

# COUNCIL AGENDA

(Budget Council Meeting)

Wednesday 27 February 2013







The Mayor (Councillor Belinda Donovan)  
Deputy Mayor (Councillor Frances Stainton)

ADDISON

Alex Chalk (C)  
Belinda Donovan (C)  
Peter Tobias (C)

HAMMERSMITH  
BROADWAY

Michael Cartwright (L)  
Stephen Cowan (L)  
PJ Murphy (L)

RAVENSCOURT PARK

Charlie Dewhirst (C)  
Lucy Ivimy (C)  
Harry Phibbs (C)

ASKEW

Lisa Homan (L)  
Caroline Needham (L)  
Rory Vaughan (L)

MUNSTER

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

SANDS END

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

AVONMORE &  
BROOK GREEN

Helen Binmore (C)  
Joe Carlebach (C)  
Robert Iggulden (C)

NORTH END

Daryl Brown (L)  
Georgie Cooney (C)  
Tom Crofts (C)

SHEPHERDS BUSH  
GREEN

Iain Coleman (L)  
Andrew Jones (L)  
Mercy Umeh (L)

COLLEGE PARK &  
OLD OAK

Elaine Chumnerly (L)  
Wesley Harcourt (L)

PALACE RIVERSIDE

Marcus Ginn (C)  
Donald Johnson (C)

TOWN

Andrew Brown (C)  
Oliver Craig (C)  
Greg Smith (C)

FULHAM BROADWAY

Victoria Brocklebank-  
Fowler (C)  
Rachel Ford (C)  
Matt Thorley (C)

PARSONS GREEN AND  
WALHAM

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

WORMHOLT AND  
WHITE CITY

Colin Aherne (L)  
Dame Sally Powell (L)  
Max Schmid (L)

FULHAM REACH

Gavin Donovan (C)  
Peter Graham (C)  
Andrew Johnson (C)



# SUMMONS

Councillors of the London Borough of  
Hammersmith & Fulham  
are requested to attend the  
Budget Meeting of the Council on  
Wednesday 27 February 2013  
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

18 February 2013  
Town Hall  
Hammersmith W6

Derek Myers  
Chief Executive

# Full Council Agenda

27 February 2013

<u>Item</u>		<u>Pages</u>
1.	<b>MINUTES</b>	921 - 935

To approve and sign as an accurate record the Minutes of the Council Meeting held on 30 January 2013.

2. **APOLOGIES FOR ABSENCE**

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

4. **DECLARATIONS OF INTERESTS**

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.

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.

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.

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.

5. **PUBLIC QUESTIONS (20 MINUTES)**

There are no public questions to consider.

<b>6.</b>	<b>ITEMS FOR DISCUSSION/COMMITTEE REPORTS</b>	
<b>6.1</b>	<b>WORMHOLT AND WHITE CITY WARD BY-ELECTION</b>	<b>936</b>
	To report the results of the Wormholt and White City Ward By-Election held on 7 February 2013.	
<b>6.2</b>	<b>PARTY APPOINTMENT FOR THE REMAINING PART OF THE 2012/13 MUNICIPAL YEAR</b>	<b>937</b>
	To note the appointment of Councillor PJ Murphy as the Deputy Opposition Whip, made by the Opposition Party on the Council.	
<b>6.3</b>	<b>COMMITTEE MEMBERSHIP</b>	<b>938</b>
	To appoint Councillor Max Schmid to the Transport, Environment and Residents Services Select Committee effective from the day after the Council meeting.	
<b>6.4</b>	<b>TRANSFER OF PUBLIC HEALTH FUNCTIONS - OFFICER SCHEME OF DELEGATIONS AND OTHER MINOR CHANGES TO THE CONSTITUTION</b>	<b>939 - 944</b>
	The report is seeking approval to changes to the Constitution to incorporate delegated powers to the Tri Borough Director of Public Health. The report also informs Members of the minor changes made to the constitution by the Monitoring Officer in consultation with the Leader, Chief Whip and Opposition Whip since the last Council meeting.	
<b>6.5</b>	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2013/14</b>	<b>945 - 1052</b>
	This report sets out the Council's 2013/14 revenue budget proposals which includes the 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 Hammersmith and Fulham, new responsibilities to be undertaken by the Council and also an Equalities Impact Assessment.	
<b>6.6</b>	<b>FOUR YEAR CAPITAL PROGRAMME 2013/14 TO 2016/17</b>	<b>1053 - 1080</b>
	This report sets out draft proposals in respect of the Council's capital programme for 2013/14 to 2016/17, and states the latest capital estimates for the Council's debt reduction programme, the General Fund, Decent Neighbourhoods and the Housing capital programmes. This report incorporates the information arising from the Local Government Finance Settlement for 2013/14, where available.	

<b>6.7</b>	<b>TREASURY MANAGEMENT STRATEGY</b>	1081 - 1102
	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.	
<b>6.8</b>	<b>COUNCILLORS' ALLOWANCES SCHEME: ANNUAL REVIEW</b>	1103 - 1112
	This report performs the statutory annual review of Councillors' allowances for the 2013/14 financial year. The annual review takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).	
<b>6.9</b>	<b>PAY POLICY OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM</b>	1113 - 1137
	This report sets out the proposed pay policy for Hammersmith and Fulham.	
<b>7.</b>	<b>INFORMATION REPORTS - TO NOTE (IF ANY)</b>	
	There are none.	





# **COUNCIL MINUTES**

(ORDINARY COUNCIL MEETING)

WEDNESDAY 30 JANUARY 2013

PRESENT

The Mayor Councillor Belinda Donovan  
Deputy Mayor Councillor Frances Stainton

Councillors:

Colin Aherne	Tom Crofts	Andrew Jones
Adronie Alford	Ali De-Lisle	Alex Karmel
Helen Binmore	Charlie Dewhurst	Jane Law
Nicholas Botterill	Gavin Donovan	Mark Loveday
Victoria Brocklebank-Fowler	Rachel Ford	PJ Murphy
Andrew Brown	Marcus Ginn	Caroline Needham
Daryl Brown	Peter Graham	Harry Phibbs
Joe Carlebach	Steve Hamilton	Sally Powell
Michael Cartwright	Wesley Harcourt	Greg Smith
Alex Chalk	Lisa Homan	Matt Thorley
Elaine Chumnerly	Robert Iggulden	Peter Tobias
Iain Coleman	Lucy Ivimy	Mercy Umeh
Georgie Cooney	Andrew Johnson	Rory Vaughan
Stephen Cowan	Donald Johnson	

**28. MINUTES**

The minutes of the Council Meeting held on 24 October 2012 were confirmed and signed as an accurate record.

**29. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Michael Adam and Oliver Craig. Apologies for lateness were received from Councillors Alex Chalk, Elaine Chumnerly and Jane Law.

### **30. MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS**

The Mayor's Announcements were circulated and tabled at the meeting.

The Mayor announced the sad death of Councillor Jean Campbell, Ward Councillor for Wormholt and White City. The Council observed a minute silence in her memory.

Tributes were paid by Councillors Dame Sally Powell, Colin Aherne, Mercy Umeh, Nicholas Botterill and Stephen Cowan.

### **31. DECLARATIONS OF INTERESTS**

In respect of agenda item 6.5, Business Rate Forecast 2013/14, Councillor Michael Cartwright declared a significant interest as he was a senior member of the Valuation Tribunal for England. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

In respect of agenda item 6.6, H&F Response to the TfL Consultation on the Criteria for New Aviation Capacity, Councillor Michael Cartwright declared a disclosable pecuniary interest as he held shares in his name and in nominee names in International Consolidated Airlines, which was the owner of British Airways and Iberia. Councillor Cartwright therefore left the room during discussion of the matter without speaking or voting thereon.

In respect of agenda item 7.1, Special Motion 1 Cuts to Blue Light Services, Councillor Lucy Ivimy and Councillor Rory Vaughan declared significant interest as they were members (Councillor Ivimy was the Chairman) of the North West London Joint Health Overview and Scrutiny Committee. They considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

### **32. PUBLIC QUESTIONS**

There were no public questions received.

### **33. ITEMS FOR DISCUSSION/COMMITTEE REPORTS**

#### **33.1 South Fulham Riverside Supplementary Planning Document (SPD)**

7.20pm - The report and recommendation were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

An addendum had been circulated which included some changes to Appendix 1 of the report.

Speeches on the report were made by Councillors Nicholas Botterill, Jane Law and Steve Hamilton (for the Administration) and Councillors Andrew Jones and Lisa Homan (for the Opposition), before being put to the vote:

The report and recommendation were put to the vote:

FOR	28
AGAINST	14
NOT VOTING	0

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

7.50pm **RESOLVED**:

That the South Fulham Riverside Supplementary Planning Document (Appendix 1 of the report, as amended by the addendum circulated at the meeting) be adopted.

### 33.2 Localising Council Tax Support 2013/14

7.51pm - The report and recommendation were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

The report and recommendation were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.51pm **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.

### 33.3 Council Tax Discounts and Exemptions 2013/14

7.52pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.52pm **RESOLVED:**

That the following recommendations be approved for the financial year 2013/14 and subsequent years until revoked:

- (1) Reduce the council tax discount on second homes from 10% to 0%;
- (2) Determine that the council tax discount on empty and unfurnished dwellings be 0%; and
- (3) Determine that the council tax discount on empty and unfurnished dwellings undergoing major repair be 0%.

33.4 Council Tax Base and Collection Rate 2013/2014

7.53pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.53pm **RESOLVED:**

That the following recommendations be approved 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; and
- (3) That the Council Tax Base of 67,895 Band "D" equivalent properties be approved.

33.5 Business Rate Forecast 2013/2014

7.54pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.54pm **RESOLVED:**

- (1) That the Business Rates forecast as summarised in Table 1 below and set out in more detail in NNDR1 at Appendix A of the report, be agreed:

Table 1:  
Forecast Yield and Amount Retained by the Council (before tariff)

	£m
Projected net yield	164.20
Amount payable to Government	82.10
Amount payable to GLA	32.84
Amount retained by the Council	49.26

- (2) that it be noted that the Council's income will be protected at £49.98m under the new systems safety net arrangements.

33.6 H&F Response to the TfL Consultation on the Criteria for New Aviation Capacity

7.55pm - The report and recommendation were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

Speeches on the report were made by Councillor Donald Johnson (for the Administration) and Councillors PJ Murphy and Stephen Cowan (for the Opposition), before being put to the vote:

The report and recommendation were put to the vote:

FOR	28
AGAINST	0
NOT VOTING	12

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

8pm **RESOLVED:**

That the draft response to the consultation, as attached to the report, for submission to TfL, be agreed.

(Councillor Michael Cartwright had declared a disclosable pecuniary interest in respect of this item and therefore left the room during discussion of the matter without speaking or voting thereon.)

### 33.7 Treasury Mid Year Review 2012-13

8.01pm - The report and recommendation were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

The report and recommendation were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

8.01pm **RESOLVED**:

That the Council's debt, borrowing and investment activity up to 30 September 2012, be noted.

### 34. **SPECIAL MOTIONS**

8.02pm Under Standing Order 15(e) (iii), Councillor Mark Loveday moved, and seconded by Councillor Jane Law, that Special Motion 7.2 – Borough Policing take precedence on the agenda and be considered next. The motion was unanimously agreed.

#### 34.1 Special Motion 2 - Borough Policing

8.03pm – Councillor Greg Smith moved, seconded by Councillor Andrew Brown, the special motion standing in their names:

“This Council welcomes news from the Mayor for London’s Office for Policing and Crime (MOPAC) that Hammersmith and Fulham will have 92 extra beat police officers under its New Policing Plan.

This Council resolves to continue working shoulder-to-shoulder with local police to further cut crime in the borough.”

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

Under Standing Order 15(e) (vi), Councillor Lisa Homan moved, seconded by Councillor Stephen Cowan, an amendment to the motion as follows:

“Delete all after this “This Council” in the first paragraph and insert:

“... notes the headline figures relating to police officers in Hammersmith & Fulham in the Mayor for London’s Policing and Crime Plan, and believes that the figures quoted by this council are incorrect and therefore misleading. If the plan is implemented in 2015, under the new policing model, officers will not be dedicated

to beat duties. Therefore the borough will gain only 3 police officers compared to police numbers in 2011. However, that means that the total number of police officers in Hammersmith & Fulham will be 556. This is 32 fewer police officers than were deployed in 2010.

The council therefore:

- I. Regrets the Conservative Administration's attempts to mislead the public about their party's cuts to the numbers of front line police officers serving in the London Borough of Hammersmith and Fulham
- II. Regrets the reduction in police numbers and notes this is contrary to the pledges made by Conservative councillors, Boris Johnson, the Mayor of London and the Conservative led government
- III. Also notes that 4 police sergeant positions were removed in the last eighteen months
- IV. Confirms it will cut all its unnecessary expenditure on expensive senior bureaucrats, on "political propaganda on the rates," on legal and other costs associated with its defence , its many unpopular schemes with its favoured property speculators and on other waste. It will use a proportion of the savings to fund extra police
- V. Recognises that police numbers are critical to reducing crime and therefore pledges to set out a realistic time table to delivering all sixteen wards with 24/7 neighbourhood police task squad cover."

Speeches on the amendment were made by Councillors Lisa Homan and Stephen Cowan (for the Opposition) and Councillors Charlie Dewhirst and Greg Smith (for the Administration) before it was put to the vote:

FOR	13
AGAINST	27
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion was put to the vote:

FOR	27
AGAINST	0
NOT VOTING	13

The motion was declared **CARRIED**.



8.35pm – **RESOLVED:**

This Council welcomes news from the Mayor for London's Office for Policing and Crime (MOPAC) that Hammersmith and Fulham will have 92 extra beat police officers under its New Policing Plan.

This Council resolves to continue working shoulder-to-shoulder with local police to further cut crime in the borough.

#### 34.2 Special Motion 1 - Cuts to Blue Light Services

8.36pm – Councillor Lisa Homan moved, seconded by Councillor Stephen Cowan, the special motion standing in their names:

“This council notes with alarm the number of cuts being proposed to blue light services threatening the health and safety of people who live and work in Hammersmith & Fulham. We resolve to lobby the London Mayor and the Government to reconsider the closure of the counter service at Shepherds Bush Police Station, the reduction in opening hours of the counter service at Fulham Police Station and the closure of the A&Es at Charing Cross and Hammersmith Hospitals”

Speeches on the special motion were made by Councillor Lisa Homan and Rory Vaughan (for the Opposition).

Under Standing Order 15(e) (vi), Councillor Greg Smith moved, seconded by Councillor Marcus Ginn, an amendment to the motion as follows:

“Amend title of Special Motion to: “Support for “blue light” services”

Delete all after “This Council notes” and insert:

- Getting more police officers on to the borough's streets has cut crime since 2006
- Every under-used police station public counter has an under-used police officer stuck behind it
- Every under-used police officer could be out on the borough's streets
- A police station counter is not a “blue-light service” – but a police officer on the street certainly is

This Council supports:

- The administration's campaign to save our local hospitals
- The Mayor of London's plans to get more police onto the borough's streets.”

Speeches on the amendment were made by Councillors Marcus Ginn, Lucy Ivimy and Peter Graham (for the Administration) and Councillor Stephen Cowan (for the Opposition) before it was put to the vote:

FOR	27
AGAINST	0
NOT VOTING	13

The amendment was declared **CARRIED.**

Speeches on the substantive motion as amended were made by Councillor Lisa Homan (for the Opposition) before it was put to the vote and a roll-call was requested:

FOR	NOT VOTING
ALFORD	AHERNE
BINMORE	BROWN (D)
BOTTERILL	CARTWRIGHT
BROCKLEBANK-FOWLER	CHUMNERY
BROWN (A)	COWAN
CARLEBACH	HARCOURT
COONEY	HOMAN
CROFTS	JONES
DE LISLE	MURPHY
DEWHIRST	NEEDHAM
DONOVAN (G)	POWELL
FORD	UMEH
GINN	VAUGHAN
GRAHAM	
HAMILTON	
IGGULDEN	
IVIMY	
JOHNSON (A)	
JOHNSON (D)	
KARMEL	
LAW	
LOVEDAY	
PHIBBS	
SMITH	
STANTON	
THORLEY	
TOBIAS	

FOR	27
AGAINST	0
NOT VOTING	13

The motion as amended was declared **CARRIED.**

9.12pm – **RESOLVED:**

Support for “blue light” services

This Council notes:

- Getting more police officers on to the borough’s streets has cut crime since 2006
- Every under-used police station public counter has an under-used police officer stuck behind it
- Every under-used police officer could be out on the borough’s streets
- A police station counter is not a “blue-light service” – but a police officer on the street certainly is

This Council supports:

- The administration’s campaign to save our local hospitals
- The Mayor of London’s plans to get more police onto the borough’s streets.

### 34.3 Special Motion 3 - West London Free School

9.13pm – Councillor Helen Binmore moved, seconded by Councillor Georgie Cooney, the special motion standing in their names:

“This Council:

1. Notes:

- The popularity of the West London Free School which opened in September 2011.
- The secondary school will move to its permanent site at Palingswick House in September 2013.

2. Believes that:

- The Borough of Opportunity should continue to support the development of a first class state education for all those who want it.
- Parents deserve a genuine choice of good local school.

3. Welcomes the West London Free School Primary School due to open in September.

4. Resolves to:

- Continue to support parental choice when it comes to deciding where they send their children to school.
- Support a second West London Free School primary school in the Earls Court Opportunity Area as part of the wider regeneration of this part of the borough.”

Speeches on the special motion were made by Councillors Helen Binmore and Georgie Cooney (for the Administration).

Under Standing Order 15(e) (vi), Councillor Caroline Needham moved, seconded by Councillor Stephen Cowan, an amendment to the motion as follows:

“Delete the second bullet point on point 4 and replace with:

“Does not support the demolition of the homes of 800 families on the West Kensington and Gibbs Green Estates nor does it support the demolition of the Earls Court exhibition centres.””

