

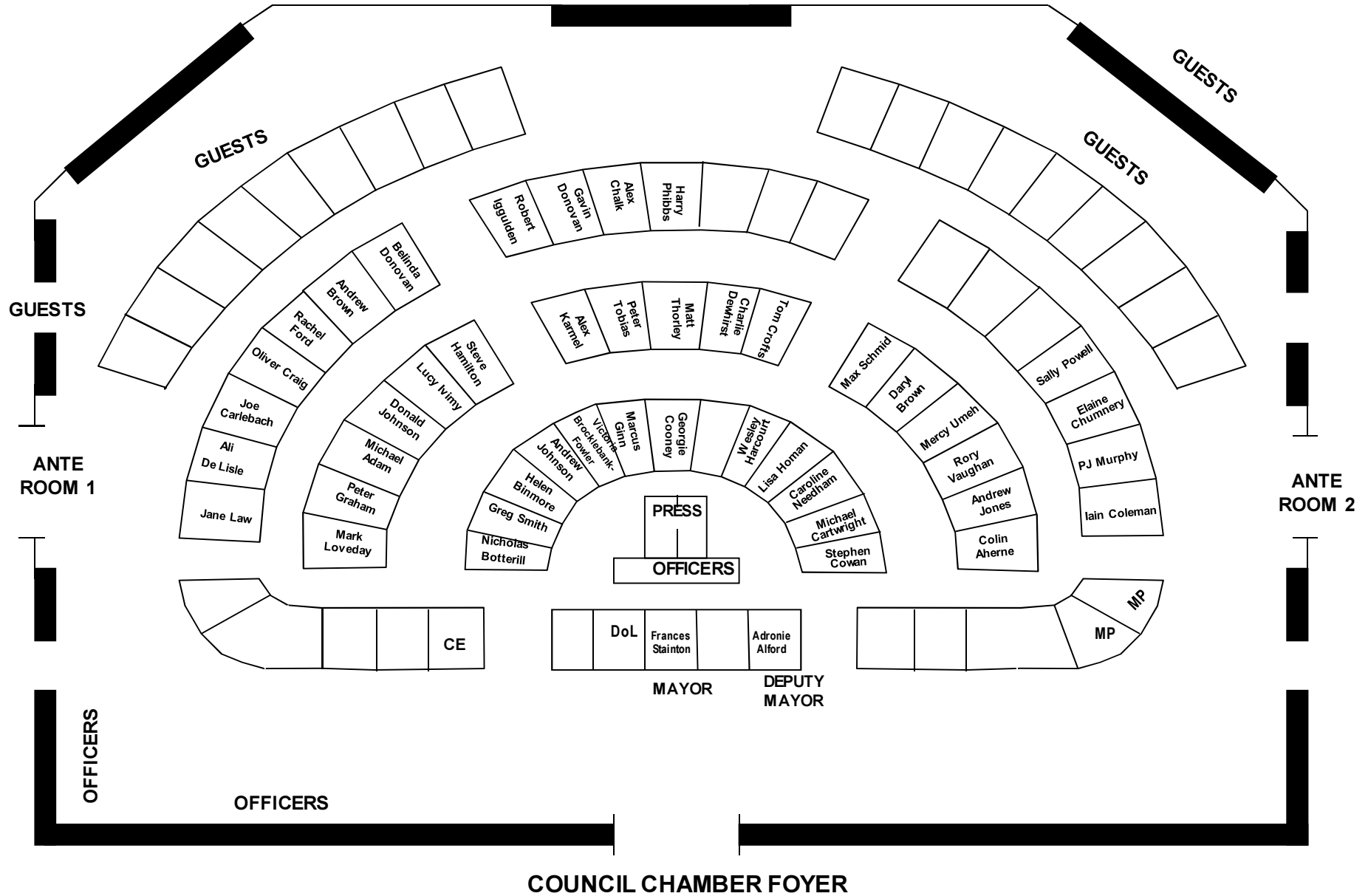
# COUNCIL AGENDA

(Budget Council Meeting)

Wednesday 26 February 2014



# COUNCIL CHAMBER SEATING 2013/14





The Mayor (Councillor Frances Stainton)  
Deputy Mayor (Councillor Adronie Alford)

ADDISON

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

HAMMERSMITH  
BROADWAY

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

RAVENSCOURT PARK

Charlie Dewhurst (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 Chumnery (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 26 February 2014  
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

17 February 2014  
Town Hall  
Hammersmith W6

Nicholas Holgate  
Chief Executive

# Full Council Agenda

26 February 2014

<u>Item</u>		<u>Pages</u>
<b>1.</b>	<b>MINUTES</b>	549 - 587
	To approve and sign as an accurate record the Minutes of the Council Meeting held on 29 January 2014.	
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>3.</b>	<b>MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)</b>	
<b>4.</b>	<b>DECLARATIONS OF INTERESTS</b>	
	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.	
<b>5.</b>	<b>PUBLIC QUESTIONS (20 MINUTES)</b>	
	There are no public questions.	
<b>6.</b>	<b>ITEMS FOR DISCUSSION/COMMITTEE REPORTS</b>	
<b>6.1</b>	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2014/15</b>	588 - 687
	The report sets out the Council's 2014/15 revenue budget proposals which includes Council Tax levels, savings and growth proposals,	

changes to fees and charges, an update on budget risks, Equalities Impact Assessments and implementing the retail business rates relief scheme as proposed by the Government.

- |            |  |           |
|------------|--|-----------|
| <b>6.2</b> | <b>FOUR YEAR CAPITAL PROGRAMME 2014/15 TO 2017/18</b><br>The report outlines the latest 4 year Capital Programme and estimates for the Council's debt reduction programme as measured by the Capital Financing Requirement. The report also sets out the Council's Minimum Revenue Provision policy and the Prudential Indicators. | 688 - 710 |
| <b>6.3</b> | <b>TREASURY MANAGEMENT STRATEGY REPORT 2014/15</b><br>The report sets out the Council's Treasury Management Strategy for 2014/15. It seeks approval for the Executive Director of Finance and Corporate Governance to arrange the Treasury Management Strategy in 2014/15 as set out in the report.                                | 711 - 730 |
| <b>6.4</b> | <b>MEMBERS' ALLOWANCES SCHEME: ANNUAL REVIEW</b><br>This report performs the statutory annual review of Members' allowances for the 2014/15 financial year. The annual review takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).                                   | 731 - 740 |
| <b>6.5</b> | <b>PAY POLICY OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM 2014/15</b><br>The report sets out the pay policy for 2014/15 and the pay schemes attached as Appendices 1, 2 and 3 of the pay policy.   | 741 - 760 |
| <b>7.</b>  | <b>INFORMATION REPORTS - TO NOTE (IF ANY)</b>  |           |

# **COUNCIL MINUTES**

(ORDINARY COUNCIL MEETING)

WEDNESDAY 29 JANUARY 2014



PRESENT

The Mayor Councillor Frances Stainton  
Deputy Mayor Councillor Adronie Alford

Councillors:

Michael Adam	Tom Crofts	Andrew Johnson
Colin Aherne	Charlie Dewhirst	Donald Johnson
Nicholas Botterill	Belinda Donovan	Andrew Jones
Victoria Brocklebank-Fowler	Gavin Donovan	Alex Karmel
Andrew Brown	Rachel Ford	Mark Loveday
Joe Carlebach	Marcus Ginn	PJ Murphy
Michael Cartwright	Peter Graham	Caroline Needham
Elaine Chumnerly	Steve Hamilton	Harry Phibbs
Iain Coleman	Wesley Harcourt	Max Schmid
Georgie Cooney	Lisa Homan	Greg Smith
Stephen Cowan	Robert Iggulden	Mercy Umeh
Oliver Craig	Lucy Ivimy	Rory Vaughan

**26. MINUTES**

7pm – **RESOLVED:**

The minutes of the Ordinary Council Meeting held on 23 October 2013 were confirmed and signed as an accurate record.

**27. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Helen Binmore, Daryl Brown, Alex Chalk, Ali De Lisle, Jane Law, Sally Powell, Matt Thorley and Peter Tobias.

Apologies for lateness were received from Councillors Joe Carlebach and Oliver Craig.

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

The Mayor congratulated Councillor Alex Karmel and Councillor Jane Law on the birth of their daughter Charlotte.

The Mayor announced the sad news that Keith Simpson's (Assistant Mayoral Officer) Mother had passed away and noted any messages of condolences could be sent to the Mayor's Office.

The Mayor asked that a minute silence be held in respect of the death of Nelson Mandela, one of the greatest people of our time.

## **29. DECLARATIONS OF INTERESTS**

Councillor Mark Loveday declared an other significant interest in respect of agenda item 6.4 Petitioning High Speed 2 (HS2) Hybrid Bill, as he was Chair of the Consultative Committee for HS2 for the section between Kilburn and Ealing. He also declared an other significant interest in respect of Special Motion 7 Cutting Crime in Ravenscourt Road, as he was a resident and owner of a property in the ward, which was the subject of the motion. He considered that they did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussions and vote thereon.

Councillor Steve Hamilton declared an other significant interest in respect of Special Motion 1 Sullivan Primary School, as he was an LEA appointed Governor at Sullivan Primary School. 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.

Councillor Cooney stated that the legal advice she had been given was that she does not have any interest to declare but in the interest of transparency she would like to mention that she knows a lot of people who were involved with schools, some of whom were friends. For example, she knew Councillor Steve Hamilton, who was a Governor at Sullivan School, whom she had worked with for four years. She had known Arabella Northey, who was a founding member of Fulham Boys School, for many years. The position of Fulham Boys School was not a material consideration for this decision. There was a long list of members of Governing bodies plus teachers whom she had trained whilst she had lectured on the OCR Level 5 – Teaching Understanding Learners with specific learning difficulties who she may still see occasionally. She did not consider that she had any interests to declare under the Code of Conduct relating to Special Motion 1 Sullivan Primary School.

## **30. PUBLIC QUESTIONS**

Under Standing Order 15(e)(xii), Councillor Loveday moved to suspend Standing Order 12(a) so that at least one question from each of the topics submitted would be asked. This would include up to the completion of Public Question No. 6, in the event that if it had not already been answered.

The motion was put to the vote:

FOR	22
AGAINST	12
NOT VOTING	0

The motion was declared **CARRIED**.

30.1 Question 1 - Mr Adam Connell

7.12pm - The Mayor called on Mr Adam Connell who had submitted a question to the Leader of the Council (Councillor Nicholas Botterill) to ask his question. The Leader responded. Mr Connell asked a supplementary question which was also answered.

30.2 Question 2 - Mr Robert Largan

7.16pm - The Mayor called on Mr Robert Largan who had submitted a question to the Leader of the Council (Councillor Nicholas Botterill) to ask his question. The Leader responded.

30.3 Question 3 - Mr Rowan Ree

7.22pm - The Mayor called on Mr Rowan Ree who had submitted a question to the Deputy Leader and Cabinet Member for Residents Services (Councillor Greg Smith) to ask his question. The Deputy Leader responded. Mr Ree asked a supplementary question which was also answered.

30.4 Question 4 - Mr Larry Culhane

7.26pm - The Mayor called on Mr Larry Culhane who had submitted a question to the Leader of the Council (Councillor Nicholas Botterill) to ask his question. The Leader responded. Mr Culhane asked a supplementary question which was also answered.

30.5 Question 5 - Ms Emily Genochio

7.33pm - The Mayor called on Ms Emily Genochio who had submitted a question to the Cabinet Member for Education (Councillor Georgie Cooney) to ask her question. The Cabinet Member for Education responded. Ms Genochio asked a supplementary question which was also answered.

30.6 Question 6 - Ms Wendy Aldridge

Ms Wendy Aldridge was unable to attend the meeting. A written response would be sent to Ms Aldridge following the meeting.

30.7 Question 7 - Ms Rosie Wait

7.35pm - The Mayor called on Ms Rosie Wait who had submitted a question to the Cabinet Member for Education (Councillor Georgie Cooney) to ask her question. The Cabinet Member for Education responded. Ms Wait asked a supplementary question which was also answered.

30.8 Question 8 - Ms Josephine Miller

7.31pm – The Mayor called on Ms Josephine Miller who had submitted a question to the Leader of the Council (Councillor Nicholas Botterill) to ask her question. The Leader responded.

(A copy of all the public questions submitted and the replies given are attached at **Appendices 1 - 8** to these minutes).

**31. ITEMS FOR DISCUSSION/COMMITTEE REPORTS**

31.1 Council Tax Support 2014/15

7.38pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

Speeches on the report were made by Councillors Nicholas Botterill and Peter Graham (for the Administration) and Councillors Stephen Cowan, Andrew Jones and PJ Murphy (for the Opposition).

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.55pm **RESOLVED:**

- (1) That the Council continues to award a council tax discount as though the Council Tax Benefit regulations were still in place, meaning that no one currently in receipt of council tax support will be worse off; and
- (2) That the Council adopts what has been known as the government's "default scheme" for its working age claimants that runs as though the regulations for council tax benefit were still in place.

The applicable amounts will be uprated in line with the prescribed scheme, or if not relevant to the prescribed scheme, in line with housing benefit regulations. The same will apply for non-dependant deductions and second adult rebate. The overall intention is to continue awarding the support as though the council tax benefit regulations were still in place.

31.2 Council Tax Base and Collection Rate 2014/2015 and Delegation of the Business Rates Estimate

7.56pm - 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**.

7.56pm **RESOLVED:**

That Council approve the following recommendations for the financial year 2014/15:

- (1) That the estimated numbers of properties for each Valuation Band as set out in the report be approved.
- (2) That an estimated Collection rate of 97.5% be approved.
- (3) That the Council Tax Base of 69,875 Band "D" equivalent properties be approved.
- (4) That the Executive Director of Finance and Corporate Governance, in consultation with the Leader of the Council, be delegated authority to determine the business rates tax base for 2014/15 as set out in section 10 of the report.

31.3 Treasury Mid-Year Review 2013-14

7.57pm - 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 Nicholas Botterill (for the Administration) and Councillor Stephen Cowan (for the Opposition).

The report and recommendation were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.58pm **RESOLVED:**

That the Council's debt, borrowing and investment activity up to the 30 September 2013 be noted.

31.4 Petitioning High Speed 2 (HS2) Hybrid Bill

7.59pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Nicholas Botterill.

Speeches on the report were made by Councillors Nicholas Botterill, Andrew Brown, Victoria Brocklebank-Fowler and Mark Loveday (for the Administration) and Councillor Wesley Harcourt (for the Opposition). It was agreed that the report would include reference to protecting Wormwood Scrubs.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

8.19pm **RESOLVED:**

- (1) That the Council welcomes and supports the decision to locate the HS2 station in the Old Oak Opportunity Area. The resulting potential for regeneration and growth is huge with substantial benefits not only for local people but London in general;
- (2) Despite resolution 1 above that in the judgement of the Council it is expedient for the Council to oppose the High Speed Rail (London - West Midlands) Bill introduced in the Session of Parliament 2013-14; and
- (3) That the Executive Director Transport and Technical services take all necessary steps to carry the foregoing Resolution into effect, that the Common Seal be affixed to any necessary documents and that confirmation be given that Sharpe Pritchard (Parliamentary Agents) be authorised to sign the Petition of the Council against the Bill.

31.5 Review of the Council's Constitution and Changes to Annual Council Date

8.20pm - 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.**

8.20pm **RESOLVED:**

- (1) That the changes to the Wormwood Scrubs Charitable Trust Committee terms of reference, as summarised in section 5.3 of the report and attached as Appendix 1, be approved;
- (2) The amendment to the Bi – Borough Director of Transportation and Technical services scheme of delegation as authorised by the Monitoring Officer, be noted; and
- (3) That the change of date for the next Annual Council meeting from Wednesday 28 May 2014 to Monday 16 June 2014, be approved.

31.6 Health and Wellbeing Board: Governance Arrangements

8.21pm - The report and recommendation were formally moved for adoption by the Cabinet Member for Community Care, Councillor Marcus Ginn.

Speeches on the report were made by Councillors Rory Vaughan and Stephen Cowan (for the Opposition) and Councillor Marcus Ginn (for the Administration).

The report and recommendation were put to the vote:

FOR	24
AGAINST	12
NOT VOTING	0

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

8.30pm **RESOLVED:**

That two additional representatives of the Clinical Commissioning Group be appointed to the Health and Wellbeing Board and that all members of the Health and Wellbeing Board, including Council officers are entitled to vote.

31.7 Review of Polling Stations and Polling Districts

8.31pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Communications and Chief Whip, Councillor Mark Loveday.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

8.31pm **RESOLVED:**

- (1) That the polling place for CPD polling district be Brickfields Hall, Shinfield Street, W12;
- (2) That the polling place for HBC polling place be the Macbeth Centre, Macbeth Street, W6;
- (3) That the polling place for PGB polling district be Holy Cross School, Basuto Road, SW6;
- (4) That the polling place for WWB polling district be the White City Community Centre, India Way, W12;
- (5) That polling arrangements for other polling districts remain unchanged; and
- (6) That the boundaries of all polling districts remain unchanged.

## **32. SPECIAL MOTIONS**

8.32pm - Under Standing Order 15(e) (iii), Councillor Mark Loveday moved that Special Motions 8 and 11 take precedence on the agenda over all Special Motions other than Special Motion 1.

The motion was put to the vote:

FOR	24
AGAINST	12
NOT VOTING	0

The motion was declared **CARRIED.**

### **32.1 Special Motion 1 - Sullivan Primary School**

8.34pm – Councillor Caroline Needham moved, seconded by Councillor Stephen Cowan, the special motion standing in their names:

“This Council congratulates Sullivan Primary School on the recognition received from both Boris Johnson, the London Mayor and David Laws MP, the Minister of State for Schools, in respect of the school’s excellent academic results.

The Council supports the addition of a high quality secondary school in the south of the Borough but agrees that the excellent Sullivan Primary School should remain open and a new site found for the free school that does not involve cannibalising Sullivan Primary School”.

Speeches on the special motion were made by Councillors Caroline Needham, Stephen Cowan and Lisa Homan (for the Opposition) and Councillor Steve Hamilton (for the Administration).



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

“Delete Name of Motion and insert "Fulham Schools"

Delete all after "congratulates" and insert:

"... all the borough's primary schools and pupils on their recent academic achievements, including Sullivan and New King's Primary Schools.

The Council supports the addition of a high quality secondary school to improve further the opportunities for our children in the south of the borough and believes that all practicable sites should be considered as a permanent location for it."

Speeches on the amendment to the special motion were made by Councillors Georgie Cooney, Marcus Ginn, Donald Johnson, Mark Loveday and Andrew Brown (for the Administration) and by Councillors Stephen Cowan, Elaine Chumnerly, Andrew Jones, Max Schmid and Caroline Needham (for the Opposition).

The amendment was put to the vote:

FOR	24
AGAINST	13
NOT VOTING	0

The amendment was declared **CARRIED.**

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

“Delete all in the amended motion and replace with:

The Council notes with concern the email sent at 1.38pm today by the Chair of Governors, Sullivan Primary School to the Administration, which reads.

*“I would like to formally register my complaint to the Council for the timing of the meeting. I have looked back over Council meetings and I have struggled to find any examples of Council meetings scheduled for the morning.*

*I put it to you that this time has been selected specifically to make it difficult for both members of the Committee and the public to attend the meeting. I would ask you to consider postponing the date and time, selecting a new date in the evening, as has always been the practice by the Council, when its officers, councillors and the public, have more opportunity of attending. Do you think this would be a more democratic approach?*

*I also would have appreciated the courtesy of an email to the Governing Body and the Head Teacher at Sullivan, informing us of the meeting, given the meeting has been called to discuss Sullivan Primary. Another example of an unjust and at worst, flawed consultation process and administration by the Council.*

*I hope you will consider my request and advise me of the date when the meeting will be rescheduled.”*

The Council urges Cllr. Donald Johnson, the select committee chair, (Con), Cllr Tom Crofts (Con) , Cllr Charlie Dewhurst (Con), Cllr Belinda Donovan (Con), Cllr Harry Phibbs (Con) and Cllr. Matt Thorley (Con) to work with opposition and co-opted members of the Education and Children’s Services Select Committee in recognising the reasonable nature of this request, to consult with governors of Sullivan Primary School and other stakeholders to agree a more suitable time and date for the issues raised in the call-in to be properly considered.”

Speeches on the amendment were made by Councillors Stephen Cowan, Mercy Umeh, PJ Murphy and Lisa Homan (for the Opposition) and Councillors Nicholas Botterill and Donald Johnson (for the Administration).

The amendment was put to the vote and a roll-call was requested:

FOR

AHERNE  
CARTWRIGHT  
CHUMNERY  
COWAN  
HARCOURT  
HOMAN  
JONES  
MURPHY  
NEEDHAM  
SCHMID  
UMEH  
VAUGHAN

AGAINST

ADAM  
ALFORD  
BOTTERILL  
BROCKLEBANK-FOWLER  
BROWN (A)  
CARLEBACH  
COONEY  
CRAIG  
CROFTS  
DEWHIRST  
DONOVAN (B)  
DONOVAN (G)  
FORD  
GINN  
GRAHAM  
IGGULDEN  
IVIMY

JOHNSON (A)  
JOHNSON (D)  
KARMEL  
LOVEDAY  
PHIBBS  
SMITH  
STAINTON

FOR	12
AGAINST	24
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion as amended was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

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

10.06pm – **RESOLVED:**

Fulham Schools

This Council congratulates all the borough's primary schools and pupils on their recent academic achievements, including Sullivan and New King's Primary Schools.

The Council supports the addition of a high quality secondary school to improve further the opportunities for our children in the south of the borough and believes that all practicable sites should be considered as a permanent location for it.

### 32.2 Special Motion 8 - A Safer Hammersmith & Fulham

10.07pm – Councillor Greg Smith moved, seconded by Councillor Steve Hamilton, the special motion standing in their names:

“This Council:

1. Welcomes the significant fall in crime in Hammersmith & Fulham since 2006, equating to 8,000 fewer crimes a year.
2. Congratulates the hard work of the Borough's police officers.
3. Notes the significant role H&F Council has played in this success, through providing 44 extra warranted police officers, expanding the borough's CCTV network to over 800 cameras with a 24/7 control room, funding car, bicycle and house sting operations, cracking down on problem licensed premises,

introducing a borough wide controlled drinking zone and pioneering integrated offender management.

4. Resolves to continue putting the fight against crime and anti-social behaviour at the top of its agenda.”

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

“Remove all after This Council and replace with:

- 1) Welcomes the reduction of crime nationally and in Hammersmith & Fulham since 1996.
- 2) Congratulates the hard work of the Boroughs police officers, council staff and local residents who have contributed to community safety in Hammersmith & Fulham.
- 3) Express’s deep concern that the UK Statistics Authority has withdrawn official status from recorded crime figures until Her Majesty’s Chief Inspector of Constabulary is able to clear up the “*degree of fiddling*” that has taken place, and the impact this has on reliability of crime statistics in Hammersmith & Fulham.
- 4) Notes considerable concern amongst local residents that since the boroughs Safer Neighbourhood Teams have been dismantled, police visibility has dramatically decreased, and inclusive, wide reaching participation by the community in local policing matters has disappeared.
- 5) Notes that Hammersmith and Fulham’s police numbers have fallen by 32 since the last local elections in 2010.
- 6) Notes that in 2006, the cabinet member for residents services claimed he would deliver a 60% to 80% fall in crime and provide every ward with 24/7 neighbourhood policing. But failed to achieve even the 10% fall in crime that occurred under that last Labour Administration and is now an apologist for the cuts in ward sergeants, cuts in police numbers and the ending of the neighbourhood police teams.
- 7) Resolves to take actions to help restore falling police morale, restore neighbourhood policing and support local police so they more effectively work with residents in the continued fight against crime and anti-social behaviour in Hammersmith & Fulham.”

The amendment was put to the vote:

FOR	12
AGAINST	24
NOT VOTING	0

The amendment was declared **LOST.**

The substantive motion was put to the vote:

FOR	25
AGAINST	0
NOT VOTING	12

The motion was declared **CARRIED**.

10.07pm – **RESOLVED**:

This Council:

1. Welcomes the significant fall in crime in Hammersmith & Fulham since 2006, equating to 8,000 fewer crimes a year.
2. Congratulates the hard work of the Borough's police officers.
3. Notes the significant role H&F Council has played in this success, through providing 44 extra warranted police officers, expanding the borough's CCTV network to over 800 cameras with a 24/7 control room, funding car, bicycle and house sting operations, cracking down on problem licensed premises, introducing a borough wide controlled drinking zone and pioneering integrated offender management.
4. Resolves to continue putting the fight against crime and anti-social behaviour at the top of its agenda.

### 32.3 Special Motion 11 - Housing

10.08pm – Councillor Andrew Johnson moved, seconded by Councillor Harry Phibbs, the special motion standing in their names:

“That this Council notes the successful record of the Conservative administration in seeking to ‘Build a Borough of Housing Opportunity’ through:

- The introduction of a new, fairer, and more transparent, allocations policy which gives greater priority to those eligible people who work or make a community contribution, which prevents those would-be applicants earning over £40,200 from joining the register, which introduces a minimum five year local connection criteria and which prevents those people not eligible for social housing from joining the register at all;
- Fixed-term tenancies within the Borough, allowing the Council as a landlord to make better use of its housing stock and provide a flexible approach to delivering a housing options service;
- A revised HomeBuy register of nearly 6000 for those who live or work in the borough who have a household income of up to £66,000pa, where top priority is given to existing council and housing association tenants, members of the armed forces and police officers, and
- The successful lobbying of Government to increase the maximum Right to Buy discount to £100,000 and the proposals to introduce the Right to Buy Part

which is supported by the Mayor of London in the draft London Housing Strategy 2013.

That this Council resolves to expand homeownership opportunities for local residents by:

- Continuing to work with public and private bodies to deliver thousands of new homes in the Old Oak Common, White City and Earl's Court Opportunity Areas;
- Increasing the supply of new housing for low cost homeownership using council land and assets;
- Allowing higher earning tenants to be able to convert to a form of low cost homeownership at the end of their fixed-term tenancy;
- Enabling a greater proportion of council tenants to own part of their own home through shared ownership including Right to Part Buy, a deposit fund or disposal under a Discount Market Sale (DMS) model, and
- Creating tenure forms such as Discount Market Rent to enable would be homeowners to save for a deposit to purchase a DMS unit, thereby creating a cycle of housing opportunity."

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

"Deletes all after the word "administration" in the first sentence and adds:

"... in delivering it's distorted priority of agreeing more new homes for overseas investors than it has for local residents. The Council recognises that this has been detrimental and added to the current housing crisis. It notes that Conservative councillors have repeatedly voted against building affordable homes to buy and rent that *"Londoners can afford"* as they are required to do by the GLA.

The Council regrets the Administration:

- Using mechanisms to allow property developers to duck out of their responsibilities to build affordable housing to buy or rent
- Consistently arguing at Planning Applications Committee meetings that it needs to put property developers' profits over the concerns residents have over developments that share a lack of affordable housing, being too dense, too tall, too much massing, and out of character with or detrimental to many Borough neighbourhoods
- Offering a third of all the Borough's council estates for demolition to property developers here in the UK and at conferences in Cannes on the French Riviera
- The cabinet member for housing telling a housing magazine in 2006 that the Conservative Administration regretted the Decent Homes programme and had been *"Saddled"* with it.
- Record increases in council rents and service charges
- Their simple caricaturing of all residents of social housing as *"locked in a dependency and expectancy culture"*
- Lobby for the ending of genuinely affordable rents and the introduction of near market rents at 80% of market value

- Its failure to take imaginative policies to increase home ownership, tackle overcrowding, prevent homelessness and make a positive impact on London's housing crisis.

The Council notes the Shelter report that states how the average twenty something now has a less than 15% chance of getting onto the property ladder, and resolves to:

- lobby Government to increase opportunities for home ownership
- Adhere to planning guidelines that make more homes available for residents to buy
- Genuinely expand homeownership opportunities for local residents
- Lobby for new forms of home ownership that offer all tenants the opportunity to attain an ever increasing share of their property
- Prioritise building homes "*Londoners can afford*."

The amendment was put to the vote:

FOR	12
AGAINST	25
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

The motion was declared **CARRIED**.

10.09pm – **RESOLVED**:

That this Council notes the successful record of the Conservative administration in seeking to 'Build a Borough of Housing Opportunity' through:

- The introduction of a new, fairer, and more transparent, allocations policy which gives greater priority to those eligible people who work or make a community contribution, which prevents those would-be applicants earning over £40,200 from joining the register, which introduces a minimum five year local connection criteria and which prevents those people not eligible for social housing from joining the register at all;
- Fixed-term tenancies within the Borough, allowing the Council as a landlord to make better use of its housing stock and provide a flexible approach to delivering a housing options service;
- A revised HomeBuy register of nearly 6000 for those who live or work in the borough who have a household income of up to £66,000pa, where top priority is given to existing council and housing association tenants, members of the armed forces and police officers, and

- The successful lobbying of Government to increase the maximum Right to Buy discount to £100,000 and the proposals to introduce the Right to Buy Part which is supported by the Mayor of London in the draft London Housing Strategy 2013.

That this Council resolves to expand homeownership opportunities for local residents by:

- Continuing to work with public and private bodies to deliver thousands of new homes in the Old Oak Common, White City and Earl's Court Opportunity Areas;
- Increasing the supply of new housing for low cost homeownership using council land and assets;
- Allowing higher earning tenants to be able to convert to a form of low cost homeownership at the end of their fixed-term tenancy;
- Enabling a greater proportion of council tenants to own part of their own home through shared ownership including Right to Part Buy, a deposit fund or disposal under a Discount Market Sale (DMS) model, and
- Creating tenure forms such as Discount Market Rent to enable would be homeowners to save for a deposit to purchase a DMS unit, thereby creating a cycle of housing opportunity.

#### 32.4 Special Motion 2 - Halt Council Plans for Beaumont Avenue and Aisgill Avenue to become an Articulated Lorry Thoroughfare

10.10pm – Councillor Wesley Harcourt moved, seconded by Councillor Max Schmid, the special motion standing in their names:

“The Council notes that it currently plans the following detrimental measures for Beaumont Avenue and Aisgill Avenue:

- “Heavy vehicle access to the depot during the Earls Court development will be from Beaumont Avenue and emergency access will be from Aisgill Avenue.”
- “Large 77ft long articulated lorries will access/egress the LUL depot site approximately 6-9 times a day from Beaumont Avenue.”
- “Very long 99ft lorries will need to access the site approximately 4 times a year.”
- “There are also 60 parking spaces on the LUL depot site for transit vans that will need to access/egress the site throughout the day.”

It also notes that Conservative councillors chose not to consult any residents. Instead CapCo, the developer, was consulted extensively.

The Council recognises that this plan has been badly thought through, that it will increase the danger of road accidents, it will cause unacceptable levels of extra traffic, extra noise and extra dust and it will detrimentally affect property prices.

The Council therefore resolves to halt current plans to use Beaumont Avenue and Aisgill Avenue for these purposes and instead find other routes acceptable to and in consultation with residents.”



Under Standing Order 15(e) (vi), Councillor Tom Crofts moved, seconded by Councillor Victoria Brocklebank-Fowler an amendment to the motion as follows:

“Replace title of Motion and insert “Beaumont Avenue and Aisgill Avenue traffic”

Delete all after “this Council” and insert:

“Notes that:

1. The Earl’s Court development will bring huge benefits to local people, not least to the residents of Beaumont Avenue and West Kensington.
2. The TfL depot at Earls Court currently has two main access gates at Lillie Road and Beaumont Avenue, but that the Lillie Road entrance will not be available for TfL in the initial phases of the Earls Court development.
3. During this time, there will be (i) a regrettable increase in TfL traffic accessing the depot and Ashfield House (including HGV vehicles) through the existing gate at Beaumont Avenue and (ii) the need for an emergency access gate to the depot at Aisgill Avenue.

This Council welcomes measures taken to mitigate the disturbance to residents of Beaumont Avenue and Aisgill Avenue, including:

- The maintenance of two-way traffic in Beaumont Avenue for the duration of the works.
- The widening of the road by moving CPZ parking spaces onto the pavement in Beaumont Avenue.
- The maintenance of residents’ parking spaces in Beaumont Avenue (with the loss of only one car parking space which will be replaced within the zone).
- The requirement that any works will be done to Street Smart standards.
- Lobbying TfL to vacate Ashfield House at the earliest opportunity - so as to lead to an overall reduction in commercial traffic using Beaumont Avenue for the duration of the works.
- A requirement that these mitigation measures will be fully funded by the developers

This Council further commits itself to working with residents, TfL and the developer to further reduce any disturbance to residents at Beaumont Avenue and Aisgill Avenue by TfL traffic.”

The amendment was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

The amendment was declared **CARRIED.**

The substantive motion as amended was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

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

10.10pm – **RESOLVED**:

Beaumont Avenue and Aisgill Avenue traffic

This Council notes that:

1. The Earl's Court development will bring huge benefits to local people, not least to the residents of Beaumont Avenue and West Kensington.
2. The TfL depot at Earls Court currently has two main access gates at Lillie Road and Beaumont Avenue, but that the Lillie Road entrance will not be available for TfL in the initial phases of the Earls Court development.
3. During this time, there will be (i) a regrettable increase in TfL traffic accessing the depot and Ashfield House (including HGV vehicles) through the existing gate at Beaumont Avenue and (ii) the need for an emergency access gate to the depot at Aisgill Avenue.

This Council welcomes measures taken to mitigate the disturbance to residents of Beaumont Avenue and Aisgill Avenue, including:

- The maintenance of two-way traffic in Beaumont Avenue for the duration of the works.
- The widening of the road by moving CPZ parking spaces onto the pavement in Beaumont Avenue.
- The maintenance of residents' parking spaces in Beaumont Avenue (with the loss of only one car parking space which will be replaced within the zone).
- The requirement that any works will be done to Street Smart standards.
- Lobbying TfL to vacate Ashfield House at the earliest opportunity - so as to lead to an overall reduction in commercial traffic using Beaumont Avenue for the duration of the works.
- A requirement that these mitigation measures will be fully funded by the developers

This Council further commits itself to working with residents, TfL and the developer to further reduce any disturbance to residents at Beaumont Avenue and Aisgill Avenue by TfL traffic.

32.5 Special Motion 3 - Hospitality and Public Concerns about the "Too Close for Comfort" Relationship between the Administration and Property Developers Doing Business in the Borough

10.12pm – Councillor PJ Murphy moved, seconded by Councillor Andrew Jones, the special motion standing in their names:

“The Council notes that its self-confessed *“property-developer-friendly”* approach has resulted in many controversial land development schemes being opposed by large numbers of Hammersmith and Fulham residents who have attended the Planning Applications Committee and expressed concerns that the Council’s relationship with many developers are *“too close for comfort”*.”

The Council therefore regrets the decision of administration cabinet members and other Conservative councillors to enjoy *“gifts and hospitalities”* from property developers operating in the Borough. The Council notes that no minutes or records are kept of the conversations that take place during these generous social engagements and that meetings such as these do nothing to dispel residents’ concerns.

Hammersmith and Fulham Council resolves to tighten its protocols and halt councillors from accepting personal gifts and personal hospitality from businesses hoping to profit from decisions they might make or the influence they may be able to bring to bear on decision makers.

Furthermore, the Council agrees that agenda and minutes need to be made of all meetings its councillors, officials and representatives have with businesses, their agents or their lobbyist when discussing issues pertinent to the Borough and those businesses. Those records will be made available for public scrutiny”.

