net Movement from opening CFR 2013/14</i>	<i>(20.0)</i>	<i>(40.7)</i>	<i>(47.8)</i>	<i>(51.9)</i>

- 5.2. It should be noted that the 2013/14 debt reduction target of £20m is based on an assumption of General Fund forecast receipts of £23.7m being realised in addition to a transfer of Decent Neighbourhoods receipts of £11.3m. These are summarised in Appendix 5. The actual level, and timing, of sales is subject to certain risks – most notably a dependence on the wider property market, appropriate consultation and planning considerations. A further risk is that a transfer of Decent Neighbourhood receipts to the General Fund may, in future, be restricted by regulation. In addition a portion of receipts – up to a cap of 4% - may be appropriated to cover the cost of disposal. The Council continues to review its asset holdings to identify potential further disposals. The target for forecast sales is ambitious and a risk is identified within the Medium Term Financial Strategy that sales may slip or not be achieved. An additional risk is that significant cost of sales may be incurred.

## **6. DECENT NEIGHBOURHOODS PROGRAMME**

- 6.1 A key Council objective is the regeneration of housing estates and creation of sustainable communities. Certain housing capital receipts have been earmarked for this purpose and a number of initiatives are now in progress whilst others are under consideration. Details of the expenditure and resource forecasts are provided in Appendix 2 and are summarised in Table 2.
- 6.2 The programme is forecast to be in surplus by £8.8m in 2013/14. The actual level, and timing, of sales underpinning this surplus is subject to the same risks cited in para 5.2.

**Table 2 - Decent Neighbourhoods - Expenditure and Resource Forecast**

Line	Decent Neighbourhoods Summary	2013/14 Estimated Budget	2014/15 Estimated Budget	2015/16 Estimated Budget	2016/17 Estimated Budget
		£m	£m	£m	£m
1	Forecast expenditure budget (approved schemes only)	27.6	5.3	16.0	5.9
2	Net total resources	(18.7)	(7.4)	(7.9)	(8.1)
3 (1+2)	<b>Annual (surplus)/deficit</b>	<b>8.9</b>	<b>(2.1)</b>	<b>8.1</b>	<b>(2.3)</b>
4	Schemes under consideration: Forecast expenditure	2.4	(0.2)	0.6	3.7
5 (3+4)	<b>Annual (Surplus)/deficit</b>	<b>11.3</b>	<b>(2.2)</b>	<b>8.7</b>	<b>1.4</b>
6	Balance brought forward	(20.1)	(8.8)	(11.1)	(2.4)
7 (5+6)	<b>Cumulative Total (Surplus)/deficit</b>	<b>(8.8)</b>	<b>(11.1)</b>	<b>(2.4)</b>	<b>(0.9)</b>

### 6.3 Decent Neighbourhoods Receipts

The council has - via a number of specific Cabinet decisions - opted to ring-fence receipts from disposals of certain asset types (hostels, street properties, and other regeneration sites) for regeneration or affordable housing purposes. In general, the level of receipts into this fund has outstripped expenditure from it and since 2010/11 25% of these receipts have been redirected towards general fund debt reduction (£11.3m receipts for 2013/14, refer to Appendix 2). It is proposed that this approach should continue however it is further proposed that it should be subject to regular review depending on factors such as:

- Increasing projects coming on-line in the Decent Neighbourhoods Programme;
- The pace of debt reduction in the General Fund and the level of General Fund receipts;
- Potential future commitments to reduce Housing Debt;
- Regulatory change which may restrict such transfers.

6.4 The resources available within the Decent Neighbourhood's pot have arisen from the sale of HRA land and houses (non Right to Buy). It should be noted that up to 75% of these receipts are at risk of being paid over to the government under pooling regulations. However, pooling can be avoided where the receipt can be matched against current or anticipated regeneration or housing development spend or a commitment to reduce debt. This mitigation did not previously apply to Right to Buy (RTB) receipts; however under new regulations (known as the 1-4-1 scheme) the Council is also able to retain these receipts, above a given threshold, where the receipt is recycled into social or affordable housing.

## 7. GENERAL FUND FORECAST EXPENDITURE AND RESOURCES

- 7.1 The latest General Fund expenditure and resource forecast is set out in Table 3. Surplus resources of £18.1m are forecast for 2013/14. Subject to agreement, this surplus will be directed towards general fund debt reduction. It should be stressed that the actual level, and timing, of sales is again subject to the risks stated in para 5.2.

**Table 3 - General Fund Capital Programme Summary**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Forecast Expenditure (see Table 4)	65.0	12.4	9.2	9.2
Forecast Resources (see Table 4)	(83.1)	(32.0)	(16.0)	(13.3)
<b>In-Year (Surplus)/Deficit</b>	<b>(18.1)</b>	<b>(19.6)</b>	<b>(6.8)</b>	<b>(4.1)</b>

### 7.2 Expenditure

The current proposed General Fund capital expenditure programme for 2013/14 is set out in Appendix 3a to 3e and is summarised in Table 4. Table 5 illustrates the receipts-funded capital expenditure budgets. This comprises the completion of existing schemes and the continuation of future rolling programmes, which require Member approval. Resources figures are fully explained in para 7.3, and reflect the surpluses in projected capital receipts.

**Table 4 - General Fund Capital Programme – Expenditure & Resources Forecast**

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Total £m
<b>Expenditure:</b>					
Children's Services	51.2	2.7			53.9
Adult Social Care	2.1	1.0	0.5	0.5	3.9
Transport & Technical Services	10.5	7.5	7.5	7.5	33.0
Finance and Corporate Services	0.8	0.8	0.8	0.8	3.0
Environment, Leisure & Residents Services	0.5	0.5	0.5	0.5	2.0
<b>Total</b>	<b>65.0</b>	<b>12.4</b>	<b>9.2</b>	<b>9.2</b>	<b>95.8</b>
<b>Resources:</b>					
General Fund Receipts	23.7	20.5	7.0	4.2	55.4
Deferred Cost of Disposal					0.0
Transfer from Decent Neighbourhood receipts 25%	11.3	6.0	6.1	6.2	29.6
<b>Net capital receipts</b>	<b>35.0</b>	<b>26.6</b>	<b>13.0</b>	<b>10.4</b>	<b>85.0</b>
<b>Specific or other funding</b>	<b>48.0</b>	<b>5.5</b>	<b>3.0</b>	<b>3.0</b>	<b>59.4</b>
<b>Total</b>	<b>83.1</b>	<b>32.0</b>	<b>16.0</b>	<b>13.3</b>	<b>144.4</b>
<b>Annual surplus/(deficit)*</b>	<b>(18.1)</b>	<b>(19.6)</b>	<b>(6.8)</b>	<b>(4.1)</b>	<b>(48.6)</b>
<b>Use of receipts (memorandum)</b>					
Net capital receipts	35.0	26.6	13.0	10.4	85.0
Used to fund Capital Expenditure (Table 5)	(16.9)	(7.0)	(6.2)	(6.3)	(36.4)
<b>Annual surplus/(deficit)*</b>	<b>18.1</b>	<b>19.6</b>	<b>6.8</b>	<b>4.1</b>	<b>48.6</b>

\*It is anticipated that any surpluses will be used for debt reduction in accordance with the Council's debt reduction strategy



**Table 5 - General Fund Capital Programme – Capital Receipts Funded Expenditure Forecast**

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
<b>Continuation of Existing Schemes:</b>				
- Schools Capital Programme	8.906	0.748		
- Corporate Buildings Planned Maintenance	1.840			
Sub-total	<b>10.746</b>	<b>0.748</b>	<b>0</b>	<b>0</b>
<b>Continuation of Rolling Programmes :</b>				
- Carriageways Planned Maintenance	1.280	1.280	1.280	1.280
- Footways Planned Maintenance	0.750	0.750	0.750	0.750
- Corporate Planned Maintenance	2.500	2.500	2.500	2.500
- Disabled Facilities	0.450	0.450	0.450	0.450
- Parks Improvements Capital Programme	0.500	0.500	0.500	0.500
- Contribution to Invest to Save	0.750	0.750	0.750	0.750
Sub-total	<b>6.230</b>	<b>6.230</b>	<b>6.230</b>	<b>6.230</b>
<b>Total</b>	<b>16.976</b>	<b>6.978</b>	<b>6.230</b>	<b>6.230</b>

### 7.3 Resources

The General Fund resources forecast is shown in Table 4 and is summarised in Table 6 (refer to Appendix 5). In line with the debt reduction strategy the core mainstream capital programme continues to be funded from capital receipts as shown in Table 6 with no provision required for new borrowing. The resource forecast for 2013/14 includes a 25% contribution from receipts realised from the Decent Neighbourhoods asset disposals programme (see Table 4). The specific resource forecast is based on known allocations and includes the updated position for schools capital funding (as at month 8 2012/13). For 2013/14 it has been confirmed that the Transport for London Local Implementation Plan has funding of £3.5m. The resource forecast will be updated over the forthcoming months in accordance with relevant government, and other public and private, spending announcements. In addition the capital receipts figures will be updated as they become known.

**Table 6 – General Fund Capital Receipts Forecast Summary**

Year	Forecast £m
2013/14	23.7
2014/15	20.5
2015/16	7.0
2016/17	4.2
<b>Total</b>	<b>55.4</b>

## 8. HOUSING CAPITAL PROGRAMME

- 8.1 The proposed Housing Revenue Account capital programme for 2013/14 to 2016/17 is summarised in table 7 below (Appendix 4):

**Table 7 - HRA Capital Programme Summary**

	<b>2013/14 Budget £m</b>	<b>2014/15 Budget £m</b>	<b>2015/16 Budget £m</b>	<b>2016/17 Budget £m</b>
Expenditure	37.0	31.0	30.7	30.3
Resources	(37.0)	(31.0)	(30.7)	(30.3)
<b>Forecast (Surplus) /Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 8.2 The proposed future programme maintains the condition and fitness for purpose of the stock including ensuring homes are maintained at a decent standard and remain in a condition suitable for letting, addresses our statutory and health and safety obligations, improves energy efficiency, addresses residual backlog works which were outside the scope of the decent homes programme and meets resident priorities such as security and environmental improvements. The proposed programme is based on current stock condition data, with the programme for the first part of 2013 reflecting current on-going commitments. An updated stock condition survey is currently in progress which will be used to inform the HRA's on-going asset management plan; this may impact on the detailed programme for the later part of 2013/14. Therefore the detailed HRA Capital Programme will be included in the Asset Management report which will be brought to Cabinet in Spring 2013.
- 8.3 It should be noted that the previous estimated £18.4m of additional revenue contributions (separate to revenue contributions stated in Appendix 4) for 2013/14 to 2015/16 are now not included in the proposed HRA capital programme. These have been substituted with a proposed draw down from the Decent Neighbourhoods pot to enable the HRA to build up general reserves to protect against future risks (as outlined in HRA Financial Strategy and Rent Increase report). This also replaces the formerly anticipated receipts from the sale of the twelve penthouse flats at Edward Woods, whilst options to sell are given further consideration. For 2013/14 the anticipated use of capital receipts is primarily from the Decent Neighbourhoods expensive voids totalling £15.2m, for Members to consider.

## 9. HORIZON SCANNING - PROJECTS AND RESOURCES

- 9.1 The Council is currently progressing a number of major projects that are likely to impact on the capital programme over the next four years. An update is provided in this section on current progress. As these projects are progressed, appropriate amendments will be made to capital and revenue estimates subject to member approval.

## 9.2 **King Street Regeneration**

The Council is currently working with an appointed developer to take forward proposals for this scheme which includes a major change to the existing Civic Accommodation provision in Hammersmith. 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.

## 9.3 **Earl's Court**

On 3<sup>rd</sup> September 2012 Cabinet having considered the Analysis of Consultation Responses and the Equalities Impact Assessment and having regard to the regeneration benefits agreed to enter into the Conditional Land Sale Agreement regarding the potential redevelopment of Earl's Court. The agreement has now been signed, and the buying back of leaseholders will now commence. The redevelopment is intended to bring substantial benefits to the wider area, including more and better quality homes, new jobs and improved open spaces. The plans include the West Kensington and Gibbs Green Estate and provide 760 new replacement homes for the residents within the redevelopment area. Full details can be found in the 3<sup>rd</sup> September 2012 Cabinet Report.

## 9.4 **White City/Shepherds Bush Market**

White City is a major opportunity area with potential for up to 5,000 new homes being built. Most of those are being earmarked for land east of Wood Lane. The council in partnership with the Mayor of London has developed an Opportunity Area Planning Framework to guide future developments in the area. The council has also set out a new vision to improve the historic Shepherds Bush Market. Consent was granted for a planning application for an enabling development scheme of 220 homes and new retail facilities in March 2012. The Council is currently pursuing a CPO strategy to facilitate land assembly to implement the consented scheme.

## 9.5 **A Local Housing Company/Joint Venture Vehicle**

The Council has established two housing companies - a development company that would provide new housing, including housing for sale, and a company with charitable aims that would subsequently hold any intermediate housing (retained equity) and receive development profits as gift aid to reinvest in provision of affordable housing and other regeneration activities. The Council initiated a pilot programme of seven 'hidden homes' sites in January 2012 to build 27 new affordable homes. The first site was completed in March 12 which consisted of two 1 bed flats. For larger housing development sites the Council has initiated a procurement exercise to identify a private sector partner to establish a long term housing & regeneration joint venture. Two initial sites have been identified for development which has the capacity to deliver 200 new homes. The Joint Venture Vehicle is expected to be established by January 2014.

## 9.6 **Schools' Capital Programme**

In the past two years, the Council has received significant 'Basic Needs' allocations from the Department for Education in support of expanding pupil places in the borough. Cabinet has approved a Schools Organisation Strategy (approved March 2012 and

revisited as further funds have become available), to deliver the Council's key educational priorities:

- To meet the Council's statutory responsibility to provide school places to meet demand; and
- The Council's commitment to :
  - The Special Schools Strategy
  - The Schools of Choice agenda for expanding popular schools
  - Increase the percentage of resident children choosing the Borough's schools.

In the Autumn Statement of December 2012 the Chancellor reaffirmed a commitment to investing in schools and in the event that further funds become available the Schools Organisation Strategy will be revisited as required.

#### 9.7 **Park Royal City International (Old Oak Common Opportunity Area)**

As part of developing the business case for a High Speed 2 / Crossrail interchange at Old Oak Common, preliminary discussions have been held with Transport for London, Crossrail and Network Rail to promote oversite development as part of the potential first phase of development.

- 9.8 With regard to resources, a major potential development in the coming years will be the introduction of the **Community Infrastructure Levy (CIL)**. This is a new levy that local authorities can choose to charge on new developments in their area. The money raised can be used to support development by funding infrastructure that the Council, local community and neighbourhoods want. The CIL is designed to complement the funding currently delivered through Section 106 payments. The Mayor of London has introduced a London-wide CIL to pay for Crossrail and the Council is currently considering whether to introduce its own CIL. Should the Council introduce a CIL this will give rise to stream of funding which need to be deployed for infrastructure development and improvement.

### 10. **EQUALITY IMPLICATIONS**

- 10.1 The private sector disabled facilities scheme which comprises a Council funded contribution of £450K is unchanged from previous years and is forecast to remain unchanged in future years. This funding helps to facilitate disabled people's participation in public life. In addition to Council funding, a grant allocation is expected from government in support of this scheme for 2013/14 and 2014/15.
- 10.2 It should be noted that there are some major projects, for example those discussed in section 9 (Earl's Court etc.), which are subject to other decision making processes where due regard to the PSED (public sector equality duty) has been, and continues to be given (because it is a continuing duty) in order to determine the relevance to equality

groups and any mitigating measures that are possible. This does not seek to change those decisions.

- 10.3 There has been significant expansion of the Schools' Capital Programme further to the confirmation of funding allocations from the Department of Education. The Equality Impact Assessment (EIA) for this programme has been considered and agreed in the School Organisation Strategy 2011 together with subsequent reports which have updated this strategy, the most recent being December 2012. Again, this does not seek to change those decisions.
- 10.4 Implications verified/completed by: Carly Fry, Opportunities Manager 0207 361 3430.

## **11. LEGAL IMPLICATIONS**

- 11.1 There are no direct legal implications in relation to this report.
- 11.2 Implications verified/completed by: David Walker, Head of Commercial (Bi-Borough) 020 7361 2211.

## **12. FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 This report is of a wholly financial nature and financial and resource implications are considered throughout; however the following supplementary comments should also be noted:
- 12.2 The Council's mainstream capital programme is now largely restricted to core rolling programmes but it is looking to regenerate a number of priority areas through a number of initiatives. These may have a major impact, both in terms of expenditure and resources, on the capital forecast over the next 4 years. Amendments will be made in line with Member approval.
- 12.3 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 8. 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 £91.4m at the start of 2013/14. The proposals set out in this report are estimated to reduce it to £39.5m by the end of 2016/17. This net reduction has been taken account of within the council's Treasury Management Strategy. No allowance is made yet for any borrowing should a decision be taken to proceed with a housing company.
- 12.4 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 7 sets out the

options now available to Hammersmith and Fulham and recommends which option should be followed.

## 12.5 VAT Implications

With regard to all major capital schemes and disposals, the council will need to give close consideration to its VAT partial exemption threshold. Ordinarily, entities cannot reclaim VAT incurred in the provision of VAT exempt activities, however special provision for Local Authorities means that Council can reclaim such costs, providing these do not exceed 5% of the Council's overall VAT liability in any one year. If this threshold is breached, then all VAT incurred in support of exempt activities, in that year, can no longer be reclaimed from HM Revenue and Customs (HMRC) becomes payable. This would represent approximately £2m to £3m cost per year of breach.

Capital transactions represent a significant portion of the Council's VAT-exempt activity and accordingly pose the biggest risk to the partial exemption threshold. The Council monitors the partial exemption position closely; however unanticipated receipts, expense or slippages can frustrate this process.

Given current forecasts, there is a likelihood that the Council will breach the threshold in coming years. To manage this, the Council will be applying to HMRC to allow a 'one-off' breach under the terms of an established scheme, which allows a seven-year average to be considered. While this should be sufficient to contain the forecast breach, it significantly reduces the exemption 'head-room' in each of the years forming part of the average.

Officers will continue to closely monitor the threshold, however as a means to manage this risk it is recommended that the Council seeks to 'opt to tax' on land transactions, where feasible, thereby taking them out of the partial exemption calculation.

12.6 Implications verified/completed by: Christopher Harris, Head of Corporate Accountancy and Capital, telephone 0208 753 6440.

## 13. RISK MANAGEMENT

13.1 The report content presents a balanced and measured profile of the main aspects, risks and issues relating to the Capital Programme and its deliverables. The exposure to property market conditions, consultation requirements, potential delays due to legal challenge, gaining planning consent, protracted negotiations or exchange of contracts with potential purchasers are known risks and these are outlined in the report. Each may affect the likelihood or timeliness of meeting projected receipts. Mitigation is undertaken on a case by case basis. A number of significant opportunity risks to regenerate areas of the borough have previously been considered on the Councils Enterprise Wide risk and assurance register which has been reviewed by the councils Business Board. These are covered in Section 9 of the report. Exposure to risks such as the potential for Fraud and Bribery in relation to its property and asset dealings are covered through the councils existing Anti-Fraud and Bribery policies.

13.2 Implications verified/completed by: Michael Sloniowski, Head of Risk Management, telephone 0208 753 2587.

**14. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

14.1 There are no direct procurement and IT implications in relation to this report.

14.2 Implications verified/completed by: Alan Parry, Procurement Consultant, telephone 0208 753 2581.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Financial monitoring documents	Jade Cheung ext 3374	Finance Department, 2 <sup>nd</sup> Floor, HTH Extension

**LIST OF APPENDICES:**

**Capital Budget Monitoring and Financing Information:**

- Appendix 1 - Council Capital Programme (Decent Neighbourhoods, General Fund & HRA)
- Appendix 2 - Decent Neighbourhoods Programme (Housing & Regeneration)
- Appendix 3a - General Fund: Children’s Services
- Appendix 3b - General Fund: Adult Social Care
- Appendix 3c - General Fund: Transport & Technical Services
- Appendix 3d - General Fund: Finance and Corporate Services
- Appendix 3e - General Fund: Environment, Leisure and Residents Services
- Appendix 4 - Housing Capital Programme (HRA)
- Appendix 5 - General Fund – Anticipated capital receipts
- Appendix 6 - The Capital Financing Requirement (CFR) and Capital Allowance
- Appendix 7 - Annual Minimum Revenue Provision (MRP) Statement
- Appendix 8 - CIPFA Prudential Indicators

## Capital Budget Monitor Appendices

### Council Capital Programme (Decent Neighbourhoods, General Fund and HRA) **Appendix 1**

Draft Capital Gross Expenditure Budget	Indicative Budget 2013/14	Indicative Budget 2014/15	Indicative Budget 2015/16	Indicative Budget 2016/17	Total
	£'000	£'000	£'000	£'000	£'000
<b>Children's Services</b>	51,165	2,733	-	-	53,898
<b>Adult Social Care</b>	2,054	954	450	450	3,908
<b>Transport &amp; Technical Services</b>	10,536	7,494	7,494	7,494	33,018
<b>Finance &amp; Corporate Services</b>	750	750	750	750	3,000
<b>Environment, Leisure &amp; Residents Services</b>	500	500	500	500	2,000
<b>Sub-total</b>	65,005	12,431	9,194	9,194	95,824
<b>Housing Services (Housing Revenue Account only)</b>	37,037	31,027	30,703	30,343	129,110
<b>Decent Neighbourhoods projects</b>	27,558	5,295	15,951	5,866	54,670
<b>Total Capital Programme</b>	129,600	48,753	55,848	45,403	279,604
<b>Draft Capital Financing</b>					
Capital grants from central government departments (inc SCE(C))	35,100	2,272	-	-	37,372
Capital grants from European Community Structural Funds (including ERDF)	-	-	-	-	-
Grants and contributions from private developers and from leaseholders, etc.	7,838	5,682	3,600	2,500	19,620
Grants and contributions from non-departmental public bodies	6,000	-	-	-	6,000
Capital grants from the National Lottery	-	-	-	-	-
Capital funding from GLA bodies	4,466	2,264	2,264	2,264	11,258
Use of capital receipts to finance capital expenditure	59,746	21,369	32,488	22,578	136,181
Capital expenditure financed from the Housing Revenue Account	15,717	16,249	16,796	17,361	66,123
Capital expenditure financed by the Major Repairs Reserve (MRR) / Major Repairs Allowance (MRA) - Govt Grant	-	-	-	-	-
Capital expenditure financed from the General Fund Revenue Account	733	917	700	700	3,050
Supported Capital Expenditure SCE (R) Single Capital Pot	-	-	-	-	-
SCE (R) Separate Programme Element	-	-	-	-	-
Other borrowing & credit arrangements not supported by central government	-	-	-	-	-
<b>Total Capital Financing</b>	129,600	48,753	55,848	45,403	279,604



## Decent Neighbourhoods Programme

## Appendix 2

DECENT NEIGHBOURHOODS PROGRAMME					
Line	Schemes	2013/14 Budget	2014/15 Budget	2015/16 Budget	2016/17 Budget
		£'000	£'000	£'000	£'000
	<b>EXPENDITURE:</b>				
	Fulham Court (development including Childrens Centre)	1,747			
	Hostel Improvements	1,321			
	Shop Investments	500			
	HRA Debt repayments taken under pooling rules from receipts	9,582	2,414	13,020	5,866
	Earls Court Project Team Costs	643	659	676	
	Earls Court: Buying back leaseholder and freeholder properties including homelessness and disturbance	9,637			
	Earls Court: SDLT on leasehold properties (buybacks and new properties)	239			
	Ongoing Earls Court project Costs	205	210	215	
	Earls Court OT assessments	42	21		
	Earls Court Legal Fees post CLSA (includes costs of defending challenges)	1,161	1,189	1,219	
	Earls Court CPO costs	704	722	740	
	Earls Court Stopping up enquiries	51	53	54	
	Earls Court Financial advice (due diligence)	26	27	27	
	Contributions to Local Housing Company	1,700			
A	<b>Total</b>	<b>27,558</b>	<b>5,295</b>	<b>15,951</b>	<b>5,866</b>
	<b>FORECAST RESOURCES:</b>				
B	<b>Brought Forward Resources</b>	<b>(20,064)</b>	<b>(8,810)</b>	<b>(11,060)</b>	<b>(2,388)</b>
C	<b>Expensive Dwellings Voids sales</b>	<b>(32,287)</b>	<b>(23,639)</b>	<b>(24,230)</b>	<b>(24,835)</b>
	Stewarts Lodge				
	248 Hammersmith Grove	(1,385)			
	282 Goldhawk Road	(10,000)			
	Fulham Court - New Development Only	(550)	(450)		
D	<b>Other Sales</b>	<b>(11,935)</b>	<b>(450)</b>		
E	<b>Earls Court</b>	<b>(316)</b>			
F	<b>HRA Shops</b>	<b>(643)</b>	<b>0</b>	<b>0</b>	<b>0</b>
G (C+D+E+F)	<b>Total Resources (excl. b/fd &amp; pre transfers)</b>	<b>(45,181)</b>	<b>(24,089)</b>	<b>(24,230)</b>	<b>(24,835)</b>

Appendix 2 continued

<b>DECENT NEIGHBOURHOODS PROGRAMME</b>					
<b>Line</b>	<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Resource Transfers</b>				
	Capital Investment for existing HRA stock	14,155	9,096	10,307	10,482
	Contributions to Jepson House	1,057			
	25% of receipts to General Fund	11,295	6,022	6,058	6,209
	Deferred Cost of disposal (max 4%)		1,600		
<b>H</b>	<b>Total Resource Transfers</b>	<b>26,507</b>	<b>16,718</b>	<b>16,365</b>	<b>16,691</b>
<b>I (G+H)</b>	<b>Net Total Resources</b>	<b>(18,674)</b>	<b>(7,371)</b>	<b>(7,866)</b>	<b>(8,144)</b>
<b>J (A+I)</b>	<b>Annual (surplus)/deficit (approved schemes only)</b>	<b>8,884</b>	<b>(2,076)</b>	<b>8,086</b>	<b>(2,278)</b>
	<b>SCHEMES UNDER CONSIDERATION</b>				
	Watermeadow Court additional planning costs	700			
	Decant Cedarne Road/Fulham Town Hall	1,000	(1,000)		
	Earls Court Contingency	670	576	586	713
	25% of receipts to General Fund		250		
<b>K</b>	<b>Total</b>	<b>2,370</b>	<b>(174)</b>	<b>586</b>	<b>3,718</b>
<b>L (J+K)</b>	<b>Annual (Surplus)/Deficit</b>	<b>11,254</b>	<b>(2,250)</b>	<b>8,672</b>	<b>1,440</b>
<b>M (B+L)</b>	<b>Cumulative Total (Surplus)/Deficit</b>	<b>(8,810)</b>	<b>(11,060)</b>	<b>(2,388)</b>	<b>(949)</b>

General Fund Programme - Children's Services

Appendix 3a

<b>CHILDREN'S SERVICES CAPITAL PROGRAMME</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Lyric Theatre Development	12,203	217		
Schools Organisational Strategy	38,962	2,516		
<b>Total</b>	<b>51,165</b>	<b>2,733</b>	<b>0</b>	<b>0</b>
<b>FINANCING SUMMARY</b>				
Capital receipts	8,906	748		
Specific or other funding	42,259	1,985		
<b>Total</b>	<b>51,165</b>	<b>2,733</b>	<b>0</b>	<b>0</b>

General Fund Programme - Adult Social Care Services

Appendix 3b

<b>ADULT SOCIAL CARE SERVICES CAPITAL PROGRAMME</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Social Care Grant	66			
Hostel Improvement Grant				
Supporting Your Choice - Social Care Reform (DoH)	87			
Adults' Personal Social Services Grant	957			
Disabled Facilities Scheme	450	450	450	450
Community Capacity Grant	494	504		
<b>Total</b>	<b>2,054</b>	<b>954</b>	<b>450</b>	<b>450</b>
<b>FINANCING SUMMARY</b>				
Capital receipts	450	450	450	450
Specific or other funding	1,604	504		
<b>Total</b>	<b>2,054</b>	<b>954</b>	<b>450</b>	<b>450</b>

General Fund Programme - Transport & Technical Services

Appendix 3c

<b>TRANSPORT &amp; TECHNICAL SERVICES CAPITAL PROGRAMME</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Footways and Carriageways	2,030	2,030	2,030	2,030
Planned Maintenance/DDA Programme	4,340	2,500	2,500	2,500
Transport For London	3,466	2,264	2,264	2,264
Parking Reserve/ Revenue Contributions	700	700	700	700
<b>Total</b>	<b>10,536</b>	<b>7,494</b>	<b>7,494</b>	<b>7,494</b>
<b>FINANCING SUMMARY</b>				
Capital receipts	6,370	4,530	4,530	4,530
Specific or other funding	4,166	2,964	2,964	2,964
<b>Total</b>	<b>10,536</b>	<b>7,494</b>	<b>7,494</b>	<b>7,494</b>

General Fund Programme - Finance and Corporate Services

Appendix 3d

<b>FINANCE &amp; CORPORATE SERVICES CAPITAL PROGRAMME</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Contribution to Invest to Save Fund	750	750	750	750
<b>Total</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b>FINANCING SUMMARY</b>				
Capital receipts	750	750	750	750
<b>Total</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>

<b>ELRS CAPITAL PROGRAMME</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Parks Expenditure	500	500	500	500
<b>Total</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>FINANCING SUMMARY</b>				
Capital receipts	500	500	500	500
<b>Total</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

Housing Capital Programme (HRA)

Appendix 4

<b>HOUSING CAPITAL PROGRAMME (HRA)</b>				
<b>Schemes</b>	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Supply Initiatives (Major	2,750	2,500	2,500	2,500
Energy Schemes	1,282	2,400	2,400	2,400
Lift Schemes	3,470	3,500	3,308	2,500
Internal Modernisation	0	2,500	2,500	2,500
Major Refurbishments	6,409	4,225	4,225	4,225
Preventative Planned Maintenance	14,171	9,162	9,080	9,528
Minor Programmes	7,825	5,690	5,640	5,640
Decent Homes Partnering	78			
CSD/RSD Managed (Adaptations, CCTV)	1,050	1,050	1,050	1,050
Rephasing and reprogramming	0	0	0	0
<b>Total</b>	<b>37,037</b>	<b>31,027</b>	<b>30,703</b>	<b>30,343</b>
<b>FINANCING SUMMARY</b>				
Capital Receipts	15,212	9,096	10,307	10,482
Revenue Contributions from HRA (formerly MRA)	15,717	16,249	16,796	17,361
Leasehold & Other External Contributions	6,108	5,682	3,600	2,500
<b>Total</b>	<b>37,037</b>	<b>31,027</b>	<b>30,703</b>	<b>30,343</b>

**General Fund Anticipated Capital Receipts**

**Appendix 5**

Year	Receipts Forecast 2013/14 £'000
<b>2013/14</b>	
<b>Total 2013/14</b>	<b>23,734</b>
<b>2014/15</b>	
<b>Total 2014/15</b>	<b>20,533</b>
<b>2015/16</b>	
<b>Total 2015/16</b>	<b>6,977</b>
<b>2016/17</b>	
<b>Total 2016/17</b>	<b>4,155</b>
<b>Total All Years</b>	<b>55,399</b>

## The Capital Financing Requirement (CFR), Pooling and the Capital Allowance

### The Capital Financing Requirement (CFR)

The CFR measures an authority's underlying need to borrow for a capital purpose. It is considered by the Chartered Institute of Public Finance Accountancy (CIPFA) as the best measure of Council debt as it reflects both external and internal borrowing.

It was introduced by the Government in 2004 and replaced the 'credit ceiling' as the Council's measure of debt.

The CFR is the difference between capital expenditure incurred and the resources set aside to pay for this expenditure. Put simply it can be thought of as capital expenditure incurred but not yet paid for in-full and serves as a measure of an authority's indebtedness.

An important caveat is that the CFR does not necessarily equal the outstanding loans of the authority. A council may be 'cash rich' and pay for a new asset in full without entering into new loans. However unless the council simultaneously sets aside reserves (either through recognising a revenue cost or transferring existing reserves from 'usable' to 'unusable' in the bottom half of the balance sheet) the CFR will increase. In this example the authority has effectively borrowed internally. **The CFR should therefore be thought of as the total of internal and external borrowing.**

### Pooling and Types of Receipt

The Council is required to hand-over a proportion of housing-related capital receipts to the Government.

**1. Right to Buy (RTB)** - 75% of capital receipts arising from the disposal of a dwelling through Right to Buy are paid over to the Government (pooled). This applies to disposals and to the principal element of repayments on loans (usually mortgages) granted by the authority for Right To Buy or other purchases of HRA properties. A change in regulations now enables Council's to retain an RTB receipt where it is recycled into new social or affordable housing (known as the 1-4-1 scheme), once certain baselines have been met.

**2. Non-RTB Disposals** - these include non-dwellings (such as shops or bare land), non-RTB dwellings (for example vacant property) and other receipts, such as disposal of mortgage portfolios. These items need not always be pooled - see '*Capital Allowance*' below. Where they are pooled, the poolable proportion is 75% for dwelling sales and 50% for other assets.



### The Capital Allowance

The Capital Allowance constitutes a sort of 'pot' which local authorities top-up by specified types of expenditure and represents a mechanism which allows Local Authorities to retain certain HRA receipts (as opposed to pooling them).

The Capital Allowance is the total of **past or planned** expenditure on affordable housing and regeneration (defined as carrying out of works that bring into effective use assets that are under-used, vacant or derelict). The value of the pot may be drawn upon to reduce non-RTB capital receipts before calculating the poolable amount. The value of the pot increases whenever qualifying expenditure is either incurred or planned and falls each time it is applied to reduce a receipt. Where the value of pot falls to nil, then the authority will be required to pool non-RTB receipts as prescribed above (see *Type of Receipt*).

There is nothing to stop the authority 'topping up' the value of the Capital Allowance with resolutions to spend, however these cannot then be counted when the actual expenditure is incurred. Similarly if the resolution to spend is removed then the allowance should fall.

A recent change in regulations now also allows Councils to retain non-RTB receipts if they are directed to the reduction of Housing debt.

## 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 the table below, this would provide for an LBHF charge of £1.930m in 2013/14.

	£m
Opening 2013/14 Capital Financing Requirement (CFR)	91.428
Less Adjustment A	(43.179)
Adjusted CFR	48.249
Minimum Gross MRP (at 4%)	<b>1.930</b>

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.

## Annual Minimum Revenue Provision (MRP) Statement

### 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 **£2.133m** which is £0.203m greater than option 1.

Option 4

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.

## Prudential Indicators

**CAPITAL EXPENDITURE**

Estimate of total capital expenditure to be incurred in the current financial year and the forthcoming financial years built upon the assumed level of resources is as follows:

	<b>Forecast 2012/13 £000</b>	<b>Estimate 2013/14 £000</b>	<b>Estimate 2014/15 £000</b>	<b>Estimate 2015/16 £000</b>
General Fund	52,468	65,005	12,431	9,194
Housing Revenue Account	32,213	37,037	31,027	30,703
Decent Neighbourhoods	13,667	27,558	5,295	15,951
<b>TOTAL</b>	<b>98,348</b>	<b>129,600</b>	<b>48,753</b>	<b>55,848</b>

**CAPITAL FINANCING REQUIREMENT (CFR)**

The estimate of capital financing requirement at the end of each year will relate to all capital expenditure – i.e. it includes relevant capital expenditure incurred in previous years. The capital financing requirement will reflect the authority's underlying need to finance capital expenditure by borrowing or other long-term liability arrangements.

In order to make these estimates, all of the financing options available are considered and estimated. The estimates will not commit the local authority to particular methods of financing. The Chief Financial Officer will determine the actual financing of capital expenditure incurred once a year, after the end of the financial year.

	<b>Forecast 2012/13 £000</b>	<b>Estimate 2013/14 £000</b>	<b>Estimate 2014/15 £000</b>	<b>Estimate 2015/16 £000</b>
General Fund	91,428	71,445	50,737	43,630
Housing Revenue Account	217,299	207,717	205,303	192,284
<b>TOTAL</b>	<b>308,727</b>	<b>279,162</b>	<b>256,040</b>	<b>235,914</b>

The General Fund CFR does not include any requirement for prudential borrowing within the capital programme.

**NET DEBT 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:

## Appendix 8 continued

	Forecast 2012/13 £000	Estimate 2013/14 £000	Estimate 2014/15 £000	Estimate 2015/16 £000
Net Borrowing*	82,066	66,510	77,599	71,896
Capital Financing Requirement (CFR)	308,727	279,162	256,040	235,914
<b>Net Borrowing Less than CFR</b>	<b>(226,661)</b>	<b>(212,652)</b>	<b>(178,441)</b>	<b>(164,018)</b>

\*Net borrowing = Actual borrowing as at 31<sup>st</sup> March 2013 less total investments as at 31<sup>st</sup> March 2013

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

The Council has estimated the ratio of financing costs to net revenue stream. This prudential indicator is expressed in the following manner: Estimate of financing costs ÷ estimate of net revenue stream x 100% for years 1, 2 and 3.

	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
General Fund	2.4%	1.7%	1.9%
Housing Revenue Account	16.2%	14.8%	13.4%

### INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS ON COUNCIL TAX

The Council has forecast the debt reduction savings for the General Fund resulting from the proposed capital programme for 2013/14 to 2015/16. The estimated reduction to Council tax due to debt reduction savings has been calculated at a per dwelling level. The impact on the Housing Revenue Account is shown as nil. It is anticipated that all the new HRA investment will be fully funded.

This indicator is represented as: (Debt Reduction & debt restructuring savings) ÷ Taxbase (number of dwellings).

	Estimate 2013/14 £	Estimate 2014/15 £	Estimate 2015/16 £
General Fund – Council tax £ per Band D home per annum	-28.32	-44.40	-44.40
Housing Revenue Account – rent £ per household per week	0	0	0

### BORROWING – AUTHORISED LIMIT & OPERATIONAL BOUNDARY

The prudential indicators concerning the authorised limit and operational boundary for borrowing, and other treasury management activities, are set out in the Treasury Management Strategy report (presented separately from this report).

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>11 FEBRUARY 2013</b></p>
<p><b>TREASURY MANAGEMENT STRATEGY</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report.</b></p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</b></p>	
<p><b>Report Author:</b> Vishal Sharma Westminster Treasury Manager</p>	<p><b>Contact Details:</b> Tel. 0207 641 1067</p> <p>E-mail: <a href="mailto:vsharma@weswtminster.gov.uk">vsharma@weswtminster.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1 The report sets out the Council's Treasury Management Strategy for 2013/14. It seeks approval for borrowing limits and authorisation for the Executive Director of Finance and Corporate Governance to arrange the Council's cashflow, borrowing and investments in the year 2013/14.

## **2. RECOMMENDATIONS**

- 2.1 That the future borrowing and investment strategies as outlined in this report be approved and that the Executive Director of Finance and Corporate Governance be authorised to arrange the Council's cashflow, borrowing and investments in 2013/14.
- 2.2 That in relation to the Council's overall borrowing for the financial year the comments and the Prudential Indicators as set out in this report be noted.
- 2.3 To pay the HRA investment income on unapplied HRA receipts and other HRA cash balances calculated at the average rate of interest earned on temporary investments with effect from 1 April 2013
- 2.4 That the Money market Funds set out in Table 1 of Appendix B to this report are approved for use as part of the Council's investment strategy.

## **3. BACKGROUND**

- 3.1 Treasury Management is defined by the CIPFA Code of Practice as 'The management of the local authority'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.'
- 3.2 The Council is required to receive and approve, as a minimum, three main reports each year: a Treasury Strategy Report, Mid-year report and an Outturn report. These reports are required to be adequately scrutinised before being recommended to the Council by the Cabinet. This role is undertaken by the Audit, Pensions and Standards Committee and the Overview and Scrutiny Board.
- 3.3 The Treasury Management Strategy is set out in section 11 of this report, and the remainder of the report cover the following:
  - Investment limits that will be applied that aim to limit the treasury risk and activities of the Council;
  - prudential indicators
  - the current treasury position;
  - prospects for interest rates;
  - the borrowing strategy;
  - the investment strategy;
  - approach to debt rescheduling;
  - creditworthiness policy; and,
  - policy on use of external service providers.



These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and CLG Investment Guidance.

- 3.4 In summary, the investment approach for 2013/14 will include investment with the UK Government (via deposits with the Debt Management Office (DMO) or purchase of Gilts and T-Bills), lending to certain Local Authorities based on a policy agreed between Officers and the Leader, investments in certain Money Market Funds, deposits with certain banks and purchase of certain tradeable instruments by specific issuers. All these investment types are described further in this paper and set out in the proposed Treasury Management Strategy as set out in section 11 of this paper.