Under Standing Order 14 (h) the Mayor ruled that the amendment did not relate to the original motion and was not valid.

Under Standing Order 15(e) (vi), Councillor Caroline Needham moved, seconded by Councillor Stephen Cowan, a further amendment to the motion as follows:

“Delete the second bullet point on point 4.”

Speeches on the amendment were made by Councillors Caroline Needham and Stephen Cowan (for the Opposition) and Councillor Harry Phibbs (for the Administration) before it was put to the vote and a roll-call was requested:

FOR	AGAINST
AHERNE	ALFORD
BROWN (D)	BINMORE
CARTWRIGHT	BOTTERILL
CHUMNERY	BROCKLEBANK-FOWLER
COWAN	BROWN (A)
HARCOURT	CARLEBACH
HOMAN	COONEY
JONES	CROFTS
MURPHY	DE LISLE
NEEDHAM	DEWHIRST
POWELL	DONOVAN (G)
UMEH	FORD
VAUGHAN	GINN
	GRAHAM
	HAMILTON
	IGGULDEN
	IVIMY
	JOHNSON (A)
	JOHNSON (D)
	KARMEL
	LAW
	LOVEDAY
	PHIBBS
	SMITH
	STANTON
	THORLEY
	TOBIAS

FOR	13
AGAINST	27
NOT VOTING	0

The amendment was declared **LOST**.

Speeches on the substantive motion were made by Councillor Helen Binmore (for the Administration) before it was put to the vote:

FOR	27
AGAINST	0
NOT VOTING	13

The motion was declared **CARRIED**.

9.47pm – **RESOLVED**:

This Council:

1. Notes:

- The popularity of the West London Free School which opened in September 2011.
- The secondary school will move to its permanent site at Palingswick House in September 2013.

2. Believes that:

- The Borough of Opportunity should continue to support the development of a first class state education for all those who want it.
- Parents deserve a genuine choice of good local school.

3. Welcomes the West London Free School Primary School due to open in September.

4. Resolves to:

- Continue to support parental choice when it comes to deciding where they send their children to school.
- Support a second West London Free School primary school in the Earls Court Opportunity Area as part of the wider regeneration of this part of the borough.

#### 34.4 Special Motion 4 - European Union Public Procurement Regime

9.48pm – Councillor Andrew Johnson moved, seconded by Councillor Greg Smith, the special motion standing in their names:

“This Council notes:

1. The concerns raised by the Local Government Association that “ridiculous EU procurement rules are making it harder for councils to save money by sharing services”.
2. That opportunities to promote local jobs and economic growth are being missed, and the opaque internal market regulations are standing in the way of delivery of better value for money to taxpayers by local authorities in the UK.
3. That the proposed reform of the current procurement regime by the European Union risks making matters “even more convoluted and costly” for local government, by “making it virtually impossible for councils to give preference to local suppliers” and “force those wishing to pool services with neighbouring local authorities into an unnecessarily lengthy and costly EU-wide tendering process”.
4. That millions of pounds in additional savings would be created through shared service agreements if more appropriate EU reforms were introduced.

This Council calls on government:

1. To take the fight to Brussels on behalf of the residents of Hammersmith & Fulham to promote a re-write of the rules stifling public service innovation.
2. To allow more freedom to award contracts to local suppliers, including relaxing rules that demand that procurement contracts to employee organisations or staff mutuals must be opened to providers across Europe.
3. To increase the “ludicrously low” £170,000 procurement threshold above which local government has to open contracts to the entire EU.”

Speeches on the special motion were made by Councillors Andrew Johnson and Greg Smith (for the Administration) before it was put to the vote:

FOR	27
AGAINST	12
NOT VOTING	0

The motion was declared **CARRIED**.

10pm – **RESOLVED:**

This Council notes:

1. The concerns raised by the Local Government Association that “ridiculous EU procurement rules are making it harder for councils to save money by sharing services”.
2. That opportunities to promote local jobs and economic growth are being missed, and the opaque internal market regulations are standing in the way of delivery of better value for money to taxpayers by local authorities in the UK.
3. That the proposed reform of the current procurement regime by the European Union risks making matters “even more convoluted and costly” for local government, by “making it virtually impossible for councils to give preference to local suppliers” and “force those wishing to pool services with neighbouring local authorities into an unnecessarily lengthy and costly EU-wide tendering process”.
4. That millions of pounds in additional savings would be created through shared service agreements if more appropriate EU reforms were introduced.

This Council calls on government:

1. To take the fight to Brussels on behalf of the residents of Hammersmith & Fulham to promote a re-write of the rules stifling public service innovation.
2. To allow more freedom to award contracts to local suppliers, including relaxing rules that demand that procurement contracts to employee organisations or staff mutuals must be opened to providers across Europe.
3. To increase the “ludicrously low” £170,000 procurement threshold above which local government has to open contracts to the entire EU.

### **35. INFORMATION REPORTS - TO NOTE**

#### 35.1 Special Urgency Decisions - Monitoring Report


The report was noted.

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

Meeting started: 7.00 pm  
Meeting ended: 10.01 pm

Mayor .....

# Agenda Item 6.1

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>27 February 2013</b>
<b>WORMHOLT AND WHITE CITY WARD BY-ELECTION</b>	
<b>Report of the Returning Officer</b>	
<b>Open Report</b>	
<b>Classification - For Information</b>	
<b>Key Decision: No</b>	
<b>Wards Affected:</b> Wormholt and White City	
<b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance	
<b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny	<b>Contact Details:</b> Tel: 020 8753 2499 E-mail: kayode.adewumi@lbhf.gov.uk

## 1. EXECUTIVE SUMMARY

- 1.1 As Returning Officer for the Authority, I have to report that Councillor Max Schmid, the Labour Party candidate, was elected as Ward Councillor to the vacancy in Wormholt and White City Ward at the By-election held on 7 February 2013.

**JANE WEST,  
RETURNING OFFICER**

## 2. RECOMMENDATIONS

- 2.1 That the Council note Councillor Max Schmid was elected as Ward Councillor to the Wormholt and White City Ward.



	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>27 February 2013</b></p>
<p><b>PARTY APPOINTMENT FOR THE REMAINING PART OF THE 2012/13 MUNICIPAL YEAR</b></p>	
<p><b>Report of the Chief Executive</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Information</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny</p>	<p><b>Contact Details:</b>          Tel: 020 8753 2499          E-mail:  <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

The Council is asked to note the following Party appointment that has been made for the remaining part of the Municipal Year 2012/13.

## OPPOSITION

Deputy Opposition Whip – Councillor PJ Murphy.

## 2. RECOMMENDATIONS

That the Council note the appointment of Councillor PJ Murphy as the Deputy Opposition Whip, made by the Opposition Party on the Council.

# Agenda Item 6.3


	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>27 February 2013</b>
<b>COMMITTEE MEMBERSHIP</b>	
<b>Report of the Chief Executive</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b>  <b>Key Decision: No</b>	
<b>Wards Affected: None</b>	
<b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance	
<b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny	<b>Contact Details:</b> Tel: 020 8753 2499 E-mail: <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 A Labour vacancy on the Transport, Environment and Residents Services Select Committee arose as a result of the death of Councillor Jean Campbell. The Opposition Whip on behalf of the Opposition Party has requested the appointment of Councillor Max Schmid to fill the vacancy.

## 2. RECOMMENDATION

- 2.1 That Councillor Max Schmid be appointed to the Transport, Environment and Residents Services Select Committee effective from the day after the Council meeting.

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>27 February 2013</b></p>
<p><b>TRANSFER OF PUBLIC HEALTH FUNCTIONS - OFFICER SCHEME OF DELEGATIONS AND OTHER MINOR CHANGES TO THE CONSTITUTION</b></p>	
<p><b>Report of the Monitoring Officer</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For Decision</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Director: Tasnim Shawkat - Monitoring Officer and Director of Law</b></p>	
<p><b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny</p>	<p><b>Contact Details:</b> Tel: 0208 753 2499 E-mail: <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1 Cabinet on 15 October 2012 agreed the statutory transfer of public health functions to the authority from 1 April 2013 and the establishment of a single tri-borough Public Health service with Westminster City Council as lead authority. Both the Royal Borough of Kensington and Chelsea and Westminster City Council have concurred with this approach.
- 1.2 It is now necessary to embed the new public health functions into the existing Council structure. Part of that process requires the Tri Borough Director of Public Health to have sufficient officer delegated authority similar to those of other Chief Officers to carry out their duties on behalf of the Council. This report sets out the proposed delegations.
- 1.3 The report is seeking approval to changes to the Constitution to incorporate delegated powers to the Tri Borough Director of Public Health insofar as they relate to executive functions. Whilst most of these are executive functions there

may, from time to time, be non-executive functions contained within these duties which for the avoidance of doubt should be delegated by the full Council.

- 1.4 The report also informs Members of the minor changes made to the constitution by the Monitoring Officer in consultation with the Leader, Chief Whip and Opposition Whip since the last Council meeting.

## **2. RECOMMENDATIONS**

- 2.1 That the amendment to the Constitution to incorporate the Schedule of Delegations attached as Appendix A for the Tri Borough Director of Public Health, be approved.
- 2.2 That the minor changes made to the constitution by the Monitoring Officer, be noted.

## **3. REASONS FOR DECISION**

- 3.1 The proposed Tri Borough Director of Public Health Scheme of Delegations will ensure that the Council can correctly and legally exercise its powers and that decisions can be taken by officers on behalf of the Council.

## **4. BACKGROUND**

### **Public Health**

- 4.1 Many of the PCT's public health responsibilities will pass to local authorities from April 2013. The tri-borough councils have agreed to establish a single tri-borough public health service with a single Tri Borough Director of Public Health, Dr Melanie Smith. Westminster City Council will be the host organisation. Each council will receive a ring fenced public health grant with which to discharge its responsibilities in the three domains of public health:

- \* Health improvement
- \* Health protection
- \* Public health advice to clinical commissioners

- 4.2 The provision of a Public Health Service will become a core local authority service. It is therefore necessary that it becomes integrated into the Council's services. With this in mind, it is proposed that the Tri Borough Director of Public Health will have the same common functions as delegated to other Chief Officers/Executive Directors. It also contains a proposed Schedule of Delegations which covers specific duties relating to the Statutory role of the Director of Public Health as attached at Appendix A.
- 4.3 The proposed Scheme of Delegations enables delegated functions to be sub-delegated to another Officer who may then exercise the function him or herself. Although the Tri Borough Director would retain the power to recall any matter for

decision, the Officer receiving the delegated function would be responsible for the exercise of that function. The Chief Officer would be able to authorise any member of staff to exercise the function on his or her behalf.

## **Update on Minor Changes Made to the Constitution**

4.4 Council at its meeting held on 24 October 2012 approved that the Monitoring Officer, in consultation with the Leader, Chief Whip and Opposition Whip from time to time could make changes to constitution when necessary. Such changes made had to be reported to the next available Council meeting for information. Listed below are the changes made to the Constitution since the last Council meeting:-

- Amendment of Article 3 (Citizens and the Council) under paragraph. 3.02 *Citizens' responsibilities* to confirm the Council's commitment not to tolerate acts of violence, aggression or intimidation towards Members, and to take necessary measures to protect them.
- Incorporation into the Scheme of Delegation to the Executive Director of Environment, Leisure and Residents Services (delegation no. 31) responsibility for Member safety, and the power to make Applications for injunctions to prevent violence or the threat of violence and Applications for Anti-Social Behaviour Orders, subject to the agreement of the Anti-Social Behaviour Panel.
- Amendment of Article 3 (Citizens and the Council) under paragraph. 3.01(c) *Participation* to confirm that members of the public have the right to submit deputations to any Committee of the Council except Planning Applications Committee and Licensing Sub-Committee.

## **5. EQUALITY IMPLICATIONS**

5.1 There are no equality implications as a result of this report.

## **6. FINANCE AND RESOURCES IMPLICATIONS**

6.1 There are no financial implications arising from the proposals in this report.

## **7. LEGAL IMPLICATIONS**

7.1 The power for local authorities to delegate functions to officers is contained in Section 101 of the Local Government Act 1972. The proposed Scheme of Delegations will ensure that the Council can correctly and legally exercise its powers and that decisions can be taken by officers on behalf of the Council.

## **8. RISK MANAGEMENT**

8.1 There are no direct risk management implications as a result of this report.

**9. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

9.1 There are no procurement or IT strategy implications as a result of this report.

**LOCAL GOVERNMENT ACT 2000**

**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of File/Copy	Department/Location
1	None		

**LIST OF APPENDICES:**

Appendix A – Delegated Authority to the Director of Public Health


## **APPENDIX A**

### **DRAFT DELEGATED AUTHORITY TO THE TRI-BOROUGH DIRECTOR OF PUBLIC HEALTH**

1. To be authorised to agree expenditure on relevant public health budgets subject to each Tri-Borough Council's constitution. Such authority can be delegated in writing to others.
2. To lead on personnel decisions, including recruitment, appraisal and disciplinary decisions, subject to the City of Westminster's internal procedures only.
3. To report to the Chief Executive and relevant Cabinet Councillors and relevant Scrutiny Committee. To provide policy advice, if requested, to any political party represented on any of the participating councils.
4. To exercise the statutory functions of the Director of Public Health. These responsibilities may be delegated in writing to named public health consultants in each borough.
5. To report to each Council's Chief Executive on the performance of the function and to support the accountability of the Chief Executive for grant expenditure.
6. To ensure that each participating authority has up-to-date plans, meeting statutory requirements and the demands of good practice.
7. To be the officer responsible for leadership, expertise and formal advice on all aspects of the Public Health Service.
8. To provide advice to the public in any period where local health protection advice is likely to be necessary or appropriate, in conjunction with each Council's communications team.
9. To promote action across the life course, working together with local authority colleagues such as the Executive Director of Children's Services and the Executive Director of Adult Social Care and with NHS colleagues.
10. To work through local resilience fora to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health.
11. To work with local criminal justice partners and Police and Crime Commissioners to promote safer communities.

12. To work with the wider civil society to engage local partners in fostering improved health and wellbeing.
13. To be an active member of the Health and Wellbeing Board, advising on and contributing to the development of joint strategic needs assessments and joint health and wellbeing strategies and commission appropriate services accordingly.
14. To take responsibility for the management of their authority's public health services with professional responsibility and accountability for their effectiveness, availability and value for money.
15. To play a full part in their authority's action to meet the needs of vulnerable children, for example by linking effectively with the Local Safeguarding Children Board.
16. To contribute to and influence the work of NHS Commissioners, ensuring a whole system approach across the public sector.



	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>27 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 report 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 Hammersmith and Fulham
- New Responsibilities to be undertaken by the Council
- An Equalities Impact Assessment

## 2. RECOMMENDATIONS

- 2.1 To approve a Council Tax reduction of 3% for the Hammersmith & Fulham element for 2013/14.
- 2.2 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 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 The Council's own total net expenditure budget for 2013/14 set at £181.944m, be approved.
- 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 Chief Officers 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 Chief Officers 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.

### 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.
- 3.2 The calculation of the Council Tax is made up from the following elements:
- the recommended net Council budget for 2013/14 (sections 4 to 7);
  - the Aggregate External Support estimated by the Council (section 8);
  - the Council Tax base set at Council on 30 January 2013 (section 9);
  - the precept notified by the Greater London Authority (section 8).
- 3.3 The requisite calculation for the Council's share of the Council Tax is set out in Appendix A.
- 3.4 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.

### 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>.

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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

## 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.

<b>Current system</b>	<b>New System</b>
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**

	<b>£'000s</b>
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**

	<b>£'000s</b>
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 fail 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

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<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.



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.

## 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 5.

**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**

	£'000s
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 30 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:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base}} = \frac{\underline{\pounds 51.458m}}{67,895} = \pounds 757.90$
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- 9.2 This represents a 3% cut in the LBHF element of the council tax charge.

<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.

**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.

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

	<b>£000s</b>
London Borough of Hammersmith & Fulham	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:

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

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

- 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 9 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**

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 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**

- 14.7 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**

- 14.8 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.

## **15 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 16 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 Annexed to this report in Appendix G 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 1 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 1 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 H&F 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.
- 16.10 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).
- 16.11 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.
- 16.12 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.

- 16.13 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.
- 16.14 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.
- 16.15 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

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:

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



<b>(h) Valuation Bands – Greater London Authority</b>			
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

<b>(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>			
<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 Frameworki 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>
	<u>Net Total</u>	<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	(6,887)	(15,751)
	<b>Total Efficiency Savings</b>	<b>(4,081)</b>	<b>(14,304)</b>	<b>(23,168)</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>(12,904)</b>	<b>(21,768)</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)
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>(2,786)</b>	<b>(3,726)</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>	Was Council Tax Benefit Grant in 12/13 The 12/13 allocation is net of a transfer in 13/14 of £1.185m to Dedicated Schools Grant for 2 year old nursery provision
<b>Other Unringfenced Specific/Special Grants</b>				
Council Tax Freeze Grant	1,625	533	533	The 12/13 Grant was 2.5% for 1 year.
New Homes Bonus Grant	1,822	2,963	3,913	The 13/14 allocation is 1% for 2 years.
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%	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.
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%	

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		
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		Tri Borough Review of Fees and charges being undertaken as part of separate exercise by WCC
Fax Charges - Per Page	Australia	£2.00	TBC		
Fax Charges - Per Page	Elsewhere	£4.00	TBC		
Reception 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>FOOTBALL (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%		

All Fees Charges Exclusive of VAT @ 20% unless stated otherwise.

