

COUNCIL MINUTES

(BUDGET COUNCIL MEETING)

WEDNESDAY 25 FEBRUARY 2015



PRESENT

The Mayor Councillor Mercy Umeh
Deputy Mayor Councillor Ali Hashem

Councillors:

Michael Adam	Alan De'Ath	Jane Law
Adronie Alford	Belinda Donovan	Mark Loveday
Colin Aherne	Sue Fennimore	Vivienne Lukey
Hannah Barlow	Caroline Ffiske	Sue Macmillan
Nicholas Botterill	Marcus Ginn	PJ Murphy
Daryl Brown	Steve Hamilton	Caroline Needham
Joe Carlebach	Wesley Harcourt	Viya Nsumbu
Michael Cartwright	Sharon Holder	Natalia Perez Shepherd
Iain Cassidy	Lisa Homan	Max Schmid
Elaine Chumnery	Lucy Ivimy	Greg Smith
Ben Coleman	Donald Johnson	Frances Stainton
Adam Connell	Andrew Jones	Rory Vaughan
Stephen Cowan	Alex Karmel	Guy Vincent
Larry Culhane	Robert Largan	

37. MINUTES

RESOLVED:

That the minutes of the Council Meeting held on 28 January 2015 were confirmed and signed as an accurate record.

38. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Charlie Dewhirst, Harry Phibbs and Andrew Brown.

Apologies for lateness were received from Councillor Joe Carlebach.

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

The Mayor congratulated Councillor Andrew Jones on the birth of his baby girl.

The Mayor informed the chamber that Councillor Andrew Brown was in hospital with his wife who had gone into labour. The Council sent them their best wishes.

The Mayor congratulated Ted Loveday, Councillor Mark Loveday's son, who was team captain of the Gonville and Caius College, Cambridge on reaching the University Challenge semi-finals. The Council wished them the best in the competition.

The Mayor congratulated Mel Barrett on his appointment as the Chief Executive of Basingstoke and Deane Borough Council. The Leader of Council, Councillor Stephen Cowan, and the Opposition Whip, Councillor Mark Loveday, congratulated Mel Barrett and made speeches appreciating his hard work and dedication to the authority.

40. DECLARATIONS OF INTERESTS

In respect of agenda item 6.5 Pay Policy of the London Borough of Hammersmith and Fulham 2015-16, Councillor Larry Culhane declared a significant interest as he was an employee of Phoenix High School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

In respect of agenda item 6.7, Local Government Pension Scheme 2014 – Discretionary Policies, Councillors Adronie Alford, Michael Cartwright, Stephen Cowan, Lisa Homan, Alex Karmel, and PJ Murphy declared significant interests as they were deferred members of the LBHF local government pension scheme. They considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Larry Culhane declared a significant interest as a deferred member of the pension scheme and Councillor Caroline Needham declared a significant interest as a member of the LBHF local government pension scheme in respect of this item. They considered that in the circumstances it would be unreasonable to participate in the matter and therefore left the room during the discussion without speaking or voting thereon.

In respect of agenda item 6.8 The Establishment of a Pension Board, Councillor PJ Murphy declared a significant interest as he was a deferred member of the LBHF local government councillor pension scheme. 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.

41. PUBLIC QUESTIONS (20 MINUTES)

41.1 Question 1 - Mary Smith

7.10pm - The Mayor called on Mary Smith who had submitted a question to the Cabinet Member for Finance, Councillor Max Schmid, to ask her question. Councillor Schmid responded. Mary Smith asked a supplementary question which was also answered.

(A copy of the public question submitted and the reply given is attached at **Appendix 1** to these minutes).

42. ITEMS FOR DISCUSSION/COMMITTEE REPORTS

42.1 Abolition of Charging for Home Care Services

7.15pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Health and Adult Social Care, Councillor Vivienne Lukey.

Speeches on the report were made by Councillors Vivienne Lukey and Rory Vaughan (for the Administration) and Councillor Lucy Ivimy (for the Opposition).

