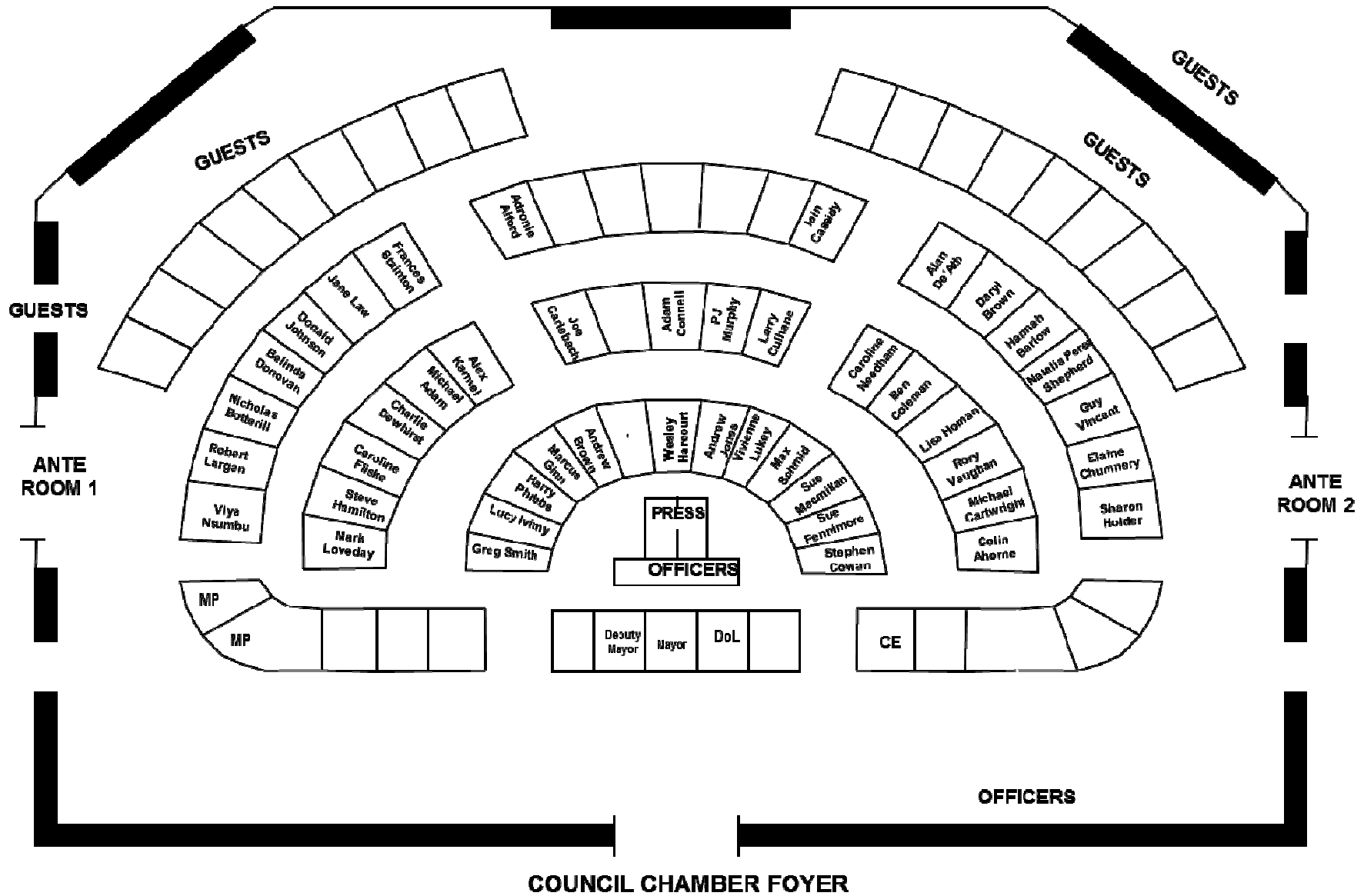


COUNCIL AGENDA

(ORDINARY COUNCIL MEETING)

Wednesday 28 January 2015

COUNCIL CHAMBER SEATING 2014/15



The Mayor Councillor Mercy Umeh
Deputy Mayor Councillor Ali Hashem

ADDISON

Adam Connell (L)
Belinda Donovan (C)
Sue Fennimore (L)

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)
Robert Largan (C)
Jane Law (C)

AVONMORE &
BROOK GREEN

Hannah Barlow (L)
Joe Carlebach (C)
Caroline Ffiske (C)

NORTH END

Daryl Brown (L)
Larry Culhane (L)
Ali Hashem (L)

SHEPHERDS BUSH
GREEN

Andrew Jones (L)
Natalia Perez Shepherd (L)
Mercy Umeh (L)

COLLEGE PARK &
OLD OAK

Elaine Chumnerly (L)
Wesley Harcourt (L)

PALACE RIVERSIDE

Marcus Ginn (C)
Donald Johnson (C)

TOWN

Andrew Brown (C)
Viya Nsumbu (C)
Greg Smith (C)

FULHAM BROADWAY

Ben Coleman (L)
Alan De'Ath (L)
Sharon Holder (L)

PARSONS GREEN AND
WALHAM

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

WORMHOLT AND
WHITE CITY

Colin Aherne (L)
Sue Macmillan (L)
Max Schmid (L)

FULHAM REACH

Iain Cassidy (L)
Vivienne Lukey (L)
Guy Vincent (L)

SUMMONS

Councillors of the London Borough of
Hammersmith & Fulham
are requested to attend the
Meeting of the Council on
Wednesday 28 January 2015
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

19 January 2015
Town Hall
Hammersmith W6

Nigel Pallace
Interim Chief Executive

Full Council Agenda

28 January 2015

<u>Item</u>		<u>Pages</u>
1.	MINUTES	290 - 316
	To approve and sign as an accurate record the Minutes of the Ordinary Council Meeting held on 22 October and the Extraordinary Council Meeting held on 5 November 2014.	
2.	APOLOGIES FOR ABSENCE	
3.	MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)	
4.	DECLARATIONS OF INTERESTS	
	If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.	
	At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.	
	Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.	
	Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.	
5.	PUBLIC QUESTIONS (20 MINUTES)	
	There are no public questions.	

6.	ITEMS FOR DISCUSSION/COMMITTEE REPORTS	
6.1	COUNCIL TAX EMPTY HOMES PREMIUM	317 - 320
	The Local Government Finance Act 1992 (as amended) allows the Council to increase the council tax on dwellings that have been empty for more than two years to 150% of the normal charge. This is known as Empty Homes Premium. This change will have to be approved by Full Council on 28 January 2015 and can take effect for 2015/16 and subsequent financial years (until such time as changed by the Council).	
6.2	LOCALISED COUNCIL TAX SUPPORT SCHEME 2015/16	321 - 328
	For the previous two years, the Council has agreed a scheme that worked as though the old council tax benefit regulations were still in place (previously known as “the default scheme”) meaning no one in the borough was worse off. Funding for this local scheme was fixed at a rate of 10% less than what was previously awarded in council tax benefit. The amount taken account of within the 2014/15 Local Government Finance settlement (LGFS) was £10.609m.	
	This report recommends that the Council continues to absorb the initial 10% reduction and in effect develop a local scheme that mirrors the previous council tax benefit scheme. This means that still, no one in the authority will be worse off.	
6.3	COUNCIL TAX BASE AND COLLECTION RATE 2015/16 AND DELEGATION OF THE BUSINESS RATES ESTIMATE	329 - 337
	This report contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2015/16.	
6.4	REVIEW OF THE COUNCIL'S CONSTITUTION - IN YEAR REVISIONS	338 - 343
	This report recommends some further amendments to the Constitution to include the establishment of two Lead Member posts outside the Cabinet, to make some in year changes to reflect updates to the Officer Schemes of Delegation as a result of changes in legislation and revisions to officer titles and posts, and to make provision for Members to receive Council Summons electronically.	
6.5	BI-BOROUGH LGPS PENSION ADMINISTRATION SERVICES FROM 1 APRIL 2015	344 - 352
	This report sets out the business case for terminating the call-off contract with Capita by mutual agreement on 31 March 2015 and entering into a new service provision arrangement with Surrey County Council from 1 April 2015 for an initial period of five years.	

6.6 TREASURY MID YEAR REVIEW 2014/2015

353 - 360

This report presents the Council's Half Year Treasury Report for 2014/15 in accordance with the Council's Treasury Management Practices. It is a regulatory requirement for this report to be presented to Council.

7. SPECIAL MOTIONS

To consider and determine any Special Motions:

- | | | |
|------------|---------------------------------------------------------------------------------------------------------------------|------------|
| 7.1 | SPECIAL MOTION 1 - EXTRA FUNDING FOR EXTRA H&F POLICE | 361 |
| 7.2 | SPECIAL MOTION 2 - A&E CRISIS | 362 |
| 7.3 | SPECIAL MOTION 3 - SULLIVAN PRIMARY SCHOOL AND THE BOROUGH'S PRIMARY SCHOOL RESULTS | 363 |
| 7.4 | SPECIAL MOTION 4 - SPEAKING RIGHTS FOR RESIDENTS AT THE BOROUGH'S PLANNING AND DEVELOPMENT CONTROL COMMITTEE | 364 |
| 7.5 | SPECIAL MOTION 5 - NORTH END ROAD FESTIVE MARKET | 365 |
| 7.6 | SPECIAL MOTION 6 - ARK CONWAY PRIMARY ACADEMY | 366 |
| 7.7 | SPECIAL MOTION 7 - EMPLOYMENT IN HAMMERSMITH AND FULHAM | 367 |
| 8. | INFORMATION REPORTS - TO NOTE (IF ANY) | |



COUNCIL MINUTES

(ORDINARY COUNCIL MEETING)

WEDNESDAY 22 OCTOBER 2014



PRESENT

The Mayor Councillor Mercy Umeh
Deputy Mayor Councillor Ali Hashem

Councillors:

Michael Adam
Adronie Alford
Colin Aherne
Hannah Barlow
Nicholas Botterill
Andrew Brown
Daryl Brown
Joe Carlebach
Michael Cartwright
Iain Cassidy
Elaine Chumnerly
Ben Coleman
Adam Connell
Stephen Cowan
Larry Culhane

Alan De'Ath
Charlie Dewhirst
Belinda Donovan
Sue Fennimore
Caroline Ffiske
Marcus Ginn
Steve Hamilton
Wesley Harcourt
Sharon Holder
Lisa Homan
Lucy Ivimy
Donald Johnson
Alex Karmel
Robert Largan
Jane Law

Mark Loveday
Vivienne Lukey
Sue Macmillan
PJ Murphy
Caroline Needham
Viya Nsumbu
Natalia Perez Shepherd
Harry Phibbs
Max Schmid
Greg Smith
Frances Stainton
Rory Vaughan
Guy Vincent

17. MINUTES

RESOLVED:

That the minutes of the Council Meeting held on 23 July 2014 were confirmed and signed as an accurate record.

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Andrew Jones. Apologies for lateness were received from Councillor Jane Law.

19. MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS

The Mayor informed the Council that she had nominated Maggie's Centre as an additional charity for her mayoral year. This was a local charity which supported people with cancer and their families.

Councillor Joe Carlebach announced with deep regret the death of Fiona Buxton, who until May of this year was a Councillor at Kensington and Chelsea. He paid tribute to Fiona Buxton, noting she was a good friend to the people of Hammersmith and Fulham. Councillor Carlebach commented that she had a sharp mind with a lovely sense of humour, making her a delight to know, work with and count as a friend. She would be remembered by all with great affection. The Council sent its thoughts and prayers to Fiona Buxton's family.

20. DECLARATIONS OF INTERESTS

In respect of Special Motions 2 and 6 on Trade Unions, the following significant interests were declared:

- Councillors Colin Aherne, Michael Cartwright, Adam Connell, Stephen Cowan, Wesley Harcourt, Lisa Homan, Natalia Perez Shepherd, Max Schmid, Rory Vaughan and Guy Vincent as they were members of Unite the Union.
- Councillor Stephen Cowan as he was a former member of the Institute of Directors.
- Councillors Stephen Cowan, Larry Culhane, Alan De'Ath and Ali Hashem as they were members of the GMB
- Councillor Daryl Brown as she was a member of UCU
- Councillor Wesley Harcourt as he was a member of USDAW
- Councillor Sue Macmillan as she was a member of Community Union
- Councillor Max Schmid as he was a member of ICAW union
- Councillor Guy Vincent as he was a member of the Law Society

The above Councillors 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 Sharon Holder declared a disclosable pecuniary interest in Special Motions 2 and 6 on Trade Unions as she was an employee of the GMB Trade Union. Councillor Holder later left the room during discussion of the matter without speaking or voting thereon.

In respect of Special Motion 4, Fixing the Dire Special Educational Needs Transport Service, Councillor Ben Coleman declared a significant interest as he was a governor at Queensmill School and had been a governor at Jack Tizard School for 8 years before that. 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.

21. PUBLIC QUESTIONS (20 MINUTES)

21.1 Question 1 - Mr Brian Mooney

7.10pm - The Mayor called on Mr Brian Mooney who had submitted a question to the Cabinet Member for Environment, Transport and Residents Services, Councillor Wesley Harcourt, to ask his question. Councillor Harcourt responded. Mr Mooney asked a supplementary question which was also answered.

21.2 Question 2 - Mr Will Marshall

7.15pm - The Mayor called on Mr Will Marshall who had submitted a question to the Leader of the Council, Councillor Stephen Cowan, to ask his question. The Leader responded. Mr Marshall asked a supplementary question which was also answered.