#### **4. TREASURY MANAGEMENT APPROACH**

- 4.1 The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cashflow and, where capital plans require, the organisation of appropriate borrowing facilities. The function covers the relevant treasury and prudential indicators, the current and projected debt positions and the annual investment strategy.
- 4.2 Under regulations set out by CLG in 2003, a Council's investment policy needs to cover so-called "specified investments" and "non-specified investments". A specified investment is defined as an investment which is denominated in sterling, is less than one year, is made with a body or scheme of high credit quality, UK Government or UK local authority and does not involve the acquisition of share capital or loan capital in any body corporate. Non-specified investments are those that do not meet these criteria.
- 4.3 Section 11 of this report sets out the investment approach, and takes account of the specified and non-specified approach. The Council is likely only to consider non-specified investments where an investment is made for longer than one year.
- 4.4 The CIPFA recommendations contained in the Code of Practice and Cross-Sectoral Guidance Notes issued as a revised version in 2009 for Treasury Management in the Public Services require that each Local Authority has a Treasury Management Policy Statement that is approved by the Full Council. This is set out in Appendix A to this paper.

#### **5. CURRENT PORTFOLIO POSITION**

- 5.1 The Council has for a number of years maintained a policy of debt reduction in order to deliver savings to the General Fund through reduced principal and interest payments. No new borrowing has been undertaken since November

2009 and where borrowings have fallen due for repayment, they have not been replaced. This policy is expected to continue for the foreseeable future.

- 5.2 The Council's treasury portfolio is summarised below. The table shows the total actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing. The second table sets out the external borrowing and investments position for the HRA and General Fund separately.

*Table 1: Current Portfolio Position*

£'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Borrowing at 1 April	475,520	262,166	262,066	250,510
Expected change in borrowing	(16,000)	(100)	(11,556)	(2,414)
HRA Settlement	(197,354)	0	0	0
<b>Actual Borrowing at 31 March</b>	<b>262,166</b>	<b>262,066</b>	<b>250,510</b>	<b>247,599</b>
Total investments at 31 March	(109,000)	(180,000)	(184,000)	(170,000)
<b>Net borrowing</b>	<b>153,166</b>	<b>82,066</b>	<b>66,510</b>	<b>77,599</b>
Other long-term liabilities at 31 March	13,078	13,000	12,000	11,000
CFR – the borrowing need	329,106	308,727	279,162	256,040

*Table 2: Split between the HRA and General Fund*

£'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
HRA borrowing at year end	217,427	217,299	207,717	205,303
General Fund borrowing at Year end	44,739	44,768	42,794	42,296
<b>Total borrowing at year end</b>	<b>262,166</b>	<b>262,067</b>	<b>250,511</b>	<b>247,599</b>

£'000	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
General Fund CFR	99,684	91,428	71,445	50,737
HRA CFR	217,381	217,299	207,717	205,303
<b>TOTAL CFR</b>	<b>317,065</b>	<b>308,727</b>	<b>279,162</b>	<b>256,040</b>

## 6. TREASURY INDICATORS – LIMITS TO BORROWING ACTIVITY

- 6.1 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 Council 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 Indicators it set itself.

*Table 3: Operational Boundary*

<b>£'000</b>	<b>2011/12 Actual</b>	<b>2012/13 Estimate</b>	<b>2013/14 Estimate</b>	<b>2014/15 Estimate</b>
Borrowing	488,134	275,000	275,000	265,000
HRA Settlement	(197,354)			
Other long term liabilities	13,078	13,000	12,000	11,000
<b>Total</b>	<b>303,858</b>	<b>288,000</b>	<b>287,000</b>	<b>276,000</b>

- 6.2 The Authorised Limit for external borrowing. This is a control on the maximum level of borrowing and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. Breach of these levels by the Council is unlawful.

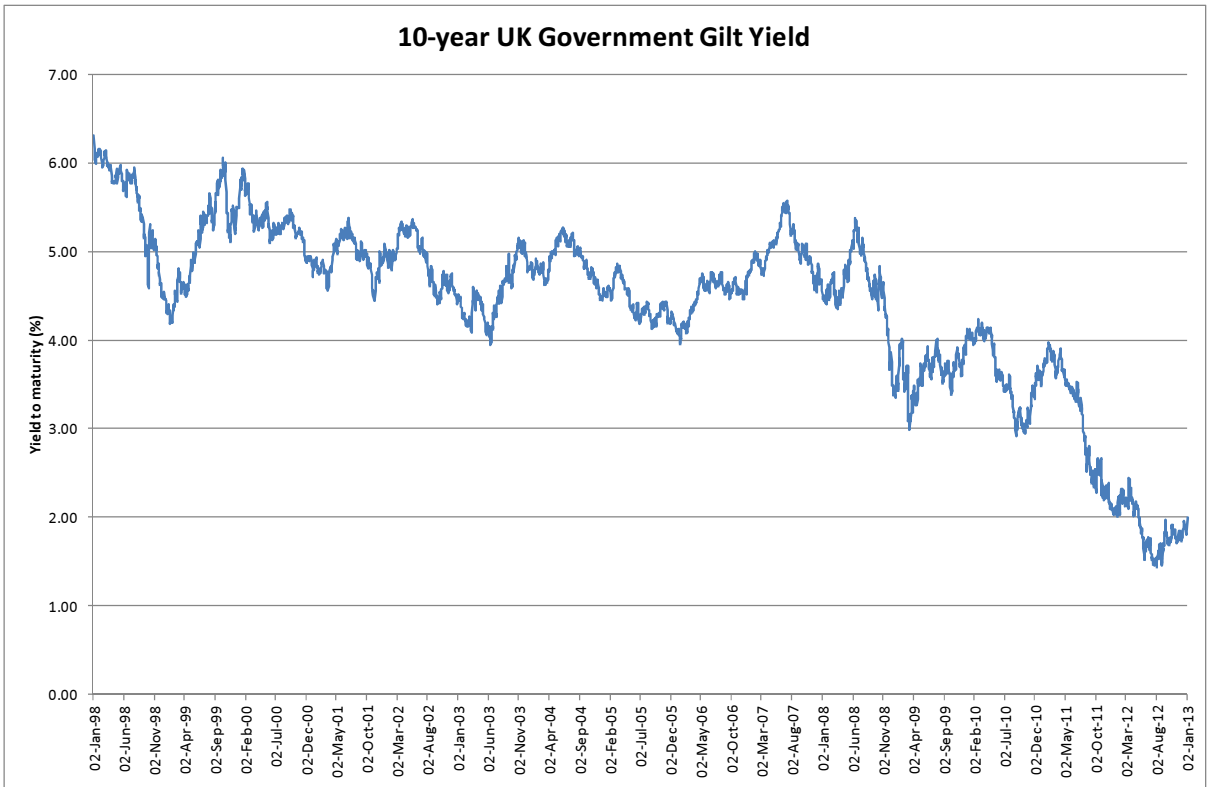
*Table 4: Authorised Limit*

<b>£'000</b>	<b>2011/12 Actual</b>	<b>2012/13 Estimates</b>	<b>2013/14 Estimates</b>	<b>2014/15 Estimates</b>
Borrowing	548,909	325,000	325,000	315,000
Add HRA settlement	(197,354)			
Other long term liabilities	13,078	20,000	20,000	20,000
<b>Total</b>	<b>364,633</b>	<b>345,000</b>	<b>345,000</b>	<b>335,000</b>

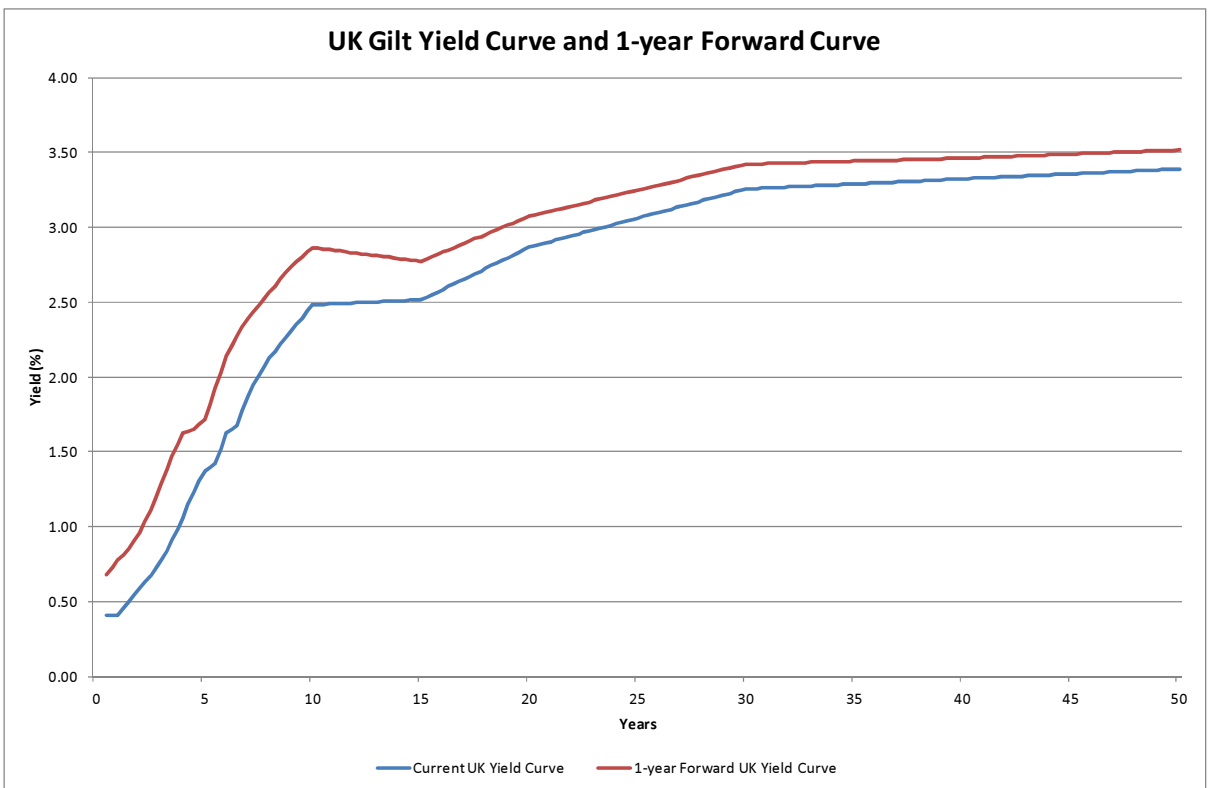
- 6.3 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime, as set by CLG. This is set out in the table above, and declines due to the repayment of the current borrowing as and when it falls due.
- 6.4 The Executive Director of Finance and Corporate Governance reports that the Council complied with the prudential indicators in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

## **7. PROSPECTS FOR INTEREST RATES**

- 7.1 The levels of UK interest rates remain near all time lows, as shown on the graph below.



7.2 The graph below shows the current UK Gilt Yield Curve, and the one-year forward (i.e. what the market currently expects rates to be in one year's time).



7.3 The low interest rate has a disproportionate effect on the Council, as the Council has no expectation of borrowing in the near future (so cannot benefit from the low borrowing rates), but is impacted by the low investment returns. The challenging and uncertain economic outlook has a several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods.
- Investment returns are likely to remain relatively low during 2013/14;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

## 8. BORROWING STRATEGY

8.1 Given its debt reduction strategy, the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high.

8.2 The tables below sets out these treasury indicators and limits. The Council is currently compliant with all these indicators:

*Table 6 – Proposed interest Rate Exposure*

<b>£'000</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Upper Borrowing Limits on fixed interest rates	320,000	320,000	320,000
Upper Borrowing Limits on variable interest rates	64,000	64,000	64,000

*Table 7 – Proposed structure limits for debt maturity*

<b>Maturity structure of fixed rate borrowing during 2012/13</b>	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	15%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

8.3 There are three borrowing related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

## **9. POLICY ON BORROWING IN ADVANCE OF NEED**

9.1 Under CIPFA's Prudential Code, Any decision to borrow in advance of need has to be within forward approved Capital Financing Requirement estimates, and would have to be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

9.2 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.

9.3 Given the Council's debt reduction strategy, it is unlikely that any new borrowing will be taken.

## **10. DEBT RESCHEDULING**

10.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term to short term debt. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

10.2 However, these savings will need to be considered in the light of the current treasury position and premiums incurred in prematurely repaying debt. Given the current approach, Officers do not expect the premature repayment of borrowing to be likely in the next year.

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

- Generating cash savings.
- Enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

## 11. ANNUAL INVESTMENT STRATEGY

11.1 The Council must have regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA's Treasury Management in Public Services of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

### Allowable Investment Types

11.2 For 2013/14, it is proposed that the Council can invest in financial institutions (within certain credit rating limits, domiciles and amounts as set out above), external funds and certain capital market instruments as set out below. Those that are in bold would be new for 2013/14, and are described further below and will be subject to specific clearance with the Leader when any new investment is proposed for the first time. All investments would be in Sterling:

- (i) Investment with the Debt Management Office with no financial limit (UK government guaranteed)
- (ii) Investment in financial institutions of a minimum credit rating, with the parent company domiciled only in certain jurisdictions;
- (iii) Lending to certain public authorities (Unitary Authorities, Local Authorities, Borough and District Councils, Met Police, Fire and Police Authorities)
- (iv) Investment in AAA-rated Sterling Money Market Funds and longer term funds; and
- (v) Investment in UK Treasury Bills (T-Bills) and Gilts;**
- (vi) Investments in UK Government repurchase agreements ("Repos" and "Reverse Repos");**
- (vii) Investment in close to maturity AAA-rated corporate bonds and commercial paper backed by UK Government guarantees;**
- (viii) Investment in supra-national AAA-rated issuer bonds and commercial paper;**
- (ix) Investment in commercial paper ("CP") of UK domiciled entities with minimum short term credit rating of A1/P-1/F-1.**

11.3 **UK T-Bills:** UK Government Treasury Bills (T-Bills) are short term promissory notes issued by the UK Government at a discount to par, for tenors of up to one year. T-Bills provide a greater yield than cash deposits with the DMO and can be bought at the primary sale (by market makers), or in the secondary market.

11.4 **UK Gilts:** UK Government Gilts provide a greater yield than cash deposits with the DMO. At present, there are a limited number of gilts that will mature

in the next two years, and as the shorter dated gilts were issued in a higher interest rate environment than at present, the coupons on these gilts are higher than current interest rates.

- 11.5 **UK Government repurchase agreements (Repos):** UK Government repurchase agreements are the purchase of UK Government securities with an agreement to resell them back at a higher price at a specific future date. By their nature, repos are short term secured investments in UK Government bonds which provide a greater return than cash deposits with the DMO. Ownership of the UK Government bond is temporarily transferred to the Council, thereby providing security over the funds invested.
- 11.6 **Commercial Paper (CP)** is similar to a very short term bond issue (up to one year), issued to investors on a discounted basis, and with the interest rate based on prevailing rates at the time of pricing. The Council may invest in Commercial Paper issued by UK domiciled corporate subject to the minimum credit ratings for up to a maximum of six months with no more than £10 million per name, and £50 million in aggregate.
- 11.7 **Supra-national institutions** are those that sovereign backed or supported institutions that span more than one country, such as the European Investment Bank, the European Bank of Reconstruction and Development, the World Bank, etc.
- 11.8 **Money Market Funds:** At present, the Council invests in several AAA-rated Sterling money market funds ('MMFs') provided by Blackrock, Goldman Sachs, Insight and Prime Rate. It is proposed to widen this list to include the money market funds that comply with LBHF's required criteria, including the composition of the fund, credit rating of the fund, size of the fund and fund performance. In the past, the Council's approach to MMFs was discussed within the body of the Treasury Management Strategy. Given the proposal to widen the list of MMFs that the Council would use, Appendix B sets out this revised approach in more detail. It makes a specific recommendation that the MMFs specified in Table 1 of Appendix B are approved by Council for use in the Council's investment strategy.

#### Creditworthiness Criteria

- 11.9 The Council's investment priorities are the security of capital and the liquidity of its investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.
- 11.10 In accordance with the above, and in order to minimise the risk to investments, the Council has clearly stipulated below the minimum acceptable credit quality of counterparties for inclusion on the lending list.
- 11.11 The DCLG guidance requires authorities to specify their minimum acceptable credit rating. The minimum credit ratings required by the Council are:



	Long term	Short term
Fitch	A-	F2
Moody's	A3	P-2
S&P	A-	A-3

11.12 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 immediately and any existing investment will be matured at the earliest possible convenience.

11.13 For the financial institution sector, the Council will invest in entities with a minimum credit rating of A-/A3/A- for a UK bank, and A/A2/A for a non – UK bank as suitable, as long as that entity has a short term rating of A-1/P-1/F-1 or better. Where a split rating applies the lowest rating will be used. This methodology excludes banks with UK Government ownership. Banks would need to be rated by at least two of the three main credit rating agencies and where there was a split rating the lower rating would be used.

11.14 The proposed bank investment limits are shown in the table below.

Table 8 – Bank Investment Limits

Institution Type	Minimum Credit Rating Required (S&P / Moody's / Fitch)	Maximum Individual Counterparty Investment limit (£m)	Maximum tenor of deposit / investment
UK Bank	With UK Government ownership of greater than 35%.	35	12 months
UK Bank	AA- / Aa3 / AA- and above subject to minimum ST ratings	25	12 months
UK Bank	A- / A3 / A- and above, subject to minimum ST ratings	25	Three months
Non-UK Bank	AA- / Aa2 / AA- and above, subject to minimum ST ratings	25	Six months
Non-UK Bank	A / A2 / A and above, subject to minimum ST ratings	10	Three months

11.15 The limits can change if there are rating changes, however the maximum limit would never be more than £25 million except for the part nationalised banks which have a £35 million limit.

11.16 In determining whether to place deposits with any institution or fund, the Tri-borough Director for Treasury and Pensions, after consultation with the Executive Director of Finance and Corporate Governance, will remain within the limits set out above, but take into account the following when deciding how much to invest within the limit set out above:

- (i) the financial position and jurisdiction of the institution;
- (ii) the market pricing of credit default swaps for the institution;

- (iii) any implicit or explicit Government support for the institution;
- (iv) Standard & Poor's, Moody's and Fitch's short and long term credit ratings;
- (v) Core Tier 1 capital ratios; and
- (vi) other external views as necessary.

#### Country Limits

11.17 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ / Aa1 / AA+ from S&P / Moodys / Fitch (respectively). The direct exposure limit to any one Country will be £25 million with the exception of the UK which will be unlimited.

#### Tenor of investments

11.18 Investments may be made for up to one year with any of the counterparties / investment types listed above. Investments more than one year may be placed with any of the following by Officers after seeking approval from the Leader:

- (i) Deposits with those financial institutions allowed for as set out above
- (ii) Term deposits with Local Authorities with maturities in excess of one year.
- (iii) Tradeable instruments issued by the UK Government or Supra-national banks.
- (iv) Tradeable instruments issued by any UK local authority or issuer guaranteed by the UK government.

## Summary

11.19 In summary, the maximum amounts and tenor of investments that can be placed by Officers are as follows:

<b>Institution Type</b>	<b>Minimum Credit Rating Required (S&amp;P / Moodys / Fitch)</b>	<b>Maximum Individual Counterparty Investment limit (£m)</b>	<b>Maximum tenor of deposit investment<sup>1</sup></b>
DMO Deposits	UK Government Rating	Unlimited	Six months
UK Government (Gilts / T-Bills / Repos)	UK Government Rating	Unlimited	Unlimited
Supra-national Banks	AA+ / Aa1 / AA+	10	12 months
European Agencies	AA+ / Aa1 / AA+	10	12 months
Network Rail	UK Government Rating	25	12 months
UK Local Authorities	NA	25	12 months
Commercial Paper issued by UK corporates	A-1 / P-1 / F-1	10	Six months
MMF	AAA / Aaa / AAA	10	One month
UK Bank	AA- / Aa3 / AA- and above (or UK Government ownership of greater than 35%), subject to minimum ST ratings	35	12 months
UK Bank	AA- / Aa3 / AA- and above, subject to minimum ST ratings	25	12 months
UK Bank	A- / A3 / A- and above, subject to minimum ST ratings	25	Three months
Non-UK Bank	AA- / Aa2 / AA- and above, subject to minimum ST ratings	25	Six months
Non-UK Bank	A / A2 / A and above, subject to minimum ST ratings	10	Three months

## 12. HRA

12.1 There are to be no changes to the current arrangements regarding debt and the HRA. The separate HRA and General Fund debt pool established from 1

<sup>1</sup> Investments of more than one year's tenor may be placed as agreed with the Leader.

April 2012 will continue to operate. The HRA shall continue to receive investment income on unapplied HRA receipts and other HRA cash balances calculated at the average rate of interest earned on temporary investments.

### **13. INVESTMENT CONSULTANTS AND INVESTMENT TRAINING**

- 13.1 Sector Treasury Services were appointed as Treasury Management Consultants on 1 February 2011 for a three year period following a tendering exercise. Sector provide interest rate forecasts, economic updates, strategy reviews, accounting advice, training for treasury management staff and advice on the formulation of suitable borrowing and investment strategies and advice on investment counterparty creditworthiness.
- 13.2 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.
- 13.3 Officers 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.

### **14. FINANCIAL AND RESOURCE IMPLICATIONS**

- 14.1 The comments of the Executive Director of Finance and Corporate Governance are contained within this report.

### **15. LEGAL IMPLICATIONS**

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

Provided by : Jonathan Hunt Tri-Borough Director of Treasury and Pensions is the relevant finance officer Tel: 020 7641 1804. I am not sure who dealt with it in Legal Dept.

### **16. COMMENTS OF THE AUDIT, PENSIONS AND STANDARDS COMMITTEE**

- 16.1 Any comments from the Committee will be reported verbally at the meeting.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Financial monitoring documents	Jade Cheung ext 3374	Finance Department, 2 <sup>nd</sup> Floor, HTH Extension

## APPENDIX A

### THE TREASURY MANAGEMENT POLICY STATEMENT

The CIPFA recommendations contained in the Code of Practice and Cross-Sectoral Guidance Notes issued as a revised version in 2009 for Treasury Management in the Public Services require that each Local Authority has a Treasury Management Policy Statement that is approved by the Full Council.

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, and any financial instruments entered into to manage these risks.
- 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.

## APPENDIX B

### LBHF APPROACH TOWARDS MONEY MARKET FUNDS

#### Background

A Money Market Fund (MMF) is a pooled investment vehicle whose assets are comprised of various cash type instruments. Investors buy shares or units in the MMF with the aim of receiving regular dividends or an increase in the value of the units. These funds allow investors to participate in a more diverse and high quality portfolio than if they were to invest individually. Some of the investments at the MMF's disposal are not generic type of investments a Local Authority would usually enter into as they need to be managed in the market. By investing in a MMF, local authorities allow fund managers to manage asset portfolios under strict criteria to achieve the highest AAA credit rating.

#### Legislation Requirements for Local Authorities

Under the Local Authorities Regulations 2002<sup>2</sup> MMFs are classed as Approved Investments if they meet the following conditions:

- The funds must be dominated in GBP
- The funds must be rated AAA by Standard & Poor's, Moody's or Fitch in respect of creditworthiness.
- The fund must be approved under the Undertaking for Collective Investments in Transferable Securities (UCITS).
- The fund is either a unit trust scheme authorised under section 243 of the Financial Services Markets Act 2000 or a collective investment scheme recognized under section 264 of that Act.

#### Constant net asset value (CNAV) and variable net asset value (VNAV) funds

MMFs can be allowed to use two separate accounting techniques to value their assets. The principal difference between CNAV and VNAV funds is likely to be the accounting technique used to value the assets:

- **Amortised cost accounting**, which values the asset at its purchase price, and then subtracts the premium / adds back the discount in a regular fashion (linearly) over the life of the asset. The asset will then be valued at par (100) at its maturity. This enables the funds to maintain a net asset value (NAV), or value of a share of the fund at £1. This is the approach adopted by CNAV funds.
- **Mark-to-market accounting** values the assets at market price. The NAV of a fund that uses this form of accounting will change due to the changing value of the assets or in the case of accumulating funds (where any interest is capitalised back into the fund instead of being paid out as an income) by the amount of interest earned. This is usually the approach adopted by VNAV funds which have a constantly varying share price. In practice the fund manager will aim to

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<sup>2</sup> Capital Finance & Approved Investments (Amendment) 2002 No.451

maintain the share price above £1 and ensure a smooth gradual increase in price on a daily basis.

Funds which use amortised cost accounting (CNAV) should compare the amortised cost price to the market price on a regular basis. If the variance is beyond a pre-set level (ie share price is higher or lower than £1 by a significant amount), the fund manager needs to implement procedures to narrow the gap. This can involve buying and selling different assets.

CNAV funds tend to pay out monthly dividends to investors whereas the VNAV funds tend to reinvest dividends back into the fund.

CNAV funds tend to be marketed as an instant access investment where funds can be invested and removed on a daily basis therefore forming part of a Council's operational cash pool.

VNAV funds tend to be marketed as a longer term investment that offers an enhanced return over the CNAV funds. Investments should therefore only be invested as part of a longer term investment plan as would happen for a 3 month bank deposit for example. Neither CNAV nor VNAV funds (or deposits for that matter) guarantee return of capital.

### **Investing in MMFs**

It is important to stress that there are no principal guarantees with MMFs however as discussed CNAV funds have to manage funds to ensure a constant share price and VNAV funds aim to maintain a minimum of £1 per share if not higher.

For a credit rating agency to rate a fund AAA they must have an “extremely strong capacity to achieve MMF’s investment objective of preserving principal and providing shareholder liquidity through limiting credit, market and liquidity risk”<sup>3</sup>

Over the last 40 years there have been three instances of a CNAV fund “breaking the buck”. This occurs where a fund’s NAV drops below £1 (or \$1 for US MMFs)<sup>4</sup> per share and the investor loses money when they need to remove funds.

### **What can MMFs invest in?**

The following assets are permitted investments for a MMF:

- Call Accounts – instant access accounts that are typically provided by retail banks.
- Term Deposits – a bank deposit where funds cannot be withdrawn for a fixed period of time.
- Certificate of Deposits (CDs) – a bank investment with a set maturity date and pre-determined, fixed interest rate. Investors receive an electronic certificate which can then be bought or sold in a secondary market.

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<sup>3</sup> From Fitch Ratings

<sup>4</sup> First Multifund for Daily Income (1978), Community Bankers US Govt Fund (1994), Reserve Primary Fund (2008)



- Commercial Paper (CP) – a short term note issued by financial institutions and corporates, with a fixed maturity usually between 1 and 270 days. CP is tradable in a secondary market.
- Asset Backed Commercial Paper (ABCP) – as above but note is collateralised with assets or revenue streams.
- Bonds – a negotiable certificate whose ownership can be transferred in the secondary market. Issued by financial institutions and corporate often for longer maturities. This can have a fixed or floating rate.
- Government Securities – are financial instruments issued by government.
- REPO's – repurchase agreement allow a MMF's to invest cash on a secured basis.
- Asset Back securities – A financial security which is backed/collateralised by a specified pool of underlying assets such as mortgages. This security often has a long expected maturity date.

### **How MMFs achieve the AAA credit rating**

MMFs have preservation of capital and liquidity as their primary objectives. Competitive money market returns is another key, but lesser, objective. Each credit rating agency will regularly identify, assess and weigh each fund in terms of its ability to deliver on these objectives. The ratings criteria comprises of three main areas of analysis:

- Credit Quality - Ratings criteria stipulate what the fund can buy (type of asset, maturity, credit quality of asset) and from whom (acceptable counterparty risk).
- Portfolio construction - Judging a MMF's ability to shield investors from adverse market swings by analysing a portfolio's sensitivity to changing market conditions.
- Fund Management - Level of fund manager's experience, investment objectives, management techniques, strategies, operating procedures and internal controls.

### **Benefits to Investors in MMFs**

The key benefits to the investor are:

- Diversification of investments
- Intensive credit analysis on fund investments.
- Typically same day or very near liquidity with no redemption penalties.
- Managed by experienced fund managers who will implement strategies to mitigate credit, interest rate and liquidity risks.
- Funds have better investor power which enables them to obtain better yields.
- Competitive money market returns

MMFs ultimately offer a good balance between the LBHF's investment criteria of security, liquidity and yield and as such they form an integral part of treasury policy.

### **LBHF's approach to date**

Existing treasury management policies regarding money market funds are restricted to analysis of credit ratings of the fund and limiting maximum fund exposures.

Traditionally, the Council has used funds selected by their advisors. In both instances the aim was for the policy to satisfy the aim of security, liquidity and yield. The proposals below aim to provide the Tri-borough Treasury team with a more detailed approach on how funds are selected, monitored and limits that should apply.

This approach builds on the current treasury management strategy and aims to provide an opportunity for each borough to formalise an operational framework. This should help the council to maximise their key objectives of security, liquidity and yield.

### **Approach to selecting MMFs**

Set out below are the criteria Officers will use when considering recommending an investment in a MMF for approval by the Leader.

**CNAV funds:** CNAV funds make up the majority of the GBP market with around 20 different fund providers.

- The asset classes contained within it are those instruments described above except Asset Backed Securities.
- The fund deals with counterparties of sufficient credit quality. Particular focus will be on the short term credit rating which will always need to remain above P-1 / A-1 / F-1 unless there is good reason and approval by the Tri-borough Director for Treasury and Pensions.
- In current financial climate Officers will not recommend any funds that are invested in peripheral European based banks.
- Santander UK is used by several funds who hold overnight call accounts. Officers are not concerned by this unless funds begin to invest in deposits that are greater than overnight duration. Santander UK is classified as a self financed UK based bank and although it has a Spanish parent it remains isolated from the troubles in the Spanish economy.
- RBS is currently rated P2 by Moody's but not all funds have removed them from their portfolios due to the level of state support offered to the bank. Also many of the funds use the other two ratings agencies to rate their portfolios where RBS still remain at the upper levels of the short term credit ratings. We believe that as long as funds are only invested on an overnight basis then funds can remain in the respective MMF.
- The fund's long term rating is rated AAA by at least two of the credit rating agencies.
- Funds are well established with a minimum fund size of £2bn to comfortably accommodate our investment limits.
- Counterparties will be reviewed when deciding on funds and then reviewed at least monthly. The asset classes contained within the MMFs will be reviewed when deciding on funds and then reviewed at least quarterly.
- After the above criteria have been met selection of funds can be based upon yield returns.

The table below sets out a list of CNAV funds (as of December 2012), which would automatically meet the criteria listed above. and are therefore proposed for approval as part of this report.

**Table 1**

<b>Fund Name</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>Assets (£bn)</b>	<b>30 Day Simple Interest Yield (%)</b>	<b>WAM (days)<sup>5</sup></b>
Ignis Sterling Liquidity Class 2		AAA	AAA	14.7	0.70	54
Prime Rate Sterling Liquidity Fund Class 3		AAA	AAA	2.7	0.68	35
Insight Sterling Liquidity Fund Class 5	Aaa	AAA		15.1	0.59	35
LGIM Sterling Liquidity Fund Class 3		AAA	AAA	12.3	0.58	51
Goldman Sachs Sterling Reserves Fund	Aaa	AAA	AAA	5.7	0.53	51
SWIP Global GBP Liquidity Fund plc	Aaa	AAA	AAA	17.6	0.51	42
Deutsche Managed Sterling Fund - Advisory	Aaa	AAA		6.6	0.50	56
State Street Global Advisors Liquidity	Aaa	AAA		2.3	0.49	45
BlackRock ICS Sterling Fund Core Shares Dist.	Aaa	AAA		25.7	0.48	48
RBS GTF Sterling Fund Class 4	Aaa	AAA	AAA	5.9	0.46	42
HSBC Liquidity Fund	Aaa	AAA		5.4	0.45	27
JPMorgan Sterling Liquidity Fund Instit.	Aaa	AAA	AAA	10.1	0.45	41
BNY Mellon Sterling Liq Fund Advantage Shares	Aaa	AAA		2.7	0.38	25
Northern Trust Sterling Cash Fund Class F	Aaa	AAA		4.0	0.37	28

**VNAV funds:** These funds are provided by a handful of fund managers and are a relatively new product in the UK compared to the CNAV funds. As a consequence funds are much smaller than existing funds and the criteria needs to be adjusted accordingly. The same criteria will be applied as for CNAV funds except:

- Asset classes will be extended to include Asset Backed Securities which are deemed suitable given the long term nature of VNAV funds.
- Funds will be considered that are greater than £100m in size in order to accommodate our investment limits.
- Ensure fund is rated AAA by at least one of the credit rating agencies (VNAV funds tend to be rated by a single agency).

Formal procedure for selecting funds (both CNAV and VNAV): The treasury manager or officer will write a paper for approval by the Leader detailing the following:

- Which funds are requested to be added to the panel.
- Confirmation that the proposed funds adhere to the criteria detailed above.

### Ongoing Monitoring

<sup>5</sup> WAM or weighted average maturity of the fund is the average number days to maturity calculated using the next coupon fixing date of floating rate instruments and final legal maturity date of all other instruments

Once funds have been selected ongoing monitoring is required. This will be carried out quarterly but at times of market stress and heightened credit concerns this may increase in frequency. Monitoring will take place in a formal regular meeting which should be organized as follows:

- Attended by Treasury staff who invest in MMFs
- Detailed holdings report for each fund should be provided for each meeting so investment classes/counterparties/ratings can be checked against criteria.
- Any issues or areas outside of policy need to be escalated to the Tri-borough Director for Treasury and Pensions.
- Meetings should be the around same time each quarter.

### **Investment Limits**

Officers will work within certain investment limits for MMFs as set out below:

- Limit for total MMF exposures at any one time is £60m, Includes both CNAV and VNAV Funds
- Limit for individual fund manager at any one time is £10m.
- If a Fund manager provides both a CNAV and VNAV fund then these exposures should be added in this instance.
- Individual fund exposure of no more than 10% of fund assets under management.
- VNAV to CNAV fund ratio cannot be greater than 1:5.

Investments can be moved, within the allowed pool, from one fund to another (subject to the above limits). All funds with a nil balance will remain open and can be used if other funds make any changes that fall out of our policy criteria or if their returns become uncompetitive. It will not be necessary to close accounts with any existing providers.

New funds can be added to the panel as they come to market if they satisfy the criteria outlined within this paper. Officers will propose a new fund and this will have to be approved by the Leader.

Compliance with the proposed policies and limit recommendations will be the responsibility of Officers with oversight provided by the Tri-borough Director for Treasury and Pensions.

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>11 FEBRUARY 2013</b>
<b>STRATEGIC REVIEW OF THE COUNCIL'S CORPORATE COMPLAINTS POLICY</b>	
<b>Report of the Cabinet Member for Communications - Councillor Mark Loveday</b>	
<b>Open Report.</b> Yes	
<b>Classification</b> - For Decision  <b>Key Decision:</b> Yes	
<b>Wards Affected:</b> All	
<b>Accountable Executive Director:</b> Jane West, Executive Director for Finance & Corporate Governance.	
<b>Report Author:</b>  Lyn Anthony, Head of Executive Services James Filus, Corporate Complaints Manager	<b>Contact Details:</b> Tel: 020 8753 2020 E-mail: james.filus@lbhf.gov.uk

## 1. EXECUTIVE SUMMARY

- 1.1. The Council currently has a three stage complaints policy. Since the introduction of icasework in 2010 the Council's overall management of complaints has improved to the extent that we are now in a position to introduce a streamlined two stage complaints policy that will be less time consuming and have other tangible benefits to customers and the Council.
- 1.2. This report explains why officers consider that it is now time to update the complaints policy, what the new policy comprises of and the steps that have been taken to ensure a smooth transition.

## 2. RECOMMENDATIONS

- 2.1 That the new Corporate Complaints Policy be approved and implemented with effect from 1 April 2013.
- 2.2 That the new model for managing Stage 2 complaints be agreed and implemented for all Stage 2 complaints recorded after 31 March 2013.

### **3. REASONS FOR DECISION**

- 3.1. The volume of complaints being made and the proportion of these escalating is decreasing to such an extent that it is now considered possible to remove the third, and final, stage of the current complaints procedure, in order to bring about swifter resolutions for our residents and customers.
- 3.2. Support at the front end of the process with more emphasis on resolving the complaint at the earliest opportunity. In addition to being more convenient to the customer, the early resolution of a complaint avoids the need for a potentially costly investigation and reduces the likelihood of having to award compensation because of delays in remedying the problem.
- 3.3. Training continues to be carried out in department to improve the effectiveness of complaints handling; also we are developing an eLearning package.
- 3.4. We are currently in discussion with our Tri-borough colleagues to explore the possibility of aligning processes.
- 3.5. The London Boroughs of Brent, Islington, Haringey and Camden has adopted a two stage process.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1. The current Corporate Complaints Policy was approved by Cabinet in March 2009.

### **5. PROPOSAL AND ISSUES**

- 5.1 In order to continue to meet new challenges and rising customer demand, the following five key initiatives have been undertaken:
  - **Localism and swifter resolutions**
    - Increasingly, due to the Localism Act and the introduction of a new Housing Ombudsman Scheme on 1 April 2013, pressure will be put on the Council to resolve matters locally. The Council's h&f InTouch Team will add value here to all parties.
  - **Promoting service improvement**
    - Using trend analysis to drive down complaints demand. Highlighting customer experiences and sharing case studies to promote learning from these and to improve services. Where best practice has been recognised, this will also be

shared and promoted across the organisation. Internally publishing decisions and the rationale for these.

- **Channel migration**
  - Increase the use of the H&F My Account portal for the submission of complaints and requests for information;
  - reducing telephone transactions
  
- **Impact of the New Ways of Working**
  - Customer Satisfaction: as a result of the introduction of self-service, it is now possible for customers, specifically complainants, to record their satisfaction/dissatisfaction with how their complaint was handled. Such feedback is in its infancy as this functionality was only introduced on the 2 July 2012, the number of satisfaction surveys being submitted is increasing on a weekly basis.
  
- **Managing internal customer demand**
  - Reviewing the Council's internet and intranet pages
  - eLearning and Training.

5.1. The full rationale for change is set out in Appendix 1 of the attached report. Appendix 2 is the proposed revised Corporate Complaints Policy.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

6.1 To reduce the number of Stages in the Council's complaints procedure to 2 and to introduce an option for mediation between the Council and the customer lead by h&f InTouch.

## **7. CONSULTATION**

7.1. The proposals set out in the report have been shared with Executive Directors and have received favourable feedback.

## **8. EQUALITY IMPLICATIONS**

8.1. Sections 6.2 and 7.3 of the policy set out the Council's application of equality, and human rights considerations (respectively). These remain unchanged in the updated policy.

## **9. LEGAL IMPLICATIONS**

9.1. Both the Local Government and the Housing Ombudsman require the Council to have a proper and effective complaints system. Removing

stage three from the complaints procedure does not have any legal implications.

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

10.1. The change to a new two stage complaints system will contribute to the delivery of these savings highlighted as part of the Business Support Review.

## **11. RISK MANAGEMENT**

11.1. The rationale for change is set out in Appendix 1 of the attached report. It is not considered that there are any risks resulting from the proposed change in process.

## **12. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1. None.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Strategic Review of the Council's Corporate Complaints Policy	James Filus (020 8753 2020)	Executive Services

#### **LIST OF APPENDICES:**

- 1. Rationale for Change**
- 2. Draft revised Corporate Complaints policy**



## RATIONALE FOR CHANGE

### 1. BACKGROUND

As part of the Business Support Review and the New Ways of Working that arose from the Review, it was proposed that Stage 3 of the complaints procedure would be removed from the Corporate Complaints Policy and a new Corporate Service Improvement Group is established.

In order to continue to meet new challenges and rising customer demand, the following five key initiatives have been undertaken:

- Channel migration
- Using risk to determine h&f InTouch involvement
- Managing internal customer demand
- Promoting service improvement
- Localism and swifter resolutions

### 2 Channel migration

#### 2.1 Aims:

- Increase the use of the H&F My Account portal for the submission of complaints and requests for information
- Improve the request for information disclosure log so that it is searchable
- Reducing telephone transactions

#### 2.2 Evidence:

Contact method	Complaints		Requests for information:	
	2011-12	Since 2 July 2012	2011-12	Since 2 July 2012
Email	25%	19%	93%	88%
Form	19%	3%	0%	0%
Letter	22%	14%	7%	6%
Phone	34%	22%	0%	0%
Self service	0%	42%	0%	6%

The above table shows that there has been a 42% take up on self-service via My Account and that the proportion of telephone complaints has reduced by 12%.

#### 2.3 Recommendations/Next Steps:

- Continue to push the use of self-service for complaints and to find methods to 'focus' these. Although the take-up of self-service is positive, roughly half of all transactions should not be brought to the attention of the h&f InTouch team – these include Penalty Charge Notice (PCN) appeals and general enquiries.
- Increase the use of self-service for requests for information. The small take-up on self-service is a positive first-step, but email remains the most used method of contact for this workstream and this creates an unnecessary administrative

task for the InTouch team and does not open up all of the benefits of self-service to our customers (e.g. tracking, etc).

### **3 Managing internal customer demand**

#### **3.1 Aims:**

- *Reviewing the ITT and IMT intranet pages*
- *eLearning and training*

#### **3.2 Evidence:**

The h&f Intouch intranet pages were reviewed and completely restructured in advance of the launch of the New Ways of Working. The new pages set out clearly to officers the changes brought about by the New Ways of Working, provided guidance documents and frequently asked questions, etc.