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

FOR	NOT VOTING
AHERNE	ADAM
BARLOW	ALFORD
BROWN (D)	DONOVAN
CARTWRIGHT	FFISKE
CASSIDY	GINN
CHUMNERY	HAMILTON
COLEMAN	IVIMY
CONNELL	JOHNSON
COWAN	KARMEL
CULHANE	LARGAN
DE'ATH	LOVEDAY
FENNIMORE	NSUMBU
HARCOURT	SMITH
HASHEM	STANTON
HOLDER	
HOMAN	UMEH
JONES	
LUKEY	
MACMILLAN	
MURPHY	
NEEDHAM	
PEREZ SHEPHERD	
SCHMID	
VAUGHAN	
VINCENT	

FOR	25
AGAINST	0
NOT VOTING	15

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

7.34pm **RESOLVED:**

- (1) To abolish charging for home care services provided to customers of the Borough on 31 March 2015.
- (2) To note that for services delivered up to 31 March 2015, charges will still apply, and to agree that these charges be pursued for a period of 3 months ending 30 June 2015.
- (3) To write-off total estimated outstanding home care debt of £133,000 as at 1 July 2015 and delegate authority to write-off the debts to the Executive Director of Finance and Corporate Governance and Deputy Executive Director and Director of Finance and Resources, Adult Social Care and Health.
- (4) To request additional provision for bad debt of £91,000 from Corporate Finance from the bad debt provision account.

42.2 Revenue Budget and Council Tax Levels 2015/16

7.35pm - The report and recommendations were moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

In accordance with Council convention, the Leader of the Council, Councillor Stephen Cowan, and the Leader of the Opposition, Councillor Greg Smith, were given unlimited time to speak on the Budget report. Speeches on the report were also made by Councillors Sue Fennimore, Max Schmid and Andrew Jones (for the Administration) and Councillors Lucy Ivimy and Marcus Ginn (for the Opposition).

Councillor Stephen Cowan (for the Administration) made a speech winding up the debate. The report and recommendations were put to the vote and a roll-call was done, in accordance to voting on the budget:

FOR	AGAINST	NOT VOTING
AHERNE	ADAM	UMEH
BARLOW	ALFORD	
BROWN (D)	BOTTERILL	
CARTWRIGHT	CARLEBACH	
CASSIDY	DONOVAN	
CHUMNERY	FFISKE	
COLEMAN	GINN	
CONNELL	HAMILTON	
COWAN	IVIMY	

CULHANE
 DE'ATH
 FENNIMORE
 HARCOURT
 HASHEM
 HOLDER
 HOMAN
 JONES
 LUKEY
 MACMILLAN
 MURPHY
 NEEDHAM
 PEREZ
 SHEPHERD
 SCHMID
 VAUGHAN
 VINCENT

JOHNSON
 KARMEL
 LARGAN
 LAW
 LOVEDAY
 NSUMBU
 SMITH
 STAINTON

FOR 25
 AGAINST 17
 NOT VOTING 1

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

9.03pm **RESOLVED:**

- (1) A 1% cut in the Hammersmith & Fulham element of the council tax charge is approved.
- (2) Council tax be set for 2015/16 for each category of dwelling, as calculated in accordance with Sections 31A to 49B of the Localism Act 2011, as outlined below and in full in Appendix A of the report:
 - (a) The element of council tax charged for Hammersmith & Fulham Council will be £727.81 per Band D property in 2015/16.
 - (b) The element of council tax charged by the Greater London Authority will be £295.00 per Band D property in 2015/16
 - (c) The overall Council Tax to be set at £1,022.81 per Band D property in 2015/16.

Category of Dwelling	A	B	C	D	E	F	G	H
Ratio	6/9 £	7/9 £	8/9 £	1 £	11/9 £	13/9 £	15/9 £	18/9 £
A) H&F	485.21	566.07	646.94	727.81	889.55	1,051.28	1,213.02	1,455.62
b) GLA	196.67	229.44	262.22	295.00	360.56	426.11	491.67	590.00
c) Total	681.88	795.51	909.16	1022.81	1,250.11	1,477.39	1,704.69	2,045.62

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

- (3) The Council's own total net expenditure budget for 2015/16 is set at £158.428m.
- (4) Fees and charges are approved as set out in paragraph 6.1.
- (5) The budget projections, made by the Executive Director of Finance and Corporate Governance to 2018/19, be noted.
- (6) The statement made by the Executive Director of Finance and Corporate Governance under Section 25 of the Local Government Act 2003 regarding the adequacy of reserves and robustness of estimates be noted (section 14).
- (7) The Executive Director of Finance and Corporate Governance be authorised to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council Schemes of Delegation.
- (8) That all Executive Directors be required to report on their projected financial position compared to their revenue estimates in accordance with the Corporate Revenue Monitoring Report timetable.
- (9) Executive Directors be authorised to implement their service spending plans for 2015/16 in accordance with the recommendations within the report and the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation.
- (10) Members' attention is drawn to S106 of the Local Government Finance Act 1992 which requires any Member, who is two months or more in arrears on their Council Tax, to declare their position and not to vote on any issue that could affect the calculation of the budget or Council Tax.
- (11) The Executive Director of Finance and Corporate Governance be authorised to implement the business rates retail relief scheme as proposed by the Government.