21.3 Question 3 - Mrs Maureen Way

7.20pm - The Mayor called on Mrs Maureen Way who had submitted a question to the Leader of the Council, Councillor Stephen Cowan, to ask her question. Mr Milan Ognjenovic spoke on her behalf. The Leader responded. Mr Ognjenovic asked a supplementary question which was also answered.

(A copy of all the public questions submitted and the replies given are attached at Appendices 1 and 3 to these minutes).

22. ITEMS FOR DISCUSSION/COMMITTEE REPORTS

22.1 Review of the Council's Constitution - Mid Year Changes

7.24pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

The report and recommendations were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The report and recommendations were declared CARRIED.

7.24pm RESOLVED:

- (1) That the additions and amendments to the Council's Constitution, as summarised in paragraphs 5.2 of the report be approved, and that the minor changes to the officer Schemes of Delegation referred to in paragraph 5.7 to 5.9 be noted.

- (2) That standing Order 21.g be amended as outlined in paragraph 5.6 in the report.
- (3) That Councillors Caroline Needham, Sue Fennimore and Joe Carlebach be appointed to the Corporate Parenting Board.
- (4) That the amendments to the Licensing Committee and Licensing Sub Committee Terms of Reference as outlined in paragraph 5.9 of the report be approved.

22.2 Statutory Review of Polling Districts and Polling Places

7.25pm – The Mayor announced two amendments to the report as follows:

- paragraph 2.5, “SEB polling district” should read “SEC polling district”; and
- paragraph 5.58 should read “the Returning Officer recommends that the Townmead Youth Centre be the polling place for the SEC polling district”, instead of “SEB”.

The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan, subject to the amendments.

The report and recommendations, as amended, were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The report and recommendations, as amended, were declared **CARRIED**.

7.25pm **RESOLVED:**

- (1) That the following existing polling district boundaries with no changes be confirmed:-

Addison, Askew, Avonmore & Brook Green, College Park & Old Oak, Fulham Broadway, Fulham Reach, Hammersmith Broadway, Munster, North End, Parsons Green and Walham, Palace Riverside, Ravenscourt Park, Shepherds Bush Green, Town, Wormholt & White City Wards.

- (2) That it be agreed in Sands End Ward that electors in Althea Street, Hamble Street, De Morgan Road (eastern side) and Stephendale Road (southern side to junction with De Morgan Road) be transferred from SEB to SEC polling district. The boundary to run from De Morgan Road in a straight line to the River Thames.
- (3) That the use of Parsons Green Club temporary clubhouse as the polling place for Sands End ward (SEA polling district) subject to the Returning Officer being satisfied as to its suitability, be approved.

- (4) That the use of a temporary cabin on the Daisy Lane/Peterborough Road site as the polling place for Sands End (SEA polling district), until such time that the Parsons Green Club temporary clubhouse be available and assessed as suitable for use by the Returning Officer, be approved.
- (5) That the Townmead Youth Centre be approved as the new polling place for Sands End ward (SEC polling district).
- (6) That St Saviours Church Hall, Cobbold Road be approved as the new polling place for the ASA polling district in Askew ward.

22.3 Treasury Report 2013/2014 Outturn

7.26pm - The report and recommendation were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

Speeches on the report were made by Councillors Viya Nsumbu and Marcus Ginn (for the Opposition) and Councillors Max Schmid (for the Administration).

The report and recommendation were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.35pm **RESOLVED:**

That the report be noted.

22.4 Annual Report of the Chair of the Audit, Pensions and Standards Committee

7.36pm - The report and recommendation were formally moved for adoption by Councillor Michael Adam.

The report and recommendation were put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

7.36pm **RESOLVED:**

That the report be noted.

23. SPECIAL MOTIONS

7.37 pm – Under Standing Order 15(e) iii, Councillor Colin Aherne moved and Councillor Larry Culhane seconded a motion that the following items take precedence on the agenda in the following order – special motion 4, special motion 3, special motion 5, special motion 7, special motion 6, special motion 2 and special motion 1. This was agreed by a majority.

23.1 Special Motion 4 - Fixing the Dire Special Educational Needs Transport Service

7.39pm – Councillor Sue Macmillan moved, seconded by Councillor Ben Coleman, the special motion standing in their names:

“This Council deplores the suffering caused to disabled children and their families in the Borough as a result of the former administration's negligent approach to the outsourcing of passenger transport services for children with special educational needs.

The Council also recognises that this failure has had and will continue to have significant cost implications and agrees to support all measures to resolve this problem, together with families and schools, to make this service suitable and safe.”

Speeches on the Special Motion were made by Councillors Sue Macmillan and Caroline Needham (for the Administration).

Under Standing Order 15(e) (vi), Councillor Caroline Ffiske moved, seconded by Councillor Andrew Brown, an amendment to the motion as follows:

“In title, delete “Fixing the dire”

In body of motion, delete all after “This Council” and insert:

- Regrets the disruption to users and their families caused by the implementation of the new Passenger Transport Service
- Welcomes new features such as the dedicated tri-borough Transport Commissioning Team which can now be used to improve the service for all users
- Welcomes the annual savings of £300,000 resulting from the project, freeing resources that can be used to further improve the service
- Calls on the administration to now manage the service properly for the benefit of all users.”

Speeches on the amendment to the Special Motion were made by Councillors Caroline Ffiske, Andrew Brown and Joe Carlebach (for the Opposition) and by Councillors Ben Coleman and Stephen Cowan (for the Administration), before it was put to the vote:

FOR	20
AGAINST	24
NOT VOTING	0

The amendment was declared **LOST**.

Speeches on the substantive motion were made by Councillor Andrew Brown (for the Opposition) and by Councillors Ben Coleman and Sue Macmillan (for the Administration). The substantive motion was put to the vote and a roll-call was requested:

FOR	AGAINST
AHERNE	ADAM
BARLOW	ALFORD
BROWN (D)	BOTTERILL
CARTWRIGHT	BROWN (A)
CASSIDY	CARLEBACH
CHUMNERY	DEWHIRST
COLEMAN	DONOVAN
CONNELL	FFISKE
COWAN	GINN
CULHANE	HAMILTON
DE'ATH	IVIMY
FENNIMORE	JOHNSON
HARCOURT	KARMEL
HASHEM	LARGAN
HOLDER	LAW
HOMAN	LOVEDAY
LUKEY	NSUMBU
MACMILLAN	PHIBBS
MURPHY	SMITH
NEEDHAM	STANTON
PEREZ	
SHEPHERD	
SCHMID	
VAUGHAN	
VINCENT	

FOR	24
AGAINST	20
NOT VOTING	0

The motion was declared **CARRIED**.

8.28pm – **RESOLVED**:

This Council deplores the suffering caused to disabled children and their families in the Borough as a result of the former administration's negligent approach to the outsourcing of passenger transport services for children with special educational needs.

The Council also recognises that this failure has had and will continue to have significant cost implications and agrees to support all measures to resolve this problem, together with families and schools, to make this service suitable and safe.

23.2 Special Motion 3 - Sands End Adventure Playground

8.29pm – Councillor Steve Hamilton moved, seconded by Councillor Robert Largan, the special motion standing in their names:

“1. This Council acknowledges:

- (1) the achievements of Sands End Adventure Playground (SEAPIA), which is due to celebrate its 45th anniversary of serving the local community next year.
- (2) the importance of providing facilities for older children especially with the expected increase in families in Sands End projected by the administration.

2. This Council commits to reinstate the former funding given by the previous Conservative administration to SEAPIA.”

Speeches on the Special Motion were made by Councillors Steve Hamilton and Robert Largan (for the Opposition).

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

“Delete all after “2. This Council” and insert:

“recognises that SEAPIA lost out under criteria set by the former Conservative administration, and welcomes the Labour administration’s urgent review of SEAPIA’s funding and delivery arrangements which will be completed within a month.”

Speeches on the amendment to the Special Motion were made by Councillors Sue Fennimore and Stephen Cowan (for the Administration) before it was put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The amendment was declared **CARRIED.**

Under Standing Order 15(e) (vi), Councillor Steve Hamilton moved, seconded by Councillor Robert Largan, an amendment to the amended motion as follows:

“Add after “within a month” “and which shall be reported to the next meeting of the Children and Education Policy and Accountability Committee.”

A speech on the amendment was made by Councillor Steve Hamilton (for the Opposition) before it was put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

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

8.49pm – **RESOLVED**:

1. This Council acknowledges:

- (1) the achievements of Sands End Adventure Playground (SEAPIA), which is due to celebrate its 45th anniversary of serving the local community next year.
- (2) the importance of providing facilities for older children especially with the expected increase in families in Sands End projected by the administration.

2. This Council recognises that SEAPIA lost out under criteria set by the former Conservative administration, and welcomes the Labour administration's urgent review of SEAPIA's funding and delivery arrangements which will be completed within a month and which shall be reported to the next meeting of the Children and Education Policy and Accountability Committee.

23.3 Special Motion 5 - Support Local Businesses and Improving the Boroughs Neighbourhoods

8.50pm – Councillor Michael Cartwright moved, seconded by Councillor Ben Coleman, the special motion standing in their names:

"This Council recognises that an excessive concentration of betting and payday loan shops on Borough high streets represents an obstacle to successful regeneration and can exacerbate the problem of household indebtedness. It resolves to develop policies that favour of a more balanced mixture of businesses.

It also endorses the Mayor of Newham's proposed application under the Sustainable Communities Act 2007 to reduce the stakes on Fixed Odds Betting Terminals (Category B2) from £100 to £2 in on-street betting premises."

A speech on the Special Motion was made by Councillor Michael Cartwright (for the Administration).

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

"Delete all after "This Council..." and insert:

- “1. Recognises that high levels of non-domestic business rates and the perverse valuation methodology applied by the Valuation Office Agency effectively penalise independent retailers when compared to large chains and supermarkets.
2. Deplores the fact that this tax is an obstacle to the successful regeneration of the Borough’s high streets.
3. Calls for a reform of the valuation method used for national non-domestic business rates to ensure a level playing field for small and independent retailers.””

Speeches on the amendment to the Special Motion were made by Councillors Greg Smith and Lucy Ivimy (for the Opposition) and by Councillors Max Schmid and Ben Coleman (for the Administration), before it was put to the vote:

The amendment was put to the vote:

FOR	20
AGAINST	24
NOT VOTING	0

The amendment was declared **LOST**.

Speeches on the substantive motion were made by Councillor Alan De’Ath, Wesley Harcourt, Ben Coleman and Michael Cartwright (for the Administration) and by Councillor Greg Smith (for the Opposition) before it was put to the vote:

FOR	24
AGAINST	20
NOT VOTING	0

The motion was declared **CARRIED**.

9.36pm – **RESOLVED**:

This Council recognises that an excessive concentration of betting and payday loan shops on Borough high streets represents an obstacle to successful regeneration and can exacerbate the problem of household indebtedness. It resolves to develop policies that favour of a more balanced mixture of businesses.

It also endorses the Mayor of Newham's proposed application under the Sustainable Communities Act 2007 to reduce the stakes on Fixed Odds Betting Terminals (Category B2) from £100 to £2 in on-street betting premises.

23.4 Special Motion 7 - Bedroom and Mansion Tax

9.37pm – Councillor Stephen Cowan moved, seconded by Councillor Max Schmid, the special motion standing in their names:

“The Council notes the damage done by the government’s bedroom tax and agrees to oppose any proposals to introduce a mansion tax.

The Council is appalled at research which found that 28% of tenants affected by the bedroom tax are in rent arrears for the first time. And notes the University of York conclusion that this policy will end up costing more overall to the public purse whereas it had been intended to save public money. The Council regrets the unnecessary hardship brought about by the bedroom tax and calls on the government to end this unfairness and repeal the bedroom tax.

Furthermore, this Council notes that the mansion tax is flawed in design and in principle.

The Council agrees to oppose such measures and to lobby against them.”

Speeches on the Special Motion were made by Councillors Stephen Cowan and Max Schmid (for the Administration).

Under Standing Order 15(e) (vi), Councillor Charlie Dewhirst moved, seconded by Councillor Robert Largan, an amendment to the motion as follows:

“In title, delete “Bedroom and”

In body of motion, delete all from “This Council” to “Furthermore”.”

Speeches on the amendment to the Special Motion were made by Councillors Charlie Dewhirst and Robert Largan (for the Opposition).

Under Standing Order 24.3, Councillor Mark Loveday moved a motion to extend the guillotine until after Councillor Natalia Perez Shepherd’s maiden speech had finished, which was agreed.

A speech on the amendment to the Special Motion was then made by Councillor Natalia Perez Shepherd (for the Administration).

The amendment was put to the vote:

FOR	20
AGAINST	24
NOT VOTING	0

The amendment was declared **LOST**.

A speech on the substantive motion was made by Councillor Stephen Cowan (for the Administration). The substantive motion was put to the vote and a roll-call was requested:

FOR	AGAINST
AHERNE	ADAM
BARLOW	ALFORD
BROWN (D)	BOTTERILL
CARTWRIGHT	BROWN (A)
CASSIDY	CARLEBACH
CHUMNERY	DEWHIRST
COLEMAN	DONOVAN
CONNELL	FFISKE
COWAN	GINN
CULHANE	HAMILTON
DE'ATH	IVIMY
FENNIMORE	JOHNSON
HARCOURT	KARMEL
HASHEM	LARGAN
HOLDER	LAW
HOMAN	LOVEDAY
LUKEY	NSUMBU
MACMILLAN	PHIBBS
MURPHY	SMITH
NEEDHAM	STANTON
PEREZ	
SHEPHERD	
SCHMID	
VAUGHAN	
VINCENT	

FOR	24
AGAINST	20
NOT VOTING	0

The motion was declared **CARRIED**.

10.09pm – **RESOLVED**:

The Council notes the damage done by the government's bedroom tax and agrees to oppose any proposals to introduce a mansion tax.