**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%		
Wheeler PALADINS/Chamberlains	940 Ltr Paladins & Chamberlains - General Waste Only	£13.81	£15.00	9%	Prices matched to 1100 litre bins	
Wheeler 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%	
Household Fencing Waste	Additional Panels		£5.75		Current charges per item are close to the London average; price increase could have detrimental impact on street scene (dumping)
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
TOILETS	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
COFFEE	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

## Equality Impact Analysis (EIA) of main Budget proposals for 2013/14

### (A) Overview and Summary

The Council is obliged to set a balanced budget and Council Tax charge in accordance with the Local Government Finance Act 1992. The purpose of this EIA is to assess the main items in the budget that is likely to be proposed to Full Council on 27 February 2013, following discussion of the proposed Budget at Overview and Scrutiny Board on 29 January 2013, as well as at Cabinet on 11 February 2013.

The revenue part of the budget and associated equality impacts was also discussed at:

- Transport, Environment and Residents' Services Select Committee: 15 January 2013;
- Education and Children's Services Select Committee: 21 January 2013; and
- Housing, Health and Adult Social Care Select Committee: 22 January 2013.

The revenue part of the budget is found at Section D of this EIA.

For 2013/2014, a balanced budget is proposed, based on various growth areas, efficiency savings, fees and reserves. On the basis of that budget, the Council proposes to reduce Council Tax by 3%. Further information is set out in the accompanying Report.

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). This EIA is intended to assist the Council in fulfilling its public sector equality duty ("PSED"). It assesses, so far as is possible on the information currently available, the equality impact of the budget, including the proposal to reduce Council Tax. The requirements of the PSED and case law principles are explained in Legal Implications section of the report to Full Council. The Equality Implications section of that report is informed by this analysis.

### (B) Methodology

The analysis looks, first, at the impact of reducing Council Tax and, secondly, at the budget on which that decision is based. It is not, however, feasible or appropriate to carry out detailed EIAs of all the individual proposed policy decisions on which the budget is based at this stage. Detailed EIAs will be carried out of policy decisions that have particular relevance to the protected groups prior to any final decision being taken to implement those policy decisions. This will happen throughout 2013/14 as part of the Council's decision making process, and changes will be made where appropriate.

The aim in this document is to identify the elements of the budget that may have a particular adverse or a particular positive impact on any protected group so that these can be taken into account by the Council when taking a final decision on the budget and the level of Council Tax. Generally, it is not possible at this stage, and prior to any detailed EIA, to identify measures that will mitigate the adverse effects of any particular policy decision, although where this is possible mitigating measures are identified at the appropriate point in this document.

### (C) Analysis of impact of reducing Council tax by 3%

The impact of the proposal to reduce Council Tax by 3% is assessed in three categories:

- (i) those who pay Council Tax in full;
- (ii) those who do not pay any Council Tax because they receive full Local Council Tax Support ('LCTS') or are exempt from payment; and

- (iii) those who pay partial Council Tax because they receive partial LCTS.

Local Council Tax Support (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 this report, CTB data is used because LCTS comes into effect on 01 April 2013 and replaces CTB. There is more data on those in receipt of full CTB than those in receipt of partial CTB.

In order to assess the impact of this decision, relevant borough profile and other data is used to assess which group(s) might be impacted in each category and an assessment is made as to the likely impact on the three tenets of the PSED, reducing Council Tax by 3% in 2013/2014. One limiting factor in this analysis is that no diversity data is held for those eligible for, what is, from 01 April 2013, LCTS and what was previously, Council Tax Benefit ('CTB') or, conversely, those not eligible for LCTS/CTB. The Council does, however, have some data on those in receipt of full and partial CTB (Annex One). For the purposes of this report, CTB data is used because LCTS comes into effect on 01 April 2013 and replaces CTB. There is more data on those in receipt of full CTB than those in receipt of partial CTB.

(i) Assessment of impact of reducing Council Tax by 3% on those who pay the full Council Tax

Although precise numbers are not known, most adult residents pay full Council Tax. Those that do not fall into three sub-categories:

- (a) those eligible for full or partial CTB/LCTS, i.e. those receiving this benefit as identified in Annex One;
- (b) those exempt from Council Tax on any of the grounds set out in Annex One; and,
- (c) those who do not have responsibility for payment of Council Tax because they are not responsible for a property, nor required to pay or contribute towards Council Tax by their landlord or similar. The number of people in this latter category is unknown.

In addition, there are households which are eligible for a reduction in Council Tax (but not CTB/LCTS LCTS) where there is a disabled adult or child in the household and because of that person's disability they require an extra bathroom or kitchen, extra space for a wheelchair (if they need to use a wheelchair inside) or a room that is mainly used to meet their needs as a disabled person. If a resident is entitled to this reduction, the bill is worked out using the band below the current band of that person's property. For example, if the home is in Band D, the bill is worked out using Band C. For Band A properties, H&F reduces the council tax by one ninth of the Band D amount<sup>1</sup>.

Although these people pay less Council Tax because of their disability than they would otherwise pay, it is appropriate to include them in this section dealing with the analysis of impact on those who pay the full amount of Council Tax because these two groups will all benefit in the same way as a result of a reduction in Council Tax.

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<sup>1</sup> Full details are available on the Council's website:  
[http://www.lbhf.gov.uk/Directory/Advice\\_and\\_Benefits/Council\\_tax/Disabled\\_persons\\_reduction/35753\\_Council\\_Tax\\_Reductions\\_for\\_residents\\_with\\_disabilities.asp](http://www.lbhf.gov.uk/Directory/Advice_and_Benefits/Council_tax/Disabled_persons_reduction/35753_Council_Tax_Reductions_for_residents_with_disabilities.asp)

The average reduction for people who pay full Council Tax will be £23.44 per Council Tax bill (Band D). This is the reduction that relates to the LBHF element of the calculation. This now applies to those that had previously been exempt because their property was a second home, was empty or unfurnished, or was undergoing major repair (Cabinet decision of 14 January 2013).

All adults who pay the full rate will benefit financially from the Council Tax reduction. There will also be a small indirect benefit to all taxpayers nationally as the reduction in Council Tax will mean that there is a corresponding reduction in the amount of CTB/LCTS that is paid out by the state and therefore a general benefit to the public purse.

Those who will feel the greatest benefit from the reduction in Council Tax, however, will be those whose circumstances mean that they are only slightly above the level at which they would become eligible for CTB or partial CTB (soon to be LCTS and partial LCTS) (see below).

Because of the way in which benefits are calculated and the number of factors that must be taken into account, it is not possible to give a threshold of savings or income (or similar) below which an individual would be eligible for full or partial CTB/LCTS, or above which a person will not be eligible for CTB/LCTS or partial CTB/LCTS.

However, it is likely that those whose financial circumstances place them only just above the threshold for CTB/LCTS eligibility will also have low levels of income/savings, relative to the rest of the population.

H&F does not hold diversity data for those with low income/savings levels. Nor does H&F hold full diversity data for those who are eligible for CTB or partial CTB, which could be used to inform an assessment of the likely percentage of people in this group being of a particular race, gender, age, etc. These datasets are capable of being applied to the new LCTS.

However, we do have some diversity data sets on those who claim full and partial CTB (see Annex One) which provide some assistance for this assessment. These will apply to the new LCTS. Table 3 of Annex One gives the recent data. It shows that the proportion of full CTB claimants who are pensioners has decreased by 1.45% since 2008, although pensioners remain significantly over-represented among those who are eligible for full CTB/LCTS: in 2010 pensioners made up 35.25% of all CTB/LCTS claimants. Using Borough Profile 2010 data (because it is appropriate for a comparison to 2010) only 10.2% of the general population were pensioners (those aged 65+).

About 54.67% of claimants (pensioner and non-pensioner) are single female, with around 30% (pensioner and non-pensioner) being single male, and around 15.33% being in a couple. As most couples will be male/female, the total percentage of female CTB/LCTS claimants is therefore about 62.33%, which is rather higher than the percentage of females in the H&F population as a whole (51.3% at the most recent release of data from the 2011 Census<sup>2</sup>).

In terms of disability, about 11.32% of claimants receive the CTB/LCTS disability premium, which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 14.7% as at the 2001 census, which is the most recent data).

Among those whose income/savings are low enough that they qualify for CTB/LCTS the only group that is (on the basis of the information available) disproportionately represented are pensioners.

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<sup>2</sup> [http://www.lbhf.gov.uk/Images/120717%202011%20Census%20report\\_First%20release\\_tcm21-174096.doc](http://www.lbhf.gov.uk/Images/120717%202011%20Census%20report_First%20release_tcm21-174096.doc)

However, it can probably be assumed that, in general, those with lower income/savings relative to the rest of the population (but nevertheless above the CTB/LCTS eligibility threshold) will 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.

The reduction in Council Tax will promote equality of opportunity for these groups by appreciably increasing their disposable income.

Residents who are not eligible for CTB/LCTS may consider that there may be an indirect adverse impact to them because if Council Tax is reduced by 3%, H&F will forego income of £1.6M. This may be a particular concern for those in the lower income/savings bracket (even though they will benefit the most from the reduction) because, broadly speaking, they are more likely to be in receipt of Council services (especially care services) than those who are better off. However, in the proposed budget the £1.6M income that H&F will forego is balanced against 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 provided to borough residents, it is not therefore possible to say that there is any direct link between the proposed Council Tax reduction and any particular proposed service change. The potential equality impact of the budget as a whole is assessed in Section D below.

In conclusion, the reduction in Council Tax is likely to have a direct positive effect on all adults in the borough who pay Council Tax (regardless of age, race, sex, disability, etc.). It is likely to be of particular benefit to those who are less well off, but who are not eligible for CTB. This group is likely to include more 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.

(ii) Assessment of impact of reducing Council Tax by 3% on those who do not pay any Council Tax as they are eligible for full rebate, or are exempt from payment

This group comprises everybody who is eligible for full CTB/LCTS and those who are exempt from paying Council Tax.

As stated above, full diversity data for those eligible for CTB are not held by H&F. However, we do have some diversity data sets on those who claim full and partial CTB (see Annex One) which provide some assistance for this assessment. Table 3 of Annex One gives the recent data. It shows that the proportion of all CTB/LCTS claimants who are pensioners has decreased by 1.45% since 2008, although pensioners remain over-represented among CTB/LCTS claimants: in 2010 pensioners made up 35.25% of all CTB/LCTS claimants. Using Borough Profile 2010 data (because it is appropriate for a comparison to 2010) 10.2% of the general population were pensioners (those aged 65+). Of the full and partial CTB pensioner claimants that are pensioners, the majority of this group (70.02%) are full CTB/LCTS claimants and as such, over-represented as a group that claims full CTB (Table 1 of Annex One).

About 54.67% of full and partial CTB/LCTS claimants (pensioner and non-pensioner) are single female, with around 30% (pensioner and non-pensioner) being single male, and around 15.33% being in a couple. As most couples will be male/female, the total percentage of female CTB/LCTS claimants is therefore about 62.33%, which is rather higher than the percentage of females in the H&F population as a whole (51.3% at the most recent release of data from the 2011 Census).

In terms of disability, about 11.32% of claimants receive the CTB/LCTS disability premium, which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 14.7% as at the 2001 census, which is the most recent data). Some disabled people are exempt from paying Council Tax and this may account for the difference in figures.

Further, as set out in Annex Three, some people will be exempt from paying Council Tax on other grounds. These are:

- full time students (men and women, people of different age groups, people of all race groups, disabled people);
- severely mentally impaired people (disabled people);
- foreign diplomats (all groups);
- children aged under 18 (male and female, people of all race groups, disabled people (the new ban on age discrimination in services and public functions does not apply to those under 18 years of age)); and
- elderly or disabled relatives of a family who live in the main property, in certain annexes and self-contained accommodation (older people, disabled people).

People who are exempt from paying Council Tax or who are eligible for full CTB/LCTS will experience no direct benefit from a reduction in Council Tax.

As set out above, this group includes a high proportion of pensioners and women relative to the proportion of pensioners and women in the population as a whole. It does not, however, include a high proportion of disabled people, relative to the general population. In line with the assumption made above in relation to those in low income/savings groups generally, it may include a higher proportion of ethnic minority groups, but data on this is not held.

While this group will not benefit from a Council Tax reduction, they will not be detrimentally affected by it either. The effect on this group of the decision is neutral.

There will, though, be a small indirect benefit to this group as the reduction in Council Tax will mean that there is a corresponding reduction in the amount of CTB/LCTS that is paid out by the state and therefore a general benefit to the public purse.

Because the profile of this group is such that members of the group are more likely to be in receipt of Council services (in particular care services), residents who do not pay Council Tax may consider that there may be an indirect adverse impact to them because if Council Tax is reduced by 3%, H&F will forego income of £1.6M. This may be a particular concern for those in the lower income/savings bracket (even though they will benefit the most from the reduction) because, broadly speaking, they are more likely to be in receipt of Council services (especially care services) than those who are better off. However, in the proposed budget the £1.6M income that H&F will forego is balanced against 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 provided to borough residents, it is not therefore possible to say that there is any direct link between the proposed Council Tax reduction and any particular proposed service change. The potential equality impact of the budget as a whole is assessed in Section D below.



### (iii) Assessment of impact of reducing Council Tax by 3% on those who pay partial Council Tax

Some people who are not eligible for full CTB/LCTS are nonetheless eligible for partial CTB, dependent on means. Partial CTB/LCTS operates on a 20% taper, which means that benefit is calculated in the following way:

**Applicable amount:** The applicable amount is the amount set by the government and it is what the government states a claimant needs to live on to cover basic expenses, such as food and fuel charges. It is made up of several elements depending on the claimant's circumstances, their household and any disabilities they may have.

**The calculation:** 20% of the income above the applicable amount is taken away from the maximum benefit (what the benefit would be if the income was at or below the applicable amount level). The lowest amount a person could qualify for is £0.01 per week council tax benefit.

As the starting point of the calculation, the Council uses the council tax charge after deductions for single person discount and any disabled relief. Whatever is left is the eligible council tax. There are also deductions for non-dependants.

#### **Example**

A person's applicable amount is £20 per week. This is the maximum CTB/LCTS they could get. They do not have any non-dependants living with them. Their income is £30 per week, i.e. it exceeds their applicable amount by £10.00 per week.

Using the 20% taper, their maximum CTB/LCTS is reduced by  $£10.00 \times 20\% = £2.00$ . Their CTB entitlement is £18.00 per week.

Any reduction in Council Tax will therefore have a correspondingly smaller impact on those who are eligible for partial CTB/LCTS in comparison to those who are not eligible for CTB/LCTS at all. These people will experience some benefit from any reduction in Council Tax, but not as much as those who pay full Council Tax.

As stated above, full diversity data for those eligible for CTB are not held by H&F. However, we do have some diversity data sets on those who claim full and partial CTB/LCTS (see Annex One) which provide some assistance for this assessment. Table 3 of Annex One gives the recent data. It shows that the proportion of all CTB/LCTS claimants who are pensioners has decreased by 1.45% since 2008 although pensioners remain over-represented among CTB/LCTS claimants: in 2010 pensioners made up 35.25% of all CTB/LCTS claimants. Using Borough Profile 2010 data (because it is appropriate for a comparison to 2010) 10.2% of the general population were pensioners (those aged 65+). Of the full and partial CTB/LCTS pensioner claimants that are pensioners, the minority of this group (29.98%) are partial CTB claimants. However, pensioners in this group are still over-represented in comparison to 10.2% of the general population, which are pensioners (Borough Profile 2010). This shows that pensioners as a group are under-represented in the partial CTB/LCTS claimant data compared to those pensioners on full CTB/LCTS but still over-represented as claimants of CTB/LCTS (of some kind) compared to the rest of the Borough. Data on partial CTB/LCTS claimants is not available by gender or other diversity dataset.

About 54.67% of full and partial CTB/LCTS claimants (pensioner and non-pensioner) are single female, with around 30% (pensioner and non-pensioner) being single male, and around 15.33% being in a couple. As most couples will be male/female, the total percentage of female CTB/LCTS claimants is therefore about 62.33%, which is rather higher than the

percentage of females in the H&F population as a whole (51.3% at the most recent release of data from the 2011 Census).

In terms of disability, about 11.32% of claimants receive the CTB/LCTS disability premium, which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 14.7% as at the 2001 census, which is the most recent data). Some disabled people are exempt from paying Council Tax and this may account for the difference in figures.

In addition, there will be a small indirect benefit to this group as the reduction in Council Tax will mean that there is a corresponding reduction in the amount of CTB/LCTS that is paid out by the state and therefore a general benefit to the public purse.

Because the profile of this group is such that members of the group are more likely to be in receipt of Council services (in particular care services), residents who are eligible for partial CTB/LCTS may consider that there may be an indirect adverse impact to them because if Council Tax is reduced by 3%, H&F will forego income of £1.6M. This may be a particular concern for those in the lower income/savings bracket (even though they will benefit the most from the reduction) because, broadly speaking, they are more likely to be in receipt of Council services (especially care services) than those who are better off. However, in the proposed budget the £1.6M income that H&F will forego is balanced against 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 provided to borough residents, it is not therefore possible to say that there is any direct link between the proposed Council Tax reduction and any particular proposed service change. The potential equality impact of the budget as a whole is assessed in Section D below.

#### Summary of Assessment of impact of reducing Council Tax by 3% considering all in sub-sections (i), (ii), and (iii) above

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 CTB/LCTS. In addition, there will be a small indirect benefit to all residents through the reduction in cost to the public purse of CTB/LCTS payments by the state.

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 for those who are Band D Council Tax payers: this relates to the LBHF element of the calculation of Council Tax.

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.

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.

There will be no benefit to those who are eligible for full CTB/LCTS 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.

