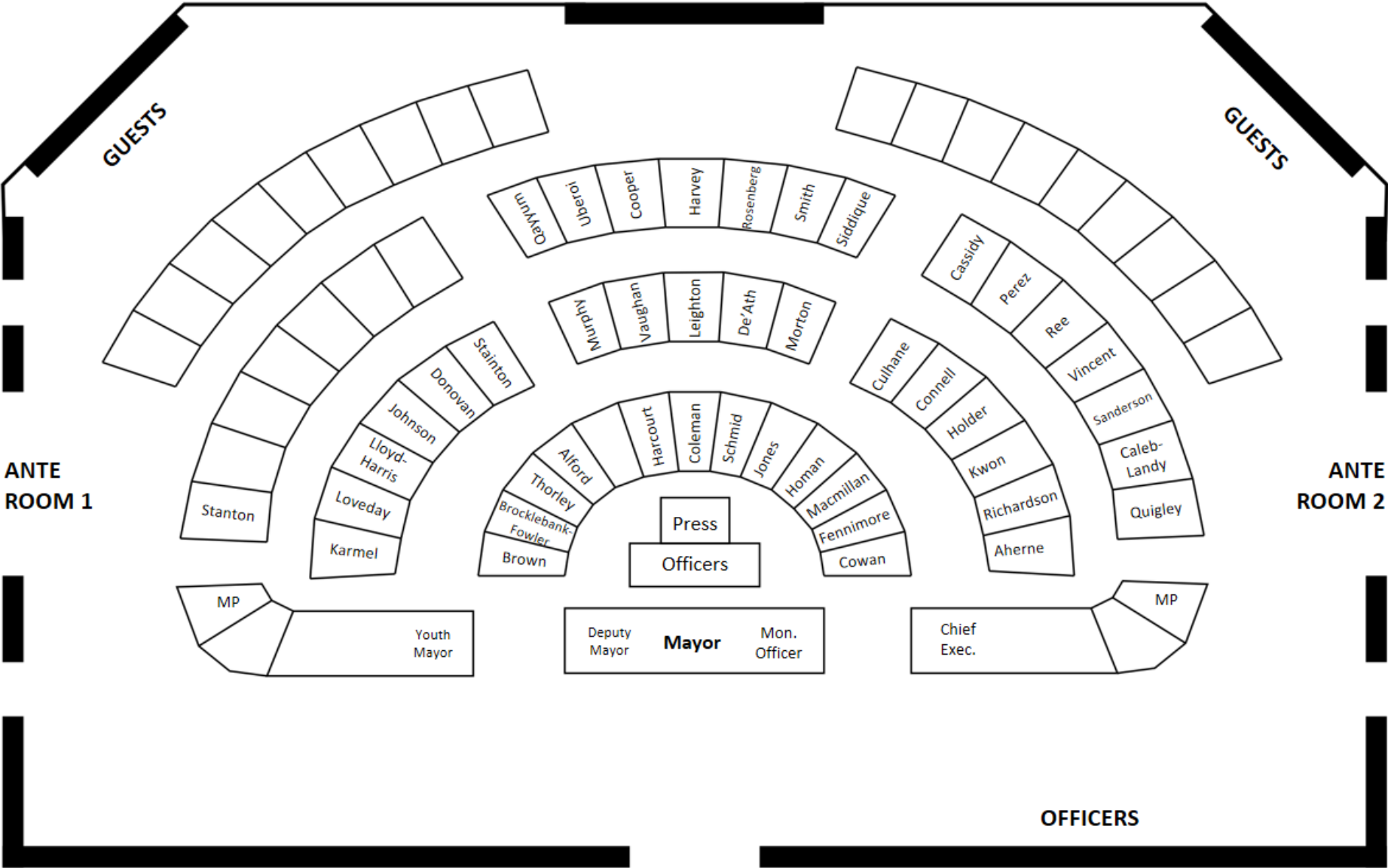


# **COUNCIL AGENDA**

**ORDINARY COUNCIL MEETING**

**Wednesday 23 January 2019**

COUNCIL CHAMBER SEATING 2018/19



COUNCIL CHAMBER FOYER



The Mayor – Councillor Daryl Brown  
Deputy Mayor – Councillor Mercy Umeh

ADDISON

Adam Connell (L)  
Rachel Leighton (L)  
Sue Fennimore (L)

HAMMERSMITH  
BROADWAY

Stephen Cowan (L)  
PJ Murphy (L)  
Patricia Quigley (L)

RAVENSCOURT PARK

Jonathan Caleb-Landy (L)  
Bora Kwon (L)  
Asif Siddique (L)

ASKEW

Lisa Homan (L)  
Rowan Ree (L)  
Rory Vaughan (L)

MUNSTER

Adronie Alford (C)  
Alex Karmel (C)  
Dominic Stanton (C)

SANDS END

Lucy Richardson (L)  
Ann Rosenberg (L)  
Matt Uberoi (L)

AVONMORE &  
BROOK GREEN

David Morton (L)  
Rebecca Harvey (L)  
Fiona Smith (L)

NORTH END

Daryl Brown (L)  
Larry Culhane (L)  
Zarar Qayyum (L)

SHEPHERDS BUSH  
GREEN

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

COLLEGE PARK &  
OLD OAK

Alexandra Sanderson (L)  
Wesley Harcourt (L)

PALACE RIVERSIDE

Amanda Lloyd-Harris (C)  
Donald Johnson (C)

TOWN

Andrew Brown (C)  
Belinda Donovan (C)  
Victoria Brocklebank-  
Fowler (C)

FULHAM BROADWAY

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

PARSONS GREEN AND  
WALHAM

Matt Thorley (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)  
Christabel Cooper (L)  
Guy Vincent (L)

# SUMMONS

Councillors of the London Borough of  
Hammersmith & Fulham  
are requested to attend the  
Meeting of the Council on  
Wednesday 23 January 2019  
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm

14 January 2019  
Town Hall  
Hammersmith W6

Kim Smith  
Chief Executive

# Full Council Agenda

23 January 2019

<u>Item</u>	<u>Pages</u>
<b>1. MINUTES</b>	8 - 30
To approve minutes of the Council Meeting held on 17 October 2018.	
<b>2. APOLOGIES FOR ABSENCE</b>	
<b>3. MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS</b>	
<b>4. DECLARATIONS OF INTERESTS</b>	
<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
<b>5. PUBLIC QUESTIONS</b>	
No questions were submitted.	
<b>6. ITEMS FOR DISCUSSION/COMMITTEE REPORTS</b>	
<b>6.1 LOCAL GOVERNMENT BOUNDARY COMMISSION - ELECTORAL REVIEW BRIEFING</b>	31 - 57

<b>6.2</b>	<b>COUNCIL TAX SUPPORT SCHEME 2019-20</b>	<b>58 - 74</b>
<b>6.3</b>	<b>COUNCIL TAX BASE AND COLLECTION RATE 2019-20 AND DELEGATION OF THE BUSINESS RATES ESTIMATE</b>	<b>75 - 86</b>
<b>6.4</b>	<b>WEST KING STREET RENEWAL PROGRAMME</b>	<b>87 - 122</b>
<b>6.5</b>	<b>REVIEW OF THE CONSTITUTION</b>	<b>123 - 133</b>
<b>7.</b>	<b>SPECIAL MOTIONS</b> To consider and determine any Special Motions:	
<b>7.1</b>	<b>SPECIAL MOTION 1 - LANNOY AND HARTOPP</b>	<b>134</b>
<b>7.2</b>	<b>SPECIAL MOTION 2 - AUSTERITY IS ECONOMICALLY ILLITERATE, CRUEL AND NO MORE THAN AN IDEOLOGICALLY CONSERVATIVE ATTEMPT TO SHRINK THE STATE WHICH IS WHY IT MUST END</b>	<b>135 - 136</b>
<b>7.3</b>	<b>SPECIAL MOTION 3 - CALL FOR A SEA-CHANGE IN THE GOVERNMENT'S TREATMENT OF DISABLED PEOPLE</b>	<b>137 - 138</b>
<b>7.4</b>	<b>SPECIAL MOTION 4 - DISABLED ACCESS TO TUBE STATIONS</b>	<b>139</b>
<b>7.5</b>	<b>SPECIAL MOTION 5 - COUNCIL HOUSING BORROWING CAP</b>	<b>140</b>
<b>7.6</b>	<b>SPECIAL MOTION 6 - RINGGO AND THE NEW VISITOR PERMIT</b>	<b>141</b>
<b>7.7</b>	<b>SPECIAL MOTION 7 - PROTECTING AND SECURING HARTOPP AND LANNOY POINTS</b>	<b>142</b>



# **COUNCIL MINUTES**

**FULL COUNCIL MEETING**

**WEDNESDAY 17 OCTOBER 2018**

PRESENT

The Mayor  
Deputy Mayor

Councillors:

Mercy Umeh  
Colin Aherne  
Daryl Brown  
Iain Cassidy  
Ben Coleman  
Adam Connell  
Stephen Cowan  
Larry Culhane  
Alan De'Ath  
Sue Fennimore  
Wesley Harcourt  
Sharon Holder  
Lisa Homan  
Andrew Jones

PJ Murphy  
Natalia Perez  
Max Schmid  
Rory Vaughan  
Guy Vincent  
Adronie Alford  
Andrew Brown  
Belinda Donovan  
Donald Johnson  
Alex Karmel  
Mark Loveday  
Frances Stainton  
Jonathan Caleb-Landy  
Christabel Cooper

Bora Kwon  
Rachel Leighton  
Amanda Lloyd-Harris  
Zarar Qayyum  
Patricia Quigley  
Rowan Ree  
Lucy Richardson  
Ann Rosenberg  
Alexandra Sanderson  
Asif Siddique  
Fiona Smith  
Dominic Stanton  
Matt Uberoi  
Matt Thorley

**1. MINUTES**

The Mayor noted the following correction to the minutes:

Under Special Motion 8 – Reforming the Council, Councillor Amanda Lloyd-Harris gave her maiden speech.

**7.02pm – RESOLVED**

That, with the correction above, the minutes of the Council meeting held on 18 July 2018 were confirmed as an accurate record and signed by the Mayor.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors David Morton, Rebecca Harvey, and Sue Macmillan.

Apologies for lateness were received from Councillor Ben Coleman.



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

There were no announcements.

### **4. DECLARATIONS OF INTERESTS**

In respect of Special Motion 11 – Calls for a halt to Government funding cuts to the London Borough of Hammersmith and Fulhams school's – Councillors made the following declarations of interest:

Councillor Matt Thorley declared non-pecuniary interests as a Director of Brightwells Multi-Academy Trust, the Chair of the Brightwells Finance Committee, and the Chair of Governors at Fulham Primary School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Colin Aherne declared a non-pecuniary interest as a Governor at Wormholt Park Primary School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Bora Kwon declared a non-pecuniary interest as a Governor at Flora Gardens Primary School and member of the Finance Committee. She 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 Wesley Harcourt declared a non-pecuniary interest as the Chair of Governors at The Good Shepherd RC Primary School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Alan De'Ath declared a non-pecuniary interest as a Governor at Hurlingham Academy School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Rory Vaughan declared a non-pecuniary interest as a Governor at St. John's Catholic Primary School and Chair of the Finance Committee. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Rachel Leighton declared a non-pecuniary interest as a Director at Fulham College Academy Trust. She 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 Zarar Qayyum declared a non-pecuniary interest as a School Governor. He considered that this did not give rise to a perception of a conflict of interests

and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Iain Cassidy declared a non-pecuniary interest as a Governor at Melcombe Primary School. He considered that this did not give rise to a perception of a conflict of interests and, in the circumstances it would be reasonable to participate in the discussion and vote thereon.

Councillor Sharon Holder declared a non-pecuniary interest as a School Governor. She 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 Natalia Perez declared a non-pecuniary interest as a School Governor. She 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 Alex Sanderson declared a non-pecuniary interest as a Governor at Flora Gardens Primary School. She 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 Patricia Quigley declared a non-pecuniary interest as a Governor at Brackenbury School. She 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.

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

### **5.1 Adoption of the Council's Revised Statement of Gambling Policy 2019-2022**

7.05pm – The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

The report and recommendations were then put to the vote:

<b>FOR</b>	<b>UNANIMOUS</b>
AGAINST	0
NOT VOTING	0

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

### **7.05pm – RESOLVED**

That the revised Statement of Gambling Policy, attached as Appendix 1 to the report, be adopted by the Council.

## 6. **SPECIAL MOTIONS**

Under Standing Order 15(e)(3), Councillor Colin Aherne moved to give precedence to Special Motions 4, 9, 5, 6, and 11 (to give the following order of business – Special Motion 1, 4, 9, 5, 6, 7, 11, 2, 3, 8, then 10). The motion to give precedence was put to the vote.

Councillor Alex Karmel moved an amendment to the motion to give precedence for Special Motion 3 to be considered after Special Motion 1. The amendment was then put to the vote:

FOR	10
<b>AGAINST</b>	<b>30</b>
NOT VOTING	0

The amendment to the motion was **LOST**.

The substantive motion was then put to the vote:

<b>FOR</b>	<b>31</b>
AGAINST	11
NOT VOTING	0

The substantive motion was declared **CARRIED**.

### **7.09pm – RESOLVED**

That Special Motions 4, 9, 5, 6, and 11 were given precedence on the agenda. The special motions therefore considered in the following order – Special Motion 1, 4, 9, 5, 6, 7, 11, 2, 3, 8, then 10.

#### 6.1 **Special Motion 1 - Happy 70th Birthday NHS**

7.09pm - Councillor Ben Coleman moved, seconded by Councillor Patricia Quigley, the special motion in their names:

*“This Council celebrates the 70<sup>th</sup> birthday of our National Health Service and thanks all the millions of NHS workers who have saved the lives and improved the health of the people of Great Britain since 1948.*

*The Council is particularly proud of our local hospitals and healthcare facilities and thanks all our NHS healthcare professionals and staff who work day in, day out to look after the health and wellbeing of people in this part of West London.*

*The Council notes that it is the Council’s formal position to call on the government, the Hammersmith & Fulham Clinical Commissioning Group, NHS North West London and Imperial College NHS Trust to put an end permanently to the Shaping a Healthier Future plan.*

*The Council also notes that, along with Ealing Council, our borough was the first in the country to refuse to sign a Sustainability and Transformation Plan (STP) as the closure of Charing Cross and Ealing hospitals was intrinsic to the plan.*

*The Council recognises that since the election of the Labour administration in 2014, the Council has been working with local residents, expert health officials, lawyers and Save Our Hospitals campaigners on an alternative approach to Charing Cross Hospital that will see it improved and safe from closure.*

*The Council agrees that the Labour administration is right to undertake these actions and to fight to save Charing Cross Hospital.*

*The Council notes that a significant and present threat to the health and wellbeing of Hammersmith & Fulham's residents remains in the form of the Shaping A Healthier Future (SaHF) plan, which was signed off in 2013 by Jeremy Hunt MP (Con), the then Secretary of State for Health.*

*The Council notes that SaHF's plan for Charing Cross Hospital proposes to:*

- Demolish the current Charing Cross Hospital*
- Sell off most the Charing Cross Hospital site*
- Replace the current hospital with a series of clinics on a site no more than 13% the size of the current hospital*
- Re-brand the clinics as a "local hospital"*
- Replace the current A&E with an Urgent Care Clinic*
- Re-brand the Urgent Care Clinic a "Class 3 A&E"*
- Lose more than 300 and possibly all of the acute care beds.*

*The Council notes that in February 2013 the former Conservative administration left the cross-party campaign to oppose SaHF and the demolition of Charing Cross Hospital. It recalls that Conservative councillors did that following talks with government and local health officials. Not only did these talks not include cross-party Labour councillors or any residents from the local Save Our Hospitals campaign, Conservative councillors did not even inform these campaign partners that they were having such discussions.*

*The Council notes that, on unilaterally leaving the cross-party campaign, the then Conservative administration chose to change the Council's position to support the SaHF proposals without any prior public scrutiny in the relevant Scrutiny Committee of what this change would actually mean for the health and wellbeing of the residents of Hammersmith & Fulham.*

*The Council notes that in the same week the Conservative councillors abandoned the cross-party campaign, their administration sent each household in the borough a taxpayer-funded magazine that claimed they had "saved" Charing Cross Hospital.*

*The Council recalls that, following a public outcry from local residents and Save Our Hospitals campaigners, these events led the local Chronicle newspaper to run the headline "Cries of 'traitors' and call for a public enquiry".*

*The Council notes that the Labour opposition called an Extraordinary Council Meeting to review the Conservative administration's change in position on Charing*

*Cross Hospital. That took place on 19 March 2013. Labour councillors put down a motion that concluded:*

- *“This Council therefore agrees to commission an independent assessment of these proposals”.*

*The Council notes that Conservative councillors (including many current Conservative councillors) voted that proposal down and voted for an amendment that detailed their support for the SaHF plan and the consequential demolition of Charing Cross Hospital.*

*The Council notes that the current leader of the opposition, Cllr Andrew Brown, spoke in favour of the SaFH plan – accusing those opposing it of burying their heads in the sand – and voted for a Conservative amendment which killed any independent assessment at that important moment in time.*

*The Council notes that Conservative councillors not only supported the SaHF proposals, they also became enthusiastic and aggressive proponents of the false premise that Charing Cross Hospital and its A&E were and are not under any threat.*

*The Council notes that as recently as 2017, Conservative councillors distributed literature to local Hammersmith & Fulham residents that said,*

*“there have never been any plans to close Charing Cross Hospital”.*

*The Council regrets these actions by Conservative councillors.*

*The Council notes the following public messages put out by the current Conservative leader of the opposition on Twitter:*

**“Andrew Brown 25/03/2013**

*Just broken shoddy twitter absence by retweeting excellent news on future of CX hospital. CX hospital now has bright future. Great for H&F”*

**“Andrew Brown 25/03/2013**

*The proposal by @NHS\_London needs to be viewed in wider context not just H&F”*

**“Andrew Brown 28/10/2013**

*“Close A&Es to save lives” doctors urge Jeremy Hunt via @Telegraph. Important article from @NHS\_NWLondon perspective”*

**“Andrew Brown 28/10/2013**

*It’s crucial for patients’ lives & outcomes that @NHS\_NWLondon plans to reorganise its hospitals for C21st to go ahead.”*

**“Andrew Brown 29/10/2013**

*.@nhs\_fighter @lbhf Have you read article? Do you care about patients’ lives & outcomes? Isn’t that more important than bricks & mortar?”*

**“Andrew Brown 14/04/2014**

*Just caught up on yesterday's #bbccsp with my Town Ward colleague @gregsmithsw6 demolishing Labour lies & myths on CX & Comms. Very proud!”*

**“Andrew Brown 15/05/2014**

*CX will retain an A&E + many other services will specialise in oncology, geriatrics & world class elective surgery.”*

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*NHS NWL's plans aren't about taking away services they are about reorganising them to provide better higher quality care.”*

**Andrew Brown 10/06/2014**

*Good to see @andyj1979 & @peter\_graham still leading the fight against @HFLabour lies, mistruths & incompetences.*

**“Andrew Brown 08/09/2014**

*About to be on @BBCLondon949 discussing future of Charing Cross Hospital.”*

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*Discussed on @BBCLondon949 the misleading & scaremongering claims about future of A&E at CXH. @DrBruceKeogh review on emergency care crucial”*

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*As ImperialNHS trust have confirmed they have no plans to close CX A&E”*

**“Andrew Brown 27/11/2017**

*STP plan states that CX will continue to provide its current A&E & wider services for at least lifetime of the plan”*

*The Council also notes that Greg Hands MP has put out a large variety of statements that dismiss any threat to Charing Cross Hospital, including this tweet:*

**“Greg Hands 22/05/2017**

*Anyone getting a Labour or H&F Council leaflet about Charing Cross, remember local NHS has rebuked their falsehoods!”*

*The Council agrees that the position taken by Hammersmith & Fulham's Conservative elected representatives on Charing Cross Hospital since 2013 has given cause for mistrust of their approach on the future of Charing Cross Hospital.*

*The Council calls on the Conservative councillors and Greg Hands MP to apologise for their approach and believes that local Conservatives have not demonstrated they can be trusted again on this vitally important matter.*

*The Council agrees that the details of the SaHF plan, bullet-pointed above, are correct and the serious threat to Charing Cross Hospital remains. It notes that health chiefs have delayed their proposals until after April 2021.*

*The Council notes the serious criticisms of SaFH and the STP contained in the report of the Independent Healthcare Commission for North West London and in “Health and Social Care in North West London, a review of Shaping a Healthier Future and the North-West London STP”, both of which were instigated by this borough’s Labour administration.*

*The Council calls on Rt Hon Matt Hancock MP (Con), the new Secretary of State for Health, to take note of these criticisms and act to end SaHF immediately and to remove the threats to Charing Cross and Ealing Hospitals.*

*The Council notes that the Labour administration has a close and trusted working relationship with residents, health experts and Save Our Hospitals campaigners. It agrees that it is in the best interest of all in the borough that it continues to work in this way to reach the objective of saving Charing Cross Hospital.”*

Speeches on the special motion were made by Councillors Ben Coleman, Patricia Quigley (who gave her maiden speech), Rory Vaughan, Lucy Richardson, Stephen Cowan, and Guy Vincent (for the Administration) and Councillor Andrew Brown (for the Opposition).