The motion was put to the vote:

FOR	12
AGAINST	25
NOT VOTING	0

The motion was declared **LOST**.

32.6 Special Motion 4 - Encouraging Strong, Safe Neighbourhoods and Successful High Streets

10.14pm – Councillor Wesley Harcourt moved, seconded by Councillor Michael Cartwright, the special motion standing in their names:

“This Council notes that the rapid growth of betting shops is being driven by the presence of new, high-stakes fixed odds betting terminals (FOBTs), which are often used by gambling addicts and money launderers and which fuel criminal activity.

The Council also recognises that allowing betting and loan shops to spread and cluster across our borough’s high streets with no checks blights our

neighbourhoods, undermines existing businesses and discourages new businesses from setting up as their presence deters retailers from moving into nearby empty properties.

The Council recognises that many local authorities are successfully using Article 4 Directions to give residents and their elected representatives a mechanism to protect their neighbourhoods and agrees to do the same.

The Council also agrees to consider the many innovative best practices used by councils of all political persuasions to regenerate their high streets and secondary shopping areas. It recognises that returning local control of the Borough's high streets to residents is an important and democratic measure which encourages the retailers that residents want, halts the unchecked spread and clustering of betting shops, payday lenders and pawnshops and curtails serious criminal activity."

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

"Delete all after "This Council" and insert:

"... welcomes all moves to ensure economic growth and rising employment in the London Borough of Hammersmith & Fulham; and would always rather see commercial premises occupied and employing people than lying empty."

The amendment was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

The amendment was declared **CARRIED**.

The substantive motion as amended was put to the vote:

FOR	25
AGAINST	12
NOT VOTING	0

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

10.15pm – **RESOLVED**:

This Council welcomes all moves to ensure economic growth and rising employment in the London Borough of Hammersmith & Fulham; and would always rather see commercial premises occupied and employing people than lying empty.

### 32.7 Special Motion 5 - Council Resolves to Improve the Repairs Service

10.16pm – Councillor Stephen Cowan moved, seconded by Councillor Mercy Umeh, the special motion standing in their names:

“The Council notes the alarming concerns raised by residents about serious failures in the Council housing repairs service. It resolves to urgently review this service and take all necessary measures to stop failures and significantly raise standards.”

The motion was put to the vote:

FOR	12
AGAINST	25
NOT VOTING	0

The motion was declared **LOST**.

### 32.8 Special Motion 6 - Milson Road Health Centre

10.17pm – Councillor Rory Vaughan moved, seconded by Councillor PJ Murphy, the special motion standing in their names:

“The Council notes that Milson Road Health Centre currently offers a wide range of services to local residents including district nursing, health visiting, diabetes, hospital at home, an ulcer clinic, family planning and podiatry. The council recognises residents’ concerns that the centre is due to be closed and that private talks have already occurred with the Council about the future use of the site.

The Council resolves to campaign to protect high quality and localised NHS services on the Milson Road site and agrees to publicly disclose agendas and minutes of all private meetings with property developers about the future of this much valued local public asset.”

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

“Delete all after: “closed” and insert:

“but it is reassured by the expanded provision of community and primary care services planned for the new Parkview Centre and redeveloped Charing Cross Hospital, at which all services currently provided at Milson Road will be re-provided at purpose built facilities.

This Council notes that plans are also under consideration by the NHS to provide new GP surgeries on the Milson Road site, in addition to any residential accommodation.

This Council resolves to continue to campaign and negotiate for high quality and localised NHS services which are accessible to residents from across the borough and welcomes the increased investment that the NHS plans to make in community and health services over coming years.”

The amendment was put to the vote:

FOR	25
AGAINST	0
NOT VOTING	12

The amendment was declared **CARRIED.**

The substantive motion as amended was put to the vote:

FOR	25
AGAINST	0
NOT VOTING	12

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

10.18pm – **RESOLVED:**

The Council notes that Milson Road Health Centre currently offers a wide range of services to local residents including district nursing, health visiting, diabetes, hospital at home, an ulcer clinic, family planning and podiatry. The Council recognises residents' concerns that the centre is due to be closed but it is reassured by the expanded provision of community and primary care services planned for the new Parkview Centre and redeveloped Charing Cross Hospital, at which all services currently provided at Milson Road will be re-provided at purpose built facilities.

This Council notes that plans are also under consideration by the NHS to provide new GP surgeries on the Milson Road site, in addition to any residential accommodation.

This Council resolves to continue to campaign and negotiate for high quality and localised NHS services which are accessible to residents from across the borough and welcomes the increased investment that the NHS plans to make in community and health services over coming years.

### 32.9 Special Motion 7 - Cutting Crime in Ravenscourt Road

10.19pm – Councillor Lisa Homan moved, seconded by Councillor Caroline Needham, the special motion standing in their names:

“The Council notes residents' concerns about the recent but consistent crime in Ravenscourt Road. It agrees to install temporary CCTV while carrying out a full review of the problem and working with local residents and the police to agree a better way forward.”

Under Standing Order 15(e) (vi), Councillor Charlie Dewhurst moved, seconded by Councillor Harry Phibbs an amendment to the motion as follows:

“Delete all after “this Council” and insert

“... welcomes:

- The stunning 24% reduction in reported crime rates in Ravenscourt Park ward over the past 12 months.
- The work of the police Safer Neighbourhood Team and neighbourhood watch groups in the ward in helping to achieve this.
- The contribution to crime reduction in the ward made by CCTV systems including Council CCTV systems in King Street and TfL CCTV systems at Ravenscourt Park station.
- The contribution to crime reduction in the ward made by the borough wide public drinking ban (introduced by this Conservative administration) and the previous dispersal zone at Ravenscourt Road.

This Council resolves to continue to work with the residents of Ravenscourt Road and the police to tackle all crime and anti-social behaviour in order to reduce crime in Ravenscourt Park Ward even further.”

The amendment was put to the vote:

FOR	24
AGAINST	0
NOT VOTING	12

The amendment was declared **CARRIED.**

The substantive motion as amended was put to the vote:

FOR	24
AGAINST	0
NOT VOTING	12

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

Councillor Loveday left the room during the debate and did not vote.

10.19pm – **RESOLVED:**

This Council welcomes:

- The stunning 24% reduction in reported crime rates in Ravenscourt Park ward over the past 12 months.
- The work of the police Safer Neighbourhood Team and neighbourhood watch groups in the ward in helping to achieve this.
- The contribution to crime reduction in the ward made by CCTV systems including Council CCTV systems in King Street and TfL CCTV systems at Ravenscourt Park station.
- The contribution to crime reduction in the ward made by the borough wide public drinking ban (introduced by this Conservative administration) and the previous dispersal zone at Ravenscourt Road.

This Council resolves to continue to work with the residents of Ravenscourt Road and the police to tackle all crime and anti-social behaviour in order to reduce crime in Ravenscourt Park Ward even further.

### 32.10 Special Motion 9 - Celebrating Cleaner and Greener Parks

10.20pm – Councillor Greg Smith moved, seconded by Councillor Steve Hamilton, the special motion standing in their names:

“This Council:

1. Celebrates the award of 10 Green Flags and 3 Green Pennants by Keep Britain Tidy to Hammersmith & Fulham parks and open spaces, up from zero in 2006.
2. Notes that Ravenscourt Park, Frank Banfield Park and Margravine Cemetery have been awarded with Green Flag status for the fifth year in a row, Normand Park has won the honour for the fourth year, St Peter’s Square for the third time, Hammersmith Park, Hurlingham Park, South Park and Norland North for the second time and Brook Green for the first time with Loris Road Open Space, Godolphin Road Open Space and Phoenix Farm picking up Green Pennants for the first time.
3. Thanks the Friends’ groups in all the winning parks for their tireless voluntary efforts to keep our parks the best they can be, our grounds maintenance contractor Quadron for their professional excellence and the Hammersmith Community Gardens Association for their incredible work in transforming Loris Road Open Space and Godolphin Road Open Space and their management of Phoenix Farm.
4. Resolves to continue to improve our parks and open spaces and increase the number of parks and open spaces with Green Flag and Green Pennant status.”

Under Standing Order 15(e) (vi), Councillor Michael Cartwright moved, seconded by Councillor Wesley Harcourt, an amendment to the motion as follows:

“Following point 4 and the word “status” adds:

Notes residents’ concerns that leasing a large proportion of Hammersmith Park for 35 years to a private firm is, for all intents and purposes, the same as selling it. Recognises that Borough residents do not want their parks concreted over, or large proportions of them turned into car parks and or other private rentable spaces.

The Council agrees to maintain all the Borough’s parks as free at the point of use and will not agree any private deals to sell or long-lease any more.”



The amendment was put to the vote:

FOR	12
AGAINST	25
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion was put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The motion was declared **CARRIED**.

10.20pm – **RESOLVED**:

This Council:

1. Celebrates the award of 10 Green Flags and 3 Green Pennants by Keep Britain Tidy to Hammersmith & Fulham parks and open spaces, up from zero in 2006.
2. Notes that Ravenscourt Park, Frank Banfield Park and Margravine Cemetery have been awarded with Green Flag status for the fifth year in a row, Normand Park has won the honour for the fourth year, St Peter's Square for the third time, Hammersmith Park, Hurlingham Park, South Park and Norland North for the second time and Brook Green for the first time with Loris Road Open Space, Godolphin Road Open Space and Phoenix Farm picking up Green Pennants for the first time.
3. Thanks the Friends' groups in all the winning parks for their tireless voluntary efforts to keep our parks the best they can be, our grounds maintenance contractor Quadron for their professional excellence and the Hammersmith Community Gardens Association for their incredible work in transforming Loris Road Open Space and Godolphin Road Open Space and their management of Phoenix Farm.
4. Resolves to continue to improve our parks and open spaces and increase the number of parks and open spaces with Green Flag and Green Pennant status.

### 32.11 Special Motion 10 - Super Sewer

10.21pm – Councillor Nicholas Botterill moved, seconded by Councillor Mark Loveday, the special motion standing in their names:

“This Council:

1. Remains fundamentally opposed to the principle of the Thames Tideway Tunnel.
2. Believes that Carnwath Road is a wholly inappropriate location for a main drive shaft site.
3. Resolves to continue its campaign against the Thames Tideway Tunnel and the drive shaft site at Carnwath Road.”

Under Standing Order 15(e) (vi), Councillor Michael Cartwright moved, seconded by Councillor Wesley Harcourt, an amendment to the motion as follows:

“Following point 3 and the word “Road” adds:

The Council regrets that at the on 15<sup>th</sup> January at the Planning Application’s Committee meeting the Borough’s Conservative Administration agreed to spend scarce Section 106 monies to make ready large parts of Carnwath Road for the Super Sewer development. The Council notes that this raises legitimate concerns about the Administrations genuine or effective lobby to halt the Super Sewer taking over the Carnwath Road site and agrees to revisit this decision.

The Council also notes that on 15<sup>th</sup> March 2013 the Rt Hon Eric Pickles MP (Con), the Secretary of State for Communities and Local Government (DCLG) served a Safeguarding Direction on the land on Carnwath Road affected by the Thames Tunnel. This means that LBHF cannot grant planning permissions on this land without specific authorisation from DCLG. The Council regrets this and agrees to utilise the Administration’s close relationship with Mr. Pickles to have this overturned.

Furthermore, the Council recognises that the Carnwath Road site would make a better location for any new secondary school than anywhere else and agrees to lobby both Mr. Pickles and Mr. Gove to make this site a priority for the school instead of the Thames Tideway Tunnel.”

The amendment was put to the vote:

FOR	12
AGAINST	25
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion was put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The motion was declared **CARRIED**.

10.21pm – **RESOLVED**:

This Council:

1. Remains fundamentally opposed to the principle of the Thames Tideway Tunnel.
2. Believes that Carnwath Road is a wholly inappropriate location for a main drive shaft site.
3. Resolves to continue its campaign against the Thames Tideway Tunnel and the drive shaft site at Carnwath Road.

**33. INFORMATION REPORTS - TO NOTE**

33.1 Special Urgency Decisions - Monitoring Report

The report was noted.

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

Meeting started: 7.00 pm  
Meeting ended: 10.22 pm

Mayor .....

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Mr Adam Connell

To: The Leader of the Council

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**QUESTION**

“As you know, the Milson Road Health Centre currently offers a wide range of care services to local residents who are concerned that the centre is due to be closed and that private talks have already occurred with the Council about the future use of the site. Will he explain exactly what his administration thinks about this closure and exactly what it has discussed with those interested in the future of the site?”

**RESPONSE**

The Council notes that Milson Road Health Centre currently offers a wide range of services to local residents including district nursing, health visiting, diabetes, hospital at home, an ulcer clinic, family planning and podiatry. The council recognises residents’ concerns but it is reassured by the expanded provision of community and primary care services planned for the new Parkview Centre and redeveloped Charing Cross Hospital, at which all services currently provided at Milson Road will be re-provided at the new purpose built facilities. It notes that plans are also under consideration by the NHS to provide new GP facilities on the Milson Road site, in addition to any residential accommodation.

The proposal would involve the closure of the existing medical centre. The Council's Development Management Local Plan Policy DM1 states that "In any development proposal, existing community uses should be retained or replaced, unless there is clear evidence that there is no longer an identified need for a particular facility."

Officers noted information in the submission from the NHS suggesting that the Milson Road Health Centre was earmarked for closure as part of wider restructuring of health care facilities in the borough. However, they advised that to satisfy the principal land use policy any planning application for redevelopment must include a clear justification to demonstrate how and where the existing health care provision would be reprovided and/or why the existing facilities were no longer required.

Planning officers concluded that subject to satisfactory justification of the loss of the facility, a small residential scheme might be an acceptable alternative use. A residential redevelopment must comply with detailed design considerations and standards regarding the quality of accommodation, and impact on neighbouring amenity. The scheme submitted for consideration did not satisfactorily meet all these detailed planning requirements. Officers made their considered response to the scheme in early August 2013.

Although officers' pre-application planning advice is confidential, the NHS did publicise its plans through leaflets to the local community and an exhibition. This generated a great deal of interest from local residents, mostly unhappy about the proposals.

This Council resolves to continue to campaign and negotiate for high quality and localised NHS services which are accessible to residents from across the borough. It welcomes the increased investment that the NHS plans to make in community and health services over coming years.

**PUBLIC QUESTION TIME**  
**LONDON BOROUGH OF HAMMERSMITH & FULHAM**  
**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Mr Robert Largan

To: The Leader of the Council

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**QUESTION**

"The proposed super sewer will put an estimated extra £80 a year on our water bills and will cause chaos and disruption for many residents living in Sands End. Can the Council outline what they are doing to fight this flawed project?"

**ANSWER**

This Council has been fighting Thames Water's proposals for the Thames Tideway Tunnel since 2008. In 2011 we were one of five local authorities that established the Thames Tunnel Commission, under the chairmanship of Lord Selborne, to look into the plans for the Tunnel, hear evidence and examine alternative options. In October 2011, the Selborne Commission released its findings: that alternative solutions focussed on sustainable drainage systems could deliver the improvements necessary to the combined sewer system to comply with the EU Directive that instigated the super sewer proposals. Since that report, world experts on water management have been queuing up to condemn Thames Water's plans for a tunnel as an out of date solution that is far too costly in comparison to the actual benefits it will deliver. This Council has been at the forefront of local government objections to the project and you can view the history of our campaigning activity on this issue on our website at [www.lbhf.gov.uk/supersewer](http://www.lbhf.gov.uk/supersewer).

Thames Water's application for a Development Consent Order was put before the Planning Inspectorate in September 2013 and the Examining Authority is now two thirds of the way through a six month process and due to make recommendations to Government at the end of March. As part of this process, we have submitted detailed objections to the plans, particularly in relation to the chosen drive strategy and construction site selection. We have presented evidence throughout the process, via written submissions and via counsel at two Issue Specific Hearings that have examined whether Thames Water's insistence on a construction site at Carnwath Road is really necessary. We have commissioned expert international tunnelling engineers to look at Thames Water's plans and, as a result, we have presented the Examining Authority with alternative proposals that are far less socially and environmentally damaging to South Fulham and the surrounding area than the selection of Carnwath Road Riverside as a main construction site. The most recent Hearing was last week (22 January), where we presented the Examining Authority with expert evidence from international tunnelling engineers, CDM Smith, that there are viable and preferable alternatives to siting a main drive shaft at Carnwath Road. We are hopeful that the evidence we have presented and the submissions we have made to the Examining Authority will influence its recommendations to Government, due after March.

The Government's final decision, on whether or not to grant the Development Consent Order, is expected in September this year and I can assure you that this authority will continue to lobby and campaign against the proposals for this project right up to the wire.

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Mr Rowan Ree

To: The Deputy Leader of the Council

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**QUESTION**

“The Council will be aware of residents’ concerns about the consistent levels of crime affecting Ravenscourt Road. Will the Council agree to install temporary CCTV while carrying out a full review of the problem and working with local residents to agree a better way forward? “

**ANSWER**

Cutting crime is this Council’s number one priority and as soon as I was made aware of the issues raised in your question and indeed a later motion on this Council’s agenda, I immediately tasked officers to look into it. The MET police crime analyst has done research into Ravenscourt Road over the last 6 months and reported back the following:

- there have been 10 offences recorded on Ravenscourt Road since September 2013; 1 in September, 2 in October, 5 in November, 1 in December and 1 this January to date
- offences are a mixture of vehicle crime, theft, burglary, with a single possession of cannabis offence and 1 GBH offence recorded
- in terms of full year data for the period up to which the crime figures have been made publicly available, there were 26 recorded crimes in Ravenscourt Road in December 2012 against 28 total offences in the same period the previous year
- the Safer Neighbourhood Team are indeed aware of the concerns raised and residents raised this issue at the Neighbourhood Watch meeting in November 2013, particularly raising the issue of possible CCTV
- the spike of crime in November consisted of criminal damage to motor vehicles where a number of cars were damaged in the area at the same time and that is believed by the police to have been by one group behaving clearly criminally on the Halloween weekend.

We already have one H&F CCTV Camera (camera 101) sited at the junction of Ravenscourt Road and King Street, which can pan round to capture Ravenscourt Road

towards the tube station and there are also further cameras as part of TfL's property on the tube station.

The area community safety officer is aware of the assault on 4 October against one of our civil enforcement officers which is being dealt with by the police.

One crime is too many crimes but given the relatively low level of crime compared to other streets in the borough this would not normally warrant a CCTV installation. However I am more than happy to look at deploying some of our covert equipment on a short term basis in order to give residents the protection that they want.



**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Mr Larry Culhane

To: The Leader of the Council

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**QUESTION**

"At the last Council Cabinet Meeting on the 6th January, you and your fellow Conservative councillors unanimously voted to use Beaumont Avenue and Aisgill Avenue for "Heavy vehicle access to the depot during the Earls Court development". The report detailed how the residents in Beaumont Avenue and Aisgill Avenue (along with all the routes leading up to that area) will have to suffer the following:

"Large 77ft long articulated lorries will access the neighbourhood approximately 6-9 times a day from Beaumont Avenue."

"Very long 99ft lorries will need to access the site approximately 4 times a year."

"There are also 60 parking spaces on the LUL depot site for transit vans that will need to access/egress the site throughout the day."

The report confirmed that there has been extensive consultations with CapCo, the developer but absolutely none with residents. Will the Council now accept this was a mistake, that this will blight this neighbourhood during the works and that this decision should be overturned with a new route and a new plan devised in consultation with the local residents that will be affected?"

**ANSWER**

The questioner is incorrect in his statement that the Cabinet has voted to use Beaumont Avenue and Aisgill Avenue for heavy vehicle movements.

What the Cabinet agreed on 6 January was to undertake mitigation measure to protect residents from the effect of additional vehicle movements requiring access to and from the Lillie Road Depot of London Underground during demolition work of Earl's Court 2 to enable the Earl's Court development, which will be of huge benefit to local residents.

The Beaumont Avenue entrance to the depot has been in existence for many years and the Council has no powers to prohibit its use but we have secured funding from Capco for the mitigation measures, which will protect residents' and visitors' parking and ensure that road safety is not compromised.

No decisions have yet been taken on how demolition and construction traffic for the Earl's Court development will access the site, and in due course the developers will have to submit to the council a Construction and Logistics plan detailing vehicle routes, types, numbers and operating hours.

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Ms Emily Genochio

To: Cabinet Member for Education

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**QUESTION**

“Can the Cabinet Member for Education explain the administration’s position that it is a surplus of school places in south Fulham and economies of scale and nothing else ...that these are the only two factors behind the planned closure of Sullivan Primary School?”

**ANSWER**

The report on which Cabinet made its decision set out the relevant factors for that decision. It is a matter of fact that there are surplus places at Sullivan school, and it is also a matter of fact that savings will be made by implementing the proposal. These savings will enable additional spending for the benefit of pupils at the enlarged New King’s school.

The term ‘closure’ hides the fact that the Council is effectively amalgamating two schools, as well as making a significant capital investment.

It is not denied that further opportunities may be opened up by the decision. The report recognises this at paragraph 6.6.

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Ms Wendy Aldridge

To: Cabinet Member for Children's Services

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**QUESTION**

“Can the Cabinet Member for Children's Services give more detail about the logic behind the choice of Sullivan Primary School as the 'preferred' site for Fulham Boys School, and tell us which other sites in the area were viewed. Can she tell us how many feasibility studies were conducted in total?”

**ANSWER**

The Department for Education is responsible for assessing the feasibility of sites for free schools such as Fulham Boys School. The Council has tried to work with the DfE for some time to try and help identify a suitable site. Very few realistic options have been found which provide the size and site characteristics consistent with a secondary school. Certainly none have justified a detailed feasibility study.

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Ms Rosie Wait

To: Cabinet Member for Education

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**QUESTION**

“How does the Cabinet Member for Education justify spending a minimum of £4.5m of local money to forcibly close what is recognised as one of the best primary schools in the country, which has an acclaimed and proven track record with some of the most disadvantaged pupils in the borough?”

**ANSWER**

The question is misleading. The Council is not spending £4.5M to forcibly close a school. It is investing £3.8M in a structurally sound building in which to continue and expand another school, and incurring an estimated £600,000 in temporary accommodation and re-locating other services. It is avoiding capital expenditure in maintaining the school it intends to close, which it believes can be successfully amalgamated with the school receiving the investment. This is a matter of value for money.

The Council believes that opportunities for all pupils will be enhanced by the proposals. Both existing schools are high-performing and the Council is taking a long-term view of the opportunity to build on this success in a cost effective way.

**PUBLIC QUESTION TIME**

**LONDON BOROUGH OF HAMMERSMITH & FULHAM**

**COUNCIL MEETING – 29 JANUARY 2014**

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Question by: Ms Josephine Miller

To: The Leader of the Council

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**QUESTION**

“Will Members of the borough’s Cabinet explain exactly what personal dealings and relations they have each had with the people behind Fulham Boys School prior to the consultation being submitted?”

**ANSWER**


I have no personal dealings of any significance with the people behind Fulham Boys School. But I am sure, like me, a number of Cabinet Members know a lot of people involved with all the schools in the borough, as well as people who live and work in the borough or grew up here and went to school together.

We are elected from the people and by the people, so we know the people who are involved with local schools including Sullivan and New King’s School and those interested in a Fulham Boys School.

There have been a number of attempts to suggest some impropriety in relation to the decision on the Fulham primary schools’ merger, all of which are entirely unfounded, incredulous and frankly rather nasty.

There are very strict rules about declaring interests and we know when and where to declare an interest and I know these rules have not been broken.

My final comment is that if knowing people disbarred us from making decisions, the Council would grind to a halt. This claim is nothing more than a desperate attempt to slur people, it is without any merit and unworthy of the Council Chamber.

 <p><b>h&amp;f</b> the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>26 FEBRUARY 2014</b></p>
<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2014/15</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 2014/15 revenue budget proposals which includes :

- Council tax levels
- Savings and growth proposals
- Changes to fees and charges
- An update on budget risks
- Equalities Impact Assessments
- Implementing the retail business rates relief scheme as proposed by the Government.

## 2. RECOMMENDATIONS

- 2.1 That approval be given to a 3% 2014/15 council tax reduction for the Hammersmith & Fulham element.
- 2.2 That the council tax be set for 2014/15 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 £735.16 per Band D property in 2014/15.*
  - (b) *The element of council tax charged by the Greater London Authority will be £299.00 per Band D property in 2014/14*
  - (c) *The overall Council Tax to be set at £1,034.16 per Band D property in 2014/15.*

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	490.11	571.79	653.48	735.16	898.53	1,061.90	1,225.27	1,470.32
b) GLA	199.33	232.56	265.78	299.00	365.44	431.89	498.33	598.00
<b>c) Total</b>	<b>689.44</b>	<b>804.35</b>	<b>919.26</b>	<b>1,034.16</b>	<b>1,263.97</b>	<b>1,493.79</b>	<b>1,723.60</b>	<b>2,068.32</b>

- 2.3 That the Council's own total net expenditure budget for 2014/15 is set at £172.033m.
- 2.4 That fees and charges are approved as set out in paragraph 6.1
- 2.5 That the budget projections made by the Executive Director of Finance and Corporate Governance to 2016/17 be noted.
- 2.6 That the statement made by the Executive Director of Finance and Corporate Governance under Section 25 of the Local Government Act 2003 regarding the adequacy of reserves and robustness of estimates be noted (section 14).
- 2.7 That the Executive Director of Finance and Corporate Governance be authorised to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council Schemes of Delegation.



- 2.8 That all Executive Directors be required to report monthly on their projected financial position compared to their revenue estimates (as part of the Corporate Monitoring Report).
- 2.9 That all Executive Directors be authorised to implement their service spending plans for 2014/15 in accordance with the recommendations within this report and the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation.
- 2.10 Members' attention is drawn to S106 of the Local Government Finance Act 1992 which requires any Member, who is two months or more in arrears on their Council Tax, to declare their position and not to vote on any issue that could affect the calculation of the budget or Council Tax.
- 2.11 That the Executive Director of Finance and Corporate Governance be authorised to implement the business rates retail relief scheme as proposed by the Government.

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

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

### **4. BUDGET OVERVIEW**

- 4.1 **A 3% cut in the Hammersmith and Fulham element of council tax is recommended for 2014/15.** This will be the seventh cut in the last eight years. The 2014/15 Band D charge is £181.81 (20%) less than in 2006/07. The real terms cut is 39%.
- 4.2 The council tax cut has been delivered against a challenging financial background. Government grant funding<sup>1</sup> has fallen by £13m (9%) in 2014/15 whilst the Council continues to lose over £4m from the operation of the business rates retention scheme. Government funding is expected to continue falling until at least 2017/18 as action is taken to address the national fiscal deficit<sup>2</sup>.
- 4.3 Savings of £17.9m are necessary to balance the 2014/15 budget. The budget focuses on key local priorities, protecting front-line services and value for money. Significant savings continue to be realised by reducing debt, sharing services with the Royal Borough of Kensington and Chelsea and Westminster City Council and reforming the way services are delivered. The Council believes that its future direction will be less as a direct provider of services and more of a commissioner of services.

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<sup>1</sup> This reduction is on a like for like basis and relates to grant that can be used for any purpose. The figures are detailed in Appendix E .

<sup>2</sup> Chancellor's Autumn Statement 2013

## 5. THE COUNCIL TAX REQUIREMENT

- 5.1 The Band D council tax charge is calculated by dividing the council tax requirement by the council tax base<sup>3</sup>. The 2014/15 council tax requirement is £51.369m and is summarised in Table 1. The medium-term forecast, to 2016/17, is set out in Appendix B.

**Table 1: The Council Tax Requirement**

	£'000s
Base budget rolled forward from 2013/14.	<b>189,899</b>
<b>Plus:</b>	
Inflation	2,800
Growth (section 6)	4,696
Contingency	900
<b>Less:</b>	
Savings and additional income (section 7)	(17,905)
Specific unringfenced grants (section 8)	(9,799)
Contribution to General Balances	1,442
<b>Net Budget Requirement for 2014/15</b>	<b>172,033</b>
<b>Less :</b>	
Revenue Support Grant (section 8)	(66,038)
Locally retained business rates (section 8)	(53,839)
One off Collection Fund Surplus	(787)
<b>2014/15 Council Tax Requirement</b>	<b>51,369</b>

- 5.2 The key elements that change the council tax requirement are:

- Inflation and growth
- Savings and income generation.

<sup>3</sup> The council tax requirement is the expenditure that is to be funded from council tax. The council tax base is the income that will be generated from a council tax charge of £1.

- External funding
- The business rates retention scheme

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

## 6. INFLATION AND GROWTH

### Inflation

6.1 The following provision is made for inflation:

- **Price inflation** is provided for when there is a contract in place.
- A contingency equivalent to a 1% increase is held for any **2014/15 pay award**.
- **Fees and charges** have increased in line with the Retail Price Index (3.3% - August 2013). Any exceptions to this standard increase are reported in Appendix F.

### Growth

6.2 Growth is provided through the budget process as necessary. This is detailed in Appendix C and summarised in Table 2.

**Table 2: 2014/15 Growth Proposals**

	£'000s
Adult Social Care	205
Children's Services	470
Environment, Leisure and Residents Services	0
Finance & Corporate Services	540
Housing and Regeneration Department	1,545
Transport & Technical Services	536
Libraries	0
Public Health	0
Centrally Managed Budgets	1,400
<b>Total Growth</b>	<b>4,696</b>

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

**Table 3: Reasons for 2014/15 Budget Growth**

	£'000s
Government related	2,085
Other public bodies	0
Increase in demand/demographic growth	675
Other	1,936
<b>Total Growth</b>	<b>4,696</b>

6.4 A contribution of £1.4m to general balances is also proposed. This recognises the significant financial risks faced by the Council. This is detailed further in section 14 of the report.

## **7. SAVINGS AND INCOME GENERATION**

- 7.1 Savings of £17.9m are required in 2014/15 to balance the budget. 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 continued to deliver savings, such as; Business Intelligence, Transforming Business and the Peoples Portfolio.
  - 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.
  - Given consideration to the public sector equality duty ('PSED')

- 7.2 The saving proposals for the next three years are detailed in Appendix C with the 2014/15 position summarised in Table 4.

**Table 4: 2014/15 Savings Proposals**

	<b>£000s</b>
Adult Social Care	(4,664)
Children's Services	(2,780)
Environment, Leisure and Residents Services	(1,105)
Libraries	(100)
Finance & Corporate Services	(2,192)
Housing and Regeneration	(750)
Transport & Technical Services	(2,725)
Centrally Managed Budgets	(2,686)
Corporate Transformation Savings	(903)
<b>Departmental Total</b>	<b>(17,905)</b>

- 7.3 For 2015/16, on current projections, cumulative savings of £42.5m will need to be delivered rising to £52.6m by 2016/17.
- 7.4 A categorisation of the savings, according to their main element, is shown in Table 5. 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 5: Analysis of the 2014/15 Savings**

<b>Type of Saving</b>	<b>£'000s</b>
Commercialisation / Income	(1,975)
Commissioning	(3,247)
Debt Reduction Strategy	(1,336)
People Transformation Portfolio	(470)
Procurement/Market Testing	(745)

Reconfiguration/Rationalisation of Services	(3,099)
Staffing/Productivity	(1,980)
Transforming Business Portfolio	(893)
Tri Borough/Bi Borough	(4,160)
<b>Total</b>	<b>(17,905)</b>

## 8. EXTERNAL AND BUSINESS RATES FUNDING

- 8.1 A new business rates retention system started in 2013/14. The key elements of the system, for Hammersmith and Fulham, are set out in Appendix H. Local authorities now take account of both changes in Government funding and the level of business rates collected.
- 8.2 The Government funding receivable is detailed in Appendix E. On a like-for like-basis 2014/15 funding is £13m (9% in cash terms and 11.5% in real terms) less than in 2013/14. The funding includes council tax freeze grant of £0.609m (equivalent to 1% of the Band D charge). This will be built into the baseline for future years.
- 8.3 This authority is disadvantaged by the business rates retention scheme. Prior to 2013/14 all business rates income collected by a local authority was paid to the Government. Now 30% is retained locally whilst 50% is paid to the Government and 20% to the Greater London Authority.
- 8.4 Under the new system Hammersmith and Fulham is budgeting to be £4.1m 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. Safety net arrangements cap the loss at £4.1m.
- 8.5 The main reason why Hammersmith and Fulham loses out from the business rates retention scheme is the very high levels of rating appeals. A schedule of outstanding appeals has been received from the Valuation Office Agency (VOA). This shows that nearly £140m of our overall rating list is subject to appeal. Of these £20m of appeals relate to Shepherds Bush Westfield, which are definitely proceeding. To date those appeals that have been settled at Westfield have seen rateable values reduce by 28%. Other appeals have typically led to a net reduction of 10%. There are even potential refunds (rateable value £21m) that go back as far as the 2005 rating list.
- 8.6 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.

- 8.7 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 2014/15. 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.
- 8.8 Final figures for actual collection will not be known until the close of 2014/15. The in-year position will be monitored and updates provided as appropriate.

#### Retail relief

- 8.9 As part of the Autumn Statement changes to business rates the Government announced that all occupied shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less, will receive a reduction of £1,000 off their net rates payable for 2014/15 and 2015/16. Where the net rates payable are less than £1,000 the business will receive relief up to the value of their bill. This relief is known as “Retail Relief”
- 8.10 The Government have confirmed that they will reimburse the full cost of any relief granted for this change under the rates retention system. An initial estimate of the likely cost for 2014/15 is £2.2m, which has been included in the NNDR1 submitted to DCLG on 31 January. The respective shares under rates retention system are:
- |            |             |
|------------|-------------|
|            | £m          |
| H&F        | 0.66        |
| GLA        | 0.44        |
| Government | <u>1.10</u> |
| Total      | 2.20        |
- 8.11 The Government do not consider that banks, building societies, payday lenders, betting shops, pawn brokers, estate agents, letting agents, dentists, doctors, solicitors, accountants, insurance agents and post offices qualify for this relief and in addition businesses will need to confirm that they do not exceed certain state aid limits to qualify. The Council is currently considering how this can best be practically implemented.
- 8.12 As this is a measure for 2 years only the Government do not propose changing legislation. Instead the Government expect authorities to use its powers under the Localism Act and adopt a local scheme to enable the granting of this relief. It is recommended that the Executive Director of Finance and Corporate Governance be authorised to implement the business rates retail relief scheme as proposed by the Government.

## 9. COUNCIL TAX BASE

- 9.1 Council on 29 January formally agreed a Tax Base of 69,875 equivalent Band D properties for 2014/15. Therefore the Council's element of the Council Tax can be calculated as follows:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base}} = \frac{\pounds 51.369\text{m}}{69,875} = \pounds 735.16$
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- 9.2 This represents a 3% cut in the LBHF element of the council tax charge.

## 10. PRECEPTOR'S COUNCIL TAX REQUIREMENTS

- 10.1 The Greater London Authority's precept of £20.893m is also funded from Council Tax. The following table analyses the total amount to be funded and the resulting overall Band D Council Tax level.

$\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\pounds 20.893\text{m}}{69,875} = \pounds 299.00$
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- 10.2 This represents a 1.3% cut from the 2013/14 level.