All residents may consider that there may be an indirect adverse impact to them because if Council Tax is reduced by 3%, H&F will forego income of £1.6M. This may be a particular concern for those in the lower income/savings bracket (even though they will benefit the most from the reduction) because, broadly speaking, they are more likely to be in receipt of Council services (especially care services) than those who are better off. However, in the proposed budget the £1.6M income that H&F will forego is balanced against 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 provided to borough residents, it is not therefore possible to say that there is any direct link between the proposed Council Tax reduction and any particular proposed service change. The potential equality impact of the budget as a whole is assessed in Section D below.

#### **(D) Analysis of overall impact of the proposed Budget**

#### **SAVINGS, EXISTING EFFICIENCIES, AND NEW EFFICIENCY SAVINGS**

##### **Adult Social Care (ASC)**

The majority of the ASC line items are to do with staff reorganisations, for which staff and where relevant, service equality impact assessments are carried out. Other line items that have a frontline impact or connection are included here:

##### Third Sector Investment Fund, £150K

This line item is likely to be of relevance to equality groups including: disabled people; women; BME groups; and people of different age groups. It is included here because of its relevance to those protected groups. However, these savings are the same as those identified in a Report which was agreed by the Cabinet in July 2010. This was accompanied by a full EIA. There is no change to that decision and this line item is implementing the recommendations as agreed in 2010.

##### Third Sector Grants – Small Pot: one-off of £68K

This saving arises from the fast track small grants scheme, some of which was not spent because the applications received were not of a satisfactory standard. No adverse impact has been identified as a result of the small grants not being awarded.

##### Third Sector Grants – 10% reduction across all areas as contracts end (on-going £100K)

This item arises from reducing the grants fund to give an on-going saving of £100K. This will leave a budget of £2.9m. However, there is no guarantee that any contract would be renewed as this is clear at the outset and as such this should not have any discernible impact on any protected group.

##### Review of Support Planning £120K

Support Planning helps disabled adults to plan what they may want to change in their lives, what they want to stay the same and how they would spend their individual budgets to support them to live independently. As such, this service is of high relevance to disabled adults and will help to advance equality of opportunity between disabled people and non-

disabled people, and will help to encourage disabled people to participate in public life. This line item refers to a staff reorganisation only and the quality of service will not be affected, and so there is no impact on disabled people as a result of this reorganisation.

#### Reprocurement of Supporting People contracts (on-going £300K)

This line item is additional to the existing target of £369k for 2013/14, leaving an overall budget of £8.7m. The Supporting People tenders are being evaluated and the outcome of tenders will be known in January. It will be at this stage that the impact can be fully assessed.

#### Better gate keeping into residential and nursing care (£1,450,000)

This saving arises from low scale integration work, whereby a more planned discharge of clients back into their homes results in better outcomes and a lower number of clients because people are not having to be re-admitted to hospital so often. This will help to advance equality of opportunity for older and disabled people and to encourage participation in public life by helping them with their care after hospital. It is of high relevance to disabled adults, and to older people who have been admitted to hospital, with the focus being on managing the exit from hospital in a proactive and holistic way such that money is saved.

This line item also supports delivery of one of the Council's two Equality Objectives, as required by S153 of the Equality Act 2010 and agreed by Cabinet in December 2011. The objective is:

*Continuity of Care: Reduce unplanned admissions to hospitals and nursing care homes through early intervention by integrated health and social care services.*

#### Managing Inflation requests from providers: £200K

This line item refers to inflation-related requests made by providers of such services as care and residential nursing homes, making this of high relevance to older and disabled people. This is being managed by ASC and a standard system has been set up to ensure that recent case law and the views of stakeholders including care providers are assessed and taken into account when agreeing fees. Each case is judged on its own merits in line with emergent case law and the needs of providers to run a service that is fit for purpose. Therefore there should be no impact on older or disabled people, or on providers as a result of this approach.

#### Reduction in demand for all aged people with care placements and care packages: £450K

This line is of high relevance to older and disabled people and relates to better, proactive support for this group. As such, the savings arise from a more planned approach and not from a reduction in service and so there will be no impact on older and/or disabled people.

#### Underspends

On going saving of £40k contribution to MTFs as result of review of no recourse to public funds clients.

The on-going saving of £40K is regarded as manageable and as not having an impact because the department anticipates that it can manage demand within the reduced budget. This item will be of high relevance to BME groups and those of various nationalities. The council has a statutory responsibility to offer assistance to asylum seekers under the National Assistance Act 1948. We have a duty to provide accommodation and benefits to asylum seekers while they await the outcome of their case with the Home Office. Following changes in the law due to the Immigration and Asylum Act 1999, asylum seekers that arrived after April 2000 no longer have a right to assistance and do not have to be provided for by the council. Therefore, the on-going saving of £40K will be of relevance to those who arrived before April 2000 but it will not have an impact as the service can be managed sufficiently.

### **Children's' Services (CHS)**

Children's Services have a number of line items which have similar themes: Preventative; Process and Staff; and Procurement.

#### Preventative Savings

Reduction of Looked After Children (LAC) due to better preventative services: £320K

Family Services Savings:

Transport costs reduced as a result of there being fewer children in care: £60K

Independent Reviewing Officer costs reduced as a result of there being fewer children in care: £50K

Reduced expenditure on leaving care services resulting from there being fewer children in care: £60K

**Total: £490K**

These line items will advance equality of opportunity for children and young people by focusing on prevention. This is in order to provide more timely interventions and to prevent problems from escalating that could result in more serious outcomes for service users, as well as in a higher cost to the council. These line items will be of high relevance to children and young people with all protected characteristics except that of age.

#### Process and Staff

Family Services Savings:

Changes following Munro Review: £250K

Delaying of management: £135K

More efficient procurement of workers providing support to disabled children and their families: £75K

**Total: £460K**

These line items will advance equality of opportunity for children and young people by putting in place better processes to support them and their needs. This includes the needs of disabled children and their families, and will support the encouragement of disabled children in public life by providing them and their families with support. This will also indirectly support families and those who care for disabled children. These line items will be of high relevance to children and young people with all protected characteristics except that of age. Impacts on staff will be covered by EIAs on reorganisation proposals where this is appropriate and relevant.

#### Procurement

More efficient procurement of placements for children in care: £128K

This line item will be of medium relevance to children and young people of all protected characteristics except age. This line item will indirectly help to foster good relations, and to advance equality of opportunity. This will be achieved by procuring service more efficiently and is not a reduction in service.

#### Children's Commissioning (£200K on-going)

This saving arises from contract rationalisation, renegotiation of existing contracts, retendering on a tri borough basis where appropriate, increasing the use of framework agreements, and de-commissioning in line with changes in need or with revised legislative requirements. Areas that will be included in this amongst others are taxis, play, and voluntary sector provision. No adverse impact has been identified as this can be achieved by procuring services more efficiently not reducing service delivery.

#### Children's Centres (£33K)

This saving arises from a reduction in the size of the Children's Centre spot purchasing fund. This was established in 2011 to meet any one-off or exceptional needs arising from implementation of the revised Children's Centre model. There has been only a limited call on this fund in 2012/13 and no adverse impact has been identified as a result of the proposed reduction.

## **Environment, Leisure & Residents' Services (ELRS)**

### End Auto Public Conveniences ('APC') Contract: £134K

This line item refers to a contract to provide public toilets at a number of locations and is included in the Budget as the savings arise in 2013/14. The removal of these toilets as a result of ending the contract was agreed by Cabinet on 12 November 2012. That report and EIA identified the potential negative impacts on disabled people but also noted that no RADAR keys had been used since the APCs were installed in 2005 (indicating that in practice very little use of these facilities has been made by disabled people). Alternatives were available for disabled people. It was also identified that there may be a negative impact on mothers with babies as although there are publicly accessible toilets with baby changing facilities, these were identified as being somewhat limited and the majority charge a fee. However, it was not considered possible to measure current mother and baby usage of APC's, although as with disabled users it was not anticipated to be high.

### LBHF-only Reviews, and Bi-Borough (LBHF and RBKC) Reviews of services

There are a number of service reviews in the ELRS savings proposals. The majority of these savings will arise from focusing services to deliver the most benefit to residents, and/or deleting vacant posts that have not meant a reduction in service because they have been held vacant. All reviews will undergo a staff EIA, and where there may be frontline impact(s), or where more work needs to be done to ensure that frontline impact(s) are minimal, service EIAs will be undertaken to inform the design of the reorganised services.

Some of the proposed reorganisations are relevant to some protected group(s), and those line items are included here for the fiscal year 2013/14.

### Review of Anti-Social Behaviour ('ASB') Unit (part of wider HRD Review): £15K

This line item is to do with a review of the team that supports victims of ASB. Victims of ASB include people with disabilities, people of different race groups, and lesbians, those who are homosexual or bisexual, and those who have, or who are transitioning from one gender to another (transgender).

### Review of Community Safety Admin Function: £32K

This line item is to do with a post that supports the Community Safety Team. This team supports victims of crime, who will have one or more protected characteristics. It is not likely that the removal of this post will have an impact on frontline service users but the impact on service users will be assessed in order to inform the review.

### Review the Council's Vehicle Maintenance Arrangements: £90K

This line item relates to a review of the operations at the Bagleys Lane Depot. It includes savings arising from combining maintenance contracts and from staff posts. An EIA will be carried out as part of implementation of this item.

### Policing (£240k one-off and £40k on-going).

This line item is to do with use of alternative commercial funding for policing in 2013/14 and results in a saving from the council budget. The saving will not have an impact on protected groups.

### Libraries

In 2013/14 Libraries will make additional savings of £46k. This will be achieved by the full year effect of changes that the service has already made through Tri-borough – reduced management and back office costs, the integration of specialist functions, and the introduction of new operating practices. It will have no negative impacts on front line service delivery or customers so there are no equality implications.

## **Finance & Corporate Services (FCS)**

Many of the FCS line items are to do with back office change that affects staff and as such will not have an impact on frontline service users. As with all staff changes, EIAs are carried out to inform reorganisations. However, some of the line items are to do with more efficient ways of delivering services to the public and those are included here.

### E Services 1a – Increasing My Account Functionality: £200K

This line item is a continuation of a project that began around two years ago, to put services such as viewing Council tax statements and setting up a direct debit for Council Tax, applying for and paying for a parking permit and visitor permits, reporting abandoned vehicles and graffiti, and other services online. This line item will be relevant to all residents and expanding its functionality will bring positive benefits for residents who currently use My Account, and who will use it when additional features have been added.

### E Services Carousel: £256K

This line item relates to the sale of LBHF E Services to other local authorities and will not have an impact on LBHF residents, or reduce LBHF E Services.

### Face to Face Post Office Contract: £20K

This line item relates to an initiative to move more of the Council's transactions to the Post Office. The benefits of this contract will lead to transactional efficiencies and increased access. Transferring face-to-face transactions to the Post Office will be delivered in a phased approach beginning in March 2013. This phased approach will ensure that each transaction is fully scoped and the required integration with back office systems is in place. Phase 1 will include transactions for paying in council tax, rents and service charges.

The impact for residents will be that they may not have to travel as far to transact with the council and may be able to carry out other business at the post office thereby saving time. All post office sites are accessible for disabled people.

### Trade Union Facility reduced in 2012/13: £150K, plus £20K on-going

This line item will reduce the Trade Union facility and as such may have a negative but not unlawful indirect impact on all staff who are union members and use this facility currently. Staff will still be able to seek Union advice where they need to.

### Staffing savings

Transformational Business – Business Support Review: £140K

Bi Borough Audit and Risk Service Staffing (£50k on-going)

Fraud Team Staffing (£40k on-going)

Electoral services (£40k on-going).

The first of these line items relates to a reorganisation of back office functions and will not have an impact on residents. The second and third of these line items are deliverable stretch targets from bi-borough working and will not have an impact on residents. The final of these is a staffing efficiency that is considered deliverable. Staff EIAs are carried out as part of reorganisations.

### Printing, Publications and more use of online (£10k on-going)

This saving arises because the council is no longer required to produce a paper copy of the council tax leaflet. Residents of all protected groups will be able to view the information online. Information provided on the council's website meets online accessibility criteria. Our site provides BrowseAloud, an audio service for visually impaired users, so is more accessible than the printed version. All online content can also be adjusted for type size by people with visual impairment. People with hearing impairment are not disadvantaged.

## **Housing & Regeneration (HRD)**

Only the efficiencies that may have an effect on service users or that require comments to provide assurance of the level of impact on vulnerable groups are included here:

### Reducing costs and financial risks associated with Hamlet Gardens: £350K and Withdrawal from the Hamlet Gardens Temporary Accommodation contract: £200K

These efficiencies relate to the reduced procurement cost expected to result following the expiry of an expensive lease for temporary accommodation, and the Council procuring accommodation more cost effectively. These efficiencies are not expected to have any significant equalities impact.

### Transforming Housing Options: £240K

This efficiency relates to a staffing reorganisation which has been designed to best meet the requirement to deliver the revised housing strategy. Both the strategy changes and the staffing proposals have been the subject of separate EIAs, the latter showing no adverse impacts on staff with protected characteristics.

### Elimination of Housing Benefit Subsidy Loss on HALD portfolio: £300K

Introduction of and changes to Local Housing Allowances (LHA) has restricted Housing Benefits paid to customers. 546 tenancies where existing rents exceeded LHA rates were identified. A combination of negotiation with landlords to reduce rents charged and seeking suitable alternative accommodation where appropriate has been successful in mitigating this risk. To date only 8 tenants are waiting to have their position resolved. This saving is a budgetary provision that is now no longer required.

### Reorganisation of Elderly Resettlement Service: £27K

The service will continue to be provided by the Floating Support team.

## **Transport & Technical Services (TTS)**

Many of the line items included for TTS do not affect service users e.g. supply of cleaning services, advertising, allowing companies to install WiFi onto lamp columns. Others are included here so as to give more context and provide assurance that there are no impact(s) on equality group(s).

### Full effect of previous increase in pay and display charges: £250K

This is the effect of a previous change in price for pay & display, and so does not involve any new council decisions. Therefore there will not be any impact on equality groups.

### Bi-Borough Joint Parking Office: £100K

This efficiency will not change the parking service to the public and therefore will not result in any impact on equality groups.

### Bi-Borough review of TTS (includes: Parking, Highways, Environmental Health): £433K

The reviews are about making efficiencies from joint working between LBHF and RBKC (e.g. sharing managers and other staff). It is not likely that they will have an equality impact, but if in the course of the review we identify that they do, further analysis will be undertaken as the proposals develop.

### One-off use of balances: £30K

This saving arises from a review of deposits for scaffolding and will not impact any protected group.

### Advertising

HRA related advertising (on-going £151k).

Advertising on pavements (on-going £50k).



The first of these is due to be trialled in 2013, and the second is subject to planning permission for advertising hoardings. Neither item will have an impact on protected groups.

## **GROWTH**

### **ASC**

Increase in demand for LD placements and care packages: £700K; Increase in demand, due to demographic and other factors, for care placements and packages: £450K; and Increase in demand for mental health (MH) placements: £250K

These line items relate to an increase in the demand for placements for people with various needs arising from their disability or age-related requirements. These will all be of high relevance to disabled and older people, and will support the participation of disabled people in public life, and help to advance equality of opportunity between disabled and non-disabled people. However, these items will have a neutral impact as the increase in budgets will meet the needs of these groups and there will be no change to the service or to the eligibility for the service as a result.

### **FCS**

Freedom Passes – Introduction of a new apportionment basis: £670K

This line item is of high relevance to those older and disabled people, who are eligible for a freedom pass. This is a pass which gives older and disabled Londoners free travel on almost all public transport in London and helps to encourage their participation in public life and to advance equality of opportunity between disabled and non-disabled people. The reason for growth of £670K is to do with the way in which this is funded, which means that LBHF will have to pay more than it did previously in order to fund this scheme. There will be no impact on older and disabled people as the eligibility criteria will not change and they will still be able to access this scheme.

### **ELRS**

Western Riverside Waste Authority (WRWA) Growth: £230K; and New charge for disposing of contaminated recyclable waste £150K

In relation to the first item, the Council needs to cover the increased costs of waste disposal as disposing of waste via the incinerator has led to an increase in disposal cost per tonne. However, in the long term this disposal method will compare favourably with the alternative option of landfill as well as offering a more environmentally friendly means of waste disposal. In relation to the second item, from January 2013 WRWA will be introducing a new charge for processing contaminated recyclables. All businesses are required by law to have an agreement in place for the removal and disposal of their waste. New charges are proposed for business that contaminate their recyclable waste in order to mitigate the financial risk to the Council. The Council will still be competitively priced after the price increase and no adverse impacts on protected groups should arise as a result of this increase.

### **CHS and HRD**

No growth is forecast for these services and so it is not possible to analyse the impact on equality groups.

## **FEES AND CHARGES**

### **ASC**

Home care: no increase

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. This service is of high relevance to older and disabled people. In 2013/14, the levels at which people are required to contribute to their home care will still mean that Hammersmith &

Fulham has one of the lowest levels of home care charges among London Boroughs. Unlike nearly all other London Boroughs, a person's savings and property are not taken into account when assessing that person's ability to make a contribution to the cost of home care.

#### Meals on Wheels: increase from £4.30 to £4.50

The price per meal for service users is proposed to be increased from £4.30 to £4.50 in 2013/14 to cover costs that have increased. 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.

#### **ELRS**

##### Cemeteries: various; Transport

Fees and charges for these services will be reviewed at a later date, when each service as a whole will be reviewed. At present there are no changes to the charges and no impact as a result on equality groups. Should the review make proposals to increase fees and charges and the Council decide not to implement these proposals, it would have sufficient funds in reserves and virements to allow it to do so.

##### Libraries: various

Fees and charges for these services will be reviewed at a later date, when each service as a whole will be reviewed. At present there are no changes to the charges and no impact as a result on equality groups. Should the review make proposals to increase fees and charges and the Council decide not to implement these proposals, it would have sufficient funds in reserves and virements to allow it to do so.