Councillor Ben Coleman made a speech winding up the debate before the motion was put to the vote.

<b>FOR</b>	<b>31</b>
AGAINST	0
NOT VOTING	11

The motion was declared **CARRIED**.

## **7.48pm – RESOLVED**

This Council celebrates the 70<sup>th</sup> birthday of our National Health Service and thanks all the millions of NHS workers who have saved the lives and improved the health of the people of Great Britain since 1948.

The Council is particularly proud of our local hospitals and healthcare facilities and thanks all our NHS healthcare professionals and staff who work day in, day out to look after the health and wellbeing of people in this part of West London.

The Council notes that it is the Council’s formal position to call on the government, the Hammersmith & Fulham Clinical Commissioning Group, NHS North West London and Imperial College NHS Trust to put an end permanently to the Shaping a Healthier Future plan.

The Council also notes that, along with Ealing Council, our borough was the first in the country to refuse to sign a Sustainability and Transformation Plan (STP) as the closure of Charing Cross and Ealing hospitals was intrinsic to the plan.

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- Re-brand the Urgent Care Clinic a "Class 3 A&E"
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The Council notes that the current leader of the opposition, Cllr Andrew Brown, spoke in favour of the SaFH plan – accusing those opposing it of burying their heads in the sand – and voted for a Conservative amendment which killed any independent assessment at that important moment in time.

The Council notes that Conservative councillors not only supported the SaHF proposals, they also became enthusiastic and aggressive proponents of the false premise that Charing Cross Hospital and its A&E were and are not under any threat.

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“there have never been any plans to close Charing Cross Hospital”.

The Council regrets these actions by Conservative councillors.

The Council notes the following public messages put out by the current Conservative leader of the opposition on Twitter:

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As ImperialNHS trust have confirmed they have no plans to close CX A&E"

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STP plan states that CX will continue to provide its current A&E & wider services for at least lifetime of the plan"

The Council also notes that Greg Hands MP has put out a large variety of statements that dismiss any threat to Charing Cross Hospital, including this tweet:

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The Council calls on the Conservative councillors and Greg Hands MP to apologise for their approach and believes that local Conservatives have not demonstrated they can be trusted again on this vitally important matter.

The Council agrees that the details of the SaHF plan, bullet-pointed above, are correct and the serious threat to Charing Cross Hospital remains. It notes that health chiefs have delayed their proposals until after April 2021.

The Council notes the serious criticisms of SaFH and the STP contained in the report of the Independent Healthcare Commission for North West London and in “Health and Social Care in North West London, a review of Shaping a Healthier Future and the North-West London STP”, both of which were instigated by this borough’s Labour administration.

The Council calls on Rt Hon Matt Hancock MP (Con), the new Secretary of State for Health, to take note of these criticisms and act to end SaHF immediately and to remove the threats to Charing Cross and Ealing Hospitals.

The Council notes that the Labour administration has a close and trusted working relationship with residents, health experts and Save Our Hospitals campaigners. It agrees that it is in the best interest of all in the borough that it continues to work in this way to reach the objective of saving Charing Cross Hospital.

#### 6.4 **Special Motion 4 - Censure of the Rt Hon Greg Hands MP on his changed position on Brexit**

7.48pm – Councillor Alan De’Ath moved, seconded by Councillor Asif Siddique, the special motion in their names:

*“The Council agrees that Brexit is the biggest and most long-lasting change facing our borough, our country and our continent at this historic moment so it is incumbent on all our elected representatives to properly represent the views and needs of our constituents and our great country.*

*It is therefore a matter of regret that the Council votes to censure the Rt Hon Greg Hands MP for his increasingly damaging position on Britain’s exit from the European Union, which is strongly at odds with the vast majority of his constituents.*

*The Council notes that in the June 2016 referendum, voters in the London Borough of Hammersmith & Fulham voted Remain by 70 per cent. Similarly, voters in the Royal Borough of Kensington and Chelsea voted Remain by 69 per cent.*

*The Council understands that the country narrowly voted differently but recognises that nobody in the country voted for the chaos that has plagued the government’s negotiations with the EU and its broader approach to Brexit ever since. The Council notes that the government is itself publishing warnings that Brexit will seriously threaten the strength of the British economy and wellbeing of its citizens across the UK.*

*The Council recognises that, as an International Trade minister, Greg Hands MP was party to and partly responsible for the government’s botched approach and the resulting chaos.*

*The Council regrets Greg Hands MP’s ill-judged attack on the Electoral Commission for sanctioning the Vote Leave campaign – publishing two articles which undermine the statutory authorities responsible for guaranteeing the safety and integrity of UK elections. The Council agrees that Mr Hands’ articles rightly earned him a public rebuttal from the Electoral Commission.*

*The Council is dismayed that, in September 2018, Greg Hands MP supported the Institute of Economic Affairs proposal for a Free Trade Agreement with the EU and notes this would necessitate border controls between the EU and UK. This would devastate the UK's manufacturing sector, much of which is integrated into "just-in-time" supply chains stretching across EU Member States, and it would necessitate a hard border between Northern Ireland and the Republic of Ireland. Short of 'no deal' this is the harshest and most economically damaging form of Brexit and is the furthest removed from what the people of Chelsea and Fulham voted for.*

*Furthermore, the form of Brexit now championed by Greg Hands MP fails to protect the service sector, which makes up 80% of the UK economy and employs many of Greg Hands MP's constituents. Many constituents are already being informed that their jobs are being relocated to Frankfurt, Paris or Dublin in order to remain within the Single Market and retain financial services passporting rights. House prices are falling as people relocate.*

*The Council notes that Greg Hands MP called for any future trade deal to sweep away existing Rules of Origin designations thus undermining food safety and quality standards at home and undermining many valuable UK exports such as Scotch whiskey.*

*The Council notes that instead of recognising the damage that the current chaotic approach of government is causing and calling for more time for the economy to transition to new arrangements, in March 2018 Greg Hands MP argued that "Calls to extend the Brexit Implementation Period (IP) are ill-judged. From Referendum to end of the IP is already to be 4 1/2yrs - historically, that's longer than World War One. It's time to get on with it." Aside from the crude comparison to a tragic conflict, the comment highlighted Greg Hands MP's lack of comprehension of the complexity of the issues he had been charged as Minister to deal with.*

*The Council calls on Greg Hands MP to respect the wishes of his constituents and not those of a narrow hard Brexit clique within the Chelsea and Fulham Conservative Party.*

*The Council further calls on Greg Hands MP to demand and vote for a confirmatory ballot of the people on the final terms of Brexit, with the option to retain the current deal (membership of the European Union).*

*If Mr Hands feels he cannot agree to whole-heartedly campaign to remain and vote for a people's vote with the option to remain, the Council calls for him to immediately resign and trigger a by-election so that the people of Chelsea and Fulham have an opportunity to be consulted and ensure they have an elected representative who represents them on the most important issue facing all of us at this historic point in time."*

Speeches on the special motion were given by Councillors Alan De'Ath, Asif Siddique (who gave his maiden speech), Rachel Leighton (who gave her maiden speech), Lisa Homan, Matt Uberoi, Christabel Cooper, Andrew Jones, Max Schmid, Ben Coleman, and Stephen Cowan (for the Administration) – and Councillors Matt Thorley and Andrew Brown (for the Opposition).

Councillor Alan De'Ath made a speech winding up the debate before the special motion was put to the vote:

<b>FOR</b>	<b>30</b>
AGAINST	11
NOT VOTING	0

The special motion was declared **CARRIED**.

### **8.47pm – RESOLVED**

The Council agrees that Brexit is the biggest and most long-lasting change facing our borough, our country and our continent at this historic moment so it is incumbent on all our elected representatives to properly represent the views and needs of our constituents and our great country.

It is therefore a matter of regret that the Council votes to censure the Rt Hon Greg Hands MP for his increasingly damaging position on Britain's exit from the European Union, which is strongly at odds with the vast majority of his constituents.

The Council notes that in the June 2016 referendum, voters in the London Borough of Hammersmith & Fulham voted Remain by 70 per cent. Similarly, voters in the Royal Borough of Kensington and Chelsea voted Remain by 69 per cent.

The Council understands that the country narrowly voted differently but recognises that nobody in the country voted for the chaos that has plagued the government's negotiations with the EU and its broader approach to Brexit ever since. The Council notes that the government is itself publishing warnings that Brexit will seriously threaten the strength of the British economy and wellbeing of its citizens across the UK.

The Council recognises that, as an International Trade minister, Greg Hands MP was party to and partly responsible for the government's botched approach and the resulting chaos.

The Council regrets Greg Hands MP's ill-judged attack on the Electoral Commission for sanctioning the Vote Leave campaign – publishing two articles which undermine the statutory authorities responsible for guaranteeing the safety and integrity of UK elections. The Council agrees that Mr Hands' articles rightly earned him a public rebuttal from the Electoral Commission.

The Council is dismayed that, in September 2018, Greg Hands MP supported the Institute of Economic Affairs' proposal for a Free Trade Agreement with the EU and notes this would necessitate border controls between the EU and UK. This would devastate the UK's manufacturing sector, much of which is integrated into "just-in-time" supply chains stretching across EU Member States, and it would necessitate a hard border between Northern Ireland and the Republic of Ireland. Short of 'no deal' this is the harshest and most economically damaging form of Brexit and is the furthest removed from what the people of Chelsea and Fulham voted for.

Furthermore, the form of Brexit now championed by Greg Hands MP fails to protect the service sector, which makes up 80% of the UK economy and employs many of Greg Hands MP's constituents. Many constituents are already being informed that their jobs are being relocated to Frankfurt, Paris or Dublin in order to remain within the Single Market and retain financial services passporting rights. House prices are falling as people relocate.

The Council notes that Greg Hands MP called for any future trade deal to sweep away existing Rules of Origin designations thus undermining food safety and quality standards at home and undermining many valuable UK exports such as Scotch whiskey.

The Council notes that instead of recognising the damage that the current chaotic approach of government is causing and calling for more time for the economy to transition to new arrangements, in March 2018 Greg Hands MP argued that "Calls to extend the Brexit Implementation Period (IP) are ill-judged. From Referendum to end of the IP is already to be 4 1/2yrs - historically, that's longer than World War One. It's time to get on with it." Aside from the crude comparison to a tragic conflict, the comment highlighted Greg Hands MP's lack of comprehension of the complexity of the issues he had been charged as Minister to deal with.

The Council calls on Greg Hands MP to respect the wishes of his constituents and not those of a narrow hard Brexit clique within the Chelsea and Fulham Conservative Party.

The Council further calls on Greg Hands MP to demand and vote for a confirmatory ballot of the people on the final terms of Brexit, with the option to retain the current deal (membership of the European Union).

If Mr Hands feels he cannot agree to whole-heartedly campaign to remain and vote for a people's vote with the option to remain, the Council calls for him to immediately resign and trigger a by-election so that the people of Chelsea and Fulham have an opportunity to be consulted and ensure they have an elected representative who represents them on the most important issue facing all of us at this historic point in time.

#### **6.9 Special Motion 9 - Conservative Mayoral Candidate**

8.48pm – The special motion was withdrawn.

#### **6.5 Special Motion 5 - Standing against Islamophobia**

8.49pm – Councillor Lucy Richardson moved, seconded by Councillor Wesley Harcourt, the special motion in their names:

*"This Council condemns all forms Islamophobia. It recognises that the London Borough of Hammersmith & Fulham is fortunate enough to have many Muslim citizens and pledges to continue to stand by them against this disgusting racism."*

*The Council calls on all in public life to promote unity and recognises that senior politicians have a particular responsibility to do that. It therefore regrets the remarks of the Rt Hon Boris Johnson MP who compared women in burqas to “letterboxes” and “bank robbers.” The Council agrees with Baroness Sayeeda Warsi that Boris Johnson was engaging in dangerous “dog-whistle” Islamophobia and calls on Boris Johnson to apologise and take all necessary measures and training to ensure he does not say or do anything that is racist again.*

*The Council calls for the forthcoming London mayoral election campaign to be conducted without using Islamophobic and racially divisive language.”*

Speeches on the special motion were made by Councillors Lucy Richardson, Wesley Harcourt, Alan De’Ath, Bora Kwon, Stephen Cowan, and Lisa Homan (for the Administration) – and Councillors Andrew Brown and Frances Stainton (for the Opposition).

Councillor Lucy Richardson then made a speech winding up the debate before the special motion was then put to the vote:

<b>FOR</b>	<b>UNANIMOUS</b>
AGAINST	0
NOT VOTING	0

#### **9.19pm – RESOLVED**

This Council condemns all forms Islamophobia. It recognises that the London Borough of Hammersmith & Fulham is fortunate enough to have many Muslim citizens and pledges to continue to stand by them against this disgusting racism.

The Council calls on all in public life to promote unity and recognises that senior politicians have a particular responsibility to do that. It therefore regrets the remarks of the Rt Hon Boris Johnson MP who compared women in burqas to “letterboxes” and “bank robbers.” The Council agrees with Baroness Sayeeda Warsi that Boris Johnson was engaging in dangerous “dog-whistle” Islamophobia and calls on Boris Johnson to apologise and take all necessary measures and training to ensure he does not say or do anything that is racist again.

The Council calls for the forthcoming London mayoral election campaign to be conducted without using Islamophobic and racially divisive language.

#### **6.6 Special Motion 6 - Standing against antisemitism and the adoption of International Holocaust Remembrance Alliance definition of antisemitism**

9.20pm – Councillor Sue Fennimore moved, seconded by Councillor Max Schmid, the special motion in their names.

*“This Council reaffirms its robust approach to firmly standing against antisemitism in all its forms across the borough and elsewhere.*

*We therefore welcome the Government’s announcement on 12 December 2016, supported by the Official Opposition, that the UK will sign up to the internationally*

*recognised International Holocaust Remembrance Alliance (IHRA) guidelines on antisemitism, which define antisemitism thus:*

*Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.*

*Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that leveled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.*

*Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:*

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.*
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.*
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.*
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).*
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.*
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.*
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavour.*
- Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.*
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.*
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.*
- Holding Jews collectively responsible for actions of the state of Israel.*



*This Council adopts in full the International Holocaust Remembrance Alliance's definition of antisemitism as set out above and pledges to continue its strong combative approach against this particularly pernicious form of racism.”*

Speeches on the special motion were made by Councillors Sue Fennimore and Max Schmid (for the Administration) – and Councillors Dominic Stanton (who gave his maiden speech) and Donald Johnson (for the Opposition).

Councillor Sue Fennimore then gave a speech winding up the debate before the special motion was put to the vote:

<b>FOR</b>	<b>UNANIMOUS</b>
AGAINST	0
NOT VOTING	0

The special motion was declared **CARRIED**.

### **9.33pm – RESOLVED**

This Council reaffirms its robust approach to firmly standing against antisemitism in all its forms across the borough and elsewhere.

We therefore welcome the Government’s announcement on 12 December 2016, supported by the Official Opposition, that the UK will sign up to the internationally recognised International Holocaust Remembrance Alliance (IHRA) guidelines on antisemitism, which define antisemitism thus:

*Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.*

*Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that leveled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.*

*Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:*

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.*
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.*

- *Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.*
- *Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).*
- *Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.*
- *Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.*
- *Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavour.*
- *Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.*
- *Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.*
- *Drawing comparisons of contemporary Israeli policy to that of the Nazis.*
- *Holding Jews collectively responsible for actions of the state of Israel.*

This Council adopts in full the International Holocaust Remembrance Alliance's definition of antisemitism as set out above and pledges to continue its strong combative approach against this particularly pernicious form of racism.

#### 6.7 **Special Motion 7 - Charter Against Modern Slavery**

9.34pm – Councillor Sue Fennimore moved, seconded by Councillor Max Schmid (standing in for Councillor Sue Macmillan), the special motion in their names.

*“This Council supports the Charter Against Modern Slavery.*

*It will....*

1. *Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.*
2. *Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.*
3. *Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.*
4. *Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.*
5. *Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*

6. *Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.*
7. *Review its contractual spending regularly to identify any potential issues with modern slavery.*
8. *Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.*
9. *Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.*
10. *Report publicly on the implementation of this policy annually."*

Speeches on the special motion were made by Councillors Sue Fennimore and Max Schmid (for the Administration) – and Councillor Matt Thorley (for the Opposition). Councillor Sue Fennimore made a speech winding up the debate before the special motion was put to the vote:

<b>FOR</b>	<b>UNANIMOUS</b>
AGAINST	0
NOT VOTING	0

The special motion was declared **CARRIED**.

#### **9.41pm – RESOLVED**

This Council supports the Charter Against Modern Slavery.

It will....

1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.
4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
7. Review its contractual spending regularly to identify any potential issues with modern slavery.

8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
10. Report publicly on the implementation of this policy annually.

**6.11 Special Motion 11 - Calls for a halt to government funding cuts to the London Borough of Hammersmith & Fulham's schools**

9.41pm – Councillor Larry Culhane moved, seconded by Councillor Alan De'Ath, the special motion in their names.

*"This Council is alarmed by the consequences to our borough's children of the ongoing government cuts to the London Borough of Hammersmith & Fulham's schools and calls on the Government to reverse its approach and immediately rectify this."*

Speeches on the special motion were made by Councillors Larry Culhane, Alan De'Ath, and Andrew Jones (for the Administration) – and Councillor Mark Loveday (for the Opposition). Councillor Larry Culhane then made a speech winding up the debate before the special motion was put to the vote:

<b>FOR</b>	<b>UNANIMOUS</b>
AGAINST	0
NOT VOTING	0

The special motion was declared **CARRIED**.

**10.02pm – RESOLVED**

This Council is alarmed by the consequences to our borough's children of the ongoing government cuts to the London Borough of Hammersmith & Fulham's schools and calls on the Government to reverse its approach and immediately rectify this.

**Guillotine**

The Mayor noted that the guillotine had fallen and informed the Council that the remaining special motions and reports would be considered moved and seconded and would be voted on in order.

**6.2 Special Motion 2 - RingGo and the New Visitor Permit**

10.02pm – The special motion was withdrawn.