An eLearning package is currently being developed, but training programmes have already begun. Training has been delivered to officers in Environment, Finance & Corporate Services (H&F Direct), Residents and Leisure Services (ELRS) and Transportation and Technical Services (TTS), which has been described by attendees as 'very useful' and full of 'expert knowledge'. Executive Services dedicated resources in Housing & Regeneration to help support the changes and provide training, advice and guidance directly.

Further training can be provided on request via the h&f InTouch intranet pages and it is anticipated that the eLearning package will replace the need for some of the 'classroom' based training.

#### **3.3 Recommendations/Next Steps:**

- 3.1 To continue to provide training as requested and to develop the eLearning modules in collaboration with the Organisation Development Team.

### **4 Promoting service improvement**

#### **4.1 Aims:**

*Using trend analysis to drive down complaints demand*

#### **4.2 Evidence:**

In order to reduce the volume of complaints made to the h&f InTouch team, and therefore demand, it is planned that the h&f InTouch team will identify areas of concern using the volumes of complaints made and trend analysis of the problems reported; referring these to the relevant services, who will be expected to report back what steps will be taken to address any problems identified throughout the analysis. This is yet to occur, as a suitable point in the reporting year is yet to be reached - i.e. the next Annual Complaints Review.

Nevertheless, the h&f InTouch team has already reported a 13.4% reduction in the number of complaints made during the reporting year 2011-12 over the previous reporting year. Further information on this reduction is available in the Annual Complaints Review for 2011-12.

#### 4.3 Recommendations/Next Steps:

- Place a strong emphasis on learning from complaints, using business intelligence from iCasework, in the next Annual Complaints Review.
- h&f InTouch team will be allocated a service 'portfolio' of responsibilities, as part of the Corporate Service Improvement Group.

### 5 Localism and swifter resolutions

#### 5.1 Aims:

- *Reducing the number of stages in the complaints procedure:*

#### 5.2 Evidence:

Due to the improved framework in place for managing complaints and the efforts of the h&f InTouch team, the overall number of complaints – since the introduction of the h&f InTouch team – has been reducing each year at an average of circa 10%.

Importantly, the number of complaints escalating has also decreased, and this has occurred at higher proportion than the overall decrease in complaints received by the Council.

The below illustrates the volumes of complaints received over the same period (1 April to 30 September) for the last three years and the percentage change in volume:

	Q2-Q3 2010/11	Q2-Q3 2011/12	Q2-Q3 2012/13
<b>Stage 1</b>	964	850 (-12%)	869 (+2%)*
<b>Stage 2</b>	93	71 (-24%)	40 (-44%)
<b>Stage 3</b>	39	24 (-38%)	7 (-71%)

\* the recent increase in complaints received can be attributed to the introduction of self-service for our customers

Given the significant decrease in both Stage 2 and Stage 3 complaints, it is now considered that Stage 3 can be removed from the complaints procedure.

Although the number of Stage 3 complaints now received is negligible, removing Stage 3 from the complaints procedure will be a significant shift in how the Council manages complaints. Stage 3 is the first opportunity for an independent view on a complaint which, although not often exercised, many customer find reassuring; it has made also a difference in a number of cases, avoiding Ombudsman decisions against the Council.

Increasingly, due to the Localism Act and the introduction of a new Housing Ombudsman scheme on 1 April 2013, pressure will be put on the Council to resolve matters locally – the h&f InTouch team will add value here to all parties.

In order to continue to offer our customers a view on their complaint that is separate from the Service concerned, it is considered that taking the best practice from Stages 2 and 3 (a review by a Senior officer from the Service and the h&f InTouch team) is an appropriate way forward.

### 5.3 Recommendations/Next Steps

- To reduce the number of Stages in the Council’s complaints procedure to 2 and to introduce an option for mediation between the Council and the customer lead by h&f InTouch.

## 6 Impact of the New Ways of Working

### 6.1 Customer satisfaction

As a result of the introduction of self-service, it is now possible for customers (specifically complainants) to record their satisfaction/dissatisfaction with how their complaint was handled. This was a significant piece of work.

Such feedback is in its infancy, as this functionality was only introduced on 2 July 2012; however, the number of satisfaction surveys being submitted is increasing on a weekly basis. Below is a snapshot of the returns so far:

	Overall satisfaction	Outcome	Easy to complain	Staff helpfulness	Understanding of complaint
Very satisfied	25%	13%	38%	29%	46%
Fairly satisfied	17%	17%	17%	21%	13%
Neither satisfied nor dissatisfied	13%	4%	29%	17%	n/a
Fairly dissatisfied	17%	26%	13%	8%	29%
Very dissatisfied	29%	39%	4%	25%	13%

The results are seen as positive. Overall satisfaction is recorded at 42%, which is higher than any previous reporting method has recorded, including the Council’s Annual Residents’ Survey (37% - 2011 Results).

### 6.3 Escalation

As set out above, the h&f InTouch has worked hard to reduce the number of complaints made to the Council. During Quarter 3 (01/07/2011-30/09/2011) of the reporting year 2011/12, there were 33 Stage 2 complaints recorded. Over the same period in 2012/13, only 14 Stage 2 complaints were recorded. The evidence strongly suggests that the amount of unnecessary escalation is reducing and that this is having a positive impact on customer satisfaction - as can be seen in the above table.



# Corporate Complaints Policy

**DRAFT – EFFECTIVE FROM 1  
APRIL 2013**

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## 1. INTRODUCTION

A key determinant of how responsive we are as a Council is ensuring that we have a positive approach to dealing with our residents and customers feedback. This approach must be supported by the implementation of fair, consistent and effective policy and procedures for handling complaints, compliments and suggestions. The key areas of the policy are set out including:

- aims and objectives of the complaints policy;
- the stages of the formal complaints procedure
- roles and responsibilities of staff;
- monitoring arrangements; and
- data publication.

We should strive to find sustainable solutions to the challenges faced by our residents, through the provision of a high standard of customer care. Our approach should be driven by core values of **openness, accountability** and **honesty**. We should also focus on the best outcome for the customer.

## 2. AIMS AND OBJECTIVES

All feedback should be dealt with fair, confidential, consistent, effective and timely manner. The objectives of the complaints policy are to:

- provide an accessible means for all service users, or their advocates, to complain if they are dissatisfied, or to offer compliments and suggestions if they choose;
- provide a fair and consistent process for resolving complaints;
- establish timescales for complaint resolution;
- facilitate the use of complaint information as a means of monitoring performance and improving services;
- ensure complainants and members of staff have the same rights to be treated with courtesy and respect; and
- ensure that plain English is used when answering customer complaints

## 3. COMPLAINTS

### 3.1 Defining a complaint

The Council defines a complaint as follows:

*Any expression of dissatisfaction about the Council's provision of, or failure to provide, a service for which it has responsibility*

### 3.2 Who can complain?

Anyone who uses or is affected by our services can complain. This includes, not exclusively:

- residents
- people who work in or visit the borough
- local businesses
- community groups.

### **3.3 Support and advocacy**

Many people feel daunted at the prospect of making a complaint. They may be unsure about how to go about it, or how best to put their case. The Council has a positive approach to complaints and will encourage people to seek the support of friends or other advocates such as Citizens Advice Bureau. The Council will assist people in finding such support. The Council will also give assistance to people who have difficulty with written or spoken English and to disabled people.

The Council will, where appropriate, accept complaints from advocates or third-parties, provided that the person affected has given their written consent.

In some cases, for example children or vulnerable people, if it seems that the person may be unable to give their consent, the Council will make a judgement as to whether it is appropriate to accept the complaint from an unconfirmed representative.

### **3.4 Anonymous complaints**

A complaint should not be dismissed if it is submitted anonymously. A judgement will need to be made on a case by case basis whether to look into the substance of a complaint made anonymously.

### **3.5 How can complaints be made?**

The Council encourages any customer who has a concern to first speak to a member of staff in the relevant service area. If there has been a problem the member of staff should try to resolve it. However, if a service user is not happy and wants to make a complaint, we need to make it easy for them to do so.

We accept complaints:

- on the Council's complaint form
- via the Council's online self-service portal (My Account)
- by letter
- by fax
- by email
- by telephone
- on audio tape
- in person

Although we accept complaints made by telephone it's helpful to have them in writing, so that we have a clear record of the complainant's views on what went wrong and what the Council should do to put things right. If a complainant wishes to make a complaint by telephone, then they must not be prevented from doing so.

### **3.6 Complaints that fall outside the Council's complaints policy**

Certain types of complaint will not be dealt with through the Council's complaints procedure because there are other processes more suitable for dealing with them, or because they are outside the Council's control. This includes, not exclusively:

- Matters of law or central government policy.
- Complaints from staff about personnel matters, including appointments, dismissals, pay, pensions and discipline.
- Complaints where the customer or the Council has started (not threatened) legal proceedings.
- Complaints about the merits of an insurance claim, or matters that would be more appropriately considered by an insurer.
- Complaints under statutory obligations (see Section 4).



- Requests for Council services.
- Complaints that have already been decided by a court or independent tribunal.
- Complaints that are simply criticisms or disagreement with Council policy or decisions.
- Services for which there are alternative statutory appeal or tribunal processes, including:
  - Appeals against the refusal of planning permission
  - Appeals against statutory Notices
  - Parking appeals
  - School admission or exclusion appeals
  - Special Educational Needs Tribunals
  - Housing Benefit appeals

If there is any doubt about whether the complaint should be accepted, the customer should be advised to submit the complaint to the Council for consideration.

If the Council receives a complaint and decides not to accept it on the above grounds, the customer should be told why and, where possible, an alternative route should be suggested.

### **3.7 Time limits**

It is far easier to find out what happened and to put things right if complaints are received at the time. As time passes it becomes more difficult to investigate events fairly and fully – people’s memories fade, staff who were closely involved may have left the Council, or records may no longer be available.

For these reasons, the Council will normally only accept complaints made within **twelve months** of the incident or circumstances that lead to the complaint. However, if there are exceptional circumstances (illness, changes in personal circumstances, etc) provided by the complainant for the delay in submitting the complaint, the Council may make a discretionary decision to consider the complaint providing the circumstances are evidenced.

If the Council receives a complaint and decides to not to accept it on the above grounds the customer should be told why.

## **4 THE COMPLAINTS PROCEDURE**

The Council should seek to resolve complaints at the earliest opportunity. Where possible, prior to implementing the formal two-stage process outlined below, every attempt should be made to deal with complaints quickly and informally, at the point of service delivery.

Some complaints received by the Council have to be dealt with under a statutory process and will not follow the steps set out below; these complaints normally concern the delivery of adult or children social care services.

### **4.1 Stage 1**

If a concern cannot be resolved to a customer’s satisfaction at the point of service delivery, or if the customer wishes to make a complaint in any event, a formal complaint must be recorded – unless an exemption, as set out in Section 3.6 is applicable.

The Council will nominate an appropriate officer to respond to the complaint at this stage; the appointment should take into account the seriousness and the nature of the complaint. If the complaint concerns the service manager, a more senior manager should respond. An officer, against whom a complaint is personally directed, should not respond to a complaint.

Complaints should be acknowledged within **three** working days, and a full written reply sent within **fifteen** working days. The content of acknowledgement and full responses is covered in sections 4.4 and 4.5.

Some Council services are provided by external contractors. In those cases the contractor may be required to reply to a complaint at Stage 1 but they are expected to conform to the Council's standards for dealing with complaints.

The Council's aim is to resolve as many complaints as possible to the customer's satisfaction at this stage. This means that responses must be open and honest, admitting fault when things have gone wrong and setting out a package of measures to put things right, including the payment of compensation, which does not necessarily mean an acceptance of liability.

## **4.2 Stage 2**

If the customer is dissatisfied with the outcome of the Stage 1 investigation, at their request, the Council will arrange for the complaint to be reviewed by a more senior manager. In most cases this will be the service Director or a designated officer. All responses to Stage 2 complaints must be agreed by the Corporate Complaints Manager before being sent and, in some circumstances, the investigation will be led by the Corporate Complaints Manager.

The request should be acknowledged within **three** working days, and a full written reply sent within **twenty** working days.

## **4.3 Acknowledging complaints**

All acknowledgements should include:

- a reference number
- a brief summary of the complaint as the Council understands it
- the date the complainant should expect a full response
- contact details of the sender

In the event that a full response (see below) can be made within the **three** working days an acknowledgement need not be sent.

## **4.4 Responding to a complaint in full**

All complaint responses should be clear and concise; honest and accurate; professional and courteous; jargon free and in plain English, free from spelling and grammatical errors

All responses to complaints which are **upheld** or **partially upheld** should contain:

- an explanation of what happened and why things went wrong
- an apology for service failures
- details of the corrective action to be taken, including the payment of compensation where appropriate and clear instructions about anything the complainant needs to do
- the name of the officer responsible for ensuring that action is taken and their contact details
- the timescale within which the action will be taken
- where appropriate, details of the measures to be taken to prevent a recurrence of the problem
- details of how to escalate the complaint to the next stage including the deadline for doing so. (see 4.6)

Where a complaint is **not upheld** the response should provide:

- background information relevant to the complaint
- an explanation of the decision
- details of how to escalate the complaint to the next stage including the deadline for doing so. (see 4.6)

#### 4.5 Right to escalation

The full response to the complainant at all stages should include information on the right to escalate the complaint. The complainant should be advised that if they remain unsatisfied they will have to:

- (a) submit a written response to the Council providing details of **why** they remain dissatisfied; and
- (b) submit the response within **20 working days** from the date of the full response letter.

If a complainant continues to express their dissatisfaction, but does not provide specific reasons as to why they are not satisfied by the Council's response, in some circumstances the complaint will not be escalated to the next stage, but instead be responded to as an ongoing matter. This process is used to ensure that complaints are only escalated when necessary and not just because a complainant continues to express their dissatisfaction.

#### 4.6 The Ombudsman

The Local Government Ombudsman and the Housing Ombudsman ('The Ombudsman') considers complaints about public bodies including local authorities. The Ombudsman investigates complaints about: poor service; failure to provide a service and administrative failure.

In most cases, the Ombudsman will normally only consider complaints if the issues concerned have exhausted the two stages of the Council's own complaints procedure. However, the Ombudsman has discretion to investigate a complaint prior to the Council conducting its own investigation. Such cases normally involve a complainant the Ombudsman considers vulnerable.

The **Corporate Complaints Manager** oversees all matters relating to the Ombudsman on behalf of the Council.

#### 4.7 Timescales

The timescales for response are illustrated below:

- Stage 1: 15 working days
- Stage 2: 20 working days

The timescales start as from the date the complaint was received **by the Council**, not within the department against which the complaint is made.

#### 4.8 Extending Response Timescales

We should always try to keep to our published timescales for dealing with complaints. But sometimes investigations take longer, perhaps because we need to get information translated, or the complaint is unusually complex.

In certain cases, when a complaint is complex, it may be necessary to extend the timescales set out in this policy. If this is the case, the complainant **must** be informed of the reason why timescales cannot be met and also informed when they should receive a full response. Notification should be sent to the complainant at the first possible opportunity.

#### 4.9 Complaints spanning more than one service area

In the event that a complaint involves more than one service, a co-ordinated single response will be sent to the customer in the event that matters cannot be separated.

The customer should be informed of what arrangement has been agreed in the acknowledgement of their complaint.

#### **4.10 Complaints involving other agencies / contractors**

Increasingly the Council works with outside organisations that may have different complaint policies and procedures to ours. This can be confusing and frustrating for complainants and we should endeavour to have simple systems in place for handling complaints under our arrangements with other agencies or contractors. Wherever attempts to resolve matters between our customers and other agencies or contractors has failed, the Council will consider such complaints under our corporate policy.

#### **4.11 Enquiries by Members of Parliament and Councillors**

There are separate published guidelines on dealing with enquiries and representations from MPs, MEPs, the Mayor for London, and Members of the Council and GLA. Such enquiries are not considered complaints.

### **5 RIGHTS AND RESPONSIBILITIES**

#### **5.1 Customer rights**

Our customers have the right:

- to be treated with respect and courtesy at all times;
- to have a friend or other representative help them with their complaint;
- to be kept informed about the progress of their complaints; and
- to receive an apology if a complaint is partially or fully upheld

#### **5.2 Staff rights**

Our staff have the right:

- to be treated with respect and courtesy at all times; and
- to support and training that enables them to handle and resolve complaints in an efficient manner.

#### **5.3 Responsibilities**

The responsibilities for the resolution of complaints are set out below for employees. The priority is the effective handling of complaints at, or as close to, frontline staff or by a local manager. It is important all staff receive the necessary support and guidance to handle complaints.

**All staff** are responsible for the following:

- at the pre formal stage, striving to resolve complaints and if this is not possible,
- referring the matter to an appropriate officer to action;
- having an understanding of stages of the complaints policy and procedures;
- ensuring that the agreed timescales are met and procedures are followed

**The Corporate Complaints Manager** is responsible for the following:

- ensuring that all complaints are managed in accordance with the Council's complaints policy
- agreeing the response to any complaint considered at Stage 2
- managing the Council's responses to all complaints referred to it by any Ombudsman
- ensuring data is kept in accordance with monitoring requirements
- promoting corporate learning from complaints

**Heads of Service** are responsible for the following:

- the proper adherence to the Council's complaints policy and policy guidelines by staff;
- overseeing the handling of complaints by their staff at Stage 1;
- ensuring that, where possible, frontline staff within their service are supported to resolve complaints;
- advising staff on the complaints procedure;

**Executive Directors** are responsible for the following:

- ensuring the proper adherence to the Council's complaints policy and policy guidelines by their department;
- engaging in Stage 2 of the complaints procedure to offer a service led review of complaints;
- considering complaints monitoring information in the planning and improvement of services;
- implementation specific procedures, if actions by complainants are deemed to be unacceptable (see 5.4); and
- on receipt of compliments ensuring that appropriate staff receive a copy of the correspondence.

#### **5.4 Unacceptable behaviour by complainants**

People may act out of character in times of trouble or distress. There may have been upsetting or distressing circumstances leading up to a complaint coming into the Council.

As a Council we do not view behaviour as unacceptable just because a claimant is forceful or determined, however the actions of complainants who are angry, demanding or persistent may result in unreasonable demands on the Council and unacceptable behaviour towards the Council's staff.

In such exceptional circumstances, the Council has the right to specify how the individual complaint will be handled and how future contact from the complainant will be permitted. A separate policy on **Responding to Habitual or Vexatious Complainants** sets out the procedures for handling such complaints.

### **6. PERFORMANCE AND MONITORING**

The following information should be capture, where possible, for every complaint:

- name, address and contact details of the complainant;
- complaint details;
- equality monitoring details;
- complaint tracking information – date of receipt, acknowledgement date, closure date; and
- complaint resolution details

This information will be used to produce management information to monitor service performance, highlight areas of service failure and gaps in provision and feed into the processes for identifying areas for service improvement.

The information will be reported, in the appropriate format, to a range of key stakeholders within the Council.

#### **6.1 Performance targets**

The performance targets for the Council's complaints process are illustrated below:

Complaints acknowledged within timescales – 80%  
Complaints fully responded to within timescales – 80%  
Complainant's satisfaction with the complaints process – 30%  
Number of Ombudsman maladministration decisions – 0

## **6.2 Equality monitoring**

The Council is committed to equal opportunities and tackling all forms of discrimination. To assist the Council identify areas where there may be discrimination in service provision. We will undertake periodic equality monitoring to assess whether there are any equalities issues underpinning the issues raised by complainants.

## **6.3 Publishing complaints data**

The complaints procedure and annual reports will be publicised to the Council's customers via the Council's website and leaflets. All publicity materials for the procedure will be presented in plain English and available in other languages and formats (e.g. audiotape) upon request.

## **7. RELEVANT LEGISLATION**

There are a number of key areas of legislation that the Council must adhere to in the course of dealing with complaints.

### **7.1 Data Protection**

The Data Protection Act 1998 provides protection for personal information, which is information which affects someone's privacy, and gives individuals the rights to access information held about them, and to correct wrong information held about them. Also, the Council must notify the Information Commissioner of all processing of personal information which is carried out on its behalf.

We will ensure that the principles of the Data Protection Act are adhered to, and that all personal information provided by complainants in this form will be only be retained by the Council and shared with other Council departments where necessary so that all communication is dealt with appropriately.


### **7.2 Freedom of Information**

The Freedom of Information 2000 gives people the right to access information held by public authorities. The Act ensures that, subject to certain limited exemptions, anyone can receive information that they request from a public authority. The Council is committed to the principles of openness, transparency and accountability in its activities and supports the right of any person to seek information under the Act.

### **7.3 Human Rights**

The Human Rights Act 1998 came into force on 2nd October 2000. Public authorities must act compatible with European Convention on Human Rights and should interpret the legislation and regulations with which we work, so far as is possible, in a way which is compatible with Convention rights. Our Corporate Complaints policy and procedure reflects some of the main principles of the European Convention of Human Rights by:

- providing a fair and accessible procedure;
- providing a two stage process, with review by the Corporate Complaints Manager;
- providing for disclosure of relevant information to all parties; and
- reflecting the Council's equality policy by seeking to ensure that no person is the subject of discrimination

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>11 FEBRUARY 2013</b>
<b>TRI-BOROUGH MANAGED SERVICES – FINANCE AND HUMAN RESOURCES (TRANSACTIONAL SERVICES)</b>	
<b>Report of the Leader of the Council – Councillor Nicholas Botterill</b>	
<b>Open report</b>  A separate report on the exempt part of the Cabinet agenda relates to the outcome of the procurement process and provides exempt information relating to the services to be provided.	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director: Jane West – Executive Director of Finance and Corporate Services</b>	
<b>Report Author: Hitesh Jolapara: Ext 2501</b>	<b>Contact Details:</b> Tel: 020 8753 2501 E-mail: <a href="mailto:Hitesh.jolapara@lbhf.gov.uk">Hitesh.jolapara@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. The Tri-Borough Managed Services Procurement for Finance and HR transactional services has now successfully concluded. Cabinet is asked to approve the award of a call-off contract with the preferred supplier, BT, to supply a range of Finance and HR transactional services available under the main Framework contract, as set up by Westminster Council (WCC).
- 1.2. This procurement forms one stream of the wider Pan-London Athena programme which aims to deliver the convergence of back-office services across London Boroughs. The other workstreams are delivering the ICT outsource arrangements for back-office systems. This procurement is delivering a set of fully managed services i.e. services beyond the IT platform are provided by the contractor.

- 1.3. The Finance and HR services form Lot 1 of four Lots being procured through the Managed Services programme, which includes E-sourcing (Lot 2), Property and Asset Data Management (Lot 3) and Business Intelligence (Lot 4). These other Lots are in the final stages of evaluation with a target completion date in January 2013.
- 1.4. Through an appropriate EU procurement exercise, the three Tri-borough Councils have identified a supplier, BT, who will deliver the services at the required quality standards and deliver savings of £1.28 million per annum across H&F's activities, and a payback on initial transition investment (£4.15 million) of 3.4 years.
- 1.5. The call-off contract is from a four year framework, procured by WCC, and will be for a period of 5 years with the right to extend by a further 3 years. Provision of an 8 year call-off contract will maximise the savings achievable. The protections built into the framework and call-off contracts are extensive. As this procurement has proved attractive to the market, we have benefitted from competitive pressures on pricing and terms. Key aspects to these protections include reasonable levels of limits of liability, clearly articulated and extensive termination rights for the customer, clear performance management measurements including service credits and strong governance arrangements. Change management is rigorously defined preventing both uncontrolled price changes from the supplier and ensuring other boroughs using the framework cannot drive up cost through customisation and divergence from the "best practice" services.
- 1.6. Healthy competition was maintained through each stage of the procurement with strong interest from the market. The final two bidders for Lot 1 were evaluated using the pre-published evaluation process. It was clear that both suppliers provided strong bids and the quality of the services offered were rated as broadly equivalent, but with a slight margin to the preferred bidder. The preferred bidder, BT, offered better pricing and more attractive profiling of investment spend and, under the pre-published evaluation criteria, was selected as preferred supplier.
- 1.7. The costs of £4.15 million associated with the Managed Services transition (to cover IT, business change and supplier costs) will be met from the Efficiency Projects Reserve. The reduction in operating costs of £1.28m per annum arising from the contract will flow to reduced HR and Finance operating costs once implementation is complete and are already included in H&F's Medium Term Financial Strategy (MTFS).
- 1.8. The Managed Services procurement has been undertaken on Tri-Borough basis with full engagement with staff from Westminster, LBHF and RBKC. Throughout this process, it has been the intent that all three boroughs will call down from the framework.



## **2. RECOMMENDATIONS**

- 2.1. That the Council enters into a contract with the preferred supplier, BT, for five years (with the potential to extend for a further three years) at an annual cost of £1.5 million to provide the full range of services covered by the Tri-borough Managed Services Framework Agreement for Finance and Human Resources (transactional services).
- 2.2. That £4.15 million be set aside from the Efficiency Projects Reserve to fund the transitional costs involved in moving finance and HR transactional services to the preferred supplier.
- 2.3. That delegated authority is given to the Executive Director of Finance and Corporate Governance and the Director of Law to finalise the contract arrangements with the preferred supplier.
- 2.4. That the Leader of the Council approves any amendments to the services to be drawn down from the preferred supplier.
- 2.5. That arrangements are put in place for Westminster City Council to provide an Intelligent Client Function to manage the relationship between the preferred supplier and this Council at a cost of £100,000 per annum.

## **3. REASONS FOR DECISION**

- 3.1. The recommendation to proceed to award and sign the call-off contracts, followed by implementation is based upon the following:
  - supplier chosen following an open and transparent competition in compliance with EU regulations and council policies;
  - savings from adoption of the managed services are significant;
  - adoption of services enables a greater Tri-Borough working and achievement of existing and future savings targets; and
  - provides support to the Pan-London Athena Programme strategy of convergence across London Authority corporate services.

## **4. BACKGROUND**

- 4.1. In the current economic climate, the financial pressures on local authorities put the opportunity to reduce costs and rationalise services high on the agenda. Over the next one to three years a number of London authorities are reaching end of

life on their current IT systems contracts and this provides an ideal opportunity to move to a new shared services model that includes both the systems and the business processing elements to achieve savings through standardisation and 'vanilla' best practice processes.

- 4.2. The Pan-London Athena Programme has been leading a programme of work focused upon the convergence of London Borough back office services such as HR systems and Finance systems. The workstreams are set to achieve convergence through the sharing of various flavours of IT platforms. This IT shared service outsourcing looks to reduce the costs of maintaining duplicate versions of systems across London in multiple boroughs i.e. running multiple versions of Oracle for example.
- 4.3. The Tri-Borough Managed Services procurement formed one of those streams. Although complementary to the Athena Enterprise Resource Planning<sup>1</sup> (ERP) workstreams, this programme differs in being a fully managed outsourced solution. It offers an alternative for London authorities seeking to reshape corporate services in the medium to long term allowing them to benefit from a standardised approach using a single procurement to produce further cost savings through aggregation of services.
- 4.4. In 2011, Westminster established itself as the lead borough for the Managed Services element of the Pan-London strategy. This reflected its timetable for re-procurement of Finance and HR services. Funding was granted from Capital Ambition in recognition of the importance of the Managed Services as a cost saving option for back-office rationalisation. Shortly after Westminster was recognised as lead for the Athena Managed Services work stream, Tri-Borough discussions recognised the value of a combined procurement and common systems and processes stance for effective cross-borough working. Since then the Managed Services programme has been managed by Westminster with full engagement with, and funding from, LBHF and RBKC.
- 4.5. The value of this framework has also been recognised more widely across London. An additional 17 boroughs signed up to participate in the framework procurement including Bexley, Bromley, Camden, City of London, Ealing, Hackney, Hillingdon, Hounslow, Islington, Kingston upon Thames, Newham, Richmond, Southwark, Sutton, Tower Hamlets, Waltham Forest and Wandsworth. Also included are any arms length management organisations, subsidiaries or other companies or businesses under the control or influence of any of these London Boroughs and any schools within the control or influence of any of the aforementioned London Boroughs. There is no commitment to adopt, but a number of boroughs have expressed an active interest in evaluating this option.

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<sup>1</sup> ERP is an integrated system which operates in real time, has a common database which supports all applications and has a consistent look and feel throughout each module

- 4.6. Through a series of integration projects WCC, LBHF and RBKC are aiming to save over £40 million by reducing overhead costs, including reductions of over 35% in management overheads for adult social care, children's services and environmental services. As well as generating savings in its own right, Tri-borough Managed Services enables the delivery of savings elsewhere across the Tri and Bi-borough services. A combined back-office solution would enable all three Councils to be working in the same way, using the same processes. With this new single operating model, the potential for further efficiencies in "customer" service areas from more streamlined processes will become possible, reducing back-office processing costs and allowing more resources to be diverted to "front line" services.
- 4.7. In 2011, the LBHF Cabinet agreed to contribute £333,000 towards the cost of the Tri-borough Managed Services Programme. A further contribution of £300,000 was then agreed by Cabinet in June 2012. In recognition of the wider London benefits this procurement would deliver, Capital Ambition awarded the procurement £500,000 in early 2011 to support the delivery of these outcomes.

## **5. PROPOSAL AND ISSUES**

### **5.1. Contract Evaluation**

- 5.1.1 An overview of the outcome of the procurement process can be found in Appendix A of the report on the exempt part of the Cabinet agenda.

### **5.2. Managed Services**

- 5.2.1. At a high level, the new services will provide H&F with an outsourced HR and Finance operation for a range of the transactional aspects of those functions (see Appendix B of the Exempt report for a detailed list of services). Strategic capability and decision making in both Finance and HR will be retained in-house (ie. Corporate Finance, Service Business Partner Teams, Financial Advice, Budget Strategy, Budget Planning, Final Accounts, Treasury & Pension Fund Management and Taxation, Criminal Records Bureau (CRB) Checks, Job Evaluation, Psychometric Testing)
- 5.2.2. H&F will call-off both HR and Finance services starting in February 2013 for five years with the potential to extend for a further three years. This will result in a transition period with a "Go Live" on 1 April 2014. The transition will be over an extended period and will be business critical.
- 5.2.3. The framework will fall under a shared service governance structure chaired by Westminster. It will operate at a strategic level and an operational level and will oversee the supplier relationship and performance overall across all adopting boroughs. All change to the services will be undertaken at this level to reduce the risk of divergence from a unified approach, and increase the protection from poor performance of the supplier.

5.2.4. The supplier will be managed by a shared service Intelligent Customer Function (ICF) which will undertake the day to day contract management, supplier management, performance management, financial management (billing etc) change management and reporting. This streamlined approach to supplier management will enable us to collectively operate more efficiently and become a better customer which in turn helps to reduce costs through more effective engagement for the supplier. The ICF will be centred at Westminster as the framework owner. All participating boroughs will be represented through the full governance structure.

### **5.3. Direct Savings from Managed Service**

5.3.1. The managed services procurement will result in direct cash savings on the current running costs of back-office services. The benefit is derived from the adoption of newer technology and standardised processes with no bespoke customisations in place (both of which drive up cost of maintenance) as well as the opportunity to deliver the services from outside London where cost of staffing these functions is likely to be lower.

5.3.2. In addition, the adoption of the Managed Services Framework by all Tri-Boroughs has the potential to yield increased savings and/or support the delivery of those savings targets already committed to by Tri-borough and Bi-borough services.

### **5.4. Indirect Benefits**

5.4.1. As well as direct cashable savings there are other benefits to migrating to a managed services approach. These include the removal of responsibility for all ICT used to deliver these services (in line with the infrastructure free strategy for the boroughs), lower overheads through transformation of the way the Intelligent Customer Function is provisioned leading to clearer accountabilities and responsibilities, clearer and concise governance arrangements for the management of the services and alignment with the Pan-London convergence strategy.

5.4.2. Further benefits may accrue from wider adoption by other boroughs who are framework participants through the sharing of management costs and the volume discounts that are defined in the contract.

## **6. OPTIONS AND ANALYSIS**

6.1. Initially, in considering the strategic case, various options were reviewed. For WCC, the preferred approach was the procurement of a Managed Service. What started as a Westminster need was soon supported by the Tri-Borough partners

who then became active participants in the procurement. The main considerations were:

- potential benefits of alignment between Tri-Borough in terms of processes to ensure that the front office Tri-Borough services such as Adults, Children and Libraries were not left with multiple processes and systems;
- the need to generate direct cashable savings; and
- economies in the costs of the procurement and potential volume discounts only available through joint working.

6.2. At each stage of the procurement the business case was updated and the option to procure Tri-Borough Managed Services was revisited and validated. The outcome of the procurement meets these objectives in that:

- it will deliver the savings anticipated at the strategic level;
- if adopted by further boroughs, it will facilitate further savings;
- it has reduced the risk and cost of procurement of these services.

## **7. CONSULTATION**

7.1. This procurement has been a major initiative for all three boroughs. It has been reviewed and endorsed throughout the procurement process by the comprehensive governance structures. These include the Tri-Borough Managed Services Board, the Tri-Borough Corporate Services Member Steering Group, the Tri-Borough Corporate Services Board, the HR Strategy Board and the Finance Integration Board.

7.2. The programme has also worked closely with the pan London Athena initiative to raise awareness of the Managed Services option for other London boroughs.

7.3. There is a significant impact on staffing within H&F with 36.7 permanent FTEs whose roles are subject to outsourcing. In addition, a small number of permanent staff employed by H&F Bridge Partnership will also be affected. The staff at risk will be subject to TUPE legislation and have the right to migrate to the new supplier.

7.4. Given that the preferred supplier, BT, is likely to provide all services from the North of England, should staff elect not to transfer under TUPE, then they will be entitled to redundancy.

7.5. This represents a redundancy risk of approximately £345,000, and this figure is built into the transition costs of £4.15 million within the business case. This is a

worst case scenario, as we will make best efforts to redeploy staff into other positions within the Council.

- 7.6. The contract (TUPE and Pensions schedules) have been signed off by Finance and HR within Westminster and were drafted by DLA Piper employment experts.

## **8. EQUALITY IMPLICATIONS**

- 8.1. With regard to the services to be outsourced, S149 of the Equality Act 2010 (the duty to give due regard to the need to eliminate discrimination, harassment and victimisation, advance equality of opportunity, foster good relations) is not relevant or affected because the services are not generally frontline services accessed by the public. However, where the supplier is dealing with the public (including communications), they will need to ensure that the service is accessible and in line with the requirements of the Equality Act.
- 8.2. Where the supplier is dealing with any kind of debt or tax bill (see Appendix B in the exempt report), they will need to ensure that the service is being provided in an accessible way in order that the service does not discriminate. For example, they may need to provide written documentation in a way that is accessible for people with a sensory impairment and they may need to take into account other communication needs where people are unable to use the telephone to get in touch with us.

## **9. RISK MANAGEMENT**

- 9.1 A risk assessment for the programme is set out in Appendix C.

## **10. LEGAL IMPLICATIONS**

- 10.1. WCC engaged DLA Piper for legal support and advice to ensure all legal compliance and procurement compliance aspects of the programme were suitably covered. The procurement has, under the guidance of and on advice from DLA Piper, been run in accordance with the latest EU procurement regulations. Key legal documentation has been drafted and reviewed by DLA Piper, legal aspects of the competitive dialogue was run by DLA and the evaluation of the legal aspects of the bids was undertaken by the DLA Piper legal team.
- 10.2. The Contract has been procured under the Public Contracts Regulations 2006 utilising the competitive dialogue process. In all procurements there is a risk of challenge from one or more bidders and it was therefore important to ensure that legal advice was taken at each stage to mitigate the risk and ensure compliance with regulations.

- 10.3. In order to meet the programme deadlines on the procurement, timetabling of dialogue with bidders was undertaken and agreed at every stage of the procurement. Although there were considerable time pressures to close dialogue, the bidders were effectively engaged at each stage of the process.
- 10.4. As Standard form contracts do not exist for these services, WCC adopted a combination of the OGC model contract and a “best practice” service based contract from another Government organisation. The contracts were drafted by external lawyers in line with instructions from Council Officers and consultants retained by WCC.
- 10.5. The dialogue with both bidders resulted in a negotiated set of contracts which, while they had moved a reasonable amount from the original drafting were still acceptable to all three boroughs. All derogations were pre-negotiated and evaluated as part of the procurement process. Specific derogations bid by the preferred supplier included:
- amendments to the extent of the warranties and indemnities in the contracts;
  - lower limits than the original position on liability and more restrictive exclusions of liability;
  - more restrictive termination rights; and
  - an ability of the bidder to sub-contract more freely (including in respect of the appointment of sub-contractors to process personal data outside of the UK). This was because the service is a shared service that is already in existence and is not a bespoke service designed for the Tri-borough and other Participating Bodies. However, the bidder retains responsibility for the acts and omissions of all sub-contractors.
- 10.6. As these restrictions were discussed and agreed with the bidder prior to the submission of its final tender, the form of the commitment is clear and officers are comfortable with the overall protection that was still provided under the Contracts.
- 10.7. As the form of contracts have been substantially agreed prior to the preferred bidder being selected, there are no material issues that remain to be resolved with the preferred bidder during the preferred bidder stage. This substantially reduces the risk of the preferred bidder trying to re-negotiate the contracts during this final stage of the procurement. Also, in the event that they seek to re-negotiate or vary their final tender, the boroughs have the right to de-select them and move to the next reserve bidder.

## 11. FINANCIAL AND RESOURCES IMPLICATIONS

11.1. The adoption of managed services provides H&F with the opportunity to achieve a saving of £1.28m per annum, and a payback of 3.4 years (based upon a £4.15 million transition cost and an ongoing contract cost of £1.5 million).

11.2. The preferred bidder has set out its unit costs for the delivery of the Managed Service in a number of bands. The unit costs are based on the number of employees combined from all the call-off contracts in the framework contract.

The thresholds volumes for price changes are:

- Band 1 – 14,999 Employees – highest cost
- Band 2 – 15,000 to 49,999 Employees
- Band 3 – Over 50,000 Employees – lowest cost

11.3. Initially, when the three Councils (WCC, H&F and RBKC) combine their employee numbers they are in Band 1 of the bidders pricing model. The figures in this report have been calculated on that basis.

11.4. If the Tri-Borough Councils were to all exercise call-off contracts at the same time, they would still need another council to join the framework to attain the 14,999 level of employees to benefit from Band 2 and its reduced unit costs. It is estimated that if the Councils moved into this higher band level, it would give an additional £150k saving per annum.

11.5. The pricing model for the Finance and Procurement element of the lot only, also has a minimum number of employees set at 4,500. This means that even if employee numbers drop below this level, LBHF would still continue to be charge for Finance services on the basis of 4,500 employees. LBHF currently has 4,443 employees and so this has an immaterial effect on figures. However, further reductions in employee numbers over the life of the contract would only reduce costs for HR services – not Finance and Procurement.

11.6. Key points of consideration for the case below are:

- The figures include H&F's share of the £2.4 million procurement cost. This figure is reduced by £0.5 million from the Capital Ambition grant. The balance of the £1.9 million for procurement and initial transition planning has been shared between WCC, H&F and RBKC. The individual borough amounts have been divided into each Lot's business case with this case carrying a larger proportion due to the scale of Lot 1.
- The transition cost of £4.15m is based upon best estimates and includes the following assumptions:



- Redundancy costs at the mid-point between the lowest estimate of £266k and the highest estimate of £423k.
- Reworking of IT interfaces costs at the mid-point between the lowest estimate of £474k and the highest estimate of £674k
- Contingency for Staff Retention costs at the mid-point between the lowest estimate of £200k and the highest estimate of £400k

A full breakdown of the transition costs is given in Table 4. If the lowest variable figures were used, this would reduce the total transition costs to £3.87m. Whilst using the highest variable figures would increase the cost to £4.43m.

- No indexation has been included in these numbers (for clarity) but the preferred bidder contract assumes that charges will rise in line with CPI. No assessment of differential inflation has been included in the business case as it is assumed that, over time, the CPI cost increases in the contract would broadly match the cost increases incurred by the borough on in-house or other contracted services.
- Cashable savings will be realised through lower supplier charges in comparison to current supplier charges and employee costs.

11.7. The table below sets out H&F's financial business case.

**Table 1: Summary of Costs, Savings and Payback Period**

	Summary of Costs and Savings
Current Costs (£m pa)	2.88
New Contract Costs (£m pa)	1.50
ICF Contribution (£m pa)	0.10
<b>Savings (£m pa)</b>	<b>1.28</b>
Transition (£m)	4.15
<b>Payback<sup>2</sup></b>	<b>3.4</b>

11.8 Managed Service contract savings are presently shown as a single amount and are assumed to fall to General Fund. There will be elements of the savings that may need to be apportioned to other Council activities e.g. Housing and Schools. Apportionments will be considered during the implementation phase of the Managed Services Programme. This does not impact the overall business case but may reduce the savings that accrue to the General Fund.

<sup>2</sup> Higher LBHF ICF costs in Years 1 and 2 of the contract reduce the annual saving by £110k pa for these years. This increases the payback period from 3.24 to 3.40.

11.9 The table below shows the existing MTFS savings which are dependent upon the successful transition to Managed Services.