## 11. OVERALL COUNCIL TAX REQUIREMENTS 2014/15

- 11.1 It is proposed to reduce Hammersmith and Fulham's element of the Council Tax in 2014/15 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 6 – Overall 2014/15 Council Tax Requirement**

London Borough of Hammersmith & Fulham	<b>£000s</b> 51,369
Greater London Authority	20,893
<b>Total Requirement for Council Tax</b>	<b>72,262</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:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base}} = \frac{\text{£ 72.262m}}{69,875} = \text{£1,034.16}$
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- 11.4 For 2015/16 planning purposes, the Executive Director of Finance and Corporate Governance has assumed no change to the 2014/15 Council Tax level.
- 11.5 The reduction of 3% is the seventh reduction in the past eight years. Table 7 sets out the changes in the Band D charge for the Hammersmith and Fulham element of council tax since 2002/03. The proposed Band D charge for 2014/15 is the lowest charge since that approved for 1999/2000.

**Table 7 – Band D Council Tax for Hammersmith and Fulham from 1999/2000**

	<b>Band D Hammersmith and Fulham Element</b>	<b>Change</b>	<b>Change</b>
	£	£	%
1999/2000	706.83	+30.44	+4.50
2000/01	738.58	+31.75	+4.49
2001/02	772.41	+33.83	+4.58
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 (proposed)	735.16	-22.74	-3.00

2015/16 (indicative)	735.16	0	0
2016/17 (indicative)	735.16	0	0

- 11.6 Council tax in Hammersmith and Fulham has reduced by 20% in cash terms (39% in real terms) from 2006/07 to 2014/15, compared to an estimated average London increase of 8% over the same period. This represents a £1,371 cash saving for Hammersmith and Fulham residents against the average Borough increase from 2006/07 to 2014/15.

## **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 SELECT COMMITTEES**

- 13.1 As part of the Scrutiny process each department's estimates have been reviewed by a relevant Select Committee. A verbal update will be given if there are any formal comments.

## **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 2014/15 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 2013/14 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 £18m as at 1 April 2013 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 2014/15 is in the order of £172m. 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 £17.2m. They are summarised in Table 8. The Council has in place rigorous budget monitoring arrangements and a policy of restoring balances once used.

**Table 8: 2014/15 Budget Risks**

	£'000s
Demand Pressures	6,160
Efficiency delivery	334
Income variation	7,560
Government Policy Impacts	3,100
<b>Total</b>	<b>17,154</b>

- 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. As set out in section 6 an additional contribution of £1.4m is proposed to general balances, in 2014/15, in recognition of the financial risks facing the Council.

### **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 2014/15 local authorities "will be required to seek the approval of their local electorate in a referendum if, compared with 2013/14, they set an increase in the

relevant basic amount of council tax that is 2% or higher". This will not apply to the Council.

### **Prior Year Collection Fund Surplus**

- 14.9 The Local Government and Finance Act 1988 requires that all council tax and non-domestic rates income is paid into a Collection Fund, along with payments out regarding the Greater London Authority precept, the business rates retention scheme and a contribution towards a Council's own General Fund. As at the close of 2012/13, due to the receipt of higher than expected income, the Collection Fund was in surplus by £1.094m. The Hammersmith and Fulham share of this surplus is £0.787m and this is included within the 2014/15 budget proposals. The balance of £0.307m is payable to the Greater London Authority.
- 14.10 Implications verified by: Jane West, Executive Director of Finance and Corporate Governance, Tel: 020 8753 1900

### **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). Members need to consider this duty in relation to the present proposals. In addition, 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 Equality Impact Analysis ('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.
- 15.12 Implications verified by: Tasnim Shawkat, Bi Borough Director of Law, Tel; 0208 753 2700.

## **16. EQUALITY IMPLICATIONS**

- 16.1 Published with this report is an Equality Impact Analysis ('EIA'). The EIA assesses the impacts on equality of the main items in the budget proposed to Full Council as well as the decision to reduce Council Tax by 3%. The full EIA is attached, in Appendix G.
- 16.2 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 a small indirect benefit to all residents through the reduction in cost to the public purse of LCTS payments by the state.
- 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 £22.74 for those who are Band D Council Tax payers: this relates to the LBHF element of the calculation of Council Tax.
- 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 LCTS or partial LCTS. These are likely to include greater proportions of pensioners, 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 LCTS (which includes a proportion of pensioners that is over-represented as compared with the LBHF



population at 39.1% as against 9%, as well as a high proportion of women) will also benefit from a reduction in Council Tax, but to a lesser extent because of the way partial LCTS is calculated. Based on data available for all LCTS claimants, this group is likely to include more women than men, as against the general population, and a higher proportion of black and minority ethnic (BME) groups.

- 16.6 There will be no benefit to those who are eligible for full LCTS or who are exempt from paying it. The effect on this group will be neutral. Based on data available for all LCTS claimants, this group is likely to include more women than men, as against the general population, as well as more pensioners than non-pensioners, as against the general population, and a higher proportion of BME groups.
- 16.7 Of 18, 283 claimants (i.e. full and partial LCTS), 54.72% (pensioner) and 54.7% (non-pensioner) are single female, with 31.42% (pensioner) and 29.36% (non-pensioner) being single male, and 13.82% (pensioner) and 15.94% (non-pensioner) being in a couple. These statistics are set out in more detail in Table 3 of the EIA (Appendix G). As most couples will be male/female, the total percentage of female LCTS claimants is therefore about 61.63% (pensioner) or 62.67% (non-pensioner), which is rather higher than the percentage of females in the H&F population as a whole which is 51.3% (see the most recent release of data from the 2011 Census at Table Seven in Annex Two of the accompanying EIA).
- 16.8 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, relative to their income, 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 £3.8m from tri-borough/bi-borough working and £1.4m 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 of the EIA.
- 16.9 Overall, the budget contains some items that will promote equality of opportunity for vulnerable groups (in particular older people, the disabled, women and BME groups), 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).

- 16.10 Savings items that will directly support equality of opportunity, and encourage participation in public life include reducing admissions into residential and nursing homes through better support in the community through reablement, in Adult Social Care ('ASC'). This 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.
- 16.11 This line item also supports delivery of one of the Council's two Equality Objectives, as required by S153 of the Equality Act 2010, agreed by Cabinet in December 2011, and reported on in February 2013. 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.*
- 16.12 Another ASC saving includes work on the customer journey for operational services, which will review social work practice and how services are delivered. This includes processes used to help residents and how these could be made easier to navigate to cost less but also to provide better services to older and disabled people. This saving is therefore of high relevance to older and disabled people and people with learning disabilities and the impact should be positive.
- 16.13 Growth items that will promote equality of opportunity include the growth in the areas of ASC and Housing and Regeneration Department ('HRD'). One of these in ASC deals with the increase in demand for learning disabled people placements and care packages, which will all be of high relevance to disabled 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. Overall, there will be a neutral impact as the increase in budgets will meet the needs of these groups.
- 16.14 Another of these items is the proposals for managing the homelessness impact of welfare reforms in HRD. Any equalities impacts will arise from changes in Government policy. To the extent that the growth is mitigation leading to the prevention of homelessness or of the use of bed and breakfast (B&B), the impact will be positive to BME groups and households headed by women, which tend to be over-represented amongst homeless households.
- 16.15 There are no fees and charges increases that are relevant to equality.

- 16.16 The identification of risk items in ASC will indirectly 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 anticipate the demand for services for older and disabled people and ensure that these demands can be met, avoiding potentially negative impacts.
- 16.17 Items that may have a negative impact include the Children's Services (CHS) respite item, which informs a new model for delivering overnight care. However, a full EIA will be developed (as given in the CHS section in the accompanying EIA).
- 16.18 In a few cases, detailed EIAs will be required before the full nature of any impact can be assessed, or mitigating measures identified. These are in the accompanying EIA.
- 16.19 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 2014/15.

**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 3.3% 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>£'s</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.	676,096,000
(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.	(603,834,000)
(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.	72,262,000
(d)	Being the amount calculated by the council as the council tax base for 2014/15 and formerly agreed by council on the 29 January 2014.	69,875
(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.	1,034.16
(f)	Hammersmith and Fulham proportion of the Basic amount of its Council Tax (Band D)	735.16

(g) Valuation Bands – Hammersmith & Fulham Council:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
490.11	571.79	653.48	735.16
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
898.53	1,061.90	1,225.27	1,470.32

being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which that proportion is applicable to dwellings listed in band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in the different valuation bands.

(h) Valuation Bands – Greater London Authority

That it be noted that for the year 2014/15 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>
199.33	232.56	265.78	299.00
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
365.44	431.89	498.33	598.00

(i) That having calculated the aggregate in each case of the amounts at (g) and (h) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2014/15 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>
689.44	804.35	919.26	1,034.16
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,263.97	1,493.79	1,723.60	2,068.32

### Medium Term Budget Requirement

	Year 1 2014/15 £'000	Year 2 2015/16 £'000	Year 3 2016/17 £'000
<b>2013/14 Net General Fund Base Budget</b>	<b>189,640</b>	<b>189,640</b>	<b>189,640</b>
Non-domestic rates tariff payment to Government	2,913	2,986	3,046
One off budget adjustments	(2,655)	(1,903)	(1,903)
<b>2014/15 Net General Fund Base Budget</b>	<b>189,899</b>	<b>190,724</b>	<b>190,783</b>
Contract and Income Inflation	2,800	5,600	8,400
Growth	4,696	6,455	6,855
Efficiency Savings <sup>1</sup>	(17,905)	(42,458)	(52,622)
General Contingency (pay)	900	1,800	4,050
<b>Gross Budget Requirements</b>	<b>180,389</b>	<b>162,121</b>	<b>157,466</b>
<b>Less</b>			
New Homes Bonus Grant	(4,638)	(3,665)	(4,272)
Other unringfenced specific grants	(4,551)	(3,606)	(3,606)
Council Tax Freeze Grant	(609)	(1,219)	(1,219)
Contribution to General Balances	1,442	0	0
<b>Revenue Grants</b>	<b>(8,356)</b>	<b>(8,490)</b>	<b>(9,097)</b>
<b>Net Budget Requirement</b>	<b>172,033</b>	<b>153,631</b>	<b>148,369</b>
<b>Funded By</b>			
Revenue Support Grant	66,038	46,591	39,893
Localised Element of Non Domestic Rates	53,839	55,321	56,407
Council Tax (3% Reduction in Year 1 then a freeze for planning purposes)	51,369	51,369	51,369
Increase in Council Tax Base	0	350	700
One off collection fund surplus	787	0	0
<b>Gross Resources</b>	<b>172,033</b>	<b>153,631</b>	<b>148,369</b>
<b>Adjusted Net Budget Gap</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

#### Notes

1) In addition, an efficiency of £150k has been built in to the Council Tax Base, relating to Single Person Discount savings. These savings are planned to be achieved through the Business Intelligence programme.

**Adult Social Care Budget Proposals**

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Tri Borough	Commissioning, Finance and In-house Services	(48)	(480)	(480)
Tri Borough	Overheads (Training, Project Management)	(65)	(252)	(252)
Tri Borough	Tri-borough initiative to manage prices in residential & nursing placements.	(135)	(135)	(135)
Tri Borough	Reduced admissions into residential and nursing homes through better support in the community	(475)	(475)	(475)
Operations	Customer Journey for Operational Services	(185)	(335)	(535)
Procurement and Business Intelligence	Extension of Framework I contract inline with Tri Borough Partners	(127)	(127)	(127)
Joint Commissioning with Health	Whole Systems Integration with Health (Community Budgets)	0	0	(200)
Operations & Provided Services	Review of high cost placements, supported at home packages & Direct Payments.	(910)	(910)	(910)
Operations & Provided Services	Efficiencies to be achieved from the home care procurement exercise and new operating model.	(118)	(235)	(235)
Operations & Provided Services	Personalisation - Changing the approach to an outcome based on the new operating model for Direct Payment Clients.	(115)	(230)	(230)
Provided Services & Mental Health	Review Intensive support contract	(50)	(50)	(50)
Tri Borough	Increase capacity in extra care and sheltered accommodation by 50 units (including LD accommodation strategy)	0	(400)	(400)
Provided Services & Mental Health	Review of Older People Day-Care Services	(35)	(35)	(35)



Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Operations	Decommissioning of Learning Disabilities Day Services and closure of in-house day provision, allowing people to use direct payments in order to meet their needs.	0	(253)	(253)
Provided Services & Mental Health	Review of Community Access Team	(22)	(22)	(22)
Commissioning	Review of third sector payments within the Older People Commissioning sector.	(38)	(38)	(38)
Commissioning	Review of the arrangements for both the service model and charging for the delivered meals service	0	(108)	(108)
Provided Services & Mental Health	Review of Learning Disability: Residential supported living	(108)	(145)	(145)
Provided Services & Mental Health	Learning Disabilities supported living review (Community Support Service).	(43)	(43)	(43)
Commissioning	Procurement of Learning Disabilities supported living contract (Yarrow).	(324)	(324)	(324)
Operations	Protect community transport provision by encouraging the use of travel methods such as taxi cards, blue badges and freedom passes through the Travel Support Strategy plan.	(45)	(45)	(45)
Commissioning	Provide statutory advocacy services and withdraw non-statutory advocacy support and funding.	(165)	(165)	(165)
Commissioning	Reprovide all funding for employment and training services and review of Learning Disabilities Development fund	(111)	(111)	(111)
Commissioning	Review of Mental Health commissioned services.	(22)	(22)	(22)
Commissioning	Supporting People - Reprocurring of contracts by negotiating with providers and decommissioning of services.	(875)	(875)	(875)
Provided Services & Mental Health	Mental Health social work costs	(183)	(183)	(183)

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Commissioning	Integrated commissioning with health.	(200)	(460)	(460)
Commissioning	Review of Elgin Resource centre contract	(25)	(25)	(25)
Finance	Recruitment Budget	(40)	(40)	(40)
Finance	Improve outcomes and reduce dependency amongst residents through better joint services with the NHS.	(103)	(103)	(103)
Commissioning	Procurement savings from Olive House contract.	(28)	(28)	(28)
Commissioning	Procurement savings from Elm Grove & Elgin Close contract.	(70)	(70)	(70)
	<b>Total Efficiencies</b>	<b>(4,664)</b>	<b>(6,724)</b>	<b>(7,124)</b>
Growth	Increase in demand for learning disabled people placements and care packages.	205	410	410
	<b>Growth totalled</b>	<b>205</b>	<b>410</b>	<b>410</b>

**Children's Services Budget Proposals**

Service	Description	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 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	(370)	(370)	(370)
Tri Borough	Finance Staff. Integrated finance team to support 1 integrated Children's Service executive team and services.	0	(250)	(250)
Children With Disabilities	Review of Children with Disabilities Service: Rationalising service structures across the three boroughs, Improved commissioning and procurement	(204)	(357)	(357)
Looked After Children	Looked After Children (LAC) Rationalising service structures across the three boroughs and combined LAC and leaving care model	(752)	(1,131)	(1,505)
Family Services	Reduction in cost from care proceedings pilot	(120)	(228)	(325)
Family Services	Reduced use of secure welfare & residential placements	(70)	(136)	(198)
Family Services	Restructure and service reviews	(610)	(810)	(1,010)
Family Services	Leaving Care - Improvements in timescales in moving to independent accommodation	(215)	(215)	(215)
Family Services	Rationalisation of service delivery and location costs	(55)	(55)	(55)
Family Services	Disabled children support package review	(50)	(50)	(50)
Family Services	Early help and intensive intervention with parents to reduce YP entering care by 5 per year	(160)	(320)	(480)
Commissioning	Passenger Transport	(125)	(273)	(273)
Commissioning	Savings delivered through the renegotiation of current contracts on a tri borough or single borough basis	(49)	(49)	(49)
<b>Total Efficiencies</b>		<b>(2,780)</b>	<b>(4,244)</b>	<b>(5,137)</b>

Service	Description	2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Looked After Children	Budget pressures relating to Section 20 Assessments (Southwark Judgement)	225	225	225
Children With Disabilities	Increased demand for services	245	245	245
	<b>Growth totalled</b>	<b>470</b>	<b>470</b>	<b>470</b>

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

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
ELRS Cross Cutting	Implement joint ELRS Finance Team across LBHF and RBKC	(38)	(76)	(76)
Cleaner, Greener & Cultural Services	Rationalise Recycling Bring Bank Sites	(25)	(25)	(25)
Cleaner, Greener & Cultural Services	Street Scene Enforcement / Graffiti Service Review	(25)	(25)	(25)
Cleaner, Greener & Cultural Services	Increased hall hire income at Hammersmith Town Hall (HTH) - dependent on Wi-Fi installation as part of HTH refurbishment	(15)	(15)	(15)
Cleaner, Greener & Cultural Services	Review major events with a focus on increased income generation (Boat Race)	(22)	(22)	(22)
Cleaner, Greener & Cultural Services	Review commercial hires to focus on increased income	(20)	(20)	(20)
Cleaner, Greener & Cultural Services	Filming Service Review - Phase 3	(5)	(5)	(5)
Safer Neighbourhoods	Review Grounds Maintenance Contract (depends on outcome of service review and potential Bi-Borough contract alignment, in terms of specification)	(200)	(200)	(200)
Safer Neighbourhoods	Alternative Funding for Enhanced Policing Contract	(440)	(440)	(440)
Safer Neighbourhoods	Fleet Transport Service Review	(35)	(35)	(35)
Customer & Business Development	Commercial Waste Income Generation	(50)	(50)	(50)
Customer & Business Development	Review of Business Improvement Team	(40)	(40)	(40)
Customer & Business Development	Review of Registrars Deficit	(50)	(50)	(50)

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Customer & Business Development	Cross Cutting ELRS Income Growth	(140)	(140)	(140)
	<b>Total Efficiencies</b>	<b>(1,105)</b>	<b>(1,143)</b>	<b>(1,143)</b>
Growth	Western Riverside Waste Authority Growth	0	374	374
Growth	Retender of the Waste & Street Cleansing Service	0	650	650
	<b>Growth totalled</b>	<b>0</b>	<b>1,024</b>	<b>1,024</b>

**Libraries Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Triborough Libraries	Libraries Efficiencies and Contract savings	(100)	(100)	(100)
	<b>Total Efficiencies</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
	<b>Growth totalled</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Finance & Corporate Services Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Tri Borough	Finance & Corporate Services Tri Borough Savings	(190)	(1,279)	(1,279)
H&F Direct	Deletion of Housing Benefits Appeals officer post	(20)	(20)	(20)
H&F Direct	Re-tender debit / credit card transaction contract	(15)	(15)	(15)
Finance	Reduction in contribution to Insurance fund	(200)	(200)	(200)
Finance	Reduction in Internal Audit supplies & services budget	(10)	(10)	(10)
Finance	Additional savings from the Managed Services programme	(25)	(50)	(50)
Finance	Potential savings from another borough joining Managed Services	0	(150)	(150)
Finance	Investment Income - stretch target, increase of 0.2%	(250)	(250)	(250)
Communications, Policy & Performance	Hammerprint Xerox contract	(50)	(50)	(50)
IT & Procurement	E-sourcing via new system	(15)	(15)	(15)
IT & Procurement	Reduction in Electronic Data Management System (EDMS) consultancy budget	(48)	(48)	(48)
IT & Procurement	Reduction in subscription budget	(25)	(25)	(25)
HR	Workforce reduction – proportionate saving in maternity budgets	(25)	(50)	(75)
HR	Movement to a Bi-Borough structure	(200)	(200)	(200)



Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Innovation & Change	Review of divisional structure	(110)	(110)	(110)
Innovation & Change	Income from Westminster	(100)	(100)	(100)
Communications, Policy & Performance	Reduction in Voluntary Sector Grants expenditure	(2)	(142)	(142)
Communications, Policy & Performance	Alternative funding for the 3rd Sector	0	(50)	(50)
H&F Direct	Bi-borough Council Tax Management Structure - 6 senior management post into 3	(75)	(120)	(120)
Executive Services	Reduction of two posts	0	(70)	(70)
Legal & Democratic Services	Review of Democratic and Electoral Services - look at structure and expenditure	0	(50)	(50)
Executive Services	Reduction in Chief Executive's salary	(25)	(25)	(25)
Finance	Reduction in Pension Fund contributions following actuarial reviews	(357)	(357)	(357)
Transforming Business	Business Intelligence (Freedom Passes) <sup>1</sup>	(450)	(450)	(450)
Finance	Additional New Homes Bonus Grant from reduction in reported empty properties	0	(539)	(539)
	<b>Total Efficiencies</b>	<b>(2,192)</b>	<b>(4,375)</b>	<b>(4,400)</b>
H&F Direct	Concessionary Fares Settlement	540	940	1,340
	<b>Growth totalled</b>	<b>540</b>	<b>940</b>	<b>1,340</b>

**Notes**

1) In addition, an efficiency of £150k has been built in to the Council Tax Base relating to Single Person Discount savings. These savings are planned to be achieved through the Business Intelligence programme.

**Housing and Regeneration Department Budget Proposals**

<b>Service</b>		<b>2014-15 Budget Change (£,000's)</b>	<b>2015-16 Budget Change Cumulative (£,000's)</b>	<b>2016-17 Budget Change Cumulative (£,000's)</b>
Finance & Resources	Additional Pension Fund Service Deficit absorbed by the Housing Revenue Account (HRA), based on actuarial calculations	(209)	(209)	(209)
Finance & Resources	Reduction in amenity recharge from the HRA	(50)	(50)	(50)
Housing Options, Skills & Economic Development	Reduction in costs and risks associated with Hamlet Gardens	(150)	(150)	(150)
Housing Options, Skills & Economic Development	Reduction in Housing Benefit Subsidy Loss on Housing Association Leasing Direct (HALD) portfolio	(20)	(20)	(20)
Housing Options, Skills & Economic Development	Cessation of subscription to Locata choice-based letting system	(70)	(70)	(70)
Housing Options, Skills & Economic Development	Minor reorganisation of roles and responsibilities within Housing Options	(40)	(40)	(40)
Housing Options, Skills & Economic Development	Review of income generation opportunities and cost reductions in Adult Learning & Skills Service	(211)	(350)	(490)
	<b>Total Efficiencies</b>	<b>(750)</b>	<b>(889)</b>	<b>(1,029)</b>
Growth	Potential Homelessness Impact of Welfare Reforms	1,545	1,675	1,675
	<b>Growth totalled</b>	<b>1,545</b>	<b>1,675</b>	<b>1,675</b>

**Transport & Technical Services Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Building & Property Management	Total Facilities Management (TFM) savings	(334)	(650)	(650)
Building & Property Management	Increased cost recovery from discretionary planning charges	(149)	0	0
Building & Property Management	TTS One off use of reserves	(167)	0	0
Building & Property Management	Accommodation Savings	(460)	(1,549)	(1,549)
Tri Borough	Bi Borough review of Transport & Technical Services (TTS)	(341)	(416)	(416)
Building and Property Management	Advertising hoardings in streets	(50)	(50)	(50)
Transport and Highways	Street lighting contract savings	(50)	(50)	(50)
Parking	Parking office savings, above the £100k in each borough already assumed for 13/14	(172)	(215)	(416)
Transport and Highways	Advertising on pavements	(250)	(250)	(250)
Transport and Highways	Sponsorship of Christmas lights	(12)	(12)	(12)
Parking	Parking initiatives	(74)	(74)	(74)
Various	Put Uniform system into Managed Services	(21)	(21)	(21)
Various	Use of S106 Monies	(360)	(360)	(360)
Environmental Health	Statutory Licensing fee increase	(30)	(30)	(30)
Building and Property Management	Technical Support service reviews	(79)	(79)	(79)

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Building and Property Management	Carbon Reduction Commitment (CRC) allowances	(64)	(64)	(64)
Building and Property Management	Systems saving as a result of Total Facilities Management	(62)	(62)	(62)
Planning	Pre Application Fee	(50)	(50)	(50)
	<b>Total Efficiency Savings</b>	<b>(2,725)</b>	<b>(3,932)</b>	<b>(4,133)</b>
Growth	Internal TTS Issues to address - Departmental overheads no longer rechargeable on BTS	249	249	249
Growth	Building Control gap in income target post reorganisation	287	287	287
	<b>Growth totalled</b>	<b>536</b>	<b>536</b>	<b>536</b>

**Centrally Managed Budgets Budget Proposals**

Service	Description of Budget Change	Budget Change		
		2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
Capital Debt Reduction	Debt Reduction Strategy (assumes 25% slippage in forecast receipts)	(1,336)	(1,636)	(1,936)
Centrally Managed Budgets	Redundancy Efficiency	(1,000)	(1,000)	(1,000)
Centrally Managed Budgets	Land Charges Income	(350)	(350)	(350)
Centrally Managed Budgets	Further productivity and other efficiencies from outsourcing and new ways of working	0	(16,722)	(24,927)
	<b>Total Efficiency Savings</b>	<b>(2,686)</b>	<b>(19,708)</b>	<b>(28,213)</b>
Growth	Re-alignment of overheads re the HRA and other transformation programmes.	700	700	700
Growth	Impact of 2014.15 Budget Pressures	700	700	700
	<b>Growth Total</b>	<b>1,400</b>	<b>1,400</b>	<b>1,400</b>

**New Transformational Savings**

Portfolio	Service	Description of Budget Change	Budget Change		
			2014-15 Budget Change (£,000's)	2015-16 Budget Change Cumulative (£,000's)	2016-17 Budget Change Cumulative (£,000's)
People Portfolio	Council Wide	Changing working patterns	(66)	(171)	(171)
People Portfolio	Council Wide	Internships	(294)	(529)	(529)
People Portfolio	Council Wide	Pay Strategy	(100)	(200)	(200)
People Portfolio	Council Wide	Salary Sacrifice	(10)	(10)	(10)
Transforming Business	I.T.	Reduced IT spend through transforming contract management and IT management within departments.	(100)	(100)	(100)
Transforming Business	Council Wide	Enhanced Revenue Collection	(333)	(333)	(333)
		<b>Total Efficiency Savings</b>	<b>(903)</b>	<b>(1,343)</b>	<b>(1,343)</b>

**Departmental Risk/Challenges**

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
<b>Environment, Leisure and Residents Services</b>					
Safer Neighbourhoods	Reduction in fleet numbers impacting on financial viability of transport function	180	180	180	
Customer & Business Development	Income risks - cross cutting initiatives	140	140	140	
Safer Neighbourhoods	All weather pitch income at risk from delays	70	70	70	
Cleaner Greener & Cultural Services	Waste Disposal - risk of rolling 12 month agreement with Cory for reduced recycling charges being terminated	-	730	730	
<b>Environment, Leisure and Residents Services Total</b>		<b>390</b>	<b>1,120</b>	<b>1,120</b>	
<b>Transport and Technical Services</b>					
Parking	CCTV Parking Penalty Charge Notices	616	616	616	The government has released a statement suggesting CCTV will not be allowed to be used for Parking Enforcement
Parking	Moving Traffic Offences	5,814	5,814	5,814	Value is indicative and based on the current level of enforcement and current driver behaviours
Building & Property Management	Total Facilities Management	334	334	334	Risk should reduce as benefits are recognised in the budgeting process.
Planning	Increasing incidence of exceptional costs of dealing with legal challenges, public inquiries etc	500	500	500	
Planning	Localism Act - supporting neighbourhood planning	500	500	500	
Building & Property Management	Advertising on street panels and pavements	250	250	250	
<b>Transport and Technical Services Total</b>		<b>8,014</b>	<b>8,014</b>	<b>8,014</b>	
<b>Housing &amp; Regeneration</b>					

**Departmental Risk/Challenges**

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Temporary Accommodation	Impact of the benefit cap on bad debt charges	0	740	130	
Temporary Accommodation	Welfare reform - potential impact on B&B costs	2,000	2,150	2,300	
Temporary Accommodation	Welfare reform: potential impact of changes to Local Housing Allowances on bad debt charges	600	700	800	
Temporary Accommodation	Increased inflationary pressure on B&B costs based on experience of recent placements	1,100	1,100	1,100	
<b>Housing &amp; Regeneration Total</b>		<b>3,700</b>	<b>4,690</b>	<b>4,330</b>	
<b>Children's Services</b>					
Social Care	Troubled Families	120	240	240	
Schools	Academy funding.	TBC	TBC	TBC	
Schools	Academies	TBC	TBC	TBC	
Social Care	Youth Offending Service, children on remand becoming looked after. Impact on looked after and leaving care service provision	100	200	200	
Social Care	Southwark Judgement budget pressures	225	225	225	
<b>Children's Services Total</b>		<b>445</b>	<b>440</b>	<b>440</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 and Integration and Provided Services and MH Partnerships	Increases due to continuing care transfers into social care and demographic pressures.	750	750	750	



**Departmental Risk/Challenges**

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Operations and Integration	Increase in demand for Learning disabled people placements and care packages.	235	470	705	
Operations and Integration	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	200	200	200	
Operations and Integration	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 Tri borough basis. A local response service will be developed as part of the wider rapid Response Service developments.
Commissioning	NHS Funding for social care ending in 2015/16 and assumed to be on going in the MTFS model.	0	0	3,287	Funding priorities unknown from 2016/17 as part of the Integrated Transformation Fund(ITF).
Operations & Provided Services	Funding of care and support (Care Bill)	0	0	400	The changes that set out in the Care Bill will bring increased costs and reduced income. Based on early financial modelling, these are currently estimated at £400k in Year 1 (2016/17), rising to £830k-£1,480k in Year 4 (2019/2020). We await confirmation from government about how this will be resourced.
<b>Adult Social Care Total</b>		<b>2,035</b>	<b>2,720</b>	<b>7,092</b>	
<b>Centrally Managed Budgets</b>					
Corporate	Localised Council Tax Support Scheme Caseload	500	500	500	Risk of potential increase (5%) in the caseload , due to demographic and other changes.
Corporate	Asset Disposal Programme - delay	270	330	390	

**Departmental Risk/Challenges**

Division	Short Description of Risk	Risk	Risk	Risk	Comment
		2014/15 Value £000k	2015/16 Value £000k	2016/17 Value £000k	
Corporate	Contract Inflation -Above expectation	900	1,800	2,700	Risk that contract inflation is more (1%) than allowed for.
Corporate	Pay inflation - Above expectation	900	1,800	4,050	1% pay award currently assumed in 14/15 and 15/16. 2.5% assumed in 16/17.
		<b>2,570</b>	<b>4,430</b>	<b>7,640</b>	
	<b>Total</b>	<b>17,154</b>	<b>21,414</b>	<b>28,636</b>	

**Grant Funding - Figures as per the local Government Finance Settlement**

<b>Start Up Funding Assessment</b>	2013/14	2014/15	2015/16	Notes
	£'000	£'000	£'000	
Revenue Support Grant (RSG)	81,225			
13/14 Council Tax Freeze Grant Rolled in RSG from 14/15				
<b>Revenue Support Grant</b>	<b>81,225</b>	<b>66,038</b>	<b>46,591</b>	
Localised Element of Domestic Rates	49,261			Split not yet confirmed for 2014/15 onwards
Safety Net Grant	3,549			
	<b>52,810</b>	<b>53,839</b>	<b>55,321</b>	
<b>RSG/Baseline Business Rates Funding</b>	<b>134,035</b>	<b>119,877</b>	<b>101,912</b>	
<b>New Homes Bonus Grant</b>	2,963	4,638	3,665	Reduces in 15/16 for 35% LEP top slice
<b>Other Unringfenced Grants</b>				
Section 31 Grant to compensate for capping Business rates Multiplier	0	585	585	New
Council Tax Localisation transitional Grant	290			One-off
Flood Defence Grant	172	172	115	
Housing Benefit & Council Tax Administration Grant	1,989	1,989	?	15/16 Figure not yet confirmed
Social Fund Admin Grant	124			
Social Fund Programme Fund	589	703	0	Rolled in RSG 16/17 onwards
Community Right to Challenge	17	17		

**Grant Funding - Figures as per the local Government Finance Settlement**

<b>Start Up Funding Assessment</b>	2013/14	2014/15	2015/16	Notes
	£'000	£'000	£'000	
Local Reform & Community Voices Council Tax Support New Burdens Grant	161	166	166	
Children on Remand Reallocated New Homes Bonus Grant	135	130	?	
<b>Total Other Unringfenced Grants</b>	<b>3,935</b>	<b>3,951</b>	<b>1,347</b>	
Council tax Freeze Grant				
2013/14 Council Tax Freeze Grant	628			Rolled in RSG from 14/15
2014/15 Council Tax Freeze Grant		609	609	Rolled in RSG in future years
2015/16 Council Tax Freeze Grant			610	Rolled in RSG in future years
<b>Council Tax Freeze Grant</b>	<b>628</b>	<b>609</b>	<b>1,219</b>	
<b>All Government Funding</b>	<b>141,561</b>	<b>129,075</b>	<b>108,143</b>	
<b>Not Yet announced (Estimated)</b>				
Education Support Grant	1,000	600	400	Reduces as academies set-up
Council Tax Support New Burdens Grant			130	Estimated
Housing Benefit and Council Tax Administration Grant			1,729	
<b>Total</b>	<b>142,561</b>	<b>129,675</b>	<b>110,402</b>	

## ASC Fees &amp; Charges (Exemptions) 2014/15

Description of Service	2013/14 Charge (£)	Proposed % Increase in 2014/15	Proposed Charge in 2014/15 (£)	Total Estimated Income Stream for 2014/15 (£)	Reasons for exemptions 2014/15
Meals Service	4.50	0.0%	4.50	140,100	In line with Council policy, the Meal's charge has increased over the last three years. The Meals service has been outsourced since July 2013. The Service User charge per meal was increased to £4.50 with effect from April 2013 with the cost of the Meal at £6.93, leaving a subsidy of £2.43. A review of the arrangements will be undertaken for both the service model and charging for the delivered meals service. The data collection, benchmarking and best practice review will take place early in 2014 with a fuller consultation planned later in the year. Therefore it is proposed not to increase charges in 2014/15, pending the outcome of the review.
Home Care Charging	12.00	0.00%	12.00	441,000	It is proposed that there is no increase to the home care charge of £12.00 per hour between 2013/14 and 2014/15. This is because Cabinet approved that the rate of charge is limited to £12.40 based on the level of assessed needs and cost of service. The home care charge of £12.00 is compared with the average home care purchasing rate of £12.41. In 2014/15 a new home care offer focusing on flexible support and outcomes contracts is proposed and the charge will be reviewed at this particular point. Hammersmith & Fulham will still be amongst the London Boroughs with the lowest contribution towards home care. 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.