**6.3 Special Motion 3 - Lannoy and Hartopp**

10.02pm – The special motion was withdrawn.

**6.8 Special Motion 8 - Disabled Access to Tube Stations**

10.02pm – The special motion was withdrawn.

**6.10 Special Motion 10 - Council Housing Borrowing Cap**

10.02pm – The special motion was withdrawn.

**7. INFORMATION REPORTS - TO NOTE**

**7.1 Annual Report of the Chair of the Audit, Pensions and Standards Committee  
- 2017-18**


**10.03pm – RESOLVED**

The report was noted.

Meeting started: 7.00 pm  
Meeting ended: 10.05 pm

Mayor .....

# Agenda Item 6.1

<b>London Borough of Hammersmith &amp; Fulham</b>  <b>FULL COUNCIL</b>  <b>23 January 2019</b>		 hammersmith & fulham
<b>LOCAL GOVERNMENT BOUNDARY COMMISSION – ELECTORAL REVIEW BRIEFING</b>		
<b>Report of the Monitoring Officer – Rhian Davies</b>		
<b>Open Report</b>		
<b>Classification:</b> For Information <b>Key Decision:</b> No		
<b>Wards Affected:</b> None		
<b>Accountable Director:</b> Rhian Davies, Monitoring Officer		
<b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny		<b>Contact Details:</b> Tel: 020 8753 2499 E-mail: <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 This report presents a briefing from the Local Government Boundary Commission for England on the electoral review of the borough. The electoral review examines and proposes new electoral arrangements for the local authority. The arrangements being reviewed are:
- The total number of Councillors to be elected to the Council.
  - The names, number and boundaries of wards.
  - The number of Councillors to be elected from each ward.
- 1.2 Representatives from the Boundary Commission will be making a presentation to Council and will take questions from members.

## 2. RECOMMENDATIONS

- 2.1 That the Full Council note the Boundary Commission's briefing on the electoral review.

### List of Appendices

Appendix 1 - Boundary Commission Briefing Pack for Hammersmith and Fulham

Local Government Boundary Commission for England

# Member Briefing Pack

Hammersmith and Fulham

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## A Message from the Chair of the Local Government Boundary Commission for England

Professor Colin Mellors OBE

*This briefing tells you all you need to know about the electoral review of your council. It tells you what an electoral review is, why we are conducting it and how you can influence the outcome.*

***The electoral review is an opportunity for you to shape your council for the future.*** On council size, the review will help you decide how you will represent communities in the future and ensure that your governance arrangements reflect your long-term ambitions. When we come to consider boundaries, we will aim to build electoral wards that reflect communities and lock in electoral fairness for future elections.

***The outcome of the review is not pre-determined.*** The Commission will only take decisions after giving careful consideration to the evidence provided by you, your council and local communities throughout the process.

***Your local knowledge will be valuable in helping us come to our conclusions.*** The best electoral reviews are those where councillors engage with the process. The Commission will take decisions on the strength of evidence provided during the review after we have assessed all submissions against our statutory criteria. It doesn't matter whether evidence comes from the council, council groups or individual councillors, we have an open mind about which proposals we will put forward as formal recommendations.

***The electoral arrangements of your council will change.*** Our experience of electoral reviews clearly shows that changing boundaries in one part of your area will inevitably have an impact on other areas. Most wards are likely to experience a change to one or more of their boundaries, name or number of councillors representing them. We will look to you to influence the nature of those changes.

***We will make it as easy as possible for you to influence the process.*** In addition to our preliminary dealings with the council, we will hold at least two phases of public consultation before we finalise the recommendations of the review. We encourage you to engage with your communities about the review, so we can get the broadest possible spread of evidence.

*I hope you find this briefing helpful.*

Professor Colin Mellors OBE

## Local Government Boundary Commission for England

The Local Government Boundary Commission for England is an independent body established by Parliament in April 2010. We are not part of government and are accountable to Parliament through the Speaker's Committee.

Our organisation consists of the Chair of the Commission and five Commissioners who are supported by approximately 20 members of staff.

## What is an Electoral Review?

An electoral review examines and proposes new electoral arrangements for the whole local authority. These are:

- The total number of councillors to be elected to the council: council size.
- The names, number and boundaries of wards.
- The number of councillors to be elected from each ward.

The review is likely to have implications for the whole local authority not just areas with high levels of electoral inequality.

## Why Hammersmith & Fulham Council?

Electoral reviews look at whether the boundaries of wards or divisions within a local authority need to be altered. We might conduct these reviews either to ensure fairer representation at local government elections after any significant changes in the distribution of electors, or at the request of a local authority for other reasons.

We also have a responsibility – set out in law – to review every local authority 'from time to time'.

Hammersmith & Fulham council has not had a review since 2000 so it will be over 18 years since the current boundaries were set by the time this review's recommendations are in place. The Commission thinks this is a reasonable interpretation of 'from time to time' and it's why we are reviewing all London boroughs that haven't had a review since the programme since 2000.

The Commission will seek to deliver electoral equality for voters in local elections.

A full table of current wards and their variances can be found at Appendix 1. A map showing the distribution of any electoral imbalances across the authority can be found at Appendix 2.

## Electoral Review Process

The electoral review will have two distinct parts;

- **Council size:** before we re-draw ward boundaries, the Commission will come to a view on the total number of councillors to be elected to the council in future. We will come to a conclusion on council size after hearing the council's (and/or councillors') views during the preliminary phase.
- **Ward boundaries:** we will re-draw ward boundaries so that they meet our statutory criteria. You will have an opportunity to put forward your ideas in two phases of public consultation.

You, and the communities you represent, can influence the review. Please refer to the timetable in Appendix 3 to find out when you can have your say.

### Part One: Council Size

The first part of the review will determine the total number of councillors to be elected to the council in the future. We call this 'council size'. We will not consider ward boundaries until we have completed this phase.

By the end of the preliminary stage of the review, we expect the council and/or its political groups, to present the Commission with a case for a council size that they believe is right for their authority.

The Commission will make its judgment on council size by considering three broad areas:

- We will look at the **governance arrangements** of the council and how it takes decisions across the broad range of its responsibilities.
- The Commission will look at the council's **scrutiny functions** relating to its own decision making and the council's responsibilities to outside bodies.
- We will also consider the **representational role of councillors in the local community** and how they engage with people, conduct casework and represent the council on local partner organisations.

If you plan to make a submission to us on council size (whether it's for an increase, reduction or maintaining current arrangements), you should make sure you address these areas and that your view is backed up by evidence.

### Governance Arrangements

The Commission aims to ensure that councils have the right number of councillors to take decisions and manage the business of the council in an effective way now and in the future.

*To support your view, the Commission is looking for evidence about cabinet and/or committee responsibilities, number of committees and their workload, delegation to officials, other bodies and plans for the future.*

### Scrutiny Functions

Every local authority has mechanisms to scrutinise the executive functions of the council and other local bodies. They also have significant discretion over the kind (and extent) of activities involved in that process. In considering council size, the Commission will want to satisfy itself that these responsibilities can be administered in a convenient and effective way.

*To support your view, the Commission is looking for evidence about the number of councillors your authority needs to hold the decision makers to account and ensure that the council can discharge its responsibilities to other organisations (e.g. other public-sector bodies, partnerships, and trusts).*

### Representational Role of Councillors

The Commission understands that there is no single approach to representation and members will represent and provide leadership to their communities in different ways. However, we are interested in hearing about the extent to which members routinely engage with communities and how this affects workload and responsibilities.

*To support your view, the Commission is looking for evidence about how councillors interact with their communities, their caseloads and the kind of support they need effectively to represent local people and groups.*

## Part Two: Warding Patterns

We will carry out two phases of public consultation when we will invite you to present your proposals for new ward boundaries.

At the first round of consultation will ask for proposals on new ward boundaries. We will use responses to that consultation to draw up draft recommendations for new boundaries across your area. We will hold a second round of consultation on those proposals during which time you will be able to comment on them and propose alternatives.

The Commission will draw up new electoral arrangements that provide the best balance of our statutory criteria. The criteria include three main elements:

- ***Delivering electoral equality for local voters.** This means ensuring that each councillor represents roughly the same number of voters so that the value of your vote is the same regardless of where you live in the local authority area.*
- ***Interests and identities of local communities.** This means establishing electoral arrangements which, as far as possible, avoid splitting local ties and where boundaries are easily identifiable.*

- *Effective and convenient local government. This means ensuring that the wards can be represented effectively by their elected representative(s) and that the new electoral arrangements, including both the council size decision and warding arrangements, allow the local authority to conduct its business effectively.*

You should ensure that any proposal you make to the Commission, during either phase of consultation, takes into account the statutory criteria. The most persuasive cases are those that are also supported by evidence. Over the next five pages, you will find further explanation about the types of evidence the Commission usually receives under each of the criteria. This might help you build your own submission.

### Delivering Electoral Equality for Local Voters

The Commission aims to deliver a pattern of wards where each councillor represents approximately the same number of electors.

We base decisions on the number of electors in a ward and not the total population. The Commission's obligation, set out in law, is to deliver electoral equality where councillors represent a similar number of electors. This could not be achieved if we considered population statistics rather than electoral register totals.

Once the Commission has taken a view on council size, it gives us, and anyone interested in submitting proposals to the review, a clear idea of the target for achieving electoral equality for future patterns of wards.

Although we strive for perfect electoral equality for all wards, we recognise that this is unlikely to be exactly achieved. If you propose a boundary that would lead to an electoral variance for the ward (see exhibit 1), the Commission will need to see evidence that such electoral inequality is justified on the grounds of the Commission's other statutory criteria. The higher the level of electoral variance you are proposing for a ward, the more persuasive your evidence will need to be.

The Commission has an obligation, set out in law, to consider electorate forecasts five years after the completion of the review. The purpose of the forecasts is to try and ensure that the review delivers electoral equality for voters in the longer term. We will work with council officers to draw up realistic forecasts for your authority. Further guidance on how we calculate projected electorates are available on our website at: <https://www.lgbce.org.uk/how-reviews-work/technical-guidance>

Table 1, below, shows how the Commission calculates and presents electoral variances in its reports. You can read the full report here: <https://www.lgbce.org.uk/all-reviews/south-east/east-sussex/eastbourne>.

Ward name	Number of councillors	Electorate (2015)	Number of electors per councillor	Variance from average %	Electorate (2021)	Number of electors per councillor	Variance from average %
1 Devonshire	3	8,623	2,874	6%	9,006	3,002	5%
2 Hampden Park	3	7,422	2,474	-8%	7,872	2,624	-8%
3 Langney	3	7,817	2,606	-4%	8,197	2,732	-4%
4 Meads	3	8,094	2,698	0%	8,566	2,855	0%
5 Old Town	3	8,339	2,780	3%	8,793	2,931	3%
6 Ratton	3	7,392	2,464	-9%	7,747	2,582	-9%
7 Sovereign	3	9,135	3,045	13%	9,517	3,172	11%
8 St Anthony's	3	8,106	2,702	0%	8,715	2,905	2%
9 Upperton	3	8,018	2,673	-1%	8,420	2,807	-1%
<b>Totals</b>	<b>27</b>	<b>72,946</b>	<b>-</b>	<b>-</b>	<b>76,832</b>	<b>-</b>	<b>-</b>
<b>Averages</b>	<b>-</b>	<b>-</b>	<b>2,702</b>	<b>-</b>	<b>-</b>	<b>2,846</b>	<b>-</b>

Table 1: Final Recommendations for Eastbourne Borough Council (2016)

## Interests and Identities of Local Communities

Unlike electoral equality, it isn't possible to measure levels of community identity, so we will be looking for evidence on a range of issues to support your reasoning. The best evidence for community identity is normally a combination of factual information such as the existence of communication links, facilities and organisations along with an explanation of how local people use those facilities.

Below are some issues that we often use to assess community interests and identity. You may wish to use some of these examples to tell us why you are putting forward your view:

- **Transport links.** Are there good communication links within the proposed ward? Is there any form of public transport? If you are proposing that two areas (e.g. streets, estates or parishes) should be included in the same ward together, how easily can you travel between them?
- **Shared interests.** Are there particular issues that affect your community which aren't necessarily relevant to neighbouring areas that might help us determine where a ward boundary should be drawn? For example, many local authorities contain areas which have urban, suburban and rural characteristics. Each of those areas may have different needs and interests though they could be located next to each other. One area might be more affected by urban issues such as the local economy while an adjacent area might be more concerned with local transport matters. We would like to hear evidence about what those issues are and how they mean boundaries should combine or separate the areas in question.
- **Community groups.** Is there a residents' group or any other local organisation that represents the area? What area does that group cover? What kind of activities do they undertake and are there any joint-working relationships between organisations that could indicate shared community interests between different geographical areas?
- **Facilities.** Where do local people in your area go for shopping, medical services, leisure facilities etc? The location of public facilities can represent the centre or focal point of a community as do some service arrangements such as NHS commissioning groups. We would like to hear evidence from local people about how they interact with those facilities so that we can understand the shape of local communities and the movement and behaviours of their residents.
- **Identifiable boundaries.** Natural features such as rivers can often provide strong and recognisable boundaries. Similarly, constructions such as major roads, railway lines or commercial developments can also form well known and effective barriers between communities.
- **Parishes.** In areas where parishes exist, the parish boundaries often represent the extent of a community. In fact, the Commission often uses parishes as the building blocks of wards. Parishes which share a secretariat or other arrangements often fit together well in the same ward.



These are issues you may wish to consider when proposing a pattern of wards or if you are commenting on the Commission's proposals. It is not – and is not intended to be – an exhaustive list of matters the Commission will consider when coming to a conclusion on wards and their boundaries. Similarly, the Commission attaches no specific weighting to any of the issues above when taking decisions. This guide simply intends to provide some prompts for you to be able to have your say.

There are also a number of things the Commission does not consider to be strong evidence when it takes decisions. For example, an area's history and tradition may be the basis of a sense of community identity. However, communities change over time and perceptions can vary between individuals as to the nature of those ties. The Commission would need to hear how and why those traditional arrangements reflect communities now.

In addition, whilst social and economic data (e.g. from the census or other statistical sources) can tell you a lot about individuals living in an area, it doesn't necessarily explain the nature of communities and is often a poor guide their interests and identities. The Commission considers that this kind of evidence can provide useful background information for an area, but we will treat it with caution when proposing new wards.

### Effective and Convenient Local Government

We also consider whether a ward pattern would help deliver effective and convenient local government to people. If you are providing evidence to the Commission, there are a number of issues you might want to consider so that our recommendations can help us meet this obligation.

- **Ward size.** We will look at the geographic size of the ward and try to ensure that it is not so large that it would be difficult for a councillor to represent. Similarly, in urban areas, a ward might be so small in area that its councillor might not be able to contribute effectively to the wider business of the council.
- **Ward names.** Councils and their communities are usually able to suggest appropriate names for wards that reflect community identities and mean something to local people. In determining names for wards, we aim to avoid causing confusion amongst local electors and ensure that names are distinct and easily identifiable, for example, our preference is for names that are short rather than those which attempt to describe an area exhaustively.
- **Internal access.** Recommendations for ward boundaries will normally provide for people to move between all parts of the ward without having to venture outside of the ward. This normally means vehicular access by road. However, there may be occasions when parts of a community are linked not by vehicular routes but by footpaths, footways, pedestrianised streets etc. These will be more likely to be acceptable in densely populated residential areas of towns or cities.



- *Barriers.* Transport links such as roads and railway lines can unite communities or serve to divide them. For example, a parade of shops can act as the focal point for an area, but a main road can signify the ward between communities. The Commission will aim to reflect these differences in its recommendations.
- *'Doughnut' wards.* We occasionally receive proposals for a pattern of wards which propose an 'inner' ward and an 'outer' ward for a settlement. We will not normally recommend this kind of pattern because the communication links between the north and south of the outer ward are usually poor and we also often find that people in the northern part of the outer ward share higher levels of community identity with residents in the north of the inner ward than with residents in the south of the outer ward. Where we need to divide a settlement or an estate to achieve electoral equality, we will usually seek an alternative to this pattern.
- *Detached wards.* The Commission is sometimes presented with proposals to include two geographically separate areas in the same ward. We will not usually accept a proposal of this kind, except in extraordinary geographical circumstances such as for offshore islands, as it is unlikely to meet our criteria for promoting community identity and interests or delivering effective and convenient local government.
- *Number of councillors for each ward.* There is no limit, in law, to the number of councillors that can be elected to represent a ward. However, as a matter of policy, the Commission will not accept a proposal for more than three councillors to represent a ward as we do not think such an arrangement would promote effective and convenient local government or local accountability.
- *Electoral Cycles.* For councils that hold whole-council elections every four years, the Commission is able to propose any pattern of wards that it believes best meets its statutory criteria. This is usually a mixture of single-, two- and three-councillor wards.

Councils that elect by whole-council election are able formally to request a single-member ward review. Such a request must be made to the Commission before the start of the first round of consultation opens. In a single-member ward review, the Commission will have a presumption in favour of a uniform pattern of single-member wards for the whole local authority.

## Consultation: How to 'Have your say'

An electoral review is a consultative process. You, and your community, can influence the outcome. We have an open mind about adopting proposals from groups or individuals that are supported by evidence and complement the statutory criteria.

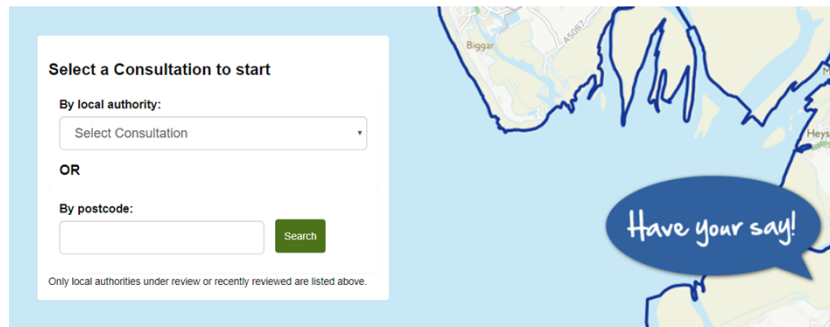
In addition to the preliminary phase of the review, when we gather information about the council and assess your views on council size, we will hold at least two phases of public consultation.

We encourage councillors to take part in each phase of consultation, as individuals or as groups, and we hope that elected members can also encourage communities to take part in consultation.

We are only able to consider evidence that is made to us in writing as all decisions are taken by formal meetings of the whole Commission. The best evidence includes the reasons why you agree with our proposals or why you disagree with them. If you do not think our proposals are right for your area, we would welcome alternative suggestions for boundaries that meet our criteria.

There are several ways in which you can keep up to date with the progress of the review and to have your say:

- *Website*. You can keep track of the electoral review for your area through our website at <http://www.lgbce.org.uk/>. We set up a dedicated web page for each review where you will find details of its timetable, our reports, maps, proposals and guidance. You can comment on our proposals directly through our website or by emailing: [reviews@lgbce.org.uk](mailto:reviews@lgbce.org.uk). And you can write to us at the address shown on the contacts page. We also publish all the submissions we receive so you can see what kind of evidence we relied on to make our decisions.
- *Interactive consultation portal*. The portal allows you to view and interact with our maps as well as comment on our proposals directly. By logging on to <https://consultation.lgbce.org.uk/> you will be able to view our proposals down to street level, draw your own pattern of wards or annotate the maps to tell us about the nature of community interests and identities in your area. Below, you can see what the site looks like and how you might be able to put forward your views. Log on to <https://consultation.lgbce.org.uk/> to find out how you can interact with our mapping.