**Table 2: Summary of Existing MTFS Savings Linked to the Managed Services Programme**

Dept	Description	2014/15 Saving (£k)
ASC	Commissioning, Finance and In-house Services - Total saving of £480k.	100
CHS	Finance Staff. Integrated finance team to support 1 integrated Children's Service executive team and services.	170
CHS	Further Finance Savings - revised structure for one shared cross-borough finance team.	80
ELRS	Implement joint ELRS single Finance Structure across LBHF and RBKC	46
<b>SUB-TOTAL</b>		<b>396</b>
FCS	Managed Services Savings	400
TTS	Contribution to Accommodation Savings	123
<b>TOTAL</b>		<b>919</b>

11.10 Table 2 reflects the general fund savings already included in the MTFS. The difference between the expected annual saving of £1.28m and the £0.919m saving in Table 2, is due to current assumptions about the share of savings which may need to be allocated to the HRA and Schools.

11.11 The table below summarises the impact on staff from the proposed savings:

**Table 3: Summary of Permanent FTEs Affected by Managed Services (Lot 1)**

Area	FTEs
Departmental Finance Teams - notional FTEs	8
Central Finance & Procurement	19.7
HR	17
<b>TOTAL</b>	<b>44.7</b>

11.12 The following table sets out the build up of the £4.15 million of required transition costs required to successfully implement the Managed Service in 2013 and 2014 at H&F.

**Table 4: Breakdown of Transition Costs**

Type of Cost	Estimate (£m)	Notes
Bidder Transition Cost	0.30	Bidder transition costs are set out in their pricing documentation.
Hosting of Existing systems (dual running)	0.83	There will be the requirement to run existing systems in parallel with the managed service to fulfil statutory requirements.
Redundancy	0.35	This is an estimated value
Interface rework	0.58	With a best practice approach being adopted, existing interfaces from business systems will need to be reviewed and updated to comply with new requirements
Loss of Profit from HFBP Joint Venture	0.12	Reduced systems support and work from HFBP may reduce the profit share received by LBHF
Tri Borough Programme Management Costs	0.68	These programme costs ensure the programme is delivered on time and to specification
H&F Programme Management Costs	0.66	These programme costs ensure the programme is delivered on time and to specification.
H&F Communications	0.05	
H&F Training	0.08	
H&F Legal	0.05	
Data Cleanse	0.15	This is a significant piece of work with the onus on the Council to cleanse all its finance and HR data to the standards required by the Managed Service to streamline and regularise processes in the future
Contingency for Staff Retention during Transition	0.30	This ensures departmental staff are able to input to the process and are fully able to implement the new solution.
<b>Total</b>	<b>4.15</b>	

11.13 The cost to H&F of WCC managing the Intelligent Client Function (ICF) is projected to be £100,000 per annum. A Section 113 agreement will be set out the arrangements between the three Tri-borough councils in relation to the ICF.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	<b>Business Case (Exempt)</b>	<b>Hitesh Jolapara</b>	Town Hall, King Street
<b>CONTACT OFFICER: Hitesh Jolapara</b>		<b><a href="mailto:hitesh.jolapara@lbhf.gov.uk">hitesh.jolapara@lbhf.gov.uk</a> 020 8753 2501</b>	

**APPENDIXES**

**Appendix A – Procurement overview (in exempt report)**

**Appendix B – Services overview (in exempt report)**

**Appendix C – Risk management**

## APPENDIX C

### *Risk Management*

#### 1. Risks and opportunities

1.1. The programme has managed the key risks throughout the procurement and residual risks post signature will need to be managed effectively. The key risks are below:

- **The supplier fails to deliver the transition successfully.** This is mitigated through the effective supplier management which is being performed by a combination of the new shared services ICF and the expertise in house. The contract provides good protection against failure. The preferred bidder will be relying upon successful transition to enable positive publicity which in turn will drive further customers to take up the service which is a strategic investment for the preferred supplier.
- **The programme negatively impacts the council's wider operations.** The implementation programme will be onerous and affect many areas of the Council's operation. The transition funding allows for the appropriate resources to lead and manage this change. However, risks may arise from conflicting priorities and pressures in the affected services of HR and Finance and in the wider organisation in adapting to new working practices.
- **Costs rise post signature.** The costs of the contract are fixed at the time of signature and may only vary in very specific ways. The contract does not allow for any price changes from the supplier in the absence of change from the customer save for indexation (currently CPI in the contract). This indexation was agreed due to the potential length of the contract (the final year of an 8 year call-off contract could be 12 years after signature of the framework when pricing is set. It would not be commercially viable to hold prices for 12 years).
- **Transition costs rise.** Transition costs are estimated to be £4.15 million for H&F. This is based upon the adoption of the standardised vanilla services. There is a risk that were there divergence from these standard services and process that the cost of transition may rise. Strong governance and controls are in place to prevent this and significant protections are built into the contract in terms of supplier performance.
- **Staffing impacts.** While the contract ensures that TUPE, pensions and redundancy is covered from a legal standpoint, the actual impacts upon individual staff will not be known until discussions with staff are undertaken post award. Those staff who elect not to be TUPE transferred to the new service provider would be subject to redundancy. The costs of

redundancy have been estimated in the business case as 100% of all staff in scope being made redundant. This is unlikely to be the case once staff discussions are complete. However, the transition will need to be finalised with the preferred bidder and staff transition plans established before exact impacts can be calculated.

- **IT costs may vary due to scale and complexity of legacy systems.**  
This will arise on any transfer to a new outsourced provider, not just this option. In addition, negotiations will be required with incumbent suppliers on exit arrangements although work has been done to establish the parameters for early and later transfers in relation to contract expiry. This risk will apply to any outsource supplier but the risk is lower with the preferred supplier due to their size and experience in this area.

1.2. Opportunities also arise:

- Additional adopters of the framework will yield some financial benefit to the Tri-borough adopters once a further scale discount is achieved at around 10 customers.
- The supplier is incentivised to perform well under this contract as the framework is open to a wider London customer base and the preferred supplier will want to benefit from a reference customer to help drive further revenue.
- The contract makes provision for continuous improvement and incentivises the identification of further joint savings.

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>11 FEBRUARY 2013</b></p>
<p><b>INTERIM PROVISION OF CHILDREN'S CENTRES AND SURE START SERVICES</b></p>	
<p><b>Report of the Cabinet Member for Children's Services – Councillor Helen Binmore</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification :</b> For decision  <b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b>  <b>Andrew Christie, Executive Director for Tri-Borough Children's Services</b></p>	
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## 1. EXECUTIVE SUMMARY

- 1.1 Contracts to operate H&F's 16 children's centres, which are statutory provision, were awarded by Cabinet in April 2011. These are due to expire 31 March 2013 and do not contain any provisions allowing for contract extensions. Given the financial value of these services, the Council's Standing Orders (CSOs) would normally require a competition to be run to determine the award of new contracts.
- 1.2 However, the Council does not currently have the level of certainty and clarity on future service delivery needed to run an efficient and effective procurement exercise. This is due to a combination of factors. These include an anticipated reduction of around 25% in central Government Early Intervention Grant and further year on year budget reductions, the introduction of the targeted 2 year old offer and a proposed new Ofsted inspection framework for Children's Centres. All of these will require an urgent reconfiguration of current children's centre arrangements.
- 1.3 In addition to these uncertainties, and once there is greater clarity on future requirements, tri-borough Children's Services want to explore the potential for future alignment and improved value for money across the three boroughs via a tri-borough joint procurement in 2014.

- 1.4 Children's centres provide a range of important front-line services and enable the Council to meet a number of statutory duties. Maintaining service continuity is essential.
- 1.5 The government will introduce targeted early education for 2 year olds from September 2013 with an increased level of funding for delivery of places. This significantly extends the Sure Start offer for vulnerable families, with Children's Centres instrumental in delivering this targeted integrated provision. In line with the Council's commitment to protect services for the most vulnerable children and families to ensure a cohesive early help offer, wherever possible, opportunities will be taken to off set the reduction of Early Intervention Grant funding with the new targeted 2 year old programme funding.
- 1.6 In these exceptional circumstances, approval is sought to waive the requirement contained in CSOs to seek competitive tenders, and for authority to be given in accordance with CSO 9.11 to enable the Council to negotiate new contracts with existing service providers as an interim measure. This is in the Council's interests and will:
  - a) ensure service continuity, and reduce potential disruption to service users, until such time that there is sufficient clarity and certainty about future funding, inspection regimes, and Government policy intentions, to facilitate a good competition;
  - b) help to navigate any immediate reconfiguration necessitated by changes to funding and inspection regimes, given that running a full procurement exercise for new contracts will take time.

## **2. RECOMMENDATIONS**

- 2.1. That the requirement contained in the Council's Contract Standing Orders to seek competitive tenders be waived, in accordance with CSO 3.1, and that approval is given to negotiate new contracts for children's centres and Sure Start services with existing providers, in accordance with CSO 9.11.
- 2.2. That these new interim contracts with existing providers are for no more than a period of two years, with provision for a break clause after one year.
- 2.3. That the interim contracts with existing providers are negotiated so that they meet new funding and inspection regimes, including formal registration, leadership and management of the 'hub and spoke' model, and clear links with the targeted 2 year old offer.
- 2.4. That funding to the hub centres is reduced by 5% in 2013/14, or that the 5% is achieved through equivalent savings, with either option reflecting the national reduction in Early Intervention Grant Funding and the impact of this at a local level, as set out in Appendix 2: Current and proposed children's centres funding allocations.
- 2.5. That the interim contracts with existing providers incorporate a revised performance management framework that clearly reflects national developments, the Council's priority outcomes for children and families, and the statutory duty of Best Value, taking in to account cost and quality.



- 2.6. That the Children's Centre spot purchasing fund (currently £133,000) be re-profiled to support the efficient delivery of these recommendations, service transition, and any other relevant interim measures, including the employment of one fixed-term FTE post at grade PO 3 (approximate cost £46k), and contribute to mitigating the proposed level of reduction in funding to the hub centres.
- 2.7. That authority to approve any further actions necessary to ensure that the Council meets its statutory duties for the provision of children's centres, and to give practical effect to these interim measures, be delegated to the Cabinet Member for Children's Services.

### **3. REASONS FOR DECISION**

- 3.1. The reasons for the above suite of recommendations are described in the Executive Summary at the beginning of the report. Namely:
- the forthcoming expiry of existing contracts;
  - the lack of provision to extend these;
  - the national expansion of the targeted early education offer for 2 year olds;
  - impending significant changes being made to the funding and Ofsted inspection regimes governing children's centres;
  - the ill-advisability of running a competition for new contracts until the outcomes required of these new regimes are known;
  - the need to approve interim arrangements to ensure service continuity and the meeting of statutory duties, and be able to reconfigure service delivery at the same time, until such that the conditions exist to run an efficient procurement for new contracts.
- 3.2 A fuller explanation as to why these recommendations are believed to be the right ones to make is given in section 6 of this report.

### **4. INTRODUCTION AND BACKGROUND**

#### **Preamble**

- 4.1 In the past two years, children's centres in Hammersmith & Fulham have undergone a number of changes. Some of these have been in response to local circumstance and priorities; some have been prompted by changes in Government policy. The following section summarises these changes to help contextualise the rationale for the recommendations being made

#### **Children's Centres and Sure Start services**

- 4.2 A Sure Start children's centre is a place, or a group of places:
- that is managed by or on behalf of the local authority, with the purpose of securing that early childhood services are available in an integrated manner;
  - through which early childhood services are made available;
  - at which activities for young children are provided.

- 4.3 They are designed for families with young children, from conception to five years. Guidance to Local Authorities includes an expectation that they will “*target children’s centres services at young children and families in the area who are at risk of poor outcomes*”.
- 4.4 Children’s centres can also offer ‘universal’ services open to all children, and their families. These services - for example, Stay and Play, and health sessions - provide a non-stigmatising front door to basic services for young children, through which families with additional needs can be identified and early action taken to help in a proactive manner.
- 4.5 As such, early help services are key to reducing the number of children requiring intervention from statutory services. They build capacity for vulnerable parents to support their families in achieving positive outcomes, and address child poverty and worklessness through better targeting of support. As one of the main delivery vehicles, children’s centres are central to this agenda.
- 4.6 The significance the Council place on Children’s Centre services is reflected in the proposed 5% savings recommendation, with the Council seeking to protect these services from the full impact of the anticipated 25% Early Years Grant funding reduction as far as possible in this next delivery phase.

**2011: previous Cabinet decision and model of service delivery**

- 4.7 In April 2011 Cabinet agreed funding for the commissioning of 16 children’s centres until March 2013, based on a new reconfigured model of service delivery comprising 6 “hub” and 10 “spoke” centres. This decision followed wide public consultation and took into account the views of local users. The new model was implemented in July 2011.
- 4.8 H&F’s Early Help services were also reconfigured at the same time to align them with the new operating model for children’s centres, with the following five main streams of early help activity identified:
- Localities teams;
  - Reshaping of Sure Start Children’s centres;
  - New front door/social care;
  - Community Champions Pilot;
  - Services and process improvement.
- 4.9 The redesign of children’s centre delivery and creation of the locally based multi-disciplinary Family Support Locality teams focused service delivery on improving outcomes for the most vulnerable children and families in the borough.
- 4.10 The reconfigured model spoke centres were created to deliver the universal offer, and also provide space for targeted work and courses/sessions delivered by “hubs” and other partners. They were also places where the Family Support Localities Teams could meet and work with families.

4.11 Hub centres, whilst also delivering a universal service, were reshaped to deliver preventative and early intervention services for vulnerable families. The work of “hub” centres provide a complementary and seamless service for families engaged with the localities team. There are two “hub” centres per locality areas of North, South and Central areas to support this seamless delivery. (See Appendix 1 Map of Hammersmith & Fulham Children’s Centres.)

4.12 It is important to note that this model is less than two years old. It is still being embedded and maturing, and requires a degree of stability and continuity in order to effectively demonstrate positive impact for these families. Unduly disturbing current arrangements risks being counter-productive, not least as the new ways of working to engage vulnerable families continue to be measured and evaluated. The co-design of an early help offer for borough children and families is being developed with work continuing on a ‘team around the Children’s Centre’ to ensure an integrated and co-ordinated offer from services for the most vulnerable.

4.13 In December 2011, the Department for Education reiterated its commitment to the delivery of the 2-year old offer, and advised that the initial intention to deliver to 20% of all 2yr olds (September 2013) had been increased to 40% of all 2yr olds (September 2014). With ambitious local targets for the delivery and creation of places, it provides the Local Authority the opportunity to work with current children’s centre providers to explore new ways of delivering early help services from centres, including offering 2 year old places.

#### **2011 Government re-definition of Children’s Centre’s core purpose**

4.14 Local authorities are under a duty to “*target children’s centres services at young children and families in the area who are at risk of poor outcomes*”.

4.15 In 2011, the Government re-defined the core purpose of children’s centres as being to improve outcomes for young children and their families, especially the most disadvantaged, in order to reduce inequalities in child development and school readiness, and to improve parenting skills and child and family health. The services cited by the Government to help to achieve this purpose include targeted family and parenting support, child and family health services, and links to JobCentre Plus to facilitate parents into employment.

#### **Changes in the Ofsted inspection regime**

4.16 2011 saw further changes when the Department for Education (DfE) produced guidance around new definitions for Children’s Centres, describing clusters and mergers of centres with the intention of aligning these with proposed plans for Ofsted to inspect centres on a new locality-based model.

4.17 As the inspection body for children’s centres, Ofsted is currently consulting on future inspection arrangements, with national pilots currently testing how children’s centres can be inspected more flexibly to:

- a) reflect increasingly diverse local management arrangements;
- b) remove unnecessary inspection burdens.

- 4.18 This will include inspection of locality models in which previously 'independent' centres are grouped together for the purpose of inspection. Para 2.3 recommends that the Council, whilst maintaining all the current delivery sites, registers its provision to reflect these streamlined arrangements. This will also promote alignment with the Early Help offer from locality teams.

#### **Changes in Government funding**

- 4.19 Delivery of children's centre services is currently funded through Early Intervention Grant (EIG) funding from the DfE. Communications from central government indicate a reduction by 25% of EIG funding for the financial year 2013/14, with further reductions expected in 2014/15. With the reduction in this funding stream, the Council must target resources at those families most in need and seek to create a sustainable service delivery model for the future. This in itself will require a further significant re-configuration before being able to undertake any procurement exercise for new contracts. The report's recommendations seek to support this agenda.
- 4.20 The government will introduce targeted early education for 2 year olds from 2013. This significantly extends the Sure Start offer for vulnerable families although funding will be included in the DSG. H&F has been allocated £2.8m for 2 year old offer in 2013/14, in parallel with the reduction in Early Intervention Grant.
- 4.21 The Council is committed to protecting services for the most vulnerable children and families to ensure a cohesive early help offer. Therefore, wherever possible, opportunities will be taken to off set the reduction of Early Intervention Grant funding with the new targeted 2 year old programme funding as the Council is developing the delivery of 2 year old places and support for the child and family as part of the Children's Centre offer for the most vulnerable.
- 4.22 Through the reconfiguration of the Children's Centre model, officers will also ensure that any natural opportunities that arise that could be used to mitigate against the reduction of the Early Intervention Grant funding are explored and considered.
- 4.23 The significance the Council place on Children's Centre services is reflected in the proposed 5% savings recommendation, with the Council seeking to protect these services from the full impact of the anticipated 25% Early Years Grant funding reduction as far as possible in this next delivery phase.

#### **Property issues**

- 4.24 The ability to provide children's centre activities within local communities depends on the availability and location of appropriate access sites. In the April 2011 Cabinet report, sites were identified to ensure effective "reach" to the children and those families most in need, as well as providing more universal services to the wider community.
- 4.25 However, a number of property issues have since arisen which will need to be resolved with reference to a longer term Children's Centre and Early Help Strategy. These property-related issues include requests for new commercial rents, development of sites to support the 2 year old offer and lease arrangements for school sites. Each of these could place additional financial burdens on a reducing budget.

### **Tri Borough Review**

- 4.26 The establishment of a Tri-borough Children's Commissioning directorate earlier this year provides an opportunity to develop, in line with local needs, a children's centre strategy and vision for a sustainable, long-term model of delivery which dovetails with the wider early help strategies in all three boroughs. This work will come on stream early in 2013, with a view to running a joint procurement sometime in 2014 which could:
- give greater opportunities to innovate with service design;
  - allow better alignment with other national initiatives, such as the expansion of 2-year old places, through delivery in children's centres;
  - deliver potential economies of scale;
  - could maximise areas of funding growth, to help off-set the reduction of EIG while still meeting the core needs of those families most in need.

## **5. PROPOSAL AND ISSUES**

- 5.1. The background information above describes the changing context children's centres are having to operate in, the forthcoming issues they face, and the importance of maintaining services provided by them to meeting a number of local and national policy objectives.
- 5.2. The current contracts for these services expire 31<sup>st</sup> March 2013, and do not contain provisions to be extended.
- 5.3. However, because of various the uncertainties currently facing children's centres, it would not be sensible to conduct a procurement exercise for new contracts until these uncertainties have been clarified and/or resolved.
- 5.4. The proposal is to therefore seek approval to negotiate new interim contracts with existing providers - to ensure continuity of front-line service delivery - and for these new interim contracts to run up to a period of two years, with a break clause after one year.
- 5.5. As part of the negotiations with existing providers, approval is also sought for the new interim contracts to properly reflect, and enable the Council to fully respond to, the forthcoming changes in funding and inspection regimes; and, furthermore, for the new contracts to contain an updated performance management framework that supports clearer reporting on progress made achieving national developments and outcomes for children and families.
- 5.6. The options appraisal underpinning these proposals, and the issues surrounding them, are discussed in the following section.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

### **Waive Contracts Standing Orders, negotiate new interim contracts, and embed the model**

- 6.1 The reconfiguration of children's centres is part of a wider new way of delivering

services to vulnerable children and families in the borough through the Family Support Programme for Early Help. To address issues of fragmentation of provision, and the need to reinforce the support through communities and front-line local professionals, the 2011 programme reengineered service delivery. A principal objective of this work was that children's centre and the family support locality teams work together to deliver a seamless early help offer to those most in need.

6.2 A waiver to the CSOs is believed necessary as there are currently exceptional circumstances, and it is not in the Council's overall interest to run a procurement exercise at this moment in time:

- a) Nationally, Ofsted are changing the way in which they plan to inspect Children's Centres in the future. The Council need to ensure that they have a model that will align with these new requirements and cannot effectively tender a model at this time that would not run the risk of requiring changes in the near future. Children's Centres target the most vulnerable families and continuity service delivery is essential.
- b) Changes to the Early Intervention Grant that funds the provision of Children's Central is reducing. In 2013/14 this is by a predicted 25% reduction, with a further predicted 5% reduction in 2014/15. The funding stream is therefore not secure.
- c) The current providers are experienced in the delivery of the services to the local communities. Within the current contract cycle only one children's centre in Hammersmith & Fulham has been subject to an Ofsted inspection which is a statutory requirement. This was in November 2012. In the main, contracting potentially new delivery partners at this time would be a reputational risk to the Local Authority given that as many as 6 sites are due for inspection.
- d) In April 2012, Hammersmith & Fulham, Kensington and Chelsea and Westminster through Tri Borough working arrangements established the Tri-borough Children's Commissioning Directorate. Within the context of a reducing funding stream, changes to Ofsted inspections, emerging government initiatives to target the most vulnerable, and payment by results, 3B CHS will be conducting a tri-borough review of children's centre services starting in 2013. This work will underpin a competitive tendering exercise for future provision of children's centres services in 2014/15.
- e) Importantly, the current model was only changed in late-2011 and is still maturing. The centres are less than two years old in their delivery cycle and it would be counter productive to disturb the current arrangements at this time as ways in which to measure effective outcomes are being embedded.
- f) The Family Support Localities team, which were also a new service in June 2011, continue to develop effective working practices with children's centres which need time to embed and outcomes continue to be measured. Continuation of delivery with current providers, with changes to align the hub and spoke relationship, will further strengthen the early help offer delivered by children's centres and the Family Support localities to Hammersmith & Fulham families.
- g) Children's centres are best placed, through their engagement with families, for early identification of needs and work with their localities teams to identify the most

vulnerable. A “team around the children’s centre” model is being implemented with each centre, to ensure a comprehensive package of support for families.

- h) Children’s centre provision of activity within local communities is tied up with the availability and location of appropriate access sites. In the previous Cabinet paper sites were identified to ensure reach to the children and those families most in need, as well as providing more universal services to the wider community. Since then, a number of property issues have arisen which will need to be resolved with reference to a longer term Children’s Centre and Early Help Strategy vision of delivery. Issues include requests for commercial rent levels on a children’s centre site as well as lease rental arrangements for school sites. These ongoing property issues are placing additional financial burdens on a reducing budget. Interim contracts with the existing providers will allow for a comprehensive property review and an assessment of sustainability of all access sites to be completed in the context of a borough wide Early Help offer.
- i) In 2013 there will be a tri-borough review to assess current and future needs for children centre services. Understanding of delivery of services and needs of families across all three boroughs give greater opportunities to innovative with service design. There is potential to better align other national initiatives like the expansion of 2 year old places through delivery in children’s centres. This could maximise areas of funding growth, to off-set reduction of Early Intervention Grant while still meeting the core needs of those families most in need.
- j) In December 2011, the DfE reiterated its commitment to the delivery of the 2 year old offer and advised that the initial intention to deliver to 20% of all 2yr olds (September 2013) has been increased to 40% of all 2yr olds (September 2014). This will entitle eligible 2 year olds to 570 hours of free early education over the course of a year. The figure for Hammersmith & Fulham is 585 places for 2 year olds by September 2013, with a further increase in September 2014, although the DfE anticipate that not all children will seek places.

These are ambitious targets for the local early years and childcare market in the borough. With current children’s centres located in each community and in the most disadvantaged areas, they are best placed to not only signpost to the 2 year old offer but in some instances deliver the 2 year old places. By working with the current cohort of providers and buildings there is scope to offer a early help offer in children’s centres which encompasses delivery of the core purpose of children’s centres and a comprehensive early help offer to borough children and families. This will form part of the thinking for the transformational review.

### **Negotiate interim contracts to reflect new Ofsted inspection requirements**

- 6.3 The law requires Ofsted to inspect Sure Start children’s centres at intervals decided by the Secretary of State. Inspections must cover how centres help families with young children, and those expecting children, to access the services they need to help children have a good start life. In particular inspections must consider how centres encourage those families those families who are most in need of intervention and support to use those services.

- 6.4 Ofsted are currently consulting on plans to revise their current inspection arrangements to better reflect the change in the Government's 'vision' of children's centres to deliver more targeted work, and in recognition of the way in which Local Authorities have chosen to commissioning and deliver services from children's centres have changed; i.e. cluster, 'hub and spoke' models', or locality models.
- 6.5 Ofsted propose that where a local authority has moved to a group model that shares leadership and management, they will inspect the group of centres together, and produce one report for the local authority that brings out the strengths and areas for improvement of the group as a whole. Where there are centres with no shared management, but collaborative working, it is proposed these centres will be inspected simultaneously but with a separate report produced for each centre. Ofsted propose that this will come into effect from April 2013.
- 6.6 H&F has a mixed model of delivery, with some centres delivered by the same organisation already running a 'shared leadership' model, while other centres have no line of shared management responsibility between centres in the same locality area. *(See Appendix 3: Current Structure of Children's Centres)*
- 6.7 Under the current configuration, children's centre 'spokes', which are not formally linked to a hub are at unfair risk of adverse inspection judgements, simply because their range of services, however excellent or well-used, does not meet the current national requirement of a registered children's centre. Spokes formally linked to hubs would be inspected as part of the locality inspection.
- 6.8 It is therefore proposed, as part of the negotiations with existing providers on new interim contracts, that agreements be put in place between identified hub and spoke centres to further improve shared management and leadership for the elements of children's centre delivery. This would build on the existing successful locality model already in place, meet Ofsted requirements and ensure that services across an area are coordinated according to need and that duplication is avoided. Children and families would still be able to access services at the current sites and there is no intention to change the established local branding of 'children's centres'. *(See Appendix 4: Proposed future alignment of Children's Centres)*.
- 6.9 Such an agreement would ensure centres have in place :
- Single vision and purpose.
  - Single governance (one advisory board).
  - Single planning (SEF and action plan).
  - Performance management arrangements.
  - Structure of accountability to the Local Authority and the lead centre.
- 6.10 The centres work well and collaboratively. Having such an agreement would formalise the current arrangement, clarify lines of accountability in delivering this statutory duty, and help with any evidence base required for future Ofsted inspections.
- 6.11 For the purpose of Ofsted inspection, and with current Ofsted proposals in mind, this would mean that the three geographical localities (North, South and Central) would be inspected, with two 'reports' per locality, each covering provision in both the hubs and



(where relevant) spokes. This will streamline and simplify communication with local professionals and partners, while ensuring that children's centres remain locally accessible into all communities.

### **Negotiate interim contracts to reflect the new funding regime**

- 6.12 As mentioned earlier in the report, indications are that EIG funding will reduce by 25% for 2013/14, with further reductions expected in 2014/15. In light of this national picture, it is recommended that the spot purchase allocation of £133k is re-profiled to support the embedding of the merged hub and spoke model and the hub centres funding is reduced by 5% (an approximate £15k reduction in their current funding level) for the future contract, or that the 5% is achieved through equivalent savings. (See Appendix 2: Current and proposed children's centres funding allocations)
- 6.13 From 2013-14, funding for the two year olds will be in the Dedicated Schools Grant (DSG) and will continue to increase. The rest of the Early Intervention Grant will transfer to general local government grant, but will remain visible in 2013-14.
- 6.14 The change in the funding streams will be considered as part of the forthcoming Commissioning Transformational Review, reviewing how future services for vulnerable families can be delivered in a targeted way to H&F residents.
- 6.15 Interim contracts will be negotiated with updated performance management frameworks that:
- support clearer reporting on progress made against key national outcomes for children and families;
  - incentivise performance;
  - support the delivery and demonstration of Best Value.
- 6.16 The Government wants to introduce payments by results for children's centre so that providers are rewarded for the results they achieve. This would be a mechanism to reward progress against the main aim of Sure Start: to reduce inequalities in child development, school readiness, health and life chances, and to improve parenting aspiration and skills.
- 6.17 In light of such initiatives, and with changes to the Ofsted inspection framework focusing on centres demonstrating how they are narrowing the gap for the most vulnerable, H&F need to implement a revised performance framework which demonstrates effective outcomes for children and families, as well as the statutory duty of Best Value.
- 6.18 If the proposed realignment of children's centre management between hubs and spokes is approved, an enhanced model of recording and usage of data to measure impact, and inform service delivery, would become easier. Using the resources of hub centres, usage of spoke centres and access for vulnerable families could be more appropriately monitored, with service delivery flexed and better targeted according to local needs.
- 6.19 It is also important to note that the capacity of a children's centre to demonstrate sustained and continuous improvement, and the effectiveness of a centre in meeting the needs of and improving outcomes for families, is a key Ofsted inspection criterion in the

demonstration of Best Value. An ability to demonstrate this through data analysis and qualitative methods has become a core part of the current contracted providers work.

6.20 Some of the key national outcomes for improvement in targeted support for vulnerable families, through closer alignment of children’s centres with the objectives of the Early Help and Targeted Services Strategy, includes.

- reducing the number of children requiring intervention from statutory services;
- building the capacity of vulnerable families to support their children effectively in achieving positive outcomes;
- addressing child poverty and worklessness through better targeting;
- targeting Council resources at those most in need of extra help with a consequent shift away from funding universal activity and from subsidising those who can afford to pay;
- making services more financially sustainable and considering alternative forms of delivery such as outsourcing.

6.21 Confidence in the ability of existing providers to deliver the Local Authority’s statutory responsibility for children’s centre can be seen in the extended engagement since the contracts were agreed. The following figures are based on the re-configured reach areas as per the April 2011 Cabinet paper.

**Number of registered children per reach area**

Children’s centre reach area	Children’s Centre reach area (Baseline figure)	Number of registered children at any centre	Children living in Deprived LSOA Registered 0-30%	
Flora	2264	2052	1258	61%
Fulham Central	4067	1631	827	51%
Masbro	1708	1356	724	53%
Melcombe	1655	1302	713	55%
Old Oak	690	442	442	100%
Randolph Beresford	1338	655	655	100%

\*Fulham Central moved into their new delivery site at the Tudor Rose building in approximately October 2011. Figures correct as of November 2012. To note Reach areas include the spoke centres.

6.22 In the data for the registration of children we can see that in each instance over 50% of those registrations are children living in 0-30% area in the borough. Work continues to develop with the Family Support Localities services and the Local Authority data teams to better enable identification of the children and families most in need.

6.23 The number of sessions offered across the borough through the children’s centres has increased since the new contracts from 777 in the period of July–September 2011 to 1713 in the same period in 2012. The number of times children and carers attending the centre have also increased in volume from 10,296 in 2011 to 19,755 by September 2012.

- 6.24 The 6 hubs made an application to bid for support with E-Start, the IT solution through which centres record their registrations and children's centre activity data. They were successful in their bid, and have been working with an organisation in the last year to up-skill their staff teams for entering and quality checking data, and for formatting reports for use in measuring their outcomes success and to inform service planning.
- 6.25 With enhanced usage of data by centres and staff, the vulnerable groups that centres are required to target, are becoming more visible in the reporting. Since 2011, engagement from those in the target groups have creased by 115 for fathers, 318 for the unemployed, 331 for Black and Minority Ethnic groups and 49 for children with a disability or special educational need.

**Re-profile the children's centre spot purchasing fund to finance the post of 1 x FTE post to support the delivery of the new interim arrangements, service transition, and any other interim measures.**

- 6.26 The spot purchase fund was originally created to fund additional services to support the new configuration of children's centres across the borough. However, in the context of reducing grant funding arrangements for EIG it is recommended that this funding stream use is re-profiled to protect greater reductions in the funding of the hubs and spokes.
- 6.27 From discussion with centres about the proposed realignment of unified management, it is felt that interim fixed term support will be required to embed the proposed model. Support would take the form of a shared resource across the localities to work with the relevant centres to embed governance arrangements, assist with the embedding of advisory groups to challenge and support delivery, ensure quality assurance and support performance and delivery of outcomes.
- 6.28 The Council is committed to ensuring that front line services for the most vulnerable are protected wherever possible, and officers will seek to mitigate the level of funding reductions to the hub centres through the use of the spot purchase funding and other natural opportunities that arise from the re-configuration of hub and spoke model while still achieving 5% of savings.

## **7. CONSULTATION**

- 7.1 Local authorities have duties under the Childcare Act 2006 to consult before opening, closing or significantly changing the services provided through children's centres, and so far as is reasonably practical to secure sufficient provision of children's centres to meet local need. In discharging their duties the Council must have regard to any guidance given form time to time by the Secretary of State. Engagement would be with residents, service users and professional agencies that have an interest in the remit of children's centre delivery.
- 7.2 Prior to the reconfiguration of the borough Children's Centres into a hub and spoke model in 2011 a comprehensive public consultation was completed and feedback considered when making the final recommendations.

- 7.3 As the recommendations in this report do not propose to close any of the hub or spoke centres, or make any changes to the services provided in the centres but realign current centres for purposes of shared management reporting lines, no further consultation has been considered necessary at this time with services users.
- 7.4 Children's centres have been engaged with to discuss the proposals, and their input sought for the development of the shared management agreement to enable embedding of effective working practices and realignment of centres shared management.

## **8. EQUALITY IMPLICATIONS**

- 8.1. Recommendation 2.1 will require some realignment of governance for hubs and spokes. It does not change the services or delivery sites for children's centres provision. Recommendations 2.2, 2.3, and 2.5 underpin 2.1 and will not change the service provided at present to service users. As such, an Equality Impact Analysis ('EIA') is not required as there is no significant change or discernable impact. However, due consideration has been given to any potential equality implications and further action which may be required.
- 8.2. Recommendation 2.4 proposes a 5% reduction to the funding for the hub centres. It is recognised that during the negotiation with hub centres, there may be a need for an EIA to be completed if service delivery will change. This would be the subject of a further Key Decision report. The way in which the funding reduction for each hub will impact on their service delivery will vary. It may be necessary to carry out an EIA across the hubs to ascertain the impact across the borough and locality areas, and to use this to inform further proposals.
- 8.3. Children's Centres are required to target their services at the most vulnerable including; lone parents, Black and Minority Ethnic communities, fathers, children with disabilities or children of parents with disabilities, children in workless households and young parents. This underpins recommendation 2.5, which proposes to incorporate a more robust management framework that reflects outcomes for children and families, and if used to inform service delivery decisions, this will be an indirect positive impact for these protected groups.
- 8.4. Recommendation 2.6 deals with recruitment and the Council's HR policies, including the Equal Opportunities policy.
- 8.5. Recommendation 2.7 provides for delegation of authority to the Cabinet Member for Children's Services for further, related decisions that may be necessary. Should this be the case and should the PSED (public sector equality duty) be relevant, due regard will be given as and when those proposals are put before the Cabinet Member. This may or may not include proposals that are informed by an EIA.
- 8.6. Implications verified by Carly Fry, Opportunities Manager, 020 8753 3430.

## **9. LEGAL IMPLICATIONS**

- 9.1 The provision of the Children Centre services described in this report are considered to be Part B services pursuant to the Public Procurement Regulations 2006 (the "Regulations").
- 9.2 Part B services are not subject to the full regime of the Regulations, however the Council must still comply with general EU principles of fairness, transparency and non-discrimination. This will generally require the Council to undertake an open competition. Where the Council does not comply with principles of the public procurement rules there is a risk of challenge from organisations who would have wished to express an interest in the provision of the service
- 9.3 The provision of Children Centres is met in part by 3<sup>rd</sup> sector organisations and in part by community schools within the borough. It is arguable that the provision of the services by community schools is akin to the provision of the services by an in-house department, and is therefore outside the scope of the Regulations.
- 9.4 The main body of the report sets out the challenges and future changes facing children's centres over the next few years. For the reasons set out in the report, it is considered inadvisable to undertake a process which may result in the change of service provider at this time.
- 9.5 Implications completed by: Catherine Irvine, Contracts Lawyer, 020 8753 2774.

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

- 10.1. This paper sets out the interim position with regard to the delivery of children's centres. It is expected that 5% savings can be obtained through negotiation with the existing providers, although it is acknowledged that should this require a change in provision there may be a need for an EIA to be completed if service delivery will change, which would be the subject of a further Key Decision report.
- 10.2. The reconfiguration of spot purchasing will also deliver savings which are included in the department's MTFs savings assumptions.
- 10.3. As the strategy develops consideration will need to be given to its implications for the Department's property strategy.

## **11. RISK MANAGEMENT**

- 11.1. The paper proposes an interim solution as identified in the body of the report and contributes positively to the management of risk number 7 (Managing Statutory Duty) and 2 (The Customers needs and expectations). An options and risk assessment

undertaken by the report's authors fairly reflect the risks associated with the proposal to extend the contract and their benefits.

- 11.2. Implications completed by: Michael Sloniowski, Principal Consultant Risk Management, 020 8753 2587)

## **12. PROCUREMENT IMPLICATIONS**

- 12.1. The current contracts for the delivery of Children's Services expire March 2013, with no provision having been made at the time of contract award for extension of these should this be deemed beneficial.
- 12.2. However, for reasons made clear in the report, the level of certainty and clarity about future requirements needed to run an efficient procurement for new contracts does not currently exist, and it would not be in the Council's or services users' interests to do so at the moment, for reasons also explained in the report.
- 12.3. Section 3.1 of the Council's CSOs allows waivers to the normal competition requirements where there are exceptional circumstances and/or it is not in the Council's interests to run a competitive exercise at any given moment in time. As the services are defined as being "Part B" rather than "Part A" under the Public Contracts Regulations 2006 (as amended), they are not regulated in terms of the statutory competition requirements.
- 12.4 Paragraph 9.11 of the Council's CSOs specifically requires Member authority before officers enter into any negotiation of contractual terms with commercial or voluntary sector organisations.
- 12.5 The report recommends a pragmatic interim solution that seeks to ensure continuity of important high profile services for vulnerable children and families, whilst at the same time seeking both to protect the service from imminent budget reductions and prepare it for new inspection requirements. The recommended approach is supported by the Tri-Borough Commissioning and Contracts Board for Children's Services and by the Director for Procurement and IT Strategy in H&F.
- 12.4. These Procurement implications have been completed by:  
John Francis, Principal Consultant, H&F Corporate Procurement, 020 8753 2582.