##### Leisure: various

Fees and charges in this area are varied and will rise by the amount required to run the service, or, where it is shown that no increase is needed in order to keep us competitive with other facilities (e.g. the four tennis items increasing by 0%). As a result, there will either be no impact because there is no change, or there will be an impact because the charges will increase. Where there is an impact on any equality group because the charges will increase, this is likely to be negative. The Council could mitigate for this by subsidising the service, but the current view is that this is inappropriate and that leisure services, which are used by a wide range of people, should be self-funding.

##### Halls, Parks and Open Spaces

Fees and charges in the hire services are varied and will either be frozen (e.g. HTH Assembly Hall) because of demand, or rise by the amount required to run the service. Where these charges rise, this is likely to be negative. The Council could mitigate for this by subsidising the service, but the current view is that this is inappropriate and that these services, which are used by a wide range of people, should be self-funding.

##### Street Scene Enforcement; Anti-Social Behaviour ('ASB')

None of these charges will rise and so there is no impact.

##### Mortuary Services; Registration of Births, Deaths, and Marriages

Charges for infectious cases and for all births, deaths, and marriages services (except same day service for copy certificates) will rise in line with the corporate fees and charges inflation. Where these charges rise, this is likely to be negative. The Council could mitigate for this by subsidising the service, but the current view is that this is inappropriate and that these services, which are used by the whole population, should continue to be charged at rates that are in line with inflation.

## **TTS**

TTS fees and charges are mainly charges that residents and businesses pay e.g. building control charges, and charges for valuation services. The charges relating to parking arise from decisions taken by Members at other times, to maintain smooth flow of traffic and reduce congestion. There is no new information about equality groups and that would mean those decisions should be reviewed.

The charges relating to CIL are still subject to consultation which includes an EIA, and more information on that can be found here:

[http://www.lbhf.gov.uk/Directory/Environment\\_and\\_Planning/Planning/Planning\\_policy/16782\\_2\\_CIL.asp](http://www.lbhf.gov.uk/Directory/Environment_and_Planning/Planning/Planning_policy/16782_2_CIL.asp)

## **Conclusion on impact of the budget**

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).

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.

The proposal not to increase home care charges will not have an effect on those disabled people who use the service. In other areas of the Council, other charging proposals are to be reviewed at a later date and so at present there is no impact.

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 above, 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.

In a few cases, detailed EIAs will be required before the full nature of any impact can be assessed, or mitigating measures identified.

Ultimately if, on further analysis, it is decided that any particular proposed policy would have an unreasonable detrimental impact on any protected group, H&F could, if it is considered appropriate, use reserves or virements to subsidise those services in 2013/14.

## Annex One: CTB Claimant Data

**Table 1: Composition of CTB claimants in LBHF**

	Numbers of households			Weekly payment (Jan 2013)		
	Full CTB	Partial CTB	Total	Full CTB	Partial CTB	Total
<b>Pensioners</b>	3935	1685	5620	£66,020.42	£21,407.47	£87,427.89
	70.02%	29.98%	100.00%			
<b>Non-pensioners, of which:</b>	10622	3075	13697	£175,308.67	£36,217.01	£211,528.68
	77.55%	22.45%	100.00%			
- Households with children	4257	1419	5676	£767,730.08	£17,001.23	£93,731.31
	75.00%	25.00%	100.00%			
- Households with a disabled adult	1766	420	2186	£29,971.85	£5,251.23	£35,223.08
	80.79%	19.21%	100.00%			
- Households with children and disabled adult	376	45	421	£7,561.41	£613.81	£8,175.22
	89.31%	10.69%	100.00%			
- Households without children or disabled adult	4975	1281	6256	£76,168.15	£14,578.36	£9,076.51
	79.52%	20.48%	100.00%			
<b>Total</b>	14558	4760	19318	£241,329.09	£57,624.48	£298,956.57

**Table 2: Council Tax band of CTB claimants**

	A	B	C	D	E	F	G	H
<b>Pensioners</b>	296	783	1521	1572	791	399	254	4
<b>Working age</b>	1047	1705	3443	4336	2138	758	262	8
<b>Total</b>	1343	2488	4964	5908	2929	1157	516	12
<b>Per cent</b>	<b>7%</b>	<b>12%</b>	<b>25%</b>	<b>30%</b>	<b>15%</b>	<b>6%</b>	<b>3%</b>	<b>0%</b>

**Table 3: All CTB and Pensioner CTB claims**

	All CTB Claims	Pensioner CTB Claims	% Pensioner CTB claims	Other non-pensioner claims	% non-pensioner claims	% total
<b>2008</b>	18,823	6,908	36.70%	11915.00	63.30%	100.00%
<b>2009</b>	19,649	7,042	35.84%	12607.00	64.16%	100.00%
<b>2010</b>	20,030	7,061	35.25%	12969.00	64.75%	100.00%

**Table 4: LBHF diversity data detailing further, the composition of CTB claimants by: age (pensioner and non-pensioner), disability, gender**

Total number of claims	19317			
Total number of pensioner claims (includes households with a disabled adult where the disability premium has been awarded)	5620	Number of Female only claimants = 3067 or <b>54.57%</b>	Number of male only claimants = 1684 or <b>29.96%</b>	Number of claiming couples = 869 or <b>15.46%</b>
Total number of non-pensioner claims (includes households with a disabled adult)	13697	Number of Female only claimants = 7493 or	Number of male only claimants = 4112 or	Number of claiming couples = 2092 or

where the disability premium has been awarded)		<b>54.71%</b>	<b>30.02%</b>	<b>15.27%</b>
Households with a disabled adult (where the disability premium has been awarded) as a standalone group of the total number of claims	2186	Number of Female only claimants = 991 or <b>45.33%</b>	Number of male only claimants = 921 or <b>42.13%</b>	Number of claiming couples = 274 or <b>12.53%</b>

**Table 5: LBHF diversity data detailing further, the composition of CTB claimants by gender**

Total number of female claimants (No partner)	10560	<b>54.67%</b>
Total number of male claims (No partner)	5796	<b>30.00%</b>
Couples	2961	<b>15.33%</b>
Total	19317	<b>100.00%</b>

## Annex Two Tables of Population Data

The data in this Annex is from the Borough Profile 2010, from the Census 2001, from the Census 2011 First Release, or, where information for H&F is not available, from other sources which are given below. The most up to date is given in each case and used in the analysis above

### Data sources and information sets

- Census 2001, and Census 2011
- Hammersmith and Fulham 2011 Census Data Report – First Release:  
<http://www.lbhf.gov.uk/Images/120717%202011%20Census%20report%20First%20release%20cm21-174096.doc>
- H&F Borough Profile 2010
- Office of National Statistics Mid Year Population Estimates 2010
- Live Births by Usual Area of Residence of Mother (LBHF) 2010 (From table 2a:  
<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-222793>)
- Kairos in Soho, *London's LGBT Voluntary Sector Infrastructure Project*, 2007

**Table 5a: 2011 data on population by age group and gender**

	All Persons		Males		Females	
	number	%	number	%	number	%
0-4	11,900	6.5%	6,100	6.9%	5,800	6.2%
5-9	8,600	4.7%	4,300	4.8%	4,300	4.6%
10-14	7,600	4.2%	3,800	4.3%	3,800	4.1%
15-19	7,900	4.3%	4,000	4.5%	3,900	4.2%
20-24	17,300	9.5%	8,600	9.7%	8,700	9.3%
25-29	26,000	14.2%	12,500	14.1%	13,500	14.4%
30-34	22,000	12.1%	10,800	12.1%	11,200	12.0%
35-39	17,200	9.4%	8,700	9.8%	8,500	9.1%
40-44	13,700	7.5%	6,700	7.5%	6,900	7.4%
45-49	11,400	6.2%	5,600	6.3%	5,800	6.2%
50-54	8,700	4.8%	4,200	4.7%	4,500	4.8%
55-59	7,100	3.9%	3,300	3.7%	3,800	4.1%
60-64	6,700	3.7%	3,100	3.5%	3,600	3.8%
65-69	5,000	2.7%	2,300	2.6%	2,700	2.9%
70-74	4,100	2.2%	1,900	2.1%	2,200	2.4%
75-79	3,000	1.6%	1,400	1.6%	1,600	1.7%
80-84	2,300	1.3%	900	1.0%	1,400	1.5%
85+	2,000	1.1%	600	0.7%	1,400	1.5%
TOTAL	182,500	100.0%	88,900	100.0%	93,600	100.0%

### 2011 Census First Release, p6

**Table 5b: data on population by age as at 2010 (used until 2011 Census first release)**

Age Structure % Total Population 2008	
0-4	6.5
5-10	5.8
11-16	5
17-24	10.8
25-39	35.7
40-49	13.8

50-64	12.3
65-74	5.3
85+	4.9

Page 7: Borough Profile 2010

**Table 6: Disability**

<b>Limiting Long-Term Illness &amp; Dependent Children</b>			
% of households:	No adults in employment	with dependent children	6.02
		without dependent children	26.19
	With dependent children	all ages	21.62
		aged 0-4	10.2
	With one or more persons with LLTI		27.05

Table 6 of Borough Profile 2010: 2001 Census Key Statistics for H&F

**Table 7: Disability**

<b>Physical Disability, Sensory Impairments</b>	
Rate of physical disability registrations for H&F as a whole:	37.3 registrations per 1000 people
Rate of blind/visual impairment registrations for H&F as a whole:	5.6 registrations per 1000 people
Rate of blind/visual impairment registrations for Ravenscourt Park:	12.5 registrations per 1000 people
Rate of deaf/hard of hearing registrations for H&F as a whole:	2.4 registrations per 1000 people
Rate of deaf/hard of hearing registrations in College Park & Old Oak:	4.6 registrations per 1000 people

p62 of Borough Profile 2010

**Table 8: Sex**

<b>Usual Resident Population: Sex</b>	
	<b>H&amp;F</b>
All resident population	182,500
Males	88,900
	48.7%
Females	93,600
	51.3%

2011 Census, p6, First Release

**Table 9: Race**

<b>Race</b>	<b>H&amp;F</b>	
All People	165,242	
% of people in ethnic groups other than white	22.18	
White	Total white	77.82
	British	58.04
	Irish	4.83
	Other White	14.95
Mixed	White and Black	1.22



	Caribbean	
	White and Black African	0.63
	White and Asian	0.97
	Other Mixed	1.00
Asian or Asian British	Total Asian	4.44
	Indian	1.65
	Pakistani	1.04
	Bangladeshi	0.61
	Other Asian	1.14
Black or Black British	Total Black	11.12
	Caribbean	5.16
	African	4.88
	Other Black	1.08
Chinese or other Ethnic Group	Chinese	0.79
	Other Ethnic Group	2.00
From 2001 census		

**Table 10: Religion or belief (including non-belief)**

Religion		H&F
All People		165,242
% of people stating religion as:	Christian	63.65
	Buddhist	0.77
	Hindu	1.09
	Jewish	0.79
	Muslim	6.85
	Sikh	0.19
	Other religions	0.43
	No religion	17.64
	Religion not stated	8.59
From 2001 census		

**Table 11a and 11b: Pregnancy and Maternity**

ONS data as at 2010, detailing live births by usual area of residence, gives the following data (numbers and percentages). This is the most recent data available:

**Table 11a**

Age of mother at birth								
All ages	Under 18	Under 20	20-24	25-29	30-34	35-39	40-44	45+
2,773	18	69	300	521	964	740	165	14

**Table 11b**

Age of mother at birth								
All Ages	Under 18	Under 20	20-24	25-29	30-34	35-39	40-44	45+
63.6	8.6	19.9	40.2	51.1	107.3	100.6	27.0	2.7

**(Information set 12): Gender Reassignment and Lesbian, Gay, Bisexual and Heterosexual People**

'In 2005, the Department for Trade and Industry published a figure of 6% as the percentage of LGBT people in the general population...the number of LGBT people in London is thought to be anywhere between 6% and 10% of the total population, increased by disproportionate levels of migration.'

The 2001 census recorded 568 people (or 1.1% of couples), aged 16 and over, living as same sex couples in Hammersmith and Fulham. In 2009 there were 49 civil partnerships in this borough. Data on heterosexuality as such is also not collated although given the estimated numbers of LGBT people, it appears that the majority of the population is heterosexual. Data on transgendered or transitioning people was not available.

**Annex Three: Council Tax Exemptions**

Further information can be found on our website:

[http://www.lbhf.gov.uk/Directory/Advice\\_and\\_Benefits/Council\\_tax/Exemptions/35774\\_Council\\_Tax\\_Exemptions.asp?LGNTF=13](http://www.lbhf.gov.uk/Directory/Advice_and_Benefits/Council_tax/Exemptions/35774_Council_Tax_Exemptions.asp?LGNTF=13) and a summary of exemptions is given here:

Properties occupied by:

- full time students
- severely mentally impaired people;
- a foreign diplomat who would normally have to pay council tax;
- people who are under 18;
- members of a visiting force who would normally have to pay council tax; or
- elderly or disabled relatives of a family who live in the main property, in certain annexes and self-contained accommodation


Unoccupied properties which:

- are substantially unfurnished, are exempt for up to a maximum of six months (after that, full charge);
- are owned by a charity, are exempt for up to six months;
- are left empty by someone who has moved to receive care in a hospital or home elsewhere;
- are left empty by someone who has gone into prison;
- are left empty by someone who has moved so they can care for someone else;
- are waiting for probate to be granted, and for six months after probate is granted;
- have been repossessed;
- are the responsibility of a bankrupt's trustee;
- are waiting for a minister of religion to move in;
- are left empty by a student whose term-time address is elsewhere;
- are empty because it is against the law to live there, including from 1st April 2007 where a planning condition prevents occupation;
- form part of another property and may not be let separately; or
- are not furnished and need structural alteration or major repair work, and for six months after works are completed, if the property remains unoccupied and unfurnished. There is a maximum 12 month limit for this exemption regardless of whether works have been completed.

## 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	81,225
	- Business Rates Funding Baseline	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

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>27 February 2013</b></p>
<p><b>FOUR YEAR CAPITAL PROGRAMME 2013/14 TO 2016/17</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:</b>  <b>Jane West, Executive Director of Finance and Corporate Governance</b></p>	
<p><b>Report Author:</b>          Jade Cheung, Finance Manager (Corporate Accountancy &amp; Capital)</p>	<p><b>Contact Details:</b>          Tel: 0208 753 3374          E-mail:  <a href="mailto:jade.cheung@lbhf.gov.uk">jade.cheung@lbhf.gov.uk</a></p>

## 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. To approve the draft General Fund Capital Programme budget at £65.0m for 2013/14.
- 2.2. To approve 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. To approve 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. To approve 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.

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 £1.84m
- This totals £10.746m.

The overall total use of capital receipts for General Fund capital schemes in 2013/14 is £16.976m.

- 2.5. To approve 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.
- 2.6. To approve 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.
- 2.7. To approve 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).

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

- 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.

2.8. To approve the CIPFA<sup>2</sup> prudential indicators as set out in Appendix 8 to the report.

### 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.

**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>

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

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	2014/15	2015/16	2016/17
		Estimated Budget	Estimated Budget	Estimated Budget	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**

	2013/14	2014/15	2015/16	2016/17
	£m	£m	£m	£m
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>
<i><b>Use of receipts (memorandum)</b></i>					
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 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 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 2012 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 and 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**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	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>
	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>			
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
<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

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 align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>COUNCIL</b></p> <p align="center"><b>27 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@westminster.gov.uk">vsharma@westminster.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	317,065	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.