Select a Consultation to start

By local authority:

Select Consultation

OR

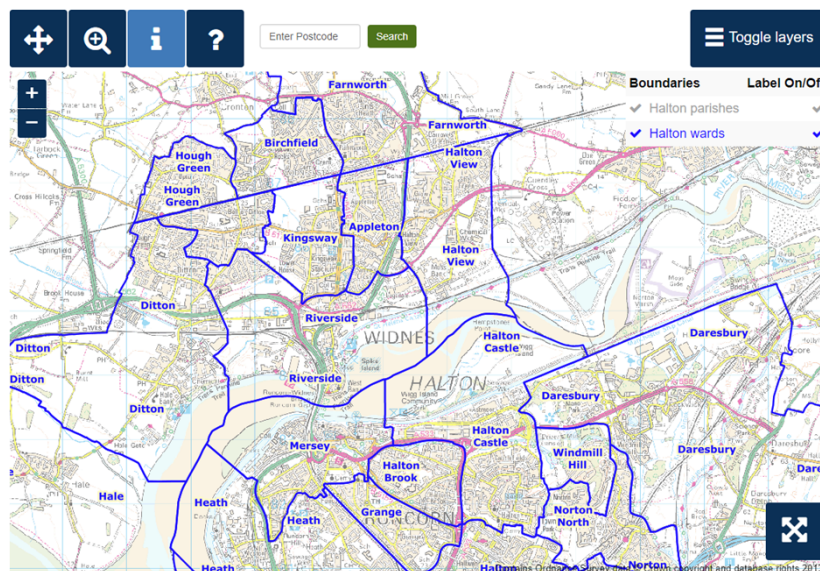
By postcode:

Search

Only local authorities under review or recently reviewed are listed above.

## Welcome to our consultation area

- Find out if we are consulting in your area
- Explore our proposals
- Draw your boundaries
- Have your say



- **Parishes and/or residents groups.** If your area has parish councils, we will offer to hold a briefing meeting locally at the start of an electoral review with representatives of the parishes. Alternatively, we will consider offering a briefing meeting for resident's associations at the start of a review to brief them on the process.
- **Members of Parliament.** The Commission offers to brief all local MPs at each phase of consultation and will keep them updated on the progress of the review.
- **Lead commissioner.** One of our commissioners will be appointed as lead commissioner for the review and will represent the Commission in meetings with the council though all decisions are taken by the Commission collectively. The lead commissioner and key staff will also conduct at least one tour of the local authority area to assess the issues 'on the ground' and areas of contention as we draw up recommendations.

- *Publicity.* We will issue a press release at every stage of an electoral review to local press and media to encourage engagement in the process by local people. We will also ask the council to publicise the review. We will produce posters at each stage to be displayed in council offices, libraries and by local organisations and we will ensure that we produce hard copies of all our reports and maps for display in council buildings and libraries for those who do not have internet access. Follow us on Twitter @LGBCE.
- *Community groups.* At the start of a review, we will ask your local authority for information and contact details for local community groups and organisations that might be interested in the review and who might also wish to contribute to it. We will write to all those groups with information about the review at each stage and invite evidence from them. We will also ensure that we make contact with local organisations that represent minority groups that might otherwise have been excluded from the consultation process. We will provide translations and accessible versions of our material on request.

## Making effective representations

### *Council Size.*

When you put forward a council size, we will assess your number (or range of numbers) against your 15 'nearest neighbour' authorities as set out by CIPFA. Refer to Appendix 4 to see how your authority compares to its 'nearest neighbours'.

If your proposal means that your council size would be well above or below the average of your statistical neighbours, you need to ensure your case for that council size is particularly strong. In some cases, your current council size could put you outside the range of your neighbours, so we would need a strong case to retain the status quo.

If you want to make sure your case on council size is as strong as possible, you should:

- Make sure you address your governance arrangements, scrutiny functions and the representational role of councillors.
- Support your case with evidence e.g. of councillor workload, volume of decisions and councillor representation in the community.
- Ensure that you have taken into account future trends and that the council size you suggest will still be right in future years.
- Find out more about council size in our technical guidance: <https://www.lgbce.org.uk/how-reviews-work/technical-guidance>

### *Boundaries.*

A persuasive representation regarding the warding arrangements for an authority will usually;

- *Be submitted at the right time.* If you have a view on division boundaries, don't just wait until we have published draft recommendations. Make a submission during the Stage One consultation to ensure we can build in your proposal at the earliest possible stage.
- *Take account of our statutory criteria.* The Commission will judge all submissions, and make recommendations, based on those criteria.
- *Consider the consequences of the proposal across the wider area.* Most proposals will have a knock-on effect elsewhere in the borough.
- *Be based on evidence.* Tell us why your view should be accepted and how your suggestion meets the criteria.
- *Suggest an alternative.* If you are objecting to a proposal, tell us where we should draw the boundaries.

Finally, the Commission welcomes submissions that support its recommendations as much as those that propose alternatives. It is very likely that people who oppose our draft recommendations will get in touch with the Commission to put forward their alternative proposals. So, if you support our recommendations, you should make sure you tell us so that we can balance the evidence.

### *Recent Reviews*

The Commission's rolling programme of reviews means that many other local authorities have been through the process in recent years. You may find their experiences useful for a number of reasons:

- Read their council size submissions to find out what arguments they put to the Commission and the evidence they provided.
- Find out how councils put their ward patterns together and which proposals the Commission found persuasive.
- Look at the submissions we received from groups and individuals during consultation.

Our website includes dedicated web pages for all previous electoral reviews and you can read all the evidence we received as well as our draft and final recommendations reports. Specific examples of some recently completed reviews can be found at Appendix 5.

## Contacts

The key contacts for this electoral review of Hammersmith & Fulham Council are:

Review Officer	Mark Cooper
Email	mark.cooper@lgbce.org.uk
Telephone	0330 500 1272
Review Manager	Richard Buck
Email	richard.buck@lgbce.org.uk
Telephone	0330 500 1271

If you want to send in a submission on the review:

Address	Review Officer (Hammersmith & Fulham) LGBCE 1 <sup>st</sup> Floor, Windsor House 50 Victoria Street London SW1H 0TL
Email	reviews@lgbce.org.uk
Consultation Portal	consultation.lgbce.org.uk

Switchboard: 0330 500 1275

Website: [www.lgbce.org.uk](http://www.lgbce.org.uk)

Facebook: [www.facebook.com/LGBCE](https://www.facebook.com/LGBCE)

Twitter: @LGBCE

## Appendix 1: Electoral Data Summary

### Electoral Variance by Ward

Ward Name	No. Cllrs	Electorate 2018	Variance 2018 (%)
Addison	3	8,299	-1%
Askew	3	10,010	20%
Avonmore & Brook Green	3	8,065	-3%
College Park & Old Oak	2	5,957	7%
Fulham Broadway	3	7,994	-4%
Fulham Reach	3	8,124	-3%
Hammersmith Broadway	3	8,375	0%
Munster	3	7,720	-8%
North End	3	7,733	-7%
Palace Riverside	2	5,484	-2%
Parsons Green & Walham	3	7,510	-10%
Ravenscourt Park	3	7,839	-6%
Sands End	3	9,491	14%
Shepherd's Bush Green	3	8,484	2%
Town	3	7,815	-6%
Wormholt & White City	3	9,231	10%

### Data Summary

No. Cllrs	No. Electors	Cllr: Elector Ratio
46	128,131	2,785

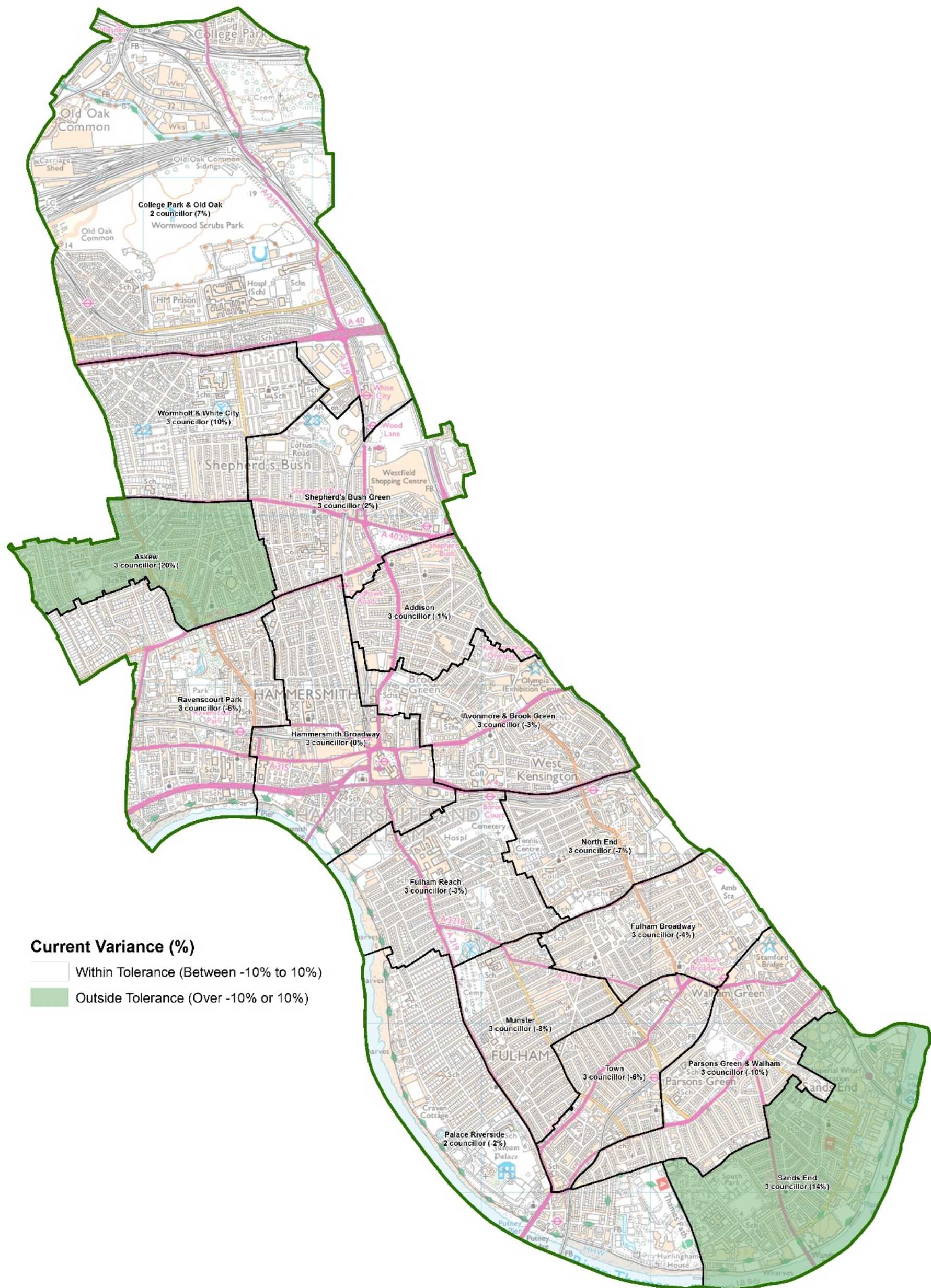
	No. Wards
One-Councillor Wards	0
Two-Councillor Wards	2
Three-Councillor Wards	14
Total No. Wards	16

Electoral Imbalance	No. Wards	% Wards
>10%	2	12.5
>20%	0	0
>30%	0	0
>40%	0	0

Outliers	Positive	Negative
Askew	20%	
Sands End	14%	



## Appendix 2: Map of Electoral Variances





## Appendix 3: Electoral Review Timetable

### Hammersmith & Fulham: Electoral Review Full Timetable

These timetables outline the key dates and activities for both the Council (shown in bold) and the Commission during the course of the review process.

#### Preliminary Period

<b>Briefings</b>	<b>Attendees</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Initial Meeting</b>	<b>Council Leader Chief Executive</b>	Chair Chief Executive	<b>23 October 2018</b>
<b>Officer Briefing</b>	<b>Council Officers involved in review</b>	Review Manager Review Officer	<b>6 November 2018</b>
<b>Group Leader Briefing</b>	<b>Council Group Leaders</b>	Lead Commissioner Review Manager Review Officer	<b>23 January 2019</b>
<b>Full Council Briefing</b>	<b>All Councillors</b>	Lead Commissioner Review Manager Review Officer	
Local Groups Briefing	Optional attendance	Review Manager Review Officer	<b>TBC</b>

#### Council Size

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Develop council size proposal</b>	<b>Council Political Groups</b>	Officers will be available to answer any technical queries on making a submission.	<b>06 November 2018 to 15 March 2019</b>
<b>Submission of draft council size proposals (Recommended)</b>	<b>Council Political Groups</b>		<b>15 February 2019</b>
<b>Submission of supplementary review information (Required)</b>	<b>Council</b>		<b>15 February 2019</b>
<b>Submission of council size proposals (Required)</b>	<b>Council Political Groups</b>	Officers will acknowledge receipt of submissions.	<b>15 March 2019</b>

Commission Meeting: Council Size	Not required	Commission	16 April 2019
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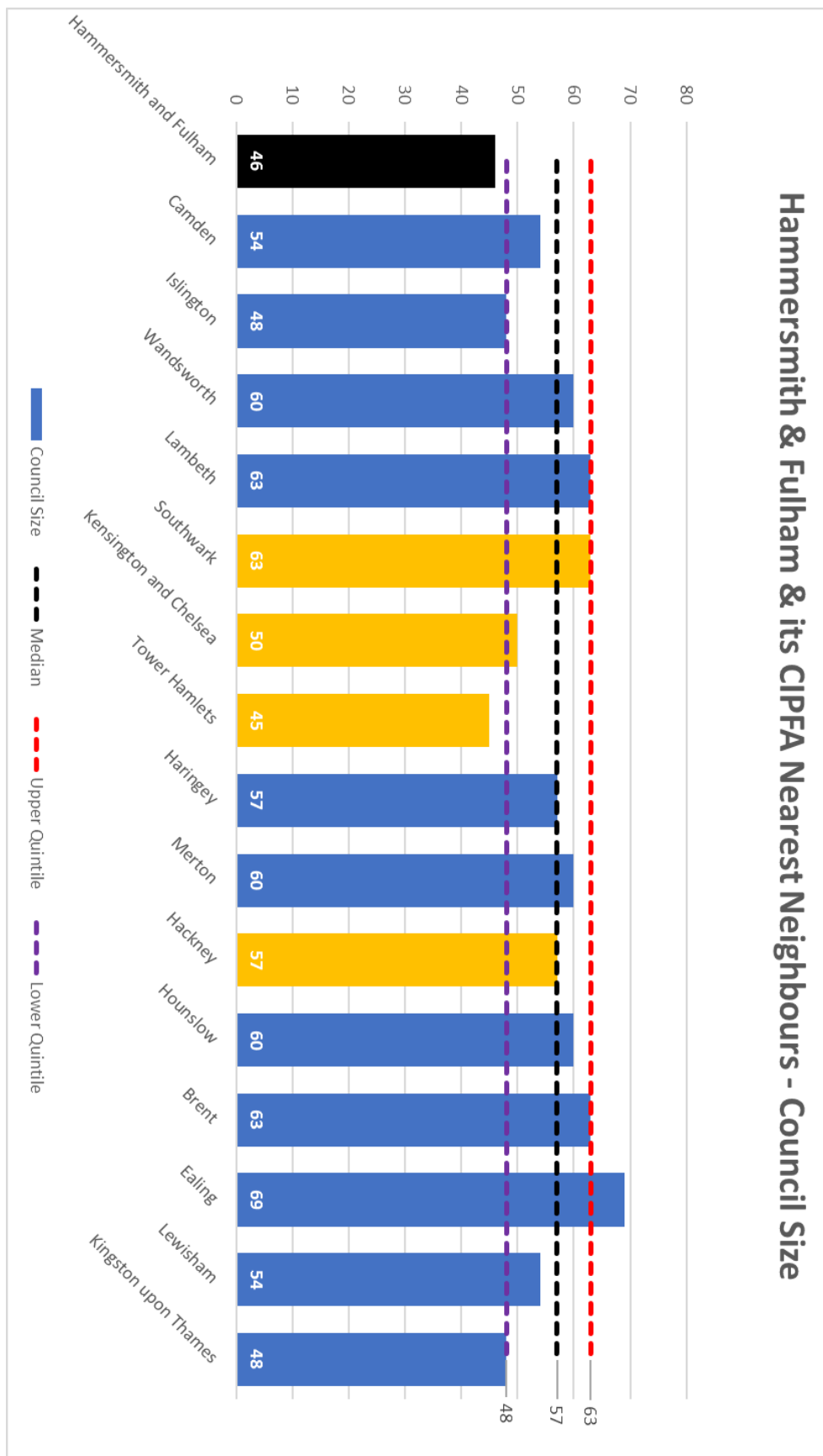
## Warding Patterns

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
<b>Consultation on warding patterns</b>	<b>Council Political Groups General Public</b>	Run consultation, collate & analyse responses.	<b>23 April 2019 to 01 July 2019</b>
<b>Submission of warding pattern proposals (Recommended)</b>	<b>Council Political Groups</b>	Officers will be available to answer any technical queries.	<b>01 July 2019</b>
Commission Meeting: Draft Recommendations	Not required	Commission	<b>17 September 2019</b>
<b>Consultation on Draft Recommendations</b>	<b>Council Political Groups General Public</b>	Run consultation, collate & analyse responses.	<b>01 October 2019 to 09 December 2019</b>
<b>Submission of further comments on warding pattern proposals (Recommended)</b>	<b>Council Political Groups</b>	Officers will be available to answer any technical queries.	<b>09 December 2019</b>
Commission Meeting: Final Recommendations	Not required	Commission	<b>21 January 2020</b>

## Order

<b>Activity</b>	<b>Involvement</b>		<b>Key Dates</b>
	<b>Council</b>	<b>LGBCE</b>	
Order laid	Not required	Commission	<b>Spring 2020</b>
Order made	Not required	Commission	<b>Spring 2020</b>
<b>Implementation</b>	<b>Council</b>	Not required	<b>2022</b>

## Appendix 4: Council Size Expected Range



## Appendix 5: Recently Completed Reviews

*Sheffield City Council (2014):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0018/14391/sheffield-city-council-submission.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0018/14391/sheffield-city-council-submission.pdf)

*Elmbridge Borough Council (2015):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0020/24464/ElmbridgeBC-Council-size-paper-Appendix-A.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0020/24464/ElmbridgeBC-Council-size-paper-Appendix-A.pdf)

*Exeter City Council (2015):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0017/24470/ExeterCC-Exeter-2015-01-21-CouncilSize\\_Redacted.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0017/24470/ExeterCC-Exeter-2015-01-21-CouncilSize_Redacted.pdf)

*Blackburn with Darwen Borough Council (2016):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0015/31092/LGBC-Council-Size-report-to-Council-October-2016.2.1.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0015/31092/LGBC-Council-Size-report-to-Council-October-2016.2.1.pdf)

*London Borough of Croydon (2016):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0010/29746/CroydonBC-Croydon-2016-07-05.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0010/29746/CroydonBC-Croydon-2016-07-05.pdf)

*London Borough of Croydon Conservative Group (2016):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0011/29747/ConservativeGroup-Croydon-2016-07-01.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0011/29747/ConservativeGroup-Croydon-2016-07-01.pdf)

*Leeds City Council (2016):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0011/28784/Leeds\\_CouncilSize\\_Combined.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0011/28784/Leeds_CouncilSize_Combined.pdf)

*Dartford Borough Council (2017):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0003/35229/Dartford-Borough-Council-Council-Size-Paper.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0003/35229/Dartford-Borough-Council-Council-Size-Paper.pdf)

*Royal Borough of Windsor & Maidenhead (2017):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0008/35288/The-Royal-Borough-of-Windsor-and-Maidenhead-council-size-submission.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0008/35288/The-Royal-Borough-of-Windsor-and-Maidenhead-council-size-submission.pdf)

*South Somerset District Council (2017):* [http://s3-eu-west-2.amazonaws.com/lgbce/\\_data/assets/pdf\\_file/0010/34597/REVIEW-OF-ELECTORAL-ARRANGEMENTS-Council-Size-Submission.pdf](http://s3-eu-west-2.amazonaws.com/lgbce/_data/assets/pdf_file/0010/34597/REVIEW-OF-ELECTORAL-ARRANGEMENTS-Council-Size-Submission.pdf)

*London Borough of Brent (2018): <http://s3-eu-west-2.amazonaws.com/lgbce/Reviews/Greater%20London/Brent/Council%20Size/Council%20Size%20Submission.pdf>*

## Appendix 6: Frequently Asked Questions

### *What characterises a good electoral review?*

The best electoral reviews are those where the council and councillors have engaged with the process at an early stage.