The Council is appalled at research which found that 28% of tenants affected by the bedroom tax are in rent arrears for the first time. And notes the University of York conclusion that this policy will end up costing more overall to the public purse whereas it had been intended to save public money. The Council regrets the unnecessary hardship brought about by the bedroom tax and calls on the government to end this unfairness and repeal the bedroom tax.

Furthermore, this Council notes that the mansion tax is flawed in design and in principle.

The Council agrees to oppose such measures and to lobby against them.

(as the guillotine had passed, all remaining items on the agenda were considered without discussion).

23.5 Special Motion 6 - Trades Unions

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

“The Council notes the countries and governments throughout time that have sought decay and attack the role of trades unions in their societies have been some of the worst, totalitarian regimes in history. Those have included many despicable regimes such as Apartheid South Africa, Pinochet’s Chile and the fascists regimes of Europe in the 1930s and 40s.

The Council believes that trade unions have many strengths and play an important part in representing hard working people and ensuring fairness at work. As Pope Francis says *“Trades Unions have been an essential force for social change”*. That said, this Council also recognises that there are weaknesses within the trades union movement and notes that at the last borough elections a Trades Unions and Socialists Against Cuts candidate chose to stand in a previously marginal Labour ward and therefore became a de-facto ally of the Conservative Party in their unsuccessful bid to hold onto control of what had been known as “Cameron’s favourite council”.

This Council considers that trades unions have an important role to play in society and expects management, members of staff, contractors and trades unions to all work together to build an effective, customer service orientated council that delivers high quality, good value services to residents with employees treated with respect, in positive working environments and on fair pay, terms and conditions.

The Council calls on the Conservative Opposition to learn the lessons of history, to stop union bashing and take a more balanced and reasoned view of trades unions."

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

“Add at end of first paragraph “... and the Soviet Union, all of which refused to allow independent trade unions.

Delete second third and fourth paragraphs and insert:

The Council further notes:

1. The rise of Solidarnosc in Poland was crucial to that country being liberated from totalitarian Socialism to becoming a democratic country with a free

market economy. As Pope Francis says “Trades Unions have been an essential force for social change”.

2. Trade unions continue to be oppressed under totalitarian regimes today, notably in Cuba and Venezuela.
3. Trade Unions were first legalised in the United Kingdom 1824 when the Conservative government of Lord Liverpool repealed the Combination Acts.
4. The empowerment of trade unionists by the Margaret Thatcher governments – including the introduction of the right to mandatory secret ballots, the abolition of the closed shop and the outlawing of intimidatory mass picketing.

This Council believes that trade unions should be voluntary, independent from the state and accountable to their members.”

The amendment was put to the vote:

FOR	20
AGAINST	23
NOT VOTING	0

The amendment was declared **LOST**.

The substantive motion was put to the vote:

FOR	23
AGAINST	20
NOT VOTING	0

The motion was declared **CARRIED**.

10.11pm – **RESOLVED**:

The Council notes the countries and governments throughout time that have sought decay and attack the role of trades unions in their societies have been some of the worst, totalitarian regimes in history. Those have included many despicable regimes such as Apartheid South Africa, Pinochet’s Chile and the fascists regimes of Europe in the 1930s and 40s.

The Council believes that trade unions have many strengths and play an important part in representing hard working people and ensuring fairness at work. As Pope Francis says “*Trades Unions have been an essential force for social change*”. That said, this Council also recognises that there are weaknesses within the trades union movement and notes that at the last borough elections a Trades Unions and Socialists Against Cuts candidate chose to stand in a previously marginal Labour ward and therefore became a de-facto ally of the Conservative Party in their unsuccessful bid to hold onto control of what had been known as “Cameron’s favourite council”.

This Council considers that trades unions have an important role to play in society and expects management, members of staff, contractors and trades unions to all work together to build an effective, customer service orientated council that

delivers high quality, good value services to residents with employees treated with respect, in positive working environments and on fair pay, terms and conditions.

The Council calls on the Conservative Opposition to learn the lessons of history, to stop union bashing and take a more balanced and reasoned view of trades unions.

(Councillor Sharon Holder had declared a disclosable pecuniary interest in the special motion and left the room during discussion of the matter without speaking or voting thereon.)

23.6 Special Motion 2 - Trade Unions

10.12pm – Councillor Harry Phibbs moved, seconded by Councillor Greg Smith, the special motion standing in their names:

“This Council recognises that for trade unions to be free and independent they should be financed by their members rather than the state.

Therefore this Council resolves that:

- (1) While the Council should be flexible in allowing staff to spend time working for trade unions, Council staff will not be paid for any time they spend on trade union activity.
- (2) The collection of membership subscriptions will be a matter for the trade unions themselves rather than something the Council is involved with via the payroll system.
- (3) The Council should cease providing office accommodation to trade unions on Council premises at below market rents.”

Under Standing Order 15(e) (vi), Councillor Rory Vaughan moved, seconded by Councillor Alan De’Ath, an amendment to the motion as follows:

“Delete all after “This Council” and insert:

“agrees to work with management, trade unions, residents and local businesses to deliver continuous improvement in value and service outcomes in these austere times.”

The amendment to the Special Motion was put to the vote:

FOR	23
AGAINST	20
NOT VOTING	0

The amendment was declared **CARRIED.**

The motion as amended was put to the vote:

FOR	23
AGAINST	20
NOT VOTING	0

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

10.13pm – **RESOLVED**:

This Council agrees to work with management, trade unions, residents and local businesses to deliver continuous improvement in value and service outcomes in these austere times.

(Councillor Sharon Holder had declared a disclosable pecuniary interest in the special motion and left the room during discussion of the matter without speaking or voting thereon.)

23.7 Special Motion 1 - Labour's Mansion Tax

10.14pm – Councillor Charlie Dewhurst moved, seconded by Councillor Robert Largan, the special motion standing in their names:

“The Council notes the recent proposals announced by Ed Balls MP, Shadow Chancellor, for a “Mansion Tax” on homes valued over £2m. It also notes that over 50% of all individuals who would have to pay such a tax nationally are within just five London Boroughs including Hammersmith & Fulham.

The Council recognises that due to significant increases in local property prices, large numbers of residents living in average family homes, including many on low incomes, will be hit by this tax, paying bills starting from £20,000 per year. It recognises that this policy, if implemented, could lead to many local people being forced to move out of the borough.

This Council deplores this ideologically led warfare against property ownership and resolves to oppose these proposals.”

Under Standing Order 15(e) (vi), Councillor PJ Murphy moved, seconded by Councillor Natalia Perez Shepherd, an amendment to the motion as follows:

“Delete all after “This Council” and insert:

“agrees to lobby against the Mansion Tax.”

The amendment to the Special Motion was put to the vote:

FOR	unanimous
AGAINST	0
NOT VOTING	0

The amendment was declared **CARRIED.**

The motion as amended was put to the vote and a roll-call was requested:

FOR

ADAM
AHERNE
ALFORD
BARLOW
BOTTERILL
BROWN (A)
BROWN (D)
CARLEBACH
CARTWRIGHT
CASSIDY
CHUMNERY
COLEMAN
CONNELL
COWAN
CULHANE
DE'ATH
DEWHIRST
DONOVAN
FENNIMORE
FFISKE
GINN
HAMILTON
HARCOURT
HASHEM
HOMAN
IVIMY
JOHNSON
KARMEL
LARGAN
LAW
LOVEDAY
LUKEY
MACMILLAN
MURPHY
NEEDHAM
NSUMBU
PEREZ SHEPHERD
PHIBBS
SCHMID
SMITH
STANTON
VAUGHAN
VINCENT

FOR	43
AGAINST	0
NOT VOTING	0

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

10.16pm – **RESOLVED**:

The Council notes the recent proposals announced by Ed Balls MP, Shadow Chancellor, for a “Mansion Tax” on homes valued over £2m. It also notes that over 50% of all individuals who would have to pay such a tax nationally are within just five London Boroughs including Hammersmith & Fulham.

The Council recognises that due to significant increases in local property prices, large numbers of residents living in average family homes, including many on low incomes, will be hit by this tax, paying bills starting from £20,000 per year. It recognises that this policy, if implemented, could lead to many local people being forced to move out of the borough.

This Council agrees to lobby against the Mansion Tax.

24. INFORMATION REPORTS - TO NOTE (IF ANY)

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

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

Meeting started: 7.00 pm
Meeting ended: 10.16 pm

Mayor

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 22 OCTOBER 2014

Question by: Mr Brian Mooney

To: The Cabinet Member for Environment, Transport and Residents Services

QUESTION

“I understand that the Council is proceeding with a public consultation, including a feasibility design, on a substantially borough-wide 20mph zone.

I wish to point out that:

1. Speed is not the major factor in motor accidents - misjudgement, inattention or tiredness are far more likely to be at fault.
2. Wide area 20mph zones elsewhere have not been respected by drivers who perceive this speed limit as unnaturally low.

Can you please provide quantified hard evidence that having such a zone in the Borough earlier would have prevented any accidents?”

ANSWER

The 20 mph is one of our manifesto commitments and something we are keen to move forward on. There are a number of studies that correlate vehicle speed to casualty risk and severity.

The DfT studies show that every 1mph reduction in speed equals to 6% reduction in casualty rates.

Portsmouth was the first city to implement an authority-wide 20mph limit, that saw a 1.3mph average speed reduction along with a 21% casualty reduction.

There have been a number of London borough-wide 20mph limits but they have not been in long enough to have sufficient data for comparison, such as in Islington.

In terms of evidence, there have been a number of 20mph zones that have been introduced in the borough:

20mph zone	"Before" injuries (3 year period)	"After" injuries (3 year period)	Reduction in injuries (%)
Brook Green	42	25	40%
Wormholt Park area	26	14	46%
North End Road East	11	5	55%
Thornfield Road	10	3	70%
Cathnor Park	19	8	68%

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 22 OCTOBER 2014

Question by: Mr Will Marshall

To: The Leader of the Council

QUESTION

“If the Council is no longer proceeding with the joint-venture schemes for Watermeadow Court and Edith Summerskill House, what are its intentions for these two sites?”

ANSWER

The Council has given no indication that it is not proceeding with the joint-venture and as it stands, the plans are the same as they were since the joint-venture was put together in February 2013 and the land sale completed in March.

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 22 OCTOBER 2014

Question by: Mrs Maureen Way

To: The Leader of the Council

QUESTION

“What discussions, and by whom, has the administration had with board members and/or representatives of West Kensington and Gibbs Green Community Homes (WKGGCH) Ltd following the resolution granted at the general meeting of WKGGCH on 1st July 2014 proposing the serving of a Right to Transfer notice on Hammersmith and Fulham Council, and what steps has the council, as a social landlord, taken to inform all affected residents across the two estates of the outcomes of those discussions?”

ANSWER

Following receipt of correspondence from West Ken and Gibbs Green Community Homes Limited (WKGGCH) on 11 July 2014, requesting a meeting with officers to discuss their prospective application under Section 34, Melbourne Barrett, Executive Director of Housing and Regeneration and Kathleen Corbett, Director for Finance & Resources have met with them and informed Lead Members. I have not met personally with the board, and clearly should any actions arising take place then our first priority would be to inform all residents on the Gibbs Green and West Ken estate about what was happening. This is an ongoing process and as soon as there is any news then you would be the first to find out via a direct communication to every single resident.

COUNCIL MINUTES

(EXTRAORDINARY COUNCIL MEETING)

WEDNESDAY 5 NOVEMBER 2014

PRESENT

The Mayor Councillor Mercy Umeh
Deputy Mayor Councillor Ali Hashem

Councillors:

Colin Aherne	Larry Culhane	Vivienne Lukey
Hannah Barlow	Alan De'Ath	Sue Macmillan
Daryl Brown	Sue Fennimore	PJ Murphy
Michael Cartwright	Marcus Ginn	Caroline Needham
Iain Cassidy	Steve Hamilton	Natalia Perez Shepherd
Elaine Chumnerly	Wesley Harcourt	Max Schmid
Ben Coleman	Sharon Holder	Greg Smith
Adam Connell	Lisa Homan	Rory Vaughan
Stephen Cowan	Mark Loveday	Guy Vincent

25. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Michael Adam, Adronie Alford, Nicholas Botterill, Andrew Brown, Joe Carlebach, Charlie Dewhirst, Belinda Donovan, Caroline Ffiske, Lucy Ivimy, Donald Johnson, Andrew Jones, Alex Karmel, Robert Largan, Jane Law, Viya Nsumbu, Harry Phibbs and Frances Stainton.

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

There were none.

27. DECLARATIONS OF INTERESTS

There were no declarations of interest.

28. ITEMS FOR DISCUSSION/COMMITTEE REPORTS

28.1 Appointment of Head of Paid Service

7.04pm - The report and recommendations were formally moved for adoption by the Deputy Leader, Councillor Michael Cartwright.

Speeches on the report were made by Councillors Michael Cartwright, Stephen Cowan and Max Schmid (for the Administration) and by Councillors Greg Smith and Marcus Ginn (for the Opposition).

The report and recommendations were put to the vote and a roll-call was requested:

FOR NOT VOTING

AHERNE
BARLOW
BROWN (D)
CARTWRIGHT
CASSIDY
CHUMNERY
COLEMAN
CONNELL
COWAN
CULHANE
DE'ATH
FENNIMORE
GINN
HAMILTON
HARCOURT
HASHEM
HOLDER
HOMAN
LOVEDAY
LUKEY
MACMILLAN
MURPHY
NEEDHAM
PEREZ SHEPHERD
SCHMID
SMITH
VAUGHAN
VINCENT

UMEH

FOR	28
AGAINST	0
NOT VOTING	1

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


7.23pm **RESOLVED:**

- (1) That Mr Nigel Pallace be appointed to act as the Interim Chief Executive for the London Borough of Hammersmith and Fulham with effect from 6 November 2014; and
- (2) That Mr Nigel Pallace be appointed the Interim Head of Paid Service for the London Borough of Hammersmith and Fulham with effect from the same date.