42.3 Four Year Capital Programme 2015/16 to 2018/19

9.04pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

Speeches on the report were made by Councillors Lisa Homan and Ben Coleman (for the Administration).

The report and recommendations were put to the vote:

FOR	25
AGAINST	16
NOT VOTING	0

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

9.15pm **RESOLVED:**

- (1) To approve the General Fund Capital Programme budget at £31.7m for 2015/16 (paragraph 5.1, Table 2 and Appendix 1 of the report).
- (2) To approve the continuation of the Council's rolling programmes and the continued use of internal funding for 2015/16 General Fund Programme as set out in Table 3 (paragraph 5.2 of the report) and specifically as follows:
 - Capital receipts amounting to £5.48m to fund the Council's rolling programmes as follows:

	£m
Disabled Facilities Grant [ASC]	0.45
Planned Maintenance/DDA Programme [TTS]	2.50
Footways and Carriageways [TTS]	2.03
Parks Programme [ELRS]	0.50
Total	5.48

- Contributions from revenue amounting to £0.544m to fund the Council's rolling programmes as follows:

	£m
Controlled Parking Zones [TTS]	0.275
Column Replacement [TTS]	0.269
Total	0.544

- (3) To note existing capital receipts funded schemes in the Schools programme of £441k, previously approved, but now scheduled for 2015/16 (paragraph 5.2, Table 3 of the report).
- (4) To approve the Housing Programme at £94.2m for 2015/16 as set out in Table 5 (paragraph 7.2) and Appendix 1 of the report.
- (5) To approve the annual Minimum Revenue Provision policy statement for 2015/16 in Appendix 4 of the report.
- (6) To approve the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Indicators as set out in Appendix 5 of the report.

42.4 Treasury Management Strategy Report 2015/16

9.16pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

A speech on the report was made by Councillor Max Schmid (for the Administration), before being put to the vote:

FOR	Unanimous
AGAINST	0
NOT VOTING	0

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

9.21pm **RESOLVED**:

- (1) That approval is given to the future borrowing and investment strategies as outlined in the report and that the Executive Director of Finance and Corporate Governance be authorised to arrange the Council's cash flow, borrowing and investments in 2015/16.
- (2) In relation to the Council's overall borrowing for the financial year, to note the comments and the Prudential Indicators as set out in the report and the four year capital programme 2015/16 to 2018/19.
- (3) That approval is given to pay the Housing Revenue Account (HRA) investment income on unapplied HRA receipts and other HRA cash balances calculated at the average rate of interest (approximately 0.5% p.a.) earned on temporary investments with effect from 1 April 2014.

42.5 Pay Policy of the London Borough of Hammersmith and Fulham 2015-16

9.21pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

A speech on the report was made by Councillor P J Murphy (for the Administration), before being put to the vote:

FOR	Unanimous
AGAINST	0
NOT VOTING	0

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

9.26pm **RESOLVED:**

- (1) That Council is recommended to approve the pay policy statement for 2015/16 as set out in the document attached to the report.
- (2) That Council endorses the pay schemes attached as Appendices 1, 2 and 3 of the pay policy.

42.6 Members' Allowances Scheme: Annual Review

9.27pm - The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

Speeches on the report were made by Councillor Mark Loveday (for the Opposition) and Councillors Larry Culhane and Stephen Cowan (for the Administration), before being put to the vote:

FOR	Unanimous
AGAINST	0
NOT VOTING	0

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

9.41 pm **RESOLVED:**

That the Members' Allowances Scheme 2015/16 as set out in Appendix 1 of the report be adopted.