On council size, authorities that have thought seriously about how they want to manage the business of the council and represent local people for the long term, usually put forward strong submissions.

Where local authorities and/or members have put together a ward pattern that meets our statutory criteria and where the proposals are supported by evidence, we tend to be able to draw up recommendations that are largely built on consensus.

Councils that have been able to gain input from local groups and individuals on their proposals usually put forward a strong submission especially where it is supported by evidence.

### *What don't you consider in an electoral review?*

Polling districts, school catchment areas, addresses and postcodes are not matters the Commission will take into account when drawing new ward boundaries. Although some existing wards may have strong boundaries and reflect local communities, we start with a clean sheet of paper when drawing up recommendations.

We take no account of parliamentary constituency boundaries (see below for more details).

Similarly, we do not take into account possible political implications of our recommendations.

### *Why can't you consider boundaries at the same time as the number of councillors?*

The Commission will make a judgment on council size before we consider ward boundaries. This means that everybody who wishes to take part in the consultation will know the optimum number of electors per councillor which we need to achieve to deliver electoral equality in our pattern of wards. If you do not know the total number of councillors who will be elected to the council, it makes it very difficult to come up with a proposal for a ward pattern that will deliver this crucial statutory criterion.

On some occasions, the Commission will alter its view on council size in its draft or final recommendations by one councillor if that number provides for a scheme of wards which better reflects our statutory criteria.

### *How much will the review cost?*

The Commission does not charge local authorities to undertake an electoral review and our funding is agreed by the Speaker's Committee in the House of Commons.

Every review is different, and some are more resource intensive than others. For example, a county will require more resources than a small district in terms of the quantity of maps, time spent drawing up recommendations and consultation materials.

Like most other public-sector organisations, the Commission is under an obligation to reduce costs. Since 2010, the Commission has reduced its budget by around 30% in real terms and will make further savings in the coming years.

### *My ward has the right number of electors already. Will it change?*

Changes to wards are usually extensive in every review we conduct. For example, if we propose to change council size in a significant way, it is unlikely that your ward will then contain the optimum councillor: elector ratio. In addition, the knock-on effects of changing boundaries in one part of the local authority can have an impact elsewhere which usually leads to substantial changes.

If you wish to retain an existing boundary, you should tell us why such an arrangement complements the statutory criteria.

### *Will you look at the external boundaries of the council?*

No. The electoral review will only consider internal ward boundaries. External boundaries can only be changed through a different type of review called a Principal Area Boundary Review (PABR).

More details on PABRs can be found on our website at:  
<https://www.lgbce.org.uk/how-reviews-work/technical-guidance>

### *Will parliamentary constituency boundaries be affected?*

Reviews of constituency boundaries are the responsibility of the Boundary Commission for England which is a separate body and operates under different legislation. You can find out more about their work on their website at:  
[boundarycommissionforengland.independent.gov.uk/](http://boundarycommissionforengland.independent.gov.uk/).

The Commission has no obligation to consider constituency boundaries as we draw up recommendations. As such, there is a possibility that new wards could cross constituency boundaries.

### *Will parishes be affected?*

We have no powers to alter the external boundaries of local parishes. However, if our recommendations propose to divide parishes between wards, we will alter the electoral arrangements of that parish to create parish wards. We can also make changes to the years in which parish council elections take place so that they do so in the same years as borough elections in their associated wards.

More information about possible implications for parishes are set out in our technical guidance: <https://www.lgbce.org.uk/how-reviews-work/technical-guidance>

#### *Can the council veto your recommendations?*

No. We will work consultatively with you throughout the review and seek to build consensus. However, the final recommendations of the review are those of the Commission. After we publish our final recommendations, we will lay a draft order – the legal document that seeks to implement the recommendations – in both Houses of Parliament. It is up to Parliament to approve or reject that draft order before it is implemented.

#### *Will you hold public meetings and/or meet with political groups during the process?*

We will always brief a meeting of the full council in the early stages of the review. We will also offer a briefing meeting with local parishes and/or residents groups.

During the rest of the review, we will not usually offer to meet any groups or individuals. We try to ensure that everyone has an equal chance of influencing the Commission during consultation and, as such, we do not want to be seen to favour any group by holding meetings to which other interested parties do not have access.

#### *Why don't you consider the population of wards and not just the electorate?*

The Commission has a statutory obligation under the Local Democracy, Economic Development and Construction Act 2009 'to secure that the ratio of the number of local government electors to the number of members of the council to be elected is, as nearly as possible, the same in every electoral area of the council'. This means that we can only consider the number of local government electors when we draw up boundaries which will deliver electoral equality.

#### *In what forms do you accept submissions?*

The Commission only accepts submissions which are made in writing by hard copy, email or through our website. The Commission takes decisions collectively and will consider every submission received before coming to a conclusion.

You can also use our consultation portal to draw your own boundaries and submit them directly to the Commission. You are strongly advised to include an explanation of why the boundaries you are putting forward are appropriate and complement our statutory criteria.

Submissions to the Commission are rarely persuasive if they are not supported by an explanation of how the proposal meets the Commission's statutory criteria. As such, petitions which simply object to a proposal do not usually constitute strong evidence on which the Commission can base alternative recommendations. In the same way, resolutions of council which do not provide for alternative arrangements that are supported by a rationale will not normally prove to be persuasive.

#### *To what extent do you change your recommendations during the process and as a result of consultation?*

Since the establishment of the Commission as a stand-alone body in April 2010, the Commission has made amendments to its draft recommendations in most cases as

a result of submission received during consultation. We consider every submission and believe the electoral review process is strongest where local authorities have engaged in it.


*How will you involve local people in the review?*

We will engage with local press and media at every stage of consultation through press releases and social media. We also publish all relevant information on our website, including every submission we receive. Our online consultation portal allows users of the site to draw their own boundaries and engage in the process in a detailed way.

If your area has parishes, we will engage directly with them through a briefing meeting and via correspondence to alert them to each phase of consultation. Similarly, we have asked the council for their help in identifying local resident's groups and organisations, so we can write to them with advice and guidance on the review.

We have also asked the council to help us publicise the review by using its own communication channels with residents and local groups and we will provide posters to display in council buildings. We hope elected members can also use their networks to engage communities in the process.



<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>FULL COUNCIL</b></p> <p><b>23 January 2018</b></p>		 <p>hammersmith &amp; fulham</p>
<b>COUNCIL TAX SUPPORT SCHEME 2019/20</b>		
<b>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</b>		
<b>Open Report</b>		
<b>Classification: For decision</b> <b>Key Decision: Yes</b>		
<b>Consultation:</b> The public, through CitizenSpace and the Council's website		
<b>Wards Affected:</b> All		
<b>Accountable Director:</b> Sharon Lea, Director of Residents' Services		
<b>Report Author:</b> Hugh Foster, Assessment Manager, Resident Services		<b>Contact Details:</b> Tel: 020 8753 4737 E-mail: <a href="mailto:hugh.foster@lbhf.gov.uk">hugh.foster@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. Since 2013, the council has been required to set its own scheme on how it wants to help those on low income pay their council tax.
- 1.2. Despite a cut in funding, the council has always wanted to ensure that residents are no worse off than they would have been had the original council tax benefit regulations stayed in place. This is contrary to many authorities who have decided to levy a charge against their poorest residents.
- 1.3. The funding was originally based on what the Council paid in council tax benefit less 10%. However, now, the funding forms part of the Revenue Support Grant allocation received at the Local Government Finance Settlement (LGFS).
- 1.4. This report recommends that we continue to operate the scheme as much as possible as though the previous regulations were in place

- 1.5. Since our scheme was first introduced, Universal Credit has been introduced and there have been changes to the housing benefit scheme which have meant that in previous years, the council have agreed minor changes.
- 1.6. This year, we propose the following changes:
- Adding a threshold of £5 pw to the notifications received from the Department of Works and Pensions that advise the Council of changes to Universal Credit. This means, if the DWP advise the Council that a claimant's Universal Credit has changed by less than £5.00pw, the Council will not take action (see appendix 1).
  - Where a council tax support claim has stopped due to level of Universal Credit and associated income, that claim would remain valid from the date that Council Tax Support has stopped for a six month period. This mirrors Universal Credit regulations.
  - Where a claimant is entitled to Housing Benefit and notifies us of a wish to claim Council Tax Support, we will assess Council Tax Support without the need for a claim form. This will be assessed from the date of request, either by email, telephone or letter.
- 1.7. Agreement for the new scheme must be approved by full council before 31<sup>st</sup> January 2019.

## **2. RECOMMENDATIONS**

- 2.1. That the council agrees the changes to the Council Tax Scheme for 2019/20 as set out in this report.

## **3. REASONS FOR DECISION**

- 3.1. We are proposing changes on how to assess notifications from the Department of Works and Pensions (DWP) to make the scheme more efficient. As more claimants move on to Universal Credit, this is becoming harder for the Council to assess in a timely manner and would need to dedicate more resources to this.
- 3.2. By ignoring the small changes in council tax support, the Council will be able to cope better with the amount of this work received. It will also provide more stability for council tax support claims affected by this as entitlement will not be changing on a weekly basis.

## **3.3 PROPOSAL AND ISSUES**

### **Introduction and Background**

- 3.4. The Local Government Finance Act 2012 abolished council tax benefit and gave local authorities new powers to assist residents on low incomes with help paying their council tax.

- 3.5. 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.
- 3.6. The funding for the scheme was originally based on what the authority used to spend in council tax benefit less 10%. However, the funding for council tax support is now included in the Revenue Support Grant which has, and will, continue to be subject to further cuts. It is up to the authority to decide how to deal with this potential loss of income.
- 3.7. The schemes must last at least a year. It is proposed that this scheme runs for one year for the period April 2019 to March 2020.

### **Universal Credit**

- 3.8. Since Council Tax Support was introduced, it has been the council's intention to maintain a scheme that reflects the previous council tax benefit scheme as much as possible so that no one in the authority is worse off. However, it has also been the intention to reflect the benefit regulations that are prescribed for those that are of pension age and those on housing benefits. This means incorporating any changes in those schemes into the Council's CTS scheme.
- 3.9. When the scheme was first defined, Universal Credit was not in existence. The way that residents on Universal Credit are assessed was agreed in the 2016/17 scheme. There are no proposed any changes to this assessment.

### **Cost of the scheme**

- 3.10. In general, our caseload is dropping, meaning Council Tax Support scheme is costing us less. However, the grant support from central government is also falling.
- 3.11. See financial implications (below) for cost of scheme.

## **4. OPTIONS AND ANALYSIS OF OPTIONS**

- 4.4. Across London, the main option for authorities who wish to raise additional revenue through the council tax support scheme is to charge everyone a proportion of council tax – including those on passported benefits such as income support
- 4.5. On average, where authorities outside of Hammersmith and Fulham have chosen this option, those on maximum benefit pay about 20% of their council tax liability.
- 4.6. The Council would be seeking repayment from the poorest in society, many of whom have already seen reductions in their income through other welfare reform changes.

- 4.7. The Council has decided to forgo any additional revenue that would be generated in all residents having to pay some council tax by instead having a fairer system based on old benefit rates and income tapers.

## **5. CONSULTATION**

- 5.4. The Council has a duty to consult with affected parties regarding the scheme. The consultation has been minimal because we have not substantially changed the scheme. (This approach has been previously endorsed by GLA).
- 5.5. This year, we consulted with residents from the 30<sup>th</sup> August 2018 to 31<sup>st</sup> October 2018.
- 5.6. Like all other years, the consultation was through CitizenSpace. The consultation, via its URL, was also moved on to the council tax support home page on the Council's website.
- 5.7. The Council has received only 1 response this year, as was the case last year (see Appendix 2).

## **6. EQUALITY IMPLICATIONS**

- 6.4. An EIA has been attached at Appendix 3.
- 6.5. There will be no groups that will be adversely affected by the proposals made.
- 6.3 Implications completed by Peter Smith, Head of Policy & Strategy – Tel. 020 8753 2206

## **7. LEGAL IMPLICATIONS**

- 7.1 The Council is required, each financial year, to consider whether to revise its Scheme or to replace it with another. The Council must make this decision no later than 31 January in the financial year preceding when the Scheme is to take effect.
- 7.2 The Council has a statutory duty to set the Council Tax each year and this report is part of this process. The Council can only vary or set Council Tax discounts or higher amounts as legally empowered to do so. The relevant regulations and legislation are the Local Government Finance Act 1992, the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003. The Council Tax base has been calculated in accordance with the relevant Acts and regulations.
- 7.3 Implications completed by: Rhian Davies, Assistant Director of Legal and Democratic Services

## **8. FINANCIAL IMPLICATIONS**

- 8.4. The council tax support scheme operates by offering a discount to residents who need help paying their council tax. The cost of the scheme is shared between Hammersmith and Fulham and the Greater London Authority based on their respective council tax charges. The Hammersmith and Fulham share of the scheme cost was £8.1m in 2018/19 and is estimated to be £7.9m in 2019/20. This reduction reflects a lower caseload.
- 8.5. Funding for the council tax support scheme was originally provided through Revenue Support Grant (RSG) from the Government. Government grant funding has reduced from £160m in 2010/11 to £90m by the end of 2018/19, a reduction of £70m (54% real terms and 43% cash). In addition, a further £8.6m reduction is expected by 2019/20.
- 8.6. Implications verified/completed by: Will Stevens, Finance Business Partner – Tel. 020 8753 6654

## **9. IMPLICATIONS FOR LOCAL BUSINESS**

- 9.1 The scheme is not anticipated to have any negative impact on local businesses.
- 9.2 Implications verified/completed by Albena Karameros, Economic Development Team – Tel. 020 7938 8583

## **10. COMMERCIAL IMPLICATIONS**

- 10.1 Details of any impact of the proposals in the report for procurement and contract management/revenue.
- 10.2 Implications verified/completed by Simon Davis, Assistant Director Commercial Management – Tel. 020 8753 7181

## **11 IT IMPLICATIONS**

- 11.1 There are no IT Implications resulting from the proposal in this report.
- 11.2 Implications verified/completed by Karen Barry, Strategic Relationship Manager – Tel. 020 8753 3481

## **12 RISK MANAGEMENT**

- 12.1 Local Authorities have received significant cuts to Budgets imposed on them by national Government, in addition the Government's Universal Credit Scheme has posed challenges to the poorest and most vulnerable in society. Council tax benefit (CTB) was a UK-wide benefit that provided support for council tax to low-income families. This was abolished in April 2013 and local authorities in England were charged with designing their own council tax support (CTS) schemes in its place. Although these must maintain support for pensioners at its previous level, local authorities have wide discretion to design their own schemes for working-age families. The Council's scheme

contributes positively to our Residents, meeting their needs and expectations, also contributing to our Council Values most specifically being a compassionate Council so the most vulnerable among us are looked after.

- 12.2 Implications verified/completed Michael Sloniowski, Risk Manager, tel 020 8753 2587, mobile 07768 252703

### **13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

- 13.1 None.

### **LIST OF APPENDICES**

Appendix 1: Example of comparing UC calculation with/without £5 threshold

Appendix 2: Council Tax Support Consultation 2019-20: Interim report

Appendix 3: Equality Impact Analysis (EIA) of Local Council Tax Support Scheme 2019/20

## Appendix 1

### Example of comparing UC calculation with/without £5 threshold

In this example, we have outlined the circumstances of a customer on a low income (earning a net amount of £115.38 per week) and what would happen if we receive a notice from the DWP that the customer's earnings increase necessitates a UC change by £4.00 per week.

The claimant has a rent of £200 per week to pay. In the first example, the claimant can receive £431.95 per week UC but will be expected to pay £200 of this towards their rent, leaving a net amount of £231.95. The reduced CTS award will change the rate of council tax that the customer is expected to pay. *If we receive regular changes from the DWP, we would have to alter the claimant's CTS every time.*

In doing the calculation for council tax support, in the way that we are proposing, we ignore the increase as it is less than £5.00 per week. A CTS award of £6.25 per week will be retained.

### Example 1: CTS Calculation (without threshold)

Description	Gross Income	Disregards	Eligible Amount
Net Earnings	£115.38	£27.10	£88.28
Child Benefit (disregarded)	£34.40	£34.40	£0.00
Universal Credit (UC)	£431.95	£0.00	£431.95
Total Income (earnings plus UC)	£520.23		

Income used in calculation	£516.23
Less the UC applicable amount	£427.95
Excess Income	£92.28

Eligible Council Tax	£23.91
Less 20% of Excess Income	£18.46
<b>Weekly Council Tax Support Award</b>	<b>£5.45</b>

### **Example 2: CTS Calculation (with threshold)**

<b>Description</b>	<b>Gross Income</b>	<b>Disregards</b>	<b>Eligible Amount</b>
Net Earnings	£115.38	£27.10	£88.28
Child Benefit (disregarded)	£34.40	£34.40	£0.00
Universal Credit (UC)	£431.95	£0.00	£431.95
Total Income (earnings plus UC)	£520.23		

Income used in calculation	£516.23
Less the UC applicable amount	£427.95
Excess Income	£88.28

Eligible Council Tax	£23.91
Less 20% of Excess Income	£17.66
<b>Weekly Council Tax Support Award</b>	<b>£6.25</b>

### **Glossary**

Disregards	Within CTS, we disregard a certain amount of earned income. How much we disregard depends on the family make-up of the claimant and the number of hours worked
Eligible Amount	This is the net income after all disregards are taken off. It is this income that the final award calculation is based on
Applicable Amount	This is the figure at which the claimant stops to receive maximum CTS. So, if the income is below the applicable amount, they receive maximum CTS. Once the income goes above the applicable amount, the CTS is reduced by 20%.



## Council Tax Support Consultation 2018-19: Summary report

This report was created on Friday 23 November 2018 at 11:00.

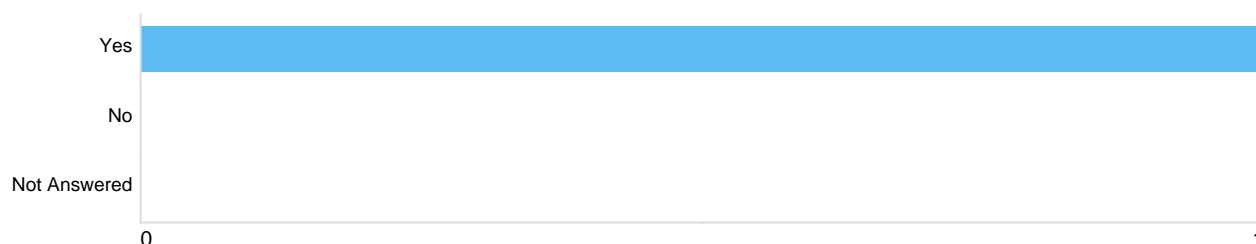
The consultation ran from 29/08/2018 to 31/10/2018.