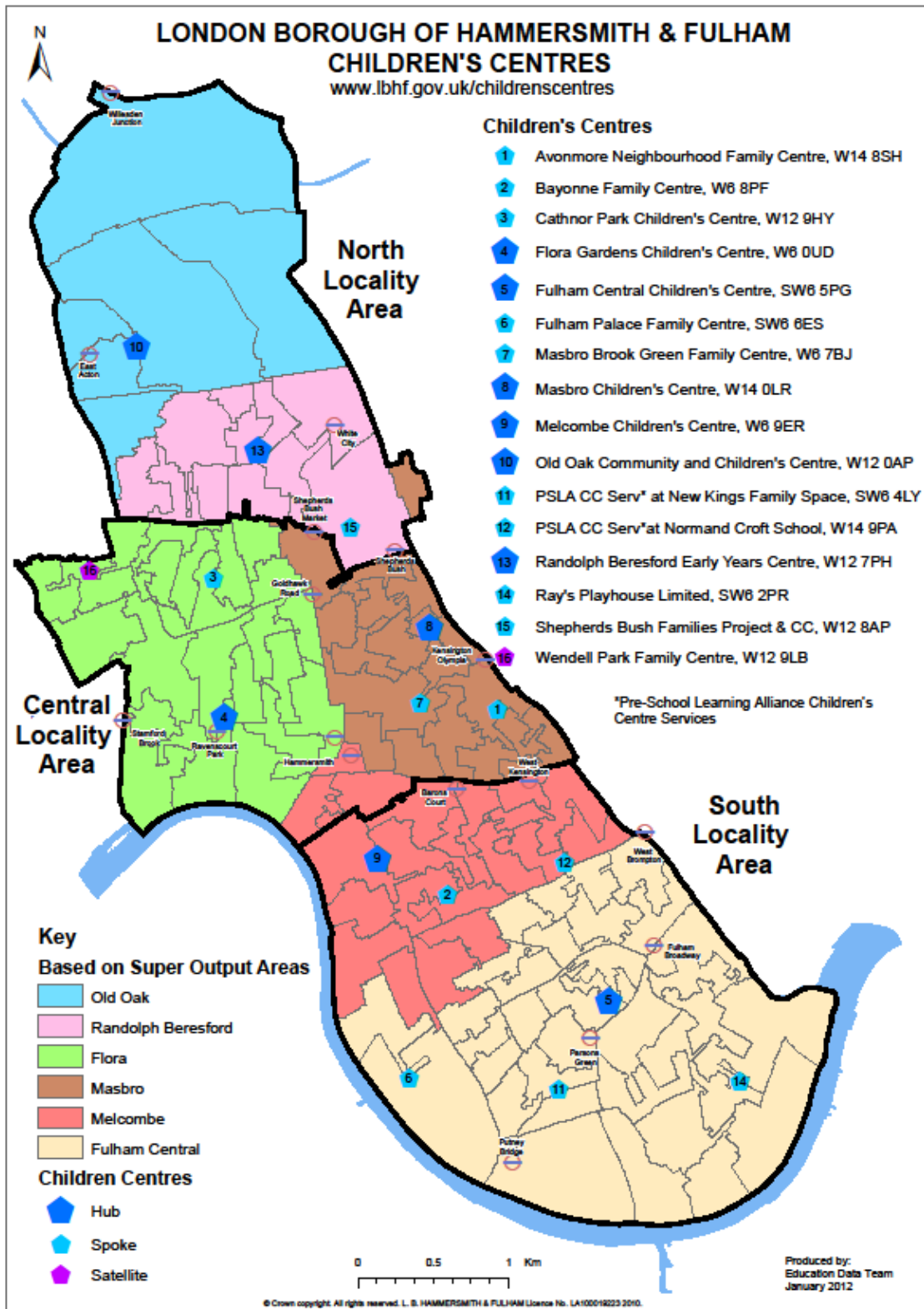
**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
.	None		

**LIST OF APPENDICES:**

- Appendix 1: Map of children's centres by locality**
- Appendix 2: Current and proposed children's centres funding allocations**
- Appendix 3: Current Structure of children's centres**
- Appendix 4: Proposed future alignment of children's centres**

## Appendix 1: Map of Children's Centres by Locality





## Appendix 2: Current and proposed children's centres funding allocations

Children's centre and address  Hub= (H) Spoke= (S) Satellite = (St)	Year 1 July 2011- March 2012 (Same level of funding for year 1 and 2 (Year 1 value less as adjusted due to contract start date in Qtr 2)	Year 2 April 2012 - March 2013  Same level of funding as Year 1)	Funding amount per annum with proposed 5% reduction calculated at current level of funding in hub children's centres only.
Old Oak Community and Children's Centre, 76 Braybrook Street, W12 0AP (H)	£225,000	£300,000	£285,000
Randolph Beresford Early Years Centre, Australia Road, White City, W12 7PH(H)	£252,000	£336,000	£319,200
Masbro Children's Centre,87 Masbro Road, W14 0LR (H)	£225,000	£300,000	£285,000
Flora Gardens Children's Centre, Dalling Road, W6 0UD(H)	£225,000	£300,000	£285,000
Melcombe Children's Centre, Fulham Palace Road, W6 9ER(H)	£225,000	£300,000	£285,000
Fulham Central Children's Centre, Shottendane Road, London SW6 5TJ(H)	£225,000	£300,000	£285,000
Shepherd's Bush Families Project and Children's Centre, 58a Bulwer Street, W12 8AP(S)	£15,000	£20,000	-
Wendell Park Family Centre, Cobbold Road, (entrance on Kinnear Road), W12 9LB(St)	£18,750	£25,000	-
Cathnor Park Children's Centre, 1 Melina Road W12 7HY(S)	£18,750	£25,000	-
PSLA The Hut Stay and Play sessions at Cathnor Park Children's Centre	£3000	£3000	-
Masbro Brook Green Family Centre, 49 Brook Green, Hammersmith, W6 7BJ(S)	£14,250	£19,000	-
Avonmore Neighbourhood Family Centre, North End Crescent, W14 8TG(S)	£14, 250	£19,000	-
Bayonne Family Centre, 50 Paynes Walk, W6 8PF(S)	£14, 250	£19,000	-
PSLA at Normand Croft Family Space, Bramber Road, W14 9LB(S)	£14, 250	£19,000	-
PSLA at New Kings Family Space, New Kings Road, SW6 4LY(S)	£18,750	£25,000	-
Fulham Palace Children's Centre, Playground, Bishops Avenue, SW6 6ES	£14,250	£19000	-
Ray's Playhouse Limited, 247 Stependale Road, SW6 2PR	£14,250	£19000	-
			5% savings total = <b>£91,800</b>


### Appendix 3: Current Structure of Children's Centres

Hub Children's Centre	Spoke in hub children centre geographical reach area	Is the spoke in the hub children's centre reach area managed by the hub	Locality in which the Hub centres are based – North/Central/South	Comments
<b>Old Oak Community and Children's Centre</b>	None	N/A	North	
<b>Randolph Beresford Early Years Centre</b>	Shepherds Bush Families Project and Children's Centre	No	North	
<b>Masbro Children's Centre</b>	Avonmore Neighbourhood Family Centre	Yes	Central	Compiles with shared management model.
	Masbro Brook Green	Yes		
<b>Flora Gardens Children's Centre</b>	Cathnor Park Children's Centre	No	Central	Ofsted Inspection of Wendell Park Family Centre will be covered under the main schools extended services
	Wendell Park Family Centre*	N/A		
<b>Melcombe Children's Centre</b>	Bayonne Children's Centre	No	South	Bayonne and Normand Croft centres are managed by the Pre School Learning Alliance.
	Pre-school Learning Alliance Children's Centre Services at Normand Croft Community School Family Space	No		
<b>Fulham Central Children's Centre</b>	Fulham Palace Children's Centre	Yes	South	
	Pre-school Learning Alliance Children's Centre Services at New Kings.	Yes		
	Rays Playhouse Ltd	No		

**Appendix 4: Proposed re- alignment of children's centres**

Hub Centre	Hub Locality	Spoke to merge to hub centre	Is the spoke based the hub centres reach locality	Is the spoke centre in the same Locality in as the hub	Comments
<b>Old Oak Community and Children's Centre</b>	North	None	N/A	N/A	This is the only hub with no spokes within its reach area.
<b>Randolph Beresford Early Years Centre</b>	North	Cathnor Park Children's Centre	No	No	Cathnor Park is currently situated in the Central Locality. If the recommendations are approved there will be the need to redefine existing reach and locality boundaries.
<b>Masbro Children's Centre</b>	Central	Shepherds Bush Families Project and children's centre	No - Shepherds Bush is in Randolph Beresford Reach	No - Shepherds Bush is located in the North Locality.	Shepherds Bush is currently situated in the North Locality. If the recommendations are approved existing reach and locality boundaries would be redefined.
<b>Flora Gardens Children's Centre</b>	Central	None	N/A	N/A	Flora Gardens currently has two spokes in its reach area – Cathnor Park (proposed to merge with Randolph Beresford) and Wendell Park Family Centre which is a satellite site and is inspected via the schools extended services. If the recommendations are approved Flora's reach would be redefined.
<b>Melcombe Children's Centre</b>	South	None	N/A	N/A	Melcombe Children's Centre currently has two spokes in its reach area; Bayonne and Normand Croft. These two centres are managed by PSLA. If recommendations are approved Melcombe's reach area would be redefined.
<b>Fulham Central Children's Centre</b>	South	Rays Playhouse Ltd.	No	South	As above

# Agenda Item 10

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>11 FEBRUARY 2013</b></p>
<p><b>HOUSING REVENUE ACCOUNT FINANCIAL STRATEGY AND RENT INCREASE 2013/14</b></p>	
<p><b>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</b></p>	
<p><b>Open Report.</b></p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration</b></p>	
<p><b>Report Author: Kathleen Corbett, Director of Finance and Resources (HRD)</b></p>	<p><b>Contact Details:</b> Tel: 020 8753 3031 E-mail: kathleencorbett@lbhf.gov.uk</p>

## 1. BACKGROUND

### 1.1 This report deals with:

- management of the Housing Revenue Account (HRA) post HRA reform;
- the HRA Financial Strategy, the HRA MTFS for the five years 2013/14 – 2017/18, and the HRA Revenue Budget for the year 2013/14;
- the proposed increase in dwelling rents for 2013/14 having regard to national government guidance for council rents and the maintenance requirements of the housing stock owned by the borough, and the related fees and charges covering parking and garages, water rates and communal energy charges where levied.

## **2. RECOMMENDATIONS**

- 2.1 That the HRA financial strategy as set out in section 7 of this report be endorsed.
- 2.2 That approval be given to the Housing Revenue Account 2013/14 budget as set out in Appendix 1.
- 2.3 That approval be given to a rent increase for 2013/14, based on application of the Government's rent restructuring formulae for dwellings of 3 bedrooms and below, and a new Council rent policy for dwellings of 4 bedrooms and above, of 5.42% and also that approval be given to the simplification of the presentation of Sheltered Accommodation rents as referred to in paragraph 9.7.
- 2.4 That approval be given to a rent increase of 3.73% based on application of the Government's rent restructuring formulae for properties under licence and hostels as referred to in paragraph 9.6.
- 2.5 That in order to move towards full recovery of Water Rates approval be given to an increase in water rate charges equating to an average rise of 58 pence per week as set out in paragraph 15.7 of this report.
- 2.6 That a reduction in the communal heating charge of 5% as set out in paragraph 15.3 of this report be approved.
- 2.7 That an increase in service charges for 2013/14 of 3.1% as set out in section 10 of this report be approved.
- 2.8 That approval be given to an increase in garage and parking rents of 3.1% as set out in paragraphs 15.4 and 15.5 of this report and that Cabinet note that a review of garage and parking operations is currently being conducted by officers in consultation with residents which is likely to result in further changes.
- 2.9 That in line with the strategic financial objective of repaying debt as it becomes due £ 9.582 million of HRA debt is repaid in 13/14.
- 2.10 That the risks outlined in section 12 and in Appendix 5 of this report be noted.

## **3. SUMMARY**

- 3.1 Between June 2004 and 31<sup>st</sup> March 2011 management of the borough's housing stock was in the hands of H&F Homes Ltd, a fourth round Arms Length Management Organisation (ALMO).
- 3.2 The creation of the ALMO was a condition for accessing debt funding for the previous government's Decent Homes initiative. The ALMO undertook an ambitious £215 million programme of works under this initiative. This programme was largely funded by an increase in the

HRA debt of £201 million which took total HRA debt to £415 million immediately prior to HRA reform.

- 3.3 The management of the borough's housing stock returned to the Council from the ALMO on 1<sup>st</sup> April 2011. On 28<sup>th</sup> March 2012 HRA reform was implemented. This means that local authorities have become "self financing" and have to manage their housing assets to ensure their HRA stock can be supported and maintained from their HRA income. Under HRA reform the Council received a debt repayment of £197.4m resulting in a reduction in annual interest costs of £10.2m. In exchange, the Council gave up its entitlement to Housing Subsidy from Government. This income stream was worth £10.4m in 2011/12. This left the Council with an on-going interest cost of £12.2m in 2012/13, which needs to be funded from the gross rent roll (which for 2012/13 was £60.8m) before any other costs are funded.
- 3.4 There are a number of other financial pressures on the HRA. Historically the Council, prior to the establishment of the ALMO and under it under invested in periodic and regular maintenance of the Council's housing stock. The Decent Homes programme brought welcome "catch up" investment in repairs and improvements. However, this only covered certain property elements and significantly did not cover lifts nor public realm and therefore there remains much work to do. Additionally, revenue from rents does not cover the costs of management, repairs and maintenance of the stock. It should be noted that LBHF rents are considerably lower than those of Tri-Borough partners and Wandsworth (2012/13 LBHF average rent is £92.73 per week compared to between £106.42 - £120.27 per week in other central West London boroughs), which has led to a reliance on the disposal of expensive voids to fund current expenditure.
- 3.5 There are also a number of key financial risks to the HRA. These include:
- the impact of welfare reform, specifically the introduction of size criteria on underoccupancy, benefit caps and direct payments to tenants, on income and bad debts;
  - the impact of higher void rates in future years on income, maintenance, and management as a result of fixed term tenancies turning over;
  - a general property market risk both in regard to the expensive voids sale programme which currently partially funds capital works and, on the HRA balances where changes in accounting rules for impairment and revaluation losses / gains mean that any adverse movements may result in a charge to the HRA if there are insufficient revaluation reserves held;
  - additional Health and Safety requirements;
  - loss of income due to high levels of Right To Buys, in the longer term it is possible to adjust costs but there is a short term impact;
  - a general market risk on re-procurement and recruitment which is higher in better economic conditions. This includes the risk associated with the current MTFs savings programme.

- 3.6 These risks have to be viewed in the context of the level of HRA general reserves held. During the period of the ALMO's management, HRA reserves had reduced to £3.1m as at 31<sup>st</sup> March 2011, having been £6.4m at 31<sup>st</sup> March 2004<sup>1</sup> prior to peaking at £10m. HRA reserves as at 31<sup>st</sup> March 2013 are predicted to be £4.2m, equivalent to 5.7% of turnover, compared with the Royal Borough of Kensington & Chelsea (RBKC) at 27.7%, Westminster City Council at 63% and the London Borough of Wandsworth at 82.1%. The 2012/13 HRA financial strategy proposed an increase in the HRA reserves balance to protect against future shocks or unanticipated events to circa £35 million<sup>2</sup> by 2022.
- 3.7 It is therefore clear that over time revenues need to be increased and the cost base contained to build a more secure financial base, in order to move to a position where repairs and maintenance are wholly funded from rents and service charges without recourse to asset sales and to manage the risk of running an unlawful deficit on HRA reserves. Following on from the investment made in 2012/13 to drive forward an extensive programme of service improvements and savings, the proposed 2013/14 budget starts to address this issue.
- 3.8 More remains to be done. The HRA MTFs programme is predicting an ongoing revenue saving of £4m per annum by 2014/15, rents will need to continue to increase as a minimum in line with the rent restructuring formula and the use of the assets within the HRA business plan needs to be maximised.

#### **4. STATUTORY CONTEXT**

- 4.1 The HRA was established by statute to ensure that council tax payers can not subsidise council rents and nor can council rents subsidise council tax. Failure to adhere to this statutory guidance can render the council's annual report and accounts subject to challenge and/ or qualification by the District Auditor.
- 4.2 The HRA ring-fence was introduced in Part IV of the Local Government and Housing Act 1989, and was designed to ensure that rents paid by local authority tenants accurately reflect the cost of associated services. This specified that expenditure and income relating to property listed in section 74 of the Local Government and Housing Act 1989 (that is houses and buildings provided for the provision of accommodation including the land on which they sit, excluding leases taken out for less than 10 years to provide temporary accommodation) must be accounted for in the HRA. Schedule 4 of the Act (as amended by section 127 of the Leasehold Reform, Housing and Urban Development Act 1993) specifies the allowable debits and credits. The Housing (Welfare Services) Order 1994 further specifies more detail on the welfare services which must be accounted for outside the HRA.

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<sup>1</sup> At their peak HRA reserves were £10 million during the period of ALMO management. They declined swiftly after this point.

<sup>2</sup> The profile for the initial years is shown in Appendix 2, reserves do not build up evenly, the level at which they build increases over time. £35m would at 2022 predicted prices be equivalent to circa 37% of turnover

- 4.3 The Local Government and Housing Act 1989 also specified that it is unlawful to approve a budget which will result in a debit position on HRA reserves.

## **5. ASSET MANAGEMENT**

- 5.1 HRA reform seeks to achieve the management of housing stock being supported by the income produced by that stock rather than annual transfers between central and local government. It therefore has provided the opportunity for the council to adopt a pro-active asset management approach to creating a 30 year investment plan, including allowing for future investment needs, remodelling, rationalising and reinvestment of assets. This is in contrast to previous HRA business plans under Decent Homes that typically considered the programming and sequencing of building component replacement such as kitchens, windows and bathrooms but did not consider the wider opportunity for estate renewal and replacement as part of a strategic approach. A new HRA Asset Management Plan is currently under development; this will be reported to Cabinet in Spring 2013.
- 5.2 HRA reform also brings with it more local accountability for determining rent levels and the maintenance of stock as councils will no longer be able to refer to funding decisions made by central government in the event of local dissatisfaction with rent levels or the maintenance of stock.
- 5.3 The inherited legacy of housing management at the London Borough of Hammersmith and Fulham (LBHF) is mixed. The Decent Homes programme has been substantially completed. However in the context of a “business” managing 18,000 properties with an existing use value of circa £1 billion and an unrestricted open market value in excess of £3 billion there is an entirely inadequate level of reserves of £4.2 million (predicted as at 1<sup>st</sup> April 2013), equivalent to less than 4 weeks rent. This not only provides insufficient cover against unanticipated events as noted in paragraph 2.6 but also encourages short term decision making rather than well planned and pro-active asset management.
- 5.4 Reserves have increased from the £3m inherited from the ALMO’s management, however a further period of time will be required to rebuild the balances held from the current figure of circa £4.2 million which can then provide a secure basis for sustained and effective planned investment in the stock which should lead to higher levels of customer satisfaction.
- 5.5 In order to achieve a sustainable HRA ideally the costs of managing and maintaining the housing stock should be funded from rents and service charges, with disposals used to fund strategic initiatives and to reduce debt, thereby reducing the interest burden on the HRA, rather than routine maintenance expenditure. Rents currently charged by LBHF are significantly below rents charged in RBKC, Westminster and Wandsworth, as shown in Appendix 7. Current revenues, including



rents, do not adequately cover the costs of management, repairs and maintenance and this has led historically to under investment in the stock, increased borrowing under Decent Homes to fund “catch up” repairs and improvements and a reliance on the disposal of expensive voids to fund current expenditure. It is therefore clear that over time revenues need to be increased and costs contained to build a more secure financial base, in order to move to a position where repairs and maintenance are wholly funded from rents and service charges without recourse to asset sales.

## **6. BUDGET SETTING CONTEXT**

6.1 A detailed analysis and review of the budgets has again been conducted and a zero-based approach taken to setting all budgets for 2013/14.

## **7. FINANCIAL STRATEGY**

7.1 The overall strategic financial objectives for the HRA are to:

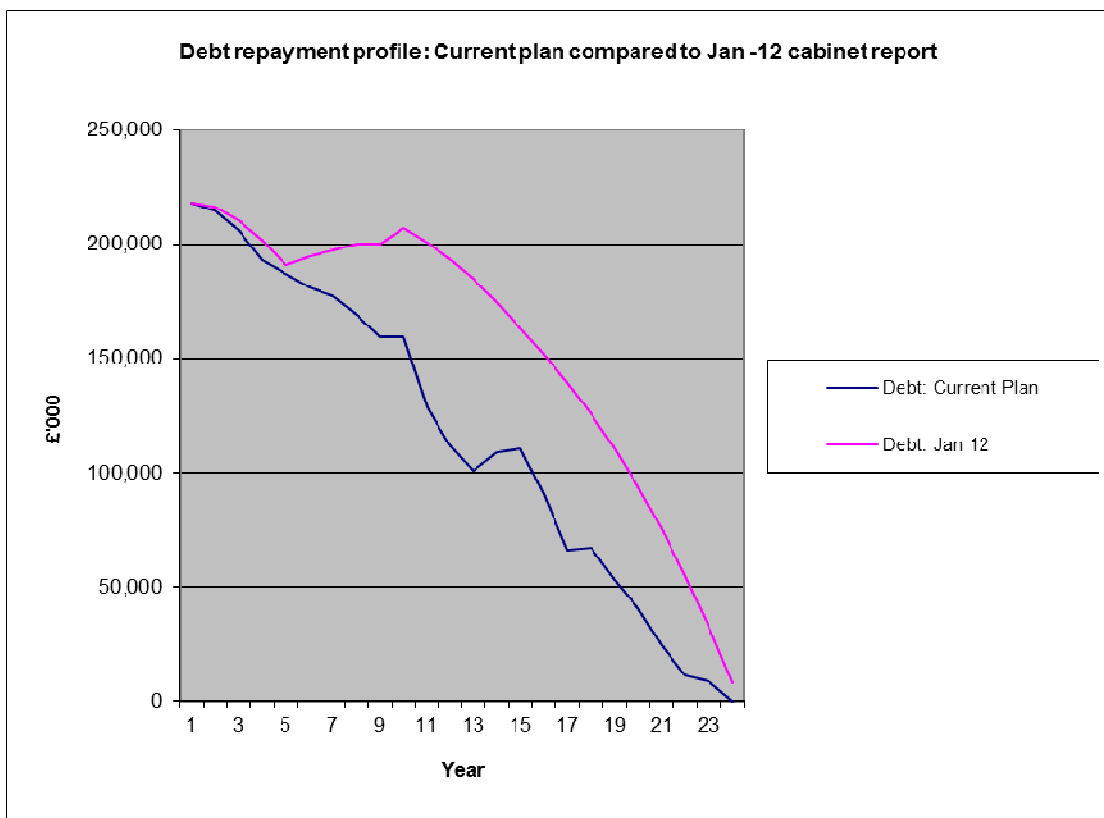
- finance both the annual interest and repayments of the principal debt (£217.4m after HRA reform) as it becomes due<sup>3</sup>;
- achieve a viable ongoing maintenance programme that maintains the stock in good repair;
- increase the HRA reserves balance to protect against future shocks or unanticipated events to circa £35 million<sup>4</sup> by 2022;
- free resources for investment in new initiatives including new housing supply;
- to repay debt as it becomes due.

7.2 An initial indicative 30 year business plan has been produced based on existing data, this currently predicts that the debt remaining with the Council following HRA reform will be repaid as shown in the graph below. The predicted year of repayment is 2034/35 (year 23 of the business plan)

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<sup>3</sup> All loans are from the Public Works Loan Board. It should be noted that early repayment of debt results in a substantial penalty charge at a punitive rate. Unless the debt is repaid as part of a debt restructuring exercise where it would generally be replaced by other loans this results in a substantial charge to revenue which the HRA cannot support. For example the penalty charge for repaying all the current debt would be over £70million, equivalent to 32% of the debt repaid.

<sup>4</sup> The profile for the initial years is shown in Appendix 2, reserves do not build up evenly, the level at which they build increases over time.



### 7.3 The key assumptions made are:

- no new development is included in the current 30 year business plan. New development is currently assumed to occur via the Local Housing Company;
- the income from and costs associated with the Conditional Land Sale Agreement for Gibbs Green and West Kensington Estates has been allowed for;
- existing properties are maintained to the minimum level required for letting as based on the current Housing Capital Programme and stock condition survey;
- save for void sales required to cash flow the maintenance of the existing stock and to ensure the repayment of debt as it becomes due, no other asset rationalisation has been assumed. The scope for further asset management strategies is currently being explored by the Housing and Regeneration Department and a report will be brought to Cabinet in Spring 2013;
- a prudent approach has been taken to rents which are increased based on the basic rent restructuring formulae;
- HRA MTFS savings revenue savings are achieved of £2.7 million in 2013/14 and an ongoing annual revenue saving of £4 million per annum from 2014/15 onwards is generated by the HRA MTFS Transformation Programme;
- the stock condition survey used in the current business plan was produced in 2009; a new stock condition survey is in progress. The output of this will be available in Spring 2013 and will be used to inform our ongoing asset management strategy;
- expensive void sales required to cash flow the maintenance of the existing stock and repay debt as it falls due are included as follows:

Year	Number of Expensive Void sales assumed
2013/14	65
2014/15	55
2015/16	50
2016/17	50
2017/18	50
2018/19	50
2019/20	50

- 7.4 As noted above, the business plan does not currently include any new development save for the conditional land sale agreement on the West Kensington and Gibbs Green Estates and it is anticipated there will be additional expensive void sales over and above the numbers assumed to fund this.

### **Debt repayment and funding**

- 7.5 Debt repays slowly in the initial years despite contributions from Expensive Void sales due to:

- the Housing Capital Maintenance Programme requiring an investment of circa £9 million per annum in addition to major repair allowances (funded by revenue via depreciation) and leaseholder contributions;
- the low rent levels charged to Council tenants compared to other West London boroughs (see Appendix 7 which demonstrates that the Council's rents at 2012/13 levels average £92.73 per week, compared to an average between £106.42 and £120.27 per week in other central West London boroughs).

- 7.6 Debt continues to repay quickly after the cessation of the void sales programme. This is primarily because over time inflation erodes the value of the debt and enables rent to fully fund the maintenance programme.

### **Income and Expenditure Account and Reserves**

- 7.7 The 5 year Income and Expenditure account presented in Appendix 2 currently assumes that capital receipts are used to partially fund the Housing Capital Programme. The level of reserves held could theoretically be reduced by increasing the charge made to the income and expenditure account for capital repairs however in practice the additional cash generated by the expensive void sales would still be required to prevent additional borrowing. The approach used in Appendix 2 is recommended as general HRA reserves can be used for any HRA purpose. As noted previously, it is important to build the level of general reserves held by the HRA to enable a sufficient cushion to be held against emerging risks especially those associated with Health

and Safety regulation, with direct payment of housing benefit and with other welfare reform.

### **The HRA MTFs savings programme**

- 7.8 Following £6 million of savings in management costs within the HRA achieved between 2008 and 2010, the business plan includes an invest to save proposal which produces HRA MTFs net revenue savings of £2.7 million in 2013/14 and an ongoing annual revenue saving of £4 million per annum from 2014/15 onwards. To achieve these savings a new approach is needed to the way in which services are delivered and current contracts are procured. This should bring about a sustainable improvement in service, while at the same time reducing costs following the return of the management of Council Housing to the Council from H&F Homes Ltd on 1<sup>st</sup> April 2011.
- 7.9 There are three areas of service within the Housing and Regeneration department that are being reviewed as part of this particular programme. They are:
- Repairs & Maintenance (including all related contracts)
  - Estate Services (including cleaning and caretaking)
  - Housing Management (including rent accounting)
- 7.10 The department commissioned a high level review of these areas which has revealed that there is potential to maintain and/or increase the level of service to residents whilst at the same time realising net revenue savings noted above.
- 7.11 These savings are to be achieved through a combination of re-procurement, market testing and transforming the way teams and services are delivered.

## **8. RENT RESTRUCTURING**

- 8.1 The Government's rent restructuring regime was designed to achieve a coherent structure nationally for social rents and was adopted by local government in 2001. Accordingly, LBHF HRA dwelling rent increases have generally been calculated in line with rent restructuring<sup>5</sup> since this date. However, there is no statutory requirement to adhere to rent restructuring and a number of councils operate a different approach to setting rents. The Council's ability to increase rents over and above the rent restructuring formulae needs to be viewed in the context of the pressures on the HRA. The rationale for reviewing the Council's current rent policy is set out in the following paragraphs.
- 8.2 In arriving at the debt settlement figure under HRA reform, Government made a number of assumptions, one of the most significant of which is the level of investment required to maintain HRA properties. Although

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<sup>5</sup> The rent restructuring formula increases the rent by the lower of RPI + ½% + £2 (known as the "upper limit"), the rent cap, and the difference between the (formulae rent and current rent) / number of years to 2016. The formula rent for a property is calculated based on a number of variables including the 1999 property valuation.

major repairs allowances have been uplifted when calculating the settlement, the uplift<sup>6</sup> is insufficient to fund the ongoing housing capital programme required to adequately maintain the Council's HRA housing stock to the level required to ensure the Council can both fulfil its obligations as a Local Housing Authority and to ensure the stock continues to generate an income stream to fund the debt as part of maintaining a viable HRA.

- 8.3 The Housing Capital Programme looks to build on the achievements of the Decent Homes programme, maintaining the standard whilst addressing the residual backlog of works that were not covered by that programme. The projects and works proposed in this programme have been the subject of a rigorous prioritisation exercise and represent broadly the minimum level of investment required to fulfil statutory obligations, to protect the health, safety and wellbeing of residents and to preserve the integrity of the housing stock. This programme identified an investment requirement for the stock of £37m for 2013/14 with an on-going annual investment requirement of circa £31m over the following 5 years. Therefore the Housing Capital Programme requires an investment of circa £9 million per annum in addition to major repair allowances (funded by revenue via depreciation) and leaseholder contributions. This can only be funded by further reducing expenditure either on maintenance or other services or by increasing income.
- 8.4 The current business plan requires expensive void sales of 65 units in the first year and 50-55 units per year for the following six years of the plan in order to fund maintenance investment required within the existing stock without additional borrowing and to repay debt as it becomes due.
- 8.5 Therefore, from a cash flow perspective it will be necessary in the first seven years of the plan to continue to partially fund routine maintenance investment required in the stock using sales under the expensive void sales programme. At the same time income must be maximised to ensure that the HRA ultimately moves to a position in 8 years time where the maintenance programme is fully funded by rental income as well as ensuring that the number of sales required to fund maintenance in the intervening years is minimised.
- 8.6 The results of benchmarking Council rents against those charged in other neighbouring boroughs demonstrates that Council rents are considerably lower:
- the average 2012/13 weekly rent for other central West London boroughs is between £106.42 and £120.27 per week (see Appendix 7); significantly higher than the average for the Council of £92.73,
  - the lowest average rent among the other central West London boroughs in 2012/13 is Kensington and Chelsea's which is £106.42 per week,
  - Kensington and Chelsea have indicated that they are expecting to raise rents for 2013/14 by 4.5%, therefore LBHF's proposed

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<sup>6</sup> LBHF's major repairs allowance has been increased from £15.2 million to £15.7 million an uplift of £2.5m

5.42% increase would still result in rents considerably below all the other central West London boroughs.

- 8.7 Further benchmarking against market rates reveals that current Council rents are approximately on average one fifth of the prevailing market rents in the borough. In particular, the benchmarking has identified that current rent levels disadvantage tenants who live in smaller properties. Appendix 8 illustrates the degree of disadvantage by demonstrating that there is a positive correlation between the size of the disparity between Council and market rents, and the number of bedrooms a tenancy occupies. For example, the average rent for a one bedroom private rented sector flat in the borough is £335.31 per week, yet an average one bedroom council flat is currently let at £82.77 per week, which is equivalent to 25% of the prevailing market rate, representing a subsidy of 75%, whilst an average four bedroom council house is currently let at £131.78 per week which is equivalent to only 14% of the prevailing market rate, which represents a subsidy of 86%.
- 8.8 Therefore, given the historic low rent level charged in Hammersmith & Fulham, the need to build revenues to achieve a sustainable HRA, and the fact that current rent levels disadvantage tenants who live in smaller properties; it is proposed to raise rents for properties with 4 or more bedrooms<sup>7</sup> by marginally more than the rent restructuring formulae under a revised rents policy. This will have the effect over a number of years (the new formula currently assumes a 5 year convergence period) of addressing the inequality that currently exists between tenants of dwellings with different numbers of bedrooms. It will also generate the additional revenue required to address the routine repairs back log and to ensure our rents are more comparable with those charged by other central West London boroughs. Further, it is expected that an additional advantage will be that it incentivises a reduction in levels of under-occupation.
- 8.9 The proposed rent policy focuses on increasing rents for properties of 4 bedrooms and more above the level that is produced by the rent restructuring formulae by bringing the ratio of rental values between dwellings of different bedroom size towards those in existence in the general rented market.
- 8.10 For example in the North of the borough, the rent charged for a 4 bedroom privately let ex-Council property is 1.94 times the rent charged for a one bedroom privately let ex-Council property; for Council properties a 4 bedroom property is only 1.15 times more expensive than a one bedroom property. The new rent formula multiplies the private rent ratio for properties by bedroom size for 4 bed and large properties by the formula rent (target rent) for a one bed property. The difference between this and the current rent is then taken and assuming a 5 year convergence period is divided by 5. Adding this to the current rent gives the new rent. If the resultant increase is over 7.5% the increase is capped at this rate. For example:

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<sup>7</sup> LBHF currently has 889 properties with 4 or more bedrooms, this represents 7% of the stock.

**Example of New Rent Policy 2013/14 calculation of weekly rent using anonymised 4 bedroom Council dwelling**

	£
Formula (target) weekly rent for 1 bed Council dwelling 2013/14 multiplied by private rent ratio (4 bed : 1 bed) of 1.77	95.65
Equals	169.30
Less: current 2012/13 weekly rent	120.89
	48.41
Divided by years to convergence	5
	9.68
Add: current 2012/13 weekly rent	120.89
<b>New rent policy 2013/14 weekly rent before cap applied</b>	<b>130.57</b>
Current 2012/13 weekly rent	120.89
Add: cap limiting increase to 7.5% of current year rent	9.07
<b>Cap</b>	<b>129.95</b>
<b>2013/14 weekly rent</b> (lower of new rent policy calculation before cap and 7.5% cap)	<b>129.95</b>
Increase above 12/13 rent (£)	9.07
Increase above 12/13 rent (%)	7.5%
Increase above rent produced using rent restructuring for 2013/14 (£)	3.32

- 8.11 The 5 year convergence period and a rent cap prevent large increases.
- 8.12 For all properties containing up to and including 3 bedrooms, the standard rent restructuring policy will continue to apply unchanged, so tenants in these properties will see an increase in rents no different from what would apply if the policy had not changed.
- 8.13 The implementation of the additional rent increase over and above the rent restructuring formulae considers the Housing Benefit limit rent, and is intended to be balanced with affordability for tenants who are not on full housing benefit, ensuring there are sufficient incentives for tenants to work and improvements to the service that tenants receive.
- 8.14 Implementation of the new rent policy will result in an average increase for all dwellings of 5.42%, which means an average increase of £5.03 to £97.76 per week. The table below shows how this increase is applied between properties of three bedrooms or less, which are subject to rent restructuring alone; and those properties of four bedrooms or more, which are subject to an increase above the increase that would have applied under rent restructuring.

Property Size	Average Weekly Rent	Average of Weekly Rent Increase	Average of Weekly Rent Increase	Average Weekly Rent
	2012-13	£	%	2013/14
	£	£	%	£
Dwellings of 3 bedrooms or less	90.23	4.76	5.34%	94.99
Dwellings of 4 bedrooms or more	125.68	8.55	6.86%	134.23
<b>All Dwellings</b>	<b>92.73</b>	<b>5.03</b>	<b>5.42%</b>	<b>97.76</b>

- 8.15 For 2013/14 the Housing Benefit Limit Rent for the Council is £109.91<sup>8</sup> per week, therefore the proposed rent increase will not breach the benefit cap. Rents are in fact constrained by a limit (the limit rent) placed on councils by Housing Benefit. This limit is lower than that used for Housing Benefit payments for the private sector. If that level is breached the Council would have to fund the difference between this limit and our actual rents for tenants on housing benefit. This would be likely to result in a net loss to the HRA based on our current level of housing benefit claimants.
- 8.16 For example based on an assumption that 60%<sup>9</sup> of the Council's tenants are claiming Housing Benefit, a £1 increase in average actual rents above the Housing Benefit limit rent is likely to result in a requirement to reimburse Central Government c£366k per annum. This would be offset by additional income of c.£185k derived from those tenants not claiming Housing Benefit leading to a net annual loss of c.£181k. The impact on the HRA would depend on the percentage of tenants claiming Housing Benefit with a net benefit likely to arise if around 45% of tenants were on Housing Benefit. Currently 40% of our tenants receive full Housing Benefit and 20% are on partial Housing Benefit.

## 9. RENTAL INCOME

### Rents

- 9.1 The draft HRA budget for 2013/14 shown in Appendix 1 assumes tenant rents increase in line with the new rents policy. This incorporates the Government's rent restructuring system for all dwellings of 3 bedrooms or less, and applies a higher rate of increase for all dwellings of 4 bedrooms or more. The application of the Council's revised rent policy in Hammersmith and Fulham for 2013/14 leads to an average rental increase of 5.42%. This will be reflected in the actual rents charged to tenants.

<sup>8</sup> Currently estimated on the basis used from previous increases, awaiting confirmation from CLG

<sup>9</sup> Assumes all tenants who receive Housing Benefit are impacted, currently circa 40% of HRA tenants are on full Housing Benefit and 20% on partial Housing Benefit



- 9.2 The recommended rental increase of 5.42%, in line with the Council's revised rent policy, will increase rental income in the HRA by £2.637m in 2013/14. The changes are shown in the following table:

**Table 3: Summary of Rent Budget Movements**

<b>Description</b>	<b>With a 5.42% increase £000</b>
Original net Rent Budget 2012/13	(59,549)
Rent Increase	(4,772)
Adjustment for disposals	870
Adjustment for voids	1,265
<b>Net Rent Budget 2013/14</b>	<b>(62,186)</b>

- 9.3 Negative adjustments to the net rental budget are made for an assumed loss of rent on properties disposed of, and rent irrecoverable during the year.
- 9.4 A 5.42% increase in rents equates to an average weekly rental increase for tenants of £5.03. An analysis of the weekly increase across all tenants is shown in the following table:

<b>Rent increase per week</b>	<b>Number</b>
Less than £3.00	2
£3.00 to £5.00	8,456
£5.01 to £7.00	3,389
£7.01 to £9	423
£9.01 to £11	339
£11.01 to £13	10
<b>Total</b>	<b>12,619</b>

- 9.5 Under the new rents policy 94% of tenants will see an increase of less than £7.01, and no tenant will see an increase greater than £13.00 per week.
- 9.6 The rent and service charges for properties under licence and hostels are also subject to rent restructuring, the net average increase in these charges is 3.73%. This is marginally lower than the average for tenants as the rent level for some of these properties previously exceeded the level applicable under the rent restructuring system.
- 9.7 Additionally this year we will simplify the way we express Sheltered Housing rents. Sheltered Housing tenants currently receive a Sheltered Accommodation charge in addition to their rent and service charges. This is effectively part of the basic rent but causes confusion; we will therefore simplify this by merging the Sheltered Accommodation Charge into basic rent enabling tenants to understand what they are paying for from each element of their rent.

## **Bad Debts, Voids and Welfare Reform**

- 9.8 In line with 2012/13, voids have been budgeted for at 2% of the gross rent roll (£1.265m).
- 9.9 The Governments Welfare Reform policy impacts on the Council's ability to collect rental income and will therefore result in increased bad debts charges in the HRA. The three strands which will ultimately affect the HRA are:
- the introduction of size criteria - reductions in housing benefit for under-occupying Council tenants from April 2013;
  - the household benefit cap - restricts the total value of packages of benefits to tenants and which may affect their ability to pay rents;
  - direct payments of benefits to social housing tenants which may result in an increase in rent arrears.

### The Introduction of Size Criteria – Reduction in Housing Benefit in the event of Under Occupation

- 9.10 As a result of welfare reform tenants of properties which are under occupied by one bedroom will receive a 14% reduction in Housing Benefit and properties which are under occupied by 2 or more bedrooms will receive a 25% reduction in housing benefit from April 2013. The reductions impact on tenants who are on partial as well as those on full housing benefit. Tenants who are over 60 are exempted from these reductions.
- 9.11 The Councils records currently show the size criteria will impact on approximately 834 HRA properties. These properties have an annual rent roll of £4.7m, approximately £815k per annum of which is at risk. A provision of 50% of the income at risk (£407k) has been included within the 13/14 budget as it is proposed to recruit 2 additional officers<sup>10</sup> to deal specifically with under-occupation. This is expected to result in some tenants choosing to downsize and in some tenants making up the difference from other income. This level of provision has been made in line with and following consultation with tri-borough officers. The remaining 50% of the rent at risk is included as a risk in section 11 below

### The Household Benefit Cap

- 9.12 The household benefit cap places a limit on the total benefits any one working-age household can receive. The limits are currently £500 per week for couples and lone parents and of £350 per week for single people without children. Until Universal Credit is rolled out, the deductions to the level of the cap will be taken from Housing Benefit directly. Therefore in cases where the current benefits package exceeds the new cap there is a significant risk that part of the rent will not be paid.

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<sup>10</sup> See Income Summary in Appendix 3

- 9.13 The Department of Work and Pensions (DWP) have recently announced that the cap will be phased in from April 2013, starting with Bromley, Croydon, Enfield and Haringey. There will then be a national rollout over the summer and as such all households identified as being appropriate to be capped will, in line with DWP's existing plans, have been capped by the end of September 2013. DWP have said that a decision on the precise date at which national rollout will commence will be made in the New Year. As the date of implementation is currently uncertain a prudent approach has been taken and the budget assumes that the benefit cap is implemented in LBHF in May 2013. Current data indicates that 67 households are at risk of not being able to pay some or all of their rent from the implementation of the benefit cap. The total annual rent due from these 67 is £396k per annum, of which £186k is expected to be deducted from housing benefit assuming the benefit cap is implemented in May 2013. It is proposed that a bad debt provision equal to 100% of the income at risk is budgeted for.

#### Direct Payments

- 9.14 The results of the Welfare Reform pilots have not at the time of writing been published nor currently has Central Government published a date for the roll out of this policy. Based on the assumption that implementation is at the earliest likely to be towards the end of 2013/14, and that direct payments will be implemented when tenants move on to Universal Credit, the main concern surrounding the impact of this element of Welfare Reform relates to the financial years from 14/15 onwards. Allowance has been made for this in the business plan and this is included on the risk register.

### **10. SERVICE CHARGES**

- 10.1 Fixed service charges were implemented and de-pooled from rents in April 2012. This approach has the advantage of giving tenants a high level of transparency regarding the service they can expect whilst minimising the administrative burden and resultant costs that would be generated by moving directly to a variable service charge. The adoption of fixed service charges rather than variable also ensures that tenants do not receive any unexpected bills making it easier for them to budget. This charge is then inflated as part of the annual rent setting process.
- 10.2 The draft HRA budget for 2013/14 shown in Appendix 1 currently assumes tenant service charges will be increased to allow for predicted inflation at 3.1%. This increase is in accordance with the Cabinet report introducing de-pooling of service charges and previously approved on 5<sup>th</sup> September 2011. It should be noted that the savings delivered by the current MTFs programme were allowed for when calculating the service charge de-pooling in April 2012.
- 10.3 Only those services which Housing Benefit will contribute to in addition to rent are levied. Tenants will receive notification of their service charges as part of their rent increase letter in February 2013.