42.7 Local Government Pension Scheme 2014 - Discretionary Policies

9.41pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

The report and recommendations were put to the vote:

FOR	Unanimous
AGAINST	0
NOT VOTING	0

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

9.42pm **RESOLVED:**

That the Council:

- (a) Adopts as local employer discretionary policy the positions set out in paragraphs 5 – 5.5 of the report.
- (b) Delegates to the Bi-Borough Director of Human Resources (in conjunction with the Executive Director for Finance and Corporate Governance as relevant with

regard to the policies set out at paragraphs 5.3 (Discretion to permit flexible retirement) and 5.4 (Discretion to permit early payment of pension) of the report the power to make decisions on any application for the Council to exercise its discretionary powers via the Council's Adjudicating Panel.

- (c) Adopts as an administering authority policy the positions set out in paragraphs 6 – 6.3 of the report.

(Councillors Larry Culhane and Caroline Needham left the room before the consideration of this item and did not vote on it.)

42.8 The Establishment of a Pension Board

9.43pm - The report and recommendations were formally moved for adoption by the Cabinet Member for Finance, Councillor Max Schmid.

The report and recommendations were put to the vote:

FOR	Unanimous
AGAINST	0
NOT VOTING	0

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

9.43pm **RESOLVED**:

- (1) That the establishment of a Pension Board and its terms of reference attached at Appendix 1 of the report be approved.
- (2) That the approval of the Pension Board Code of Conduct, Conflicts of Interests Policy, Training Policy and the process for selecting non-councillor members of the Board be delegated to the Executive Director of Finance and Corporate Governance following consultation with Chair of the Audit, Pension and Standards Committee.

43. **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: 9.44 pm

Mayor

PUBLIC QUESTION TIME

LONDON BOROUGH OF HAMMERSMITH & FULHAM

COUNCIL MEETING – 25 FEBRUARY 2015

Question by: Mary Smith

To: Cabinet Member for Finance

QUESTION

“Has the Council made any cuts to the street cleaning and environmental budget in the last 18 months?”

ANSWER

Thank you for your question Mrs Smith. In short, the current administration has made no cuts at all to the street cleaning service. Unfortunately however the previous administration made cuts of £465K in November 2013. As a result the new administration has literally been cleaning up the previous administration’s mess.

I will explain in more detail. H&F street cleaning was outsourced by the last administration to SERCO in 2008. It was originally a 7 year contract which would have expired in June 2015 with an option for a further 7 years. However a few years before that SERCO approached the former administration complaining that the contract wasn’t working for SERCO. They asked for the contract to be renegotiated. I am told the basis of the negotiations was to see if efficiencies could be achieved that would benefit both parties.

As reported to the Cabinet in November 2013 a new contract was awarded to SERCO that would run to 2021. The context of this renegotiation was steadily worsening litter and fly tipping scores being achieved by the Council in 2013 and in early 2014. This decline in service standards was measured both through its internal survey and an external independent survey. I’ll give an example of the scores. They do 3 tests in the year, and for litter, the external survey, lower is better, higher is worse, was 2.14 in early 13/14 that went up to 5.45, much worse, the in-house survey went up from 1.94 up to 2.56.

You would think the reaction to the steadily worsening standards being achieved by SERCO would have been either to invest in the services and improve it or to find a new supplier that would provide better results expected by residents.

However we learn from the exempt Cabinet report for November 2013 that the opposite was done. The former administration's Cabinet voted to make cuts of £440K per year in the SERCO contract and to reduce the quality of the service being provided. This increased to a £465K reduction in the final signed agreement. In order to make these savings the former administration agreed that SERCO would, and I quote, discuss and agree reduced response times for restoring cleaning grade, so for the red and blue roads, the most popular roads, the response time went up from 2 hours to 4 hours under the agreement they signed. For all other roads the response times went up from 12 to 24 hours for some, 6 to 12 for others and 3 hours to 4 hours for others. This is the sorry situation that we inherited and which my colleague Councillor Harcourt is busy putting right.

A street cleansing emergency response team has been created but we have chosen not to make the street cleansing staff reductions the former administration had planned in the contract provision. As a result because of our interventions, SERCO have reduced their staffing by 3 less posts than would have been done by those sitting opposite. Four new street cleaning machines have been brought into service. The Cabinet Member does a walkabouts on a monthly basis with streets chosen to him on the morning after studying reports from residents of litter and fly tipping. As a result scores are once again improving but there is still much more to do to repair the damaging cuts made by former administration.