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Question 1: Do you agree with the proposal to introduce a threshold to the universal credit change notifications from the DWP?	1
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Question 2: Do you agree with our proposals around keeping a dormant claim form open for 6 months?	2
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Question 3: Do you agree we should treat entitlement to housing benefit as an intention to claim?	2
treat entitlement	2
Question 4: Do you agree with our overall approach that no one should be worse off under our scheme than if the previous regulations were still in place?	2
overall approach	2
Question 5: Please add anything here you would like us to consider when making a final decision on our scheme:	2
(complete below)	2
Question 6: Do you pay council tax to the Hammersmith & Fulham Council?	3
1	3
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6	5

### Question 1: Do you agree with the proposal to introduce a threshold to the universal credit change notifications from the DWP?

5



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

**Question 2: Do you agree with our proposals around keeping a dormant claim form open for 6 months?**

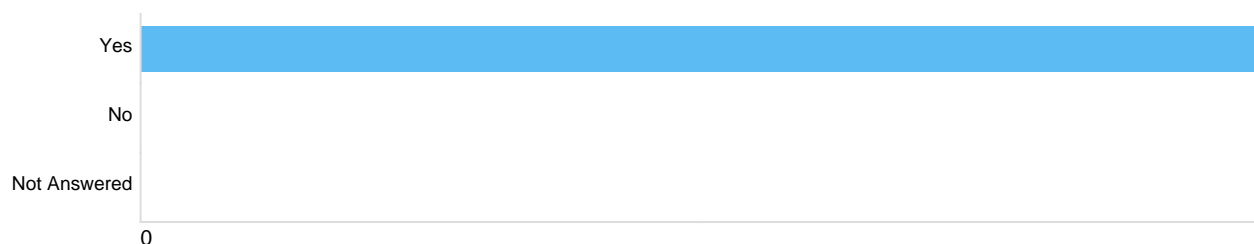
5



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

**Question 3: Do you agree we should treat entitlement to housing benefit as an intention to claim?**

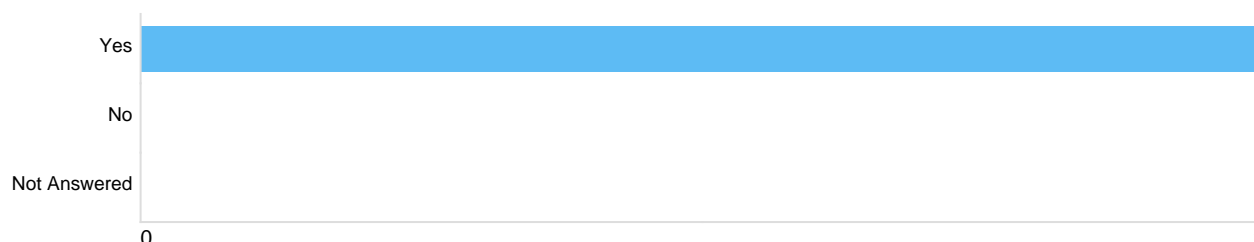
*treat entitlement*



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

**Question 4: Do you agree with our overall approach that no one should be worse off under our scheme than if the previous regulations were still in place?**

*overall approach*



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

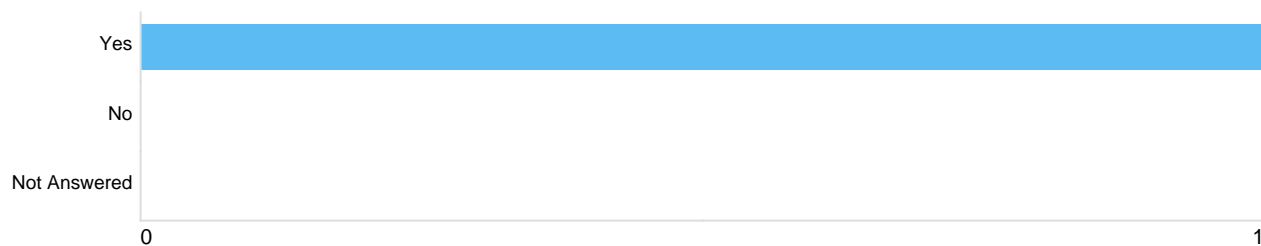
**Question 5: Please add anything here you would like us to consider when making a final decision on our scheme:**

*(complete below)*

There were 0 responses to this part of the question.

**Question 6: Do you pay council tax to the Hammersmith & Fulham Council?**

1



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

**Question 7: Do you receive Council Tax support?**

2



Option	Total	Percent
Yes	1	100.00%
No	0	0%
Not Answered	0	0%

**Question 8: What is your age group?**

3



Option	Total	Percent
Under 18	0	0%
18 - 59	1	100.00%
60 or over	0	0%
Not Answered	0	0%

**Question 9: Are you (please tick one):**

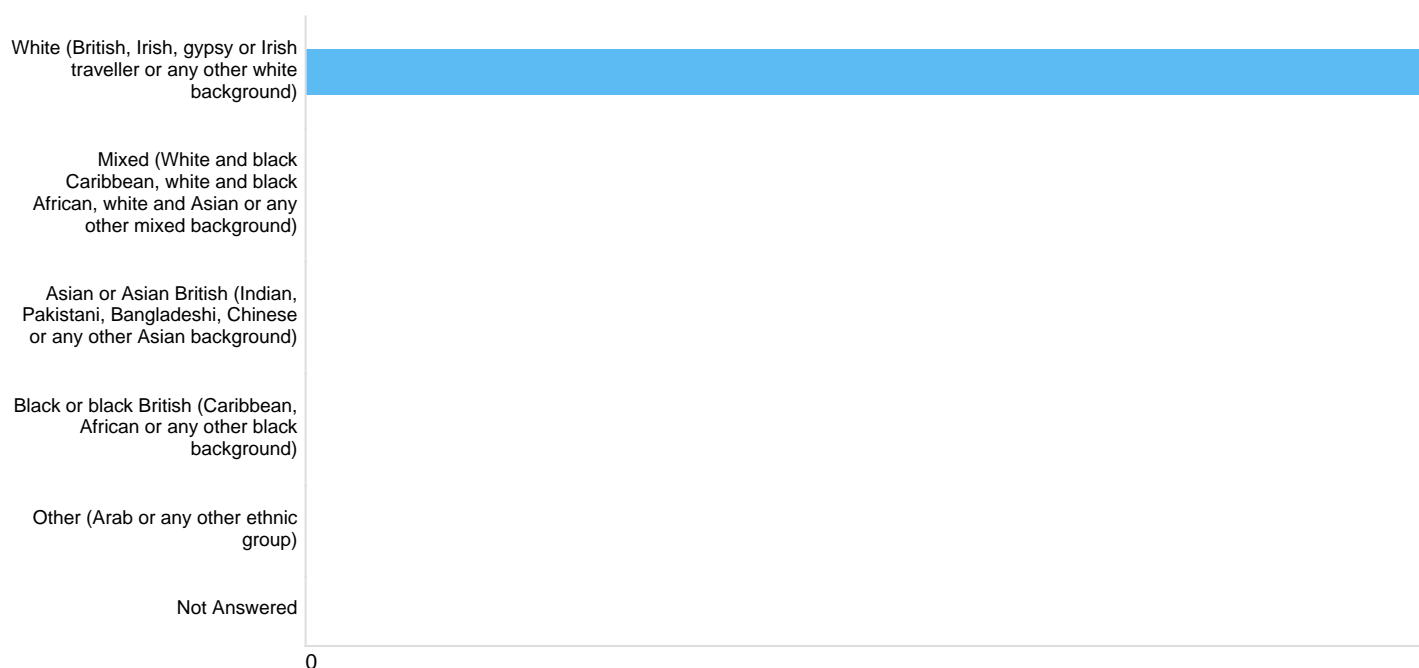
4



Option	Total	Percent
A Pensioner	0	0%
A Student	0	0%
Employed	0	0%
Unemployed	0	0%
Disabled	1	100.00%
Not Answered	0	0%

**Question 10: Are you (please tick one)**

5



Option	Total	Percent
White (British, Irish, gypsy or Irish traveller or any other white background)	1	100.00%
Mixed (White and black Caribbean, white and black African, white and Asian or any other mixed background)	0	0%
Asian or Asian British (Indian, Pakistani, Bangladeshi, Chinese or any other Asian background)	0	0%
Black or black British (Caribbean, African or any other black background)	0	0%
Other (Arab or any other ethnic group)	0	0%
Not Answered	0	0%

**Question 11: Are you responding to the consultation in your capacity as a representative of any of the following:**

6



Option	Total	Percent
Voluntary organisation	0	0%
Housing Association	0	0%
Landlord	0	0%
Other	1	100.00%
Not Answered	0	0%

## **Appendix 3**

### **Equality Impact Analysis (EIA) of Local Council Tax Support Scheme 2019/20**

#### **(A) Overview and Summary**

Since 2013, the council has been obliged to set a local scheme to award council tax support (CTS) for residents on a low income. From then, the council has adopted a scheme that reflects the benefit regulations and nobody in the authority has been worse off. As this meant that there was no change for claimants, there was no requirement to complete an equalities impact assessment.

#### **Universal Credit**

Universal Credit (UC) was introduced in October 2013 for a very specific cohort of out of work claimants. Initially, the take up was slow but from June 2016, The DWP have introduced the full digital service to the borough. This means everyone of working age within the borough should claim UC.

For out of work claims, the CTS assessment is simple. Maximum support is awarded the same as a passported legacy benefit (such as Jobseekers Allowance).

The authority decided for the 2016/17 scheme to assess in work claims for UC as it was not possible to rely on legacy benefit regulations as UC was not introduced when these were rescinded.

The council has decided that for in-work UC claimants, the CTS will be assessed using the UC applicable amounts rather than the applicable amounts taken from the housing benefit regulations (as we normally do). This meant that these claimants received more CTS as the UC rates higher.

The council have now decided to enhance our assessment process in 2019/20 by

- adding a threshold to the notifications we receive from the Department of Works and Pensions that tell us of changes to Universal Credit. We think the threshold should be £5.00 per week.
- Allowing a dormant council tax support form to be valid for up to 6 months after the claim date. This is in line with Universal Credit regulations where a claim can remain open for 6 months in case the claimant becomes entitled during that period. here is entitlement to housing benefit, we suggest that our scheme should treat this as an intention to claim.
- If there is entitlement to housing benefit, we suggest that our scheme should treat this as an intention to claim. We are suggesting this to ensure that anyone on receipt of housing benefit, who becomes entitled to council tax support does not lose out if they do not claim in time.

A public authority must, in the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). This EIA is intended to assist the Council in fulfilling its public sector equality duty ("PSED"). It assesses, so far as is possible on the information currently available, the equality impact of our decision to assess in work UC claims based on the UC rates rather than the rates used for non UC cases.

## **(B) Methodology**

There is little difference in the way that we have decided to calculate UC claims as the UC applicable amount are similar to those used in legacy benefits. Our proposals to enhance our assessment process will facilitate CTS claims and awards for our customers.

### **Analysis of the impact of the assessment of UC claims for CTS**

Local Council Tax Support (LCTS) came into effect on 01 April 2013, and replaced Council Tax Benefit which was abolished as part of the Government's Welfare Reforms (which include the introduction of Universal Credit). H&F decided for the following years to absorb the cost of the changes, which means that people receive the same or very similar help to pay their council tax as they did under council tax benefit.

At present, there are 5543 CTS claims who are in receipt of UC, 38% of CTS claims. The vast majority of these are out of work and so are not currently affected by our proposals.

The original cohort selected by the DWP as part of the take up of UC largely focused on single claimants but has now extended to all new claims throughout the whole borough.

Because of the historical focus on single claimants, the UC caseload on CTS is still heavily biased towards single people. There are 65 claims made by couples, 1% of claims. Of the remaining 1556 claims, 28% are from women, 943, 7% are from men and 451 claims, 8% are from disabled claimants.

It is not possible to extract meaningful ethnicity data from the caseload.

From the limited information that we hold, there is little impact on CTS recipients. However, we can see that there is a positive impact on those affected as the authority's scheme for UC is more generous during this transitional period of the Welfare Reforms.

The authority does not select the claimants who receive UC as this is done by the DWP.

## **(C) Conclusion**

For the claimants affected by our assessment of UC, the change has a positive impact because it awards them more council tax support than if we used legacy benefit rates. For any other claimant, the overall affect is neutral as they are not affected by the change in anyway.

Also, all protected groups are not disproportionately represented in this change. Those who receive UC are not selected disproportionately from any group.

We have chosen the option that benefits those affected rather than puts them at a disadvantage so there are no further mitigating actions that the authority can take.

Because UC is a new benefit and an emerging part of the government's welfare reform agenda, the affects to the CTS caseload will need to be monitored and subject to review.


Based on current information we feel that this is the fairest way forward but we will monitor any impacts as more people are affected to ensure that no group is impacted adversely. It will also be important though to also monitor how this affects the value of CTS awards to ensure that this more generous scheme is not too expensive for the council to implement.

The scheme will run for a year so there will be further opportunities to review for 2020/21. If change is required, then further work will be needed to assess its impact on the protected groups.





# Agenda Item 6.3

<b>London Borough of Hammersmith &amp; Fulham</b>  <b>FULL COUNCIL</b>  <b>23 JANUARY 2019</b>		
<b>COUNCIL TAX BASE AND COLLECTION RATE 2019-20 AND DELEGATION OF THE BUSINESS RATE ESTIMATE</b>		
<b>Report of the Cabinet Member for Finance and Commercial Services – Councillor Max Schmid</b>		
<b>Open Report</b>		
<b>Classification: For Decision</b> <b>Key Decision: Yes</b>		
<b>Consultation</b> Not applicable		
<b>Wards Affected: All</b>		
<b>Accountable Director:</b> Hitesh Jolapara, Strategic Director of Finance and Governance		
<b>Report Author:</b> Jamie Mullins Head of Recovery		<b>Contact Details:</b> Tel: 020 8753 1650 E-mail: <a href="mailto:Jamie.Mullins@lbhf.gov.uk">Jamie.Mullins@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 This report is a Statutory requirement and contains an estimate of the Council Tax Collection rate and calculates the Council Tax Base for 2019/20.
- 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 2019/20.
- 1.3 The proposed Council Tax Base for 2019/20 of 79257 is an increase of 1403 on the figure agreed for 2018/19 of 77856.
- 1.4 Based on the 2018/19 Band D charge of £727.81 the increase in the tax base will result in an increased income of £1.02m for Hammersmith and Fulham.
- 1.5 The recommendations contained in the Council Tax Support 2019/20 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 4 below.

- 1.6 The Autumn budget 2017 announced that Local Authorities will be able to charge a 100% council tax premium on properties which have been empty for over 2 years equating to 200% of the council tax payable in 2019/20 and this will rise to a 200% premium from April 2020 for properties empty over 5 years and 300% from April 2021 for properties empty over 10 years.
- 1.7 This will raise an additional estimated income of £43k in 2019/20 and legislation has now been passed which allows the premium to be charged from the 1<sup>st</sup> April 2019.
- 1.8 The report also seeks to delegate authority to the Strategic Director of Finance and Governance to determine the business rates tax base for 2019/20.

## **2. RECOMMENDATIONS**

- 2.1 That the Full Council approves the following recommendations for the financial year 2019/20:
  1. That the Council charge a 100% council tax premium on empty properties equating to 200% of the council tax payable from the 1<sup>st</sup> April 2019 and agree to include the full subsequent increases in the premium in each future year.
  2. That the estimated numbers of properties for each Valuation Band as set out in this report be approved.
  3. That an estimated Collection rate of 97.5% be approved.
  4. That the Council Tax Base of 79,257 Band "D" equivalent properties be approved
  5. To delegate authority to the Strategic Director of Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services, to determine the business rates tax base for 2019/20.
  6. Council will also be required to approve the recommendations in the Council Tax Support Scheme 2019/20 report, prior to the recommendations in this report, as they are reflected as Band "D" equivalents in the Council's Tax base calculations in section 4.5 below.

## **3. REASONS FOR DECISION**

- 3.1 Under Section 33(1) 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 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, this remains in place
- 3.3 Under Section 11B of the Local Government Finance Act 2012 the Council introduced the Council Tax Empty Homes Premium with effect from 1 April 2014, this remains in place. This increases the charge on dwellings that have been unoccupied and substantially unfurnished for more than two years to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable.
- 3.4 The Autumn Budget 2017 announced that Local Authorities will be able to increase the Council Tax Empty Homes Premium charge to 100% which equates to 200% of the council tax payable. Legislation has now been passed which allows the premium to be charged from the 1<sup>st</sup> April 2019.

## **4. PROPOSAL AND ISSUES**

### **4.1 DISCOUNTS**

#### **4.1.1 Second Homes**

- 4.1.1.1 There are some 2110 second homes in the borough. The Council does not offer a discount on second homes which adds 2493 Band "D" equivalents to the tax base for 2019/20. These discounts are included in Section 4.4 below.
- 4.1.1.2 Based upon 2018/19 Council Tax levels this generates income to the Council of £1.81m. 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.

#### **4.1.2 Empty Properties**

- 4.1.2.1 There are some 269 empty (unoccupied and unfurnished) properties in the borough. The Council does not offer a discount for empty properties which adds an additional 318 Band "D" equivalents to the tax base for 2019/20.
- 4.1.2.2 Based upon 2018/19 Council Tax levels this generates income to the Council of £231k. This income also directly benefits the GLA.

### **4.2 EMPTY HOMES PREMIUM**

- 4.2.1 There are some **102** properties in the borough that have been empty for more than two years. The effect of charging a 50% premium on these properties adds an additional 60 Band "D" equivalents to the tax base for 2019/20. These premiums are included in Section 4.4 below
- 4.2.2 This equates to additional income for the Council (net of preceptors) of approximately £43k (based on the 2018/19 Band D Council Tax). As set out in the recommendations, it is proposed that the premium be doubled to 100%. This would raise an estimated extra £43k and these additional Band D equivalents have been added to the tax base for 2019/20.

### **4.3 COUNCIL TAX SUPPORT**

- 4.3.1 Under Council Tax Support, Hammersmith & Fulham and the GLA absorb the full cost of the scheme, which mirrors the previous council tax benefit arrangements.
- 4.3.2 For 2019/20 the Council has provided for a total of £11.1m in Council Tax Support discounts. This equates to 10,878 band "D" equivalents based on 2018/19 Council Tax levels.
- 4.3.3 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 4.5.

### **4.4. VALUATION BAND PROPERTIES**

- 4.4.1 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 12 October 2018.
- 4.4.2 This return reflected the actual number of properties shown in the Valuation List as at 10 September 2018 and the Council's records as at 1 October 2018.
- 4.4.3 A detailed analysis of the properties in each valuation band can be summarised as follows. There are a total of 88741 dwellings on the list with some 28161 properties estimated to receive a single person's discount. The total Band "D" equivalent is approximately 92015 properties.