## HRD Fees &amp; Charges (Exemptions) 2014/15

Fee Description by division	2013/14 Charge	2014/15 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 14/15, or 13/14 projected income.	Reason for uplift
<b>Private Sector Leasing</b>					
Private Sector Leasing Water Charges	Varies	Varies	Subject to water company increase, expected in January 2014	£54,000 for 2014/15; dependent on the number of client units	The charge is determined by the annual increase set by the water companies.
Private Sector Leasing Rent (average per week)	£299.40 as at 2nd April 2013	£301.09 as at 1st September 2013	Nil	£12.6m (2014/15 Estimates, based on 853 units with 4% void at the weekly rent of £301.09)	From April 2014, the PSL rent threshold is based on the January 2014 Local Housing Allowance (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 (Average per week)	£212.18 as at 2nd April 2013	£215.56 as at 1st September 2013	Nil	£3.1m (2014/15 Estimates, based 275 tenants at the weekly rent of £215.56)	From April 2014, the B&B rent threshold is based on the January 2014 Local Housing Allowance (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.
<b>Adult Education &amp; Learning Skills Service</b>					
	<b>(Fee from 1 Sep 2013)</b>	<b>(Fee from 1 Sep 2014)</b>			
Adult Education Class Full Fee per hour Band B	2.20	2.27	3.3%	£700,000 (2014/15 Estimates)	The fees uplift will be implemented at the beginning of the academic year which commences on 1st September 2014.
Adult Education Class Full Fee per hour Band C	3.35	3.46	3.3%		
Adult Education Class Full Fee per hour Band D	4.60	4.75	3.3%		
Adult Education Class Full Fee per hour Band E	5.75	5.94	3.3%		
Adult Education Class Full Fee per hour Band F	11.15	11.52	3.3%		

Transport & Technical Services Fees & Charges Exceptions 14/15						
Division/Service	Fee Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 14/15	Reason for uplift
Building Control	Schedule A	Various, depending on size and type of work	Various, depending on size and type of work	0%	£946,000	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	100	100	0%		
Building Control	Resurrection of 'old' jobs where no completion inspection had been requested or carried out, and for subsequent issuing of completion letters	200	200	0%		
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	300	300	0%		
Valuation Services	Third Party fees charged for valuation services	510	530	3.9%	£18,100	Rounded up to £530. The price was not increased in 2013-14.
Parking Pay & Display	Per hour	2.2	2.2	0%	£12,598,900	

Transport & Technical Services Fees & Charges Exceptions 14/15						
Division/Service	Fee Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 14/15	Reason for uplift
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 Permits	Residents Second Permit (6 months)	260	260	0%		Having compared fees with other boroughs, it is proposed to not increase these.
Parking Permits	Residents Second Permit (12 months)	497	497	0%		
Parking Permits	Discounted permit charges (Green vehicles)	60	60	0%		
Parking Permits	Business first permit (6mths)	464	464	0%		Having compared fees with other boroughs, it is proposed to not increase these.
Parking Permits	Business second permit (6mths)	735	735	0%		
Parking Permits	Business first permit (Yearly)	791	791	0%		
Parking Permits	Business second permit (Yearly)	1310	1310	0%		
Environmental Health	Miscellaneous late payment charge		25	New Fee		
Environmental Health - Public Entertainment	Annual Licence New grant (Sex Shop/Cinema)	16668	4947	-70%	£11,124	In recalculating fees for sex shops/cinemas/entertainment venues officers have taken into account officer costs to administer licence applications, dealing with objectors to licence applications, preparing committee reports, legal costs, room booking, officer costs for attending licence hearings, and the costs of inspecting licensed premises.  In calculating these fees the cost of dealing with a sex shop/cinema are the same. However, the costs incurred when dealing with a sex entertainment venue are higher and, therefore, a separate fee schedule has been created for these applications.
Environmental Health - Public Entertainment	Renewal (Sex Shop/Cinema)	5562	1770	-68%		
Environmental Health - Public Entertainment	Variation (in combination with renewal) (Sex Shop/Cinema)		306	New Fee		
Environmental Health - Public Entertainment	Variation (mid term) (Sex Shop/Cinema)	1500	1643	10%		
Environmental Health - Public Entertainment	Transfer (Sex Shop/Cinema)	800	763	-5%		
Environmental Health - Public Entertainment	Annual Licence New grant (Sex Entertainment Venue)	16668	6983	-58%		
Environmental Health - Public Entertainment	Renewal (Sex Entertainment Venue)	5562	3780	-32%		
Environmental Health - Public Entertainment	Variation (in combination with renewal) (Sex Entertainment Venue)		1612	New Fee		



Transport & Technical Services Fees & Charges Exceptions 14/15						
Division/Service	Fee Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 14/15	Reason for uplift
Environmental Health - Public Entertainment	Variation (mid term) (Sex Entertainment Venue)	1500	4416	194%		There are currently 2 licences in the borough. A new licence has not been issued for a number of years.
Environmental Health - Public Entertainment	Transfer (Sex Entertainment Venue)	800	1061	33%		
Environmental Health - Private Housing & Health Charges	New HMO Licence Fee (Standard 5 year licence) or renewal where there is a material change	1116	1134.39	1.6%	£34,800	Aligning our fees structure with other Boroughs. For this purpose, a new method of calculating the fee has been devised that takes into account the time that that officers spend in producing a licence and incorporates officers hourly rates.
Environmental Health - Private Housing & Health Charges	New HMO Licence Fee (Standard 5 year licence) or renewal where there is a material change with accredited landlord discount	995	1134.39	12.3%		
Environmental Health - Private Housing & Health Charges	New HMO Licence Fee (Reduced 2 year licence) or renewal where there is a material change	810	1134.39	28.6%		
Environmental Health - Private Housing & Health Charges	Renewal of HMO Licence fee (Standard 5 year licence) where no material change		1095.77			
Environmental Health - Private Housing & Health Charges	Renewal of HMO Licence fee (Standard 5 year licence) where no material change with accredited landlord discount		1095.77			
Environmental Health - Private Housing & Health Charges	Renewal of HMO Licence fee (Reduced 2 year licence) with no material change		1095.77			
Environmental Health - Private Housing & Health Charges	Enforcement Notices under Housing Act 2004	413	427	3.3%		
Planning - Pre-Application Charging Scheme	<b>Extensions and Alterations to Homes, and small Scale Proposals</b>					
Planning - Pre-Application Charging Scheme	Extensions and alterations to houses and flats not including Basements		150 - 400	New structure		
Planning - Pre-Application Charging Scheme	Extensions and alterations to houses and flats including Basements		400 - 700	New structure		
Planning - Pre-Application Charging Scheme	Local Community Groups		200 - 300	New structure		
Planning - Pre-Application Charging Scheme	Advertisements		350 - 400	New structure		

Transport & Technical Services Fees & Charges Exceptions 14/15						
Division/Service	Fee Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Total Estimated Income Stream for 14/15	Reason for uplift
Planning - Pre-Application Charging Scheme	Telecommunications		350 - 400	New structure	£50,000	The charges associated with this service have been increased annually in line with inflation, and not in line with the true cost of delivering this service. The proposed revision addresses this issue.
Planning - Pre-Application Charging Scheme	Details Required by Condition		250 - 400	New structure		
Planning - Pre-Application Charging Scheme	Internal Alterations to listed buildings where planning permission is not required		300 - 400	New structure		
Planning - Pre-Application Charging Scheme	<b>Residential Schemes (Including Change of Use, Care Homes etc)</b>					
Planning - Pre-Application Charging Scheme	1 - 4 Units		300 - 400	New structure		
Planning - Pre-Application Charging Scheme	5 -9 Units		1800 - 2000	New structure		
Planning - Pre-Application Charging Scheme	10 - 49 Units		2500 - 3000	New structure		
Planning - Pre-Application Charging Scheme	50 - 199 Units		4000 - 5000	New structure		
Planning - Pre-Application Charging Scheme	Over 200 Units		7000 - 8000	New structure		
Planning - Pre-Application Charging Scheme	<b>Non – Residential Schemes (Including Changes of use, offices, hotels, industry, retail etc.)</b>					
Planning - Pre-Application Charging Scheme	No New Floorspace – 100m <sup>2</sup>		450 - 700	New structure		
Planning - Pre-Application Charging Scheme	100 - 499m <sup>2</sup> Floorspace		700 - 800	New structure		
Planning - Pre-Application Charging Scheme	500 - 999m <sup>2</sup> Floorspace		2000 - 2200	New structure		
Planning - Pre-Application Charging Scheme	1000 - 4999m <sup>2</sup> Floorspace		2500 - 3000	New structure		
Planning - Pre-Application Charging Scheme	5000 - 9999m <sup>2</sup> Floorspace		4000 - 5000	New structure		
Planning - Pre-Application Charging Scheme	over 10000m <sup>2</sup> Floorspace		7000 - 8500	New structure		
Planning - Fixed Price PPA	Fixed Price Planning Performance Agreements		25000	New fee	£149,000	Providing pre-application advice and other project management services are incidental powers of the Planning authority and as such the Council is entitled to charge for the provision of the services to recover those costs.  Increasing the prices to reflect the actual cost of the provision will remove any cost being passed to the taxpayer whilst also enabling the Council to improve on its current performance.
Planning - Pre App	Householder Planning Package		500	New fee		

Division / Service	Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Basis for Charge
<b>LIBRARIES</b>					
<b>Adults 16-59. Concessions: Pensioners 60+, Lifestyle Plus cardholders.</b>					
Book Overdue and Reservation Charges	Overdue Books - Per Day Age 0-59	£0.25	TBC	0%	Tri Borough review of fees and charges being undertaken with a view to align where possible
Book Overdue and Reservation Charges	Requests not in stock- British Library	£5.00	TBC	0%	
Book Overdue and Reservation Charges	Requests not in stock - SELMS partners	£2.00	N/A	0%	No longer part of SELMS from April 2014
Book Overdue and Reservation Charges	Requests- Age 0-59	£1.00	TBC	0%	Tri Borough review of fees and charges being undertaken with a view to align where possible
Book Overdue and Reservation Charges	Overdue Notifications Printed- all ages (No VAT Charged)	£0.40	TBC	0%	
Audio-Visual Loan and Overdue Charges	DVD Loans Feature Films 3 days Adult Age 16-59	£1.50	TBC	0%	
Audio-Visual Loan and Overdue Charges	Overdue DVDs- Age 0-59 Per Day Max £7.50	£0.75	TBC	0%	
Audio-Visual Loan and Overdue Charges	Language Courses/ Learning Packs-three weeks	£2.50	TBC	0%	
Audio-Visual Loan and Overdue Charges	Overdue CDs- Per Day Max £7.50 (No VAT Charged)	£0.25	TBC	0%	
Audio-Visual Loan and Overdue Charges	Box sets DVDs loans Age 0-59 (No VAT Charged)	£3.50	TBC	0%	
Audio-Visual Loan and Overdue Charges	Box sets DVDs Overdues to a maximum of £7.50 Age 0-59 (No VAT Charged)	£0.75	TBC	0%	
Audio-Visual Loan and Overdue Charges	Talking Book Loans	£1.00	TBC	0%	
Internet Charges	Access - After First Half Hour - Per Half Hour members	£0.50	TBC	0%	
Internet Charges	(H&F School Children Free)	£0.00	TBC	0%	
Internet Charges	A4 Print - black and white	£0.10	TBC	0%	
Internet Charges	Access- None members pay for every Half Hour	£0.50	TBC	0%	
Internet Charges	Access- Advance 3 hour booking	£2.00	TBC	0%	
Internet Charges	A4 Colour	£1.00	TBC	0%	

Division / Service	Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Basis for Charge
SMS Communications	Receive SMS reminder of items due (elective service)	N/A	£0.20	New Charge	Cost recovery
Fax Charges - Per Page	UK	£1.00	TBC	0%	Tri Borough review of fees and charges being undertaken with a view to align where possible
Fax Charges - Per Page	Europe	£1.50	TBC	0%	
Fax Charges - Per Page	North America	£2.00	TBC	0%	
Fax Charges - Per Page	Australia	£2.00	TBC	0%	
Fax Charges - Per Page	Elsewhere	£4.00	TBC	0%	
Fax Charges - Per Page	Incoming Material	£1.00	TBC	0%	
Photocopying - Per Page	A4 black and white - self service	£0.10	TBC	0%	
Photocopying - Per Page	A3 black and white - self service	£0.20	TBC	0%	
Photocopying - Per Page	A4 black and white - assisted service	£0.20	TBC	0%	
Photocopying - Per Page	A3 black and white - assisted service	£0.40	TBC	0%	
Photocopying - Per Page	A4 colour - self service	£1.00	TBC	0%	
Photocopying - Per Page	A3 colour - self service	£1.50	TBC	0%	
Photocopying - Per Page	A4 colour - assisted	£1.50	TBC	0%	
Photocopying - Per Page	A3 colour - assisted	£20.00	TBC	0%	
	<b>Withdrawn Library Books</b>				
Sale Items - guide prices - No VAT Charged	Adult Fiction and Children's books	£0.60	£0.60		For sale items, the guide price is based on full cost recovery
Sale Items - guide prices - No VAT Charged	Adult Non-Fiction	£1.00	£1.00		
Sale Items - guide prices - No VAT Charged	Paperbacks	£0.50	£0.50		
Sale Items - guide prices - No VAT Charged	Cassettes	£0.50	£0.50		
Sale Items - guide prices - No VAT Charged	CD's	£0.50	£0.50		

Division / Service	Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Basis for Charge
Sale Items - guide prices - No VAT Charged	Videos/DVDs	£0.50	£0.50		
	<b>Miscellaneous Sale Items</b>				
Sale Items - guide prices - No VAT Charged	ECO Bags	£1.00	£1.00		
Sale Items - guide prices - No VAT Charged	Memory Sticks	£9.00	£9.00		
	<b>Voluntary groups in H&amp;F, Registered charities and Residents Associations only</b>				
Premises Hire - Per Hour	During Library Hours	£15.00	£17.50	15%	50% Discounted for Community Groups and applying uplift as per premises charges below
Premises Hire - Per Hour	Outside library Hours	£50.00	£55.00	10%	50% Discounted for Community Groups and applying uplift as per premises charges below
	<b>Other</b>				
Premises Hire - Per Hour	During Library Hours	£30.00	£35.00	15%	Cost recovery
Premises Hire - Per Hour	Outside library Hours	£100.00	£110.00	10%	Cost recovery
Exhibition Space - Per Day	Preparatory Day	£60.00	£70.00	15%	Cost recovery
Exhibition Space - Per Day	Exhibition Days	£120.00	£130.00	10%	Cost recovery

## Children's Services Fees &amp; Charges Exceptions 14/15

Fee Description by Division	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Comments
<b><u>School Meal Fees</u></b>				
School Meals- Primary (Pupils)	2.47	2.53	2.43%	charges increased in line with the contract
School Meals- Secondary (Pupils)	1.90	1.90	0.00%	
School Meals- Primary (Adults)	3.08	3.15	2.27%	
School Meals- Secondary (Adults)	3.08	3.15	2.27%	

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
<b>CLEANER GREENER &amp; CULTURAL SERVICES</b>				
<b>WASTE MANAGEMENT &amp; STREET CLEANSING (20% Discount Applied for Charities)</b>				
<b>Household Bulky Collections - VAT Zero rated</b>				
Up to 10 items of unwanted household furniture, electrical items/appliances or similar items	£25.00	£27.60	10%	In line with London average and WRWA Re-use charge and to cover cost of service. New all inclusive charge to cover all bulky waste groups
<b>Household Derived Builders Rubble - VAT Zero rated</b>				
Minimum charge for up to 10 sacks of household derived builders rubble	£30.00	£30.00	0%	
Further items charged at £3.00 per additional sack	£3.00	£3.00	0%	
<b>Bathroom Suites (items include bath, toilet, hand basin &amp; shower stand)</b>				
First item	£30.00	£30.00	0%	
Further items charged at £5.75 per additional item	£5.75	£5.75	0%	
<b>Household Fencing Waste</b>				
First 5 panels	£35.00	£35.00	0%	
Additional Panels	£5.75	£5.75	0%	
Broken down sheds	£60.00	£60.00	0%	
<b>STREET SCENE ENFORCEMENT (ZERO VAT)</b>				
Fixed Penalty Notices	£80.00	£40-£300		Defra guidance and statute control the amount of these notices
<b>HALL, PARKS &amp; OPEN SPACES HIRE - Zero Rated VAT (Hourly Rates)</b>				
<b>TOWN HALL LETTINGS</b>				
<b>HTH ASSEMBLY HALL</b>				
<i>Set Up / Break down Hourly rate is half that of the main event rate as follows:</i>				
Weekday daytime (Mon-Fri, 9am-7pm, 4 hour minimum charge)	£200.00	£210.00	5%	Relative to market and demand
Weekday evenings (Mon-Thurs, 5pm-midnight, 4 hour minimum charge)	N/A	£270.00	New Charge	New tiered pricing
Weekday evenings (Mon-Thurs, after midnight)	N/A	£335.00	New Charge	
Promoted ticketed events (Mon-Sun all day to midnight, 5 hour minimum charge)	£450.00	£475.00	6%	
Promoted ticketed events (Mon-Sun after midnight)	£515.00	£505.00	-2%	Price reduced due to new minimum hire duration and to encourage demand
Bank Holiday Mondays, New Years Eve Supplement	N/A	Charge + 15%		Relative to market and demand
New Years Eve falling on a Sunday	N/A	Charge + 15%		
<b>HTH SMALL HALL</b>				
Weekday (Mon-Fri, 9am-7pm, 4 hour minimum charge)	£85.00	£80.00	-6%	Price reduced due to new minimum hire duration
<i>Set Up / Break down Hourly rate is half that of the main event rate as follows:</i>				
Weekday evening (Mon-Thurs, 5pm-midnight, 4 hour minimum charge)	£105.00	£110.00	5%	Relative to market and demand
Weekday evenings (Mon-Thurs, after midnight)	N/A	£165.00	New Charge	New tiered pricing
Weekend (Friday from 5pm & all day to midnight Saturdays/Sundays, 4 hour minimum charge)	£130.00	£130.00	0%	Relative to market and demand

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
Weekend (Fri-Sun after midnight)	N/A	£195.00	New Charge	New tiered pricing
<b>HTH COMMITTEE ROOM 1 / COURTYARD ROOM</b>				
<i>Set Up / Break down Hourly rate is half that of the main event rate as follows:</i>				
Weekday (Mon-Thurs, 7am-midnight, 4 hour minimum charge)	£70.00	£55.00	-21%	Price reduced due to new minimum hire duration and to encourage demand
Weekday evenings (Mon-Thurs, after midnight)	£90.00	£82.50	-8%	
Weekday (Fri-Sun, 7am-midnight, 4 hour minimum charge)	£110.00	£75.00	-32%	
Weekend (Fri-Sun after midnight)	£115.00	£115.00	0%	
<b>HTH COMMITTEE ROOMS 2/3/4</b>				
<i>Set Up / Break down Hourly rate is half that of the main event rate as follows:</i>				
Weekday (Mon-Thurs, 7am-midnight, 4 hour minimum charge)	£70.00	£40.00	-43%	Price reduced due to new minimum hire duration and to encourage demand
Weekday (Mon-Thurs after midnight)	N/A	£60.00	New Charge	
Weekend (Fri-Sun, 7am-midnight, 4 hour minimum charge)	£90.00	£55.00	-39%	
Weekend (Fri-Sun, after midnight)	£110.00	£80.00	-27%	
<b>HIRE OF PARKS &amp; OPEN SPACES FOR EVENTS - CHARGES PER DAY (based on 8 hours)</b>				
Community Events	POA	POA	N/A	Full market testing undertaken to see what the market can bear
Non Ticketed / Non Sponsored Events	£610.00	£835.00	37%	
Ticketed / Sponsored Events	POA	POA	N/A	
Promotional activity - roaming	£135.00	£315.00	133%	
Promotional activity - fixed per space	POA	£1,250.00	N/A	
Fairground - Autumn/Winter rate		£330.00	New Charge	
Fairground - Summer/Spring rate	POA	£1,250.00	N/A	
Sports event e.g. Race for Life (per head)	£1.60	£2.60	63%	
Damage deposit (reinstatement costs)	POA % based on risk	POA % based on risk	N/A	
<b>ADD ON SUPPLEMENTS</b>				
Supplement for Sale of Alcohol - per Event	£210.00	£300.00	43%	in line with market and demand
Supplement for Marquee - per Marquee	N/A	£300.00	New Charge	
Supplement for small structures (e.g. gazebo, porta loo) - per structure	£110.00	£220.00	100%	
Supplement for other structures and provisions	£220.00	£220.00	0%	
<b>FILMING/PHOTOGRAPHY</b>				
<b>FILMING/PHOTOGRAPHY IN PARKS</b>				
Full scale features all park locations (approval needed from Ward Councillors)	£2,000.00	£2,000.00	0%	in line with market and demand
<i>Other filming and set up time - per hour or part of any hour - includes video and stills photography and excludes extra staff and car parking fees.</i>				
Flagship Sites	£150.00	£150.00	0%	

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**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
All other parks	£125.00	£125.00	0%	in line with market and demand
<i>Filming Per Hour 50% concession for:</i>				
- Stills photography where not more than 2 people involved				
- Registered charity				
- Educational documentary, not for cinema or television distribution.				
- Voluntary organisations meeting criteria.				
<b>FILMING/PHOTOGRAPHY ON STREET</b>				
Notice of no objection	£100.00	£100.00	0%	in line with market and demand
<b>OTHER EVENTS /FILMING FEES</b>				
Admin charge for all paying jobs	£75.00	£75.00	0%	in line with market and demand
Minimum charge for first hour	£250.00	£250.00	0%	
Security per hour	£21.17	£21.17	0%	
Electricians per hour	£37.00	£37.00	0%	
<b>Unit Base (per day)</b>				
Small	£750.00	£750.00	0%	
Medium	£1,000.00	£1,000.00	0%	
<b>Location Fee</b>				
Windsor Christie Stadium	£150.00	£150.00	0%	
Mortuary	£250 plus £50 staff overtime	£250 plus £50 staff overtime	0%	
Town Halls	£250 plus £35 per hour overtime	£250 plus £35 per hour overtime	0%	
Schools	25% passing on fee	25% passing on fee	0%	
Fulham Palace	25% passing on fee	25% passing on fee	0%	
Housing Estates	£150.00	£150.00	0%	
Other buildings (e.g. Suberry Day Centre, Ujima First Base etc.)	£125.00	£125.00	0%	
Community Centres	25% passing on fee	25% passing on fee	0%	
Libraries	£125.00	£125.00	0%	
<b>CUSTOMER &amp; BUSINESS DEVELOPMENT</b>				
<b>REGISTRATION OF BIRTHS, DEATHS &amp; MARRIAGES</b>				
<b>Civil Marriage/Civil Partnership/Naming Ceremonies/Vow Renewals (including rehearsals)</b>				
NB: Prices for Naming Ceremonies/Vow Renewals range between £175 - £550 by quotation				
<b>Register Office, Hammersmith Town Hall</b>				
Monday Only	£49.00	£49.00	0%	Statutory fee set by the General Register Office

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**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift	
<b>Mayor's Parlour, Hammersmith Town Hall (Register Office)</b>					
Friday	£231.50	£235.00	2%		
Saturday	£334.50	£340.00	2%		
<b>Riverside Room, Hammersmith Town Hall</b>					
Fri - Sat	£200.50	£204.00	2%		
<b>Approved Venues</b>					
Mon - Thur	£334.00	£340.00	2%		
Fri - Sat	£417.00	£424.00	2%		
Sun/Bank Holidays	£520.00	£550.00	6%		
<b>Copy Certificates</b>					
Copy certificate at time of registration		£4.00			Statutory fee set by the General Register Office
Copy certificate in current register		£7.00			
Copy certificate from historical records		£10.00			
Same day service for copy certificates	£4.00	£5.00	25%	In line with other local Register Offices prices, but still remain competitively priced.	
<b>Cancellation or Booking Changes</b>					
Single applicant cancellation fee for notices	N/A	£35.00	New Charge		
Couples cancellation fee for notices	N/A	£70.00	New Charge		
Cancellation of ceremony fee	N/A	£35.00	New Charge		
Rebooking fee: Mon-Thur Register office and Riverside Room	N/A	£35.00	New Charge		
Rebooking fee: Fri and Sat Riverside Room	N/A	£45.00	New Charge		
Approved premise cancellation & rebooking fee	N/A	£70.00	New Charge		
Ceremony Consultation Fee (per 30 minute appointment)	N/A	£35.00	New Charge		
Registrars attending rehearsal at approved premise	N/A	£140.00	New Charge		
<b>NCS Fees</b>					
Adult	£46.50	£46.50	0%		
Child	£25.80	£25.80	0%		
When child is the only applicant	£46.50	£46.50	0%		
<b>Citizenship Ceremony fees</b>					
Individual citizenship ceremony - Mon - Fri	N/A	£100.00	New Charge		
Individual citizenship ceremony - Saturday	N/A	£160.00	New Charge		
<b>STREET TRADING CHARGES</b>					
<b>CERTIFICATE OF REGISTRATION</b>					
Permanent Trader	£55.00	£55.00	0%		
Temporary Trader	£55.00	£55.00	0%		
Annual Renewal	£55.00	£55.00	0%		
<b>ADMINISTRATION CHARGES</b>					
Licence replacement	£55.00	£55.00	0%		
<b>LBHF STREET &amp; MARKET TRADERS - Weekly charges</b>					
1 day per week (Standard)	£20.40	£20.40	0%		
1 day per week (Extended)	£29.58	£29.58	0%		
2 days per week (Standard)	£27.54	£27.54	0%		
2 days per week (Extended)	£41.82	£41.82	0%		

14/03/15

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift	
3 days per week (Standard)	£42.84	£42.84	0%	All Street Trading Activities are part of a wider compliance review - charges will be considered at that juncture and fee increases proposed to the Executive Director & Cabinet Member using Delegated Authority	
3 days per week (Extended)	£61.20	£61.20	0%		
4 days per week (Standard)	£54.06	£54.06	0%		
4 days per week (Extended)	£80.58	£80.58	0%		
5 days per week (Standard)	£68.34	£68.34	0%		
5 days per week (Extended)	£99.96	£99.96	0%		
6 days per week (Standard)	£83.64	£83.64	0%		
6 days per week (Extended)	£120.36	£120.36	0%		
<i>An additional charge of £10 per day will be payable for trading on Friday and/or Saturday</i>					
<b>News Vendors</b>					
<b>Annual Charges</b>	£3,053.00	£3,053.00	0%		
<b>Daily charges:</b>					
Temporary Licences for casual traders at street markets (per day)					
Mon-Thurs (Standard)	£20.40	£20.40	0%		
Mon-Thurs (Extended)	£29.58	£29.58	0%		
Fri/Sat (Standard)	£30.60	£30.60	0%		
Fri/Sat (Extended)	£39.78	£39.78	0%		
<i>* An additional charge of £10 will be payable for trading on Friday and/or Saturday</i>					
<b>Charges for Traders outside football grounds and other Traders</b>					
Annual Charge per square metre	£395.00	£395.00	0%		
<i>Minimum charge of 1.5 sq m and maximum charge of 12 sq m</i>					
<b>DISTRIBUTION OF FREE LITERATURE LICENCES (Zero VAT)</b>					
Standard Application Fee for each Site for 1 Distributor (A Site is a Street) for up to 1 Month	N/A	£186.00	New Charge	To cover the cost of compliance checks and processing	
Short Notice Application Fee for each Site for 1 Distributor (A Site is a Street) for up to 1 Month	N/A	£226.00	New Charge		
Additional Fee for applications over 1 Month (£ per month)	N/A	£10.00	New Charge		
Each Additional Distributor at each Site	N/A	£26.25	New Charge		
Administration charge for alterations to licenses which have already been issued	N/A	£40.00	New Charge		
<b>COMMERCIAL WASTE (20% Discount Applied for Charities)</b>					
<b>BAGGED WASTE &amp; RECYCLING</b>					
General Waste Sacks - cost per sack	£1.83	£1.96	7%	To cover increased costs of waste disposal	
Pay As You Throw General Waste Sacks - cost per sack	£1.83	£1.96	7%		
Recycling Sacks - cost per sack	£1.40	£1.48	6%	Same as contract price	
Pay As You Throw Recycling Sacks - cost per sack	£1.40	£1.48	6%		
<b>WHEELIE BIN WASTE &amp; RECYCLING</b>					
360 Ltr Wheelie Bins - General Waste - cost per empty	£8.83	£9.36	6%		
360 Ltr Wheelie Bins - Recycling - cost per empty	£5.20	£7.79	6%		
660 Ltr Wheelie Bins - General Waste - cost per empty	£11.58	£12.27	6%		
660 Ltr Wheelie Bins - Recycling - cost per empty	£7.35	£7.79	6%		
<b>PALADINS / CHAMBERLAINS</b>					
940 Ltr Paladins & Chamberlains - General Waste Only	£15.00	£16.50	10%		
940 Ltr Paladins & Chamberlains - General Waste Only - at 25%	£3.75	£4.12	10%		
<b>EURO BIN WASTE &amp; RECYCLING</b>					

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
1100 Ltr Euro Bins - General Waste - cost per empty	£15.00	£16.50	10%	Relative to market and demand
1280 Ltr Euro Bins - General Waste - cost per empty	£15.00	£16.50	10%	
1280 Ltr Euro Bins - Recycling - cost per empty	£10.91	£11.67	7%	
1280 Ltr Euro Bins - Recycling - cost per empty - at 25%	£2.73	£2.92	7%	
<b>DOMESTIC BIN HIRE</b>				
360 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£1.05	£1.12	7%	
1100 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£2.09	£2.23	7%	
1280 Ltr Euro Bins - Domestic Bin Hire - cost per bin per week	£2.09	£2.23	7%	
Chamberlain Bins - Domestic Bin Hire - cost per bin per week	£1.61	£1.72	7%	
Palladin Bins - Domestic Bin Hire - cost per bin per week	£1.61	£1.72	7%	
<b>CONTAINER REPLACEMENT</b>				
1280 Litre replacement	£352.63	£352.63	0%	Cost + 15%
Paladin replacement	£283.18	£283.18	0%	
Chamberlain 940 Litre replacement	£283.18	£283.18	0%	
1100 Litre replacement	£278.87	£278.87	0%	
660 Litre replacement	£269.20	£269.20	0%	
360 Litre replacement - waste	£101.20	£101.20	0%	
360 Litre replacement - recycling	£295.59	£295.59	0%	
<b>COMMERCIAL BULKY COLLECTIONS</b>				
Bulky Waste Collection (e.g. Fridge / Freezer Collection)	POA	POA	N/A	
Two fridges / freezers	POA	POA	N/A	
Three fridges / freezers	POA	POA	N/A	
Minimum Charge	£25.00	£25.00	0%	
<b>SKIPS &amp; COMPACTORS</b>				To cover collection and disposal costs
Domestic Compactors - Internal - All Sizes	£141.12	£141.12	0%	
Domestic Compactors - External - All Sizes	£141.12	£141.12	0%	
Commercial Compactors - All Sizes	£385.00	£400.40	4%	
Skips	£220.00	£230.00	5%	
<b>DUTY OF CARE CERTIFICATES</b>				
Annual Duty of Care Certificate for casual Pay As You Throw customers	£30.00	£30.00	0%	To cover processing costs
Annual Duty of Care Certificate for contract customers	£30.00	£30.00	0%	
Revisions to Duty of Care Certificates	£25.00	£25.00	0%	
<b>COMMERCIAL RECYCLING CONTAMINATION CHARGE</b>				
Orange Sack - Customer not removing contamination - 1 contaminated container	£25.50	£25.50	0%	To cover increased waste collection and disposal costs and
Orange Sack - Customer not removing contamination - additional containers	£25.50	£25.50	0%	
360 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	£25.50	£25.50	0%	
360 Ltr Euro Bins - Customer not removing contamination - additional containers	£25.50	£25.50	0%	
360 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	£25.50	£25.50	0%	
360 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	£25.50	£25.50	0%	
660 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	£25.50	£25.50	0%	
660 Ltr Euro Bins - Customer not removing contamination - additional containers	£25.50	£25.50	0%	
660 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	£25.50	£25.50	0%	
660 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	£25.50	£25.50	0%	

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift	
660 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	£25.50	£25.50	0%	To cover increased waste collection and disposal costs and administration costs	
1100 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	£25.50	£25.50	0%		
1100 Ltr Euro Bins - Customer not removing contamination - additional containers	£25.50	£25.50	0%		
1100 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	£25.50	£25.50	0%		
1100 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	£25.50	£25.50	0%		
1280 Ltr Euro Bins - Customer not removing contamination - 1 contaminated container	£25.50	£25.50	0%		
1280 Ltr Euro Bins - Customer not removing contamination - additional containers	£25.50	£25.50	0%		
1280 Ltr Euro Bins - Customer removes contamination and requires additional collection - 1 contaminated container	£25.50	£25.50	0%		
1280 Ltr Euro Bins - Customer removes contamination and requires additional collection - additional containers	£25.50	£25.50	0%		
<b>SAFER NEIGHBOURHOODS DIRECTORATE</b>					
<b>COMMUNITY SAFETY</b>					
Motorcycle recovery	£30.00	£30.00	0%	Limited requirement for these services	
Return of Stray Dogs to Owners	£75.00	£75.00	0%		
<b>ANTI SOCIAL BEHAVIOUR</b>					
Anti Social Behaviour investigations (charge per hour)	£100.00	£100.00	0%	in line with market and demand	
<b>MORTUARY SERVICES</b>					
<b>TRANSPORT</b>					
Parts	Cost + 10.5%	Cost + 10.5%	0%	In line with competition whilst remaining competitive	
Fuel - Diesel / Petrol / LPG	Cost + 10.5%	Cost + 10.5%	0%		
Ad Hoc Vehicle Hire	Cost + 10.5%	Cost + 10.5%	0%		
Management and Administration Charge	Total Cost (excluding Fuel and NSEs) + 10.5%	Total Cost (excluding Fuel and NSEs) + 10.5%	0%		
Workshop Labour Rate per hour	£45.00	£45 to £60	up to 33%		
<b>LEISURE</b>					
<b>WINTER PITCH BOOKINGS</b>					
<b>FOOTBALL (GRASS PITCHES)</b>					
<i>Inclusive of Changing Rooms &amp; Nets/Flags</i>					
Full-Size Pitch Per Game	£80.00	£85.00	6%		
Full-Size Pitch Per Day	£320.00	£340.00	6%		
Junior-Size Pitch Per Game	£50.00	£52.00	4%		
7-A-Side Size Pitch Per Game	£40.00	£42.00	5%		
5-side pitch per hour	N/A	£35.00	New Charge		
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%		
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%		

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift	
<b>11-A-SIDE ALL-WEATHER PITCHES (11AWP)</b>					
<i>Inclusive of Pitch Hire Only</i>					
Per Pitch Per Hour	£80.00	£85.00	6%	in line with market and demand	
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%		
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%		
<b>5-A-SIDE ALL-WEATHER PITCHES (5AWP)</b>					
<i>Inclusive of Pitch Hire Only</i>					
Per Pitch Per Hour	£40.00	£42.00	5%	in line with market and demand	
Per Pitch Per Hour - Chelsea FC (Eel Brook Common Only)	£20.00	£25.00	25%		
Per Pitch Per Hour - In Borough State Schools	£22.00	£25.00	14%		
Per Pitch Per Hour - Out of Borough & Private Schools	£26.40	£32.00	21%		
<i>Contact Price for QPR / Chelsea FC / Chiswick Hockey</i>					
Per Pitch Per Hour - Contract Adult	£25.00	£28.00	12%		
Per Pitch Per Hour - Contract Junior	£22.00	£25.00	14%		
<i>Pay &amp; Play (Unbooked) Cash Rate</i>					
Per Pitch Per Hour	£55.00	£60.00	9%		New rate to encourage pre-booking
<i>Inclusive of Changing Rooms if Desired</i>					
<i>Off-Peak Hours 09:00-18:00 Mon-Fri. Peak Hours 18:00-22:00 Mon-Fri &amp; Weekends</i>					
Per Pitch Per Hour - Adult / Club (Peak)	£40.00	£42.00	5%	in line with market and demand	
Per Pitch Per Hour - Adult / Club (Off Peak)	£25.00	£28.00	12%		
Per Pitch Per Hour - In Borough State Schools	£22.00	£25.00	14%		
Per Pitch Per Hour - Out of Borough & Private Schools	£26.40	£32.00	21%		
<b>RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY/AUSTRALIAN RULES</b>					
<i>Inclusive of Changing Rooms</i>					
Per Pitch Per game - In Borough State Schools	£80.00	£85.00	6%	in line with market and demand	
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%		
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%		
<b>SUMMER PITCH BOOKINGS</b>					
<b>CRICKET (PITCH)</b>					
<i>Inclusive of Changing Rooms. No Stumps, Equipment, Etc Provided</i>					
Per Pitch Per Game - Weekend	£105.00	£115.00	10%	New facility. Price set to encourage demand	
Per Pitch Per Game - Weekend (Inclusive of Nets)	£115.00	£125.00	9%		
Per Pitch Per Game - Weekday	£90.00	£95.00	6%		
Per Pitch Per Game - Weekday (Inclusive of Nets)	£100.00	£105.00	5%		
Per Pitch Per Game - Bank Holiday	£115.00	£120.00	4%		
Per Pitch Per Game - Bank Holiday (Inclusive of Nets)	£125.00	£130.00	4%		
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%		
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%		
<b>CRICKET (NETS)</b>					