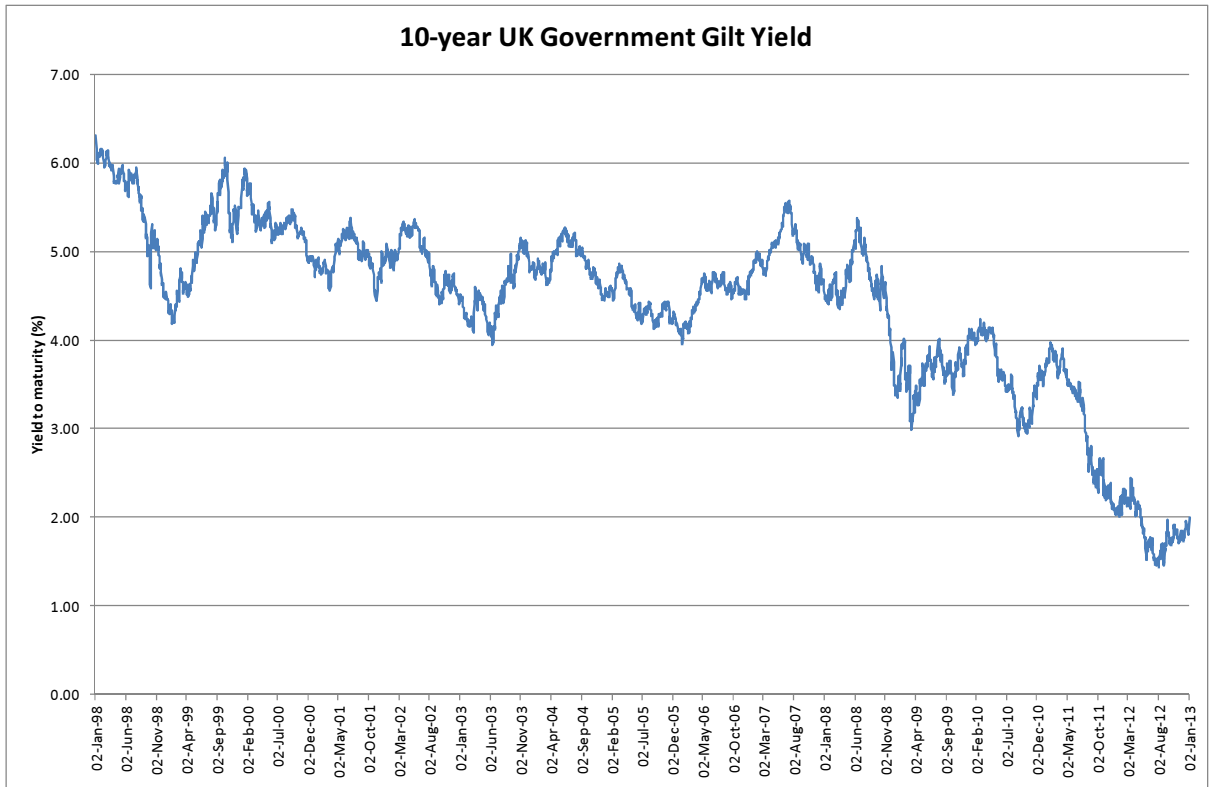
*Table 4: Authorised Limit*

<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>

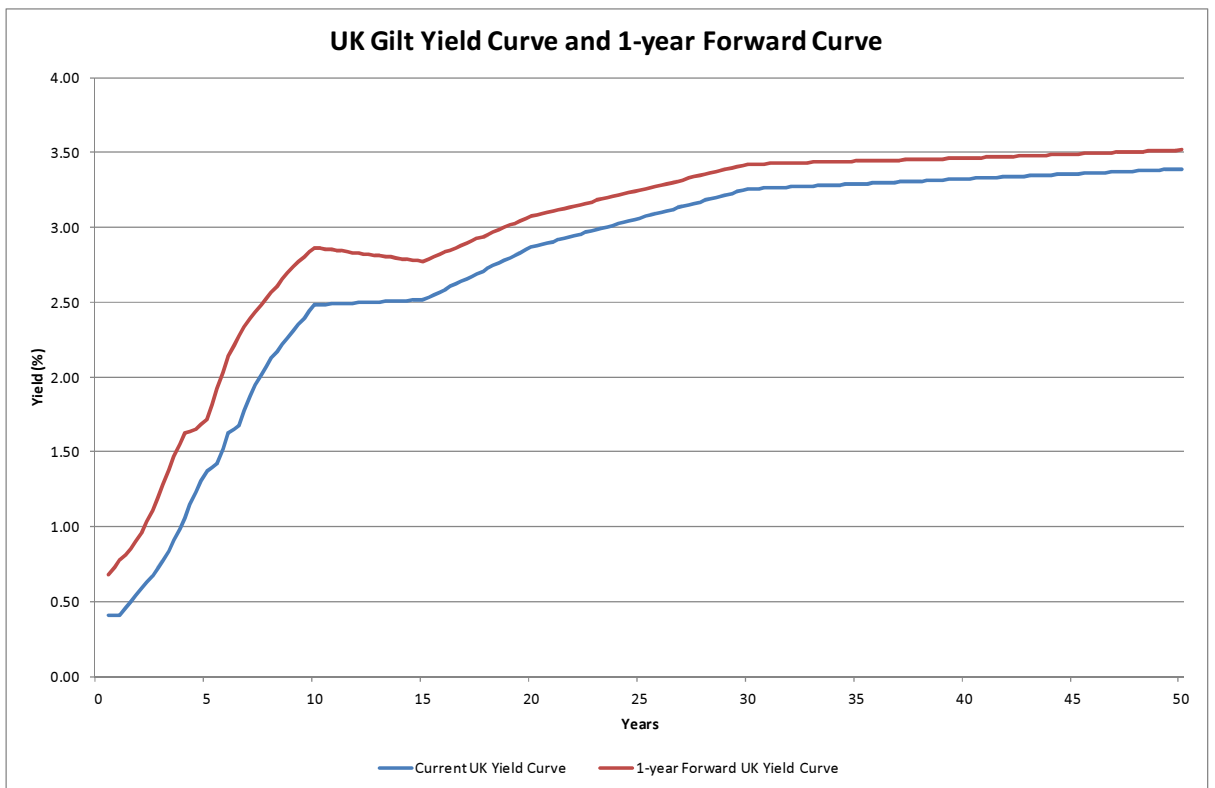
- 6.3 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime, as set by CLG. This is set out in the table above, and declines due to the repayment of the current borrowing as and when it falls due.
- 6.4 The Executive Director of Finance and Corporate Governance 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*

£'000	2013/14	2014/15	2015/16
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*

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

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

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

## **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 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.

Provided by : Jonathan Hunt Tri-Borough Director of Treasury and Pensions is the relevant finance officer Tel: 020 7641 1804.

## **15. LEGAL IMPLICATIONS**

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

## **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.

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>27 February 2013</b></p>
<p><b>COUNCILLORS' ALLOWANCES SCHEME: ANNUAL REVIEW</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: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny</p>	<p><b>Contact Details:</b>          Tel: 020 8753 2499          E-mail: <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1 This report performs the statutory annual review of Councillors' allowances for the 2013/14 financial year. The annual review takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).

## 2. RECOMMENDATIONS

- 2.1 That the Councillors' Allowances Scheme 2013 – 14 as set out in Appendix 1 be adopted.

## 3. REASONS FOR DECISION

- 3.1 The Council is required under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 to undertake an annual review of its Members' Allowances scheme.

## 4. INTRODUCTION AND BACKGROUND

### Annual Review

- 4.1 The Council's proposed Scheme for the financial year 2013/14 remains the same as the revised scheme for 2012/13 with no additional Special Responsibility Allowance (SRA) being recommended. This will take effect from 1 April 2013. The Council has taken into account the independent remunerators' recommendation issued in May 2010 but has decided to retain its own basic rate allowance.
- 4.2 In 2009, due to the economic conditions, it was recommended that all allowances be frozen at the 2008/09 levels. In years prior to this decision being taken, an automatic uplift in line with the previous year's Local Government Pay Settlement was made. Due to the current economic conditions, it is recommended that all allowances continue to be frozen for a fourth year at the 2008/09 levels.

## 5. PROPOSAL AND ISSUES

### Independent Remunerators' Report

- 5.1 The Council is formally required to undertake a review of its members' allowances scheme each financial year. Any changes in allowances are required to take into account the recommendations of a local independent panel on remuneration for Councillors. Where a scheme includes a provision for an automatic uplift, the operation of this provision may only be relied on for a period of four years before reference must again be made to a local independent remunerators' report and recommendations.
- 5.2 In the case of London, there is a standing report produced by the local remuneration panel appointed by London Councils which is applicable to all London Borough Councils. The Local Authorities (Members' Allowances) (England) Regulations 2003 authorises the establishment by London Councils of an Independent Remuneration Panel to make recommendations in respect of the members' allowances payable by London Boroughs. Such a Panel was established and has reported in 2001, 2003 and 2006. The Panel was re-constituted in 2009 comprising Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Jo Valentine. The Panel findings were agreed by London Councils Leaders' Committee in May 2010. The report has 12 recommendations which are attached at **APPENDIX 2**.
- 5.3 Having considered the proposals contained within the report, the Council once again notes that the current scheme is broadly consistent with the independent remunerators' report and recommendations, with the following significant differences:-
- Allowances to be updated in line with local government pay awards;



- Role descriptions should be developed for councillors for all their areas of work;
- The role descriptions should be placed on council websites;
- Councils should consider the introduction of an appraisal system for members;
- Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. The legislation requiring only an attendance at a council meeting every six months should be tightened.
- Only one SRA should be paid to a councillor in respect of duties with the same authority.
- Rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.

- 5.4 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008/09 level. The basic role of a councillor is enshrined in the constitution which is already published on the Internet. In particular there are detailed provisions in relation to the Mayor and Cabinet. The political parties rather than officers are in a better position to introduce and administer an appraisal system for members. This is a matter for the parties to undertake and administer at their discretion.

The Council agrees that Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance and that legislation requiring only an attendance at a Council meeting every six months should be tightened. The Council does not agree that only one SRA should be paid to a councillor in respect of duties with the same authority. Each local authority should be able to look at its own local circumstances due to the profile and size of its membership. The Council consists of 46 members with a high proportion of young councillors and people in active employment. The removal of the Cabinet, Mayor and Deputy Mayor from participating in committees reduces the number of people who would be available to sit on committees which meet with an exceptional frequency.

The Council also agrees that there should be a rationalisation in the tax treatment of expenses borne by councillors and support that the Local Government Association be asked to pursue this at the national level, or failing that, London Councils should attempt to achieve rationalisation on behalf of London.

- 5.5 Council is requested to adopt the Scheme set out at Appendix 1 effective from 1 April 2013 subject to any changes which might arise.

## **Audit, Pensions and Standards Committee – Independent Member**

- 5.6 The Localism Act 2011 abolished the Standards regime and introduced a new framework for the regulation of Member conduct. Section 28 of the Act requires Councils to appoint at least one Independent Person to consider complaints against Members and to offer their impartial views on each case, including any investigations undertaken.
- 5.7 On 4 July, the Council appointed two Independent Members, Ms Sophie Lambert and Ms Janis Cammell, in conjunction with the Royal Borough of Kensington and Chelsea. Each Independent Member was appointed separately by each Borough but jointly to “form” a pool so that either of them could be called upon to act. An annual allowance of around £500 per annum was agreed for the London Borough of Hammersmith and Fulham Council “appointee”. A payment of £504 is being proposed in line with Committee Co-Opted Members.

## **6. LEGAL IMPLICATIONS**

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

## **7. FINANCIAL AND RESOURCES IMPLICATIONS**

- 7.1 The Executive Director of Finance and Corporate Governance can confirm that the proposed action is cost neutral and that sufficient provision in the existing budget to fund the costs as contained in this report.

### **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.	The Remuneration of Councillors in London: 2010 Review (May 2010)	Kayode Adewumi, ext 2499	FCS, Room 133a, Hammersmith Town Hall

### **LIST OF APPENDICES:**

Appendix 1 - Members' Allowances Scheme 2013-14 (Annual Review)

Appendix 2 - Independent Remuneration Panel Recommendations

## APPENDIX 1

### **Members' Allowances Scheme 2013-14 (Annual Review)** [Effective from 1<sup>st</sup> April 2013]

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This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2012 –2013 and subsequent years. The allowances scheme has been prepared having regard to the report of the Independent Panel on the Remuneration of Councillors in London established by London Councils on behalf of all London Councils, co-authored by Rodney Brooke, Drew Stevenson and Jo Valentine, and published in May 2010.

#### **1. BASIC ALLOWANCE**

- 1.1 The independent remunerator's report suggests a flat-rate basic allowance be paid to each member of the authority of £9964 per annum to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.
- 1.2 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level.

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

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

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

#### **2. SPECIAL RESPONSIBILITY ALLOWANCES**

- 2.1 Regard has been had to the recommendations in the independent remunerator's report for differential banding in relation to the payment of special responsibility allowances (SRAS), but in the interest of maintaining a low council tax and the current economic conditions, it has been decided to freeze the council's own scheme of SRAS at the same level approved for 2008/09 and not to follow the independent remunerator's recommendations which would have proved considerably more costly to local council taxpayers.

- 2.2 The following Special Responsibility Allowances shall therefore be paid to Councillors holding the specified offices indicated:

The Leader	£35,763
Deputy Leader	£29,796
Other Cabinet members (6)	£23,838
Chief Whip (where not a member of Cabinet)	£23,838
Deputy Chief Whip	£5,000
Chairmen of Overview & Scrutiny Committees/Select Committees (4)	£6,183
Leader of the Opposition	£17,874
Deputy Leader of the Opposition	£6,183
Opposition Whip	£6,183
Chairmen of Planning Applications Committee, Audit, Pensions and Standards Committee, Licensing Committee & councillor member on Adoption Panel, Lead Member for Resident Involvement (Housing)	£6,183
The Mayor	£11,922
Deputy Mayor	£6,183
Cabinet Assistants (6)	£3,000

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year. A Special Responsibility Allowance would cease where the SRA entitled post ceases to exist during year.

### 3) OTHER ALLOWANCES

#### a) Dependent Carer Allowance

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

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

#### b) Travel & Subsistence

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

**(1) Public Transport**

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

**(2) Car mileage**

45 pence per mile.

**(3) Cycle allowance**

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

**(4) Subsistence**

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

**c) Sickness, Maternity and Paternity Allowance**

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

**4) ANNUAL INCREASE**

The allowances in this scheme apply to the financial year 2013/14. All allowances have been frozen at the 2008/09 level.

**5) ELECTION TO FOREGO ALLOWANCES**

In accordance with the provisions of regulation 13, a Councillor may, by notice in writing to the Chief Executive, elect to forego any part, or all, of his or her entitlement to an allowance under this scheme.

**6) TIME LIMIT FOR CLAIMS**

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

**7) WITHHOLDING OF ALLOWANCES**

In the event of a Councillor being suspended or partially suspended, the Audit, Pensions and Standards Committee shall have the power to

withhold the allowances payable to that Councillor either in whole or in part for the duration of that suspension.

## **8) MEMBERS' PENSIONS**

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

## **9) MEMBERSHIP OF MORE THAN ONE AUTHORITY**

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

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## **ALLOWANCES FOR CO-OPTED MEMBERS AND INDEPENDENT MEMBERS OF THE AUDIT, PENSIONS AND STANDARDS COMMITTEE**

### **Co-optees**

The independent remunerator's report recommends a rate of allowance for co-opted members of £117 per meeting, to be calculated on an annualised basis by the number of meetings. This recommended figure has not been adopted. The Council's own figure of £504.00 p.a. is payable by equal monthly instalments of £42.00 on the 15<sup>th</sup> of each month.

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

### **Audit, Pensions and Standards Committee Independent Members**

The London Borough of Hammersmith and Fulham shall pay an allowance to one of the two appointed Independent Members at a flat rate allowance of £504 per annum payable by equal monthly instalments of £42.00 on the 15<sup>th</sup> of each month. The Royal Borough Kensington and Chelsea shall pay a similar allowance to the other appointed Independent Member.

*In all cases, the allowances given in this scheme shall not be uprated by the same percentage rate of increase as the previous years' national Local Government Pay Settlement but frozen at the 2008/09 levels.*

### INDEPENDENT REMUNERATION PANEL RECOMMENDATIONS

1. We believe that the scheme of allowances that the panel recommended in 2001, updated in line with local government pay awards, is still appropriate. We set out the five bands of responsibility with updated figures for the basic allowance and for the five bands.
2. We continue to believe that the roles identified in the 2006 report as attaching to the bands are still, in general terms, appropriate. Consultation has suggested other roles, but most are covered by the 2006 recommendations. We have added to the role descriptions in band one 'community leaders' and 'leaders of a specific major project'. We appreciate that such responsibilities can provide development opportunities for the leaders of the future and are analogous to other responsibilities within band one.

We also recommend the inclusion of 'acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods' and 'acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods'.

3. With changes in local government structure and organisation, we accept that some cabinet roles may be more demanding than others. Although it may be sensible for many councils to remunerate cabinet members at the same level, we believe that there is sufficient width in band three to permit councils to recognise different levels of responsibility within the cabinet where this is appropriate.
4. In return for the levels of remuneration which we propose, it is important that councillors account publicly for their activities. We believe that:
  - a. role descriptions should be developed for councillors for all their areas of work;
  - b. the role descriptions should be placed on council websites;
  - c. members should report publicly on their activity through a variety of channels as illustrated in the main report; and
  - d. councils should consider the introduction of an appraisal system for members.
5. Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. We believe that the legislation requiring only an attendance at a council meeting every six months should be tightened.

6. We endorse the recommendations of the 2006 report in relation to the chair and members of the Standards Committee<sup>1</sup>.
7. We reiterate our view that only one SRA should be paid to a councillor in respect of duties with the same authority.
8. Although councillors are not employees, we believe that it is reasonable that their special responsibility allowances should not cease in case of sickness, maternity and paternity leave in the same way that employees enjoy such entitlements. We continue to recommend that councils should be able to make arrangements in their schemes in appropriate circumstances to enable this to happen.
9. We continue to recommend that the allowances we recommend should be updated annually in accordance with the headline figure in the annual local government pay settlement. We appreciate that Regulation 10(1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 appears to require re-adoption of the scheme at the start of each municipal year. However Regulation 10(4) provides that the scheme will not be deemed amended by virtue only of adjustment of the scheme through indexation. If there is no other change a re-adoption can be achieved by a simple resolution.
10. While we continue to believe that intra-borough travel should be part of the basic allowance, we recognise that there are circumstances where it may be appropriate for a scheme to provide payment for the cost of transport e.g. journeys home after late meetings and for people with disabilities. In the case of dispute, we believe that the Standards Committee could adjudicate.
11. We strongly believe that there is need for rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.
12. We have consistently recommended that eligible councillors should be eligible for admission to the local government pension scheme and we continue to urge that councils should give their members this opportunity.

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<sup>1</sup> Since the Independent Remuneration Committee report wrote its report in May 2010, the Standards regime has been abolished. All references in the report to the Standards Committee now apply to the Audit, Pensions and Standards Committee which has taken over the role.



	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>27 February 2013</b>
<b>PAY POLICY OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM</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: No</b>	
<b>Wards Affected: None</b>	
<b>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</b>	
<b>Report Author: Debbie Morris, Bi-borough Director for Human Resources</b>	<b>Contact Details:</b> Tel: 020 8753 3068 E-mail: Debbie.Morris@lbhf.gov.uk

## 1. EXECUTIVE SUMMARY

- 1.1 Under Section 38(1) of the Localism Act 2011, the Council is required to prepare a pay policy statement, which must be prepared each financial year beginning with 2012/13. This pay statement must be approved by the full council. The provisions of the Act do not apply to local authority schools.

## 2. RECOMMENDATIONS

- 2.1 That Council approve the pay policy and endorse the pay schemes attached at Appendices 1, 2 and 3.
- 2.2 That Council notes the Council's Pensions Policy attached as Appendix 4 and the Councillors' Allowances scheme, submitted to this meeting as a separate item, which will constitute Appendix 5 of the report.