Meeting started: 7.00 pm
Meeting ended: 7.23 pm

Mayor

Agenda Item 6.1

	London Borough of Hammersmith & Fulham COUNCIL 28 JANUARY 2015
COUNCIL TAX EMPTY HOMES PREMIUM 2015/2016	
Report of the Cabinet Member for Finance: Councillor Max Schmid	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West Executive Director of Finance & Corporate Governance	
Report Author: Steve Barrett Head of Revenues and Benefits	Contact Details: Tel: 020 8753 1053 E-mail: steve.barrett@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Local Government Finance Act 1992 (as amended) allows the Council to increase the council tax on dwellings that have been empty for more than two years to 150% of the normal charge. This is known as Empty Homes Premium.
- 1.2. This change will have to be approved by Full Council on 28 January 2015 and can take effect for 2015/16 and subsequent financial years (until such time as changed by the Council).
- 1.3. The estimated increased income which would result from this change would be in the region of £21k for 2015/16.

2. RECOMMENDATIONS

- 2.1 That the following recommendation be made to Council for the financial year 2015/16 and subsequent years until revoked:

Determine that the council tax on dwellings that have been empty (unoccupied and unfurnished) for more than two years be 150% of the normal council tax charge.

3. REASON FOR DECISION

- 3.1 The Council is required to make this decision to allow the change to be made and comply with the legislation and regulations detailed in this report.

4. INTRODUCTION AND BACKGROUND

- 4.1 The Local Government Finance Act 2012 enabled the Council to remove council tax discounts and exemptions previously available to owners of second homes and empty dwellings in the borough. These changes were approved by the Council with effect from 1 April 2013 and subsequent financial years until revoked. This means that empty properties and second homes pay the full council tax, thus removing the financial incentive to leave them vacant.
- 4.2 The Local Government Finance Act 2012 also enabled The Empty Homes Premium, with effect from 1 April 2013. This gave authorities the power to increase the council tax on dwellings that have been empty (unoccupied and unfurnished) for more than two years, to 150% of the normal charge. This premium was not adopted by the council for the financial years 2013/14 and 2014/15.

5. COUNCIL TAX EMPTY HOMES PREMIUM

- 5.1 The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 exempt two classes of dwelling from premium. These are:
- A dwelling which is the sole or main residence of a member of the armed forces away from the property on active service
 - A dwelling which forms part of a single property which is occupied
- 5.2 Any additional income generated from premium can be retained locally and shared with the GLA.

6. RISK MANAGEMENT

- 6.1. This is a statutory process and any risks are monitored through the Council's MTFs process.

7. EQUALITY IMPLICATIONS

- 7.1 The recommendations in this report (at 2.1) will mean that those who own an empty and unfurnished dwelling, or one undergoing major repair, which remains unoccupied for more than two years will have to pay 150% of the normal council tax charge. This will impact on those who have such a dwelling e.g. people who own a second home, people buying a property that requires major repair, etc. but the Council does not have any diversity data to disaggregate this further.
- 7.2 This will be a negative impact for those who will be required to pay the additional council tax. However the introduction of a premium would encourage owners and landlords to bring vacant properties back into occupation and fully supports the Council's strategy on empty homes.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 There are some 50 properties that have been empty for more than 2 years and the effect of increasing the charge on these properties to 150% adds an additional 29 Band "D" equivalents to the tax base for 2015/16.
- 8.2 This equates to additional income for the Council (net of preceptors) of approximately £21k (based on the 2014/15 Band D Council Tax). An estimated £9k will also be payable to the GLA.

9. LEGAL IMPLICATIONS


- 9.1 Further to the Local Government Finance Act 2012 which received Royal Assent on 31 October 2012, individual local authorities have been devolved decision-making on local finance to local communities in light of the wider localism agenda being promoted by the Government.
- 9.2 Section 12 of the Local Government Finance Act 2012 inserted a new section 11B into the Local Government Finance Act 1992. In respect of a dwelling that has been unoccupied and substantially unfurnished for more than two years, the new section allows billing authorities to charge up to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable.

- 9.3 The new section allows the Secretary of State to make provision for exceptions, by prescribing classes of dwelling, taking into account the physical characteristics and the circumstances of any person liable, for which a billing authority will not be able to charge extra council tax.
- 9.4 Any homeowner that wishes to object to the application of this increased charge will have three options available to them:
- Seek judicial review in the High Court,
 - Apply to the local authority for discretionary relief or
 - Complain to the Local Government Ombudsman.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Local Government Finance Act 1992 (published)	Steve Barrett Ext: 1053	FCS H & F Direct
CONTACT OFFICER: Steve Barrett		NAME: Steve Barrett EXT. 1053	

Agenda Item 6.2

	London Borough of Hammersmith & Fulham	
	COUNCIL	
28 JANUARY 2015		
LOCALISED COUNCIL TAX SUPPORT SCHEME 2015/16		
Report of the Cabinet Member for Finance: Councillor Max Schmid		
Open Report		
Classification - For Decision Key Decision: Yes		
Wards Affected: All		
Accountable Executive Director: Jane West, Director of Finance and Corporate Governance		
Report Author: Paul Rosenberg Head of Operations, H&F Direct	Contact Details: Tel: 020 8753 1525 E-mail: paul.rosenberg@lbhf.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1. In April 2013, council tax benefit (CTB) ended and local authorities had to introduce their own scheme to help their residents who need help paying their council tax.
- 1.2. For the previous two years, the Council has agreed a scheme that worked as though the old council tax benefit regulations were still in place (previously known as “the default scheme”) meaning no one in the borough was worse off.
- 1.3. Funding for this local scheme was fixed at a rate of 10% less than what was previously awarded in council tax benefit. The amount taken account of within the 2014/15 Local Government Finance settlement (LGFS) was £10.609m.
- 1.4. This report recommends that the Council continues to absorb the initial 10% reduction and in effect develop a local scheme that mirrors the previous council tax benefit scheme. This means that still, no one in the authority will be worse off.

- 1.5. The recommendation, as stipulated by the Local Government Finance Act, needs to be agreed by full Council by 31 January 2015.
- 1.6. The scheme will run for the financial year 2015/16 and options for 2016/17 will be examined early next year.
- 1.7. The amount of government funding taken account of within the 2015/16 LGFS is not yet confirmed but is anticipated to be a similar amount to 2014/15. The cost of this year's scheme has been less than that taken account of within the Local Government Finance Settlement due to the 3% reduction in the council tax and a declining caseload. The grant is not paid separately to the Council but taken account of within the calculation of Revenue Support Grant (general government grant) paid to the Council. This is a concern given that Revenue Support Grant is currently reducing by more than 10% per annum.
- 1.8. The authority has consulted with residents to get their views on this proposal as set out in paragraph 7 below.

2. RECOMMENDATION

- 2.1. 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.

3. REASONS FOR DECISION

- 3.1. The reasons for this recommendation are the same as for previous years. There is a much lower collection rate for schemes that do pass on the cost to those on low incomes. The experience of other London Boroughs is that the collection rate for CTS recipients is about 60%.
- 3.2. Furthermore, there will be an additional cost to the authority in trying to collect this amount of money. It is estimated that around 4 to 5 extra staff would be needed staff to deal with increased enquiries and appeals at the Valuation Tribunal.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Local Government Finance Act 2012 gained Royal Assent on 31 October 2012. This Act abolished council tax benefit and gave local authorities new powers to assist residents on low incomes with help paying their council tax.
- 4.2. The Act does impose some conditions on local authorities in that pensioners must be protected (so that no pensioner is worse off) and people in work must be supported, but this aside the authority can develop a scheme as it sees fit.

- 4.3. The government takes account of what it has awarded previously in council tax benefit, less 10%, in the annual Revenue Support Grant calculation. This is a fixed amount and it is up to the authority to decide how to deal with this potential loss of income.
- 4.4. The schemes have to last at least a year. It is proposed that this scheme runs for one year for the period April 2015 to April 2016. This will allow the authority choice for 2016/17 if it wishes to change its scheme then to raise additional revenue.

5. PROPOSAL AND ISSUES

- 5.1. By not changing the scheme the Council continues to ensure that those on low incomes are not asked to pay a proportion of their council tax. The council therefore avoids lengthy consultation, adverse publicity and it does not penalise the poorest and most vulnerable elements of the community by forcing them to pay some council tax.
- 5.2. However, the Council does not benefit from the additional income that amending the scheme could bring.

Cost of the scheme

- 5.3. It is impossible to determine the exact cost of the scheme because:
 - Government funding is not yet confirmed
 - it depends on the number of people who make a successful claim for CTS throughout 2015/16.
- 5.4. The government funding is based on council tax benefit awards in 2010/11 when the caseload and level of council tax was higher. Consequently, the scheme for this year has been less expensive than predicted.
- 5.5. The costs for this year are as follows:
 - Reduction in income from CTS scheme (LBHF share): £9.35M
 - 2014/15 LGFS Funding £10.609M
 - **Indicative Surplus for LBHF: +£1.259M**
- 5.6. The share of grant allocation as well as council tax support awards is split between the borough and the GLA. For clarity, the above figures just show the borough's share. The lower cost of the council tax support scheme will be taken account of within the 2015/16 Medium term Finance Strategy.

- 5.7. Because the grant allocation was based on council tax benefit spend in 2010/11, when the borough made more awards, even with the 10% shortfall the borough has more than broken even on the scheme for this year. The cost of the scheme has also fallen in line with the council tax reductions.
- 5.8. An added complication is that this grant is not paid separately to the council but forms part of the Revenue Support Grant (RSG) calculation. Local authorities have expressed concern that this means that funding is effectively reducing in line with wider cuts in RSG (currently running at more than 10% per annum).

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. Options on whether or not the scheme should be changed were reviewed earlier in the year. This is because if the Council was going to change the scheme, we would have needed to consult on this over the summer.

7. CONSULTATION

- 7.1. As required by the Local Government Finance Act, officers consulted with the GLA as the precepting authority and with the public on the proposed scheme. Appendix 1 shows GLA's response.
- 7.2. The consultation with the public was carried out on the Council's website via citizen space from 11 August 2014 to 26 September 2014. For this year, there were only two responses both in favour of keeping the scheme the same. The responses are attached in Appendix 2.
- 7.3. As in previous years, the consultation was kept deliberately simple as no change is proposed to what is currently in place. The GLA have stated that they are happy with this approach.
- 7.4. Of the two responses the one comment shows that the respondent felt that the cost of changing the scheme would be more than the additional money that it would collect. Furthermore, they also stated that the families that would be affected if we were to change the scheme are already suffering from rises in the cost of living.

8. EQUALITY IMPLICATIONS

- 8.1. As no changes are proposed, an Equalities Impact Assessment is not required.

9. LEGAL IMPLICATIONS

- 9.1. Under the Local Government Finance Act 2012 and the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012/2886 it is a requirement to have a support scheme in place as is outlined in this report.
- 9.2. The legal requirements of the Scheme are outlined in Schedule 4 of the Local Government Finance Act 2012 and include consulting any major precepting authority which has power to issue a precept to it. The GLA has been consulted. It also includes publishing a draft scheme in such manner as it thinks fit and consulting with such other persons as it considers are likely to have an interest in the operation of the scheme. Details of the consultation are contained in the body of the report and appendix 1.
- 9.3. Implications verified/completed by: (Joyce Golder, Principal Solicitor, 0207 361 2181).

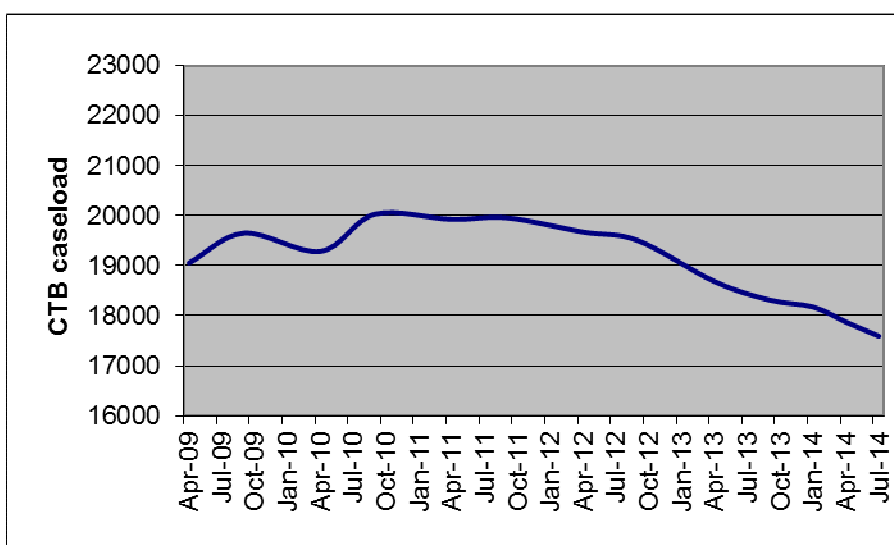
10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The financial implications of this proposal are set out in the report
- 10.2. Andrew Lord - Head of Finance-Budget Planning & Monitoring 020 8753 2531

11. RISK MANAGEMENT

- 11.1. As the grant for this scheme will be fixed, if more people claim CTS than anticipated (due to a downturn in the local economy) then the borough will have to cover this itself.
- 11.2. However, caseloads over the last 3-4 years have been relatively stable and have been reducing since 2011. Although possible, it is not likely that this borough (due to its relative affluence) will experience a significant local downturn.