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
<i>Inclusive of Net Hire only, where requested without a pitch.</i>				
Per Pair Per Hour	£15.00	£15.00	0%	
Per Pair Per Hour - In-Borough State Schools	£12.00	£12.00	0%	
Per Pair Per Hour - Out of Borough and Private Schools	£14.40	£14.40	0%	
<b>ROUNDERS/BASEBALL</b>				
<i>Inclusive of Changing Rooms.</i>				
Per Pitch Per Game	£80.00	£85.00	6%	
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%	
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%	
<b>MINI BASEBALL</b>				
<i>Inclusive of Pitch Hire Only</i>				
Per Pitch Per Game	£55.00	£60.00	9%	
<b>SOFTBALL</b>				
<i>Inclusive of Pitch Hire Only</i>				
Per Pitch Per Game	£80.00	£85.00	6%	
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%	
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%	
<b>BICYCLE POLO</b>				
<i>Inclusive of Pitch Hire Only</i>				
Per Pitch Per Game - Weekend	£80.00	£85.00	6%	
Per Pitch Per Game - Weekday	£70.00	£75.00	7%	
<b>TOUCH/TAG RUGBY</b>				
<i>Inclusive of Pitch Hire Only</i>				
Per Pitch Per Game	£40.00	£45.00	13%	
Per Pitch Per Hour - In Borough State Schools	£38.00	£40.00	5%	
Per Pitch Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%	
<b>ATHLETICS &amp; SPORTS DAYS - HURLINGHAM PARK &amp; SOUTH PARK</b>				
<i>Inclusive of Line Markings (100m Track) &amp; Changing Rooms</i>				
Per Space Per Hour	£55.00	£60.00	9%	
Per Space Per Hour - In Borough State Schools	£38.00	£40.00	5%	
Per Space Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%	
<i>Inclusive of Pitch Hire Only</i>				
Per Space Per Hour	£45.00	£50.00	11%	
<b>ATHLETICS &amp; SPORTS DAYS - RAVENSCOURT PARK, BROOK GREEN, BISHOPS PARK &amp; LILLIE ROAD REC</b>				
<i>Inclusive of Pitch Hire Only</i>				
Per Space Per Hour	£25.00	£28.00	12%	
Per Space Per Hour - In Borough State Schools	£22.00	£25.00	14%	
Per Space Per Hour - Out of Borough & Private Schools	£26.40	£32.00	21%	
<b>TENNIS</b>				

2013/14

in line with market and demand

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
<b>Daytime Pay &amp; Play</b>				
Pay & Play Per Hour	£9.00	£9.50	6%	In line with market given court conditions
Pre Booked Per Hour (Minimum 5 bookings)	£7.00	£7.00	0%	
Pay & Play Per Hour - Youth (U18)	£3.50	£3.50	0%	
Pre-Booked Per Hour - School	£3.50	£3.50	0%	
Pay & Play Per Hour (Adult)	£11.00	£11.00	0%	
Pre Booked Per Hour (Charge for 5 minimum bookings)	£35.00	£35.00	0%	
Pre Booked Per Hour (Charge for 10 minimum bookings)	£70.00	£70.00	0%	
Pay & Play Per Hour - Youth (U16) - was U18	£5.50	£5.50	0%	
Pre-Booked Per Hour - School	£5.50	£5.50	0%	
<b>COACHING LICENCE FEES</b>				
Coaches Licence Fee (One payment)	£985.00	£1,104.00	12%	in line with market and demand
<b>NETBALL</b>				
Per Court Per Hour - Daytime	£18.00	£20.00	11%	New facility. Price set to encourage demand
Per Court Per Hour - Floodlit	£28.00	£30.00	7%	
Per Court Per Hour - In Borough State Schools	£15.00	£17.00	13%	
Per Court Per Hour - Out of Borough & Private Schools	£18.00	£22.00	22%	
<b>COMMUNITY ROOM - Hurlingham Park</b>				
Room Hire Only	£52.00	£55.00	6%	in line with market and demand
Party Hire	£100.00	£105.00	5%	
<b>LINE MARKINGS (Where supplied as an extra)</b>				
Athletics Per Hour	£25.00	£28.00	12%	in line with market and demand
<b>CHANGING ROOMS (Where supplied as an extra)</b>				
Per Booking - In Borough State Schools	£20.00	£22.00	10%	in line with market and demand
Per Booking - Out of Borough & Private Schools	£24.00	£28.00	17%	
<b>BOWLS</b>				
<i>Operation of Bowling Greens is carried out by local Bowling Clubs</i>				
Adult - per person per round	£2.00	£2.00	0%	in line with market and demand (currently low uptake)
OAP/Youth - per person per round	£1.00	£1.00	0%	
Adult season ticket	£44.00	£44.00	0%	
OAP/Youth season ticket	£22.00	£22.00	0%	
Locker rent	£10.00	£10.00	0%	
<b>TRAINING AREAS</b>				
<b>HURLINGHAM PARK</b>				
<i>Inclusive of Changing Rooms &amp; Floodlights</i>				
Training Area Per Hour	£38.00	£40.00	5%	in line with market and demand
Training Area Per Hour - In Borough State Schools	£38.00	£40.00	5%	
Training Area Per Hour - Out of Borough & Private Schools	£45.60	£50.00	10%	
<b>FULHAM FOOTBALL CLUB - Grass pitch and Community Room</b>				



**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
Grass pitches, Com Room & Changing room -per day	£115.00	£125.00	9%	in line with market and demand
<b>LILLIE ROAD, BISHOPS PARK, SOUTH PARK &amp; EEL BROOK COMMON</b>				
<i>Inclusive of Pitch Hire Only</i>				
Training Area Per Hour	£38.00	£40.00	5%	
Equipment Storage	£160.00	£170.00	6%	
<b>Bishops Park - Grass pitch</b>				
Fulham Football Club	£80.00	£85.00	6%	
<b>PERSONAL TRAINER ANNUAL LICENCE FEE</b>				
Group Training Instructor Annual Licence	£1,200.00	£1,200.00	0%	
<i>DISCOUNT RATES - Discounts apply to all prices above except where stated otherwise.</i>				
6+ Block Booking	£0.20	£0.20	0%	
10+ Block Booking (that meet criteria) VAT Exempt	£0.20	£0.20	0%	
Council Departments	£0.20	£0.20	0%	
Registered Charities	£0.10	£0.10	0%	
<b>LINFORD CHRISTIES STADIUM</b>				
<b>Annual Inclusive Pass</b>				
Adult (Member)	£90.00	£90.00	0%	in line with market and demand
Adult ( Non Member)	£140.00	£140.00	0%	
*Concessionary (12 months only) (member)	£40.00	£40.00	0%	
*Concessionary (12 months only) (Non Member)	£70.00	£70.00	0%	
Student 12 months	£70.00	£70.00	0%	
Adult 6 months (member)	£50.00	£50.00	0%	
Adult 6 months (non member)	£80.00	£80.00	0%	
<b>Casual Use session Price</b>				
Adult (Member)	£4.00	£4.00	0%	
Adult (Non Member)	£5.00	£5.00	0%	
*Concessionary (12 months only) (member)	£2.00	£2.00	0%	
*Concessionary (12 months only) (Non Member)	£3.00	£3.00	0%	
Lifestyle Plus Member	£0.50	£0.50	0%	
Adult spectator/ entrance fee (events)	£2.00	£2.00	0%	
Use of shower facilities / changing facilities	£2.00	£2.00	0%	
<b>Running Track Hire</b>				
Training (LBHF School) facilities only	£27.00	£30.00	11%	
Training (non LBHF School) facilities only	£52.00	£55.00	6%	
Sports Day (LBHF School) up to 3 hrs - Facility only	£150.00	£160.00	7%	
Sports Day (non LBHF School) up to 3 hrs - Facility only	£180.00	£192.00	7%	
Sports Days Per Hour (LBHF School) in excess of 3 hrs	£60.00	£65.00	8%	
Sports Days Per Hour (non LBHF School) in excess of 3 hrs	£72.00	£78.00	8%	
TVH meetings	£50.00	£55.00	10%	

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
Additional miscellaneous fee - setting out and clearing up	£60.00	£65.00	8%	
<b>PITCHES &amp; ANCILLARY HIRE SERVICES</b>				
<b>11-A-SIDE ALL-WEATHER PITCH</b>				
<i>Inclusive of Changing Rooms if Desired</i>				
Per Pitch Per Hour - Adult	£85.00	£90.00	6%	in line with market and demand
Per Pitch Per Hour - FA-Recognised Club	£65.00	£70.00	8%	
Per Pitch Per Hour - In Borough State Schools	£45.00	£48.00	7%	
Per Pitch Per Hour - Out of Borough & Private Schools	£54.00	£60.00	11%	
<b>Contact Price for QPR / Chelsea FC / Chiswick Hockey</b>				
Per Pitch Per Hour - Contract Adult	£48.00	£52.00	8%	
Per Pitch Per Hour - Contract Junior	£32.00	£35.00	9%	
<b>Pay &amp; Play (Unbooked) Cash Rate</b>				
Per Pitch Per Hour	£100.00	£110.00	10%	To encourage pre-booking
<b>GRASS CENTRE PITCH</b>				
<i>Inclusive of Changing Rooms if Desired</i>				
Centre Pitch Per Game Without Floodlighting	£95.00	£105.00	11%	improved pitch and facilities quality following renovations
Centre Pitch Per Hour Without Floodlighting	£85.00	£90.00	6%	
Centre Pitch Per Hour Without Floodlighting - In-Borough State School	£60.00	£65.00	8%	
Centre Pitch Per Hour Without Floodlighting - Out-of-Borough & Private School	N/A	£78.00	New	
Centre Pitch Per Hour With Floodlighting	£105.00	£115.00	10%	
Centre Pitch Per Hour With Floodlighting - In-Borough State School	£70.00	£75.00	7%	
Centre Pitch Per Hour With Floodlighting - Out-of-Borough & Private School	N/A	£90.00	New	
Rugby Training Area - Top or Bottom	£35.00	£38.00	9%	
Rugby Training Area - Top or Bottom - In-Borough State School	N/A	£38.00	New	
Rugby Training Area - Top or Bottom - Out-of-Borough & Private School	N/A	£45.60	New	
<b>ROOMS / STORAGE HIRE</b>				
Community Room	£35.00	£25.00	-29%	price set to encourage demand
Announcer's Box	£35.00	£25.00	-29%	
Changing Room Per Team (when no pitch hire)	£35.00	£25.00	-29%	
Storage Container (Per Annum)	£1,850.00	£1,850.00	0%	
Community Room - School	£20.00	£20.00	0%	
Announcer's Box - School	£20.00	£20.00	0%	
Changing Room Per Team (when no pitch hire) - School	£20.00	£20.00	0%	
Storage Container (Per Annum) - School	£1,300.00	£1,300.00	0%	
<b>CEMETERIES - Exempt for VAT</b>				
<b>GRAVE PURCHASE - HAMMERSMITH &amp; FULHAM</b>				
Grave Purchase & Grant - North Sheen / Mortlake - Non Resident	£4,095.00	£3,460.80	-15%	Set in line with London benchmarked prices. Non-resident charges are twice that of resident charges
Grave Purchase & Reserve - North Sheen / Mortlake - Non Resident	£4,358.00	£5,946.00	36%	

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
Grave Purchase & Grant - Fulham / Margravine - Resident	£10,500.00	£10,500.00	0%	Premium limited supply in-borough grave space
Grave Purchase & Reserve - Fulham / Margravine - Non Resident	£10,500.00	£10,500.00	0%	
<b>INTERMENT &amp; REOPENING OF GRAVES</b>				
<i>The interment cost for residents' children up to 16 years of age are waived</i>				
Up to 2 interments / Reopenings (each) - Non Resident	£1,838.00	£2,596.00	41%	
Per extra interment (below 7ft) - Non Resident	£735.00	£542.00	-26%	
Casket (includes interment fee) - Non Resident	£2,363.00	£3,246.00	37%	
Additional Charge for Coffin over 6'8" Long and/or over 26" Wide - Non Resident	£1,943.00	£2,814.00	45%	
<b>INTERMENT OF CREMATED REMAINS</b>				
Grave Purchase & Reserve - Resident	N/A	£1,192.00	New Charge	
Grave Purchase & Reserve - Non Resident		£2,384.00		
Grave Purchase and Grant - Non Resident	£1,365.00	£1,192.00	-13%	
Interment - Non Resident	£420.00	£648.00	54%	
Scattering of Ashes - Non Resident	£79.00	£162.00	105%	
<b>INTERMENTS - PRIVATE GRAVES</b>				
(Includes grass matting)				
<b>Additional fee outside 10am to 4pm</b>				
Monday to Friday	N/A	£239.00	New Charge	
24 hour burial notice	N/A	£478.00	New Charge	
<b>NON PRIVATE GRAVES</b>				
Grave Space Only - Non Resident	£1,838.00	£2,596.00	41%	
<b>EXHUMATIONS (Includes VAT at 20%)</b>				
Standard Charge (Coffin or Casket) - Non Resident	£1,968.00	£4,056.00	106%	
Disinterment of Cremated Remains - Non Resident	£158.00	£326.00	106%	
Grave Diggers Allowance per Grave - Non Resident	£105.00	£216.00	106%	
<b>MEMORIALS</b>				
Headstone (including Tablet, Vase, etc) - Non Resident	£278.00	£486.00	75%	
Additional inscription - Non Resident	£173.00	£162.00	-6%	
<b>REGISTER SEARCH FEE</b>				
Per Search	£10.00	£28.00	180%	Set in line with London benchmarked prices. Non-resident charges are twice that of resident charges
Certified copy of entry	N/A	£19.00	New Charge	
<b>CHANGE OF OWNERSHIP</b>				
Registering change of ownership & new Deed	£90.00	£91.00	1%	
Replacement Deed of Grant only	N/A	£52.00	New Charge	
<b>USE OF CHAPEL (Per Hour)</b>				
Out of Hours (Weekdays After 4pm / Saturdays / Bank Holidays). 24 Hours Notice Required	£552.00	£371.00	-33%	
Officer attendance (Per hour at weekends)	Negotiable	Negotiable	N/A	
<b>MAINTENANCE OF GRAVES &amp; MEMORIALS</b>				
<i>A 10 year maintenance agreement may be entered into for the following services. The charge is 12 times that of the annual fee to cover inflation and administrative costs.</i>				
<b>Grave Planting and Maintenance (Per annum/per grave space)</b>				
<b>Memorials</b>				
Washing - Standard/Small (per annum charge)	N/A	£80.00	New Charge	

**All Fees & Charges Inclusive of VAT @ 20% unless stated otherwise**

Description	2013/14 Charge (£)	2014/15 Charge (£)	Proposed Uplift (%)	Reason for uplift
Washing - Large/Double (per annum charge)	N/A	£123.00	New Charge	
<b>REMOVAL AND REPLACEMENT OF GRAVESTONES AND MONUMENTS</b>				
<b>SMALL/STANDARD</b>				
Headstone up to 0.76m - 1.07m (2' 6" - 3'6") high	N/A	£290.00	New Charge	
Full memorial up to 0.76m - 1.07m (2'6" - 3'6") high	N/A	£577.00	New Charge	
<b>LARGE/DOUBLE</b>				
Headstone up to 0.76m - 1.07m (2'6" - 3'6") high	N/A	£388.00	New Charge	
Full memorial up to 0.76m - 1.07m (2'6" - 3'6") high	N/A	£771.00	New Charge	
Any memorial on large/double grave	N/A	£309.00	New Charge	
Additions/alterations to existing masonry	N/A	£104.00	New Charge	
Inspection and staking of weak memorials	N/A	£22.00	New Charge	
Inspection and bonding of weak crosses	N/A	£75.00	New Charge	
<b>DONATED BENCHES &amp; TREES</b>				
Donated Benches	N/A	£919.00	New Charge	
Donated Tree	N/A	£169.00	New Charge	
<i>Or at cost plus admin. charge if larger than standard size</i>				

## Equality Impact Analysis (EIA) of Main Budget proposals for 2014/15

### (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 are proposed to Full Council on 26 February 2014, following discussion of the proposed Budget at Overview and Scrutiny Board on 28 January 2014, as well as at Cabinet on 03 February 2014.

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

- § Transport, Environment and Residents' Services Select Committee: 13 January 2014;
- § Education and Children's Services Select Committee: 21 January 2014;
- § Housing, Health and Adult Social Care Select Committee: 21 January 2014;
- § Overview and Scrutiny Board: 28 January 2014; and
- § Cabinet: 3 February 2014.

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

For 2014/2015, 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 2014/15 as part of the Council's decision-making process, and changes will be made where appropriate.

The aim of 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) came into effect on 01 April 2013, and replaced Council Tax Benefit which was abolished as part of the Government's Welfare Reforms (which include the introduction of Universal Credit). H&F decided for 2013/14 and 2014/15 to absorb the cost of the changes, which means that people receive the same or very similar help to pay their council tax as they did under council tax benefit. The relevant regulations that apply, are therefore those set by government<sup>1</sup>. In order to assess the impact of the main budget proposals upon which the decision to reduce council tax by 3% is based, relevant borough profile and other data is used to assess which group(s) might be impacted by each proposal and an assessment of that impact is made by reference to the three tenets of the PSED.

(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 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 Three; 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 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>2</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>

[http://www.lbhf.gov.uk/Directory/Advice\\_and\\_Benefits/Council\\_tax/Who\\_has\\_to\\_pay/174433\\_Council\\_Tax\\_Support\\_Scheme.asp](http://www.lbhf.gov.uk/Directory/Advice_and_Benefits/Council_tax/Who_has_to_pay/174433_Council_Tax_Support_Scheme.asp)

<sup>2</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 £22.74 per Council Tax bill (Band D). This is the reduction that relates to the LBHF element of the calculation.

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 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 LCTS or partial LCTS.

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 LCTS, or above which a person will not be eligible for LCTS or partial LCTS.

However, it is likely that those whose financial circumstances place them only just above the threshold for 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 LCTS or partial LCTS but there is some data which could be used to inform an assessment of the likely percentage of people in this group being of a particular protected characteristic such as age, gender, disability.

However, we do have some data sets on those who claim full and partial LCTS (see Annex One) which provide some assistance for this assessment.

Of 18, 283 claimants, 54.72% (pensioner) and 54.7% (non-pensioner) are single female, with 31.42% (pensioner) and 29.36% (non-pensioner) being single male, and 13.82% (pensioner) and 15.94% (non-pensioner) being in a couple. As most couples will be male/female, the total percentage of female LCTS claimants is therefore about 61.63% (pensioner) or 62.67% (non-pensioner), which is rather higher than the percentage of females in the H&F population as a whole which is 51.3% (see the most recent release of data from the 2011 Census at Table Seven in Annex Two).

In terms of disability, about 11.02% of claimants receive the LCTS disability premium (Annex One, Table Three), which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 12.6% as at the 2011 census<sup>3</sup>).

Among those whose income/savings are low enough that they qualify for LCTS, the only group that is (on the basis of the information available) disproportionately represented are pensioners and, to a lesser extent, women. 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 LCTS eligibility threshold) will include greater proportions of pensioners, 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.

<sup>3</sup> [http://www.lbhf.gov.uk/Images/2011%20Census%20report\\_LBHF%20briefing\\_tcm21-177945.pdf](http://www.lbhf.gov.uk/Images/2011%20Census%20report_LBHF%20briefing_tcm21-177945.pdf)

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 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, relative to their income, 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 £3.8M from tri-borough/bi-borough working and £1.4M 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 LCTS. This group is likely to include more pensioners, 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 LCTS and those who are exempt from paying Council Tax.

As stated above, full diversity data for those eligible for LCTS are not held by H&F. However, we do have some diversity data sets on those who claim full and partial LCTS (see Annex One) which provide some assistance for this assessment. Pensioners make up 33.09% of all claimants (Table One, Annex One). According to Census 2011 information, those aged 65 and over make up 9% of the borough (Table Four, Annex One), therefore, pensioners are over-represented in the group that claims LCTS.

Of 18,283, 54.72% (pensioner) and 54.7% (non-pensioner) are single female, with 31.42% (pensioner) and 29.36% (non-pensioner) being single male, and 13.82% (pensioner) and 15.94% (non-pensioner) being in a couple. As most couples will be male/female, the total percentage of female LCTS claimants is therefore about 61.63% (pensioner) or 62.67% (non-pensioner), which is rather higher than the percentage of females in the H&F population as a whole which is 51.3% (see the most recent release of data from the 2011 Census at Table Seven in Annex Two).

In terms of disability, about 11.02% of claimants receive the LCTS disability premium (Annex One, Table Three), which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 12.6% as at the 2011 census<sup>4</sup>).

<sup>4</sup> [http://www.lbhf.gov.uk/Images/2011%20Census%20report\\_LBHF%20briefing\\_tcm21-177945.pdf](http://www.lbhf.gov.uk/Images/2011%20Census%20report_LBHF%20briefing_tcm21-177945.pdf)



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 prohibition 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 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.

A small indirect benefit to this group may arise as the reduction in Council Tax will mean that there is a corresponding reduction in the amount of 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, relative to their income, 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 £3.8M from tri-borough/bi-borough working and £1.4M 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 LCTS are nonetheless eligible for partial LCTS, dependent on means. Partial LCTS operates on a 20% taper<sup>5</sup>, which means that LCTS is calculated in the following way:

### Assessment of income and capital

The calculation of how much support a claimant will receive is carried out in the same way as it was for council tax benefit. We use the applicable amounts (the minimum amount that the government say that a claimant can live on) provided by the Department for Work and Pensions ('DWP') for the relevant year.

As the calculation is the same, this means we:

- § use the same taper of 20% when the income is higher than the applicable amount
- § use the same income disregards, disregards for child care and for any payments made to a company pension.

Capital is also treated in the same way as previously under council tax benefit. We ignore the first £6,000 in capital and then add a £1 tariff for income that a claimant would have per £500 above the £6,000 threshold.

**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 support (what the support 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 support.

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 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 LCTS is reduced by  $£10.00 \times 20\% = £2.00$ . Their LCTS 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 LCTS in comparison to those who are not eligible for 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.

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<sup>5</sup>

[http://www.lbhf.gov.uk/Directory/Advice and Benefits/Council tax/Who has to pay/174433 Council Tax Support Scheme.asp](http://www.lbhf.gov.uk/Directory/Advice%20and%20Benefits/Council%20tax/Who%20has%20to%20pay/174433%20Council%20Tax%20Support%20Scheme.asp)

As stated above, full diversity data for those eligible for LCTS are not held by H&F. However, we do have some diversity data sets on those who claim full and partial LCTS (see Annex One) which provide some assistance for this assessment. Table One of Annex One gives the recent data.

Pensioners make up 33.09% of all claimants, and 39.1% of those that claim partial LCTS are pensioners (Table One, Annex One). According to Census 2011 information, those aged 65 and over make up 9% of the borough (Table Four, Annex One), therefore, pensioners are over-represented in the groups that claim LCTS and partial LCTS. Data on partial LCTS claimants is not available by gender or other diversity dataset.

Of 18, 283 claimants (i.e. full and partial LCTS), 54.72% (pensioner) and 54.7% (non-pensioner) are single female, with 31.42% (pensioner) and 29.36% (non-pensioner) being single male, and 13.82% (pensioner) and 15.94% (non-pensioner) being in a couple. As most couples will be male/female, the total percentage of female LCTS claimants is therefore about 61.63% (pensioner) or 62.67% (non-pensioner), which is rather higher than the percentage of females in the H&F population as a whole which is 51.3% (see the most recent release of data from the 2011 Census at Table Seven in Annex Two).

In terms of disability, about 11.02% of claimants receive the LCTS disability premium (Annex One, Table Three), which is a slightly lower percentage of people with a disability than there are in the H&F population as a whole (which was 12.6% as at the 2011 census<sup>6</sup>). This is not broken down further into full and partial LCTS.

A small indirect benefit to this group may arise as the reduction in Council Tax will mean that there is a corresponding reduction in the amount of 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 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, relative to their income, 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 £3.8M from tri-borough/bi-borough working and £1.4M 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 LCTS. In

<sup>6</sup> [http://www.lbhf.gov.uk/Images/2011%20Census%20report\\_LBHF%20briefing\\_tcm21-177945.pdf](http://www.lbhf.gov.uk/Images/2011%20Census%20report_LBHF%20briefing_tcm21-177945.pdf)

addition, there will be a small indirect benefit to all residents through the reduction in cost to the public purse of 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 £22.74 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 LCTS or partial LCTS. These are likely to include greater proportions of pensioners, 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 LCTS (which includes a proportion of pensioners that is over-represented as compared with the LBHF population at 39.1% as against 9%, as well as a high proportion of women) will also benefit from a reduction in Council Tax, but to a lesser extent because of the way partial LCTS is calculated. Based on data available for all LCTS claimants, this group is likely to include more women than men, as against the general population.

There will be no benefit to those who are eligible for full LCTS or who are exempt from paying it. The effect on this group will be neutral. Based on data available for all LCTS claimants, this group is likely to include more women than men, as against the general population, as well as more pensioners than non-pensioners, as against the general population, and a higher proportion of BME groups.

Of 18, 283 claimants (i.e. full and partial LCTS), 54.72% (pensioner) and 54.7% (non-pensioner) are single female, with 31.42% (pensioner) and 29.36% (non-pensioner) being single male, and 13.82% (pensioner) and 15.94% (non-pensioner) being in a couple. As most couples will be male/female, the total percentage of female LCTS claimants is therefore about 61.63% (pensioner) or 62.67% (non-pensioner), which is rather higher than the percentage of females in the H&F population as a whole which is 51.3% (see the most recent release of data from the 2011 Census at Table Seven in Annex Two).

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, relative to their income, 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 £3.8M from tri-borough/bi-borough working and £1.4M 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**

### **Public Health and the overall Budget**

There are no significant services funding changes to be made as part of the 2014/15 budget setting to the public health budget.

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

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

Some of the ASC line items are to do with back office change that affects staff and as such will not have an impact on frontline service users. Because these will not have an equality impact on the borough population, they are not analysed further here. As with all staff changes, EIAs are carried out to inform reorganisations. Other line items are to do with more efficient ways of delivering services to the public and those are included here.

#### **Reduced admissions into residential and nursing homes through better support in the community: £475K**

This saving follows on from last year's saving under the same heading, and 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, agreed by Cabinet in December 2011, and reported on in February 2013. 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.*

#### **Tri-Borough initiative to manage prices in residential and nursing placements: £135K**

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 across the Tri-Borough area 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.

#### **Customer Journey for Operational Services: £185K**

This saving arises from a review of social work practice and how services are delivered. This includes processes used to help residents and how these could be made easier to navigate to cost less but also to provide better services to older and disabled people. This saving is therefore of high relevance to older and disabled people and people with learning disabilities and the impact should be positive.

**Review of high cost placements, supported at home packages and direct payments: £910K**

This line item refers to a combination of: where residents get services from, more regular reviews of packages, and benchmarking cost against Tri-Borough partners' services. The combined work will reduce cost and will not impact adversely on residents as these measures will ensure that the service provided are the most appropriate and the best value for money.

There will be more timely and appropriate interventions in an integrated care co-ordinated approach which will provide appropriate levels of care.

**Efficiencies to be achieved from the homecare procurement exercise and new operating model: £118K; and**

**Personalisation - Changing the approach to an outcome based on the new operating model for Direct Payment Clients: £115K**

Both of these items arise from a focus on reablement ethos which encourages independence and stability. This will also include more regular reviews to ensure that older and disabled residents are getting the right services.

**Review intensive support contract: £50K**

This arises from a new tendered contract. However, take-up of this service is lower and so the saving arises from this aspect.

**Review of third sector payments within the Older People Commissioning Sector: £38K**

This arises from an underspend in 2013/14, which is a saving for 2014/15.

**Review of Learning Disability (LD): residential supported living £108K**

This is part of the strategy for LD accommodation and support and this line item will affect a very small number of service users. A consultation on the future of the service is underway and a report will be presented to Cabinet in February 2014 which will fully consider equalities issues and actions to minimise these.

**Procurement of Learning Disabilities supported living contract (Yarrow): £324K**

This saving will arise from a contract renegotiated led by procurement of this service.

**Protect community transport provision by encouraging the use of travel methods such as taxi cards, blue badges and freedom passes through the Travel Support Strategy plan: £45K**

This line item is part of the Support Planning Model. As part of this, service users have a Travel Support Plan and this would help them to use other forms of transport with support.

**Provide statutory advocacy services and withdraw non-statutory advocacy support and funding: £165K**

This line item arises from a procurement exercise in which a unit costed model is proposed. The level of advocacy would be the same but the Council would only pay for the advocacy that is used by service users. As such there is no impact on service users as the level of service is not proposed to change.

**Reprovide all funding for employment and training services and review of Learning Disabilities Development fund: £111K**

This service will be carried out by the Housing and Regeneration Department within existing resources.

**Supporting People - Procuring of contracts by negotiating with providers and decommissioning of services: £875K**

This line item refers to negotiating with providers and decommissioning of services. Such decisions are subject to the usual decision making process which may include carrying out an Equality Impact Analysis at which stage the impact can be fully assessed.

**Review of Elgin Resource centre contract: £25K**

This item refers to a contract variation and extension.

**Procurement savings from Olive House contract: £28K; and  
Procurement savings from Elm Grove & Elgin Close contract: £70K**

These line items refer to renegotiations of both contracts which result in savings in extra care sheltered housing. There is no impact on service users as a result.

**Improve outcomes and reduce dependency amongst residents through better joint services with the NHS: £103K**

This item refers to money being received by the Council from the NHS.

The following savings arise from a review of staffing arrangements and will not impact on the public sector equality duty:

- § Review of Support Planning: £39K
- § Commissioning, Finance and in-house services: £48K
- § Overheads (training, project management): £65K
- § Review of Older People Day Care Services: £35K
- § Review of Community Access team: £22K
- § Learning Disabilities Supported Living Review: £43K
- § Review of Mental Health Commissioned Services: £22K
- § Mental Health Social Work costs: £183K
- § Integrated commissioning with health: £200K
- § Recruitment budget: £40K

**Extension of Framework-i contract in line with Tri-Borough partners: £127K**

This saving arises from better use of IT and does not impact on frontline services or the public sector equality duty.

**Children's Services (CHS)**

Some Children's Services savings for 2014/15 are with respect to staffing changes to the back office and as such do not have an impact on front line service provision. In such cases equalities impacts are considered as part of staffing establishment reorganisations. Other savings items relate to the efficient means to deliver services to the public and are detailed below.

**Children with Disability Project (Tri-b): £204k**

New model for delivering overnight Respite care: There is the potential for a negative equalities impact as the delivery of the proposals to increase the day care offer could result in a reduction in the provision of overnight respite for some users. A full EIA will be developed as proposals progress and impact will be reviewed and monitored throughout, including extensive engagement with service users.

Direct Payments implemented and used for all Care Packages across the three boroughs: This proposal will result in a positive impact as service users who opt to use Direct Payments will have more control over the provision that they receive. Any potential for negative impact will be managed via consultation with stakeholders and ensuring sufficient mechanisms are in place for families who need support with accessing a direct payment.

Procurement - Short Breaks Services: There will be a positive impact for service users of short breaks by providing more choice in provision, which is a requirement of the legislation. However, a full EIA will be developed when the procurement activity commences.

Parent Partnerships: As Parent Partnerships is a relatively small commissioning exercise, no equality impact is expected although a full EIA will be completed in conjunction with business case.

Tri-borough Staffing Structures - Creating a Tri-Borough Head of Disabled Children Post and Rationalising service structures across the three boroughs: No equalities impact is envisaged at this stage. However any potential impact will be monitored via the development of detailed EIAs for any consultations that affect a significant number of staff or impact front line services.

**Looked After Children and Leaving Care Project (Tri-b): £752k**

IFA review - 10 less IFAs per year: Improved quality and stability of placements is expected via increasing in-house placements provision.

10 more relative placements: Where appropriate kinship arrangements can have a positive impact by keeping children in an extended family environment and out of local authority care.

Increase speed and number of children moving to permanence/ Special Guardianship Orders: Positive impact for children through quicker outcomes and moves to permanent placements

Social Care Legal Services: The same quality standards will be implemented across the Tri-borough

Adoption & Fostering trading (trading of adopters to the market): A possible positive impact may be realised if there becomes a wider pool of adopters and foster carers

Revised contact service configuration: Potential for a positive impact on quality, particularly that contact can take place more local to the child's placement

Reduce number of older young people not using placements effectively or claiming benefits: A positive impact is expected as the initiative enables young people to make transition to independent living

Children Residential Care: No negative impact expected but this will be kept under review through continuing evaluation of outcomes

Revised commissioning of semi-independent accommodation: This activity aims to achieve a positive equality impact for care leavers in terms of improving the quality of service provision. A full EIA will be completed in conjunction with the commissioning plan and business case



Complex parenting assessments: A positive impact is expected from the procurement of a fully fit for purpose service contract and EIA will be finalised in conjunction with finalisation of business case

**Passenger Transport Procurement: £125k**

Passenger Transport Procurement: The passenger transport procurement covers home to school transport for SEN children; home to day care centres and other transport for vulnerable adults and transport for looked after children. Eligibility criteria for this transport is not part of the scope of this work. Parents of SEN service users and day care centre managers were consulted at the beginning of the process to ascertain what was important to them and their clients in the delivery of this service. Tender specifications have been drawn up and tenders evaluated to ensure that current levels of service quality and safeguarding are met by any new provider. An equality impact assessment has been undertaken. The project team acknowledges that transition to new operators, drivers and escorts may have an impact for some disabled service users in the short term while adjustments to new personnel are made. This is not expected to have any greater impact on service users than changes to personnel within the existing operations. An in house transport management team is being put in place. This team will work with schools, day care centres, service users and their parents and carers as well as with service providers to proactively manage the transition from current to new provision.

**Further Commissioning and Procurement Savings: £132k**

Information, Advice and Guidance (IAG): With respect to young people with learning difficulties with Destination Tracking; NEET returns/brokerage and Section 139 Assessments, no equalities impact is envisaged. The savings reflect changes to LA statutory duties in this area. An equivalent duty to provide IAG now rests with secondary schools and is monitored by governing bodies.

LBHF Youth Services: The saving reflects a school which has discontinued its after-school youth club. No alternative provider has been found at this stage. The school will continue to provide a wide range of school-based activities for pupils.

Tri Borough School Meals Service (saving against Dedicated Schools Grant funding): A consultation with schools is expected to ensure that the requirements of all pupils are met. Eligibility policies are not part of the scope of this work. There is not expected to be any negative impact on service users but the impact will continue to be reviewed through contract monitoring arrangements.