## 3 REASONS FOR DECISION

- 3.1 A decision is required in order to publish the pay policy and appendices as required by the Localism Act 2011.

## **4 INTRODUCTION AND BACKGROUND**

- 4.1 Under Section 38(1) of the Localism Act 2011, the council is required to prepare a pay policy statement, which must be prepared each financial year beginning with 2012/13. This pay statement must be approved by the full council. The provisions of the Act do not apply to local authority schools.
- 4.2 Approved pay policy statements must be published on the council's website as soon as reasonably practicable after being approved. The Act also requires that the council includes in its pay policy statement, its approach to the publication and access to information relating to the remuneration of chief officers. Remuneration includes salary or payment for a contract for services, expenses, bonuses, and performance related pay as well as severance payments. The definition of chief officers includes the Head of Paid Service, statutory chief officers, non-statutory chief officers and those who report to them.
- 4.3 Section 38(1) of the Act also requires the council to set out its policy on remuneration for its highest paid staff alongside its policies towards its lowest paid employees. In particular, it requires the council to explain what it thinks the relationship should be between the remuneration of its chief officers and other employees and to set out policy on the lowest paid (outlined in the paragraph on 'Definitions' within the pay policy). The council must include its current policy towards maintaining or reaching a specific pay multiple, within its broader policy on how pay and reward should be fairly dispersed across its workforce.
- 4.4 So far as other elements of senior remuneration are concerned, including bonuses, performance related pay (PRP), severance payments and the payment of fees for election duties, the council must also make it clear what approach it takes to the setting and publishing of these.
- 4.5 The pay policy must also deal with a number of aspects of re-employment of staff. The council must explain its policy in relation to the payment of salary and pension to the same individual. It must also set out its policy in relation to the re-employment of chief officers who have retired and may be re-employed on a contract for services.
- 4.6 The proposed policy for H&F is set out at the end of this report.
- 4.7 The council must, in setting pay policy statements have regard to any guidance issued by the Secretary of State. In September 2011, The Department for Communities and Local Government (DCLG) published The Code of Recommended Practice for Local Authorities on Data Transparency setting out as a minimum the public data that should be released. In addition in November 2011 when the Act became law, the DCLG published further guidance under section 40 of the Localism Act which requires relevant authorities to prepare pay policy statements. Due regard has been had to the guidance in the preparation of this policy.

- 4.8 The policy statement must be approved by a resolution of full council before it comes into force. Once in force it must be complied with, although it may be amended by full council during the financial year. It must always be published on the council's website as soon as reasonably practicable after approval or amendment.

## **5 PROPOSAL AND ISSUES**

- 5.1 The Government guidance for local authorities on the preparation of a pay policy recommends the calculation and publication of an authority's pay multiple. That is the relationship between the median salary in the organisation and the salary of its highest paid officer.
- 5.2 The median salary is defined as that salary point at which there are an equal number of salary points above and below it. The highest paid officer in H&F is the Joint Chief Executive.
- 5.3 The salary of the highest paid officer is divided by the median salary to arrive at the pay multiple. For H&F at the commencement of the 2013/14 financial year this ratio is 6.6. This remains unchanged from the 2012/13 financial year.

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

Not applicable.

## **7 CONSULTATION**

None.

## **8 EQUALITY IMPLICATIONS**

- 8.1 As mentioned, this report has been produced so that full council can ratify the publication of the pay policy statement on the council's website. There are no actions that impact on equalities and as a result, the report's equalities impact assessment (EIA) is rated as low. Therefore, a full EIA has not been completed.

## **9 LEGAL IMPLICATIONS**

- 9.1 The statutory requirement created by Chapter 8 of Part 1 of the Localism Act 2011 (Sections 38-43) are summarised in the report and the policy. The policy complies with the statutory obligations.

Implications verified/completed by Tasnim Shawkat, Bi-borough Director of Law. Tel: 020 8753 2700.

## **10 FINANCIAL AND RESOURCES IMPLICATIONS**

- 10.1 This report sets out the status quo on pay within the council, therefore there are no financial implications arising from the report.

Implications verified/completed by Jane West, Executive Director of Finance and Corporate Governance. Tel: 020 8753 1900.

## **11 RISK MANAGEMENT**

None.

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

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.	None		

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

1. NJC Salary Scales and SMG Pay Ranges
2. Senior Manager Performance Scheme (SMG 3)
3. Senior Manager Performance Scheme (SMG 1 and 2)
4. Policy Statement – Local Government Pension Scheme and Discretionary Payments
5. Councillors' Allowances Scheme 2013/14 – this appendix is included elsewhere on the agenda as a separate item.

## **PAY POLICY STATEMENT**

### **London Borough of Hammersmith and Fulham (H & F)**

#### **1. Fairness and Transparency**

H & F is committed to paying its staff on a fair basis to reflect the work that they do. At the same time, it recognises that there is public interest in both the remuneration of its staff and the way in which that remuneration is set. It is therefore publishing this statement to ensure transparency and fulfil its obligations under section 38 (1) of the Localism Act 2011.

#### **2. Vision and Values**

- 2.1 As well as the council's vision for its services, it has developed a set of values for its staff and a portfolio of key behaviours. In addition, managers have a document which sets out the behaviour which the council requires employees to demonstrate.
- 2.2 The vision, values, key behaviours and guide to good management are used during the recruitment to vacant posts, discussions on learning and development needs, performance appraisal and the determination of performance related pay (PRP).
- 2.3 The council recognises that as an organisation which expects high standards and quality from its staff, it should reward them accordingly, both to recruit the best and to continue to motivate them.

#### **3. Pay Design**

- 3.1 Most of the council's staff have salaries which are set by national pay bargaining. Progression through the range is by increments and is related to satisfactory service. All staff have an annual performance appraisal.
- 3.2 In addition, more senior staff have separate, locally determined salary ranges which include an element of PRP. Each year, subject to satisfactory performance and target achievement, these staff can move through their pay range and receive a performance related consolidated increase (subject to not having reached the maximum of their pay range) and an unconsolidated payment linked to achievement of targets. The nationally negotiated pay ranges and the senior management pay schemes are set out in the attached Appendices 1, 2 and 3.
- 3.3 There are a number of additional performance related pay schemes for certain other groups of staff that pay up to 10% of salary. These are:

- Civil Enforcement Officers' Scheme
- Trade Waste and Markets and Street Trading Sales Incentive Scheme
- Corporate Anti-Fraud Service Scheme
- Development Management Performance Supplement Scheme
- Pest Control Officers Scheme

Details of these schemes are available on request.

- 3.4 The pay ranges for all posts in the council are determined through job evaluation to ensure fairness and equality. In respect of nationally negotiated ranges, this is done through the Greater London Provincial Council Job Evaluation Scheme developed some years ago for all councils in London. In relation to the senior pay ranges, the scheme devised by Hay management consultants is used.
- 3.5 In addition to these annual salaries, the council can choose to pay extra sums to staff to recognise market pressures or additional work undertaken. These may be pay supplements, acting-up allowances or honoraria. These are most likely to apply to staff below senior management level.
- 3.6 Starting salaries within pay ranges are determined by reference to market rates and an individual's existing salary.
- 3.7 Those officers who have statutory positions in relation to elections i.e. Returning Officer/ Acting Returning Officer and deputies also receive a fee in recognition of these roles. This fee reflects the advisory fee set for each election by the Ministry of Justice. There are also fees paid to staff who carry out the annual canvass of the electoral register and who undertake additional work at the time of the election – poll staff, inspectors, count staff, etc.
- 3.8 The council has a number of shared senior management posts and where these are in place, the remuneration is shared between the parties to the shared service agreement.

#### **4. Other Rewards**

The council tries to reflect best practice and market forces when determining additional benefits for its staff. In addition, it acknowledges that benefits are an important part of a recruitment package. All staff are therefore entitled to receive a range of benefits which the council either provides or has negotiated. These range from interest free travel loans, childcare and bike to work salary sacrifice schemes, training support and outplacement support, including career counselling for staff made redundant.

## 5. Pension and Severance Payments

- 5.1 A week's pay for the purpose of calculating a statutory redundancy payment is calculated in accordance with section 220 to 229 of the Employment Rights Act and the council exercises discretion to waive the statutory weekly pay limit. Under the provisions of the Local Government (Early Termination of Employment) Discretionary Compensation (England and Wales) Regulations 2006, the actual amount of a week's pay is used. A week's pay is the amount of pay that the employee is entitled to for working their normal contractual hours and any variable items of pay are averaged over the last 12 weeks ending on the calculation date.
- 5.2 Calculation of a full-time week's pay is subject to a locally agreed minimum, currently £518.62. This is approximately equal to 1.5 x H&F Minimum Earnings Guarantee, a local policy which ensures that no employee earns less than £331.56 per week.
- 5.3 The number of weeks redundancy is based on age and length of service at leaving and is subject to a statutory limit of 30 weeks' pay.
- 5.4 Staff are entitled to join the Local Government Pension Scheme (LGPS) and will receive their pension at their normal retirement age. Pension payments will be released early in certain circumstances including redundancy and ill health retirements provided the appropriate criteria of the local pension policy are met. There is a separate policy on pension payments which is attached as Appendix 4.
- 5.5 Under the LGPS, certain staff may request flexible retirement whereby they can retire early and continue to work on a part-time basis or on a reduced salary. The council retains the discretion to agree such arrangements as they are not a right.
- 5.6 The fact that an individual is already receiving a pension under the LGPS regulations does not prevent the council from appointing them. However if an employee is in receipt of a pension from a previous employer that is a member of the LGPS and they are recruited by the council, they must notify their pension provider of re-employment, even if they elect not to join the pension scheme here. It is the pension provider's responsibility to review their pension and if necessary make any reduction due to the level of earnings.
- 5.7 Where an employee of the council is in receipt of a pension from the Teachers Pension Scheme and is re-engaged by a school, their pension may be subject to reduction or suspension. Individuals would need to check their specific circumstances with Teachers Pensions. If an employee is in receipt of a pension from the LGPS the rules of that scheme will apply and their pension may be subject to reduction or

suspension in accordance with the policy of the authority that is paying the pension.

## **6. Publication and Access to Remuneration of Chief Officers and Other Senior Staff**

The council publishes details of remuneration of chief officers in the Annual Statement of Accounts and on the council's Internet site. The council also publishes information about the level of remuneration of other senior staff on its internet site. This information is published for all staff earning more than £58,200 p.a.

## **7. Definitions**

- 7.1 The pay ranges for senior staff reflect both market forces and the need to recruit and retain good staff. Annual increases for these staff have tended to reflect the nationally agreed salary increases.
- 7.2 The Localism Act requires the council to define its lowest paid employee. As set out in Appendix 1, this is an employee paid on salary point 2 of the national salary range. However, this is now paid by the council at a full-time equivalent hourly rate of £9.21, which represents our lowest paid employee (National Minimum Wage is currently £6.19 per hour and the London Living Wage is £8.55 per hour). The council will keep its policy with regard to its lowest paid under review. The council has commenced an intern scheme which pays at the National Minimum Wage.
- 7.3 In addition, the council is required to publish the pay multiple between the highest paid employee and the median salary of the workforce. The current multiple is 6.6. At present, the council deems this multiple to be appropriate and within an acceptable ratio of 1:10. The policy with regard to the pay multiple will be kept under review.

## **8. Remuneration Committee**

The council does not have a remuneration committee to advise on pay policy including the setting of senior salaries and the level of Members' allowances.

## **9. Council Role**

The Council will agree all proposed salary ranges, including performance related pay and fees, in excess of £100,000.



**NJC SALARY SCALES**

Grade	Spine Point	Basic Salary P.A. 01/04/2009
*Scale 1A	2	14,805
	3	14,913
	4	15,036
*Scale 1B	5	15,306
	6	15,714
	7	16,104
*Scale 1C	8	16,503
	9	16,896
	10	17,181
Scale 2	11	18,030
	12	18,342
	13	18,732
Scale 3	14	19,032
	15	19,353
	16	19,731
	17	20,127
Scale 4	18	20,460
	19	21,102
	20	21,750
	21	22,422
Scale 5	22	22,920
	23	23,496
	24	24,156
	25	24,819
Scale 6	26	25,515
	27	26,259
	28	27,009
SO1	29	27,945
	30	28,770
	31	29,571
SO2	32	30,345
	33	31,152
	34	31,935
PO1	33	31,152
	34	31,935
	35	32,532
PO2	36	33,306
	37	34,152
	38	35,055
	39	35,055
PO3	39	36,096
	40	36,960
	41	37,851
	42	38,733
PO4	43	39,621
	44	40,506
	45	41,340
	46	42,258
PO5	47	43,152
	48	44,043
	49	44,910
	50	45,807
PO6	51	46,701
	52	47,592
	53	48,501
	54	49,452
PO7	55	50,418
	56	51,381
	57	52,335
	58	53,286
PO8	59	54,240

**SMG PAY RANGES**

Senior Management Grade	Pay Range Minimum	Pay Range Maximum
SMG3 (Heads of Service)	54,129	71,193
SMG2 - Zone 1 (Director)	78,795	98,870
SMG2 - Zone 2 (Director)	85,748	104,803
SMG1 (Executive Director)	117,729	158,620

## Appendix 2



### SENIOR MANAGER PERFORMANCE SCHEME (SMG3)

The Senior Manager Appraisal Performance Scheme provides SMG3 managers with clear objectives, regular feedback and opportunities for development and allows us to create a working environment that encourages and supports our people.

The scheme has been designed around four principles:

- Clear communication and feed back between you and your manager
- Supporting you within appropriate development opportunities
- Simplicity
- Effective Rewards.

The scheme will:

- Ensure that everyone knows what they are required to do and how this helps us to achieve the organisation's objectives and deliver the community strategy, as well as how their performance will be assessed.
- Ensure that a fair and objective assessment is made of performance, especially where it affects salary progression.
- Provide a means by which individual development of relevant competencies and the consequent training and personal development needs can be discussed, assessed and met.
- Provide a mechanism for managers to discuss job performance, providing constructive feedback from which individuals can benefit.

Performance is assessed in two ways:

- Part 1 - there is the potential to earn a non-consolidated Performance Related Pay (PRP) of up to 5% of base pay which rewards **achievement against specific objectives**, usually five main target areas. There is also the potential for a further discretionary 5% PRP subject to recommendation by your Director.
- Part 2 - the **behavioural competencies** required to improve Hammersmith and Fulham, i.e. how the H & F manager performs against the Council's values as well as core leadership competencies. Incremental progression through the grade will be determined according to performance assessed against these competencies.

So:

Pay Based on Performance	How Pay is determined
Pay progression	Competency-based assessment; no automatic increments for time in grade
Bonus payment (non-pensionable)	1% of base pay for each target fully achieved up to five targets/5%. chief executive has some discretion for work

	over and above targets and for mitigating factors outside individual control at recommendation of director
--	--

Your competencies will be assessed on a four point rating scale as follows:

Competency Rating Scale	
1	<b>Below standard</b> demonstrates the required competency very inconsistently or not at all; significant development required
2	<b>Inconsistent</b> demonstrates the require competency on some occasions but there is scope for improvement. Effective in some areas but not all.
3	<b>Consistent and effective</b> demonstrates the required competency consistently over time in most situations; ie generally effective performance
4	<b>Exceptional</b> demonstrates consistently the competency over time and in a variety of situations even in the most challenging circumstances; is a role model and should be used to coach and develop others

The final score for the competency assessment will be the average of the sum of the individual scores for each element and determined as follows:

$$1 - 1.9 = 1$$

$$2 - 2.9 = 2$$

$$3 - 3.9 = 3$$

If an individual scores six '4's' plus two '3's' this will count as a 4. If they score six '4's' and any '2's', this will count as a '3'.

**If senior managers do not have completed appraisals for all staff in their organisation by the set timelines, their performance management competency scoring automatically reverts to "1." A '1' lowers their overall competency score with no possibility of achieving an overall score of 4.**

The intention of these progression matrices is as follows:

- poor performers receive no progression
- basic/inconsistent performers will receive minimum uplift
- good and excellent performers will be rewarded.

#### For 2010/11 the SMG3 salary progression table

Rating based on competency	Incremental progression, including cost of living (COL)	PRP (depending on achievement of targets)
4	2 x increment	Up to 10%
3	1 x increment	Up to 10%
2	0.5 x increment	Up to 10%
1	0 x increment (COL only)	Not payable

**SMG3 staff with a score of '1' overall will not be eligible for a PRP payment.**

## **Eligibility**

### **Managers appointed during the reporting year**

New appointments will normally at a low spinal column point within the SMG3 payscale. Permanent staff become eligible for the appraisal scheme immediately they commence employment in a senior management post. An appraisal meeting should normally take place within four weeks of commencement of employment to align with the first probationary meeting. The key objectives and competency development set should be set as normal however the assessment and eligibility to receive base salary increase and PRP payment will not take place until the full appraisal period has taken place. (i.e. if an individual starts in October 2010, they would not receive any pay progression until April 2012 (18 month period). There is however, an opportunity to receive up to 10% PRP of salary earned in the period (non-consolidated cash bonus) in exceptional circumstances subject to performance in the initial stage.

Individuals must be in post at the end of review year and when pay is awarded in order to be eligible to receive an overall salary progression and PRP.

### **Managers who leave H&F**

Managers who leave before the end of a review period will not receive any PRP payment.

### **Managers who are unwell during the reporting period**

An assessment of overall contribution and performance against annual targets will be conducted as normal. However, awards will be based on actual pay received during the assessment period. Therefore, if an officers pay has reduced in line with H&F sick pay scheme any awards will be proportionate.