11.3. The graph shows how the caseload has fluctuated:



11.4. The average CTB award is currently £14.58 per week. A rise in caseload of 500 claims over and above the grant level would therefore cost the authority / GLA a further £379k per year, although this would be shared with the GLA. Furthermore, as can be seen from the graph above, the caseload within the borough has been dropping consistently since April 2011.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. Not applicable.

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.	None		

Resources

City Hall
The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk

Paul Rosenberg
Head of Operations, Assessments H & F Direct
London Borough of Hammersmith and Fulham
Town Hall
King Street
Hammersmith
London W6 9JU
Dear Paul

Our ref: Preconsult1516
Your ref:
Date: 04 August 2014

LONDON BOROUGH OF HAMMERSMITH AND FULHAM LOCALISATION OF COUNCIL TAX SUPPORT PRE CONSULTATION WITH GLA FOR 2015-16 SCHEME

Thank you for your email dated 29 July setting out the draft council tax support scheme for 2015-16 which the London Borough of Hammersmith and Fulham intends to implement. We note that this represents your formal pre-consultation with the Greater London Authority under Schedule 4 to the Local Government Finance Act in advance of the launch of any future public consultation.

The GLA notes the current intention of your Council to consult on a localised council tax support scheme that will offer broadly the same level of support to recipients as the council tax benefit scheme that had been in place before the introduction of council tax support in 2013-14. It has no specific comments to make on your proposals at this stage.

The GLA of course reserves the right to respond in detail as part of any wider consultation process and engagement you undertake with local residents and stakeholders. We would be grateful if you could email any consultation documents (or a weblink to them) once published to the Mayor (at mayor@london.gov.uk) and the relevant London Assembly constituency member Kit Malthouse (who represents West Central) at kit.malthouse@london.gov.uk.

I would like to thank you for consulting the GLA.

Yours sincerely




Martin Mitchell
Finance Manager

Finance Department, City Hall, London SE1 2AA Email martin.mitchell@london.gov.uk Tel 020 7 983 4145

<p>Do you agree with H&F's proposal to absorb the cost? - H&F proposal</p> <p>Yes</p>	<p>Do you agree with H&F's proposal to absorb the cost? - Please explain your view on the council's decision to absorb the cost</p> <p>The cost of administering the scheme plus dealing with any underpayments may well end up costing more than it saves. Many families affected are already in penury with cost of living increasing.</p>	<p>Are you responding to the consultation in your capacity as a representative of any of the following: - Org</p> <p>Not Answered</p>	<p>Are you responding to the consultation in your capacity as a representative of any of the following: - If other, please add here</p>	<p>Do you pay council tax to the London Borough of Hammersmith and Fulham? - CT H&F</p> <p>Yes</p>	<p>Do you receive council tax benefit? - Recieve CTB</p> <p>Yes</p>	<p>What is your age group? - Age</p> <p>18-60</p>	<p>Are you: - are you</p> <p>Disabled</p>	<p>How would you describe your ethnicity? (Please select one box only) - Ethnic origin</p> <p>White Irish</p>
<p>Yes</p>		<p>Housing Association</p>		<p>No</p>	<p>No</p>	<p>18-60</p>	<p>Employed</p>	<p>White British</p>

Agenda Item 6.3

	London Borough of Hammersmith & Fulham COUNCIL 28 JANUARY 2015
COUNCIL TAX BASE AND COLLECTION RATE 2015/2016 AND DELEGATION OF THE BUSINESS RATES ESTIMATE	
Report of the Cabinet Member for Finance: Councillor Max Schmid	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West Executive Director of Finance & Corporate Governance	
Report Author: Steve Barrett Head of Revenues and Benefits	Contact Details: Tel: 020 8753 1053 E-mail: steve.barrett@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2015/16.
- 1.2 The Council Tax base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2015/16.
- 1.3 The proposed Council Tax Base for 2015/16 of 71,983 is an increase of 2,108 on the figure agreed for 2014/15, of 69,875.
- 1.4 Based on the 2014/15 Band D charge of £735.16 the increase in the tax base will result in an increased income of £1.55m
- 1.5 The recommendations contained in the Council Tax Support 2015/16 and Council Tax Empty Homes Premium reports will need to be approved prior to those contained in this report. This is because they are included in the calculation of the Band D Council Tax in section 7.3 below.

- 1.6 To delegate authority to the Executive Director of Finance and Corporate Governance, in consultation with the Leader of the Council, to determine the business rates tax base for 2015/16 as set out in section 11 of this report.

2. RECOMMENDATIONS

- 2.1 That approval be given to the following recommendations for the financial year 2015/16:
- (i) That the estimated numbers of properties for each Valuation Band as set out in this report be approved.
 - (ii) That an estimated Collection rate of 97.5% be approved.
 - (iii) That the Council Tax Base of 71,983 Band “D” equivalent properties be approved.
 - (iv) To delegate authority to the Executive Director of Finance and Corporate Governance, in consultation with the Leader of the Council, to determine the business rates tax base for 2015/16 as set out in section 11 of this report.

3. BACKGROUND

- 3.1 Under Section 31B of the Local Government Finance Act 1992 and The Local Authorities (Calculations of Council Tax Base) (England) Regulations 2012, the Council (as billing authority) is required to calculate its Council Tax Base. This comprises both the estimated numbers of properties within each Valuation band plus the Council’s estimate of its collection rate for the coming financial year.
- 3.2 For 2014/15 the Council approved a Council tax Base of 71,666 Band D equivalent dwellings, and an estimated Collection Rate of 97.5%, which resulted in a tax base of 69,875.
- 3.3 Under Section 11A of the Local Government Finance Act 1992, Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 and Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 the Council reduced discounts for both Second Homes and Unoccupied and Unfurnished dwellings to 0% with effect from 2013/14 and subsequent years until revoked.
- 3.4 Council will also be required to approve the recommendations in the Council Tax Support 2015/16 and Council Tax Empty Homes Premium reports, prior to the recommendations in this report, as they are reflected as Band “D” equivalents in the Council’s Tax base calculations in section 7.3 below.

4. DISCOUNTS

4.1 Second Homes

4.1.1 There are some 1,995 second homes in the borough. The Council does not offer a discount on second homes which adds 2,316 Band "D" equivalents to the tax base for 2015/16. These discounts are included in Section 6.3 below.

4.1.2 Based upon 2014/15 Council Tax levels this generates income to the Council of £1.7m. This income is allowed for within the Council's Medium Term Financial Strategy. Our preceptor, the GLA, also benefits from the reduction in the discount.

4.2 Empty Properties

4.2.1 There are some 767 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 902 Band "D" equivalents to the tax base for 2015/16. These discounts are included in Section 6.3 below.

4.2.2 Based upon 2014/15 Council Tax levels this generates income to the Council of £0.7m. This income also directly benefits the GLA.

5. EMPTY HOMES PREMIUM

5.1 There are 50 properties that have been empty for more than two years and the effect of increasing the charge on these properties to 150% of the normal charge adds an additional 29 Band "D" equivalents to the taxbase for 2015/16.

5.2 This equates to additional income for the Council (net of preceptors) of approximately £21k (based on the 2014/15 Band D Council Tax). An estimated £9k will also be payable to the GLA.

6. COUNCIL TAX SUPPORT

6.1 Under Council Tax Support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme, which mirrors the previous council tax benefit arrangements.

6.2 For 2014/15 the Council has provided for a total of £13.3m in Council Tax Support discounts. This equates to 12,941 band "D" equivalents based on 2014/15 Council Tax levels.

6.3 The tax base regulations require the cost of the scheme to be treated as a discount and deducted from the Council's tax base calculation in section 7.3.

7. VALUATION BAND PROPERTIES

- 7.1 The latest information on the number of properties within each valuation band is contained within a return (CTB1), which the Council provided to the DCLG on 17 October 2014.
- 7.2 This return reflected the actual number of properties shown in the Valuation List as at 8 September 2014 and the Council's records as at 6 October 2014.
- 7.3 A detailed analysis of the properties in each valuation band can be summarised as follows. There are a total of 84,340 dwellings on the list with some 29,653 properties estimated to receive a sole occupier discount. The total Band "D" equivalent is approximately 86,997 properties.

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents
A	Values not exceeding £40,000	3,537	2,902.3	6/9	1,934.7
B	Values exceeding £40,000 but not exceeding £52,000	5,674	4,791.8	7/9	3,726.9
C	Values exceeding £52,000 but not exceeding £68,000	14,199	11,910.0	8/9	10,586.7
D	Values exceeding £68,000 but not exceeding £88,000	24,242	21,407.3	9/9	21,407.3
E	Values exceeding £88,000 but not exceeding £120,000	14,959	13,624.5	11/9	16,652.2
F	Values exceeding £120,000 but not exceeding £160,000	8,943	8,223.0	13/9	11,877.7
G	Values exceeding £160,000 but not exceeding £320,000	10,669	10,046.0	15/9	16,743.3
H	Values exceeding £320,000	2,117	2,034.3	18/9	4,068.5
		84,340	74,939.0		86,997.3

Band	Band Size	Total Dwellings	Total after Discounts, Exemptions and Disabled Relief	Ratio	Band "D" Equivalents

8. ADJUSTMENTS TO THE VALUATION LIST

8.1 The above table shows the valuation band position at 8 September 2014 but the Council is also required to take into account the Council Tax Support Scheme and any other likely changes during the financial year 2015/16. Therefore the following adjustments need to be considered:

- (i) New Properties
There are likely to be a number of new properties, conversions etc. added to the valuation list at some point during the year. There are approximately 363 units currently under construction on various sites in the Borough that will be added to the tax base sometime during 2015/16. It is estimated after allowing for different completion dates that this will equate to an additional 399 Band 'D' equivalents.
- (ii) Banding Appeals
There have been over 10,000 appeals lodged with the valuation office in respect of initial Council Tax bandings. There are now only a small number unsettled so it is not proposed to make any adjustments for these.
- (iii) Single Person Discounts
The council is undertaking a review of single person discounts being awarded to taxpayers. This review has so far resulted in the removal of 843 discounts which increased the taxbase by 220 Band "D" equivalents when the CTB1 form was submitted to DCLG on 17 October 2014. The review is not yet complete and it is estimated that a further 1,240 discounts will be removed which will add an additional 243 Band "D" equivalents to the tax base for 2015/16.
- (iv) Student Exemptions
Dwellings wholly occupied by students are exempt from Council Tax. The projected Council Tax base needs to be adjusted to allow for students that have yet to prove their exemption for the new academic year. It is estimated that an adjustment of 940 Band "D" equivalents is required.
- (v) Council Tax Support
The cost of the scheme equates to 12,941 band "D" equivalents, based on 2014/15 Council Tax levels, which now have to be deducted from the tax base for 2015/16. This is less than the deduction of 13,686 Band D equivalents made in 2014/15. This is due to a reduction in the number of

claimants applying for a discount and the impact of the 3% 2014/15 Council Tax cut.

(vi) Empty Homes Premium

The introduction of this premium adds a further 29 band “D” equivalents to the taxbase as detailed in section 5 above.

8.2 The Council is required to set its Tax Base on the total of the relevant amounts for the year for each of the valuation bands shown or is likely to be shown for any day in the year in the authority’s valuation list.

8.3 Taking into account the latest information from the CTB1 return to the DCLG and the proposed adjustments, Council is requested to approve the estimated numbers of properties for each valuation band as set out in the following table:

Band	Band “D” Equivalent Actual September 2014	Adjustments for New Properties	Adjustments for Student Exemptions	Adjustments for Single Person Discounts	Empty Homes Premium	Adjustments for Council Tax Support	Revised Band “D” Equivalents 2015/16 Forecast
A	1,934.7	12	-13	17	0	-619	1,328.7
B	3,726.9	8	-40	26	1	-1295	2,426.9
C	10,586.7	20	-140	57	2	-2978	7,547.7
D	21,407.3	124	-286	79	12	-3928	17,408.3
E	16,652.2	74	-222	35	2	-2374	14,167.2
F	11,877.7	151	-144	16	4	-1121	10,783.7
G	16,743.3	10	-85	15	6	-575	16,114.3
H	4,068.5	0	-10	1	2	-13	4,048.5
	86,997.3	399	-940	246	29	-12903	73,828.3

9. COLLECTION RATE

9.1 The Council is also required to estimate its Collection Rate for 2015/16 at the same time as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2015/16, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.

9.2 The actual sum to be collected from local Council Tax payers cannot be finally determined until the preceptor’s requirements are known and the Council has approved its budget. The Council therefore has to make an estimate of the sums to be collected locally making estimated allowance for sums from Council Tax Support and write-offs/non-collection.

9.3 The actual collection rate for 2014/15 achieved to mid November 2014 is 68.4% comprising cash collection of £52.0m and Council Tax Support of £13.3m. It is

estimated that a further £21.3m (27.9%) will need to be collected by 31 March 2015 and £0.9m (1.2%) thereafter.

- 9.4 Collection performance has been calculated in order to comply with DCLG performance indicator calculations. Latest calculations for 2013/14 and 2014/15 show that the current collection rate can be continued for 2015/16. It is therefore suggested that the collection rate for 2015/16 is maintained at 97.5%.