**Family Services Restructure and Service Review Savings: £610k**

The following items reflect planned changes to staffing establishments and structures. No equality impacts are envisaged at this time although detailed equality impact assessments are to be completed as proposals are finalised. Changes around Tri-borough Head of LAC; Localities change to operating from two sites ; Structure review and reduction of agency staffing; Improved quality and continuity of service through retention and permanent staff and reducing turnover; Business Support Officer reduction in Contact and Assessment and reduction of 1 LAC Social Worker post.

Safeguarding & Quality Assurance: A reduced number of looked after children will mean less statutory reviews

Combined Assessment Services: Improved quality is expected through combining services and procuring a multi-disciplinary assessment rather than our current single agency service.

Tri-borough Southwark/UASC: Service to the same population will be provided by specialist tri borough service – this should increase quality through specialisation.

**Savings resulting from targeted actions with respect to placements: £70k**

Secure Welfare placements: Reducing use of secure welfare by the provision of alternative community placements

Reduce residential use: Improved quality and stability of placements via reduced use of residential homes and increased use of fostering placements

**Leaving Care: £215k**

Improvements in timescales in moving to independent accommodation leading to positive impact for Young People leaving care through moves to permanent accommodation and independence.

**Other Family Services Savings**

**Reduction in cost from care proceedings pilot: £120k**

No equality impact envisaged as the pilot does not change who is taken through care proceedings but simply shortens the length

**Rationalisation of Service Delivery and Location Costs: £55k**

Cobbs Hall relocation/other premises: No equality impact envisaged as current security post not needed in the new location as already provided in that setting

E-readers for panel papers: No equality impact envisaged as the same information will be provided to panel members but in electronic form

**Early help and intensive intervention with parents to reduce young people entering care by 5 per year: £160k**

Targets repeat removals resulting in a positive impact for families at risk of repeat removals and providing intensive interventions to reduce children being removed

**Disabled children support package review: £50k**

Support will be provided at appropriate levels according to need.

**Environment, Leisure and Residents' Services (ELRS)**

A number of the ELRS 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.

**Alternative funding for enhanced policing contract: £440K**

This line item refers to other ways of funding the £440K, which includes potentially using S106 money to do this. As such, this item will have no impact on residents or service users as the service will not change.

**Finance and 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 these are dealt with below.

### **Reduction in Voluntary Sector Grants expenditure of 10% and London Boroughs Grant Levy – Shortfall of funding from 2014/15: £2K**

The Council grants expenditure is proposed to reduce by 10%. In particular this is likely to include: women's groups, BME groups, and groups for disabled people. A reduction is likely to have a negative impact because there will be less money to allocate as grant funding. The criteria for allocation of funding has not changed.

The specifications on which the grant funding is allocated have been reviewed for the next funding round. Specifications ensure that the grants are allocated to organisations that are financially sound and are in a position to deliver quality services developing projects that are preventative and complimentary to the statutory services and which consider council priorities and strategies.

No final decision will be made until all applications for grant funding are received and analysed, then recommendations made for funding are proposed to Cabinet. When that happens, further consideration to impact(s) on equality groups will be given. Recent past experience indicates that although the Council receives a large number of applications, not all of these meet the criteria for funding e.g. because the application does not answer all of the points that are required to be answered in demonstrating how the potential project will measure how it will improve the well-being of local residents.

The London Borough Grants Levy will be of high relevance to all voluntary groups who are in receipt of grant funding by the Council and in particular this is likely to include: women's groups, BME groups, and groups for disabled people. This is not in the control of the Council. This is run by London Councils, who made the efficiencies following consultation with all London Boroughs. An equalities impact assessment was carried out by London Councils, which administers the London Boroughs Grants Scheme.

The London Boroughs Grants Scheme was created as a consequence of Section 48 of the Local Government Act 1985. It inherited, from the former Greater London Council, a programme of funding to voluntary sector organisations whose activities were either London-wide or formed part of a London-wide pattern of service provision. All London boroughs are currently required via a Section 101 agreement made between the boroughs and London Councils (LC) to contribute to the budget of the London Boroughs Grants Scheme. The Scheme is run by the LC Grants Committee, and seeks to fund London-wide voluntary organisations and those which operate in more than two boroughs.

Individual councils do not have the authority to determine the level of contribution they will make to the scheme. Constituent councils are required to contribute to any London Boroughs Grants Scheme expenditure, which has been incurred with the approval of at least two-thirds of the constituent councils. Contributions are, under Regulation 6(8) of the Levying Bodies (General) Regulations 1992, to be proportionate to constituent councils' populations.

Calculation of borough contributions is on a "per head of population" basis, as required by the governing statute (LGA 1985, S48). London Councils is required to use the population figures as determined by the Secretary of State.

### **Deletion of HB Appeals Officer post £20K**

This is one of two posts; the other post remains. Part of the £20K saving will be used to fund support as and when is required on Housing Benefit (HB) appeals. HB Appeals will die out as HB moves to Universal Credit. As such, there should be no impact on service users.

### **Workforce reduction – proportionate saving in maternity budgets £25K**

This is a reduction due to reducing numbers of Council staff. There is no change in maternity policy, and there will be no impact on service users.

### **Other Savings, total £944k**

There are a number of potential reorganisations in FCS, and these are informed by EIAs as and when they occur. These are listed below:

- § Re-tender credit/debit card transaction contract £15K
- § Reduction in contribution to Insurance fund £200K
- § Reduction in Internal Audit supplies and services budget £10K
- § Investment income stretch target (increase of 0.2%) £250K
- § Hammerprint Xerox contract £50K
- § E-sourcing via new system £15K
- § Reduction in subscription budget £25K

The savings given above are unlikely to have an impact on residents or service users, and represent better ways of providing services to frontline departments while ensuring that resources are allocated where they need to be.

### **Housing and Regeneration Department (HRD)**

#### **Additional Pension Fund Service Deficit absorbed by the HRA based on actuarial calculations: £209K**

This efficiency relates to the additional contribution to the Council's pension fund deficit required from the Housing Revenue Account rather than the General Fund. This efficiency will not have any significant equalities impact.

#### **Reduction in amenity recharge from the HRA: £50K**

This efficiency relates to a reduction in charges to the General Fund from the Housing Revenue Account. The charges relate to the perceived benefit to the General Fund of the amenity provided to residents from the Council's housing land.

#### **Reduction in costs and risks associated with Hamlet Gardens: £150K**

This efficiency relates to the reduced procurement cost expected to result following the expiry of an expensive lease for temporary accommodation, and the Council procuring suitable alternative accommodation more cost effectively. This efficiency is not expected to have any significant equalities impact.

#### **Reduction in Housing Benefit Subsidy Loss on HALD portfolio: £20K**

Introduction of and changes to Local Housing Allowances (LHA) has restricted Housing Benefits paid to customers. In 2013/14, 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. This saving is a budgetary provision that is now no longer required.

#### **Cessation of subscription to Locata choice-based letting system: £70K**

The cessation of the use of Locata is consequent upon changes to the Council's Scheme of Allocation. The new "Assisted Choice" model of making accommodation offers provides a more tailored approach to the client's housing needs than did Locata and this change is not expected to have significant equalities implications.

**Minor reorganisation of roles and responsibilities with Housing Options: £40K**

This efficiency relates to a staffing reorganisation which has been designed to best meet the requirement to deliver the revised housing strategy. This reorganisation shows no adverse equality impacts on staff with protected characteristics.

**Review of income generation opportunities and cost reductions in Adult Learning & Skills Service: £211K**

This efficiency results from cost reductions arising from a review of the staffing structure and the identification of income generation opportunities associated with the delivery of learning and skills course provision. The review will have no adverse equality impacts on staff with protected characteristics.

**Transport & Technical Services (TTS)**

The majority of savings are concerned with back office staff, accommodation, advertising income, IT, and changes to charges. As such they are unlikely to have any equalities implications for any particular groups with protected characteristics. Where there are staff changes leading to savings, EIAs are carried out.

**Libraries**

There are £100K total savings identified in the Libraries budget:

**Fulham Library: £81K**

This is a historical item and relates to the "more than a library" project. There are no impacts on any groups arising from this item.

**Home Library Service: £10K**

This line item relates to the deletion of 0.5FTE post. An EIA was carried out for this item, which deleted this post and created a new dedicated team to deliver the service. There were no adverse impacts on customers.

**Libraries Management System savings: £9K**

This line item relates to a back office saving on a new contract. There are no impacts on any groups arising from this item.

**GROWTH**

**ASC**

**Increase in demand for learning disabled people placements and care packages; £205K**

These line items relate to an increase in the demand for placements for people with needs arising from learning disabilities. These will all be of high relevance to disabled 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. The increase in the budget will match the increased number of people requiring the service. 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**

**Concessionary Fares settlement; £540k**

This growth item relates to the budget for concessionary fares. The Concessionary Fares Settlement & Apportionment published by London Councils in late December 2013 proposed an increase in the amount that London Boroughs have to pay 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, CHS, Libraries**

No growth items.

**TTS**

There are no growth items that are relevant to equality.

**Public Health**

There are no significant services funding changes to be made as part of the 2014/15 budget setting.

**HRD****Potential Homelessness Impact of Welfare Reforms**

The Council will manage the potential homelessness impact arising from the Government's package of Welfare Reforms through a combination of pro-active mitigating action and through growth. The impact of the Overall Benefit Cap exposes the Council to loss of income in the form of bad debt charges of £740k in 2014/15 on the Temporary Accommodation portfolio. It is anticipated that this budgetary pressure will be managed as a risk (in the range £370k - £740k) in 2015/16 and that this risk will then diminish in 2016/17. Further, the estimated impact on bad debts as a result of the implementation of Direct Payments is £805k in 2014/15, rising to £1,675K for 2015/16 and 2016/17. Any equalities impacts will arise from changes in Government policy. To the extent that the growth is mitigation leading to the prevention of homelessness or of the use of B&B, the impact will be positive to BME groups and households headed by women, which tend to be over-represented amongst homeless households.

**FEES AND CHARGES****Libraries**

There is one new charge, which is for an SMS communications service (at 20p per text). This is an elective service to remind customers that the item borrowed is due back. There is a cost-free email service. Additionally, customers would know when the item was due back from the time that the item was borrowed. Therefore, there are no impacts on any particular group as a result of this elective service.

**ASC****Home care: no increase**

It is proposed that there is no increase to the home care charge of £12.00 per hour between 2013/14 and 2014/15. This is because Cabinet approved that the rate of charge is limited to £12.40 based on the level of assessed needs and cost of service. The home care charge of £12.00 is compared with the average home care purchasing rate of £12.41. In 2014/15 a new home care offer focusing on flexible support and outcomes contracts is proposed and the charge will be reviewed at this particular point. Hammersmith & Fulham will still be amongst the London Boroughs with the lowest contribution towards home care. 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: no increase**

In line with Council policy, the Meal's charge has increased over the last three years. The Meals service has been outsourced since July 2013. The Service User charge per meal was increased to £4.50 with effect from April 2013 with the cost of the Meal at £6.93, leaving a subsidy of £2.43. A review of the arrangements will be undertaken for both the service model and charging for the delivered meals service. The data collection, benchmarking and best practice review will take place early in 2014 with a fuller consultation planned later in the year. Therefore it is proposed not to increase charges in 2014/15, pending the outcome of the review.

### **ALL OTHER DEPARTMENTS**

There are no fees and charges relevant to equality.

### **RISKS AND CHALLENGES**

#### **ASC**

Identification of the risks and challenges in this section allows ASC to plan and prepare for associated increases in cost.

#### **Demographic changes, Ageing population: £450K**

Growth is expected to be one per cent per annum in LBHF. Presently, there is a reduction in client numbers which is expected to plateau and then to rise.

#### **Care transfers into social care; £750K**

This relates to increases due to continuing care transfers into social care and demographic pressures.

#### **Increase in demand for learning disabled people placements and care packages; £235K**

See growth section for comments.

#### **Equipment budgets; £200K**

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.

#### **Maximising revenue from Careline; £400K**

The service is being reviewed with Commissioning to look at recommissioning a telephony / Monitoring service on a Bi or Tri-Borough basis. A local response service will be developed as part of the wider rapid Response Service developments.

### **ALL OTHER DEPARTMENTS**

There are no risk items relevant to equality.

### **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 BME groups), 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).

Savings items that will directly support equality of opportunity, and encourage participation in public life include reducing admissions into residential and nursing homes through better support in the community through reablement, in ASC. This 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, agreed by Cabinet in December 2011, and reported on in February 2013. 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.*

Another ASC saving includes work on the customer journey for operational services, which will review social work practice and how services are delivered. This includes processes used to help residents and how these could be made easier to navigate to cost less but also to provide better services to older and disabled people. This saving is therefore of high relevance to older and disabled people and people with learning disabilities and the impact should be positive.

Growth items that will promote equality of opportunity include the growth in the areas of ASC and HRD. One of these in ASC deals with the increase in demand for learning disabled people placements and care packages, which will all be of high relevance to disabled 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. Overall, there will be a neutral impact as the increase in budgets will meet the needs of these groups.

Another of these items is the proposals for managing the homelessness impact of welfare reforms in HRD. Any equalities impacts will arise from changes in Government policy. To the extent that the growth is mitigation leading to the prevention of homelessness or of the use of B&B, the impact will be positive to BME groups and households headed by women, which tend to be over-represented amongst homeless households.

There are no fees and charges increases that are relevant to equality.

The identification of risk items in ASC will indirectly 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 anticipate the demand for services for older and disabled people and ensure that these demands can be met, avoiding potentially negative impacts.

Items that may have a negative impact include the CHS respite item, which informs a new model for delivering overnight care. However, a full EIA will be developed (as given in the CHS section above).

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 2014/15.

## Annex One: LCTS Claimant Data

Table 1: Composition of LCTS claimants in LBHF

	Households			Weekly Payment		
	Full	Partial	Total	Full	Partial	Total
Pensioners	4,317	1,735	6,052	70,755.54	21,137.62	91,893.16
	71%	29%	100%			
Non Pensioners	9,530	2,702	12,232	152,602.80	29,871.78	182,474.58
	78%	22%	100%			
Households with Children	3,621	1,372	4,993	63,333.40	15598.5	78,931.90
	73%	27%	100%			
Households with Disabled Adult	1,879	244	2,123	30,470.40	3006.13	33,476.53
	89%	11%	100%			
Households with Children & Disabled Adult	379	47	426	7,258.23	669.49	7,927.72
	89%	11%	100%			
Households without Children & Disabled Adult	4,164	1,069	5,233	61,931.63	11274.64	73,206.27
	80%	20%	100%			
<b>Overall Totals</b>	<b>13,847</b>	<b>4,437</b>	<b>18,284</b>	<b>223,358.34</b>	<b>51,009.40</b>	<b>274,367.74</b>

Table 2: Council Tax bands of LCTS claimants

	A	B	C	D	E	F	G	H	Totals
Pensioners	315	853	1648	1681	897	406	250	2	6052
Working Age	963	1554	3095	3879	1864	647	224	6	12232
	1278	2407	4743	5560	2761	1053	474	8	18284
	6.99%	13.16%	25.94%	30.41%	15.10%	5.76%	2.59%	0.04%	

Table 3: the composition of LCTS claimants by pensioner and non-pensioner claims where households have a disabled adult and the disability premium has been awarded, by male and female only, and by couple.

Total number of claims	18283			
Total number of pensioner claims (includes households with a disabled adult where the disability premium has been	6282	Number of female only claimants = 3438 or <b>54.72%</b>	Number of male only claimants = 1974 or <b>31.42%</b>	Number of claiming couples = 868 or <b>13.82%</b>

awarded				
Total number of non-pensioner claims (includes households with a disabled adult where the disability premium has been awarded)	12001	Number of female only claimants = 6565 or <b>54.7%</b>	Number of male only claimants = 3523 or <b>29.36%</b>	Number of claiming couples = 1913 or <b>15.94%</b>
Households with a disabled adult (where the disability premium has been awarded) as a standalone group of the total number of claims	2015	Number of female only claimants = 966 or <b>47.94%</b>	Number of male only claimants = 908 or <b>45.06%</b>	Number of claiming couples = 141 or <b>6.99%</b>

## Annex Two: 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

- § Tables of data from the Office of National Statistics (ONS) Crown Copyright Reserved [from Nomis on 6 December 2013]
- § Live Births by Usual Area of Residence: ONS 2012 (e.g. for pregnancy and maternity) Crown Copyright Reserved [from Nomis on 6 December 2013]
- § H&F Framework-i
- § Kairos in Soho, *London's LGBT Voluntary Sector Infrastructure Project*, 2007

**Table 4: Age  
(QS103EW, ONS)**

Age	Number	%
0-4	11,900	6.5
5-10	10,172	5.6
11-16	9,019	4.9
17-24	22,184	12.2
25-39	65,211	35.7
40-49	25,083	13.7
50-64	22,511	12.3
65-74	9,102	5.0
75+	7,311	4.0

**Table 5: Age and disability  
Adults not in employment and dependent children and persons with long-term health problems or disability for all (KS106EW, ONS)**

Household Composition	2011	
	number	%
count of Household; All households	80,590	100.0
No adults in employment in household	21,192	26.3
No adults in employment in household: With dependent children	3,897	4.8
No adults in employment in household: No dependent children	17,295	21.5
Dependent children in household: All ages	18,479	22.9
Dependent children in household: Age 0 to 4	9,083	11.3
One person in household with a long-term health problem or disability	15,999	19.9
One person in household with a long-term health problem or disability: With dependent children	2,809	3.5
One person in household with a long-term health problem or disability: No dependent children	13,190	16.4

**Table 6: Disability (Framework-i)**

Rate of physical disability registrations for H&F:	38.7 registrations per 1000 people
Rate of physical disability registrations for Wormholt & White City:	56.6 registrations per 1000 people (the highest)
Rate of blind/visual impairment registrations for H&F:	6.2 registrations per 1000 people
Rate of blind/visual impairment registrations for Ravenscourt Park:	14.1 registrations per 1000 people (the highest)
Rate of deaf/hard of hearing registrations for H&F:	2.0 registrations per 1000 people
Rate of deaf/hard of hearing registrations for Shepherds Bush Green:	4.0 registrations per 1000 people (the highest)

**Table 7: Sex**  
**Usual resident population (KS101EW, ONS)**

Variable	2011	
	Number	%
All usual residents	182,493	100.0
Males	88,914	48.7
Females	93,579	51.3

**Table 8: Race**  
**Ethnic group (KS201EW, ONS)**

Ethnic Group	2011	
	number	%
All usual residents	182,493	100.0
White	124,222	68.1
White: English/Welsh/Scottish/Northern Irish/British	81,989	44.9
White: Irish	6,321	3.5
White: Gypsy or Irish Traveller	217	0.1
White: Other White	35,695	19.6
Mixed/multiple ethnic groups	10,044	5.5
Mixed/multiple ethnic groups: White and Black Caribbean	2,769	1.5
Mixed/multiple ethnic groups: White and Black African	1,495	0.8
Mixed/multiple ethnic groups: White and Asian	2,649	1.5
Mixed/multiple ethnic groups: Other Mixed	3,131	1.7
Asian/Asian British	16,635	9.1
Asian/Asian British: Indian	3,451	1.9
Asian/Asian British: Pakistani	1,612	0.9
Asian/Asian British: Bangladeshi	1,056	0.6
Asian/Asian British: Chinese	3,140	1.7
Asian/Asian British: Other Asian	7,376	4.0
Black/African/Caribbean/Black British	21,505	11.8
Black/African/Caribbean/Black British: African	10,552	5.8
Black/African/Caribbean/Black British: Caribbean	7,111	3.9
Black/African/Caribbean/Black British: Other Black	3,842	2.1
Other ethnic group	10,087	5.5

Other ethnic group: Arab	5,228	2.9
Other ethnic group: Any other ethnic group	4,859	2.7

**Table 9: Religion and Belief (including non-belief)  
Religion (KS209EW, ONS)**

Religion	2011	
	number	%
All categories: Religion	182,493	100.0
Has religion	123,667	67.8
Christian	98,808	54.1
Buddhist	2,060	1.1
Hindu	2,097	1.1
Jewish	1,161	0.6
Muslim	18,242	10.0
Sikh	442	0.2
Other religion	857	0.5
No religion	43,487	23.8
Religion not stated	15,339	8.4

**Table 10: Pregnancy and maternity  
Live births (numbers and rates): age of mother and administrative area of usual residence, England and Wales, 2012 (ONS 2012)**

Age of mother at birth								
All ages	Under 18	Under 20	20-24	25-29	30-34	35-39	40-44	45+
2,646	15	45	238	491	970	689	200	13

Age of mother at birth								
All Ages	Under 18	Under 20	20-24	25-29	30-34	35-39	40-44	45+
52.5	6.7	12.3	31.1	37.6	88.6	84.1	29.0	2.2

**Table 11: Marriage and Civil Partnership  
Marital and civil partnership status (KS103EW, ONS)**

Marital Status	2011	
	number	%
All usual residents aged 16+	152,863	100.0
Single (never married or never registered a same-sex civil partnership)	85,433	55.9
Married	45,248	29.6
In a registered same-sex civil partnership	743	0.5
Separated (but still legally married or still legally in a same-sex civil partnership)	4,425	2.9
Divorced or formerly in a same-sex civil partnership which is now legally dissolved	11,386	7.4
Widowed or surviving partner from a same-sex civil partnership	5,628	3.7

**Table 12: Living arrangements (QS108EW, ONS)**

<b>Living Arrangement</b>	<b>2011</b>	
All categories: Living arrangements	151,028	
Living in a couple: Total	60,569	40.1
Living in a couple: Married	40,917	27.1
Living in a couple: Cohabiting (opposite-sex)	17,046	11.3
Living in a couple: In a registered same-sex civil partnership or cohabiting (same-sex)	2,606	1.7
Not living in a couple: Total	90,459	59.9
Not living in a couple: Single (never married or never registered a same-sex civil partnership)	68,170	45.1
Not living in a couple: Married or in a registered same-sex civil partnership	3,820	2.5
Not living in a couple: Separated (but still legally married or still legally in a same-sex civil partnership)	3,698	2.4
Not living in a couple: Divorced or formerly in a same-sex civil partnership which is now legally dissolved	9,517	6.3
Not living in a couple: Widowed or surviving partner from a same-sex civil partnership	5,254	3.5

### **Information set 13: 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 2011 census recorded 17,046 people (or 11.3% of couples), aged 16 and over, living as same sex couples in Hammersmith and Fulham. The same census recorded 2,606 (or 1.7% of couples) as a registered same-sex civil partnership or cohabiting (same-sex) . Data on heterosexuality as such is also not collated although given the estimated numbers of LBGT 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 (that apply and that do not apply)**

Further information can be found on our website and a summary of exemptions is given here:

#### **Council tax - exemptions**

##### **Exemptions and empty property discounts**

Some properties are exempt from council tax. The different classes of exemption are listed below.

##### **Properties occupied by:**

- [full time students](#) (they must complete an [application form](#) and return it to us with a council tax certificate from their place of study);
- 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 that:**

- 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.

A pitch or mooring that doesn't have a caravan or boat on it is also exempt.

Note: Those who feel they are entitled to an exemption are encouraged to contact the Council and information on how to do that is in the following link:

[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)

#### **Council tax discounts and exemptions that no longer apply from 1st April 2013**

##### **Some discounts / exemptions no longer apply**

From 1st April 2013 the following discounts and exemptions previously granted under statutory regulations will no longer apply to properties in Hammersmith & Fulham:

- **Class A exemption** (previously for 12 months), for empty property requiring or undergoing major structural repair works or alterations to make them habitable
- **Class C exemption** (previously for 6 months), for empty unfurnished property
- **10% discount** - (previously for an unlimited period), for second homes or long term empty property.




Information can be found here:

[http://www.lbhf.gov.uk/Directory/Advice and Benefits/Council tax/Exemptions/179569 Council tax discounts and exemptions that no longer apply from 1st April 2013.asp](http://www.lbhf.gov.uk/Directory/Advice%20and%20Benefits/Council%20tax/Exemptions/179569%20Council%20tax%20discounts%20and%20exemptions%20that%20no%20longer%20apply%20from%201st%20April%202013.asp)

## The Business Rates Retention Scheme for Hammersmith and Fulham

		LBHF Figure for 2014/15 £'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.	121,126
Step 2	Split of the SUFA between Revenue Support Grant (54.5%) and a Business Rates Funding Baseline (45.5%). The % split is the same for all authorities.	
	- Revenue Support Grant payable by the government	66,038
	- Business Rates Funding Baseline	55,088
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.	57,970
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.	2,882
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 2014/15.	56,720
Step 6	Locally Retained Business rates (Step 5 less step 4)	53,838
Step 7	Identification of the budgeted shortfall in business rates income. This is the difference between what LBHF expects to retain in 2013/14 (step 6) and the government target (step 3)	4,132
Step 8	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 £4.132m. As LBHF expects to lose £4.132m it qualifies for nil safety net grant.	0
Step 9	Net loss from the business rates retention scheme (step 7 less step 8)	4,132

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>COUNCIL</b></p> <p><b>26 FEBRUARY 2014</b></p>
<p><b>FOUR YEAR CAPITAL PROGRAMME 2014/15 TO 2017/18</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> Jane West, Executive Director of Finance and Corporate Governance</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 outlines the latest 4 year Capital Programme and estimates for the Council's debt reduction programme as measured by the Capital Financing Requirement (CFR).
- 1.2. This report presents proposals in respect of the Council's capital programme for 2014/15 to 2017/18 totalling £378.2m, incorporating the information arising from the Local Government Finance Settlement. The gross capital programme totals £140.9m for 2014/15. This comprises the Decent Neighbourhoods capital programme (£91.6m - inclusive of the HRA capital programme £48.4m) and the General Fund Programme (£49.3m - inclusive of the School's Organisation Strategy of £34.3m).
- 1.3. The forecast closing CFR for 2014/15 is £66.5m, subject to a projected surplus in capital receipts of £9.5m being applied to reducing CFR.
- 1.4. The report sets out the Council's Minimum Revenue Provision (MRP) policy and the Prudential Indicators.

## 2. RECOMMENDATIONS

- 2.1. To approve the General Fund Capital Programme budget at £49.3m for 2014/15 (Table 4).
- 2.2. To note the continuation of the reduction in CFR which based on current forecasts will reduce to £66.5m by 31<sup>st</sup> March 2015.
- 2.3. In respect of capital receipts for 2014/15 to:
  - Approve the application of £9.5m capital receipts to the reduction of CFR (Table 2).
  - Approve the continuation of the rolling programme schemes funded from capital receipts amounting to £6.23m set out in Table 5.
  - Approve capital receipts funded schemes within Decent Neighbourhoods Programme (Housing and Regeneration) for 2014/15 as follows:
    - Housing Revenue Account projects £25.8m;
    - Decent Neighbourhoods projects £42.7m.This totals £68.5m per Table 6b.
  - Note existing capital receipts funded schemes (approved in 2013/14) but now scheduled for 2014/15 are as follows:
    - The Schools Capital Programme £6.6m;
    - Grants to Social Landlords (Hostel Improvement) £60K;
    - Relocation of HAFAD<sup>1</sup> to Edward Woods Community Centre and Related Refurbishment Requirements £308K.
- 2.4. To approve the Decent Neighbourhoods Programme for 2014/15 as set out in Table 6a (section 7), including the indicative capital expenditure budget 2014/15 of £91.6m funded from capital receipts of £68.5m with the remainder of £23.1m funded from other sources (also included within the programme is the budget envelope of £48.4m for 2014/15 for investment in existing Council Homes via the HRA Capital Programme).
- 2.5. To approve the annual Minimum Revenue Provision policy statement for 2014/15 in Appendix 5.
- 2.6. To approve the CIPFA<sup>2</sup> Prudential Indicators as set out in Appendix 6 to the report.

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<sup>1</sup> Hammersmith & Fulham Action for Disability

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

### 3. REASONS FOR DECISION

- 3.1. The reason for the recommendations is 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 4 year resource forecast and a capital programme for 2014/15 to 2017/18 (Table 1). General Fund CFR reduction remains a key Council objective for 2014/15, and the projected levels of debt are illustrated in section 5. It should be noted that the debt repayment strategy may need to be reconsidered by Council in light of the 2016/17 CFR reduction forecast which takes the CFR below a level at which it incurs a revenue cost.

**Table 1 - Capital Programme 2014/15 to 2017/18**

Capital Expenditure	Original Budget 2014/15	Indicative Budget 2015/16	Indicative Budget 2016/17	Indicative Budget 2017/18	Total
	£m	£m	£m	£m	£m
Children's Services	38.3	4.8	0.1	-	43.2
Adult Social Care	2.0	0.5	0.5	0.5	3.3
Transport & Technical Services	7.2	7.2	7.2	7.2	28.9
Finance & Corporate Governance	1.1	0.8	0.8	0.8	3.3
Environment, Leisure & Residents Services	0.7	0.7	0.5	0.5	2.4
Libraries	-	-	-	-	-
<b>Sub-total</b>	<b>49.3</b>	<b>13.8</b>	<b>9.0</b>	<b>8.9</b>	<b>81.1</b>
Decent Neighbourhoods (Housing & Regeneration)	91.6	97.6	54.2	53.7	297.2
<b>Total Capital Programme</b>	<b>140.9</b>	<b>111.5</b>	<b>63.2</b>	<b>62.7</b>	<b>378.2</b>

- 4.2. Since 2006/07, the Council has put in place a CFR reduction strategy which has enabled £90m<sup>3</sup> of CFR to be repaid by the end of 2012/13, delivering a revenue saving – through reduced minimum revenue payments - of £3.6m per annum. The capital programme now put forward seeks to build on these savings whilst funding essential new investment and key Council priorities.
- 4.3. The LBHF minimum revenue provision statement and CIPFA Prudential Indicators have been updated to meet statutory requirements for 2014/15.
- 4.4. The Council remains committed to a number of major projects such as the regeneration of King Street and the Earls Court area, together with a range of Decent Neighbourhood

<sup>3</sup> Closing CFR 2006/07 was £168m, and for 2012/13 was £78.4m

schemes. A brief update on these projects is set out in section 8 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 CFR is £66.5m as shown in table 2 below. A surplus of £9.5m in capital receipts is projected for 2014/15 which is proposed to be used for debt reduction purposes.

**Table 2 - Forecast Movement in the Capital Financing Requirement (CFR)**

	2014/15	2015/16	2016/17	2017/18
	£m	£m	£m	£m
Opening Capital Financing Requirement (CFR)	77.3	66.5	46.3	33.7
Revenue Repayment of Debt (MRP)	(1.3)	(0.9)	(0.1)	0
Annual (Surplus) in the Capital Programme (Table 4)	(9.5)	(19.3)	(12.5)	(0.1)
<b>Closing CFR</b>	<b>66.5</b>	<b>46.3</b>	<b>33.7</b>	<b>33.6</b>
<i>Net Movement from opening CFR 2014/15</i>	<i>(10.8)</i>	<i>(31.0)</i>	<i>(43.6)</i>	<i>(43.7)</i>

*2014/15 opening CFR forecast as at December 2013.*

- 5.2 It should be noted that the 2014/15 debt reduction target of £10.8m is based on an assumption of General Fund forecast receipts of £22.7m (net of costs of disposal) being realised. These are summarised in Appendix 3. 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. The Council continues to review its asset holdings to identify potential further disposals, although having obtained significant capital receipts in the past 3 years the General Fund asset portfolio is being significantly rationalised in the period to 2017/18. 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 disposals of assets may be incurred, which can be difficult to predict in some cases.

## 6. GENERAL FUND FORECAST EXPENDITURE AND RESOURCES

- 6.1 The latest General Fund expenditure and resource forecast is set out in Table 3. Surplus resources of £9.5m are forecast for 2014/15.

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

	2014/15	2015/16	2016/17	2017/18
	£m	£m	£m	£m
Forecast Expenditure (see Table 4)	49.3	13.8	9.0	8.9
Forecast Resources (see Table 4)	(58.7)	(33.1)	(21.5)	(9.0)
<b>In-Year (Surplus)/Deficit</b>	<b>(9.5)</b>	<b>(19.3)</b>	<b>(12.5)</b>	<b>(0.1)</b>

- 6.2 The current proposed General Fund capital expenditure programme for 2014/15 is set out in Appendix 1 and is summarised in Table 4. Table 5 illustrates the capital receipts funded capital expenditure budgets. This comprises the completion of existing schemes and the continuation of future rolling programmes.

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

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
<b>Expenditure:</b>					
Children's Services	38.3	4.8	0.1	0	<b>43.2</b>
Adult Social Care	2.0	0.5	0.5	0.5	<b>3.3</b>
Transport & Technical Services	7.2	7.2	7.2	7.2	<b>28.9</b>
Finance and Corporate Services	1.1	0.8	0.8	0.8	<b>3.3</b>
Environment, Leisure & Residents Services	0.7	0.7	0.5	0.5	<b>2.4</b>
<b>Total</b>	<b>49.3</b>	<b>13.8</b>	<b>9.0</b>	<b>8.9</b>	<b>81.1</b>
<b>Resources:</b>					
General Fund receipts	(22.7)	(25.8)	(18.7)	(6.3)	<b>(73.5)</b>
<b>Net capital receipts</b>	<b>(22.7)</b>	<b>(25.8)</b>	<b>(18.7)</b>	<b>(6.3)</b>	<b>(73.5)</b>
<b>Specific or other funding</b>	<b>(36.1)</b>	<b>(7.3)</b>	<b>(2.8)</b>	<b>(2.7)</b>	<b>(48.9)</b>
<b>Total</b>	<b>(58.7)</b>	<b>(33.1)</b>	<b>(21.5)</b>	<b>(9.0)</b>	<b>(122.3)</b>
<b>Annual (surplus)/deficit*</b>	<b>(9.5)</b>	<b>(19.3)</b>	<b>(12.5)</b>	<b>(0.1)</b>	<b>(41.3)</b>
<b>Use of receipts (memorandum)</b>					
Net capital receipts (Appendix 3)	(22.7)	(25.8)	(18.7)	(6.3)	<b>(73.5)</b>
Used to fund Capital Expenditure (Table 5)	13.2	6.5	6.2	6.2	32.2
<b>Annual (surplus)/deficit*</b>	<b>(9.5)</b>	<b>(19.3)</b>	<b>(12.5)</b>	<b>(0.1)</b>	<b>(41.3)</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 Receipts Funded Expenditure Forecast**

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
<b>Continuation of Existing Schemes:</b>				
- Schools Capital Programme	6.620	0.273	0	0
- Grants To Social Landlords (Hostel Improvement)	0.060	0	0	0
- Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements	0.308	0	0	0
<b>Sub-total</b>	<b>6.988</b>	<b>0.273</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
<b>Sub-total</b>	<b>6.230</b>	<b>6.230</b>	<b>6.230</b>	<b>6.230</b>
<b>Total</b>	<b>13.218</b>	<b>6.503</b>	<b>6.230</b>	<b>6.230</b>

6.3 The General Fund resources forecast is shown in Table 4 (detailed in Appendix 3). In line with the CFR reduction strategy the core mainstream capital programme continues to be funded from capital receipts as shown in Table 5 with no provision for new borrowing. The specific resource forecast is based on known allocations and includes the updated position for schools capital funding (as at November 2013). For 2014/15 it has been confirmed that the Transport for London Local Implementation Plan has funding of £2.7m (capital £2.2m, revenue £0.5m). 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.