### **Managers who are absent on maternity leave during the reporting year.**

When it is known that a manager will be absent on maternity leave, their overall contribution and performance targets should be reviewed and amended. Assessments for base pay increases and PRP payments should be based on the available information from the current reporting year, in conjunction with the previous years assessment. If the officer is new to H&F and an assessment cannot be based on achievements in the present review year, base salary increase should be based on level 2 and a PRP rating be discretionary.

## **Calculation of PRP Pay**

The actual amount of the PRP or bonus payment is calculated as a percentage of total base salary actually paid to the employee during the year. Hence for those who work part-time, the PRP amount is calculated against actual pay not a notional full-time salary. For those who changed grade during the year, HR will advise how the payment is made.





## Moderation of PRP Pay

For SMG grades there is a moderation process to ensure consistency and fairness in the performance scoring as this affects both base and bonus pay.

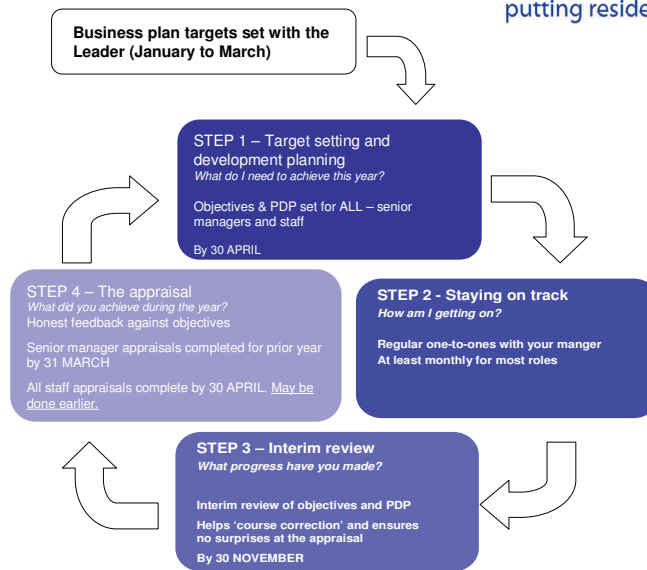
- For SMG3 this is done by Department Management Teams (DMT) and at FSB (Financial Services Board/AD Resources).
- For SMG2 it is done by the Executive Management Team (EMT).

## The H&F Individual Performance Management cycle

The Individual Performance Management cycle comprises a 4-STEP process.

 <p><b>STEP 1</b></p>	<p><b>STEP 1 – Objective setting and development planning</b></p> <p>STEP 1 helps you to consider what you need to achieve. During this step you will set <b>5</b> clear objectives to work on throughout the year. You will also create a Personal Development Plan (PDP) to ensure that you have all the knowledge, skills and support you need to succeed.</p> <p><u>From 2010, 30 April for ALL.</u></p>
 <p><b>STEP 2</b></p>	<p><b>STEP 2 – Staying on track</b></p> <p>STEP 2 is a reminder that you need to have regular 1:1s with your manager in order to consider your progress and help you stay on track. <u>These meetings should take place at least once a month for most roles.</u></p>
 <p><b>STEP 3</b></p>	<p><b>STEP 3 – Interim review</b></p> <p>The purpose of the interim review is to help you consider your overall progress in preparation for your appraisal (STEP 4) and to gain actionable feedback to help you succeed. It is also an ideal opportunity to consider how you are doing against your job competencies. <u>The interim review meeting normally takes place in November.</u></p>
 <p><b>STEP 4</b></p>	<p><b>STEP 4 – The appraisal</b></p> <p>This is an end-of-year review which helps you take stock of what you've achieved and determine how well you've done. It is an opportunity to learn from your successes as well as those things that haven't gone so well – and to incorporate that learning into your work going forward. STEPS 2 and 3 help ensure that there are no surprises at this stage.</p> <p><u>By 31 March for senior managers and by 30 April for ALL.</u></p>

# Performance Management



## H&F competency model

Our core competency model provides staff and managers with clear examples of behaviours required at different levels in the organisation. It consists of 8 core competencies which are arranged in 3 clusters: direction, performance and people.

DIRECTION	PERFORMANCE	PEOPLE
<ul style="list-style-type: none"> <li>▪ Strategic thinking &amp; managing change</li> <li>▪ Self management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer focus</li> <li>▪ Performance management</li> <li>▪ Planning &amp; use of resources</li> </ul>	<ul style="list-style-type: none"> <li>▪ Leadership</li> <li>▪ Team &amp; partnership working</li> <li>▪ Communication</li> </ul>

### Why we use it in Individual Performance Management

While your 5 job objectives form an important part of what's expected of you, they're not the only things that are important in assessing your overall performance. It is also critical to consider the behaviours that people have used in seeking to achieve their goals when making a judgement about their overall performance.

For example, if someone has achieved all their objectives, but has worked in a way which caused problems for customers or others in their team, we would not consider that person to have performed well overall.

### How we use it in Individual Performance Management

There is an opportunity to assess your performance against each competency twice during the year. This takes place at STEP 3 and STEP 4.

## Appendix 3

### SENIOR MANAGER PERFORMANCE SCHEME (SMG1 and 2)



The Senior Manager Appraisal Performance Scheme provides managers with clear objectives, regular feedback and opportunities for development and allows us to create a working environment that encourages and supports our people.

The scheme has been designed around four principles:

- Clear communication and feed back between you and your manager
- Supporting you within appropriate development opportunities
- Simplicity
- Effective Rewards.

The scheme will:

- Ensure that everyone knows what they are required to do and how this helps us to achieve the organisation's objectives and deliver the community strategy, as well as how their performance will be assessed.
- Ensure that a fair and objective assessment is made of performance, especially where it affects salary progression.
- Provide a means by which individual development of relevant competencies and the consequent training and personal development needs can be discussed, assessed and met.
- Provide a mechanism for managers to discuss job performance, providing constructive feedback from which individuals can benefit.

Performance is assessed in two ways:

- Part 1 - there is the potential to earn a non-consolidated Performance Related Pay (PRP) of up to 5% of base pay which rewards **achievement against specific objectives**, usually five main target areas. There is also the potential for a further discretionary 5% PRP subject to recommendation by your Director.
- Part 2- the **behavioural competencies** required to improve Hammersmith and Fulham, i.e. how the H & F manager performs against the Council's values as well as core leadership competencies. There is a matrix to determine the percentage increase through the salary band.

So:

Pay Based on Performance	How Pay is determined
Pay progression	Competency-based assessment; no automatic increments for time in grade
Bonus payment (non-pensionable)	1% of base pay for each target fully achieved up to five targets/5%.  chief executive has some discretion for work

	over and above targets and for mitigating factors outside individual control at recommendation of director
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Your competencies will be assessed on a four point rating scale as follows:

Competency Rating Scale	
<b>1</b>	<b>Below standard</b> demonstrates the required competency very inconsistently or not at all; significant development required
<b>2</b>	<b>Inconsistent</b> demonstrates the require competency on some occasions but there is scope for improvement. Effective in some areas but not all.
<b>3</b>	<b>Consistent and effective</b> demonstrates the required competency consistently over time in most situations; ie generally effective performance
<b>4</b>	<b>Exceptional</b> demonstrates consistently the competency over time and in a variety of situations even in the most challenging circumstances; is a role model and should be used to coach and develop others

The final score for the competency assessment will be the average of the sum of the individual scores for each element and determined as follows:

$$1 - 1.9 = 1$$

$$2 - 2.9 = 2$$

$$3 - 3.9 = 3$$

If an individual scores six '4's' plus two '3's' this will count as a 4. If they score six '4's' and any '2's', this will count as a '3'.

**If senior managers do not have completed appraisals for all staff in their organisation by the set timelines, their performance management competency scoring automatically reverts to "1." A '1' lowers their overall competency score with no possibility of achieving an overall score of 4.**

The intention of these progression matrices is as follows:

- poor performers receive no progression
- basic/inconsistent performers will receive minimum uplift
- good and excellent performers will be rewarded.

**For 2009/10 the SMG1 and 2 salary progression table**

Rating based on competency	Position in Pay Band			
	First quartile	Second quartile	Third quartile	Fourth quartile
4	5%	4%	3%	3%
3	4%	3%	2%	2%
2	1%	1%	1%	1%
1	0	0	0	0



**SMG1 and 2 scoring a 1 overall against the competencies will not receive cost of living increase or be eligible for a PRP award.**

The weighting on the scale is intended to ensure that individuals are rewarded, but we do not have significant pay drift. It will enable lower paid colleagues to progress while still rewarding those at the top of the pay range.

Once an individual is at the top of the pay range they will receive the percentage increase as above. If the increase takes them above the pay range (bearing in mind that the pay range itself is up-rated annually) then the payment above will be paid as a cash sum (i.e. bonus will not be consolidated into base pay).

## **Eligibility**

### **Managers appointed during the reporting year**

New appointments will normally be at the first quartile of the pay band. Permanent staff become eligible for the appraisal scheme immediately they commence employment in a senior management post. An appraisal meeting should normally take place within four weeks of commencement of employment to align with the first probationary meeting. The key objectives and competency development set should be set as normal however the assessment and eligibility to receive base salary increase and PRP payment will not take place until the full appraisal period has taken place. (i.e. if an individual starts in October 2010, they would not receive any pay progression until April 2012 (18 month period). There is however, an opportunity to receive up to 10% PRP of salary earned in the period (non-consolidated cash bonus) in exceptional circumstances subject to performance in the initial stage.

Individuals must be in post at the end of review year and when pay is awarded in order to be eligible to receive an overall salary progression and PRP.

### **Managers who leave H&F**

Managers who leave before the end of a review period will not receive any PRP payment.

### **Managers who are unwell during the reporting period**

An assessment of overall contribution and performance against annual targets will be conducted as normal. However, awards will be based on actual pay received during the assessment period. Therefore, if an officers pay has reduced in line with H&F sick pay scheme any awards will be proportionate.

### **Managers who are absent on maternity leave during the reporting year.**

When it is known that a manager will be absent on maternity leave, their overall contribution and performance targets should be reviewed and amended. Assessments for base pay increases and PRP payments should be based on the available information from the current reporting year, in conjunction with the previous years assessment. If the officer is new to H&F and an assessment cannot be based on achievements in the present review year, base salary increase should be based on level 2 and a PRP rating be discretionary.

## Calculation of PRP Pay

The actual amount of the PRP or bonus payment is calculated as a percentage of salary actually paid to the employee during the year. Hence for those who work part-time, the PRP amount is calculated against actual pay not a notional full-time salary. For those who changed grade during the year, HR will advise how the payment is made.





## Moderation of PRP Pay

For SMG grades there is a moderation process to ensure consistency and fairness in the performance scoring as this affects both base and bonus pay.

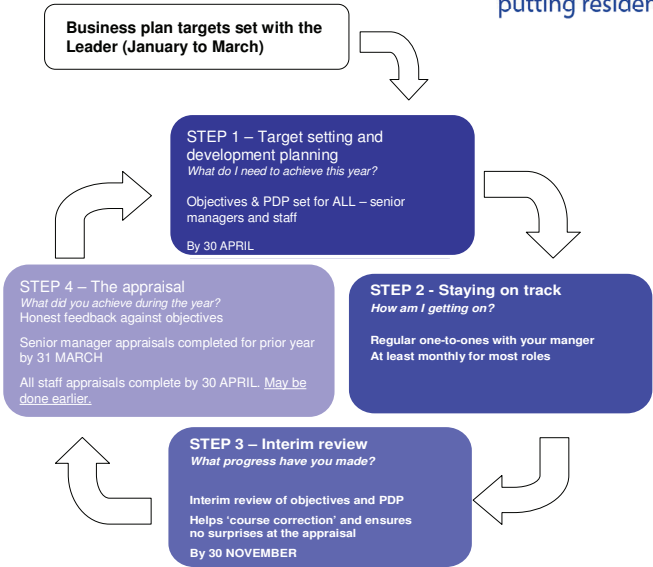
- For SMG3 this is done by Department Management Teams (DMT) and at FSB (Financial Services Board/AD Resources).
- For SMG2 it is done by the Executive Management Team (EMT).

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## **POLICY STATEMENT**

Effective April 2008

This policy gives reference to the new Local Government Pension Scheme regulations coming into force on the 1<sup>st</sup> April 2008

### **Local Government Pension Scheme and Discretionary Payments**

**Notification to all employees and councillors who are, or could be, contributing members of the Local Government Pension Scheme (LGPS) administered by the London Borough of Hammersmith and Fulham Council.**

The Local Government Pension Scheme Regulations require each local authority to publish and keep under review a written policy statement on how it will apply its discretionary powers in relation to certain provisions of the LGPS.

The Council also wishes to publish its policy in respect of various other discretionary powers concerning early termination of employment.

Discretionary powers in relation to members of the Teachers Pension Scheme where appropriate will be consistently operated by the council in its Local Education Authority employer role.

The Council's adjudicating panel is responsible for the exercise of discretionary powers in relation to the early payment of benefits. All other discretionary powers will be operated in accordance with the Council's scheme of delegation.

Nothing in this Policy Statement shall fetter the Council's discretion to exercise the powers conferred on it by statute.

Any queries regarding this notice should, in the first instance, be directed to the Pensions Section, Finance & Corporate Services Department, London Borough of Hammersmith and Fulham, Room 317 Hammersmith Town Hall, King Street, London, W6 9JU. Telephone 020 8753 1878

## Voluntary Early Retirement from Age 55

### Applicable Legislation

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 30

The Scheme Regulations allow scheme members over the age of 55 who voluntarily leave pensionable service to receive premature payment of their benefits, **subject to their employer's / council consent**. The benefits received may be subject to an actuarial reduction to allow for the early payment of benefits.

### Policy Decision

Applications for early payment of benefits will be considered on an individual basis in view of all relevant considerations, including the likely costs and benefits and taking into account any protection rights that may be held by individuals. Percentage reductions if applicable, will be made in line with the tables supplied by the Government Actuary. The Council may exercise its discretion not to apply reductions in exceptional circumstances.

## Flexible Retirement from age 55

### Applicable Legislation

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 18

The Scheme Regulations allow scheme members over the age of 55 **subject to their employer's/ council consent** to be paid retirement benefits before they have retired in relation to a reduction in the hours, or the grade in which they are employed. The benefits received may be subject to an actuarial reduction in the case of early payment.

### Policy Decision

Applications for flexible retirement will be considered on an individual basis in view of all relevant considerations including the likely costs and benefits. Percentage reductions if applicable will be made in line with the tables supplied by the Government Actuary. The Council may exercise its discretion not to apply reductions in exceptional circumstances.

## **Early Payment of Deferred Benefits**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 30

### **Discretion**

Former members of the LGPS have the right to elect to receive payment of their deferred benefits between ages 55 to 59, **but only with the consent of their former employer**. The benefits received will be subject to an actuarial reduction to allow for the early payment of benefits.

### **Policy decision**

Applications for early payment of deferred benefits will be considered on an individual basis in view of all relevant considerations, including the likely costs and benefits and taking into account any protection rights that may be held by individuals. Early payment will be considered but is unlikely to be operated because of the cost implications and the fact that there is unlikely to be any benefit to the Council in these cases. The Council, should it decide to grant early payment, may exercise its discretion not to apply reductions in very exceptional circumstances.

## **Increase of Service for Active Members**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 12

### **Discretion**

Employers may resolve to increase the total service of a Scheme member by up to 10 years

### **Policy decision**

The Council will consider any requests to exercise its discretion under this regulation in the light of all relevant considerations, including the likely costs and benefits. However an increase to total service to a Scheme member who voluntarily leaves employment will only be made in very exceptional circumstances.

## **Award of Additional Pension**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 13

Employers may resolve to award to a Scheme member, an additional pension of up to £5000 per year payable from the same date as other pension payments fall due. The additional pension may be paid in addition to an increase of total membership as detailed above

### **Policy decision**

The Council will consider any requests to exercise its discretion under this regulation in the light of all relevant considerations, including the likely costs and benefits. However an award of an additional pension to a Scheme member who voluntarily leaves employment will only be made in very exceptional circumstances.

## **Shared Cost Additional Voluntary Contributions (SCAVCs)**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 13

### **Discretion**

The Scheme makes a provision that enables employers, at their discretion, to establish and maintain a shared cost additional voluntary contribution (SCAVC) arrangement, whereby both the Scheme member and the employer contribute to increase the member's eventual pension entitlement.

### **Policy decision**

The Council will consider any request to exercise its discretion in the light of all relevant circumstances. However a SCAVC arrangement will not generally be operated because of the cost implications.

## **Re-employed Pensioners**

### **Applicable Legislation**

The LGPS Regulations (Administration) Regulations 2008  
Regulation 70

### **Discretion**

The Scheme requires the administering authority to formulate a policy on the extent to which a pension should be abated.



The policy applies to all pensioners who commence re-employment.

### **Policy decision**

The Council will abate pensions where a pensioner is re-employed by an employer who contributes to the LGPS, whether or not the pensioner chooses to recommence contributions to the LGPS.

## **Termination of employment on redundancy grounds or on efficiency of the service grounds.**

### **Applicable Legislation**

The Local Government (Discretionary Payments) Regulations

### **Discretion**

The Local Government (Discretionary Payments) Regulations allow the Council to provide payments in excess of the statutory minimum.

### **Policy decision**

Redundancy payments will not be calculated on the statutory minimum basis. The Council will utilise the greater of 1½ times the minimum earnings guarantee rate (pro rata for part time employees) or the actual weekly pay rate.

## **Buy back of lost membership benefits arising from periods where no pay is received (e.g. unpaid maternity leave, unpaid leave of absence and industrial disputes)**

### **Applicable Legislation**

The LGPS Regulations (Administration) Regulations 2008  
Regulation 70

### **Discretion**

An election to pay back contributions must be made within 30 days or such longer period as the employer may allow.

### **Policy decision**

Time limits for elections to pay back contributions will be set in relation to each individual case and as and when each situation arises.

Policy revised October 2008