10. THE TAX BASE

- 10.1 Under Section 31(B) of the Local Government Finance Act 1992 and the Regulations, the Council's tax base is calculated by multiplying the estimated number of Band "D" equivalents by the estimated collection rate.
- 10.2 Based on the number of Band "D" equivalents in the table in paragraph 7.3 above and the estimated collection rate in paragraph 8.4 above, the calculation is as follows:-

(Band D equivalents) x (Collection Rate) = (Tax Base)			
73,828	x	97.5%	= 71,983

11. BUSINESS RATES TAXBASE

- 11.1 The Local Government Finance Act 2012 made it obligatory for authorities to formally calculate the estimated level of business rates (the business rates tax base) it anticipates collecting for the forthcoming financial year and passing this information to precepting authorities by 31 January. The Government will continue to set the tax rate (known as the non-domestic multiplier).
- 11.2 Under the Rates Retention Scheme, established from 2013/14, billing authorities have to estimate their business rates tax base so that the resources available to them (30% for Hammersmith and Fulham), can be determined. 20% of the resources are paid to the Greater London Authority and 50% to the Government.
- 11.3 The tax base is based on data from the Valuation Office with local allowance for the appropriate level of business rates appeals, any discretionary reliefs and any forecast growth. This information is pulled together into a government return (NDR1). Unfortunately the detailed guidance on completing the NDR1 was not issued until just before Christmas. This guidance includes allowance for a number of changes to the business rates system which were announced by the Chancellor in the Autumn Statement. Given that the return has to be submitted by 31 January it is recommended that the responsibility for setting these figures be delegated to the Executive Director of Finance and Corporate Governance in consultation with the Leader of the Council.

- 11.4 The current 2015/16 budget strategy assumes that the Hammersmith and Fulham share of business rates income, including government compensation for the measures announced in the Autumn Statement, will be £57.8m. Any variation will be reported to Budget Council.

12. RISK MANAGEMENT

- 12.1 This is a statutory process and any risks are monitored through the Council's MTFS process.

13. EQUALITY IMPLICATIONS

- 13.1 There are no equality implications in this report.

14. FINANCIAL AND RESOURCES IMPLICATIONS

- 14.1 The Tax Base is set by 31 January each year, as outlined in the Local Government Finance Act 1992. It is used within the overall Council Tax and budget setting process, due to be reported to Budget Council on 25 February 2015.

- 14.2 The proposed Council Tax Base for 2015/16 of 71,983 is 2,108 Band D equivalents higher than the 69,875 agreed for 2014/15. The main reasons for this change are set out below:

	Band D Change
Increase in the tax base due to new properties	925
Reduction in number claiming single persons discount	463
Reduction in Council Tax Support scheme discounts	745
Empty Homes Premium	29
Gross Total Change	2162
Adjusted for Collection rate of 97.5%	-54
Total change	2108


15. LEGAL IMPLICATIONS

- 15.1 The Council is under a statutory duty to set the Council Tax for the forthcoming financial year and to make a budget. This report forms part of that process. The Council is obliged, when making its budget, to act reasonably and in accordance with its statutory duties, the rules of public law and its general duty to Council Tax payers.

- 15.2 The basic amount of Council Tax must be calculated in accordance with Section 31B of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 15.3 The Council Tax base has been calculated in accordance with the Act and the Regulations. The estimated collection rate to 97.5% is a reasonable and realistic estimate.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	DCLG Return CTB1 (October 2014)	S. Barrett Ext. 1053	2 nd Floor Town Hall Extension

	<p>London Borough of Hammersmith & Fulham</p> <p>COUNCIL</p> <p>28 JANUARY 2015</p>
<p>REVIEW OF THE COUNCIL'S CONSTITUTION - IN YEAR REVISIONS</p>	
<p>Report of the Leader of the Council: Councillor Stephen Cowan</p>	
<p>Open Report</p>	
<p>Classification: For decision</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Tasnim Shawkat, Monitoring Officer</p>	
<p>Report Author: Kayode Adewumi, Head of Governance and Scrutiny</p>	<p>Contact Details: Tel: 020 8753 2499 E-mail: kayode.adewumi@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Council at its meeting on 16 June 2014 agreed revisions to the Constitution and re-adopted the document for the 2014/15 Municipal Year.
- 1.2. This report recommends some further amendments:
 - (1) Establish two Lead Member posts outside the Cabinet.
 - (2) Make some in year changes to reflect updates to the Officer Schemes of Delegation as a result of changes in legislation and revisions to officer titles and posts.
 - (3) Make provision for Members to receive Council Summons electronically.
- 1.3. The Monitoring Officer has delegated authority to amend the Constitution where there has been a change in law, job title, structure, rearrangement of job responsibilities or for general administrative convenience. The Council is asked to note these changes.

2. RECOMMENDATIONS

- 2.1. That the creation of a Lead Member Representative for the Armed Forces post be approved and Councillor Alan De'Ath be appointed into this post.
- 2.2. That the creation of a Local Business Champion post be approved and Councillor Ben Coleman be appointed into this post.

- 2.3. That the Constitution be amended to allow Members to receive Summons electronically.
- 2.4. That the minor amendments made to the Officer Schemes of Delegation by the Monitoring Officer, as set out in Appendix 1 of the report, be agreed.

3. REASONS FOR DECISION

- 3.1. The Council's Monitoring Officer is required to keep the Council's Constitution up to date to ensure that its aims and principles are given full effect in accordance with Article 15 of the Constitution.

4. PROPOSALS

- 4.1 The Administration has proposed the creation of two Lead Member posts outside the Cabinet. The postholder will support the Administration in achieving its manifesto commitments. Both posts will not be entitled to a special responsibility allowance. The description of each portfolio's responsibilities is listed below.

- **LEAD MEMBER REPRESENTATIVE FOR THE ARMED FORCES**

- 4.2 This post-holder will be working directly with the Cabinet Member for Social Inclusion to:

- 1.1 drive forward council policy and initiatives which seek to improve the housing options, career and other opportunities and inclusion of returning armed forces personnel and their families.
- 1.2 support and assist the Royal British Legion and other voluntary organisations in recognising the work and sacrifice of armed forces personnel defending the UK, its interest and way of life.
- 1.3 promote remembrance and commemorative events.

- **LOCAL BUSINESSES CHAMPION**

- 4.3 The Local Business Champion is recognised as a key function of the Chair of the Economic Regeneration, Housing and the Arts Policy and Accountability Committee. The role is to champion the business sector and ensure small businesses have a strong voice within LBHF:

- 1.1 develop and pilot policy initiatives that benefit local businesses and the borough's economy.
- 1.2 help build a consensus between business people and the council on the council's support (policies and approach) needed for enterprise and businesses to start up, thrive and grow in the borough, and to champion support for businesses within the council.
- 1.3 work to ensure the borough's commercial centres and high streets are competitive and commercially beneficial places to locate to.

- 1.4 to be a further identifiable point of contact for borough businesses on council matters.
- 1.5 monitor the performance of the Economic Development and Procurement teams in supporting these objectives.

- **THE LOCAL GOVERNMENT (ELECTRONIC COMMUNICATIONS) (ENGLAND) ORDER 2015**

4.4 This Order modifies provisions in Schedule 12 to the Local Government Act 1972 for the purpose of enabling and facilitating the use of electronic communications in the sending of summonses of meetings to Members of the Council. Previously, Members were only able to receive hard copies of Council Summons irrespective of their preference to receive agendas electronically. The legislation will allow Members to receive summonses electronically where they consent to it being transmitted by this method. The summons may be sent to members by the following methods:-

(i) leaving it at, or sending it by post to the Member's usual place of residence, or

(ii) where the Member has specified an address other than the Member's usual place of residence, leaving it at, or sending it by post to that different address, or

(iii) where the member has given consent for the summons to be transmitted in electronic form to a particular electronic address (and consent has not been withdrawn), sending it in electronic form to that address.

4.5 Members will be written to seeking permission for the transmission of summons by electronic means. Where such written consent has been given, they will no longer receive paper copies of agendas. This consent may at any time be withdrawn. The Order shall come into force on 30 January 2015.

- **SCHEME OF DELEGATION**

4.6 **Appendix 1** outlines the main revisions made, under the Monitoring Officer's delegated powers, to the Scheme of Delegation of powers to officers in part 3 of the Constitution. These reflect legislative changes and updates to titles and jobs as a result of changes to legislation and changes in departmental structures. The changes and the reasons for them are set out the Appendix. On 5 November 2014 Mr Nigel Pallace was appointed as Interim Chief Executive to strengthen the Council's sovereignty. The title of Joint Chief Executive has been replaced with Chief Executive in the constitution.

4.7 Amendments are proposed to Section 12 of the Tri-Borough Executive Director of Adult Social Care and Health schemes of delegation regarding Children looked after by the department. The details are contained in Appendix 1.

5. EQUALITY IMPLICATIONS

5.1. There are none.

6. LEGAL IMPLICATIONS

- 6.1. It is important to note that the Local Government Act 2000 requires the Council to have and maintain a Constitution. The Monitoring Officer is satisfied that the Council's Constitution continues to fulfil its stated purposes, as set out in Article 1 of the Constitution.
- 6.2. Implications verified by: Tasnim Shawkat, Director of Law 020 8753 2700.

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1. The allowances can be accommodated within the existing budget.
- 7.2. Implications verified/completed by: Kayode Adewumi, Head of Governance and Scrutiny 020 8753 2499.

8. RISK MANAGEMENT

- 8.1. There are no significant risk management implications for this report.

9. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 9.1. There are no procurement of IT strategy implications.

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.	None		

**REVIEW OF THE COUNCIL'S CONSTITUTION JANUARY 2015
PROPOSED AMENDMENTS**

APPENDIX 1

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<u>Part 3 – Responsibility for functions</u>		
General Scheme of Delegation; Scheme of Delegation – Chief Executive	Passim.	<p><u>Amending</u> references to “joint Chief Executive” to read “Chief Executive.</p> <p><u>Rationale:</u> To reflect the appointment of a Chief Executive for H&F.</p>
Schemes of delegation – Tri-Borough Executive Director of Adult Social Care	Section 12 – Children looked after by the department	<p>Para. 12.5: “To arrange the placement of children being looked after by the department”</p> <p><u>Add</u> “including commissioning of external placements in independent fostering placements and residential care homes.”</p> <p><u>Rationale:</u> To clarify the scope of the delegation</p> <p>Para. 12.10: To <u>increase</u> the authorisation of one-off payments per child placed, in cases where the child care arrangement requires an adaptation to the carer’s home, or the purchase of a new larger house, from £25,000 to £40,000</p> <p><u>Rationale:</u> To reflect the increasing costs of adaptations and property prices.</p>

		<p>Para. 12.18: <u>Add</u> “and Child Arrangement Order” to the delegation to authorise financial support by way of a Residence Order Allowance under paragraph 15(1) Sch. 1 of the Children (Leaving Care) Act 2001.</p> <p><u>Rationale:</u> To reflect the powers currently available to the Council.</p> <p>Para. 13.3: To <u>amend</u> this delegation to read: “To make application to a court for a Placement Order to provide the Council with the legal authority to place a child in the Department's care for adoption.”</p> <p><u>Rationale:</u> Legislative update.</p>
<p>Schemes of delegation – Bi-Borough Executive Director of Environment, Leisure and Residents</p>	<p>Additional Powers</p>	<p>Section 79-82 of the Environmental Protection Act 1990; relating to statutory nuisance Section 51 of the New Roads and Street Works Act 1991: relating to unauthorised street works Section 222 of the Local Government Act 1972: relating to prosecution of offences outside the Borough</p> <p><u>Rationale:</u> Legislative update. All of these powers would come under Director of Cleaner Greener and Cultural Services.</p>
<p>General Scheme of Delegation; Scheme of Delegation – Chief Executive</p>		<p>Qualified Person for the purposes of the Freedom of Information Act</p> <p>The Monitoring Officer has been authorised by the Secretary of State as the primary qualified person for the purposes of the Freedom of Information Act 2000 (prejudice to effective conduct of public affairs). In the absence of the Monitoring Officer the Town Clerk is so authorised.</p>

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">COUNCIL</p> <p align="center">28 JANUARY 2015</p>
<p>BI-BOROUGH LGPS PENSION ADMINISTRATION SERVICES FROM 1 APRIL 2015</p>	
<p>Report of the Cabinet Member for Finance: Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p>	
<p>Key Decision: Key</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Debbie Morris, Bi-Borough Director of HR</p>	<p>Contact Details: Tel: 020 8753 3068 E-mail: debbie.morris@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. On 1 October 2011 the Local Government Pension Scheme (LGPS) Pension Administration Service for H&F was outsourced to Capita via a four (4) year framework agreement, underpinned by a call-off contract between H&F and Capita. The framework arrangement's expiry date is 30 September 2015. RBKC joined the framework arrangement on 1 September 2012.
- 1.2. The annual value of the call-off contract is currently £214,000 for H&F and £139,000 for RBKC, reflecting the split of pension scheme membership numbers, movement activity and current pensioners across both boroughs.
- 1.3. This report sets out the business case for terminating the call-off contract with Capita by mutual agreement on 31 March 2015 and entering into a new service provision arrangement with Surrey County Council (SCC) from 1 April 2015 for an initial period of five (5) years. This is the earliest date that can be achieved due to the technical and operational requirements of accurately transitioning all aspects of the service to the new supplier.

- 1.4. A requirement of using SCC's service is that a new pension administration software system must be acquired and licensed. This will be done through a specific/call-off contract being called-off under a framework arrangement established by Northumberland County Council (NCC) in May 2014. Approval to enter into a specific/call-off contract for each borough with the software supplier for a period of five (5) years was given by H&F's Cabinet on 1 December 2014 and by RBKC's Cabinet on 20 November 2014.
- 1.5. The delegation of the pension administration service to Surrey is permitted under section 101 of the Local Government Act 1972. This requires the approval of the full Council. A report to this effect was approved by RBKC's Council meeting on 3 December 2014. The same recommendation is now being put to LBHF's full Council meeting on 28 January 2015. SCC has confirmed it will accept this service delegation.