## **11. EFFICIENCIES AND GROWTH**

- 11.1 Between 2008 and 2010 the ALMO delivered £6 million of efficiencies. The HRD Business Plan addresses the financial strategy for the HRA and assumes the delivery of further significant annual efficiencies from 2013/14 onwards of £2.7 million rising to £4 million by 2014/15. These savings will be delivered through the development of alternative service delivery models with a focus on improving the quality of services to council residents as well as more efficient procurement and contract management arrangements. Total efficiencies in 2013/14 therefore equate to a 5.6% saving on controllable budgets including corporate recharges.
- 11.2 These are offset by £2.2m of growth, primarily due to increases in corporate recharges, changes in accounting rules regarding the treatment of non-dwellings depreciation, a reduction in income due to Right to Buys and an additional budget for fixed wiring electrical testing, which is a Health and Safety requirement.
- 11.3 These items are itemised in full in Appendices 3 and 4, Appendix 3 also summarises the main movements in income including those on the bad debt charge.

## **12 RISKS**

- 12.1 Appendix 5 summarises the risk to the HRA, the key risks are discussed below. All significant risks are included on the risk register. The following risks can be specifically quantified and a judgement has been made when determining the numbers used in the HRA budget.

### Right To Buys

- 12.2 The impact of the increased level of discount on RTB disposal levels is not yet clear, there is a risk that the number of RTB disposals assumed in the budget is too low which would reduce net income. In the longer term, if there are significant numbers the cost base can be adjusted but there would be a short term impact especially in 2012/13 as the new “normal” rate of RTB sales becomes clear.

### Welfare Reform

- 12.3 As explained in section 8, an increase has been made in the bad debt provision to provide for the impact on rent collection rates as a result of the various strands of the Government’s Welfare Reform programme. However, there remains some risk because:
- 50% of rents not paid by Housing Benefit as a result of the introduction of size criteria have not been provided for on the basis that management action will mitigate the remaining potential loss of income;
  - the impact of the household benefit cap has been budgeted for, however the cap levels are only provisional and it is likely that in

future years benefits will rise by less than rents which will result in more people being impacted by the cap;

- it is very difficult to quantify the level of risk for direct payments but it appears inevitable arrears will increase as a result. Given that the households involved are on very low income levels it is unlikely that the majority of this increase in arrears would be uncollectable and the annual exposure is estimated in the region of between £400k and £2m per annum, assuming mitigating actions are in place. The maximum level of exposure is far higher; the total annual rent paid directly to the Council for HRA properties by Housing Benefit is approximately £36.5m. In terms of mitigation the Council is actively promoting payment by direct debit/ standing order to tenants;
- CLG and DWP have indicated that the limit rent will in some form remain but no clarity has been issued yet in respect of this. Should this result in a recalculation of the limit rent this might reduce the headroom the Council has available for rent increases.

### HRA MTFS Transformation Programme

- 12.4 Budgetary provision has been made for redundancy costs arising from the MTFS Transformation programme, and management will proactively endeavour to minimise redundancies and to engineer mutually agreeable outcomes for both the Council and staff where possible. There is potential for the redundancy costs to exceed budget.
- 12.5 The scale and scope of the MTFS Transformation Programme also carries with it risks associated with, but not limited to the market's ability to deliver the contract at budgeted cost, possible slippage due to unforeseen complexities, costs of winding up the old housing repairs contract and mobilisation costs.

### Other risks

- 12.6 There are also a number of risks that it has not been possible to specifically quantify, some of which apply more to future years. Again, these are detailed in Appendix 5, with a brief summary below:
- the impact of higher void rates in future years on income, maintenance, and management as a result of fixed term tenancies turning over;
  - a general property market risk both in regard to the expensive voids sale programme which currently partially funds capital works and, on the HRA balances where changes in accounting rules for impairment and revaluation losses / gains mean that any adverse movements may result in a charge to the HRA if there are insufficient revaluation reserves held;
  - additional Health and Safety requirements and the impact of failing to comply on insurance cover;
  - other maintenance risks including the risk of a large uninsured incident;
  - a general market risk on re-procurement and recruitment which is higher in better economic conditions, including on corporate

contracts which are recharged to the HRA via service level agreements;

- reopening the HRA reform settlement, the legislation allows this to be done.

## **13 CAPITAL CHARGES**

- 13.1 The two main components of capital charges are the cost to the HRA of borrowing that has taken place to fund the capital programme, including the Decent Homes Programme, and the cost to the HRA of depreciation charges.
- 13.2 As referred to in paragraph 2.3, HRA debt was reduced by £197.4 million on 28<sup>th</sup> March 2012 following a payment from Government under HRA reform. In line with the Council's policy to repay housing debt as it matures, the level of debt on which interest was payable following the settlement will reduce from £217.4m to £207.7m by 31<sup>st</sup> March 2014, following the anticipated repayment of £9.582m of debt during the year. As a result, debt servicing payments are expected to reduce from £12.2m in 2012/13 to £11.9m in 2013/14.
- 13.3 The Council's policy has been to use the Major Repairs Allowance as a proxy for depreciation in the HRA for housing properties and this practice will not change for 2013/14. CLG's Settlement Payments Determination includes a five-year transitional period during which time Councils may use the uplifted MRA. The Council has subscribed to the transitional period and 2013/14 will be the second year of operation. The increase in the depreciation charge for housing properties for 2013/14 is £0.5million taking the budget required to £15.7 million.
- 13.4 The transitional arrangements exclude non-dwellings depreciation which under previous accounting rules had no net effect on the HRA bottom line. However, this now needs to be accounted for as a real charge of £385k and is listed as a growth item in Appendix 4.
- 13.5 The transitional arrangements also exclude protection from a change in accounting regulations which means that impairment and revaluation losses on non-dwellings should hit the bottom line from 1 April 2012 if not contained within the revaluation reserve. This has been included in the risks schedule and is further elaborated on in section 11 above and Appendix 5.

## **14 INFLATION**

- 14.1 Inflation of £418k<sup>11</sup> has been applied to utilities and other contracts where unavoidable. All other inflationary pressures have been accommodated within the existing envelope of resources.

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<sup>11</sup> This is lower than previous years as only 6 months of repairs inflation has been allowed for on the basis that the new contract will commence in October 2013

## **15. FEES, CHARGES, AND OTHER INCOME**

### **Heating Charges**

- 15.1 Tenants and leaseholders who receive communal heating (around 1,950 properties in total) pay a weekly charge towards the energy costs of the scheme. The Council meets the costs of heating in the year, and recharges tenants and leaseholders based on an estimated cost and usage.
- 15.2 The Council is part of the LASER energy procurement group, which purchases energy on behalf of 48 local authorities. A system of flexible procurement is used which should ensure that LASER tenders for new energy contracts on a rolling basis, so that it can purchase when rates are low.
- 15.3 As the new energy contract rates are not expected to be received until January 2013, an estimate has been prepared in consultation with the Council's facilities management function. This is based on the need to balance the heating account, whilst taking account of estimated new energy contract rates applicable next year. It is proposed to reduce the heating charge for 2013/14 by 5%.

### **Garage and Parking Space Rents**

- 15.4 The rate charged varies depending on whether the garage or parking space is located in a high or low demand area and on whether the licensee / tenant is a Council tenant, a Right to Buy leaseholder or a non-Right to Buy leaseholder. The current average weekly rent for a parking space let to a Council resident is £2.64 and for a garage let to a Council resident is £13.28. Current council rents for garages and parking spaces are lower than comparable private sector garages and spaces. It should be noted that prices for garages rented privately in the area vary from £1,800 to £2,500 per annum, per space, and are substantially in excess of our current charges.
- 15.5 A review of garage and parking operations and charges is currently being conducted by officers in consultation with residents. Pending the outcome of this review an increase of 3.1% to cover inflation is being recommended as part of this report. Following on from the consultation, the findings and recommendations of the review will be presented to Cabinet in April 2013 and any changes to charges will be agreed as part of that report.

### **Water Charges**

- 15.6 The Council collects income from and pays charges on behalf of tenants and leaseholders. They are charged according to the rateable value of their dwelling, so in most cases the Council will recover the full cost. Currently we under-recover on water charges, in 2012/13 this is currently forecast to cost the HRA up to £0.561m. In addition Thames Water has indicated they are likely to be increasing water rates by 5.73% in 2013/14.

- 15.7 Therefore in order to ensure that the Council fulfils its legal obligation to recover the water charges in full, it is recommended that water charges are increased by 9.0% to move towards full cost recovery. This equates to an average increase in the water charge for each tenant and leaseholder of 58 pence per week. 6,223 tenants will be fully impacted by this with increases varying between £0.25 and £1.67 per week. 6,456 tenants are affected by both heating and water charges, the net impact on this group will be an increase of 7.22% or 55 pence per week.

### **Advertising Income**

- 15.8 The Council currently generates income from advertising hoardings located on HRA land, and an additional potential income stream of £150k has been identified for 2013/14. Legal and accounting advice has confirmed that the income and expenditure associated with advertising hoardings on HRA land should be accounted for within the HRA. This is also in line with the treatment applied to this type of income by the Council's Tri-borough partners.

### **Rents on Shops**

- 15.9 The budget for commercial property rents has been increased by £0.2m to £1.5m for 2013/14 in accordance with the terms of the associated leases and informed assumptions from Valuation & Property Services regarding the likely level of lettings achievable in the current climate. The budget set for HRA commercial property incorporates a forecast void rate of 9.08%, based on the valuers views, to allow for economic conditions. Additionally, the budgeted bad debt provision has been increased by £50k to £0.25m for 2013/14 again in order to prudently allow for economic conditions.

## **16. CONSULTATION**

- 16.1 This report is being presented to the Housing, Health and Adult Social Care Select Committee on 22<sup>nd</sup> January 2013 in order that the committee can comment on the budget proposals in advance of any formal decision being taken by Cabinet.

## **17. RISK MANAGEMENT**

- 16.1 The principal risks are detailed in section 12 of this report, these are included in the departmental risk register

## **18. EQUALITY IMPLICATIONS**

- 18.1 The Equalities Impact Assessment (EIA) shows that rent increase and other increases in charges may impact disproportionately on groups who have a lower income level especially those who may be disproportionately represented in council stock. However, these do not unlawfully discriminate and the council considers the reduction of debt



and the need to increase its reserves to be a legitimate aim. As part of reaching this aim, the council considers that increasing the rent for larger properties, which are proportionately far less expensive than smaller properties, is a legitimate way of helping to reaching this aim.

- 87.2 It is not possible for the Council to mitigate the effects by subsidising the extra amount payable where there is a disproportionate impact as the council needs to reduce its debt and build its reserves (as at set out in the report). However, the Council will have two dedicated housing officers on hand to help tenants and their households.

## **19. FINANCE AND RESOURCES IMPLICATIONS**

- 19.1. Comments are contained within the body of the report.

## **20. LEGAL IMPLICATIONS**

- 20.1 The principal statutory provision governing the fixing of rent for Council property is contained in Section 24 of the Housing Act 1985. Sub-section (1) provides that authorities may "...make such reasonable charges.... as they may determine". However, this section has to be considered in the light of Section 76 of the Local Government and Housing Act 1989 which imposed a duty on local housing authorities to prevent a debit balance arising in their Housing Revenue Account ("HRA") and which also imposes "ring-fencing" arrangements in respect of such account. It is not possible for a local housing authority to subsidise rents from its General Fund.

- 20.2 As set out in section 7.1 of the report, there is no statutory requirement for the Council to set rents in line with the rent restructuring regime. The Government's rental policy statements have the status of non-statutory guidance and the Council has the flexibility to set rents at another level, or using another basis, if that appears more appropriate to local circumstances.

- 20.3 There is no legal barrier to there being differentials in the rent increase between different types of property. In setting rents, Members should consider all relevant matters including:

-the cost to the Council of providing accommodation and the cost of its management;-the effect of inflation; and

-the extent and numbers of tenants qualifying for Housing Benefit.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	HRD business plan	Kathleen Corbett	HRD
<b>CONTACT OFFICER:</b>		<b>NAME: Kathleen Corbett</b> <b>EXT. 3031</b>	

## Appendix 1: 2013/14 Draft Housing Revenue Account Budget

Division	2012/13 Budget	2012/13 Forecast Outturn	2013/14 Proposed Budget
	£000s	£000s	£000s
Housing Income	(71,138)	(71,181)	(73,603)
Housing Services	12,719	12,650	11,778
Commissioning & Quality Assurance	1,380	1,378	1,319
Safer Neighbourhoods	725	725	565
Adult Social Care	48	48	48
Housing Repairs	13,172	13,172	14,006
Property Services	2,740	2,803	2,544
Regeneration	751	681	260
Housing Options	714	680	622
Finance & Resources	5,829	5,690	5,771
Corporate Service Level Agreement Charges	6,655	6,655	6,916
Capital Charges	27,309	27,535	28,028
Invest to save withdrawal from HRA General Reserve	(1,128)	(1,128)	(1,498)
<b>(Contribution to)/ Appropriation from HRA General Reserve</b>	<b>(224)</b>	<b>(292)</b>	<b>(3,244)</b>
<b>Opening Balance on HRA General Reserve</b>	<b>(5,029)</b>	<b>(5,029)</b>	<b>(4,193)</b>
Less: Invest to save withdrawal from HRA General Reserve	1,128	1,128	1,498
<b>Closing Balance on HRA General Reserve</b>	<b>(4,125)</b>	<b>(4,193)</b>	<b>(5,939)</b>

## Appendix 2: 5 Year Business Plan for Housing Revenue Account 2013/14 - 2017/18

	<b>2013/14 Proposed Budget £'000</b>	<b>2014/15 Projection £'000</b>	<b>2015/16 Projection £'000</b>	<b>2016/17 Projection £'000</b>	<b>2017/18 Projection £'000</b>
Income	73,603	75,956	78,375	80,760	83,005
Expenditure before savings plans	(73,099)	(75,936)	(78,009)	(79,007)	(80,965)
Base HRA surplus for the year	504	20	366	1,753	2,040
Target savings from market testing / efficiencies	2,740	4,000	4,560	5,160	5,760
Invest to save	(1,498)	(51)			
<b>Surplus before additional capital programme contribution</b>	<b>1,746</b>	<b>3,969</b>	<b>4,926</b>	<b>6,913</b>	<b>7,800</b>
<b>HRA balance</b>	<b>5,939</b>	<b>9,908</b>	<b>14,834</b>	<b>21,747</b>	<b>29,547</b>
FTEs as at 1 <sup>st</sup> April	375	210	210	210	210

## Appendix 3: Efficiencies

### Efficiencies

Division	Description	Amount £000s
Housing Services	Caretaking Market Testing - MTFS	263
Housing Services	Concierge - MTFS	81
Housing Services	Estate Services Client Team restructure	-23
Housing Services	Income Team	275
Housing Services	Reception	172
Housing Services	Sheltered Reorganisation	138
Housing Services	Neighbourhood Services South - MTFS	113
Housing Services	Housing Management - MTFS	25
		<b>1,044</b>
Finance & Resources	Reorganisation of Rents Income team	127
Finance & Resources: Capital Charges	Reduced interest payable following debt reduction	310
Finance & Resources	Restructure of Finance Team	195
		<b>632</b>
Housing Services	Reversal of 12/13 MTFS Growth for Transformational Support - Estate Services	50
Property Services	Reversal of 12/13 MTFS Growth for Transformational Support - Stock Condition Survey & Asset Management	200
Property Services	Reversal of 12/13 MTFS Growth for Transformational Support - Property Services Staff Cover	148
		<b>398</b>
Safer Neighbourhoods	Staffing restructure	<b>160</b>
Property Services	Repairs contract - MTFS	<b>506</b>
<b>Total</b>		<b>2,740</b>

### Income movements

Division	Description	Amount £000s
Income	Additional Advertising Hoarding Income	150
Income	Parking Income	50
Income	Increase in bad debt provision due to Welfare Reform (equivalent to 1.1% of gross rent roll)	(593)
Income	Additional bad debt provision for service charges	(125)
Income	Reduction in rental income due to Right to Buy sales (equivalent to 0.3% of gross rent roll)	(200)
Income	Rent increase	2,837
Income	Commercial Rents	158
Income	Service Charges	317
Income	Other	(129)
		<b>2,465</b>

## Appendix 4: Growth

Division	Description	Amount £000s
Housing Repairs	Fixed Wiring Electrical Testing	800
Housing Repairs	Health & Safety works	50
Housing Repairs	Mobilisation of new Housing Repairs contract - temporary single year growth	300
		<b>1,150</b>
Housing Services	Under-occupation / Welfare reform Officers and Tenancy Fraud post - temporary 2 years growth	125
Housing Services	Client team	111
		<b>236</b>
Finance & Resources	Support for MTFs Transformation Programme, temporary 1 year growth	97
Finance & Resources	Removal of exemptions on void property Council Tax charges <sup>1</sup>	55
Finance & Resources	Changes in accounting rules on non-dwellings depreciation	385
Finance & Resources	Additional legal charges for Leasehold Services income recovery - temporary single year growth	20
		<b>557</b>
Corporate Recharges	ELRS	32
Corporate Recharges	TTS (the additional income to TTS is conditional upon TTS achieving the additional advertising income for the HRA of £150k (see Efficiency & Additional Income table above))	170
Corporate Recharges	FCS	55
Corporate Recharges	HFBP	22
		<b>279</b>
<b>Total</b>		<b>2,222</b>

<sup>1</sup>assumes as per advice from FCS Revenues & Benefits, that Watermeadow Court and Edith Summerskill House are designated as exempt from the charge due to their status as vacant for regeneration purposes.

Appendix 5: Key Risks 2013/14	Lower Limit £000s	Upper Limit £000s	Worst Case £000s	Future Risk £000s
<b>Quantifiable Risks</b>				
<p><b>Welfare Reform</b> - an increase has been made in the bad debt provision to provide some protection against the impact on rent collection rates as a result of the various strands of the Government's Welfare Reform programme. However, there remains some risk as follows:</p> <ul style="list-style-type: none"> <li>- the impact of the introduction of size criteria has been budgeted for at the rate of 50% of the total rent at risk, on the assumption that management action will be sufficient to mitigate the remaining potential loss of income. The risks relating to the resolution of under-occupation are primarily in 13/14 &amp; 14/15;</li> <li>- the impact of the household benefit cap has also been budgeted for, though an indicative level by which benefit packages might further exceed rents has been included as a risk;</li> <li>- it is not possible at this stage to quantify the exact level of risk for direct payments as this depends on the rate of migration to the new system.</li> </ul>	0	407	407	407
<p><b>Welfare Reform &amp; CPI</b> - in future under universal credit, benefits will be inflated by CPI which doesn't include housing costs therefore rents will get increasingly out of sync with the benefit cap. Especially given rent restructuring this means that even more people will get caught by the cap each year and will increase our risk as the years go by.</p>	0	195	390	410+
<p><b>Redundancy</b> - a provision has been made for redundancy costs arising from the MTFs Transformation programme. This currently provides for 24 redundancies, but</p>	0	3,075	3,075	0

the eventual position may be higher (on average £19k per FTE is budgeted). The £3m risk assumes a worst case scenario where all staff on the TUPE list are made redundant.				
<b>MTFS Transformation Market Risk</b> - the scale and scope of the MTFS Transformation Programme also carries with it risks associated with the market's ability to deliver the contract at budgeted cost and with possible slippage due to unforeseen complexities.	0	1,325	1,325	3,516
<b>Right to Buy Disposals</b> - a level of Right to Buy disposals (20 per annum) has been assumed within the budget, though given that the impact of the increased level of discount on RTB disposal levels is not yet clear, there is a risk that unbudgeted levels beyond the Council's control could impact on the net income due to the HRA. The upper limit and worst case risks set out here are based on an assumption that the level of applications currently projected (347) all progress to RTB sales. The future risk assumes that there are 60 or more RTB sales each year.	0	1,735	1,735	200+
<b>Pension opt-in</b> - this relates to the risk of all staff opting to join the local government employer pension scheme.	0	147	147	147
<b>Salaries Inflation</b> – this relates to the risk of salaries being uplifted by 1% for 2013/14.	0	152	152	153
<b>Total Quantifiable Risks</b>	<b>0</b>	<b>7,213</b>	<b>43,908</b>	<b>7,026</b>
<b>Unquantifiable Risks</b>				
<b>Limit Rent</b> - this determines the maximum average actual rent level at which housing benefit would continue to be paid. The current 12/13 average rent is below the limit rent, and the proposed rent for 13/14 is more than £10 per week lower than the limit rent in 13/14 based on the modelling carried out. However, the limit rent mechanism is being re-examined under Welfare Reform and therefore, there is a risk that a proportion of the rent roll will no longer be funded by Housing Benefit. The Government's plans are awaited.				
<b>Housing Repairs Ending of Current Contractual Arrangements</b> – provision has been made within the existing budgets to cover potential additional costs associated with the winding up of the old contracts, though there is a risk that costs may exceed this provision.				

<p><b>Earls Court Judicial Review</b> - the risk of judicial review on the Earls Court programme could affect the contract; it is intended that the revenue impact of any changes will be accommodated within the £5m receipt but it is possible that legal fees incurred may exceed the budget available.</p>
<p><b>Accounting for impairment and revaluation losses / gains</b> - changes in accounting rules following self-financing regarding impairment and revaluation losses / gains mean that any adverse movements that cannot be funded by revaluation reserves will be an actual charge to the HRA bottom line. The current level of revaluation reserves of £78m represents 8% of the current stock valuation of £966m, so an impairment / revaluation loss of 8% would have to be suffered before the HRA would be affected.</p>
<p><b>Housing Repairs</b> - unpredicted events may result in some additional expenditure (for example, following new health and safety directives, legislation) on housing repairs, and financial provision has been made to mitigate against this risk.</p>
<p><b>Increase in void levels</b> – this is likely to result from the new policy of fixed term tenancies and from management action taken to reduce under-occupation. The risks attributable to fixed term tenancies will not crystallise until 15/16 onwards.</p>
<p><b>Stock Investment</b> - the business plan is exposed to the risk arising from a downturn in the property market and the resultant slowing down or cessation of expensive voids sales causing a lack of funds available for investment in the housing stock. This is mitigated through careful monitoring of likely results to be realised before entering into significant capital expenditure commitments, and through the longer term plan to reduce reliance on sales to maintain the stock.</p>
<p><b>Service Level Agreements</b> - any mid-year review of corporate SLA costs may impact adversely on the HRA particularly if contracts are retained in house resulting in higher than expected FTE numbers. In particular, in future years there is a risk that the shared services procurement may not deliver savings and that legislative burdens could increase costs.</p>



**Appendix 6: London Local Housing Authorities  
Working Balance Reserves as a % of Turnover**

	<b>Turnover</b>	<b>General Reserve at 31st March 2012 (2013 for LBHF)</b>	<b>Working Balance Reserve as a % of Turnover</b>
	£m	£m	%

<b>H&amp;F</b>	<b>73</b>	<b>4.2</b>	<b>5.7%</b>
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<b>Neighbouring &amp; Partner London Housing Authorities</b>			
RBKC	48.8	13.5	27.66%
Westminster	145.6	91.8	63.05%
Wandsworth	126.3	103.8	82.19%
Ealing	66.2	8	12.08%
Hillingdon	57.8	13.8	23.88%
Harrow	27.6	2.8	10.14%
Hounslow	73.8	17.2	23.31%

<b>Other London Local Housing Authorities</b>			
Southwark	243.6	27.5	11.29%
Lambeth	164.5	5.6	3.40%
Islington	194.6	11.7	6.01%
Camden	150.2	59.4	39.55%
Hackney	123.7	10.2	8.25%
Lewisham	81.1	17.2	21.21%
Sutton	34	1.8	5.29%
Brent	94.7	2.3	2.43%
Barnet	57.5	7.8	13.57%
Waltham Forest	52.8	2.8	5.30%
Redbridge	24.8	3.4	13.71%
Barking and Dagenham	97.7	8.3	8.50%
Tower Hamlets	79.2	13.6	17.17%
Kingston Upon Thames	29	3.1	10.69%
Croydon	80.1	7.2	8.99%
Greenwich	109.3	6.1	5.58%
Newham	-		

Average of Neighbouring & Partner London LHAs as listed above	34.62%
Average of 24 London LHAs	18.40%
Average of RBKC, Westminster & Wandsworth	57.63%
Average of RBKC, Westminster, Wandsworth & H&F	44.95%

## Appendix 7 - Rent Benchmarking 2012-13 rents: Inner London Local Housing Authorities

	Budgeted	Bedsits	1 bed house and bungalows	1 bed flats and maisonettes	2 bed house and bungalows	2 bed flats and maisonettes	3 bed flats and maisonettes	3 bed house and bungalows	4 bed dwellings	5 bed dwellings	6 bed dwellings
Local Authority	Average Rent in 2012-13	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent	Average Weekly:- Net Rent
	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p	£ : p
<b>INNER LONDON</b>											
Camden	99.29	72.74	97.85	88.74	108.48	101.61	101.61	113.56	126.84	141.20	147.14
Greenwich	93.39	73.62	87.99	80.84	101.32	89.07	89.07	97.08	116.29	129.41	137.45
Hackney	90.96	71.73	94.75	81.40	108.04	88.91	88.91	97.60	117.93	136.25	144.99
<b>Hammersmith &amp; Fulham</b>	<b>92.73</b>	<b>71.41</b>	<b>98.66</b>	<b>82.77</b>	<b>109.24</b>	<b>90.56</b>	<b>101.81</b>	<b>121.94</b>	<b>124.32</b>	<b>137.37</b>	<b>137.63</b>
Islington	100.00	76.06	91.69	87.46	113.25	102.12	102.12	107.66	130.57	144.57	169.73
Kensington & Chelsea	106.42	79.36	109.24	94.72	125.15	112.57	112.57	123.09	138.07	152.98	0.00
Lewisham	87.48	64.92	86.68	77.31	92.26	86.60	86.60	95.77	112.13	126.97	133.30
Tower Hamlets	99.17	75.36	95.00	87.81	119.17	99.27	99.27	110.07	126.38	140.80	148.11
Wandsworth	120.27	65.81	108.76	90.16	134.86	114.12	114.12	148.02	181.72	226.39	285.51
Westminster	111.44	88.39	98.77	103.34	121.24	116.32	116.32	129.80	146.41	160.36	181.34

NB: Southwark and Lambeth did not supply rent information to the CIPFA Benchmarking Club.

**Appendix 8**  
**Rent Benchmarking**  
**2012-13 private sector rents in Hammersmith and Fulham**  
**(W6, W12,W14 and SW6) (source: Zoopla, Foxtons)**

Property size	Average rent per week	LBHF	%
Studio Flats	245.00	71.41	29%
1 Bed Flats	335.31	82.77	25%
2 Bed Flats	467.08	90.56	19%
3 Bed Flats	662.31	101.81	15%
4 Bed Flats	747.00	113.03	15%
5 Bed Flats	952.15	131.47	14%
6 Bed Flats	-	130.25	-
1 Bed Houses	303.23	98.66	33%
2 Bed Houses	525.23	109.24	21%
3 Bed Houses	770.08	121.94	16%
4 Bed Houses	934.62	131.78	14%
5 Bed Houses	1,355.31	140.15	10%
6 Bed Houses	-	141.32	-

**Rent Benchmarking: Registered Providers Rents extracted from the HCA**  
**Statistical Data Return 2012 showing rents as at 31<sup>st</sup> March 2012**

	Average Rent per week	Target Rent
<b>Notting Hill</b>		
Bedsit	96.65	106.97
1 Bed	101.25	116.81
2 Bed	111.55	126.3
3 Bed	120.24	133.58
4 Bed	130.06	140.6
5Bed	134.26	147.81
All Bed Sizes	N/A	123.95
<b>Shepherds Bush</b>		
Bedsit	78.58	80.92
1 Bed	95.82	112.15
2 Bed	109.43	125.47
3 Bed	114.37	133.74
4 Bed	129.72	140.78
5Bed	124.79	147.81
All bed sizes	N/A	120.12

## LBHF Equality Impact Analysis Tool

### Conducting an Equality Impact Analysis

An EqIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative or unlikely to have a significant impact on each of the protected characteristic groups.

The tool has been updated to reflect the new public sector equality duty (PSED). The Duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

- 1. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under this Act;**
- 2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against the three tenets of the Equality Duty.

## General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Equality Officer for support.
6. Further advice and guidance can be accessed from the separate guidance document (link), as well as from the Opportunities Manager: [PEIA@lbhf.gov.uk](mailto:PEIA@lbhf.gov.uk) or ext 3430

## LBHF Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	XX / XX
Name and details of policy, strategy, function, project, activity, or programme	<p><b>Title of EIA:</b> Housing Revenue Account Financial Strategy and Rent Increase 2013/14</p> <p><b>Short summary:</b> This report sets out the budget strategy for the Housing Revenue Account (HRA) from 2013/14 to 2017/18 with detailed revenue estimates and the proposed rental and other charge increases. The strategic financial objectives of the HRA are set out, including the need to further develop an approach to asset management to allow for investment needs to be met and to ensure a sustainable HRA. Also included are proposals for efficiency savings and budget growth in line with the HRA MTFs Transformation programme.</p> <p>It should be noted that whilst as in previous years rent restructuring is being followed for properties with 3 or fewer bedrooms, it is proposed to raise rents for properties with 4 or more bedrooms<sup>1</sup> by marginally more than the rent restructuring formulae under a revised rents policy. This approach has been used elsewhere by other Local Authorities, for example Wandsworth. When arriving at the proposed increase the impact of two options was considered:</p> <ol style="list-style-type: none"> <li>1. <b>Option 1</b> – Rent restructuring for all dwellings – this uses the standard Government rent restructuring formulae generally employed in H&amp;F since 2001</li> <li>2. <b>Option 2</b> - Rent restructuring for all dwellings with the exception of 4 bedroom and above dwellings which have been modelled using the new proposed rent policy as set out in the report with a 5 year convergence period and a 7.5% cap</li> </ol> <p>Further details of the two options are given in section 7 of the accompanying HRA Financial Strategy and Rent Increase Report.</p> <p>The government also plans to introduce other changes to benefits in April 2013 and these will also impact on some tenants. It is not possible to include the impacts on all groups of Options 1 and 2, and potential central government changes within this EIA as these will vary from household to household. It can be said that where an increase in rent takes the household over the governments planned benefit cap per week, there will be an impact but it will depend on what benefits those households receive. Likewise where a household is under occupying they will already be impacted by the governments introduction of size criteria for housing benefit, again the increase in rent will result in an additional impact but this will depend on the benefits and other income received. The council is not in control of any potential changes outside its decision making remit, therefore this EIA deals only with Options 1 and 2, using the</p>

<sup>1</sup> LBHF currently has 889 properties with 4 or more bedrooms, this represents 7% of the stock.

	<p>data that is available and the other elements of the budget.</p> <p>There are no impacts on existing staff as a result of this project, although two more staff will be recruited if Cabinet agrees to the growth approved as part of the budget in Appendix 4 of the accompanying HRA Financial Strategy and Rent Increase Report.</p>
<b>Lead Officer</b>	<p>Name: Kathleen Corbett  Position: Finance and Resources Director, Housing and Regeneration  Email: <a href="mailto:kathleen.corbett@lbhf.gov.uk">kathleen.corbett@lbhf.gov.uk</a>  Telephone No: 020 8753 3031</p>
<b>Date of completion of final EIA</b>	<b>XX / XX / XX</b>

<b>Section 02</b>	<b>Scoping of Full EIA</b>																																													
<b>Plan for completion</b>	<p>Timing: Sept 2012 to Jan 2013  Resources: Officer time, and see section 03 for data resources</p>																																													
<b>Analyse the impact of the policy, strategy, function, project, activity, or programme</b>	<p>The principal impact of the report arises from the application of the rent increase, the impact of the two options considered are set out below:</p> <p><b>Option 1</b>  Option 1, applying the normal rent restructuring formula to all dwellings will affect all tenants (12,620 tenancies) in all bedroom size properties as set out below:</p> <table border="1"> <thead> <tr> <th>Range of increase</th> <th>0 bed</th> <th>1 bed</th> <th>2 bed</th> <th>3 bed</th> <th>4 bed</th> <th>5 bed</th> <th>6 bed</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Less than £3</td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>£3 to £5</td> <td>612</td> <td>3,910</td> <td>3198</td> <td>779</td> <td>6</td> <td>1</td> <td></td> <td>8,506</td> </tr> <tr> <td>£5.01 to £7</td> <td>1</td> <td>500</td> <td>1,038</td> <td>1,691</td> <td>793</td> <td>77</td> <td>12</td> <td>4,112</td> </tr> <tr> <td><b>Grand total</b></td> <td>613</td> <td>4,411</td> <td>4,236</td> <td>2,471</td> <td>799</td> <td>78</td> <td>12</td> <td><b>12,619</b></td> </tr> </tbody> </table> <p><b>Option 2</b>  889 properties will be affected by Option 2 if it is adopted by Cabinet. Option 2 will increase rent on 4 bed+ properties by more than the rent increase in Option 1. Of these 889 properties 772 tenants in these properties will have to pay an increase of more than the maximum £7 per week increase which would arise if option 1 was</p>	Range of increase	0 bed	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	Total	Less than £3				1				1	£3 to £5	612	3,910	3198	779	6	1		8,506	£5.01 to £7	1	500	1,038	1,691	793	77	12	4,112	<b>Grand total</b>	613	4,411	4,236	2,471	799	78	12	<b>12,619</b>
Range of increase	0 bed	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	Total																																						
Less than £3				1				1																																						
£3 to £5	612	3,910	3198	779	6	1		8,506																																						
£5.01 to £7	1	500	1,038	1,691	793	77	12	4,112																																						
<b>Grand total</b>	613	4,411	4,236	2,471	799	78	12	<b>12,619</b>																																						

adopted.: The impact on all 889 properties is set out below:

Range of increase	4 bed	5 bed	6 bed	Total
Less than £3		1		1
£3 to £5	8	10		18
£5.01 to £7	90	6	2	98
£7.01- £9	420	3		423
£9.01-£11	280	51	8	339
£11.01-£13	1	7	2	10
<b>Grand total</b>	799	78	12	<b>889</b>

Options 1 and 2 will affect tenants on full, partial or no Housing Benefit ('HB') in different ways and information regarding the numbers affected and the new amounts that tenants would be required to pay is included in section 03 of this EIA. Equality data is not available across all protected groups for full, partial or no HB. The information that the council does have, is included at section 03 and used where applicable in the analysis further below.

#### **Options 1 and 2: overall analysis for households on full HB**

For Options 1 and 2, households on full HB will not be affected by the rent increase because it is within the HB Benefit Rent payment. The impact on these households will be **neutral** in such cases. There will be a shortfall if those households are under occupying, i.e. they have more bedrooms than they need or if a household is impacted by the benefit cap, if the council were to implement a rent increase or not. This applies to all protected groups (although some disabled people may have different circumstances if a room is required for their carer, see below) and as such would result in a **negative** impact. For the avoidance of doubt, this analysis applies to Options 1 and 2, to all protected groups and is not included in the analysis below because (as stated) it applies to all protected groups.

Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
Age	<b>Option 1</b> Tenants of all age groups not in receipt of HB will be impacted by the increase. Those in this group are likely to be in full-time work. This will impact a total of 5,028 tenancies of which 293 tenancies are in 4 bedroom or larger properties. It cannot be clearly determined from the data in section 03 if many of these households are under or over occupied, which might otherwise indicate whether	Unknown, likely negative



		<p>tenants had children to look after or not. Age data is not available for these tenancies. Therefore, it is not possible to determine the impact, although it is likely that paying more rent will be a negative impact. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>.</p> <p>Tenants of all age groups on partial HB will be impacted and this group totals 2,665 tenancies of which 436 tenancies are in 4 bedroom or larger properties. Those in this group are likely to be of working age, in part-time or low paid work. It is likely that the increase in rent will be negative for the majority of this group unless they are able to increase their income but this will depend on the exact benefits that they (and their partners, if they have a partner) receive. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>The council will have two extra officers to help those unable to afford the rent increase. It is likely that this will be of more relevance to those on partial HB than those on full HB (see further above) and those not on HB and who are working full time.</p> <p><b>Option 2</b></p> <p>Tenants who are not in receipt of HB and in a larger property are likely to be impacted by the larger increase in rent. This will affect a total of 293 tenancies. Again, it is not clear if these are under or over occupied and so it is not possible to draw further conclusions from that data. Age data is not available for these tenancies. Therefore, it is not possible to determine the impact, although it is likely that paying more rent will be a negative impact. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>Tenants of all age groups on partial HB in larger properties total 436 tenancies, of which 306 are under occupying which may mean that they do not have children to support. Those in this group are likely to be of working age, in part-time or low paid work. It is likely that the higher increase in rent will be negative</p>	<p>Negative</p> <p>Neutral</p> <p>Unknown, likely negative</p>
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		<p>for this group, as this is a higher than usual increase and depending on the benefits they receive and ability to increase income, they may need to move to a more affordable property. This will depend on a case by case basis and it is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p>	Negative
		<p>The Council will have two housing officers on hand to help tenants with moving, in order to lessen the effects of the move and over time, the impacts of the changes which may include having to move to more affordable accommodation, should lessen.</p>	Neutral
	Disability	<p><b>Option 1</b>  Disabled tenants not in receipt of HB will be impacted by the increase. Those in this group are likely to be in full-time work but exact numbers are not known. Therefore, it is not possible to determine the impact, although it is likely that paying more rent will be a negative impact. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>Disabled tenants on partial HB will be impacted and the size of this group is not known. Those in this group are likely to be of working age, in part-time or low paid work. It is likely that the increase in rent will be negative for the majority of this group unless they are able to increase their income but this will depend on the exact benefits that they (and their partners, if they have a partner) receive. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>Households on full HB where the claimant or partner is in receipt of a disability benefit/allowance/award, total 586. Of these, 249 are under occupied by 1 or more beds, and 70 are overcrowded by 1 or more beds, with 105 meeting the DWP size criteria. This could indicate that this group could not have children but the data does not account for whether the household requires the room for an overnight carer and as such, conclusions cannot be drawn from it. As given further above, households on full HB will not be affected by the rent increase because it is within the HB Benefit Rent payment. The impact on these</p>	<p>Unknown, likely negative</p> <p>Unknown, likely negative</p> <p>Neutral Unknown, likely negative</p>

		<p>households will be neutral in such cases. There will be a shortfall if those households are under occupying, i.e. they have more bedrooms than they need, if the council were to implement a rent increase or not. For disabled people who need the room for a carer, an increase where they cannot meet the shortfall would result in a negative impact but it is not possible to be precise about this.</p> <p>The council will have two extra officers to help those disabled tenants unable to afford the rent increase. It is likely that this will be of more relevance to those on partial HB than those on full HB (see further above) and those not on HB and who are working full time.</p> <p><b>Option 2</b> Disabled tenants who are not in receipt of HB and in a larger property are likely to be impacted by the larger increase in rent. This will affect a total of 293 tenancies which will include disabled and non-disabled households. Disability data is not available for these tenancies and it is not known if they have dependents. Therefore, it is not possible to determine the impact, although it is likely that paying more rent will be a negative impact. It is not possible to mitigate the effects of this as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p> <p>Disabled tenants on partial HB in larger properties will be impacted by the larger increase in rent if adopted. This will affect total 436 tenancies which will include disabled and non-disabled households. Disability data is also not available for these tenancies and it is not known if they have dependents. However, those in this group are likely to be of working age, in part-time or low paid work. It is likely that the higher increase in rent will be negative for disabled people in this group, as this is a higher than usual increase and depending on the benefits they receive and ability to increase income, they may need to move to a more affordable property. This will be more complex for disabled people than for non-disabled people. This will depend on a case by case basis and it is not possible for the council to mitigate for this and treat disabled people more favourably by exempting them from the higher rent as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p>	<p>Neutral</p> <p>Negative</p> <p>Negative</p>

		<p>Households on full HB where the claimant or partner is in receipt of a disability benefit/allowance/award, total 586. Of these, 249 are under occupied by 1 or more beds, and 70 are overcrowded by 1 or more beds, with 105 meeting the DWP size criteria. This could indicate that this group could not have children but the data does not account for whether the household requires the room for an overnight carer and as such, conclusions cannot be drawn from it. As given further above, households on full HB will not be affected by the higher rent increase because it is within the HB Benefit Rent payment. The impact on these households will be neutral in such cases. There will be a shortfall if those households are under occupying, i.e. they have more bedrooms than they need, if the council were to implement a rent increase or not. This could be more likely if the council implements Option 2, which is a high rent increase on larger properties. For disabled people who need the room for a carer, an increase where they cannot meet the shortfall would result in a negative impact but it is not possible to be precise about this.</p> <p>For disabled tenants on partial and full HB, the Council will have two housing officers on hand to help tenants with moving, in order to lessen the effects of the move and over time, the impacts of the changes which may include having to move to more affordable accommodation, should lessen.</p>	<p>Negative</p> <p>Neutral</p>
	Gender reassignment	<p><b>Options 1 and 2</b></p> <p>There is no data available on those with this protected characteristic as our tenants. However, it is likely that those who have transitioned, or who are transitioning, and who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be negatively affected by the change. The impact will be less for Option 1 than for Option 2 but both will be negative. People with this characteristic may find having to move more difficult than those without, as they may be accepted by their neighbours in their current location and they may find settling in a new location difficult. They may also be close to the gender reassignment clinic at Charing Cross and be negatively impacted by having to move away from it.</p> <p>It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the</p>	<p>Negative</p> <p>Neutral</p>

	move and over time, the impacts of the move should lessen.	
Marriage and Civil Partnership	<b>Options 1 and 2</b> The Council is not offering a service in a different way to married people or to civil partners and so this protected characteristic is not applicable to this analysis	N/A
Pregnancy and maternity	<b>Options 1 and 2</b> There is no data available on those with this protected characteristic. However, it is likely that women who are pregnant or who are on maternity leave, and who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be negatively affected by the change. The impact will be less for Option 1 than for Option 2 but both will be negative. Women with this characteristic may find having to move more difficult than other women as they will be about to, or will just have given birth. They are also likely to be negatively impacted by having to move away from their GP and the hospital where they have a birth plan in place, or where they are being seen by a midwife after the birth of their baby.  It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.	Negative  Neutral
Race	The available data in section 03 does not give a breakdown by ethnicity of those on no, partial, or full HB. However, that section does give 2001 census data which identifies some notable differences between those in council properties and the borough population, which include the following:  White British: renting from the council is 15,444 or 49.09% of the group as a whole that rents from the council White British: comprised 58.0% of the borough population Therefore, White British is under represented in the council's rented population in comparison to the borough population Black Caribbean: renting from the council is 3,494 or 11.11% Black Caribbean: comprised 5.2% of the borough population Therefore, Black Caribbean is over represented in the council's rented population compared to the borough population.	