## 7. DECENT NEIGHBOURHOODS PROGRAMME

7.1 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, following on from specific Cabinet Approvals. A summary of programme is set out in Table 6a and further details are provided in appendices 1 and 2.

7.2 The programme is forecast to be in surplus for the 4 years to 2017/18 by £2.6m based on the forecast expenditure and resources plan. The actual level and timing, of sales underpinning this surplus in resources is subject to the same risks cited in para 5.2.

7.3 Investment from the Decent Neighbourhoods Programme is used to:



- invest in existing Council Housing to ensure homes are maintained at a decent standard, statutory and health and safety obligations are complied with, energy efficiency is improved and residual backlog works which were outside the scope of the decent homes programme are addressed including meeting resident priorities such as security and environmental improvements.
- to deliver 100 additional low cost home ownership opportunities by direct development, in pursuance of the Councils Housing Strategy “Building a Housing Ladder of Opportunity” as set out in the Housing Development Programme business plan approved by Cabinet on 24 June 2013.
- to deliver the regeneration of the West Kensington and Gibbs Green Estates (Earls Court) as set out in the report approved by Cabinet on 3<sup>rd</sup> September 2012, the principal potential cost allowed for in the forecast is the purchasing of any leasehold or freehold interests.
- to repay debt as it becomes due in accordance with the HRA Financial Strategy.

**Table 6a - Decent Neighbourhoods - Expenditure and Resource Forecast**

<b>Decent Neighbourhoods Summary</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Expenditure:</b>				
HRA Debt Repayment	2.4	13.0	5.9	6.2
HRA Capital Programme	48.4	43.6	43.5	43.7
Earls Court Buy Back Costs	21.7	23.4	0	0
Earls Court Project Team Costs	3.6	3.7	3.8	3.9
Housing Development Programme	12.0	13.2	1.0	0
Other Decent Neighbourhoods Projects	3.4	0.7	0	0
<b>Total Expenditure</b>	<b>91.6</b>	<b>97.6</b>	<b>54.2</b>	<b>53.7</b>
<b>Resources:</b>				
Property disposals - capital receipts	(40.0)	(35.0)	(20.0)	(20.0)
Sale of new build private & DMS homes	(1.8)	(10.9)	(18.4)	0
<b>Property disposals in period</b>	<b>(41.8)</b>	<b>(45.9)</b>	<b>(38.4)</b>	<b>(20.0)</b>
Major Repairs Allowance/Reserve	(17.9)	(16.8)	(17.4)	(17.8)
Revenue contributions	(0.1)	(0.8)	(0.6)	(2.8)
Leaseholder & other contributions & grants	(4.6)	(4.7)	(4.5)	(4.0)
GLA grant (£27K per DMS home)	(0.6)	(2.0)	0	0
<b>Other resources in period</b>	<b>(23.2)</b>	<b>(24.2)</b>	<b>(22.4)</b>	<b>(24.6)</b>
<b>Total Resources</b>	<b>(65.0)</b>	<b>(70.1)</b>	<b>(60.8)</b>	<b>(44.6)</b>
<b>Cumulative total (surplus)/deficit</b>	<b>26.6</b>	<b>27.5</b>	<b>(6.7)</b>	<b>9.1</b>
<b>Capital receipts surplus brought forward</b>	<b>(59.2)</b>	<b>(32.5)</b>	<b>(5.0)</b>	<b>(11.7)</b>
<b>Capital receipts surplus carried forward</b>	<b>(32.5)</b>	<b>(5.0)</b>	<b>(11.7)</b>	<b>(2.6)</b>

**Table 6b - Decent Neighbourhoods Capital Receipts Reconciliation**

<b>Decent Neighbourhoods Capital Receipts Reconciliation</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Capital receipts surplus brought forward	(59.2)	(32.5)	(5.0)	(11.7)
Capital receipts surplus carried forward	(32.5)	(5.0)	(11.7)	(2.6)
<b>Total variance in capital receipts</b>	<b>(26.6)</b>	<b>(27.5)</b>	<b>6.7</b>	<b>(9.1)</b>
<b>Property disposals in period</b>	<b>(41.8)</b>	<b>(45.9)</b>	<b>(38.4)</b>	<b>(20.0)</b>
<b>Total applied capital receipts</b>	<b>(68.5)</b>	<b>(73.5)</b>	<b>(31.7)</b>	<b>(29.1)</b>

7.4 In accordance with the change in capital regulations for housing capital receipts, effective from 1 April 2013 decent neighbourhood receipts must be used for regeneration or housing purposes.

## **8. HORIZON SCANNING - PROJECTS AND RESOURCES**

8.1 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.

### **8.2 King Street Regeneration**

Hammersmith & Fulham (LBHF) Council's planning applications committee gave the green light for the £150million regeneration scheme, from King Street Developments Hammersmith Ltd (KSD) - a joint venture between Helical Bar plc and Grainger plc, at a meeting on 12<sup>th</sup> November 2013. Subject to imminent finalisation of the S106 Agreement and then verification by the Mayor of London the planning approval now paves the way for KSD to regenerate the area around and including the town hall extension. The package of improvements includes: 196 high quality new homes; a three-screen community cinema, to be operated by Curzon; new retail, restaurant and cafe space; replacement offices for the Council and a new town square.

The Grade-II listed town hall will have its former ceremonial stone steps reinstated to link up with the new public piazza while the replacement Council offices will be built to the west of Nigel Playfair Avenue. KSD will also provide £5.25 million towards a regeneration fund to boost the surrounding area and refurbish the Grade-II listed town hall, which was built in 1938.

It is anticipated that the strategy can be delivered at net nil cost to the Council (i.e. the town hall refurbishment works will only draw on existing maintenance budgets with all other costs being met by the developers) but this will need to be kept under review.

### **8.3 Earl's Court**

LBHF entered into a Conditional Land Sale agreement, (CLSA) on 23rd January 2013, with the developer Capital & Counties Properties Plc (CapCo), to include Council owned

land including the West Kensington and Gibbs Green Estates in a comprehensive re-development programme. As part of the re-development programme, CapCo will provide LBHF with 760 replacement homes, while other benefits to the wider community include further 740 intermediate affordable homes, jobs, and open spaces. Full details can be found in the 3 September 2012 Cabinet Report. The trigger notice for the CLSA was served in November 2013; this means that the agreement is now unconditional, and CapCo have made a commitment to pay LBHF 5 annual instalments of £15m from December 2015.

#### **8.4 Housing Development Programme**

On 24 June 2013, the Cabinet approved the Business Plan 2013-2017 to deliver 100 Discounted Market Sales and 33 Private Sales homes at a total cost of £30.3 million via a local housing company.

The capital element of this is funded from the Decent Neighbourhoods Fund (DNF) by sale of expensive dwelling voids, complimented by new homes sales receipts and £2.7 million of GLA grant funding from Mayor's Housing covenant.

#### **8.5 Schools' Capital Programme**

Cabinet on 23<sup>rd</sup> March 2013 approved a Schools Organisation Strategy 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, the Chancellor reaffirmed a commitment to investing in schools. Children's Services will be submitting a Schools Organisation Strategy 2014/15 to Cabinet which will address the current projections for demand for school places based on known funding streams.

The Secretary of State announced capital funding grants on 19 December 2013. These are as follows (and have not been built into the budgets yet):

- universal infant free school meals capital for financial year 2014 to 2015 (£194,893); and
- basic need for financial years 2015 to 2017. This extends the previous allocations, meaning that basic need funding has now been confirmed for financial years 2014 to 2017 (£4,245,993).

#### **8.6 Park Royal City International and Old Oak Common Opportunity Area**

As part of developing the business case for a High Speed 2 / Crossrail interchange at Old Oak Common and to maximise regeneration benefits in the area, discussions have been held with the Department for Transport, High Speed 2 (HS2) Ltd. TfL and Network Rail to promote oversite development at the planned Old Oak Common station and to promote inclusion of connections with existing overground rail services. The Council

and the GLA have published a joint vision for the area subject to recent consultation and amendments are now being planned to both the London Plan and the Council's LDF/Local Plan to encourage appropriate development. The Mayor of London is proposing that a Mayoral Development Corporation be established with wide-ranging powers yet to be agreed.

#### 8.7 **Community Infrastructure Levy (CIL)**

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 (principally residential) developments in their area based on increased floorspace (subject to maintaining development viability). The money raised can be used to support development by funding enabling infrastructure that the Council, local community and neighbourhoods want. The CIL is designed to complement and in part replace the funding currently delivered through Section 106 payments on some major schemes. The Mayor of London has introduced a London-wide CIL to contribute to the funding for Crossrail and the Council is currently going through the statutory processes to introduce its own CIL. When the Council introduces its CIL, expected towards the end of 2014, this will give rise to a stream of funding which will need to be deployed for infrastructure development and improvement in order to support further regeneration and development.

### 9. **EQUALITY IMPLICATIONS**

- 9.1 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 2014/15.
- 9.2 It should be noted that there are some major projects, for example those discussed in section 8 (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. **LEGAL IMPLICATIONS**

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

## **11. FINANCIAL AND RESOURCES IMPLICATIONS**

- 11.1 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:
- 11.2 The Council's mainstream capital programme is 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.
- 11.3 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 6. 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 £77.3m at the start of 2014/15. The proposals set out in this report are estimated to reduce it to £33.6m by the end of 2017/18. This net reduction has been taken account of within the Council's Treasury Management Strategy.
- 11.4 Each year local authorities are required to set aside some of their revenues as provision for debt repayment. This is commonly termed the minimum revenue provision (MRP). Before the start of each financial year full Council is required to approve a statement of its policy on making MRP in respect of that financial year. Appendix 5 sets out the LBHF MRP Statement for 2014/15.
- 11.5 **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 without HMRC mitigation, then all VAT incurred in support of exempt activities, in that year, can no longer be reclaimed from HM Revenue and Customs (HMRC) and becomes payable by the Council. This would represent a cost of approximately £2m to £3m 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.

The Council has forecast a breach in 2013/14 and has liaised with HMRC to gain one-off mitigation for the breach. The conditions of the mitigation include a requirement for the Council to manage its position under the 5% threshold over a seven-year average. The average looks forward to future years as well as back, which means that there is

limited exemption “head-room” up to 2016/17. The Council adopted the following VAT policy in 2013/14 to aid the management of the Partial Exemption position:

- Projects should be 'opted-to-tax' where this option is available and is of no financial disadvantage to the Council.
- If an option-to tax is unavailable it is advised that any avoidable, new projects in 13/14 incurring exempt VAT are deferred for the present time.
- In addition there is only limited room in the 14/15 (and future years) partial exemption forecasts. Therefore, new or re-profiled projects for 14/15 incurring exempt VAT will need to be agreed with the Corporate VAT team.
- In all cases the VAT team should be consulted in advance in order that the forecasts can be updated and re-checked against limits.

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

## **12. RISK MANAGEMENT**

12.1 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 and it is the responsibility of departments to capture risks that may affect the successful delivery of capital projects contained in their programme in their departmental registers. A number of significant opportunity risks to regenerate areas of the borough have previously been considered on the Council's Enterprise Wide risk and assurance register which has been reviewed by the Council's Business Board. These are covered in Section 8 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.

12.2 Implications verified/completed by: Michael Sloniowski, BiBorough Risk Manager, telephone 0208 753 2587.

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

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

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

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	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 (General Fund & Decent Neighbourhoods)
- Appendix 2 - Council Capital Programme by Service Area
- Appendix 3 - General Fund Anticipated Capital Receipts
- Appendix 4 - The Capital Financing Requirement (CFR)
- Appendix 5 - Minimum Revenue Provision (MRP) Statement 2014/15
- Appendix 6 - CIPFA Treasury Prudential Indicators 2014/15

## **APPENDICES**

### **APPENDIX 1 - COUNCIL CAPITAL PROGRAMME (GENERAL FUND & DECENT NEIGHBOURHOODS)**

<b>Capital Expenditure</b>	<b>Original Budget 2014/15</b>	<b>Indicative Budget 2015/16</b>	<b>Indicative Budget 2016/17</b>	<b>Indicative Budget 2017/18</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Children's Services</b>	38,316	4,772	100	-	43,188
<b>Adult Social Care</b>	1,971	450	450	450	3,321
<b>Transport &amp; Technical Services</b>	7,236	7,155	7,231	7,231	28,853
<b>Finance &amp; Corporate Governance</b>	1,058	750	750	750	3,308
<b>Environment, Leisure &amp; Residents Services</b>	700	692	500	500	2,392
<b>Libraries</b>	-	-	-	-	-
<b>Sub-total</b>	<b>49,281</b>	<b>13,819</b>	<b>9,031</b>	<b>8,931</b>	<b>81,062</b>
<b>Decent Neighbourhoods (Housing &amp; Regeneration)</b>	<b>91,647</b>	<b>97,644</b>	<b>54,159</b>	<b>53,720</b>	<b>297,170</b>
<b>Total Capital Programme</b>	<b>140,928</b>	<b>111,463</b>	<b>63,190</b>	<b>62,651</b>	<b>378,232</b>
<b>Capital Financing</b>					
Capital grants from central government departments (inc SCE(C))	29,166	4,306	100	-	33,572
Grants and contributions from private developers and from leaseholders, etc.	4,824	4,874	4,514	4,000	18,212
Grants and contributions from non-departmental public bodies	3,774	193	-	-	3,967
Capital funding from GLA bodies	2,729	4,079	2,157	2,157	11,122
Use of capital receipts to finance capital expenditure	81,675	79,955	37,961	35,342	234,933
Capital expenditure financed from the Housing Revenue Account	113	761	553	2,773	4,200
Capital expenditure financed by the Major Repairs Reserve (MRR) / Major Repairs Allowance (MRA)	17,886	16,751	17,361	17,835	69,833
Capital expenditure financed from the General Fund Revenue Account	761	544	544	544	2,393
<b>Total Capital Financing</b>	<b>140,928</b>	<b>111,463</b>	<b>63,190</b>	<b>62,651</b>	<b>378,232</b>



## APPENDIX 2 - COUNCIL CAPITAL PROGRAMME BY SERVICE AREA

Name of Capital Scheme	Original Budget 2014/15 £'000	Indicative Original Budget 2015/16 £'000	Indicative Original Budget 2016/17 £'000	Indicative Original Budget 2017/18 £'000	Total £'000
<b>Children's Services</b>					
Lyric Theatre Development	3,991	193	-	-	4,184
Schools Capital Programme (Organisation Strategy)	34,325	4,579	100	-	39,004
<b>Total Children's Services</b>	<b>38,316</b>	<b>4,772</b>	<b>100</b>	<b>-</b>	<b>43,188</b>
<b>Adult Social Care</b>					
Extra Care New Build project (Adults' Personal Social Services Grant)	957	-	-	-	957
Grants To Social Landlords (Hostel Improvement)	60	-	-	-	60
Community Capacity Grant	504	-	-	-	504
Disabled Facilities	450	450	450	450	1,800
<b>Total Adult Social Care</b>	<b>1,971</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>3,321</b>
<b>Transport &amp; Technical Services</b>					
Corporate Buildings Planned Maintenance	2,500	2,500	2,500	2,500	10,000
Footways & Carriageways	2,030	2,030	2,030	2,030	8,120
Transport For London Schemes	2,162	2,081	2,157	2,157	8,557
Controlled Parking Zones	275	275	275	275	1,100
Column Replacement	269	269	269	269	1,076
<b>Total Transport &amp; Technical Services</b>	<b>7,236</b>	<b>7,155</b>	<b>7,231</b>	<b>7,231</b>	<b>28,853</b>
<b>Finance &amp; Corporate Governance</b>					
Contribution to Invest to Save Fund	750	750	750	750	3,000
Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements	308	-	-	-	308
<b>Total Finance &amp; Corporate Governance</b>	<b>1,058</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>3,308</b>
<b>Environment, Leisure &amp; Residents Services</b>					
Parks Improvements Capital Programme	500	500	500	500	2,000
Public CCTV	200	192	-	-	392
<b>Total Environment, Leisure &amp; Residents Services</b>	<b>700</b>	<b>692</b>	<b>500</b>	<b>500</b>	<b>2,392</b>
<b>Decent Neighbourhoods (Housing and Regeneration)</b>					
<b>Housing Revenue Account</b>					
Supply (Major voids/hostels)	1,521	1,499	1,001	1,000	5,021
Energy Schemes	2,213	4,392	4,408	4,429	15,442
Lift Schemes	5,977	5,669	5,512	5,000	22,158
Internal Modernisation	2,610	2,551	2,601	2,500	10,262
Major Refurb	6,206	1,500	18,028	22,901	48,635
Planned Maint. Framework	19,848	20,006	4,499	-	44,353
Minor Programmes	8,966	6,913	6,444	6,790	29,113
ASC/ELRS Managed	1,050	1,050	1,050	1,050	4,200
<b>Sub-total</b>	<b>48,391</b>	<b>43,580</b>	<b>43,543</b>	<b>43,670</b>	<b>179,184</b>
<b>Decent Neighbourhoods</b>					
HRA Debt Repayment	2,414	13,020	5,866	6,150	27,450
Earl's Court buy back cost	21,743	23,374	-	-	45,117
Earl's Court project team cost	3,639	3,718	3,799	3,900	15,056
Housing Development Programme	12,041	13,237	951	-	26,229
Other DNF projects	3,419	715	-	-	4,134
<b>Sub-total</b>	<b>43,256</b>	<b>54,064</b>	<b>10,616</b>	<b>10,050</b>	<b>117,986</b>
<b>Total Decent Neighbourhoods (Housing and Regeneration)</b>	<b>91,647</b>	<b>97,644</b>	<b>54,159</b>	<b>53,720</b>	<b>297,170</b>
<b>Total Capital Programme</b>	<b>140,928</b>	<b>111,463</b>	<b>63,190</b>	<b>62,651</b>	<b>378,232</b>

### APPENDIX 3 - GENERAL FUND ANTICIPATED CAPITAL RECEIPTS

Year	Forecast capital receipts
	£'000
2014/15	
<b>Total 2014/15</b>	<b>22,676</b>
2015/16	
<b>Total 2015/16</b>	<b>25,819</b>
2016/17	
<b>Total 2016/17</b>	<b>18,699</b>
2017/18	
<b>Total 2017/18</b>	<b>6,259</b>
<b>Total All Years</b>	<b>73,454</b>

## APPENDIX 4 - THE CAPITAL FINANCING REQUIREMENT (CFR) AND POOLING

### 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 Councils 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 do not need to be pooled but must be used for housing business purposes.

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

## **APPENDIX 5 - MINIMUM REVENUE PROVISION (MRP) STATEMENT 2014/15**

1. This statement covers the minimum revenue provision (MRP) that Hammersmith and Fulham Council will set-aside from revenue to reduce borrowing and credit liabilities arising from capital expenditure.
2. Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146, as amended] require local authorities to make a prudent amount of minimum revenue provision (MRP). The Secretary of State (Department for Communities and Local Government) issued statutory guidance on determining the “prudent” level of MRP, to which this Council is required to have regard, in February 2012.
3. The 2014/15 annual MRP statement has been updated in accordance with the statutory guidance. No MRP is required in respect of the Housing Revenue Account (HRA).

### **Annual MRP Statement – frequency of update and approval**

4. The Secretary of State recommends that before the start of each financial year, H & F prepares a statement of its policy on making MRP in respect of that financial year and submits it to the full Council. The statement should indicate how it is proposed to discharge the duty to make prudent MRP in the financial year. If it is ever proposed to vary the terms of the original statement during the year, a revised statement should be put to the Council at that time.

### **Meaning of “Prudent Provision”**

5. The broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

### **Supported Capital Expenditure or Capital Expenditure incurred before 1 April 2008:**

6. For capital expenditure incurred before 1 April 2008, the policy is based on Capital Financing Requirement method (Option 2<sup>4</sup>) – this is a continuation of current practice.

### **From 1 April 2008 for all unsupported borrowing (which does not form part of Supported Capital Expenditure):**

7. Where capital expenditure is incurred from 1 April 2008 and on an asset financed wholly or partly by self-funded borrowing, the MRP is to be made in instalments over the life of the asset in accordance with Option 3 Asset Life Method – this method

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<sup>4</sup> Options as given in the CLG statutory guidance

spreads the cost over the estimated life of an asset. Under this method LBHF may in any year make additional voluntary revenue provision, in which case they may make an appropriate reduction in later years' levels of MRP.

8. The guidance states for all capitalised expenditure incurred on or after 1 April 2008, which is (a) financed by borrowing or credit arrangements; and (b) treated as capital expenditure by virtue of either a direction under section 16(2)(b) of the 2003 Act or regulation 25(1) of the 2003 Regulations, the authority should make MRP in accordance with Option 3 Asset Life Method.
9. Asset life for MRP purposes shall be determined in the year that MRP commences and not be subsequently revised by the Executive Director of Finance and Corporate Governance.
10. The determination as to which scheme is funded from borrowing and which from other sources shall be made by the Executive Director of Finance and Corporate Governance. Where an asset is only temporarily funded from borrowing in any one financial year and it is intended that its funding be replaced with other sources by the following year, no MRP shall apply.
11. MRP commencement: When borrowing to provide an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. H&F's policy is to postpone beginning to make MRP until the financial year following the one in which the asset becomes operational. "Operational" here has its standard accounting definition. Investment properties should be regarded as becoming operational when they begin to generate revenues.
12. For any deferred costs of disposal debited to the Capital Adjustment Account, no MRP shall apply.
13. Capital Financing Requirement: Where the CFR was nil or negative on the last day of the preceding financial year, LBHF need not make any MRP in the current financial year.
14. Finance leases and PFI: In the case of finance leases and on-balance sheet PFI contracts, the MRP requirement would be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability. Where a lease (or part of a lease) or PFI contract is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement would be regarded as having been met by the inclusion in the charge, for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.
15. Housing assets: the duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure on housing assets.

16. The Executive Director of Finance and Corporate Governance is responsible for implementing the Annual Minimum Revenue Provision Statement and has managerial, operational and financial discretion necessary to ensure that MRP is calculated in accordance with regulatory and financial requirements and resolve any practical interpretation issues. The Executive Director of Finance and Corporate Governance may also make additional revenue provisions, over and above those set out in the statement, or set aside capital receipts to reduce debt liabilities should it be prudent for financial management of the HRA or the General Fund.

## APPENDIX 6 - 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>Actual 2012/13 £'000</b>	<b>Revised 2013/14 £'000</b>	<b>Estimate 2014/15 £'000</b>	<b>Estimate 2015/16 £'000</b>	<b>Estimate 2016/17 £'000</b>
General Fund	28,692	56,587	49,281	13,819	9,031
Housing Revenue Account	24,722	28,140	48,391	43,580	43,543
Decent Neighbourhoods	3,979	15,674	43,256	54,064	10,616
<b>TOTAL</b>	<b>57,393</b>	<b>100,401</b>	<b>140,928</b>	<b>111,463</b>	<b>63,190</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 Executive Director of Finance and Corporate Governance will determine the actual financing of capital expenditure incurred once a year, after the end of the financial year.

	<b>Actual 2012/13 £'000</b>	<b>Revised 2013/14 £'000</b>	<b>Estimate 2014/15 £'000</b>	<b>Estimate 2015/16 £'000</b>	<b>Estimate 2016/17 £'000</b>
General Fund	78,382	77,347	66,522	46,272	33,679
Housing Revenue Account	217,299	207,717	205,302	192,282	186,416
<b>TOTAL</b>	<b>295,681</b>	<b>285,064</b>	<b>271,824</b>	<b>238,554</b>	<b>220,095</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:

	<b>Actual 2012/13 £'000</b>	<b>Revised 2013/14 £'000</b>	<b>Estimate 2014/15 £'000</b>	<b>Estimate 2015/16 £'000</b>	<b>Estimate 2016/17 £'000</b>
Net Borrowing	55,899	(49,489)	(2,401)	(8,103)	(15,177)
Capital Financing Requirement (CFR)	295,681	285,064	271,824	238,554	220,095
<b>Net Borrowing Less than CFR</b>	<b>(239,782)</b>	<b>(334,553)</b>	<b>(274,225)</b>	<b>(246,657)</b>	<b>(235,272)</b>

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

## 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.

	<b>Actual 2012/13 %</b>	<b>Revised 2013/14 %</b>	<b>Estimate 2014/15 %</b>	<b>Estimate 2015/16 %</b>	<b>Estimate 2016/17 %</b>
General Fund	1.2%	1.4%	1.3%	1.4%	1.3%
Housing Revenue Account	15.2%	15.7%	13.4%	11.5%	11.5%

## 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 2014/15 to 2016/17. 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 without the need for borrowing.




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

	<b>Estimate 2014/15 £</b>	<b>Estimate 2015/16 £</b>	<b>Estimate 2016/17 £</b>
General Fund - Council Tax £ per Band D home per annum	-52.78	-52.78	-52.78
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).

# Agenda Item 6.3

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>26 FEBRUARY 2014</b>
<b>TREASURY MANAGEMENT STRATEGY REPORT 2014/15</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: Halfield Jackman</b> (Tri-Borough Treasury Manager, LBHF)	<b>Contact Details:</b> Tel: 0207 641 4354 E-mail: <a href="mailto:hjackman@westminster.gov.uk">hjackman@westminster.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 The report sets out the Council's Treasury Management Strategy for 2014/15. It seeks approval for the Executive Director of Finance and Corporate Governance to arrange the Treasury Management Strategy in 2014/15 as set out in this report.

## 2. RECOMMENDATIONS

- 2.1 That approval be given to the future borrowing and investment strategies as outlined in this report and that the Executive Director of Finance and Corporate Governance be authorised to arrange the Council's cashflow, borrowing and investments in 2014/15.
- 2.2 In relation to the Council's overall borrowing for the financial year, to note the comments and the Prudential Indicators as set out in this report.
- 2.3 That approval be given 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 2014.

### 3. BACKGROUND

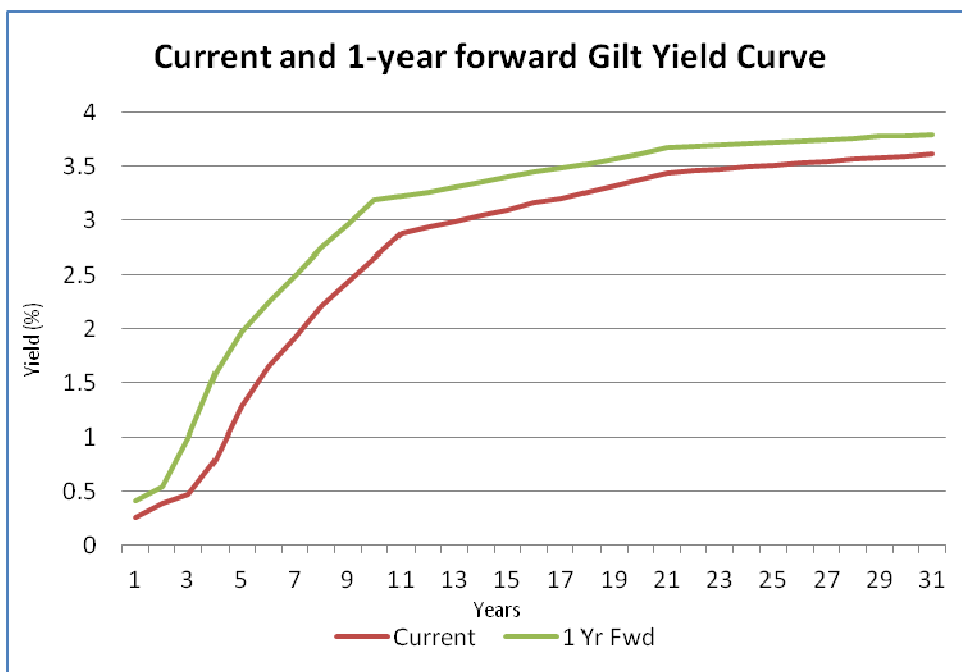
- 3.1 Treasury Management is defined by the CIPFA<sup>1</sup> Code of Practice as ‘The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum 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 (this 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 6 of this report, and the remainder of the report cover the following list. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and CLG Investment Guidance.
- prospects for interest rates;
  - the current treasury position;
  - the proposed investment strategy;
  - the borrowing strategy;
  - prudential indicators; and,
  - approach to debt rescheduling.
- 3.4 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.
- 3.5 Under regulations set out by the (now called) Department for Communities and Local Government (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.
- 3.6 Section 6 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.
- 3.7 The CIPFA recommendations contained in the Code of Practice and Cross-Sectoral Guidance Notes issued as a revised version in 2011 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 of this report.

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<sup>1</sup> Chartered Institute of Public Finance and Accountancy

#### 4. PROSPECTS FOR INTEREST RATES

- 4.1 There has been a general improvement in the overall condition of the global economy in 2013. The sovereign debt crisis has eased over the course of the year.
- 4.2 In the UK, the slow economic recovery gained pace in 2013(Q1 +0.3%, Q2 +0.7% and Q3 +0.8%), surpassing all expectations with strong upturns in all three main sectors services, manufacturing and construction. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone where growth is likely to remain weak and so will dampen UK growth. However, the Eurozone finally escaped from seven quarters of recession in Q2 of 2013 and growth rose by a modest 0.1% in Q3.
- 4.3 The United States has managed to return to solid growth in spite of the fiscal cliff induced cuts in federal expenditure and increases in taxation that are due in March 14.
- 4.4 Economic forecasts remain difficult with so many external influences weighing on the UK. Major volatility in bonds yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets for example equities, and safer bonds.
- 4.5 Gilt yields could be volatile over the next year as financial markets await the long expected start of tapering of assets purchases by the US Federal Reserve. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields.
- 4.6 The longer trend is that gilt yields and PWLB rates will rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will encourage investors to switch back from bonds to equities.
- 4.7 The graph below shows the current UK Gilt Curve together with the one-year forward Gilt curve (i.e. current market expectations for the Gilt rate in 12 months' time).



Source: Bloomberg

- 4.8 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), it is impacted to a greater extent by the cost of carrying debt.

## 5. CURRENT TREASURY POSITION

- 5.1 As at the 31 December 2013, the Council had £284 million cash investments. The cash is made up of the Council's usable reserves, capital receipts and unspent government grants. Although the level of cash has increased by £78 million to date this year it is anticipated further increases in cash levels will slow for the remainder of the year to approximately £300 million (Business Rate/Council Tax cycle limited collection during January to March).
- 5.2 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 debt service payments. No new borrowing has been undertaken since November 2009 and where borrowings have fallen due for repayment, they have not been replaced. This has been the policy for both the General Fund and HRA. Officers periodically review the possibility of the early redemption of external debt.
- 5.3 The forecast closing General Fund debt as measured by the Capital Financing Requirement (CFR) for 2014/15 is £66.5m and is subject to a projected surplus in General Fund capital receipts of £9.5m being applied to reducing the CFR. It should be noted that the 2014/15 debt reduction target of £10.8m is based on an assumption of General Fund forecast receipts of £22.7m (net of costs of disposal) being realised. These are summarised in the Capital Programme Report. 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. The Council continues to review its asset holdings to identify potential further disposals, although having obtained significant capital receipts in the past 3 years the General Fund asset portfolio is being significantly rationalised in the period to 2017/18. 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 disposals of assets may be incurred, which can be difficult to predict in some cases.
- 5.4 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.
- 5.5 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') 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.
- 5.6 There are 5 Prudential Indicators for 2014/15 relating to capital stated in the Capital Programme 2014/15 to 2017/18 report to Budget Council on 26 February 2014, (to meet CIPFA's Prudential Code requirements).

5.7 The Council's borrowing and Capital Financing Requirement (CFR) positions are summarised in the tables below.

Current Portfolio Position

(£ 000)	2012/13 Actual	2013/14 Estimate	2014/15	2015/16	2016/17
Borrowing at 1 April	262,166	262,067	250,511	247,599	231,897
Expected change in borrowing during the year	(99)	(11,556)	(2,912)	(15,703)	(7,074)
<b>Actual Borrowing at 31 March</b>	<b>262,067</b>	<b>250,511</b>	<b>247,599</b>	<b>231,897</b>	<b>224,823</b>
Total investments at 31 March	(206,168)	(300,000)	(250,000)	(240,000)	(240,000)
<b>Net borrowing/(investment)</b>	<b>55,899</b>	<b>(49,489)</b>	<b>(2,401)</b>	<b>(8,103)</b>	<b>(15,177)</b>

Borrowing at Year-end: Split between the Housing Revenue Account and General Fund

(£ 000)	2012/13 Actual	2013/14	2014/15	2015/16	2016/17
Housing Revenue Account	217,299	207,717	205,302	192,283	186,417
General Fund	44,768	42,794	42,297	39,614	38,406
<b>Total</b>	<b>262,067</b>	<b>250,511</b>	<b>247,599</b>	<b>231,897</b>	<b>224,823</b>

CFR: General Fund and HRA.

(£ 000)	2012/13 Actual	2013/14	2014/15	2015/16	2016/17
General Fund	78,382	77,347	66,522	46,272	33,679
HRA	217,299	207,717	205,302	192,282	186,416
<b>Total</b>	<b>295,681</b>	<b>285,064</b>	<b>271,824</b>	<b>238,554</b>	<b>220,095</b>

## 6. ANNUAL INVESTMENT STRATEGY

- 6.1 The Council must have regard to the Guidance on Local Government Investments issued by CLG and the 2011 revised CIPFA's Treasury Management in Public Services of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").
- 6.2 This section sets out the Council's annual investment strategy for 2014/15 and any proposed changes from the 2013/14 Treasury Management Strategy, the table below summarises the maximum amounts and tenors of investments that the Council can hold. The table also shows the maximum proposed limits that Officers can work within. In reality, neither the amounts nor tenors of the proposed investments are likely to be at the maximum level proposed.

<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</b>	<b>Treasury Management Strategy 2013/14</b>
DMO Deposits	UK Government Rating	Unlimited	6 months	No change
UK Government (Gilts / T-Bills / Repos)	UK Government Rating	Unlimited	Unlimited	No change
Supra-national Banks	AA+ / Aa1 / AA+	£30m	3 years	£10m / 1 year
European Agencies	AA+ / Aa1 / AA+	£10m	1 year	No change
Network Rail	UK Government Rating	Unlimited	Oct 2052	£25m / 1 year
TFL	AA- / Aa3 / AA-	£30m	3 years	New for 14/15 Previously part of LA £25m/ 1 year
GLA	NA	£30m	3 years	New for 14/15 Previously part of LA £25m/ 1 year
UK Local Authorities	NA	£10m per Local Authority, £50m in aggregate	6 months	£25m/ 1year
Commercial Paper issued by UK corporate	A-1 / P-1 / F-1	£15m per name, £75m in aggregate	Six months	£10m per name, £50m in aggregate
Money Market Funds MMF	AAA / Aaa / AAA be AAA by at least two of the main credit agencies	£15m per fund manager, £90m in aggregate	Three day notice	£10m per fund manager, £60m in aggregate / One month
Enhanced Money Funds	AAA / Aaa / AAA by at least one of the main credit agencies	£10m per fund manager, £30m in aggregate	Up to seven day notice	£5m per fund manager, £10m in aggregate / One month
UK Bank	AA- / Aa3 / AA- and above (or UK Government ownership of greater than 25%), subject to minimum ST ratings	£70m	3 years	£35m and 35% Government ownership/ £25m/ 1 year/
UK Bank	A- / A3 / A- and above, subject to minimum ST ratings	£30m	Six months	£25m / Three months
Non-UK Bank <sup>2</sup>	AA- / Aa2 / AA- and above, subject to minimum ST ratings	£30m	1 year	£25m / Six months

<sup>2</sup> Any investments in Non-UK Banks is subject to the Leader of the Council approval.