<b>Band</b>	<b>Band Size</b>	<b>Total Dwellings</b>	<b>Total after Discounts, Exemptions and Disabled Relief</b>	<b>Ratio</b>	<b>Band "D" Equivalents</b>
A	Values not exceeding £40,000	3,827.0	2,950.0	6/9	1,966.7
B	Values exceeding £40,000 but not exceeding £52,000	6,415.0	4,899.8	7/9	3,810.9
C	Values exceeding £52,000 but not exceeding £68,000	14,251.0	12,211.8	8/9	10,854.9
D	Values exceeding £68,000 but not exceeding £88,000	24,844.0	22,148.5	9/9	22,148.5
E	Values exceeding £88,000 but not exceeding £120,000	15,995.0	14,600.5	11/9	17,845.1
F	Values exceeding £120,000 but not exceeding £160,000	9722.0	8,973.5	13/9	12,961.7
G	Values exceeding £160,000 but not exceeding £320,000	11,195.0	10,561.5	15/9	17,602.5
H	Values exceeding £320,000	2,492.0	2,412.5	18/9	4,825.0
	<b>Total</b>	<b>88741.0</b>	<b>78758.0</b>		<b>92015.3</b>

#### **4.5. ADJUSTMENTS TO THE VALUATION LIST**

4.5.1 The above table shows the valuation band position at 10 September 2018 but the Council is also required to take into account the Council Tax Support Scheme and any other likely changes during the financial year 2019/20. 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 314 units currently under construction

on various sites in the Borough that will be added to the tax base sometime during 2019/20. It is estimated after allowing for different completion dates that this will equate to an additional 306 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 undertakes a review of single person discounts being awarded to taxpayers each year. The current review will commence in November 2018 and based on previous reviews it is estimated that a further 2,400 discounts will be removed which will add an additional 622 Band "D" equivalents to the tax base for 2019/20.

(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 758 Band "D" equivalents is required.

(v) Council Tax Support

The cost of the scheme equates to 10,878 band "D" equivalents, based on 2018/19 Council Tax levels, which now have to be deducted from the tax base for 2019/20. This is less than the deduction of 11,193 Band D equivalents made in 2018/19. This is due to a reduction in the number of claimants applying for a discount.

(vi) Care Leavers

For 2018/19, the council has provided £14k in discounts for care leavers up to the age of 25. This equates to 20 band D equivalents based on 2018/19 council tax levels. The cost of this discount is fully funded by the council and needs to be deducted from the council's tax base calculation in section 4.5.3

4.5.2 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.

4.5.3 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:

<b>Band</b>	<b>Band "D" Equivalent Actual September</b>	<b>Adjustments for New Properties</b>	<b>Adjustments for Student Exemptions</b>	<b>SPD</b>	<b>Adjustments for Council Tax Support Scheme</b>	<b>Care Leavers</b>	<b>Revised Band "D" Equivalents</b>
<b>A</b>	1,966.7	0	-19	26	-500	-8	1,465.6
<b>B</b>	3,810.9	174	-20	51	-1114	-8	2,893.5
<b>C</b>	10,854.9	1	-89	122	-2529	-5	8,355.3
<b>D</b>	22,148.5	83	-253	190	-3319	-4	18,845.5
<b>E</b>	17,845.1	24	-198	107	-2026	0	15,752.3
<b>F</b>	12,961.7	12	-111	58	-900	0	12,021.2
<b>G</b>	17,602.5	2	-65	60	-476	0	17,123.5
<b>H</b>	4,825.0	18	-2	8	-16	0	4,833.0
	<b>92015.3</b>	<b>314</b>	<b>-757</b>	<b>622</b>	<b>-10,879</b>	<b>-25</b>	<b>81,290.3</b>



## **4.6 COLLECTION RATE**

- 4.6.1 The Council is also required to estimate its Collection Rate for 2019/20 at the same time as arriving at the estimated number of properties within the Tax Base. In arriving at a percentage Collection Rate for 2019/20, the Council should take into account the likely sum to be collected, previous collection experience and any other relevant factors.
- 4.6.2 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.
- 4.6.3 The actual collection rate for 2018/19 achieved to the end of October 2018 is 65.11%, comprising cash collection of £52.7m and Council Tax Support of £11.1m. It is estimated that a further £27.3m (31.89%) will need to be collected by 31 March 2019 and £0.4m (0.5%) thereafter.
- 4.6.4 Collection performance has been calculated in order to comply with DCLG performance indicator calculations. Latest calculations for 2017/18 and 2018/19 show that the current collection rate can be continued for 2019/20. It is therefore suggested that the collection rate for 2019/20 is maintained at 97.5%.
- 4.6.5 There is currently a Council Tax Pilot scheme in operation with Intrum, the Council's Ethical Joint Venture partner. The outcome of the pilot will shape future years collection policies as we no longer use Enforcement Agents for the collection of council tax.

## **4.7. THE TAX BASE**

- 4.7.1 Under Section 33(1) 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.
- 4.7.2 Based on the number of Band "D" equivalents in the table in paragraph 4.5.3 above and the estimated collection rate in paragraph 4.6.4 above, the calculation is as follows:

<b>(Band D equivalents) x (Collection Rate) = (Tax Base)</b>			
81,290	x	97.5%	= 79257

## **4.8 BUSINESS RATES TAXBASE**

- 4.8.1 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).
- 4.8.2 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 (NNDR1). The detailed guidance on completing the NNDR1 is not likely to be issued until just before Christmas. This guidance will include allowance for any changes to the business rates system that were announced by the Chancellor in the Autumn Budget. 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 Strategic Director Finance and Governance in consultation with the Cabinet Member for Finance and Commercial Services.
- 4.8.3 The Chancellor has announced some amendments in the Autumn Budget with the main change being a one third discount on Business rates for retail properties with a rateable value below £51k for 2 years from the 1<sup>st</sup> April 2019. We are currently awaiting full guidance on how this will be implemented and whether software will need to be updated.

## **5. CONSULTATION**

- 5.1. Final decision must be made by Full Cabinet.

## **6. EQUALITY IMPLICATIONS**

- 6.1 It is not anticipated that there will be any negative impacts on any groups with protected characteristics, under the terms of the Equality Act 2010, from the approval of this report's recommendations.
- 6.2 Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

## **7. LEGAL IMPLICATIONS**

- 7.1 The tax base calculations for a particular financial year must comply with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, and be

determined by no later than 31st January in the preceding financial year. These regulations have been made under the Local Government Finance Act 1992, as amended (LGFA 1992).

- 7.2 The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 that affect the calculation of the Council Tax base. These amendments require councils to operate a Council Tax Support Scheme (as a replacement of Council Tax benefit) and gave powers to determine further discounts and set premiums.

- 7.3 Implications verified/completed by: Rhian Davies, Assistant Director of Legal and Democratic Services, tel 020 8753 2729.

## 8. FINANCIAL IMPLICATIONS

- 8.1 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 27<sup>th</sup> February 2019.

- 8.2 The proposed Council Tax Base for 2019/20 of 79,257 is 1,403 Band D equivalents, higher than the 77,856 agreed for 2018/19. The main reasons for the change are:

Increase in the tax base due to new non-exempt properties	652
Single Persons Discount Reduction	622
Reduction in Council Tax Support scheme discounts	315
Other adjustments to Discounts	- 212
<b>Gross Total Change</b>	<b>1,377</b>
Adjusted for Collection rate of 97.5%	- 34
Adjusted for Empty Rate Premium	60
<b>Total change</b>	<b>1,403</b>

- 8.3 Based on 2018/19 Council tax levels, the increase in tax base will generate additional income of £0.98m for Hammersmith and Fulham and £0.40m for the Greater London Authority.

- 8.4 The cost of the local council tax support scheme is based on current regulations. No allowance is made for potential government welfare reforms due to uncertainty on what changes might be made. This is treated as a risk within the Medium-Term Financial Strategy.

- 8.5 The treatment of business rates income within the Local Government Finance System is uncertain. A 100% business rate retention pilot was established for London in 2018/19. It is not clear if this will continue in 2019/20 or if alternative arrangements will be introduced by the Government. Councils in the rest of England have been invited to pilot a 75% scheme by Ministry of Housing, Communities and Local Government. However within the invitation it

is noted that the government will continue to have separate discussions with London about their pilot programme. The position should be clearer after the Local Government Finance System is published in December.

- 8.6 Implications verified/completed by Emily Hill, Asst Director Corporate Finance, tel. 020 8753 3145.

## **9. IMPLICATIONS FOR LOCAL BUSINESS**

- 9.1 No negative impact on local businesses is anticipated. An area which is of interest is business rates and how the income is treated within the Local Government Finance system.
- 9.2 Implications verified by Albena Karameros, Economic Development Learning & Skills, tel:020 7938 8583.

## **10. RISK MANAGEMENT**

- 10.1 The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objective of effectively managing its resources and is in accordance with management of our legal duties as noted on the Corporate Risk Register.
- 10.2 Implications verified by: Michael Sloniowski Risk Manager, tel: 020 8753 2587 mobile 07768 252703

## **11. IT IMPLICATIONS**

- 11.1 IT Implications: It is recommended that the information contained within this report be shared with the H&F Business Intelligence Team. This will allow for the intelligent use and analysis of data to inform and develop service provision across the Council.
- 11.2 IM Implications: In reference to 11.1 above, if sensitive information is to be processed on behalf of H&F, a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks are properly assessed with mitigating actions agreed and implemented - in line with GDPR requirements.
- 11.3 Implications verified/completed by: Karen Barry, Strategic Relationship, Manager, tel. 0208 753 3481.

## **12. COMMERCIAL IMPLICATIONS**

- 12.1 There are no procurement implications associated with the recommendations contained in this report.
- 12.2 Implications verified/completed by Joanna Angelides, Procurement Consultant, tel. 0208 753 2586 on behalf of Simon Davis, Assistant Director Commercial Management.


**13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None.

**LIST OF APPENDICES:**

None.

# Agenda Item 6.4

<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>FULL COUNCIL</b></p> <p><b>23 JANUARY 2019</b></p>		
<b>WEST KING STREET RENEWAL PROGRAMME</b>		
<b>Report of the Cabinet Member for the Economy and the Arts – Councillor Andrew Jones</b>		
<p><b>Open report</b>  Appendix 2 to this report is exempt from disclosure because it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972</p>		
<p><b>Classification:</b> For decision  <b>Key Decision:</b> Yes</p>		
<b>Consultation:</b> Housing, IT, Property, Legal, Finance, Procurement, HR, Strategic Leadership Team		
<b>Wards Affected:</b> Hammersmith Broadway		
<b>Accountable Director:</b> Jo Rowlands, Strategic Director of Growth and Place		
<p><b>Report Author:</b>  David Burns, Assistant Director Growth</p>		<p><b>Contact Details:</b>  Tel: 020 753 6090  <a href="mailto:David.Burns@lbhf.gov.uk">David.Burns@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. On 3rd December 2018 Cabinet approved the Strategic Outline Business Case, and delivery strategy for the West King Street Renewal (WKSR) Programme, a significant regeneration programme which will transform the western part of King Street.
- 1.2. The purpose of this report is to obtain authority from Full Council to acquire an interest in the joint venture with A2 Dominion Developments Ltd., approve development funding, and to amend the approved capital and revenue budget as required by the Council's Financial Regulations to enable the project to move forward.
- 1.3. In order to provide vacant possession of the Town Hall site and enable delivery of the WKSR Programme, the Council is required to decant staff and services

currently based in the Town Hall and Town Hall Extension to alternative premises during the three to four-year development period. This report sets out details of the proposed decant strategy and the associated costs of entering into lease agreements for decant properties during the development period.

## **BACKGROUND**

- 1.4. This report follows the 3<sup>rd</sup> December Cabinet approval, and the the April 17<sup>th</sup> 2017 Cabinet decision to terminate the previous development agreement signed in 2008. This decision followed the failure of the previous scheme approved in 2013 and a series of unsatisfactory proposals from the developer, made up until 2016, which would have been costly to the Council, failed to meet Council's requirements and would not have delivered the regeneration of West King Street.
- 1.5. It also followed the 5<sup>th</sup> March 2018 Cabinet decision to progress plans for the regeneration of West King Street, in partnership with A2Dominion Housing Group Ltd (A2D - a Charitable Co-operative & Community Benefit registered society and the parent company).
- 1.6. The previous failed scheme would have resulted in a cost to the Council estimated at up to £22m, as it would have required the Council to acquire or permanently rent alternative office accommodation. In the absence of development proposals, doing nothing to the existing buildings is not an option as they have reached the end of their useful life, and would require investment from the Council of up to £53.5m, at least £2m on professional fees, and up to £10m in decant cost just to bring offices up to a basic standard. Therefore, officers were instructed to develop alternative proposals that would deliver better value to the Council and the community.
- 1.7. Since that time, proposals have been developed to regenerate and energise the western part of King Street, which will deliver more affordable housing, a new four-screen cinema, and good quality flexible staff accommodation. Officers consider that the new proposals, with a mix of office, retail and restaurant uses and a high quality design for the Town Hall, will regenerate this part of King Street and create an iconic destination for the borough
- 1.8. The proposed regeneration scheme developed in partnership with A2D will, subject to planning and listed building consent, deliver a new civic and community campus for the borough. This will include:-
  - new fit-for-purpose, inclusively designed office accommodation for the Council;
  - 204 new homes (52% of which will be affordable housing for local residents);
  - new B1 office and start-up space;
  - a new four-screen cinema;
  - shops, cafés and restaurants;
  - a new public square and improved public realm, including study space for students and young people; and

- A separate part of the scheme will see the existing Town Hall fully refurbished and heritage elements restored.
- 1.9. The December 2018 Cabinet report included a number of recommendations to Full Council relating to the approval of:
- the proposed Joint Venture (JV) partnership with A2Dominion Developments Ltd. (A2DD);
  - the subsequent conditional sale of Council land to the JV partnership;
  - the provision of development funding to the JV partnership;
  - budgets to fund the refurbishment and fit out of the Town Hall;
  - the leasing of commercial properties in Hammersmith to facilitate a full decant of the Town Hall site; and
  - budgets to fund the furniture and fit out works required in the decant properties (including contingency allowances).
- 1.10. The Council has prepared a Strategic Outline Business Case (SOBC), which was approved by Cabinet on 3<sup>rd</sup> December 2018. The SOBC outlines the options that the Council considered for progressing the regeneration of the Town Hall site and West King Street, including the option to do nothing or to simply refurbish the existing buildings, which do not produce the commercial and economic benefits of the preferred scheme.
- 1.11. The SOBC demonstrates that there are significant benefits for the Council entering into a 50:50 Joint Venture (JV) partnership with A2D's development arm, A2Dominion Developments Ltd. (A2DD) for the purposes of delivering the WKSR Programme; namely greater control over the wider development costs, quality and delivery timescales.
- 1.12. This delivery approach would entail the Council entering into a conditional land sale agreement with a corporate JV formed of the Council and A2DD. In this scenario, the JV vehicle will carry out and fund all elements of new build works, under the terms of the conditional land sale agreement. The conditional land sale agreement has a number of conditions precedent; until these conditions are satisfied, the contract does not become unconditional.
- 1.13. The Council will be responsible for the refurbishment of the existing Grade II Listed Town Hall building and fit out of the building (including the proposed extension).

## **BENEFITS OF THE PROPOSALS**

- 1.14. The WKSR Programme will act as a catalyst for change in the western end of King Street. The development will attract more diversity of shops thereby improving the retail offer on the High Street. This will create the opportunity for associated economic benefits, including increased footfall for local businesses, as well as wider commercial opportunities for businesses in the borough.



- 1.15. It will create a vibrant community hub within the Town Hall, repurposing it as a mixed-use, cultural and social destination, serving the greater community.
- 1.16. By incorporating some of the Council's accommodation requirements in the WKSR development, the Council benefits from efficiencies in delivering modern, inclusively designed and fit-for-purpose office and civic accommodation for its staff and visitors, as well as for small and start-up businesses.
- 1.17. It also avoids the need for significant capital investment in the existing Town Hall and Town Hall Extension, which in 2017 was estimated at between £29.2 million and £53.5 million for both buildings, depending on the extent of refurbishment works undertaken. These figures exclude professional fees (estimated to be at least £2 million to tender stage) and the cost of decanting staff to allow works to take place.

## **2. RECOMMENDATIONS**

### **That Full Council agrees:**

- 2.1. That the Council enters into a Joint Venture (JV) partnership with A2Dominion Developments Ltd. (A2DD), for the purposes of delivering the WKSR Programme;
- 2.2. That the Council approves the conditional sale of Council land shown in the plan attached at Appendix 1 to the JV partnership (Council and A2DD), in exchange for a 50% share in the JV, subject to approval of the final best consideration valuation report by the Chief Executive, as recommended by the Head of Asset Strategy and Property Portfolio and advised by the Strategic Director, Finance and Governance;
- 2.3. That the Council approves development funding of up to £90 million to the JV partnership (Council and A2DD), in accordance with state aid compliant market terms following receipt of state aid advice from professional advisors, to be funded from an increase in the Capital Financing Requirement until the loan is repaid;
- 2.4. That the Council approve a capital budget of up to £45.6 million for the refurbishment and fit out of the Town Hall building and delegate final confirmation of funding to the Strategic Director, Finance and Governance, in consultation with the Leader of the Council and Cabinet Member for Finance and Commercial Services; and
- 2.5. To approve additional decant budget of up to £27.3m to enable the leasing of properties in Hammersmith to be funded from revenue reserves and delegate final confirmation of funding to the Chief Executive, as advised by the Strategic Director, Finance and Governance, in consultation with the Leader of the Council, the Cabinet Member for the Economy and the Arts and the Cabinet Member for Finance and Commercial Services.

### **3. REASONS FOR DECISIONS**

#### **Previous Cabinet decisions**

- 3.1. On 3<sup>rd</sup> December 2018 Cabinet approved the SOBC and delivery strategy for the WKS<sup>R</sup> Programme. This followed the April 17<sup>th</sup> 2017 Cabinet decision to terminate the previous development agreement signed in 2008, and the 5<sup>th</sup> March 2018 Cabinet decision to progress plans for the regeneration of West King Street in partnership with A2Dominion Housing Association (A2D). This report is making recommendations in keeping with these Cabinet decisions.

#### **Joint Venture partnership with A2DD**

- 3.2. The SOBC, which was completed in line with the principles of HM Treasury's Green Book Guidance on public sector business cases, demonstrates that by entering into a 50:50 JV partnership with A2DD and a conditional land sale agreement to the JV vehicle for the purposes of delivering the WKS<sup>R</sup> Programme, the Council will retain more control over the wider development costs, quality and programme delivery timescales.
- 3.3. As per the Council's Financial Regulations, Full Council approval is required for the Council to enter into a JV partnership with A2DD and to authorise disposal of Council land (shown in the plan attached at Appendix 1) via a conditional land sale agreement forming its equity in the JV vehicle.
- 3.4. The proposed form of development JV involves both parties contributing equity funding on an equal basis, with equal risk and rewards. The Council will contribute its land as equity into the JV and A2DD will contribute an equal proportion of equity. This will then be used to fund the development cashflow up to the point that the equity is exhausted.
- 3.5. It is proposed that the remaining funding is provided by securing project finance (estimated at £90m) and that, subject to approval by Full Council, this funding is loaned to the JV by the Council. The current financial modelling for the scheme has been undertaken on the basis that the Council would on-lend to the JV at state-aid compliant terms (i.e. market rate and terms).
- 3.6. On completion of the development, each party would share 50:50 in the benefits produced by the JV either in distribution of profits or the assets developed. It is proposed that the Council will receive the new extension to the Town Hall building, as well as a share of any JV profits from the scheme. The JV agreement will include an equalisation process so that each party contributes and benefits equally, depending on the profit or assets returned on completion and the price paid.

#### **Refurbishment of the Town Hall**

- 3.7. The refurbishment of the Town Hall sits outside of the proposed conditional land sale to the JV vehicle, which means that the Council is responsible for its direct delivery. However, it is proposed that procurement of the refurbishment contractor is aligned with the new build contractor so that the two processes

work seamlessly together, and the Council can benefit from efficiencies in terms of procurement and management processes.