	<p>Following the same method, the following groups are over and under represented in the council's rented population as compared to the borough profile:</p> <p>Black Caribbean; White Irish; Black African; Other Black; Pakistani; Bangladeshi; Other Asian; Mixed White and Black Caribbean; and Mixed White and Black African are all over-represented White British; Other White; Indian; Chinese; and Mixed White and Asian are all under represented.</p> <p><b>Options 1 and 2</b> Households on HB from the over-represented groups identified above, are proportionately more likely to be over-crowded than those race groups that are under-represented as above and this may mean that they have larger numbers of children to care for. There is no data available on those with this protected characteristic as tenants of LBHF properties. However, it is likely that those of any race group who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be negatively affected by the change. The impact will be less for Option 1 than for Option 2 but both will be negative. It is likely that that impacts will be felt more by Black Caribbean; White Irish; Black African; Other Black; Pakistani; Bangladeshi; Other Asian; Mixed White and Black Caribbean; and Mixed White and Black African households than by White British; Other White; Indian; Chinese; and Mixed White and Asian households, in line with their presence in the statistics.</p> <p>It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable, and it would be unlawful to exempt one religious group from the extra cost per week. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.</p>	Negative
	<p>Religion/belief (including non-belief)</p> <p><b>Options 1 and 2</b> There is no data available on those with this protected characteristic as our tenants. However, it is likely that those of any religion of belief group who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be</p>	Neutral

		<p>negatively affected by the change. The impact will be less for Option 1 than for Option 2 but both will be negative. People with this characteristic may find having to move more difficult than those without, as they may be active in their local place of worship</p> <p>It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable, and it would be unlawful to exempt one religious group from the extra cost per week. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.</p>	<p>Negative</p> <p>Neutral</p>
	Sex	<p><b>Options 1 and 2</b></p> <p>There is no data available on men and women as our tenants. However, it is likely that men and women who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be negatively affected by the change. The impact will be less for Option 1 than for Option 2 but both will be negative.</p> <p>It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.</p>	<p>Negative</p> <p>Neutral</p>
	Sexual Orientation	<p><b>Options 1 and 2</b></p> <p>There is no data available on those with this protected characteristic as our tenants. However, it is likely that those of any sexual orientation who are unable to pay the increase in rent (whether on full, partial HB or no HB) will be negatively affected by the change. Lesbian women and gay men, or bisexual may find a move more difficult than others if they are settled in their area and accepted by their neighbours in their current location and they may find settling in a new location difficult. The impact will be less for Option 1 than for Option 2 but both will be negative.</p> <p>It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves.</p>	<p>Negative</p> <p>Neutral</p>



	However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.	
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### Options 1 and 2: other groups

It is likely that foster carers will be impacted by the changes to size criteria, and that foster carers who are tenants on full or partial HB in 4bed+ properties will be negatively impacted by the increase in rent under Option 2. Foster carers will have one or more of the above protected characteristics and will be impacted as analysed above but are included here as a group because their circumstances will be complex and will vary. For example, it may appear that foster carers are under occupied but they may be about to take care of a child so they will need the bedroom that shows as being spare.

It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.

### Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

### Options 1 and 2

Yes

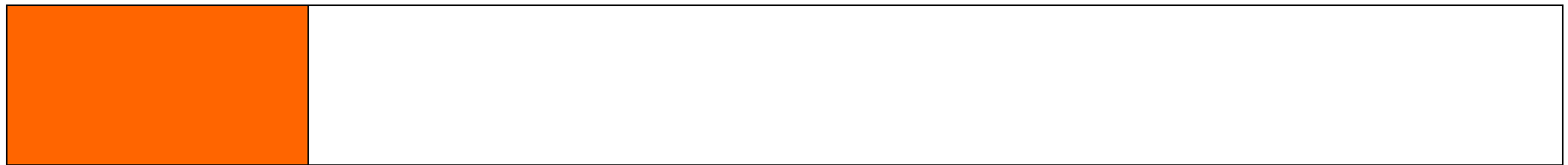
This may affect Article 8: Right to respect for family life, which may impact be relevant to foster carers and to families with children, as well as to those who are under occupying and who are impacted by the increase in rent and the change in size criteria. However, this is a qualified right and can be interfered with if the council considers that it is a proportionate means of achieving a legitimate aim.

Will it affect Children's Rights, as defined by the UNCRC (1992)?

### Options 1 and 2

Yes. For children who are fostered or looked after, this may affect the right to live in a family environment or alternative care. It is not possible to mitigate the effects of this disruption as the Council cannot afford to top up the outstanding rent payable. The report sets out the difficult financial situation and the need to reduce debt as well as to build up reserves. However, the Council will have two housing officers on hand to help people with this protected characteristic with moving, in order to lessen the effects of the move and over time, the impacts of the move should lessen.





<b>Section 03</b>	<b>Analysis of relevant data</b> Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.																																											
<b>Documents and data reviewed</b>	<p><b>Option 1<sup>2</sup></b> <b>Rent Options 13/14 with increases (in £ and %) by DWP bed criteria and number of tenancies</b></p> <p style="background-color: #808040; color: black; padding: 5px;"><b>Current Rent policy - rent restructuring with 3 year convergence to target on all dwellings for all on full Housing Benefit</b></p> <p style="background-color: black; color: white; padding: 5px;"><b>Range of increases (£) in rent by number of tenancies and DWP bed criteria</b></p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Range of Increase (£)</th> <th colspan="4">Household Status Desc. by DWP bed criteria</th> </tr> <tr> <th>Not under occupied</th> <th>Under-occupied by 1 bed</th> <th>Under-occupied by 2 + beds</th> <th>Grand Total</th> </tr> </thead> <tbody> <tr> <td>£3 to £5</td> <td>1</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>£5.01 to £7</td> <td>43</td> <td>25</td> <td>80</td> <td>148</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>44</b></td> <td><b>25</b></td> <td><b>80</b></td> <td><b>149</b></td> </tr> </tbody> </table> <p style="background-color: black; color: white; padding: 5px;"><b>Range of increases (%) in rent by number of tenancies and DWP bed criteria</b></p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Range of Increase (%)</th> <th colspan="4">Household Status Desc. by DWP bed criteria</th> </tr> <tr> <th>Not under occupied</th> <th>Under-occupied by 1 bed</th> <th>Under-occupied by 2 + beds</th> <th>Grand Total</th> </tr> </thead> <tbody> <tr> <td>3% to 5%</td> <td>44</td> <td>25</td> <td>80</td> <td>149</td> </tr> <tr> <td><b>Grand Total</b></td> <td><b>44</b></td> <td><b>25</b></td> <td><b>80</b></td> <td><b>149</b></td> </tr> </tbody> </table>	Range of Increase (£)	Household Status Desc. by DWP bed criteria				Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	Grand Total	£3 to £5	1			1	£5.01 to £7	43	25	80	148	<b>Grand Total</b>	<b>44</b>	<b>25</b>	<b>80</b>	<b>149</b>	Range of Increase (%)	Household Status Desc. by DWP bed criteria				Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	Grand Total	3% to 5%	44	25	80	149	<b>Grand Total</b>	<b>44</b>	<b>25</b>	<b>80</b>	<b>149</b>
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<sup>2</sup> Excludes voids  
LBHF EqIA Tool

**Current Rent policy - rent restructuring with 3 year convergence to target on all dwellings for all on Partial Housing Benefit**

**Range of increases (£) in rent by number of tenancies and DWP bed criteria**

Range of Increase (£)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
£3 to £5		1			1
£5.01 to £7	3	126	82	224	435
<b>Grand Total</b>	<b>3</b>	<b>127</b>	<b>82</b>	<b>224</b>	<b>436</b>

**Range of increases (%) in rent by number of tenancies and DWP bed criteria**

Range of Increase (%)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
3% to 5%	2	114	71	191	378
5.01% to 7%	1	13	11	33	58
<b>Grand Total</b>	<b>3</b>	<b>127</b>	<b>82</b>	<b>224</b>	<b>436</b>

**Current Rent policy - rent restructuring with 3 year convergence to target on all dwellings for all not in receipt of Housing Benefit**

**Range of increases (£) in rent by number of tenancies and DWP bed criteria**

Range of Increase (£)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
£3 to £5	1				1
£5.01 to £7	254	23	9	6	292
<b>Grand Total</b>	<b>255</b>	<b>23</b>	<b>9</b>	<b>6</b>	<b>293</b>

**Range of increases (%) in rent by number of tenancies and DWP bed criteria**

Range of Increase (%)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
3% to 5%	239	21	8	6	274
5.01% to 7%	16	2	1		19
<b>Grand Total</b>	<b>255</b>	<b>23</b>	<b>9</b>	<b>6</b>	<b>293</b>

**Option 2**
**Rent Options 13/14 with increases (in £ and %) by DWP bed criteria and number of tenancies**

New rent policy, rent restructuring with 3 year convergence to target on all dwellings, except 4 bed plus modelled with 5 year convergence to new rent policy target with 7.5% cap on increases for all those on Full Housing Benefit

**Range of increases (£) in rent by number of tenancies and DWP bed criteria**

Range of Increase (£)	Household Status Desc. by DWP bed criteria			
	Not underoccupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	Total
£3 to £5		1	3	4
£5.01 to £7	14	6	15	35
£7.01 to £9	19	10	39	68
£9.01 to £11	8	8	22	38
£11.01 to £13	3		1	4
<b>Grand Total</b>	<b>44</b>	<b>25</b>	<b>80</b>	<b>149</b>

**Range of increases (%) in rent by number of tenancies and DWP bed criteria**

Range of Increase (%)	Household Status Desc. by DWP bed criteria			
	Not under	Under-occupied	Under-occupied by 2 +	Total

	occupied	by 1 bed	beds	
Less than 3%			2	2
3% to 5%	8	3	10	21
5.01% to 7%	24	14	44	82
7.01% to 9%	12	8	24	44
<b>Grand Total</b>	<b>44</b>	<b>25</b>	<b>80</b>	<b>149</b>

**New rent policy, rent restructuring with 3 year convergence to target on all dwellings, except 4 bed plus modelled with 5 year convergence to new rent policy target with 7.5% cap on increases for all those on Partial Housing Benefit**

**Range of increases (£) in rent by number of tenancies and DWP bed criteria**

Range of Increase (£)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
Less than £3		1			1
£3 to £5		7	1	1	9
£5.01 to £7	1	10	6	16	33
£7.01 to £9	1	59	50	109	219
£9.01 to £11	1	47	24	98	170
£11.01 to £13		3	1		4
<b>Grand Total</b>	<b>3</b>	<b>127</b>	<b>82</b>	<b>224</b>	<b>436</b>

**Range of increases (%) in rent by number of tenancies and DWP bed criteria**

Range of Increase (%)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
Less than 3%		6	1		7
3% to 5%	1	9	3	14	27
5.01% to 7%		13	21	25	59
7.01% to 9%	2	99	57	185	343
<b>Grand Total</b>	<b>3</b>	<b>127</b>	<b>82</b>	<b>224</b>	<b>436</b>

**New rent policy, rent restructuring with 3 year convergence to target on all dwellings, except 4 bed plus**

modelled with 5 year convergence to new rent policy target with 7.5% cap on increases for all those with No Housing Benefit

**Range of increases (£) in rent by number of tenancies and DWP bed criteria**

Range of Increase (£)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
£3 to £5	4				4
£5.01 to £7	26	5		1	32
£7.01 to £9	108	12	6	5	131
£9.01 to £11	115	6	3		124
£11.01 to £13	2				2
<b>Grand Total</b>	<b>255</b>	<b>23</b>	<b>9</b>	<b>6</b>	<b>293</b>

**Range of increases (%) in rent by number of tenancies and DWP bed criteria**

Range of Increase (%)	Household Status Desc. by DWP bed criteria				Total
	cannot determine	Not under occupied	Under-occupied by 1 bed	Under-occupied by 2 + beds	
Less than 3%	1				1
3% to 5%	22	5		1	28
5.01% to 7%	49	5	3	3	60
7.01% to 9%	183	13	6	2	204
<b>Grand Total</b>	<b>255</b>	<b>23</b>	<b>9</b>	<b>6</b>	<b>293</b>

**Other equality information**

Because the council does not have further equality information, we have used information from other relevant council sources to supplement this and to fill the gaps so far as that is possible.

**Disability**

- **Tenants receiving HB** - status according to the DWP size criteria - where claimant or partner is in receipt of a disability benefit/allowance/award (updated 01/11/2012)

Count of Property Reference	Receiving HB		Grand Total
	Y	In receipt of benefit/allowance/award	
Household Status Desc. by DWP bed criteria	None	Yes	
Severely Overcrowded (by 2+ beds)	14	10	24
Overcrowded (by 1 bed)	34	12	46
Meets DWP bed criteria	87	18	105
Under-occupied by 1 bed	93	21	114
Under-occupied by 2 + beds	240	57	297
Grand Total	468	118	586

### Race

For tenure and ethnicity, *Table TT013 THEME ON ETHNICITY data from the 2001* is the best available data. The relevant sub-sections from that data is given here:

	ALL PEOPLE	White			Mixed				Asian or Asian British			
		British	Irish	Other White	White and Black Caribbean	White and Black African	White and Asian	Other Mixed	Indian	Pakistani	Bangladeshi	Other Asian
TENURE												
Rented from council	31,459	15,444	2,021	2,116	881	297	219	414	229	386	451	404

	ALL PEOPLE	Black or Black British			Chinese or Other Ethnic Group	
		Black Caribbean	Black African	Other Black	Chinese	Other Ethnic Group
TENURE						
Rented from council	31,459	3,494	3,552	766	126	659

Other data from the 2001 census is also used in this EIA for determining impacts on race, such as the borough's

	<p>population data from that same census in order to draw comparison between the TT013 from the same release and the borough as a whole:</p> <p>In 2001, 22.2% of the population of Hammersmith &amp; Fulham belonged to ethnic groups other than White People of White British ethnicity comprised 58.0% of the Borough population in 2001. A further 15.0% were classified as 'Other White' 4.8% were of White Irish ethnicity</p> <p>The largest ethnicity minority group in the Borough is the Black population, accounting for 11.1% of the total, or 18,393 people.</p> <p>The Black grouping comprises people of Black Caribbean ethnicity (5.2%, or 8,533 people), Black African ethnicity (4.9%, or 8,070 people) and 'Other Black' ethnicities (1.1%, or 1,790 people).</p> <p>People of various Asian ethnicities are the next largest ethnic minority grouping in the Borough. The main ethnic groups are Indian (1.7%), Pakistani (1.0%), Bangladeshi (0.6%) and 'Other Asian' (1.1%). A further 0.8% of the Borough population are Chinese.</p> <p>A total of 6,306 people (3.8%) are of mixed ethnicity. They included 2,011 people who were of Mixed White and Black Caribbean ethnicity (1.2%), 1,032 people of Mixed white and Black African ethnicity (0.6%) and 1,651 people of Mixed White and Asian ethnicity (1.0%).</p> <p>From: <a href="http://www.lbhf.gov.uk/Images/Part2_pages1-13_tcm21-20262.pdf">http://www.lbhf.gov.uk/Images/Part2_pages1-13_tcm21-20262.pdf</a></p>
<b>New research</b>	(No new research undertaken)

<b>Section 04</b>	<b>Consultation</b>
<b>Consultation</b>	(No consultation undertaken)
<b>Analysis of consultation outcomes</b>	N/A

<b>Section 05</b>	<b>Analysis of impact and outcomes</b>
<b>Analysis</b>	<p><b>Options 1 and 2</b></p> <p>This section sets out the likelihood of Options 1 and 2 contributing to, having no effect on, or adversely impacting, the three tenets of the PSED in light of the analysis in section 02. For all groups below, it will be the case that Option 2 is more negative than Option 1</p>

**Age**

The analysis shows that there is no discrimination, harassment or victimisation associated with these changes. It also shows that the changes do not advance equality of opportunity between age groups, as younger age groups are more likely to be impacted as set out in the analysis above. Potentially, these changes may not help to foster good relations between different age groups. It is not possible for the council to mitigate the effects by subsidising the extra amount payable as the council needs to reduce its debt and build its reserves (as at set out in the report). However, the Council will have two housing officers on hand to help families with moving, in order to lessen the effects of the move and over time, the impacts of the changes which may include having to move, should lessen

**Disability**

Because of the data limitations which include the fact it is not known if a carer is required which may skew the bedroom data, plus the number of unknowns in non-disabled households is reasonably high, it is not possible to conclude the likely impact on equality of opportunity or good relations between disabled and non-disabled households arising from general increase in rent which may result in disabled households being unable to find the remaining balance payable. However, it is more likely that disabled people will be more negatively impacted than non-disabled people as they are less likely to be in work and more likely to be in receipt of benefits than others. They are also likely to find it more difficult to find a property that is suitable for their needs, for example if they have a mobility or sensory impairment. The increase in rent will not result in discrimination, harassment, or victimisation.

Where disabled households are unable to pay the remaining balance, these households will be offered help to move to a more suitable property. Disabled households that are in over-crowded in 4-bed+ properties are unlikely to receive a larger property. Disabled households that are unable to pay the average increase in rent will be offered support to find a more suitable property that they can afford. The impact of these changes will be negative on these households as disabled people will have to change GP surgeries and find a new hospital if they are currently located near to one for a medical need, and there will be disruption arising from having to move home. They may also have to find a new carer.

The council could choose to treat disabled households more favourably than non-disabled households and fund the difference for these households. However, the financial situation is such that it is not possible to mitigate the effects of this change in rent policy as the council cannot afford to top up the outstanding rent payable. As set out in the report, the council needs to build up its reserves and to reduce its debt. However, the council will have two housing officers on hand to help disabled people with moving, in order to lessen the effects of the move and over time, changes which may include having to move to more affordable accommodation, should lessen, albeit the council recognises that the disruption for disabled people will be more acute than for non-disabled people.

**Gender Reassignment, Sex, Sexual Orientation**

The proposal will not advance equality of opportunity and having to move as a result may impact more negatively on



those with the protected characteristic of gender reassignment and sexual orientation than on others as given above. It is not likely to advance equality of opportunity between men and women, or to hinder it. The proposal will not result in unlawful discrimination, harassment, victimisation by the council on any of these groups, nor will it help to foster good relations, or to hinder them.

### **Pregnancy and maternity**

The proposal is likely to have an adverse impact on pregnant women and those who have just given birth. The proposal will not result in unlawful discrimination, harassment, victimisation by the council on this group nor will it help to foster good relations, or to hinder them. The proposal will not advance equality of opportunity for this group and may hinder it.

### **Race**

The proposal is not likely to advance equality of opportunity between race groups, or to hinder it. The proposal will not result in unlawful discrimination, harassment, victimisation by the council on any race groups, nor will it help to foster good relations, or to hinder them.

### **Religion and Belief**

The proposal will not advance equality of opportunity and having to move as a result may impact more negatively on those who attend a regular place of worship than on others as given above. It is not likely to advance equality of opportunity between men and women, or to hinder it. The proposal will not result in unlawful discrimination, harassment, victimisation by the council on any of these groups, nor will it help to foster good relations, or to hinder them.

### **Foster Carers**

It is likely that foster carers will be impacted by the changes to size criteria, and that foster carers who are tenants on full or partial HB in 4bed+ properties will be negatively impacted by the increase in rent under Option 2. Foster carers will have one or more of the above protected characteristics and will be impacted as analysed above but are included here as a group because their circumstances will be complex and will vary. For example, it may appear that foster carers are under occupied but they may be about to take care of a child so they will need the bedroom that shows as being spare.

It is not possible for the council to mitigate the effects by subsidising the extra amount payable as the council needs to reduce its debt and build its reserves (as at set out in the report). However, the Council will have two housing officers on hand to help families with moving, in order to lessen the effects of the move and over time, the impacts of the changes which may include having to move, should lessen

### **Human Rights, Children's Rights**

Foster carers, and people from all protected groups may also consider that their rights under Article 8 are being

interfered with. However, this is a qualified right and can be interfered with if the public body considers that it is a proportionate means of achieving a legitimate aim (see 'overall assessment' below). For children who are fostered or looked after, this may affect the right to live in a family environment or alternative care. It is not possible for the council to mitigate the effects by subsidising the extra amount payable as the council needs to reduce its debt and build its reserves (as at set out in the report). However, the Council will have two housing officers on hand to help families with moving, in order to lessen the effects of the move and over time, the impacts of the changes which may include having to move, should lessen.

**Overall Assessment**

Overall, there will be some negative impacts as identified in this document. However, these do not unlawfully discriminate and the council considers the reduction of debt and the need to increase its reserves to be a legitimate aim. As part of reaching this aim, the council considers that increasing the rent for larger properties, which are proportionately far less expensive than smaller properties, is a legitimate way of helping to reaching this aim.


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<b>Section 06</b>	<b>Reducing any adverse impacts and recommendations</b>
<b>Outcome of Analysis</b>	<p>The council will direct those affected to the two new officers for support and assistance and in cases of particular difficulty, support with the changes will be tailored with all the facts of each case taken into account.</p> <p>Disability: the addition of two officers to advise those impacted will support disabled people          Pregnancy and maternity: the addition of two officers to advise those impacted will support pregnant women          Foster carers: the addition of two officers to advise those impacted will support pregnant women</p>

<b>Section 07</b>	<b>Action Plan</b>					
<b>Action Plan</b>	Summary of actions identified actions as a result of equality impact analysis:					
	Issue identified	Action (s) to be taken	When	Lead officer	Expected outcome	Date added to business/service plan
	Tenants from all groups may not be able to afford the extra rent	Two officers to be employed to help these tenants with their finances and options	March 2013	Jo Rowlands	Tenants have support and information and are able to find a property more suitable to their	Feb 2013: if proposals are agreed by Cabinet

					needs if they cannot afford the extra rent	
	Disabled households	Two officers to be employed to help these tenants with their finances and options. Disabled people's needs e.g. accessibility to be taken into account as part of this advice	March 2013	Jo Rowlands	Disabled tenants have support and information and are able to find a property more suitable to their needs if they cannot afford the extra rent	Feb 2013: if proposals are agreed by Cabinet
	Pregnancy and maternity (households with this group)	Two officers to be employed to help these tenants with their finances and options. The needs of women who are pregnant to be taken into account	March 2013	Jo Rowlands	Pregnant women have support and information and are able to find a property more suitable to their needs if they cannot afford the extra rent	Feb 2013: if proposals are agreed by Cabinet
	Foster Carers	Two officers to be employed to help these tenants with their finances and options. The needs of foster carers to be taken into account				

<b>Section 08</b>	<b>Agreement, publication and monitoring</b>
<b>Chief Officers' sign-off</b>	Name: Mel Barrett Position: Director of Housing and Regeneration Email: <a href="mailto:melbourne.barrett@lbhf.gov.uk">melbourne.barrett@lbhf.gov.uk</a> Telephone No: 020 8753 4228
<b>Key Decision Report (if relevant)</b>	Date of report to Cabinet/Cabinet Member: 11/02/13 Key equalities issues have been included: Yes
<b>Opportunities Manager (where involved)</b>	Name: Carly Fry Position: Opportunities Manager Date advice / guidance given: 02 January 2013 Email: <a href="mailto:PEIA@lbhf.gov.uk">PEIA@lbhf.gov.uk</a> Telephone No: 020 8753 3430

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>11 FEBRUARY 2013</b></p>
<p><b>BARCLAY CLOSE LIFTS A – D, ETHEL RANKIN COURT &amp; THE GRANGE, LISGAR TERRACE LIFTS A &amp; B - MODERNISATION OF THE EXISTING PASSENGER LIFTS</b></p>	
<p><b>Report of the Cabinet Member for Housing - Councillor Andrew Johnson</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information on the tender results and assessment outcomes for the letting of the contract and recommends acceptance of the relevant tender .</p>	
<p><b>Classification – For noting</b>  <b>Key Decision: YES</b></p>	
<p><b>Wards Affected: Town, Avonmore and Brook Green</b></p>	
<p><b>Accountable Executive Director: Melbourne Barrett - Housing &amp; Regeneration</b></p>	
<p><b>Report Author:</b></p> <p><b>Danny Reynolds Group Leader Building Services</b></p>	<p><b>Contact Details:</b></p> <p>Tel: 020 753 4807</p> <p>Email: -Danny.Reynolds@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1 This report relates to the letting of a contract to undertake works to modernise the existing passenger lifts at 1-20, 21-40 and 61-106 Barclay Close SW6, 1-38 Ethel Rankin Court, Landridge Road SW6 and 1-36 The Grange, Lisgar Terrace W14.
- 1.2 The works consist of the complete modernisation of the existing passenger lifts within each of the five blocks. The works need to be undertaken because major components of the existing equipment associated with each lift are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns, and significant inconvenience to residents and visitors to the blocks.

## 2. RECOMMENDATIONS

- 2.1. To note that funding for this scheme is contained within the 2012/13 Housing Capital Programme which was approved by Cabinet on 11 December 2011 and by Budget Council on 29<sup>th</sup> February 2012 (within this £80k was included in 2012/13 and £690k in 2013/14, now revised to £770k - excluding professional

fees - in 2012/13 in order to accelerate delivery of the project funded by savings and movement on other programmes).

- 2.2 To note that the contract is expected to be awarded on 18 February 2013, and has a contract period of 45 weeks from the date of the award, with start on site expected on 20 May 2013.

### **3. REASONS FOR DECISION**

- 3.1 These works need to be undertaken because major components of the existing equipment associated with each lift are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns. Components required to maintain these lifts are increasingly difficult to obtain and are not readily available from the respective manufacturers with some having to be made to order which result in prolonged delays and lengthy shutdowns in the event of major failures.
- 3.2 The increased numbers of breakdowns and unreliability of these lifts causes inconvenience to residents and visitors and impacts on their quality of life, as the lift installations are the only means for some residents to access their homes, particularly the elderly and disabled.
- 3.3 This tender acceptance report is submitted for Cabinet approval in accordance with paragraph 9.2 of Contract Standing Orders, which states that award decisions are to be taken by Cabinet where the scheme's value is £100,000 or more but less than £1,000,000. The decision may be delegated to the relevant Cabinet Member where the proposed scheme has been previously approved by Cabinet as a Key Decision as part of a capital or planned maintenance programme, and the tendered sum is within the approved budget. As this scheme is £22,818 over its approved budget, excluding professional fees, and £113,992 over budget including professional fees, in this instance delegation to the Cabinet Member for Housing is not appropriate.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1 The proposed works form part of the 2012-13 Housing and Regeneration Capital programme for which the Cabinet Member for Housing has responsibility.
- 4.2 The properties included in this contract are all multi-story blocks of occupied flats, as follows:-
- Nos 1-20 Barclay Close – served by a single lift
  - Nos 21-40 Barclay Close – served by a single lift
  - Nos 61-106 Barclay Close – served by two lifts
  - Nos 1-36 The Grange Lisgar Terrace - served by two lifts
  - Nos 1-38 Ethel Rankin Court - served by a single lift.
- 4.3 It is becoming increasingly difficult to maintain these lifts in operation and to provide a reliable service to residents and members of the public as the lift installations within each building have exceeded their design life of 25 years. All the lifts are obsolete models and are no longer supported by the respective manufacturers. Consequently it is becoming increasingly difficult to obtain spare parts required to effect repairs which results in prolonged periods where the lifts need to be taken out of service, whilst replacement parts which are manufactured to order are awaited.

4.4 Whilst the lifts at Barclay Close and Ethel Rankin Court were originally in the Council's 10 year investment plan for modernisation in 2012/13, the lifts at The Grange were programmed for modernisation in 2014/15. However, as a direct result of increased breakdowns and unreliability of the lifts, residents at The Grange petitioned the Council to request that the lifts be replaced at the earliest opportunity. Consequently, following a review of the lifts' performance and the investment programme, and with the agreement of the Cabinet Member for Housing, modernisation of the lifts at The Grange has been brought forward.

## 5. PROPOSAL AND ISSUES

### 5.1 Proposed Works

5.1.1 The works include the dismantling and removal of the existing lift installation within each building, including the main drive units, the existing control system, lift car and associated wiring and the installation of new modern equipment, that can be supported for the foreseeable future. The works do not include renewal of the existing guides and counter weights which are serviceable and are therefore to be retained.

5.1.2 The new equipment selected is more energy efficient than the existing equipment. The new geared drive machines come with variable frequency motors and the proposed new lift control systems are equipped with eco-friendly facilities which at given times shut-down unwarranted circuits, such as car lighting, fans and power factors, along with lift car positioning signals and which will all resume back to normal functions upon call demand, thus saving energy usage.

5.1.3 The works will be programmed to be completed as quickly as possible in order to minimise the inconvenience to residents and visitors to the buildings whilst the lifts are out of service during the works.

### 5.2 Funding and Programme of Works

5.2.1 The 2012/13 Housing Capital Programme includes a total budget of £770,000, excluding professional fees, for this project. The recommended sum for approval of £883,992, inclusive of contingency and professional fees, therefore results in a potential shortfall of £113,992. Due to the long lead-in time for lift projects no expenditure is anticipated in 2012/13 and the current budget allocation will be re-profiled to 2013/14. The additional requirement of £113,992 will be the first call on the proposed budget for lift schemes in 2013/14.

5.2.2 The anticipated cashflow of the project is as follows:-

	<b>2013/14</b>	<b>2014/15</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Works	£700,818	£22,000	£722,818
Contingency Sum	£63,000	£7,000	£70,000
Fees	£82,056	£9,118	£91,174
<b>Total</b>	<b>£845,874</b>	<b>£38,118</b>	<b>883,992</b>

5.2.3 Expenditure will be charged to Cost Centre LFT001 and Project Code CHRA002106

5.2.4 The anticipated Programme of Works for the project is as follows:-

	<b>Date</b>	
Cabinet Approval	11 February	2013
Issue Section 20 Notices	05 December	2012
Expiry of Section 20 Notices	05 January	2013
Issue Letter of Acceptance	18 February	2013
Start on Site	20 May	2013
Completion	10 January	2014

## **6. CONSULTATION**

- 6.1 The Housing Capital Programme seeks to meet the corporate strategic objective of improving the quality of the borough's social housing stock. The works consist of the complete modernisation of the existing passenger lifts within each of the five blocks. The works need to be undertaken because major components of the existing equipment associated with each lifts are obsolete, with many parts having reached their economical useable life span of 25 years, resulting in an unacceptable level of lift breakdowns, and significant inconvenience to residents and visitors to the blocks.
- 6.2 There will be ongoing consultation with residents to explain the nature and scope of the works, programme and timescales. Residents have been written to in order to explain the process and any impact on them. Residents will receive more correspondence prior to the start on site updating them regarding the programme and scope of works from officers within the Planned Maintenance Team.
- 6.3 Leaseholders have been notified in accordance with the statutory consultation legislation. Notices of Intent were sent out on 14 June 2012 and expired on 14 July 2012. The Section 20 Notices have been sent out on 5 December 2012 and are due to expire on 5 January 2013. The contract will not be issued until expiry of Section 20 Notices and response is given to any observations made.
- 6.4 Regarding leaseholder recharges there are a range of payment options offered by the Council for leaseholders to assist with the payment of invoices. These include a discount of 2.5% for early settlement of bills; an interest-free 36 month instalment scheme; a 5 year payment scheme offering the first 36 months interest-free with the remaining months charged at the Bank of England variable rate. In addition, there is a loan plan on offer with different terms of three years, five years and ten years respectively. All options are explained in the "Paying for Major Work" leaflet which is available for leaseholders on the Council's Internet site as well as from Leaseholder Services. Leaseholders have also been advised that they may find comparable products within the high street marketplace at banks and building societies.
- 6.5 The following addresses have been purchased as leasehold properties:-

### **Barclay Close**

1, 2, 3, 7, 9, 11, 12, 13, 14, 15, 16, 20, 21, 24, 25, 28, 29, 30, 33, 34, 35, 36, 37, 38, 39

### **The Grange**

5, 6, 8, 9, 10, 11, 13, 15, 16, 19, 20, 22, 23

### **Ethel Rankin Court**

2, 8, 9, 10, 11, 14, 15, 20, 23, 24, 30, 32, 33, 35, 38



There have been four Right to Buy applications on the blocks:-

Barclay Close, No's 26 and 62

The Grange, No 17

Ethel Rankin Court, No 34.

- 6.6 Recent leaseholder statutory notices and final accounts issued, or notices due within the preceding three years, include the following:

1 – 40 Barclay Close had PPM controlled access works to the block, S20 Notice served 18/6/12, the average leaseholder bill was £534.

1 – 106 Barclay Close had PPM new water tanks installed to the block, S20 Notice served 23/11/11, the average leaseholder bill was £711.

1 – 36 The Grange, was included within the Decent Homes Contract 3CE, a programme of external works, S20 Notices were served on 16/12/07, the average leaseholder bill was £15,925.

1 – 38 Ethel Rankin Court, was included within the Decent Homes Contract 5KE2, a programme of external works, S20 Notices were served on 14/7/08, the average leaseholder bill was £14,366.

1 – 38 Ethel Rankin Court is due to have new water tanks installed to the block, S20 Notice served 23/11/12, the average S20 estimate is £755.

- 6.7. The table below shows Section 20 recharges for Barclay Close; The Grange & Ethel Rankin Court Lifts Modernisation.

<b>Block</b>	<b>Estimated Average Cost</b>	<b>Estimated Maximum Cost</b>	<b>Estimated Minimum Cost</b>
1-20 Barclay Close	5,684.49	6,459.21	4,590.65
21-40 Barclay Close	5,968.56	6,482.28	4,602.19
61-106 Barclay Close	6,476.13	7,127.26	4,956.82
1-36 The Grange	6,996.91	6,999.11	6,950.77
1-38 Ethel Rankin Court	5,963.43	6,945.50	4,934.03

## 7. EQUALITY IMPLICATIONS

- 7.1 An Equality Impact Assessment has been carried out for this project. The assessment has identified that the works will have a positive effect on elderly and very young people; people in wheelchairs and ambulant disabled people; pregnant women and people with very young children, as these groups are most disadvantaged when lift breakdowns occur. These works will reduce the frequency of such breakdowns. The works will not have an adverse effect on any protected groups.

## **8. LEGAL IMPLICATIONS**

- 8.1 It is noted that it is intended to award the contract to the lowest priced tender in accordance with the criteria set out in the tender documents. Tenderers have been selected using the Constructionline database, in accordance with the Council's Contract Standing Orders.
- 8.2 Implications completed by: (Catherine Irvine, Principal Contract Lawyer, Tel 020 8753 2774).

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1 The recommended sum for approval is £883,992. This is in excess of the total budget, which excluded professional fees, of £770,000. The shortfall of £113,992 will be the first call on the proposed budget for lift schemes in 2013/14.
- 9.2 Paragraph 6.7 shows the average leaseholder cost vary according to the block from £5,684.49 at 1-20 Barclay Close to £6,996.91 at 1-36 The Grange. However, due to variations in dwelling size and associated % contributions at each block some leaseholder costs may be lower or higher than these amounts.
- 9.3 Paragraph 6.4 states that there is a range of payment options available to leaseholders to assist with the payment of invoices.
- 9.4 Further comments are in the exempt report.
- 9.5 Implications verified/completed by: (Isaac Egberedu, Principal Accountant, 0208 753 2503).

## **10. RISK MANAGEMENT**

- 10.1 Risks relating to the project's pre-construction processes have been ascertained, and the project will not commence until the necessary actions identified on the register have been undertaken. A post-contract risk register will be developed jointly with the contractor once they have been appointed, in order that risks can be managed throughout the duration of the project
- 10.2 Implications verified/completed by Danny Reynolds – Group Leader, Engineering Services, 020 8753 4780.

## **11. PROCUREMENT AND IT STRATEGY IMPLICATIONS**


- 11.1 The Contract has been tendered in accordance with the Council's Contract Standing Orders, using the Constructionline database. Accordingly, the Director supports the recommendations contained in the report.
- 11.2 The comments in paragraph 3.3 regarding budgetary provision and accordingly this is a Cabinet report are noted.
- 11.3 Implications verified/completed by: (Bob Hillman, Procurement Consultant (Projects,020 8753 1538)

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Project Development Documents	Jodie Rose Ext: 3830	Housing & Regeneration 3 <sup>rd</sup> Floor, HTH Ext Hammersmith W6 9JU
2.	Housing Capital Programme approval papers Approved by Cabinet on 11/12/12 (Published)	Vince Conway Ext.1915	Housing & Regeneration 3 <sup>rd</sup> Floor, HTH Ext Hammersmith W6 9JU

**LIST OF APPENDICES: None**

# Agenda Item 12

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>11 FEBRUARY 2013</b></p>
<p><b>APPROVAL OF THE 2013/14 PLANNED HIGHWAY MAINTENANCE PROGRAMME</b></p>	
<p><b>Report of the Cabinet Member for Transport and Technical Services – Councillor Victoria Brocklebank-Fowler</b></p>	
<p><b>Open Report.</b></p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director: Nigel Pallace, Executive Director of Transport and Technical Services</b></p>	
<p><b>Report Author: Ian Hawthorn – Head of Highway Maintenance and Projects</b></p>	<p><b>Contact Details:</b> Tel: 020 8753 3058 E-mail: <a href="mailto:ian.hawthorn@lbhf.gov.uk">ian.hawthorn@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. The report seeks approval for the 2013/14 Planned Carriageway and Footway Maintenance Programme and authority to manage the programme and overall budget throughout the year. Intervention is required at specific levels of deterioration to ensure very expensive and disruptive full depth road and footway reconstruction is not required. Each scheme is individually designed according to existing condition to maximise value for money.

## **2. RECOMMENDATIONS**

- 2.1. That the list of planned carriageway and footway maintenance schemes as set out in Appendix A be approved.
- 2.2. That authority be delegated to the Cabinet Member for Transport and Technical Services, in conjunction with the Executive Director of Transport and Technical Services and the Executive Director of Finance and Corporate Governance, to make amendments to the programme as agreed for operational and cost effectiveness reasons in order to make the optimum use of resources allowing virements to contain expenditure within the approved resources and not subject to the normal virement rules.
- 2.3. That reports and updates on programme amendments (additions and removals) to the approved scheme list be made to the Cabinet Member for Transport and Technical Services.

## **3. REASONS FOR DECISION**

- 3.1. To avoid the need for repeated authorising reports, the programme needs to be managed as a whole. On this basis, officers are again seeking exception from the normal Key Decision process of seeking approval on a scheme by scheme basis noting that some schemes will exceed the £100,000 key decision threshold.

## **4. BACKGROUND**

### **4.1. Strategy**

- 4.1.1. Detailed technical condition surveys are carried out each year to examine the condition of every road in the borough. The surveys divide the roads and footways into manageable sections and return a condition score against each. These are then prioritised to formulate a list of streets with a level of defectiveness above a threshold score. This establishes a useful benchmark of the percentage of streets below the desired maintenance threshold.
- 4.1.2. These streets are then validated against engineering judgement to confirm its ranking and position on the programme. At this stage the desired maintenance treatment is established to estimate the maintenance costs for each scheme.
- 4.1.3. These surveys are based upon 'structural condition' which may not accord with the public expectation where visual non-structural defects may be more heavily weighted, for example where there are large numbers of

utility company reinstatements giving a surface patchwork appearance. All councillor and third party requests for maintenance received during the year are recorded. These streets are also inspected at the same time as that described in paragraph 4.1.1 for consideration.