2. RECOMMENDATIONS

- 2.1. For H&F Council to approve and make arrangements for the discharge of its functions under section 101 of the Local Government Act 1972 and to delegate the H&F pension administration service and pensioner payroll service to SCC from 1 April 2015, for an initial period of five (5) years. (An agreement will be drafted with SCC to formalise the arrangements between the parties. It is anticipated that the agreement will contain a minimum four (4) month termination clause).

3. REASONS FOR DECISION

- 3.1. The call off contract with Capita defines a range of monthly performance criteria against which the quality, accuracy and timeliness of the service is measured, all requiring 100% levels of performance. A background paper has been separately circulated to Councillors that assesses historic and recent Capita performance against the agreed criteria.
- 3.2. Given the rationale explained in the Councillors' background paper (this is an exempt paper), officers have concluded that there is no advantage to be gained in waiting for the call off contract to expire on 30 September 2015, and that it would be preferable to seek a new provider as quickly as possible in order to mitigate on-going financial and operational risk.
- 3.3. Capita has been advised of the Councils' intention to terminate the contract by way of mutual consent, and has accepted this proposed way forward. Advice from Legal Services does not identify any obvious

obstacles to this approach, subject to the completion of a Deed of Termination to be signed by all parties.

4. BACKGROUND

- 4.1. The provision of the local government pension scheme (LGPS) is a statutory function of all local authorities in England and Wales. In recent years there have been a series of legislative changes to LGPS rules, making the service significantly more complex to administer, such that it is now considered a highly specialised function. It is expected that the scheme administration will become even more complex over time due to Government initiatives.
- 4.2. H&F's LGPS pension administration service was provided in-house until 2000 when it was outsourced to the London Pensions Fund Authority for eleven (11) years, and then outsourced to Capita in 2011. RBKC's service has been outsourced to Capita since 2007.
- 4.3. Capita's LGPS pension administration service was selected by H&F and RBKC primarily on grounds of cost compared to alternative providers at that time. Recent experience has shown that service accuracy, quality and timeliness is paramount in ensuring the Councils can meet their statutory obligations and obtain best value from the providers of this specialised function.

5. PROPOSAL AND ISSUES

- 5.1. There are advantages to H&F and RBKC continuing to jointly source a pension administration service, as follows:
 - 5.1.1. **Pension Client Team** – the Pension Client Team has proven its value in monitoring the activities of an external provider. However this team is very small (2.0 x FTE from 1 December 2014) and therefore this expertise is best retained as a single service across H&F and RBKC.
 - 5.1.2. **Internal management** – management of the pension administration contract is undertaken from within the Bi-Borough HR Service, alongside all HR/Payroll operational and policy work. There are strong links between these services; to split them across different pension service providers would cause service inefficiencies and reduce the consistency of service delivery.
 - 5.1.3. **Economies of scale** – two Councils acting together in the sourcing of pension administration services are more likely to obtain greater financial and operational leverage in service provision over the longer term.

- 5.1.4. **Managed Services** – the planned implementation of Managed Services from 1 April 2015 will heighten the need of a pension administration provider to act uniformly with the new Agresso system, particularly in respect of providing monthly interfaces for employee pensionable pay and for pension contributions affecting retirement entitlements. There will also be a need for the pension administration provider to provide interfaces to Agresso accounting modules to account for pensioner payroll costs. Transitioning the pension administration service to SCC by 1 April 2015 will not impact significantly on the Managed Services project and will ensure that only one pension service supplier needs to work with the Agresso system.
- 5.2. There are two options for alternative service provision other than Capita:
- 5.2.1. **Bring the service back in-house** – although the internal Pensions Client Team has significant knowledge and expertise in this field, the Councils have neither the capacity nor the infrastructure to establish a pension administration service within five (5) months. There is also concern in being able to maintain long-term resilience in staff retention and technical expertise in what has become a highly specialised market.
- 5.2.2. **Transition to a new external provider** – changes over recent years in LGPS administration have seen the growth of specialised service providers in London and the south east, namely: the London Pension Fund Authority (LPFA), the London Borough of Wandsworth (Wandsworth) and SCC. Each of these bodies runs LGPS pension administration services for a number of local authorities and they have developed specialised knowledge of LGPS rules and regulations, taking advantage of economies of scale by pooling resources and expertise. In addition they all use the Heywood Altair pension administration system which is the market leading system for the LGPS. Transitioning the service to an alternative external provider ensures the greatest long term security of service provision.
- 5.3. A new provider will need to transition the whole service over a period of no more than five (5) months, going live on 1 April 2015. It cannot be done any sooner than this due to the technical and operational setup requirements and the need to ensure accurate transition of the historical data to the new system. This timescale is achievable so long as the project is managed effectively. The delegated service agreement with the new service supplier will include requirements on them to:
- Manage the project from end-to-end
 - Adhere to strict service performance criteria (see Councillors' background paper)

- Produce the pensioner payrolls
- Provide secure member online access, including the ability to view and update key personal data
- Interface with the new Agresso managed services system

6. OPTIONS AND ANALYSIS

- 6.1. Of the three (3) alternative providers mentioned at section 5.2.2 of this report, H&F have previously used LPFA's service from 2000-2011 its performance was generally acceptable during this period although relatively expensive.
- 6.2. Wandsworth and SCC are the main alternative providers in this specialised service area. Both organisations operate pension administration services on a not for profit basis, have a good track record of efficient pension service provision to their own members as well as to those of other Councils, and have the capacity to take on additional public sector clients. They both also use the market leading Heywood Altair software system. Each was asked to provide a range of comparable information to H&F and RBKC for evaluation and the results of this are given in the Councillors' background paper which has been circulated separately to this report.
- 6.3. From the information in the Councillors' background paper, it can be seen that over the proposed five (5) year term SCC's costs are lower. Service quality standards and levels of performance are also virtually identical between both Wandsworth and SCC and meet defined national minimum standards.
- 6.4. Given the equitability of costs and service quality, SCC has been selected as the preferred provider for the following reasons:
 - 6.4.1. SCC has experience of running pensioner payrolls on Heywood Altair whilst Wandsworth does not.
 - 6.4.2. SCC has experience of supporting secure member online web access to personal pension records whereas this is not currently supported by Wandsworth although we understand they are planning to do so in due course.
 - 6.4.3. Interfaces with the new Agresso Managed Service system have largely been built as part of SCC's pension administration service to WCC. It is expected that these will be portable for H&F and RBKC.
 - 6.4.4. The whole service provision for H&F and RBKC would be brought under the same operational framework as WCC. This will make it easier to plan and monitor the service on-going, and

to bring consistency to the exchange of information with Agresso.

7. CONSULTATION

- 7.1. The H&F/RBKC Chief Executives and the H&F Executive Director of Finance and Corporate Governance both support these proposals.
- 7.2. There has been consultation with WCC in respect of the service performance experienced from SCC since they took responsibility for running WCC's pension administration services from 1 June 2014, which has proven to be highly efficient and has met expectations for effective service delivery.
- 7.3. Consultation has also taken place with the Tri-Borough Pensions & Treasury Services to assess the transitional and on-going estimated service costs in the context of their reasonableness and affordability to the respective borough pension funds. The two other London boroughs linked to the framework arrangement have been assured that the framework agreement from which their contracts are called off will not be affected by H&F's and RBKC's proposals as described in this report.

8. EQUALITY IMPLICATIONS

- 8.1. There are no key equalities issues.

9. LEGAL IMPLICATIONS

- 9.1. With regard to the discharge of a contract by agreement, contracting parties can mutually agree termination of a contract. Upon instruction, Legal Services will advise and assist officers to ensure that the arrangement, including where relevant the various options for dealing with the parties' accrued rights and liabilities under the agreement being terminated, is formally recorded.
- 9.2. With regard to procurement of supply pension administration software, we are advised that this will be achieved by entering into a specific/call-off contract from a Northumberland County Council single supplier framework agreement (the NCC framework). In calling off from the NCC framework, the Council should be satisfied that the particular contract advertisement and contract terms contain adequate provision for participation by the Council.
- 9.3. NCC confirms that the single supplier was appointed onto the NCC framework following successful completion of an EU compliant tendering exercise. The relevant OJEU notice (together with NCC background documents) confirm that the NCC framework is for use by

all UK Contracting Bodies and goes on to list various classes of public body, including Local Authorities.

- 9.4. In terms of any specific/call-off contract entered into under a framework arrangement, these may be let for a period exceeding four (4) years (and so may extend beyond the lifespan of a framework arrangement). The Public Contracts Regulations 2006 (as amended) do not stipulate the duration of a specific/call-off contract awarded under a framework arrangement, however, award should be for a duration which is within the normal course of awarding contracts under the framework arrangement and not in a manner which restricts or distorts competition. The relevant ordering procedure and documents in order to successfully call-off from the NCC framework are provided by NCC. Where instructed, Legal Services will advise and assist officers accordingly.
- 9.5. With regard to provision of pension administration by SCC, section 101 Local Government Act 1972 empowers a local authority to make arrangements for the discharge of its functions by any other local authority. Where non-executive functions such as pension administration are discharged, the determination to delegate to another local authority is within the remit of full Council.
- 9.6. Upon instruction, Legal Services will advise and assist officers to ensure that the arrangement between the two local authorities is formally recorded setting out the precise nature of the delegation, including inter alia the various rights and responsibilities of the parties.
- 9.7. Implications verified/completed by: Rachel Lansdowne, Senior Solicitor (Contracts). Tel. 020 8753 2774.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The transition costs of £258,000 for H&F and £226,000 for RBKC will be incurred in the current financial year.
- 10.2. In addition the new on-going annual contract price of £267,000 for H&F and £208,000 for RBKC represents an annual increase of £53,000 (or 25%) for H&F, and £69,000 (or 50%) for RBKC. The higher percentage increase for RBKC's annual ongoing costs reflects the fact that software charges under the new arrangements represent a much greater proportion of the overall service charge when compared to Capita's arrangements, and are equitable between both boroughs to reflect scheme membership numbers and transactional volumes.
- 10.3. The total additional cost over the five year term of the proposed new call-off contract and service delegation is £265,000 for H&F and £345,000 for RBKC.

- 10.4. All costs relating to the pensions contract are wholly charged to the H&F and RBKC pension fund respectively. There will be no impact on either Council's revenue accounts.
- 10.5. Financial and resource implications verified/completed by: H&F: Caroline Wilkinson, Head of Finance Systems Controls and Payments, 020 8753 1813. RBKC: Lyn Myers, Group Finance Manager for Corporate Services, Planning & Borough Development, 020 7361 2310.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1. Bi-borough Human Resources are responsible for the management of risk associated with the management of the contract and subsequent procurement. The provision of the local government pension scheme (LGPS) is a statutory function of all local authorities in England and Wales and compliance with that function is a strategic risk on the Councils Risk Register, risk number 5. The report proposals support the obligations the Council has to meet the on-going needs and expectations of the service users. Continuity of service, risk number 4 on the Councils risk register is also a strategic risk. Implications regarding transfer of the service have been considered and a way forward agreed. An appropriate exit strategy to mitigate the effects of termination of the contract is being proposed. Information management risk and Information governance will need to be considered throughout the process of the transfer to new providers.
- 11.2. Surrey County Council has long experience of successfully managing pension administration services for local government clients. In addition Heywood has decades of experience in successfully providing the most advanced pension software management system tailored to the LGPS. Surrey County Council will manage the transition project using a proven project management strategy that was most recently deployed in June 2014 in managing the successful transition of Westminster City Council's service. H&F and RBKC will ensure that the project meets its delivery timescale through regular project management meetings.
- 11.3. Implications verified/completed by: Michael Sloniowski, 020 8753 2587, Bi-Borough Risk Manager.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. The procurement of the Heywood pension administration software will be managed via a call-off contract from the Northumberland County Council Framework Agreement, in accordance with EU and other procurement legislation. This framework arrangement was established in May 2014 and permits local authorities in the UK to call-off a contract


from the supplier Heywood for its pension administration software. This software is recognised as the UK's market leading system for LGPS administration.

- 12.2. SCC has confirmed that its range of services will be unaffected by the use of a call-off contract from the NCC framework arrangement.
- 12.3. The solution will be evaluated by HFBP and any costs associated taken into consideration although an estimated provision has already been made for this in the existing cost estimates in the Councillors' background paper which has been circulated separately to this report. An analysis will also include whether other secure links or other IT is needed apart from the hosted service are required.
- 12.4. The Aquila Heywood software system will be hosted on Surrey County Council's data centre. Costs for this have been included in the financial implications of this report. Heywood and Surrey County Council have confirmed that this is consistent with the arrangements for other Councils for which Surrey provides the same service.
- 12.5. This is in line with current IT strategy for H&F and RBKC.
- 12.6. Implications verified/completed by: Alan Parry, Procurement Consultant (TTS) telephone 020 8753 2581.

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet Report from 1 December 2014 meeting		

Agenda Item 6.6

	London Borough of Hammersmith & Fulham COUNCIL 28 JANUARY 2015
TREASURY MID-YEAR REVIEW REPORT 2014/15	
Report of the Leader of the Council: Councillor Stephen Cowan	
Open Report	
Classification - For Information	
Key Decision: No	
Wards Affected: All	
Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance	
Report Author: Halfield Jackman, Treasury Management Officer	Contact Details: Tel: 020 7641 4354 E-mail: hjackman@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report presents the Council's Half Year Treasury Report for 2014/15 in accordance with the Council's Treasury Management Practices. It is a regulatory requirement for this report to be presented to Council.
- 1.2 There are two aspects of Treasury performance – debt management and cash investments. Debt management relates to the Council's borrowing and cash investments to the investments of surplus cash balances. This report covers:
 - The Treasury position as at 30 September 2014.
 - The Investment Strategy
 - The Borrowing Strategy
 - Compliance with the treasury limits and prudential indicators and
 - The UK economy and interest rates.