<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</b>	<b>Treasury Management Strategy 2013/14</b>
Non-UK Bank	A / A2 / A and above, subject to minimum ST ratings	£15m	Six months	£10m / Three months

6.3 The remainder of this section six covers the following in further detail:

- Current investment types
- Changes for the 2014/15 Treasury Management Strategy
  - Greater London Authority counterparty limit
  - Transport for London counterparty limit
  - Network Rail Infrastructure
  - Changes to Money Market Funds and Enhanced Money Fund
  - Floating Rate Notes as a new assets class
- Proposed changes to investment limits and tenors
- Non-specified investments
- Local authority investments
- Creditworthiness criteria
- Country limits.

### **Current Investment Types**<sup>3</sup>

6.4 As per the 13/14 Treasury Management Strategy, it is proposed that for 14/15 the Council can continue to invest in financial institutions, external funds and certain capital market instruments as set out below. All investments would be in Sterling. The investment types listed below are as per the current TMS.

- (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) Investment in UK Treasury Bills (T-Bills) and Gilts (conventional or indexed-linked) with no financial limit (UK government guaranteed)
- (iv) Investments in UK Government repurchase agreements (“Repos” and “Reverse Repos”);
- (v) Lending to certain public authorities (Unitary Authorities, Local Authorities, Borough and District Councils, Met Police, Fire and Police Authorities)
- (vi) Investment in close to maturity AAA-rated corporate bonds and commercial paper backed by UK Government guarantees;
- (vii) Investment in supra-national AAA-rated issuer bonds and commercial paper;
- (viii) Investment in AAA-rated Sterling Money Market Funds and longer term funds;

<sup>3</sup> Appendix B provides more detail on the various asset classes.



- (ix) Investment in commercial paper (CP) of UK domiciled entities with minimum short term credit rating of A1/P-1/F-1.

6.5 In determining whether to place deposits with any institution or fund, the Tri-borough Director for Treasury and Pensions 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.

### **Changes for the 2014/15 Treasury Management Strategy**

6.6 Officers are proposing various changes to the 14/15 Treasury Strategy, in part to reduce reliance on the Debt Management Office and to provide some flexibility for better investment returns, within the structure of a cautious investment outlook. Officers remain concerned that the DMO may seek to reduce its rates further from 0.25% as at present, if a low interest rate environment continues.<sup>4</sup>

6.7 While building on the Treasury Management Strategy for 13/14, the proposals for 2014/15 make a recommendation for the creation of individual investment limits for the Greater London Authority (GLA) and Transport for London (TfL), change the existing Network Rail Infrastructure counterparty limit, adjustments to the current money market fund limits, the use of floating rate notes (FRNs) as a new asset class and an increase in the maximum tenor and maximum investment limit overall.

#### **Greater London Authority (GLA) counterparty limit**

6.8 Due to the nature and significance of this body a £30 million standalone limit with a maximum maturity of three years is proposed and remove the GLA from the local authority counterparty group. The GLA is classed as a local authority by legislation, and thus all borrowings by the GLA are secured<sup>5</sup> on a pari passu basis against all its revenues (net expenditure<sup>6</sup> in 2012/13 was £1.8 billion). Lending to the GLA would most likely be through a bi-lateral loan (either directly or via a broker).

#### **Transport for London (TfL) counterparty limit**

6.9 Under the 2013/14 TMS, the Council can invest in TfL (mainly via its Commercial Paper programme) for up to £10m and a six-month maximum. For 2014/15, it is proposed for TfL to have their own standalone limit of £30 million for up to three years, in line with the GLA, given the significance of TfL and implied support from the UK Government. TfL is also considered a Local Authority for financial regulation all its borrowing is secured on all its

<sup>4</sup> As an example, on 31 December 2013, the DMO offered an overnight deposit rate of 0.0% due to illiquidity in the market.

<sup>5</sup> Section 13, Local Government Act 2003

<sup>6</sup> By legislation, all Local Authorities (including TfL) must prepare a balanced budget, taking into account all its revenues and expenditure.

revenues on a pari passu basis. In 2012/13, its revenues were £9.96 billion. Lending to TfL would continue via Commercial Paper (rarely issued for more than six months) and would enable purchase of any near to maturity bonds.

### Network Rail Infrastructure

- 6.10 All borrowing by Network Rail is directly and explicitly guaranteed by the UK government to October 2052. Given this explicit support by the UK Government, and that Network Rail bonds (when available) offer a better rate than Gilts, it is proposed that the 2014/15 limit for Network Rail is made unlimited with the maximum maturity of five years.

### Changes to Money Market Funds (MMFs) and Enhanced Money Fund (EMFs):

- 6.11 Appendix D sets out the difference between MMFs and EMFs in more detail. However, the 2013/14 TMS limit for both MMFs and EMFs was £60m in aggregate with a maximum £10m per fund. As the funds are different it is recommended that the existing limits should be split and treated separately for both types of funds.
- 6.12 The new limit for MMFs is set with reference to a panel of eight fund managers with a maximum aggregate investment of £90 million in total with a maximum individual limit of £15 million per fund. All MMFs must offer three day access or better.
- 6.13 EMFs seek to outperform the MMFs by investing in longer dated investments. As such they are not used to provide same day liquidity but should be used to invest cash for a minimum of three months. The proposed limits for EMFs are a maximum aggregate investment of £30m with a maximum individual limit of £10m per fund (subject to fund size). A maximum period of seven days notice will apply.

### Floating Rate Notes (FRNs) as a new assets class

- 6.14 FRNs are debt instruments that pay a floating rate of interest that resets at an agreed interval (3 or 6 monthly) with reference to a published rate such as UK LIBOR. While FRNs would be a new asset class for the Council, the counterparties with whom the Council could place its funds will remain the same as per the current Treasury Management Strategy. Issuers of FRNs include banks, supranational banks and European agencies.

### Proposed changes to investment limits and tenors

- 6.15 The Council's investment counterparty limits have been unchanged over the last two years, despite average council cash balances increasing (due in part to capital receipts). Given the more stable economic environment, together with the strict counterparty criteria used by Officers, it is proposed that limits and tenors of investment are extended for certain investments.
- 6.16 The 2013/14 MMFs limit (contains both MMFs and EMFs) is £60 million in aggregate and it is proposed that it is raised to £90 million for MMFs with a separate limit for EMFs of £30 million in aggregate.
- 6.17 The Council places investments / deposits with only four UK banks – Barclays, HSBC, Lloyds and RBS (Nat West). For UK banks with Government ownership (and given the increased relative stability over the last 2-3 years), it is proposed that the minimum percentage of UK Government ownership (to qualify within this strategy for such criteria) is reduced from 35% to 25%. RBS and Lloyds would fall into this category, and this change in minimum ownership criteria allows Lloyds to remain a counterparty of the Council. Given

the implied Government support, it is also proposed that the maximum limit for each institution is raised from £35 million to £70 million.

- 6.18 For UK banks with a minimum credit rating of AA-/Aa3/AAA and above it is proposed that the maximum individual investment limit is increased from £25m to £70m and the maximum tenor of investment is changed from one to three years.
- 6.19 UK banks with a minimum credit rating of A-/A3/A- and above it is proposed that the maximum individual investment limit is increased from £25m to £30m and the maximum tenor of investment is changed from three to six months.
- 6.20 Non-UK banks with a minimum credit rating of AA-/Aa2/AA- and above, it is recommended that the maximum individual investment limit is increased from £25m to £30m and that the maximum tenor of investment is changed from six months to one year.
- 6.21 Non-UK banks with a minimum credit rating of A/A2/A and above, it is recommended that the maximum individual investment limit is increased from £10m to £15m and that the maximum tenor of investment is changed from three to six months.
- 6.22 In summary, the bank investment limits are shown in the table below.

Institution Type	Minimum Credit Rating Required (S&P / Moodys / Fitch)	Maximum Individual Counterparty Investment limit (£m)	Maximum tenor of deposit / investment
UK Bank	With UK Government ownership of greater than 25%.	70	Three years
UK Bank	AA- / Aa3 / AA- and above subject to minimum ST ratings	70	Three years
UK Bank	A- / A3 / A- and above, subject to minimum ST ratings	30	Six months
Non-UK Bank	AA- / Aa2 / AA- and above, subject to minimum ST ratings	30	One year
Non-UK Bank	A / A2 / A and above, subject to minimum ST ratings	15	Six months

### **Non-specified investments**

6.23 Under section 15(1) of the Local Government Act 2003, restrictions are placed on Local Authorities around the use of so-called specified and non-specified investments. A specified investment is defined as an investment which satisfies all of the conditions below:

- (i) The investment and any associated cash flows are denominated in sterling ;
- (ii) The investment has a maximum maturity of one year;
- (iii) The investment is not defined as capital expenditure; and
- (iv) The investment is made with a body or in an investment scheme of high credit quality; or with the UK Government, a UK Local Authority or parish/community council.

- 6.24 A non-specified investment is any investment that does not meet all the conditions above. The only likely non-specified investment that the Council may make is for any investment greater than one year. For such an investment, a proposal will be made to the Executive Director of Finance and Corporate Governance and Leader of the Council on the recommendation from the Tri Borough Director of Treasury and Pensions after taking into account cash flow requirements, the outlook for short to medium term interest rates and the proposed investment counterparty.
- 6.25 Long term investments (for periods over 364 days) will be limited to no more than £70 million.

### **Local Authority investments**

- 6.26 It is recommended that the maximum tenor of investments to local authorities (other than TfL or the GLA) is reduced to six months, and the maximum individual limit is reduced from £25 million to £10 million with an aggregate of £50 million for the investment class as a whole.

### **Creditworthiness Criteria**

- 6.27 As has been the case for 2013/14, the Council's investment priorities continue to be 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.
- 6.28 In accordance with this, and in order to minimise the risk to investments, the Council has set the minimum acceptable credit quality of counterparties for inclusion on the lending list. As at present, 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.
- 6.29 For the financial institution sector, the Council will invest in entities with a minimum credit as set out above (A-/A3/A- for a UK bank, and A/A2/A for a non-UK bank as appropriate), as long as that entity has a short term rating F2/P-2/A-3 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.
- 6.30 The limits can change if there are rating changes, however the maximum limit would never be more than £70 million. Officers are likely to work well within these limits to ensure headroom for short term liquidity.

### **Country Limits**

- 6.31 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). This criteria applies to countries other than the UK.

## 7. BORROWING STRATEGY

7.1 The Council has a debt strategy of no new borrowing and where borrowing has fallen due for repayment it has not been replaced. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with borrowing, as cash balances and cash flow has been used as a temporary measure instead. This strategy is prudent as investment returns are low and counterparty risk is high.

7.2 Under the regulatory requirement, there are three borrowing related treasury activity limits. The purpose of these are to monitor and control 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.
- 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.

7.3 The tables below sets out these treasury indicators and limits. The Council is currently compliant with all these indicators. The Council's existing level of fixed interest rate exposure is 100.0% and variable rate exposure is 0.0%.

### Interest Rate Exposure for borrowing

£m / %	2014/15		2015/16		2016/17	
Upper Gross Borrowing Limits on fixed interest rates	320	100%	320	100%	320	100%
Upper Gross Borrowing Limits on variable interest rates	64	20%	64	20%	64	20%

### Structure limits for debt maturity

Maturity structure of fixed rate borrowing during 2014/15	Upper Limit	Lower Limit	Actual Limits as at 31 March 2013
Under 12 months	15%	0%	4.4%
12 months and within 24 months	15%	0%	1.1%
24 months and within 5 years	60%	0%	11.5%
5 years and within 10 years	75%	0%	9.8%
10 years and above	100%	0%	73.2%

## 8. POLICY ON BORROWING IN ADVANCE OF NEED

- 8.1 Under CIPFA's Prudential Code, any decision to borrow in advance of need has to be:
- Within forward approved Capital Financing Requirement (CFR) estimates.
  - 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. PRUDENTIAL INDICATORS FOR TO BORROWING ACTIVITY

- 9.1 The Prudential Code requires that the Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of Prudential indicators, for the next three years ensuring the capital investment plans are affordable, prudent and sustainable.
- 9.2 The Authorised Limit for external borrowing. 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.

### Authorised Limit

<b>£m</b>	<b>2012/13 Actual</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Borrowing	325	325	325	325	325
Other long term liabilities	20	20	20	20	20
<b>Total</b>	<b>345</b>	<b>345</b>	<b>335</b>	<b>335</b>	<b>335</b>

- 9.3 The Operational Boundary. Is the focus of day to day treasury management activity within the authority and is set at £55m below authorised limit for borrowing. 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.

### Operational Boundary

<b>£m</b>	<b>2012/13 Actual</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Borrowing	275	275	275	275	275
Other long term liabilities	13	15	15	15	15
<b>Total</b>	<b>288</b>	<b>290</b>	<b>290</b>	<b>290</b>	<b>290</b>

- 9.4 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.
- 9.5 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.

## 10. DEBT RESCHEDULING

- 10.1 Consideration will 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 premia incurred in prematurely repaying debt. Given the current approach, Officers monitor the situation continually for an opportunity to repay voluntary any debt. 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. HOUSING REVENUE ACCOUNT**

- 11.1 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.

## **12. INVESTMENT TRAINING**

- 12.1 The Council is a member of the CIPFA treasury management network which provides a forum for the exchange of views of treasury management staff independent of the treasury management consultants.
- 12.2 Officers attend the CIPFA network and other providers meetings 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.

## **13. GOVERNANCE**

- 13.1 The revised CIPFA Treasury Management Code (2011) requires the Council to outline a scheme of delegation thereby delegating the role of scrutiny of treasury management strategy and policy to a specific named body. In this way treasury management performance and policy setting will be subject to proper scrutiny. The Code also requires that members are provided adequate skills and training to effectively discharge this function.
- 13.2 The role of the Section 151 officer is delegated to the Executive Director of Finance and Corporate Governance (the S151 Officer), pursuant to Section 101 of the Local Government Act 1972 and by the Executive under Section 15 of the Local Government Act 2000.
- 13.3 The S151 Officer may authorise officers to exercise on their behalf, functions delegated to them. Any decisions taken under this authority shall remain the responsibility of the S151 Officer and must be taken within the guidelines of the Treasury Management Strategy.
- 13.4 The S151 Officer has full delegated powers from the Council and is responsible for the following activities:
- Investment management arrangements and strategy;
  - Borrowing and debt strategy;
  - Monitoring investment activity and performance;

- Overseeing administrative activities;
- Ensuring compliance with relevant laws and regulations;
- Provision of guidance to officers and members in exercising delegated powers.

## Monitoring and Reporting

- 13.5 The Treasury Management activities during the year will be included in the monitoring reports to the Audit, Pensions and Standards Committee.
- 13.6 The Council's Treasury Management Strategy will be approved annually by full Council and there will also be a mid-year report. The aim of these reporting arrangements is to ensure that those with the responsibility for treasury management policies and activities and those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting. The Council will adopt the following reporting arrangements in accordance with the requirements of the revised code:

Area of Responsibility	Council / Committee / Officer	Frequency
Treasury Management Strategy	Full Council	Annually, at meeting before the start of the financial year.
Scrutiny of Treasury Management Strategy	Audit, Pensions and Standards Committee	Annually
Treasury Management Strategy: Mid-year report	Audit, Pensions and Standards Committee	Annually, after the first half of the financial year
Treasury Management Strategy: Updates / revisions at other times	1. Audit, Pensions and Standards Committee 2. Full Council	As and when required
Treasury Out-turn Report	1. Audit, Pensions and Standards Committee 2. Full Council	Annually, after year-end
Treasury Management Monitoring Reports	Executive Director of Finance and Corporate Governance	Monthly

## 14. FINANCIAL AND RESOURCE IMPLICATIONS

- 14.1 The comments of the Executive Director of Finance and Corporate Governance are contained within this report.
- 14.2 Implications verified/completed by: Jonathan Hunt, Tri Borough Director of Treasury and Pensions, 020 7641 1804.



## 15. LEGAL IMPLICATIONS

- 15.1 The statutory requirements are set out in the body of the report.
- 15.2 Implications verified/completed by: David Walker, Bi-Borough Principal Solicitor, 020 7361 2211.

## 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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Financial monitoring documents & Capital Programme 2014/18 report	Jade Cheung ext 3374	Finance Department, 2 <sup>nd</sup> Floor, HTH Extension
2.	Treasury Management Strategy 2012/13 (Approved by Full Council February 2013)	Halfield Jackman Tel: 0207 641 4354	Tri-Borough Treasury and Pensions, WCC City Hall

## 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 and 2011 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.

## APPENDIX B

**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.

**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.

**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.

**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 £15 million per name, and £90 million in aggregate.

**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.

**Network Rail:** All Network Rail infrastructure debt is directly and explicitly backed by a financial indemnity from the Secretary of State for Transport acting for and on behalf of the government of the United Kingdom of Great Britain. The financial indemnity is a direct UK sovereign obligation of the crown and cannot be cancelled for any reason (prior to its termination date in October 2052). Propose to change TMS limit to unlimited and set the maximum maturity to Oct 2052.

## APPENDIX C

### CREDIT RATING AGENCY NOMENCLATURE

<b>Long term ratings</b>	<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
<i>Investment Grade</i> Focuses on liquidity and ability to meet payment obligations on time	AAA	Aaa	AAA
	AA+	Aa1	AA+
	AA	Aa2	AA
	AA-	Aa3	AA-
	A+	A1	A+
	A	A2	A
	A-	A3	A-
	BBB+	Baa1	BBB+
	BBB	Baa2	BBB
BBB-	Baa3	BBB-	
<i>Non-investment grade (junk)</i> Focus on recovery percentage in the event of partial or total default	BB+	Ba1	BB+
	BB	Ba2	BB
	BB-	Ba3	BB-
	B+	B1	B+
	B	B2	B
	B-	B3	B-
	CCC	Caa	CCC
	CC	Ca	CC
	C	C	C
D		D	

<b>Short term ratings</b>	<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
Investment Grade	F1+	Prime-1	A-1+
	F1	Prime-2	A-1
	F2	Prime-3	A-2
	F3		A-3
Non-investment grade	B	Not Prime	B
	C		C
	D		D

## **APPENDIX D**

### **Money Market Funds and Enhanced Money Funds**

A Money Market Fund (MMF) is a pooled investment vehicle which provides liquidity, stability of capital and typically offers a better yield than a traditional bank deposit. MMFs invest in a variety of high quality, short dated cash instruments (for example certificates of deposit, time deposits, call deposits, commercial paper).

An Enhanced Money Fund (EMF) is a pooled investment vehicle that invests in a wider variety of assets than an MMF. EMFs are permitted to hold longer dated assets and as a result they are not as liquid and are aim to attract a higher return than MMFs.

Both funds offer asset diversification and are managed by fund managers with specialist fund management skills.

Both funds can use two methods to value their assets; constant net asset value (CNAV) or variable net asset value (VNAV) or a combination of both. The principal difference is 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 CNAV approach typically adopted by MMFs 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 the VNAV approach usually adopted by EMFs which have a constantly varying share price. In practice the fund manager will aim to maintain the share price above £1 and ensure a smooth gradual increase in price on a daily basis.


MMFs tend to pay out monthly dividends to investors whereas the EMFs tend to reinvest dividends back into the fund.

MMFs funds are marketed as an instant access investment where funds can be invested and removed on a daily basis therefore forming part of the council operational cash pool.

EMFs tend to marketed as a longer term investment that offers an enhanced return over the MMFs. Investments should therefore only be invested as part of a longer term investment plan.

At present, the Council invests in several AAA-rated sterling MMFs. The Council will only invest in funds that comply with the criteria agreed by the Executive Director of Finance and Corporate Governance and the Leader of the Council.

# Agenda Item 6.4

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>26 FEBRUARY 2014</b>
<b>MEMBERS' ALLOWANCES SCHEME: ANNUAL REVIEW</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: All</b>	
<b>Accountable Executive Director: Jane West, Executive Director Finance and Corporate Governance</b>	
<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 This report performs the statutory annual review of Members' allowances for the 2014/15 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 Members' Allowances Scheme 2014/15 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 2014/15 remains the same as the revised scheme for 2013/14 with no additional Special Responsibility Allowance (SRA) being recommended. This will take effect from 1 April 2014. The Council has taken into account the independent remunerator's 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 sixth year at the 2008/09 levels.

## 5. PROPOSAL AND ISSUES

### Independent Remunerator's 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 remunerator's 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 Anne Watts CBE. 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 remunerator's 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.

5.3 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.

5.4 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.

## **Review of Other Allowances**

5.5. The current scheme has provision for a wide range of other allowances. Due to the current economic conditions, it is recommended that some of these allowances are reviewed.

### **Dependent Carer Allowance**

5.6 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. The rate are £4.18 per half hour before 10 p.m.; £5.31 per half hour after 10 p.m. This allowance is not payable in respect of a member of the councillor's household.

5.7 In order to encourage people with childcare responsibilities to represent their electors, this allowance remains unchanged.



## **Travel (Outside the Borough) & Subsistence**

- 5.8 Travel 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. While Subsistence payments is also claimable for expenses incurred outside the Borough, and is subject to a maximum of £5.00 per claim. These will remain unchanged.

## **Travel (Within the Borough), Public Transport, Car mileage and Cycle allowance**

- 5.9 Hammersmith and Fulham has some of the best public transport links in the UK, namely buses (including night buses), underground and overground trains, recently supplemented by the extensive Barclay Cycle Hire network. Moreover, the use of TfL Oyster Cards within the borough is comparatively high. Take up of these allowances (save for private taxis) has been relatively low. It is considered that councillors do not need an allowance to undertake journeys within the Borough to attend to their duties. Under this review, the payment of these allowances will cease.

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

- 5.10 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.
- 5.11 Council is requested to adopt the Scheme set out at Appendix 1 effective from 1 April 2014 subject to any changes which might arise.

## **6. LEGAL IMPLICATIONS**

- 6.1 The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations. The legal implications for this report are contained in the body of the report.
- 6.2 Implications verified by: Tasnim Shawkat, Director of Law 020 8753 2700

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

- 7.1 The Executive Director of Finance and Corporate Governance can confirm that the proposed action will result in a £2,500 savings and that there is sufficient provision in the existing budget to fund the costs as contained in this report.
- 7.2 Implications verified by: Jane West, Executive Director of Finance and Corporate Governance 020 8753 1900

### **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		

## APPENDIX 1

### Members' Allowances Scheme 2014-15 (Annual Review)

[Effective from 1 April 2014]

This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2014–2015 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 Anne Watts, 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 15th of each month.

1.2 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level.

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

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

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

#### 2. Special Responsibility Allowances

2.1 Regard has been had to the recommendations in the independent remunerator's report for differential banding in relation to the payment of special responsibility allowances (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, and Councillor Member on Adoption Panel	£6,183
The Mayor	£11,922
Deputy Mayor	£6,183
Cabinet Assistants (5)	£0
Lead Member - Crime and Anti Social behaviour	£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 (Outside of the Borough) & Subsistence*

Travel 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. There will be no payment for intra Borough travel under this scheme.

##### (1) Public Transport

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

##### (2) Car mileage

45 pence per mile.

##### (3) 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 2014/15. 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.

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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.

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.

# Agenda Item 6.5

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>COUNCIL</b>  <b>26 FEBRUARY 2014</b>
<b>PAY POLICY OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM 2014/15</b>	
<b>Report of the Bi-borough Director for Human Resources</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 for Finance and Corporate Governance	
<b>Report Author:</b> Debbie Morris – Bi-borough Director for Human Resources	<b>Contact Details:</b> Tel: 020 8753 3068 E-mail: Debbie.Morris@lbhf.gov.uk

## 1. EXECUTIVE SUMMARY

- 1.1 The Council is required to prepare a pay policy statement for each financial year.

## 2. RECOMMENDATIONS

- 2.1 That Council is recommended to approve the pay policy for 2014/15 as set out in the attached document.
- 2.2 That Council endorses the pay schemes attached as Appendices 1, 2 and 3 of the pay policy.

## 3 REASONS FOR DECISION

- 3.1 A decision is required in order for the Council to approve the pay policy and its appendices by the end of March 2014 and for the policy to be published on the Council's internet site, 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 for each financial year. 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 of 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 Council must, in setting pay policy statements have regard to the guidance issued by the Secretary of State for Communities and Local Government. This includes The Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) and guidance under section 40 of the Localism Act of February 2012 and February 2013 which requires relevant authorities to prepare pay policy statements. Due regard has been had to the guidance in the preparation of this policy.
- 4.7 The policy statement must be approved by a resolution of full Council. 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. At the start of 2014/15 this ratio will be 5.6. This is a reduction from 6.6 in 2013/14 resulting from the appointment of a new Joint Chief Executive on an interim basis, at a lower salary.

## **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 approve the pay policy statement. 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.
- 9.2 Implications verified/completed by LeVerne Parker, Chief Solicitor.  
Tel: 020 7361 2180

## **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.
- 10.2 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.	Localism Act 2011	Debbie Morris, Bi-borough Director for Human Resources	Hammersmith Town Hall
2.	Openness and Accountability in Local Pay – Guidance under section 40 of the Localism Act from Department for Communities and Local Government (DCLG)	Tel:1 020 8753 3068	
3.	The Code of Recommended Practice for Local Authorities on Data Transparency		
4.	Council Pension Policy		
5.	Council guidance on performance related pay		

**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)

## **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. 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 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 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 achievement of targets, 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) when the top of the grade is reached this is paid as an unconsolidated payment 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 Schemes
- Development Management Performance Supplement Scheme
- Pest Control Officers Scheme
- InTouch Team Scheme for Executive Services (dealing with corporate complaints)

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 adopt best practice and allow for 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 sections 220 to 229 of the Employment Rights Act 1996 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 published by the council. This is updated from time to time in line with any changes to pension regulations.
- 5.5 Arising from the auto-enrolment regulations, a change will take effect to joining arrangements from 1 April 2013; new starters will be enrolled into the LGPS, subject to certain conditions, unless they choose to opt out. Staff who opted out of the LGPS before 1 April 2013 will not be auto-enrolled until 1<sup>st</sup> October 2017 but may opt to join the LGPS at any time.
- 5.6 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.
- 5.7 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.

- 5.8 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 £58,200 per annum and above.

## **7. Definitions**

- 7.1 The pay ranges for senior staff reflect the need to recruit and retain good staff. Annual increases for these staff reflect the nationally agreed salary increases.
- 7.2 The Localism Act requires the council to define its lowest paid employee. The council has a minimum earnings guarantee (MEG) and this is now paid by the council at a full-time equivalent hourly rate of £9.31, which represents our lowest paid employee (National Minimum Wage is currently £6.31 per hour and the London Living Wage is £8.80 per hour). The council will keep its policy with regard to its lowest paid under review. The council has commenced an intern scheme in association with the University of London, 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 5.6. At present, the council deems this multiple to be appropriate and within an acceptable ratio of 10:1. 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**

- 9.1 The council will agree all proposed salary ranges, including performance related pay and fees methodologies, for staff paid in excess of £100,000.
- 9.2 Severance payments made by the London Borough of Hammersmith and Fulham will be in accordance with Section 5 of this policy statement and the Statement of Local Employer Pension Policy published separately. They will only be reported to Council where, in very exceptional circumstances, the non-pension related element of the severance payment exceeds £100,000.



**NJC SALARY SCALES**

Grade	Spine Point	Basic Salary P.A. 01/04/2013
*Scale 1A	2	Not used wef 01/10/13
	3	15,063
	4	15,186
*Scale 1B	5	15,459
	6	15,870
	7	16,266
*Scale 1C	8	16,668
	9	17,064
	10	17,352
Scale 2	11	18,210
	12	18,525
	13	18,918
Scale 3	14	19,221
	15	19,548
	16	19,929
	17	20,328
Scale 4	18	20,664
	19	21,312
	20	21,969
	21	22,647
Scale 5	22	23,148
	23	23,730
	24	24,399
	25	25,068
Scale 6	26	25,770
	27	26,523
	28	27,279
SO1	29	28,224
	30	29,058
	31	29,868
S02	32	30,648
	33	31,464
	34	32,253
PO1	33	31,464
	34	32,253
	35	32,856
	36	33,639
PO2	35	32,856
	36	33,639
	37	34,494
	38	35,406
PO3	38	35,406
	39	36,456
	40	37,329
	41	38,229
PO4	41	38,229
	42	39,120
	43	40,017
	44	40,911
PO5	44	40,911
	45	41,754
	46	42,681
	47	43,584
PO6	46	42,681
	47	43,584
	48	44,484
	49	45,360
PO7	49	45,360
	50	46,266
	51	47,169
	52	48,069
PO8	51	47,169
	52	48,069
	53	48,987
	54	49,947
PO9	54	49,947
	55	50,922
	56	51,894
	57	52,857
PO10	56	51,894
	57	52,857
	58	53,820
	59	54,783

**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



Our Values:

**Responsive; Innovative; Collaborative; Enterprising; Serving our Public**

## SENIOR MANAGER PERFORMANCE SCHEME (SMG3)

The Senior Manager Appraisal Performance Scheme provides SMG3 managers with clear objectives, regular feedback and opportunities for development. It also 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** – H & F Managers are required to exhibit the **tri-borough values and behaviours** in everything they do, and especially to demonstrate that they are managing their service well and providing leadership to their staff. Incremental progression through the grade will be determined according to performance assessed against these values and behaviours.

**To summarise:**

Pay Based on Performance	How Pay is determined
Pay progression	Rating determined by performance against values and behaviours; no automatic increments for time in grade
Bonus payment (non-consolidated)	<p>1% of base pay for each target fully achieved up to five targets/5%.</p> <p>The Joint Chief Executive and H&amp;F Business Board have some discretion for rewarding work over and above targets and for mitigating factors outside individual control at the recommendation of the director</p>

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

Competency Rating Scale	
<b>1</b>	<p><b>Limited effectiveness and below standard</b> Makes limited contribution, requires significant development needs and greater achievement is required.</p>
<b>2</b>	<p><b>Generally effective but some inconsistencies</b> Generally meets expectations but leaves room for improvement, some gaps and inconsistencies.</p>
<b>3</b>	<p><b>Consistently effective</b> Fully acceptable level of performance: doing a thorough, competent and effective job.</p>
<b>4</b>	<p><b>Highly Effective</b> Demonstrates high levels of commitment and performance, demonstrates strong achievement.</p>
<b>5</b>	<p><b>Exceptional</b> Exhibits exceptional talent and application: exceptional performance across all values and behaviours.</p>

The final score for the assessment of the tri-borough values and behaviours will be the average of the sum of the individual scores for each of the five key elements:

- Responsive
- Innovative
- Collaborative
- Enterprising
- Serving our Public

as well as the additional two elements for managers:

- People and Service management
- Leadership and Engagement

Overall scoring will be based on an average of manager’s full year ratings, over the seven elements. This will be rounded up if above **.5** and down if **.5 or below**. As stated, the final rating will be subject to moderation. This will then lead to pay progression as shown in the matrix below:

### SMG3 salary progression table

Rating based on competency	Incremental progression, including cost of living (COL)	PRP (depending on achievement of targets)
1	0 x increment (COL only)	Not payable
2	0.5 x increment	Up to 10%
3	1 x increment	Up to 10%
4	1.5 x increment	Up to 10%
5	2 x increment	Up to 10%

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.

As a reminder, the Tri-borough Values and Behaviours are included below:



## Eligibility

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

New appointments will normally be 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 established 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 2012, they would not receive any pay progression until April 2014 [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 the 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 year 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 officer's pay has reduced in line with the 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 year's 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/Directors of Finance & Resources).

### **The H&F Individual Performance Management cycle**

The Individual Performance Management cycle comprises a 4 Step process.

#### **Step 1 – Objective setting and development planning**

To consider what you need to achieve. During this step you will set **5** 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.

#### **Step 2 – Staying on track**

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. These meetings should take place at least once a month for most roles.

#### **Step 3 – Mid year review**

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. The interim review meeting normally takes place in November.

#### **Step 4 – The appraisal**

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.

**Appraisal to be conducted by 31 March for senior managers.**



Our Values:

**Responsive; Innovative; Collaborative; Enterprising; Serving our Public**

## **SENIOR MANAGER PERFORMANCE SCHEME (SMG1&2)**

The Senior Manager Appraisal Performance Scheme provides SMG1 and SMG2 managers with clear objectives, regular feedback and opportunities for development. It also 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** – H & F Managers are required to exhibit the **tri-borough values and behaviours** in everything they do, and especially to demonstrate that they are managing their service well and providing leadership to their staff. Incremental progression through the grade will be determined according to performance assessed against these values and behaviours.

**To summarise:**

Pay Based on Performance	How Pay is determined
Pay progression	Rating determined by performance against values and behaviours; no automatic increments for time in grade
Bonus payment (non-consolidated)	<p>1% of base pay for each target fully achieved up to five targets/5%.</p> <p>The Joint Chief Executive and H&amp;F Business Board have some discretion for rewarding work over and above targets and for mitigating factors outside individual control at the recommendation of the director</p>

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

Competency Rating Scale	
<b>1</b>	<p><b>Limited effectiveness and below standard</b> Makes limited contribution, requires significant development needs and greater achievement is required.</p>
<b>2</b>	<p><b>Generally effective but some inconsistencies</b> Generally meets expectations but leaves room for improvement, some gaps and inconsistencies.</p>
<b>3</b>	<p><b>Consistently effective</b> Fully acceptable level of performance: doing a thorough, competent and effective job.</p>
<b>4</b>	<p><b>Highly Effective</b> Demonstrates high levels of commitment and performance, demonstrates strong achievement.</p>
<b>5</b>	<p><b>Exceptional</b> Exhibits exceptional talent and application: exceptional performance across all values and behaviours.</p>



The final score for the assessment of the tri-borough values and behaviours will be the average of the sum of the individual scores for each of the five key elements:

- Responsive
- Innovative
- Collaborative
- Enterprising
- Serving our Public

as well as the additional two elements for managers:

- People and Service management
- Leadership and Engagement

Overall scoring will be based on an average of manager’s full year ratings, over the seven elements. This will be rounded up if above **.5** and down if **.5 or below**. As stated, the final rating will be subject to moderation. This will then lead to pay progression as shown in the matrix below:

**SMG1 and SMG2 salary progression table**

Position in Pay Band				
Rating based on competency	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
1	0	0	0	0
2	1%	1%	1%	1%
3	3%	2%	1.5%	1.5%
4	4%	3%	2%	2%
5	5%	4%	3%	3%

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.

As a reminder, the Tri-borough Values and Behaviours are included below:



## Eligibility

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

New appointments will normally be 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 established 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 2012, they would not receive any pay progression until April 2014 [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 the 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 year 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 officer's pay has reduced in line with the 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 year's 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 SMG1 this is done by the Joint Chief Executive in conjunction with the Leader. For SMG2 this is done by the Joint management Team (JMT) of Executive Directors at H&F and RBKC.
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### **The H&F Individual Performance Management cycle**

The Individual Performance Management cycle comprises a 4 Step process.

#### **Step 1 – Objective setting and development planning**

To consider what you need to achieve. During this step you will set **5** 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.

#### **Step 2 – Staying on track**

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. These meetings should take place at least once a month for most roles.

#### **Step 3 – Mid year review**

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. The interim review meeting normally takes place in November.

#### **Step 4 – The appraisal**

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.

**Appraisal to be conducted by 31 March for senior managers.**