- 4.1.4. Through these systematic inspections, qualitative condition surveys and prioritisation criteria together with the appropriate choice of materials the Council is able to maximise the road life at an optimum cost in a structured and systematic way.
- 4.1.5. The footway maintenance strategy has concentrated on town centre and main road footway renewals and areas of highest footfall. The opportunity is also taken to remove clutter and to reinstate the paving in full compliance with the Council's StreetSmart guide. The unit cost for this work is high but delivers significant environmental and potential economic improvements.
- 4.1.6. As the majority of the main footway areas have been completed, the local road footpaths will slowly be incorporated into the planned maintenance programme. Consideration will now be given to footways in local shopping area which form an important hierarchy for consideration in the proposed planned maintenance programme and to areas of poor condition footways..
- 4.1.7. Continued improvements are sought through working with the Council's specialist term contractors to search for new technology and new materials to ensure value for money is achieved whilst obtaining long term durability.

## **4.2. Planned Maintenance Programme**

- 4.2.1. There are always more schemes than available budgets and hence the approach is to list more schemes for approval than the budget can afford.
- 4.2.2. During the course of the year there will arise reasons why schemes need to be postponed or cancelled, and having a longer list of approved sites enables substitute or reserve schemes to be brought forward.
- 4.2.3. Additionally the exact cost of each scheme is not known at the outset. It would not be cost-effective to carryout site investigation works to determine costs although this may be done in some more extensive schemes to determine the most appropriate treatments.
- 4.2.4. The usual methodology is to price the schemes based upon historic unit rates so that a reasonable estimate can be obtained for each scheme. It is not generally necessary to accurately pre-establish the exact extent of the planned maintenance work for each individual scheme as the work is established as the work progresses. The work is undertaken and paid through competitively tendered term contracts. The provisional cost

estimates found in Appendix A are based on historic average unit price per square meter for similar works. This avoids the need for detailed work schedules and reduces site investigation work and unnecessary fee expenditure, particularly for carriageway work. The average unit rates used to make the scheme estimates are as follows:

<b>Activity</b>	<b>Unit Rate £/m<sup>2</sup></b>
Principal Road – Resurfacing (Night)	£50.00
Other Classified Road – Resurfacing (Day)	£20.00
Other Classified Road – Resurfacing (Night)	£30.00
Unclassified Road – Resurfacing	£20.00
Micro asphalt (Ralumac) Road Resurfacing	£10.00
Footway repaving	£80.00

*Table showing approximate indicative unit rates used to calculate scheme*

- 4.2.5. The use of the Council's term contracts are ideally suited to this method of working as they contain fixed priced schedules which are applied to measured work at a competitive cost accurately reflecting the extent of the work carried out
- 4.2.6. As detailed in paragraph 4.2.4 above, work is estimated using average unit rates from previous typical schemes and the work, once ordered, is subject to detailed pricing from within the contract. The prices are banded to reflect the volume of work carried out and are considered to be competitive. This system, depending upon the volume of work carried out, gives rise to some schemes spending above and others below estimate. The work is subject to detailed measurement based on the actual work carried out and accounts for specific site conditions, unforeseen ground work for example, which may be required. Adjustment of resources can therefore be made available from within the overall programme.
- 4.2.7. The programme is monitored on a monthly basis to project full expenditure. This balancing process using virements between the reactive and planned budgets and between individual planned schemes gives rise to some adjustment of the total number of planned schemes carried out and encourages optimum use of the available resources. As there are always more schemes in the programme than there are resources to fund them it is always possible to accommodate more or less schemes being carried out within the financial year. It ensures effective budget management and that the overall budgets are fully spent and overspends are avoided.
- 4.2.8. There are also frequent instances where the works of utility companies, who have statutory powers to maintain their apparatus, gives rise to the need to review individual schemes on the programme. This has been particularly problematic in previous years arising from poorly programmed works by utility companies. Despite considerable disruption officers were able to defer work until after the utility companies have concluded and to

rearrange the programme bringing forward substitute schemes from the reserve list to ensure all the available schemes requiring maintenance are treated.

- 4.2.9. To be able to manage the programme a 'cut-off' line is used to match the number of schemes against the available budgets. This approach allows for flexibility and for the cut-off line to be raised or lowered in order to ensure that as many deserving schemes are carried out within the available budgets.
- 4.2.10. The attached listings at Appendix A sets out the proposed 2013/14 schemes that would benefit from planned maintenance.

### **4.3. Programme management**

- 4.3.1. The financial resources available for the carriageway and footway planned maintenance are met from Council capital and revenue allocations, except for the Borough Principal Road Network (BPRN) structural maintenance, this is funded by directly by Transport for London (TfL) through the annual Local Implementation Plan (LIP) allocation.
- 4.3.2. All planned maintenance work is delivered through the Council's term schedule of rates contracts that have been subjected to competitive tendering.
- 4.3.3. To avoid the need for repeated authority reports the programme needs to be managed as a whole. On this basis officers are again seeking exception for the normal key decision process of seeking approval on a scheme by scheme basis noting that some schemes will exceed the £50,000 key decision threshold.
- 4.3.4. Officers are seeking approval for the scheme selection and to delegate authority to the Director of Transport and Technical Services and Director of Finance and Corporate Services in conjunction with the Cabinet Member for Transport and Technical Services, to make adjustments within the programme for operational and cost effective reasons in order to make optimum use of resources allowing virements to contain expenditure within the approved resources and not subject to the normal virement rules.
- 4.3.5. The overall highways budget for road and footway repairs is divided into minor reactive maintenance and major planned work. The reactive work, particularly the safety element of the work, is dependant on the requirement for safety or urgent repairs identified by highway inspectors and are funded wholly from revenue. The major planned work seeks to spend the resources cost effectively to optimise maintenance expenditure. Any under spending on the reactive work from revenue can be diverted into the major planned works programme. This seeks to achieve a balance between the need to keep the highway in a safe condition and to maximise planned work to spend the resources most cost effectively.



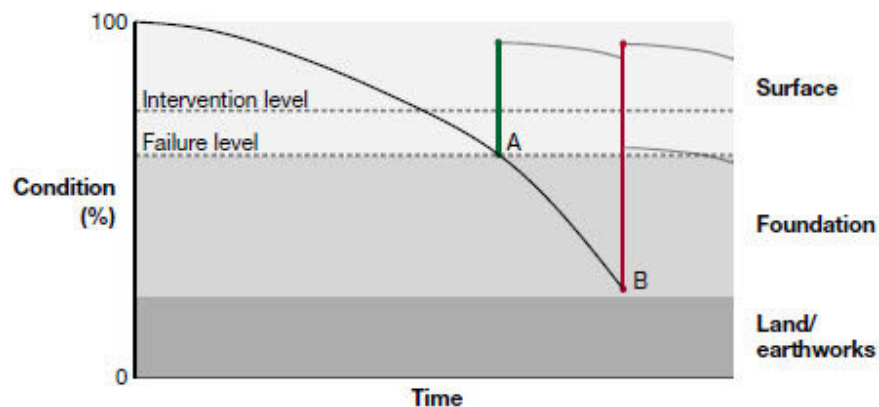
Approximately half of the total maintenance works resources are carried out on footways.

4.3.6. The aim of the planned maintenance programme is to prioritize roads that are just failing or showing signs of failure (a 'stitch in time' principal). Early intervention results in only the top layer of the road being resurfaced at a significantly lower unit cost. Failing to be pro-active can result in the significant additional cost of having to also repair the lower layers of the carriageway as well as the cost of minor maintenance and the risk of accidents and public liability claims. Early intervention or road resurfacing delivers maintenance at the minimum whole life cost ('prevention better than cure'). This is shown in Figure 1 below.

4.3.7. There is a balance between the need to provide a reactive service to keep the highway in a safe condition and the need to repair the greatest road surface area at least cost. The aim is to minimise expenditure on expensive reactive and safety maintenance thereby releasing resources to be spent on the more cost effective planned works programme. This approach seeks to maximise the use of the financial resources.

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Figure 7: Failure to intervene at the right time and with the most appropriate treatment will result in poor roads and represents poor value for money



Source: Professor Martin Snaith, University of Birmingham

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4.3.8. The current footway maintenance strategy focuses on repaving town centre areas, main roads and those streets with the highest footfall in the Borough.

4.3.9. BPRN structural road maintenance is funded from TfL based on bids through the annual LIP process. The scheme expenditure is regularly reported to TfL so adjustments in expenditure can be accommodated.

## **5. EQUALITY IMPLICATIONS**

- 5.1. The approval of the highway maintenance programme is not considered to have any equality implications.
- 5.2. A completed Equality Impact Assessment is available electronically.

## **6. LEGAL IMPLICATIONS**

- 6.1. There are no direct legal implications for the purposes of this report.

## **7. FINANCIAL AND RESOURCES IMPLICATIONS**

- 7.1. The maintenance programme is made up of minor reactive maintenance and major planned maintenance, which are funded by revenue and capital.
- 7.2. The total highways maintenance allocation for the 2013/14 financial year is as follows:

Capital Allocation    £1,880,000

Revenue Allocation   £1,506,200

TfL BSP allocation    £633,000

- 7.3. The important distinction is that whilst revenue can be used to fund capital expenditure, the reverse is not true and capital can only be used to fund major planned maintenance works. The Capital Allocation will be approved as part of the Capital Programme by Council in February 2013.
- 7.4. Appendix A contains a list of proposed borough funded maintenance schemes at an estimated cost of works of £1.8m. This contains a revenue contribution to Capital. It is this amount over which officers would like to apply some flexibility and use for either reactive or planned maintenance. If reactive maintenance is under spending then this will be used to finance the planned maintenance programme. The intention being to deploy the resources available in the most cost effective manner.
- 7.5. This will be monitored through the Corporate Revenue and Capital Expenditure monitors and reported accordingly. For planned maintenance, individual schemes will be reported at budgeted and forecast level. As well as amendments to funding of individual projects within the overall programme allocation, should it prove necessary to delete or substitute alternative schemes these will also be reported through the capital monitor.

- 7.6. Details of the current and future financial implications must be set out here and cleared by the relevant Finance Officer at each authority that is party to this decision. It is the responsibility of the report author to ensure this happens.

**Local Government Act 1972 (as amended) – Background papers used in the preparation of this report**

No	Description of Background Papers	Name/Ext of holder of file/copy	Department/Location
1.	Highway Condition Surveys and database output	Jonathan Addis	TTS / 5 <sup>th</sup> Floor Town Hall Extn
2.	Highway Term Maintenance Contracts	Jonathan Addis	TTS / 5 <sup>th</sup> Floor Town Hall Extn
<b>CONTACT OFFICER:</b>		<b>NAME:</b> Jonathan Addis <b>EXT.</b> 3073	

## APPENDIX A: Proposed Planned Maintenance Schemes 2013/14

### CARRIAGEWAY

Road Name	Section	Estimated Value	Condition* (1-10)	Condition Description
<b>PRINCIPAL ROADS</b>				
GLENTHORNE ROAD	Studland Street - Cambridge Grove	£100,000	8.5	Carried over from 2012/13 programme as was delayed due to development - very poor condition, multiple trenches, depressions and potholes developing
HAMMERSMITH BRIDGE ROAD	Under flyover: Slip lane to Great West Road	£110,000	8.5	Very bad condition especially in box junctions, large cracks, potholes developing
HAMMERSMITH ROAD	Beadon Road - Butterwick/Bute Gardens	£105,000	7.5	Poor condition especially at box junction, heavily trafficked route
LILLIE ROAD	North End Road - #64/66 Lillie Road	£80,000	8.0	Bad condition, multiple depressions, made safe for Olympics now requires resurfacing
LILLIE ROAD	#64/66 Lillie Road - Borough Boundary	£110,000	8.5	Very bad condition, multiple depressions, made safe for Olympics now requires resurfacing
NEW KING'S ROAD 1	Fulham High Street - Grimston Road	£120,000	8.0	Very bad condition, depressions and trenches. Multiple complaints especially from cyclists.
NEW KING'S ROAD 2	Wandsworth Bridge Road - Bagley's Lane	£79,250	8.0	Very poor condition especially at box junction.
SCRUBS LANE 1	Hythe Road (incl RAB)- South Side Railway Bridge	£117,500	8.0	Very poor condition, large transverse and longitudinal cracks present, holes at bridge joints
SCRUBS LANE 2	South Side Railway Bridge - Lamp Colum #19	£159,000	8.0	Very poor condition, large transverse and longitudinal cracks present
SHEPHERD'S BUSH ROAD	Hammersmith Road - Fire Station	£175,000	8.5	Very bad condition, multiple trenches, multiple complaints from public
WOOD LANE	Du Cane Road - North Pole Road	£122,500	7.0	Poor condition, longitudinal cracks appearing, few depressions

<b>NON-PRINCIPAL ROADS</b>				
ADELAIDE GROVE	Dunraven Road - Sawley Road	£10,000	8.0	Poor condition, holes and alligator cracking
AGATE ROAD	Whole Road	£54,000	7.5	Carried over from 2012/13 programme - trenches, delamination and unravelling
ALBION PLACE	Whole Road	£8,400	7.0	Carried over from 2012/13 programme - trenches and holes developing, do in conjunction with Galena Road
ALDBOURNE ROAD	Whole Road	£55,420	7.5	Poor condition of surface profile deterioration - cracks and crazing drainage channels profiles
ASHCHURCH PARK VILLAS	Whole Road	£42,700	6.5	Poor condition cracks and crazing surface deterioration
ASHCHURCH TERRACE	Whole Road	£27,980	7.5	Poor condition surface deterioration - cracks and crazing drainage channels profiles

AUSTRALIA ROAD	Bloemfontein Road - Durban House (SE corner)	£50,000	7.5	Large transverse cracks at regular intervals, complaints from public.
BARON'S COURT ROAD	Speed humps (incl Comeragh Rd turning area) - North End Road	£23,400	8.0	Overlay surface is coming away from the road
BRACKENBURY GARDENS	Whole Road	£17,160	8.0	Multiple patches, with uneven and worn surface
CAMBRIDGE GROVE	King Street - Glenthorne Road	£24,000	7.0	Carried over from 2012/13 programme due to conflict with gas works - poor condition, trenches down length.
CATHNOR ROAD	Whole Road	£52,140	8.0	Poor condition of surface profile deterioration - cracks and crazing drainage channels profiles
EDENVALE ROAD	Whole Road	£22,660	8.5	Terrible condition. Delamination of overlay, severe cracking, patches
ELTHIRON ROAD	Whole Road	£24,000	7.5	Poor condition, transverse crack, delamination of surface
EVERINGTON STREET	Whole Road	£37,005	6.5	Reserve scheme - lots of cracking, delamination and patches, possibly a 6mm or Ralumac overlay required
FIELDING ROAD	Whole Road	£16,200	7.5	Carried over from 2012/13 programme
GALENA ROAD	Whole Road	£16,100	8.0	Carried over from 2012/13 programme, in conjunction with Albion Place.
GRAVESEND ROAD	Whole Road	£18,440	8.5	Very poor condition, cracks and holes developing, worn surface
HALSBURY ROAD	Whole Road	£23,400	8.0	Poor condition, edge break, patches and cracking
HARTSWOOD ROAD	Stamford Brook - Wendell Road	£80,000	7.5	Cracks, poor shape, carried over from 2012/13 programme
HETLEY ROAD	Whole Road	£7,380	7.0	Carried over from 2012/13 programme
HOLCOMBE STREET	Whole Road	£8,800	6.5	Reserve Scheme - carried over from 2012/13 programme - trenches, patches and a few cracks.
HUMBOLT ROAD	Whole Road	£47,941	7.5	Cracks present, potholes, trenches and uneven surface
HURLINGHAM ROAD	New King's Road - Napier Avenue/width restriction	£42,800	8.5	Poor condition stretch of road, multiple cracking
KENMONT GARDENS	Waldo Road - Valliere Road	£26,000	7.5	Transverse cracks across whole length, overlay breaking up, edge breaks
LARNACH ROAD	Whole Road	£25,270	6.5	Reserve scheme - longitudinal cracks
LEAMORE STREET	Whole Road	£25,200	6.5	Reserve Scheme - Carried over from 2012/13 programme due to conflict with gas works - poor condition, trenches down length and cracks
LIME GROVE	Whole Road	£60,200	7.5	Cracks present, carried over from 2012/13 programme
LINDROP STREET	Whole Road	£24,520	7.0	Reserve Scheme. Poor condition - cracks appearing, patches and depressions

MACLISE ROAD	Whole Road	£32,000	8.0	Carried over from 2012/13 programme
NORTH END ROAD	Fitzjames Avenue - Talgarth Road	£80,000	8.5	Carried over from 2012/13 programme - prolific cracking, depressions and trenches
OIL MILL LANE	Whole Road	£14,200	8.0	Carried over from 2012/13 programme - holes, multiple patches & trenches
OLD OAK ROAD	Steventon Road - East Acton Lane	£64,000	8.0	Poor condition, doing this section completes the whole road as first section was resurfaced in 2012/13
PADDENSWICK ROAD	Whole Road	£94,460	7.5	Cracking widespread
PERCY ROAD	Uxbridge Road - Vespan Road	£26,600	7.5	Cracks and crazing surface deterioration wheel tracking
QUERRIN STREET	Whole Road	£17,680	7.5	Multiple patches, holes, uneven surface and worn surface
RAINVILLE ROAD	Colwith Road to Wingrave Road	£25,900	6.0	Reserve scheme - holes in surface developing, would tie in with 2012/13 resurfacing of other half of road.
RICHMOND WAY	Sinclair Gardens - Bolingbroke Road	£34,000	8.0	Carried over from 2012/13 programme
ROSEDEW ROAD	Whole Road	£30,958	7.0	Reserve Scheme - alligator cracking, depressions in wheel tracks
SOULDERN ROAD	Whole Road	£11,500	7.5	Carried over from 2012/13 programme
ST DUNSTAN'S ROAD	Whole Road	£79,600	7.5	Carried over from 2012/13 programme - longitudinal and transverse cracking, holes and patches.
ST STEPHEN'S AVENUE	Goldhawk Road - Thornfield Road	£44,000	7.0	Cracks present, carried over from 2012/13 programme
STEVENTON ROAD	Whole Road	£57,700	7.5	Poor condition of surface profile deterioration
THORPEBANK ROAD	Whole Road	£49,080	7.5	Poor condition of surface profile deterioration
WATERFORD ROAD	Harwood Terrace - Kings Road	£10,400	7.0	Patchwork of failing trenches, surface texture loss and cracks developing.

### FOOTWAY

Road Name	Section	Estimated Value	CONDITION DESCRIPTION
<b>PRINCIPAL ROADS</b>			
BEADON ROAD	Glenthorne Road - Hammersmith Grove	£60,000	Old tarmac footways, need to be replaced in line with street smart to tie in with Broadway Improvement Scheme.
FULHAM HIGH STREET	<u>WEST</u> : Church Gate - Rigault Road	£38,000	Outstanding section of a main thoroughfare road.
GLENTHORNE ROAD	Studland Street - Cambridge Grove	£105,000	A road footways that are in poor condition with high footfall, will be done in conjunction with resurfacing of the carriageway.
HAMMERSMITH ROAD	<u>NORTH</u> : Shepherds Bush Road - Bute Gardens	£23,000	Unpaved section of A Road in an important town centre location, will tie in with large Broadway scheme.

HOPGOOD STREET	Uxbridge Road - MacFarlane Road	£24,000	High footfall A road section used as cut through to Westfield Shopping Centre, old pavers & tarmac require replacing.
LILLIE ROAD	<u>SOUTH</u> : House #52/54 - North End Road	£70,000	Untidy and tired section of A Road in an important high footfall area.
MACFARLANE ROAD	Hopgood Street - Wood Lane	£12,500	High footfall A road section used as cut through to Westfield Shopping Centre, old pavers & tarmac require replacing.
NEW KING'S ROAD 1	<u>NORTH</u> : Harwood Road - Waterford Road	£16,000	Mixture off concrete and worn pavers, repaired patches
NEW KING'S ROAD 2	<u>SOUTH</u> : Wandsworth Bridge Road - Harwood Road	£23,000	Mixture off concrete, old modular pavers and tarmac sections
NORTH END ROAD	<u>EAST</u> : Thaxton Road - Lillie Road	£35,000	Untidy and tired section of A Road in an important high footfall area.

<b>NON-PRINCIPAL ROADS</b>			
BARON'S COURT ROAD	<u>SOUTH</u> : Challoner Street - North End Road	£18,000	Parade of shops, high footfall to underground station, old tarmac & paved surface
BLACK'S ROAD	<u>NORTH</u> : Queen Caroline Street - Corner/Bend	£35,000	Parade of shops, town centre area not to Street Smart, old tarmac & paved surface
BLYTHE ROAD	<u>SOUTH</u> : Caithness Road - Sterndale Road	£13,000	Parade of shops, old tarmac & paved surface
BRACKENBURY ROAD	Goldhawk Road - Dalling Road	£50,000	Busy road, mix of tarmac & old pavers, uneven surface, cracked slabs and low kerbs
DUNRAVEN ROAD	<u>SOUTH</u> : Galloway Road - Thorpebank Road	£10,000	Mixture off concrete and worn pavers, repaired patches
HECKFIELD PLACE	<u>WEST</u> : Fulham Road - Bridge	£15,000	High footfall outside Police Station - large percentage of broken slab, old concrete, low kerbs
HENCHMAN STREET	Whole Road	£20,000	Footfall to underground station, resident group request, large percentage of broken slabs over whole length of footway
NORTH END ROAD 1	Edith Road - Talgarth Road (A4)	£85,000	Shop & high footfall area along main road, mix of tarmac & old pavers, uneven surface, cracked slabs and low kerbs
NORTH END ROAD 2	Fitzjames Avenue - Edith Road	£140,000	Shop & high footfall area along main road, mix of tarmac & old pavers, uneven surface, cracked slabs and low kerbs
WORMHOLT ROAD	Wormholt Road / Byrony Road / Yew Tree Road Junction	£25,000	Junction of three roads with old pavers and old unravelling tarmac, uneven kerbs and very untidy - number of resident enquiries
THORPEBANK ROAD	Whole Road	£140,000	Uneven profile and low kerbs, would be done with carriageway resurfacing

\* The condition rating shown is based on visual inspections by Council Engineers using their engineering judgement. A rating of 1 represents a brand new surface (best possible condition), up to 10 which represents a road in extremely poor condition (worst possible condition) where substantial work is required to rectify.

## NOTICE OF CONSIDERATION OF A KEY DECISION

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Cabinet hereby gives notice of Key Decisions which it intends to consider at its next meeting and at future meetings. The list may change between the date of publication of this list and the date of future Cabinet meetings.

## NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Cabinet also hereby gives notice in accordance with paragraph 5 of the above Regulations that it intends to meet in private after its public meeting to consider Key Decisions which may contain confidential or exempt information. The private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers.

Reports relating to key decisions which the Cabinet will take at its private meeting are indicated in the list of Key Decisions below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the decision should instead be made in the public Cabinet meeting. If you want to make such representations, please e-mail Katia Richardson on [katia.richardson@lbhf.gov.uk](mailto:katia.richardson@lbhf.gov.uk). You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

## KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 11 FEBRUARY 2013 AND AT FUTURE CABINET MEETINGS UNTIL MAY 2013

The following is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting and future meetings. The list may change over the next few weeks. A further notice will be published no less than 5 working days before the date of the Cabinet meeting showing the final list of Key Decisions to be considered at that meeting.

**KEY DECISIONS** are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant (ie. in excess of £100,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website on a monthly basis.

**NB: Key Decisions will generally be taken by the Executive at the Cabinet.**

*If you have any queries on this Key Decisions List, please contact  
Katia Richardson on 020 8753 2368 or by e-mail to [katia.richardson@lbhf.gov.uk](mailto:katia.richardson@lbhf.gov.uk)*



### **Access to Cabinet reports and other relevant documents**

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website ([www.lbhf.org.uk](http://www.lbhf.org.uk)) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 of the list below.

### **Decisions**

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

### **Making your Views Heard**

You can comment on any of the items in this list by contacting the officer shown in column 4. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

#### **LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2012/13**

<b>Leader (+ Regeneration, Asset Management and IT):</b>	<b>Councillor Nicholas Botterill</b>
<b>Deputy Leader (+ Residents Services):</b>	<b>Councillor Greg Smith</b>
<b>Cabinet Member for Children's Services:</b>	<b>Councillor Helen Binmore</b>
<b>Cabinet member for Communications:</b>	<b>Councillor Mark Loveday</b>
<b>Cabinet Member for Community Care:</b>	<b>Councillor Marcus Ginn</b>
<b>Cabinet Member for Housing:</b>	<b>Councillor Andrew Johnson</b>
<b>Cabinet Member for Transport and Technical Services:</b>	<b>Councillor Victoria Brocklebank-Fowler</b>

*Key Decisions List No. 5 (published 11 January 2013)*

## KEY DECISIONS LIST - CABINET ON 11 FEBRUARY 2013

**The list also includes decisions proposed to be made by future Cabinet meetings**

*Where column 3 shows a report as EXEMPT, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).*

\* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
<b>February</b>				
Cabinet	11 Feb 2013	<p><b>Purchase of car parking spaces to the rear of Fulham Town Hall</b></p> <p>As part of the sale process of Fulham Town Hall the Council is purchasing the freehold interest of car parking spaces at the rear of the building.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Leader of the Council (+Regeneration, Asset Management and IT)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Parsons Green and Walham	
Cabinet	11 Feb 2013	<p><b>Barclay Close Lifts A–D, Ethel Rankin Crt &amp; The Grange (Lisgar W14) Lifts A &amp; B - Modernisation of the Passenger Lifts</b></p> <p>The report seeks approval to let a contract to modernise the existing passenger lifts at Barclay Close Est, Ethel Rankin Court and the Grange (Lisgar terrace)</p>	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be
	Reason: Expenditure more than £100,000		Ward(s): Avonmore and Brook Green; Town	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Danny.Reynolds@lbhf.gov.uk Matthew.Martin@lbhf.gov.uk</p>	<p>considered.</p>
Cabinet	<p>11 Feb 2013</p> <p>Reason: Expenditure more than £100,000</p>	<p><b>Tri-borough managed services-finance and human resources (transactional services)</b></p> <p>Following the completion of the Managed Services procurement process, a report will be brought to Cabinet for decision on LBHF's position re. signing up to the framework</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>11 Feb 2013</p> <p>Reason: Expenditure more than</p>	<p><b>Interim Provision of Children's Centres and Sure Start Services</b></p> <p>Aligning of Hammersmith and Fulham hub and spoke children's centres to comply with the</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and</p>

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
	£100,000	department of education (DfE) Children's Centre model and to fit the proposed Ofsted locality based inspections	Contact officer: Margaret Murphy Tel: 020 8753 2045 Margaret.Murphy@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Expenditure more than £100,000	<b>Approval of the 2013/14 Highway Maintenance Programme</b>  The report seeks approval for the Carriageway and Footway 2013/14 Planned Maintenance Programme and authority to manage the programme and overall budget throughout the year.	Cabinet Member for Transport and Technical Services  Ward(s): All Wards  Contact officer: Ian Hawthorn  ian.hawthorn@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Affects more than 1 ward	<b>Housing Revenue Account Budget Strategy 2013-14</b>  HRA budget and rent increase	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Kathleen Corbett, Danny Rochford Tel: 020 8753 3031, <a href="mailto:Kathleen.Corbett@lbhf.gov">Kathleen.Corbett@lbhf.gov</a> Danny.Rochford@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Expenditure more than £100,000	<b>Award of contract to support an employee-led mutual providing services to schools and Award of contract to support an employee-led mutual providing services to schools and Tri-borough Councils</b>  The report will seek Cabinet approval of a private sector partner to help establish, support and expand an Employee-Led Mutual that will be providing support services to schools and a number of strategic consultancy services to Tri-borough Councils.  The selection of a suitable partner	Cabinet Member for Children's Services  Ward(s): All Wards  Contact officer: Lyn Carpenter  lyn.carpenter@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		<p>follows a competitive tendering exercise conducted in line with EU and UK public procurement rules.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Cabinet  Full Council	11 Feb 2013  27 Feb 2013  Reason: Expenditure more than £100,000	<p><b>Treasury Management Strategy Report</b></p> <p>This report provides information on the Council's Treasury Management Strategy for 2013/14</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Halfield Jackman  Halfield.Jackman@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet  Full Council	11 Feb 2013  27 Feb 2013  Reason: Budg/pol framework	<p><b>Revenue Budget and Council Tax levels 2013/14</b></p> <p>To approve the 2013/14 Budget Estimates and Council Tax levels.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
Cabinet  Full Council	11 Feb 2013  27 Feb 2013  Reason: Expenditure more than £100,000	<b>Draft four year Capital Programme 2013/14 to 2015/16</b>  This report sets out proposals in respect of the capital programme, together with ancillary issues.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Hitesh Jolapara  hitesh.jolapara@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Expenditure more than £100,000	<b>Local HealthWatch - contract award</b>  Award of the contract to meet the new statutory responsibility for a Local HealthWatch as set out in the Health & Social Care Act 2012.	Cabinet Member for Community Care  Ward(s): All Wards  Contact officer: David Evans  david.evans@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Affects more than 1 ward	<b>Corporate Complaints Policy Introduction of Two Stage Process</b>  The Introduction of a Two Stage Process	Cabinet Member for Communications (+Chief Whip)  Ward(s): All Wards  Contact officer: Lyn Anthony  lyn.anthony@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Expenditure more than £100,000	<b>Tri-borough ICT Strategy Implementation Programme - from technology-based provision to deployment "as a service"</b>  To approve the Tri-borough ICT Strategy Implementation Programme, including prioritisation of projects and the associated funding.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Jane West Tel: 0208 753 1900	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
			jane.west@lbhf.gov.uk	papers to be considered.
Cabinet  Full Council	11 Feb 2013  27 Feb 2013  Reason: Affects more than 1 ward	<b>Transfer of Public Health functions to local authorities - scheme of delegation</b>  To approve a suitable scheme of delegations to deal with the transfer of Public Health functions to local authorities from 1 April 2013.	Cabinet Member for Community Care  Ward(s): All Wards  Contact officer: Andrew Webster Tel: 208 753 5001 Andrew.Webster@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013  Reason: Expenditure more than £100,000	<b>Procurement Strategy for Holy Cross Basuto Road Classroom Extension and Queensmill New-Build projects</b>  The report recommends a procurement and delivery plan to implement the construction of 6 additional classrooms at Holy Cross Primary School, Basuto Road, and the construction of new Queensmill School.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): Parsons Green and Walham; Wormholt and White City  Contact officer: John Brownlow Tel: 020 8753 john.brownlow@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
<b>March</b>				
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Elevator Monitoring Unit Installation - Various Sites</b>  The works consist of the supply and installation of elevator Monitoring Units and Auto Diallers to be fitted to each lift in providing automatic reporting of lift breakdowns and communication between each lift car and operators at a manned call centre in dealing with lift entrapment.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Velma Chapman Tel: 020 8753 4807 velma.chapman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Reprocurement of frameworki Social Care IT system</b>  Confirmation of reprocurement of Frameworki social care system (or equivalent social care system) is requested for both Adult Social Care and Children's Services from January 2013.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information)	Cabinet Member for Community Care, Cabinet Member for Children's Services  Ward(s): All Wards  Contact officer: Mark Hill mark.hill2@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.



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		under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	4 Mar 2013  Reason: Affects more than 1 ward	<b>Cemeteries Reorganisation</b>  Facilitating the Cemeteries operations through Quadron Services Limited.	Deputy Leader (+ Residents Services)  Ward(s): All Wards  Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Linford Christie Stadium</b>  Remedial works to the roof covering and rainwater goods. Internal refurbishment and upgrade to the male changing room and kitchen upgrade (including asbestos removal) to the London Nigerians' clubhouse.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): College Park and Old Oak  Contact officer: Pat Nolan, Sally Williams Tel: 020 8753 4516, Tel: 020 8753 4865 sally.williams@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Award of a Framework Agreement for Printing Services (Web Offset) Lots 3 &amp; 4</b>  Report to approve recommended contractors for Lots 3 & 4 and set up a Framework Agreement to commence in February 2013 for a period of 4 years  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Louise Raisey, Bob Hillman Tel: 020 8753 2012, Tel: 020 8753 1538 Louise.Raisey@lbhf.gov.uk, robert.hillman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Update on Edward Woods Estate Regeneration Scheme</b>  Update on progress and request for approval of overspend and change of tenure 12 penthouse flats for Edward Woods Estate Regeneration Scheme  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing  Ward(s): Shepherds Bush Green  Contact officer: Roger Thompson Tel: 020 8753 3920 Roger.Thompson@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	4 Mar 2013	<b>Capital Budget Monitor - 3rd Quarter Amendments 2012/13</b>  To seek approval for changes to the Capital Programme 2012/13	Leader of the Council (+Regeneration, Asset Management and IT)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	4 Mar 2013	<b>Holy Cross/Lycée expansion and co-location Tender Approval</b>  Approval to accept the most economically advantageous tender to carry out new-build and refurbishment works to enable the expansion of Holy Cross RC Primary School and its co-location with the French Lycée school on the site of the former Peterborough Primary School.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Children's Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): Parsons Green and Walham	
Cabinet	4 Mar 2013	<b>Housing Capital Programme 2013-2014</b>  This report sets out the proposed 2013/14 Housing Capital Programme and seeks authority to	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and
	Reason: Expenditure more than		Ward(s): All Wards	

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	£100,000	proceed with the various schemes identified.	Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<p><b>2013-14 TfL annual spending submission</b></p> <p>This report refines and details the integrated transport projects as submitted as part of the council's approved transport plan (LIP2) to be undertaken in 2013/14 funded by Transport for London (TfL).</p> <p>The borough's 2013/14 integrated transport grant was subject to a reduction of approximately 10% to £1,947,000 as a result of the Governmental October 2010 Comprehensive spending review.</p> <p>This funding is specifically provided by TfL for borough transport projects based on the LIP2 objectives, targets and delivery plan. The projects are designed and delivered on the basis of maximising value for money and reducing the costs to the council of maintenance and repairs.</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Affects more than 1 ward	<p><b>Information, advice &amp; guidance to young people with learning difficulties</b></p> <p>The report will seek a waiver to the Council's Contracts Standing Orders in order to maintain statutory provision of information, advice and guidance services to young people with learning difficulties until a new joint contract is let with WCC in 2014.</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: John Francis Tel: 0208 753 1328 john.francis@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	4 Mar 2013	<b>Tri-borough Post and Special Guardianship Support Contract</b>  To provide post adoption and special guardianship support to individuals that has adopted or has special guardianship. The service shall be provided to resident with tri-borough areas.	Cabinet Member for Children's Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects more than 1 ward		Ward(s): All Wards  Contact officer: John Francis Tel: 0208 753 1328 john.francis@lbhf.gov.uk	
Cabinet	4 Mar 2013	<b>Tri-borough ICT strategy 2013-2014 implementation programme plan and costing - from technology-based provision to deployment "as a service"</b>  Tri-borough ICT strategy 2013-2014 implementation programme plan and costing - from technology-based provision to deployment "as a service"  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Leader of the Council (+Regeneration, Asset Management and IT)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards  Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk	
Cabinet	4 Mar 2013	<b>Tri-borough ICT Target Operating Model</b>  New target operating model for ICT from 2013 on	Leader of the Council (+Regeneration, Asset Management and IT)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting
	Reason: Budg/pol framework		Ward(s): All Wards	

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		<b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk	documentation and / or background papers to be considered.
Cabinet	4 Mar 2013  Reason: Expenditure more than £100,000	<b>Increasing Legal Costs to the Planning Service</b>  To approve that: a) contingency reserves are used to fund increased legal costs of apx £300,000 for 2012-13 b) an in principle decision is taken for access to contingency reserves (if needed) in financial years 2013-14 to 2015-16	Cabinet Member for Transport and Technical Services  Ward(s): All Wards  Contact officer: Juliemma McLoughlin juliemma.mcLoughlin@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
<b>April</b>				
Cabinet	8 Apr 2013  Reason: Expenditure more than £100,000	<b>Provision of a blue badge investigation and enforcement service</b>  The Council has piloted a scheme to tackle the abuse of Disabled Parking Permits (blue badges). The pilot has proved to be successful and the Council now wants to enter into a long-term contractual arrangement for a minimum of 3 years and a maximum of 7.	Cabinet Member for Transport and Technical Services  Ward(s): All Wards  Contact officer: Osa Ezekiel Osa.Ezekiel@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Expenditure more than	<b>Contract for the maintenance of pay and display machines</b>  This is a bi-borough contract with RBKC for the maintenance of pay and display machines	Cabinet Member for Transport and Technical Services  Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and will include details

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	£100,000		Contact officer: Osa Ezekiel  Osa.Ezekiel@lbhf.gov.uk	of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Expenditure more than £100,000	<b>Corporate Revenue Monitoring 2012_13 : PERIOD 10 (January)</b>  Report seeks approval for changes to the Revenue Budget	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Affects more than 1 ward	<b>SERCO Contract Review</b>  Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.	Deputy Leader (+ Residents Services)  Ward(s): All Wards  Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Affects more than 1 ward	<b>Property Asset Management Plan 2012-2015</b>  This is an updated plan which was approved by Cabinet in 2008. It is set out in the Council's Strategy for all properties held by the Council except the Council's Housing Stock.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Miles Hooton Tel: 020 8753 2835 Miles.Hooton@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	8 Apr 2013	<b>Housing Repairs</b>  Re-procurement of Housing Repairs contract arrangements  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	<b>Parks Capital Programme 2013/14</b>  This report updates Cabinet on the current requirements to continue to enhance the borough's parks and open spaces as outlined in Parks and Open Spaces Strategy 2008-2018.	Deputy Leader (+ Residents Services)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	<b>Market testing of housing service - housing management</b>  Update of current market testing procurement process.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects more than 1 ward		Ward(s): Fulham Broadway; Fulham Reach; Munster; North End; Palace Riverside; Parsons Green and Walham; Sands End; Town	



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		12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	8 Apr 2013  Reason: Affects more than 1 ward	<p><b>Market testing of housing service - estate services</b></p> <p>Update on market testing procurement process.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jo Rowlands Tel: 020 8753 1313 Jo.Rowlands@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Expenditure more than £100,000	<p><b>Section 75 NHS Act 2006 Partnership Agreement between H&amp;F and West London Mental Health Trust (WLMHT)</b></p> <p>The partnership agreement for providing mental health services to H&amp;F residents was delegated to WLMHT back in 2001 under Section 31 of the Health Act 1999. These arrangements now fall under Section 75 of the NHS Act 2006.</p> <p>Over the last few years H&amp;F mental health service provisions have changed, projects have closed and developments have been made under the integrated arrangement with WLMHT. In addition there have been re-organisation of Adult Social Care through the Council's Tri-borough arrangements and WLMHT has</p>	<p>Cabinet Member for Community Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Stella Baillie</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		gone through a recent management re-structure as well. Therefore it is important that we review our partnership under the new climate.		
Cabinet	8 Apr 2013	<b>Housing Revenue Account car parking and garage strategy</b>  Strategic review of the car parking and garage service on council owned housing estates.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
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<b>May</b>				
Cabinet	13 May 2013	<b>Letting of concession of Wi-Fi on lamp posts</b>  Letting of a concession to allow mobile data devices to be fitted to lamp posts.	Deputy Leader (+ Residents Services)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
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Cabinet	13 May 2013	<b>New Queensmill School - Tender Approval</b>  Approval to accept most economically advantageous tender to construct new school accommodation for Queensmill ASD School  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the	Cabinet Member for Children's Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
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		authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	13 May 2013  Reason: Affects more than 1 ward	<b>Notification for the decision on award of contract</b>  To agree access to a framework agreement that is being prepared by West London Alliance (on behalf of RBKC, LBHF, WCC and six other local authorities) to engage a number of independent fostering agencies to provide foster placements to looked after children at a better price than is available through spot purchasing, which is the current arrangement for procuring these placements.	Cabinet Member for Children's Services  Ward(s): All Wards  Contact officer: Karen Tyerman  Karen.Tyerman@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Affects more than 1 ward	<b>SERCO Contract Review</b>  Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.	Deputy Leader (+ Residents Services)  Ward(s): All Wards  Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013  Reason: Affects more than 1 ward	<b>Property Asset Management Plan 2012-2015</b>  This is an updated plan which was approved by Cabinet in 2008. It is set out in the Council's Strategy for all properties held by the Council except the Council's Housing Stock.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Miles Hooton Tel: 020 8753 2835 Miles.Hooton@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Cabinet	8 Apr 2013	<b>Housing Repairs</b>  Re-procurement of Housing Repairs contract arrangements  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
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Cabinet	8 Apr 2013	<b>Parks Capital Programme 2013/14</b>  This report updates Cabinet on the current requirements to continue to enhance the borough's parks and open spaces as outlined in Parks and Open Spaces Strategy 2008-2018.	Deputy Leader (+ Residents Services)	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	<b>Market testing of housing service - housing management</b>  Update of current market testing procurement process.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule	Cabinet Member for Housing	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
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			Contact officer: John Brownlow Tel: 020 8753 john.brownlow@lbhf.gov.uk	

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