The borrowing amounts outstanding and cash investments for the 30 September period are as follows:

£million	30 September 2014	31 March 2014	31 March 2013
Total Borrowing	250	251	262
Total Cash Balances	356	320	206

2. BACKGROUND

2.1 This report presents the Council's Treasury Management Mid Year Report to the 30 September 2014 in accordance with the Council's Treasury Management Practice.

2.2 The CIPFA Code of Practice on Treasury Management has been adopted by the Council. This Mid Year review has been prepared in compliance with the Code of Practice. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Receipt by the full Council of an Annual Treasury Management Strategy Statement, including the Annual Investment Strategy, for the year ahead, a Mid-Year Review Report (this report) and an Annual Report covering activities during the previous year.

2.3 Delegation by the Council of the role of scrutiny of Treasury Management Strategy and policies to a specific named body. For this Council the delegated body is the Audit, Pensions and Standards Committee.

3. RECOMMENDATIONS

3.1 To note the Council's debt, borrowing and investment activity up to the 30 September 2014.

4. TREASURY POSITION AT 30 SEPTEMBER 2014

Investment

4.1 The table below provides a schedule of the cash deposits, together with comparisons from the year end.

	30 September 2014		31 March 2014	
	Balance £m	Yield (%)	Balance £m	Yield (%)
Overnight access				
Term Deposit (Overnight) ¹	5	0.54	-	-
Money Market Funds (Constant NAV)	22	0.44	39	0.38
Total Liquid Investments	27	0.46	39	0.38
Notice Account	14	0.60	25	0.60
Term Deposit	70	0.64	67	0.78
Custodian Held Assets	245	0.46	189	0.40
Total other Investments	323	0.49	281	0.50
Grand Total	356	0.49	320	0.49

4.2 The Council has £22m invested in two money market funds run by Federated Investors and Goldman Sachs. The funds return between 0.42% to 0.44%, both are rated AAA by at least two of the three main credit rating agencies.

4.3 Custodian Held Assets are highly rated short term investments that are held by Northern Trust. Investments include UK Treasury Bills and bonds issued by Network Rail (Government guaranteed), Transport for London (TfL), European Investment Bank (EIB) and International Bank of Reconstruction and Development (IBRD).

4.4 The weighted average interest rate of return on the investments over the half year was 0.49% (on a per annum basis), with a total interest received of £0.4m.

Borrowing

4.5 The borrowing strategy for the year 2014/15 was not to incur any new borrowing and given the prevailing low levels of interest rates, consider voluntary early repayments of borrowing as a way of making more efficient use of funds in the short term.

4.6 The table below shows the Council's external borrowing (as at the 30 September 2014) is £250m split between General Fund and HRA at an average interest rate of 5.42%.

	General Fund (£m)	Average rate	HRA (£m)	Average rate	Total external borrowing (£m)	Average Rate
PWLB loans maturity	42.31	5.42%	207.20	5.42%	249.51	5.42%

¹ On the 1st October a £5 million deposit (six month) with Barclays Bank matured which has been treated as an overnight investment.

5. ANNUAL INVESTMENT STRATEGY

- 5.1 Cash management remains in a cautious stance in current economic climate. The Investment strategy for 2014/15 is to place cash investments with institutions as set out in the Treasury Management Strategy, to focus on the security and liquidity of the investments rather than to seek yield. Where security and liquidity criteria are satisfied, investments would then be placed taking yield into account.
- 5.2 During the year to date, cash has been placed with the Barclays Bank, Lloyds, Royal Bank of Scotland and NatWest Bank (part of RBS Group). Four money market funds were also used: Federated Investor, Insight, Goldman Sachs and Blackrock.
- 5.3 The Council also invested in short term Gilts, Treasury Bills and highly rated bonds (such as Network Rail, Transport for London, EIB and IBRD) as allowed under the TMS.
- 5.4 In the current economic climate all new investments are kept short term, and are with high credit rated financial institutions. The Council policy has not changed this year.

6. PRUDENTIAL INDICATORS

- 6.1 During the first six months of the financial year the Council operated within its treasury limits and Prudential Indicators as set out in the Council's Treasury Strategy Report.
- 6.2 As part of the strategy the Council sets a number of prudential limits for borrowing. This position against the prudential indicators for 2014/15 as agreed by the Council in February 2014 is set below.

	2014/15 Limit (£m)	30 September 2014 Actual (£m)
Authorised Limit for external debt ²	335	249.5
Operational Limit for external debt ³	290	249.5
Limit of fixed interest rate exposure based on gross debt	335	256.4
Limit of variable interest rate exposure based on gross debt	70	Nil
Principal sum invested >364 days	70	Nil

Maturity structure of borrowing as at 31 March 14 is shown below, is designed to be a control over an authority having large

² Authorised limit for external debt is the limit above which external debt must not go without changing Council Policy.

³ Operational boundary for external debt is the limit against which external debt will be constantly monitored.

concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Upper Limit	Lower Limit	Actual as at 31 March 2014
Under 12 months	15%	0%	4.41%
12 months and within 24 months	15%	0%	1.11%
24 months and within 5 years	60%	0%	11.52%
5 years and within 10 years	75%	0%	9.8%
10 years and above	100%	0%	73.16%

7. THE ECONOMY AND INTEREST RATES

- 7.1 The International Monetary fund cut global growth forecasts in October but maintained previous forecasts for UK growth of 3.2% for 2014 and 2.7% for 2015.
- 7.2 The minutes for the July Monetary Policy Committee (MPC) showed a 7 – 2 voting pattern to keep rates on hold. This was the first time in three years that there has been a split in the voting pattern. Despite current low wage growth the dissenters felt that that rapidly falling unemployment made it more likely that salaries will rise in the coming months and a rise of 0.25% keeps monetary policy “extremely supportive”. The latest minutes for the September meeting showed a consistent 7-2 voting pattern.
- 7.3 The MPC has kept bank rate at 0.5 per cent throughout the period while quantitative easing has remained at £375 billion. Consumer price inflation has remained benign, ranging between 1.5% and 1.9% for the period.
- 7.4 The Federal Reserve (Fed) decreased the quantitative easing program throughout 2014. The program is due to end at the end of October. The Fed has kept benchmark federal funds rate at 0% since the end of 2008.
- 7.5 The US unemployment rate fell to 5.9% in September, a six year low. Many economists see the job data as the key gauge of US economic health which could lead to the Fed increasing interest rates sooner rather than later.
- 7.6 In an attempt to spur economic growth, The European Central Bank (ECB) cut its benchmark rate to 0.05% from 0.25% and also became the first major central bank to introduce a negative interest rate on bank reserves. The benchmark rate determines what banks charge companies for credit and the reserve rate is what the ECB pays banks to keep deposits with them.

7.7 The ECB launched an asset purchase programme in September to buy debt products from banks. The move falls short of full scale quantitative easing and illustrates the difficulty of implementing policy across all European States.

7.8 The longer run trend for Public Works Loan Board (PWL) borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increase in yield.

8 CAPITAL FINANCING REQUIREMENT

8.1 Appendix A reports the CFR projections for the General Fund for the first 2 quarters of 2014/15.

9. EQUALITY IMPLICATIONS

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

10. FINANCE AND RESOURCES IMPLICATIONS

10.1 The comments of the Director of Finance and Corporate Governance are contained within this report.

11. LEGAL IMPLICATIONS

11.1 There are no direct legal implications for the purpose of this report.

12. RISK MANAGEMENT

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

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

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

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

No.	Description of Background Papers	Name/Ext of File/Copy	Department/Location
1	Borrowings and Investment spread sheets	Halfield Jackman 0207 641 4354	Westminster City Hall, Treasury and Pensions, 16 th Floor

Capital Financing Requirement

At as at Q2 2014/15, General Fund debt - as measured by **the Capital Financing Requirement (CFR)** - was forecast to be **£66.2m** by the end of the financial year. The four-year forecast indicates that the CFR will reduce to £43.2m by 2017/18.

There is no revenue incentive to reduce the CFR below £43.2m as Minimum Revenue Payments (MRP) are not payable below this point.

This forecast is based on an assumption that capital receipts continue to be generated via the asset disposal programme and that surplus receipts are used to pay-down debt.

Forecast Movement in the Capital Financing Requirement (CFR) at Q2 201415

	2014/15	2015/16	2016/17	2017/18
	£m	£m	£m	£m
Opening Capital Financing Requirement (CFR)	74.2	66.2	52.1	43.2
Revenue Repayment of Debt (MRP)	(1.2)	(0.9)	(0.4)	-
Annual (Surplus) in Capital Programme	(6.7)	(13.2)	(8.5)	-
Closing CFR	66.2	52.1	43.2	43.2
Associated Revenue Savings assumed in MTFS*	1.3	1.9	2.5	2.7

**Savings arising from both the reduction of MRP and the external interest saved on loans maturing and not being refinanced.*

Agenda Item 7.1

SPECIAL MOTION NO. 1 – EXTRA FUNDING FOR EXTRA H&F POLICE

Standing in the names of:

- (i) Councillor Michael Cartwright
- (ii) Councillor Sue Fennimore

“The Council supports the new Labour administration’s decision to put the largest number of council-funded police officers onto the streets and estates of Hammersmith and Fulham in the borough’s history.

The Council also welcomes the fact that ALL the funds for the extra police officers have come about after the new Labour administration won millions of pounds in extra funding by renegotiating property deals that H&F’s previous Conservative administration had agreed and closed the book on.

This Council notes that the Labour administration will have agreed to fund more police officers in its first eight months in office than the previous Conservative administration funded in its eight years in power.”

SPECIAL MOTION NO. 2 – A&E CRISIS

Standing in the names of:

- (i) Councillor Vivienne Lukey
- (ii) Councillor Sharon Holder

“This Council notes with alarm the government’s A&E crisis and its impact on our borough, with official NHS figures revealing that the trusts which run St. Mary’s, Charing Cross, West Middlesex, Ealing and Northwick Park hospitals have all failed to meet A&E waiting time targets in the last three months of 2014.

The Council also notes the findings of the Care Quality Commission’s (CQC) inspection of Imperial College Healthcare NHS Trust and is concerned about the failures identified at St. Mary’s Hospital A&E as opposed to the strengths identified at Charing Cross Hospital’s A&E.

This Council resolves to defend our local hospitals and A&E and to support the Independent Healthcare Commission’s urgent review of healthcare in West London.”

Agenda Item 7.3

SPECIAL MOTION NO. 3 – SULIVAN PRIMARY SCHOOL AND THE BOROUGH'S PRIMARY SCHOOL RESULTS

Standing in the names of:

- (i) Councillor Sue Macmillan
- (ii) Councillor Caroline Needham

“This Council welcomes the fact that most primary schools in the borough achieved at least 100% value-added in the national key stage 2 school league tables. The Council notes that Sullivan Primary School came top of the list of Hammersmith and Fulham schools.

The Council regrets the actions of the borough's former Conservative administration in trying to close Sullivan Primary School and the distress this caused to Sullivan's children, parents, teachers and governors.

The Council pledges to support all the borough's schools and also congratulates Sullivan Primary School and the Good Shepherd RC Primary School on jointly having the highest number of pupils achieving level 4 or above in the borough.”

SPECIAL MOTION NO. 4 – SPEAKING RIGHTS FOR RESIDENTS AT THE BOROUGH’S PLANNING AND DEVELOPMENT CONTROL COMMITTEE

Standing in the names of:

- (i) Councillor Adam Connell
- (ii) Councillor Wesley Harcourt

“This Council supports the new Labour administration’s decision to give speaking rights to residents at the borough’s Planning and Development Control Committee meetings.

The Council regrets that the previous Conservative administration did not do this during its time in office, despite being urged to do so by residents’ associations, amenity groups and many individual residents.”

Agenda Item 7.5

SPECIAL MOTION NO. 5 – NORTH END ROAD FESTIVE MARKET

Standing in the names of:

- (i) Councillor Ben Coleman
- (ii) Councillor Andrew Jones

“This Council welcomes the success of the North End Road Festive Market in attracting over 10,000 shoppers to the shops, stalls and other businesses in that important part of Fulham. It commits to working with residents, business people, stallholders and councillors on further measures to improve North End Road and the borough’s other main and secondary retail centres.”

SPECIAL MOTION NO. 6 – ARK CONWAY PRIMARY ACADEMY

Standing in the names of:

- (i) Councillor Charlie Dewhirst
- (ii) Councillor Caroline Ffiske

“This Council:

- (1) Notes that Ark Conway Primary Academy is the best performing school in England at Key Stage 1, with 88% of pupils achieving the highest test results by the age of seven.
- (2) Congratulates the teachers, staff, parents and children on this fantastic achievement, just 3 years after opening.
- (3) Further regrets that Labour Councillors and Andrew Slaughter MP tried to prevent the school from opening.
- (4) Notes Ed Miliband’s recently statement that Labour would bring both Free Schools and Academies under local authority control, effectively abolish them, and putting many excellent local schools futures at risk.
- (5) Resolves to continue to support Ark Conway and all other local free schools and academies.”

Agenda Item 7.7

SPECIAL MOTION NO. 7 – EMPLOYMENT IN HAMMERSMITH AND FULHAM

Standing in the names of:

- (i) Councillor Charlie Dewhirst
- (ii) Councillor Harry Phibbs

“This Council:

- (1) Welcomes the fall in unemployment in Hammersmith and Fulham as measured by a reduction in Jobseeker’s Allowance claimants from 4,910 in May 2010 to 2,982 in November 2014.
- (2) Welcomes this evidence of the success of the government’s long term economic plan - including lower taxes to give businesses an incentive to expand and create jobs and welfare reforms which reward work.
- (3) Resolves to continue to provide a Borough of Opportunity where free enterprise and the creation of wealth and jobs are celebrated and encouraged.”