- 3.8. The estimated cost of refurbishing the Town Hall is up to £46 million. This figure includes inflation, contingency and a proportion of scheme-wide professional fees but excludes fit out of the Town Hall and new extension. The refurbishment construction costs are based on estimated rates for key elements of the refurbishment works plus a proportion of site-wide works from which the Town Hall refurbishment benefits (i.e. demolition, external works, the basement and energy centre), as well as those works shared between the refurbishment and the extension (i.e. lifts, bridges and works to the Town Hall internal courtyard).
- 3.9. The current specification, which is being developed in detail in preparation for RIBA Stage 3, is to provide fit-for-purpose office/civic accommodation in line with current building regulations and other relevant standards, whilst sensitively restoring the listed building elements; to ensure future running costs for the Council are minimised; and to avoid the requirement for any further major investment into the building for at least 25 years following the refurbishment.
- 3.10. There is currently an allocation of £7.4 million within the Capital Programme to fund the refurbishment of the Town Hall. Additional capital funding will therefore need to be allocated in the Council's Capital Programme in order to fund the proposed refurbishment works. A further allocation will be required for the fit-out of the Town Hall building including the new extension.

#### **Proposed decant strategy**

- 3.11. The March 2018 Cabinet report gave authority for officers to progress decant of specialist accommodation and functions and other matters and allocated a budget of £1.5 million to achieve this.
- 3.12. The 9<sup>th</sup> July 2018 *West King Street Renewal* Cabinet report authorised officers to identify suitable decant accommodation and pursue negotiations for the lease or purchase of this accommodation in order to facilitate delivery of the WKSRR Programme by providing vacant possession of the Town Hall site.
- 3.13. The approach to identifying suitable office decant accommodation for staff relocating from the Town Hall site is set out in paragraphs 5.10–5.12 below. It should be noted that the proposed lease costs include the FM service delivery and IT infrastructure associated with the Council's use of the decant space. The proposed budget also includes the requirement for the furniture and fit out works in the decant properties, which will be undertaken by the landlords on behalf of the Council in order to meet the timescales necessary to provide vacant possession of the Town Hall site by Summer 2019.
- 3.14. In order to achieve the decant, a programme of activity to declutter the existing office accommodation, prepare staff for the moves, and plan and undertake the physical moves will be required between now and the anticipated decant period. The cost of this programme of activity, staff resources required to

effectively deliver it within the timescales proposed and the increased revenue costs of moving to the decant accommodation (including additional network and residual FM costs) for a period of up to four years is included in the proposed budget together with a contingency.

- 3.15. In accordance with the Council's Financial Regulations, Full Council approval is required for the proposed amendments to capital and revenue budgets, including use of reserves, as a result of the decant lease, programme and contingency costs.

#### **4. PROPOSALS AND ISSUES**

##### **Council office accommodation requirements**

- 4.1. At 47 years old, the Town Hall Extension is already at the end of its useful life. The majority of the building's services, fixtures and fittings are original and have been maintained well past their intended lifespan. Customers and visitors are frequently affected by the failure of lifts, escalators and other building services; the working environment is poor, and staff experience failing plumbing, heating and cooling and other services on a regular basis.
- 4.2. In 2014, detailed condition surveys identified the poor state of the building both internally and externally, having only had minimal and essential works or holding repairs carried out since the mid-1990s and as a result, there is a growing backlog maintenance requirement. This means there is no option available to the Council to continue using the building in its current condition without incurring significant costs, estimated at c.£20 million to address critical maintenance items.
- 4.3. Given the age of the building and the scale of repairs necessary, even a basic refurbishment would require enhancements to the building design and fabric to ensure compliance with current legislation such as Part L of the Building Regulations (re. energy efficiency and thermal insulation), the Asbestos Regulations and Part M of the Building Regulations (re. accessibility).
- 4.4. In 2017, the cost of addressing urgent and critical refurbishment items only within a one-year programme and requiring a full decant of the building, was estimated at £19 million including decant costs (approximately £15 million excluding decant costs). Key items which would be in scope for essential and urgent works, based on a 2014 condition statement, include:
- repairs to external mosaic tiles, which have to be regularly tested at present due to the public health and safety risk;
  - repair/replacement of windows and surrounding panels, many of which have failed leading to rain penetration;
  - roof repair/replacement due to regular leaks;
  - repair and refurbishment of external areas (i.e. staircases and link/podium to Town Hall) to prevent further water penetration through the structure;
  - upgrade of the original lifts and escalators, which do not currently meet current Building Regulation standards;

- refurbishment/replacement of the heating, cooling and ventilation systems, which are all in poor condition;
  - removal of asbestos panels, which are becoming damaged through normal wear and tear and could become a risk to health and safety;
  - upgrades to the lighting and power, which do not meet current standards for energy efficiency and struggle to meet the demands of the building;
  - replacement of ceilings to office areas, which have become loose in their fixings requiring wires to be installed to provide restraint;
  - IT and telecoms upgrades; and
  - replacement of toilets and kitchens, including the main soil stack, which is undersized, poorly aligned and prone to blockages.
- 4.5. The full cost of refurbishing the building internally and externally in order to provide fit-for-purpose, modern office accommodation was estimated at £35 million in 2017. These figures exclude any public realm improvements or demolition of the adjoining structures between the Town Hall and Town Hall Extension.
- 4.6. If these figures were inflated to the present day, the cost estimates would be in the order of £15.5 million for urgent and critical refurbishment items and £36.1 million for a full refurbishment (excluding professional fees and decant costs).
- 4.7. The Facilities Management (FM) team have estimated that keeping the building occupied and safe in its current configuration for longer than 6-12 months would require immediate investment of a minimum of £1 million. This would be purely to avoid the risk of systems failures, which may present such a severe health and safety risk that the building may need to close. In this circumstance, alternative working accommodation for staff would need to be identified in line with the Council's business continuity plans.
- 4.8. The FM team have estimated that the minimum cost of maintenance works and likely asset renewals required to keep the Town Hall Extension building running over the next four years is approximately £2.1 million, which would need to be funded from the Council's revenue budgets. However, this figure does not include potential costs of infrastructure services such as heating and refrigerant pipework, controls and heat emitters, lighting and associated wiring, therefore the figure is likely to be higher.
- 4.9. Whilst the Town Hall itself provides a more fit-for-purpose working environment, it does not have sufficient space in its current form, to accommodate staff from the Town Hall Extension and is in need of repair/refurbishment and reconfiguration to maximise the amount of flexible workspace and meet statutory compliance requirements. The estimated cost of maintenance works to keep the Town Hall building running over the next four years is approximately £1.3 million, which would also need to be funded from the Council's revenue budgets. This figure excludes associated infrastructure works, which could be required, and is therefore also likely to be higher.

- 4.10. In 2017, the cost of addressing backlog maintenance items, repairing/replacing elements of key infrastructure and creating additional flexible workspaces in the Town Hall was estimated at between £13.3 million (assuming a full decant but excluding decant costs) and £16.9 million (assuming the building were to remain occupied).
- 4.11. If these figures were inflated to the present day, the cost estimates would be in the order of £13.7 million (assuming a full decant but excluding decant costs) and £17.4 million (assuming the building were to remain occupied). It should be noted that these figures exclude professional fees, which were previously estimated at approximately £1.2 million to tender stage.
- 4.12. In summary, to remain in the current Town Hall and Town Hall Extension buildings longer term and provide fit-for-purpose working accommodation would require a total capital investment of between £29.2 million and £53.5 million for both buildings, in addition to any professional fees (estimated to be at least £2 million to tender stage) and the cost of decanting staff to allow works to take place (estimated at approximately £10 million for up to two years).
- 4.13. By incorporating the Council's accommodation requirements in the WKSR development, the Council benefits from efficiencies in delivering modern, fit-for-purpose office and civic accommodation for its staff and visitors, as well as avoiding the need for significant investment in its current office accommodation in the short to medium term. In doing so this helps ensure the Council's business resilience and continuity of public service provision.
- 4.14. Furthermore, the WKSR and Town Hall programme provides the potential opportunity to create a new consolidated civic campus for Hammersmith & Fulham, by potentially allowing for the co-location of customer-facing services (currently located at 145 King Street) at the renewed Town Hall site. The programme will provide enhanced facilities for the community and workspace opportunities.

#### **Current WKSR scheme proposals developed by LBHF and A2Dominion**

- 4.15. The current WKSR scheme has some key enhancements to the previously approved King Street Developments (KSD) scheme, which are summarised below:
- Construction of 204 residential units, of which 99 will be either private rented or private sale units and 105 affordable units (69 affordable rent and 36 shared ownership). Due to including larger family units in the affordable mix, the overall tenure split by floorspace will be 52% affordable to 48% private. The previous KSD scheme was 100% private for sale;
  - Demolition of the Town Hall Extension, 181 King Street, Quakers Meeting House, and the former Registry Office;

- 3,102sqm NIA of B1 office space constructed on top of the Town Hall, to replace the Council's current accommodation in the Town Hall Extension;
  - Refurbishment of the existing Town Hall, which provides c.5,900sqm of office and civic spaces. Combined with the new extension this will be able to accommodate all existing staff and staff returning from WCC and RBKC as part of the 'Moving On' process;
  - 6,011sqm NIA of B1 office space for a third-party occupier and 523sqm NIA for office start-up units;
  - 649sqm NIA commercial uses in A1–A3 use class;
  - A new four-screen cinema totalling 1,283sqm NIA and cinema restaurant at 335sqm NIA; and
  - A new public plaza in front of the Town Hall, which can be used for programmed events and regenerate this end of King Street.
- 4.16. An application for planning permission and listed building consent for the above has been submitted to the Council. It is anticipated that the application will be considered by the Council's Planning Committee in February 2019.

#### **Delivery strategy for the WKSР Programme**

- 4.17. Following the termination of the previous Development Agreement and Agreement for Lease with King Street Developments (Hammersmith) Ltd., the Council considered a number of options for developing revised proposals, which were set out in the 17<sup>th</sup> April 2017 Cabinet report.
- 4.18. The April 2017 Cabinet report recommended engaging directly with a partner either through a land disposal and associated contract and/or through forming a joint venture, on the basis that it:
- offers the faster timetable and most secure delivery;
  - minimises the cost risks to the Council;
  - has a limited short-term budget requirement; and
  - offers the opportunity for the Council to share in benefits.
- 4.19. The SOBC has been completed by senior officers with input from Deloitte and other external advisors to demonstrate the case for the proposed public spending proposals. It has been completed in line with the principles of HM Treasury's Green Book Guidance on public sector business cases.
- 4.20. The SOBC demonstrates the strategic case for delivering the WKSР Programme in line with the Council's priorities set out in 'The Change We'll Bring Together Business Plan for 2018 to 2020'. The strategic drivers include:
- the urgent need to intervene in the failing existing Town Hall office buildings, whilst creating an opportunity for improved ways of working in order to be ruthlessly financially efficient and address the financial challenges faced by the Council;

- contributing to the borough's housing ambitions by increasing the supply of good quality, genuinely affordable housing for local residents to meet local housing need;
  - creating pride in H&F by transforming King Street into a new civic and cultural destination; improving the public realm and Grade II listed Town Hall, providing new local amenities for residents, including a new four-screen cinema, café/restaurant, retail and public event spaces; and
  - promoting economic growth in line with the H&F Industrial Strategy, *Economic Growth for Everyone*, through the creation of new retail and commercial space, including affordable space for start-up businesses to combat High Street decline.
- 4.21. The SOBC also demonstrates that by entering into a corporate JV with a development partner, the Council retains a high degree of control and influence over the costs, design, delivery timescales and other key decisions associated with the development. This structure also allows the Council to take a greater share of the proceeds to reflect its additional financial risk.
- 4.22. The proposed partner for the 50:50 corporate JV is A2DD, the development arm of A2Dominion Housing Association; a West London based housing association with a strong record of accomplishment of affordable housing and mixed-use delivery. A2Dominion Housing Association owns and manages around 37,000 homes in the South East, with an annual development plan of more than 1,000 homes per year.
- 4.23. A2DD is currently delivering new homes at Queen's Wharf, in partnership with Mount Anvil and are also working with the Council on the development of Lavender Court for affordable housing. A2D have committed to the Council that any surpluses realised on this scheme will be re-invested within the borough on new affordable housing. They have also committed to re-invest any further surpluses generated from new developments in the borough.
- 4.24. Given the scarcity and value of land in the borough, working with the Council on local authority owned land provides an opportunity for these surpluses to be used in delivering more affordable housing. A2D have committed to using some of their surpluses to deliver the affordable housing element of the WKSr scheme. This is included in the current financial modelling, with A2D providing a total subsidy of £10.4 million for the affordable rent and shared ownership residential units.
- 4.25. The Council will work with A2DD as its partner in the JV to ensure that the value generated from the project (and so any land payment and profit share that the Council receives), is maximised. It is Government policy that should local authorities dispose of surplus land, that land should be sold for the best consideration. It is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue in which case the consent of the secretary of state is required (and although a general consent at a discount of up to £2,000,000 exists for disposals made under section 123 Local Government Act 1972, the general consent does not apply



to the anticipated disposal of land at King Street in reliance on powers under s233 the Town and Country Planning Act 1990).

- 4.26. The Council is supported in the process by BNP Paribas who are advising the Council on the best consideration valuation based on current information. The best consideration valuation will be subject to repeated review until scheme costs and scope are fixed, just prior to the procurement of a contractor. BNP Paribas will either certify that best consideration is achieved or alternatively, the consent of the secretary of state will be needed.

#### **Conditional Land Sale Agreement (CLSA)**

- 4.27. The CLSA does not oblige the JV to develop out the scheme but contains a number of commercial incentives and protections. These are:
- a) The ability for the Council to terminate the lease and take back ownership of the property in the event of non-delivery. The price to be paid by the Council will be the cost or value of the property, and the mechanism for this set out in the CLSA.
  - b) An obligation on the JV to pay liquidated and ascertained damages for each week of delay in the delivery of the new Town Hall Extension. The amount of this will relate directly to the cost to the Council of not being able to return to the new Town Hall Extension, plus the cost of borrowing.
  - c) An obligation on the JV to pay an amount should it deliver the new Town Hall extension to less than the required floor space.
  - d) An obligation on the JV to make a degree of progress on the Town Hall extension before it is entitled to draw down the lease.
- 4.28. Furthermore, the CLSA has a number of conditions precedent; until these conditions are satisfied the contract does not go unconditional.
- 4.29. Both the Council and the JV are required to co-operate and use their reasonable endeavours to satisfy the conditions; however, they all have to be satisfied within certain long stop dates or the contract fails. This means the Council does not have to sell the land nor does the JV have to develop out the scheme.
- 4.30. The JV limited liability partnership agreement will also contain provisions to ensure that A2D (as guarantor of A2DD, the JV partner) maintains its financial and governance standing with the regulator, Homes England. Should they be downgraded below acceptable levels (i.e. lower than V2 and G2 ratings that the regulator uses for viability and governance, for example) then the Council would have the right to review the CLSA and the management arrangements.

#### **Transfer of assets to the JV vehicle**

- 4.31. Assets acquired by the Council and included in the proposed land transfer to the JV vehicle are the former Cinema Site at 207 King Street and the Quaker Meeting House on Nigel Playfair Avenue.

- 4.32. The March 2018 Cabinet report delegated authority to the Strategic Director of Growth and Place and the Director of Building and Property Management, in consultation with the Cabinet Member for Economic Development and Regeneration and the Cabinet Member for Finance, to complete asset transactions in connection with the Quaker Meeting House at Nigel Playfair Avenue and land of the Former Children's Centre at Bradmore Park Road.
- 4.33. The former Cinema Site was acquired by the Council in September 2018. The Council is discussing with the Quakers to undertake a land swap of the land at the site of the Bradmore Park Road Children's Centre with the Quaker Meeting House. The Bradmore Park Road Children's Centre site will be sold a specific community use in accordance with the planning conditions.
- 4.34. A valuation report has been prepared by BNP Paribas and approved by the Head of Asset Strategy and Portfolio Management in relation to this transaction, given the obligation on the Council to secure the best consideration reasonably obtainable where it is disposing of land under s233 Town and Country Planning Act 1990.
- 4.35. As landowner, the Council will dispose of the assets that it owns or is acquiring by way of a single long-term lease of 255 years (250 plus the development period of up to five years) to the JV vehicle, and the JV will pay a consideration by way of the issue of a 50% share in the JV (which will entitle the Council to a 50% share of any development profit). The construction of the extension to the existing Town Hall will satisfy as the return of the Council's equity. A separate lease (but on similar terms) of the Quaker site may be required if vacant possession of this is secured after the main headlease is granted.

## 5. OPTIONS CONSIDERED

### Commercial delivery options for the WKS SR Programme

- 5.1. The SOBC sets out the commercial options available to the Council for the delivery of the WKS SR Programme include:
  - **A conditional land sale agreement**, whereby the Council enters into a land sale agreement with a developer, in return for a capital receipt, which the Council can use to fund any public works it wishes to undertake; for example the Town Hall refurbishment / extension;
  - **A Development Agreement**, whereby the Council enters into a Development Agreement with a partner to redevelop the whole site and the partner is tasked with undertaking public works at its risk; and
  - **A 50:50 corporate JV with a development partner**, whereby the Council sells its land to the JV, the JV partner matches the value of the land with equity of equivalent value and the proceeds and risks of the development are shared equally between the partners.
- 5.2. By entering into a corporate JV with a development partner (A2DD), the Council retains a high degree of control and influence over the design, costs,

delivery timescales and other key decisions associated with the development. This structure also allows the Council to take a greater share of the proceeds to reflect its additional financial risk.

- 5.3. So that the JV vehicle acting as developer can complete the extension to the top of the Town Hall, the Council will grant a licence.

### **Decant options**

- 5.4. Officers considered the overall programme impact of remaining in occupation of either the Town Hall or Town Hall Extension during the construction period with phased moves into completed buildings, as shown in the table below:

<b>Option</b>	<b>Town Hall occupied</b>	<b>Project completed</b>
1. Decant both sites	May 2022	Jan 2023
2. Decant Town Hall first, followed by Extension once new extension and refurbishment of Town Hall is complete	July 2022	Mar 2025
3. Decant Town Hall Extension first, then Town Hall	Jan 2024	Jan 2024

- 5.5. The prolonged construction periods are expected to increase the construction costs by approximately £12.1 million in option 2 and approximately £7.5 million in option 3, thereby reducing overall scheme viability. Furthermore, both options 2 and 3 would require a degree of off-site decant, which would need to be funded from the Council's revenue budgets. There would also be a requirement for ongoing maintenance and repairs to be carried out to the Town Hall Extension (in option 2) and Town Hall (in option 3) whilst they remain occupied.
- 5.6. It should be noted that under the planning application under consideration, it is proposed to complete the affordable rent units prior to the sale and occupation of the private homes. This would not be possible in option 2 as the proposed affordable rented block (Block C) is located on the site of 181 King Street and the Town Hall Extension. A revised planning submission would therefore be required.
- 5.7. Any option which does not provide full vacant possession of the Town Hall and Town Hall Extension simultaneously would present extreme logistical challenges (due to restricted site access and the requirement to work in close proximity to occupied buildings), which could further impact on the construction programme and costs.
- 5.8. Therefore, in order to achieve the proposed programme for delivery of the WKSR and Town Hall Programme, as well as ensure a safe and suitable working environment for staff and visitors, both the Town Hall and the Town Hall Extension must be fully decanted at the same time.

- 5.9. The accommodation requirements to enable the decant of the Town Hall and Town Hall extension are as follows:
- min. 60,000 sqft office accommodation (assumes 5:10 desk to staff ratio);
  - BT Openreach lease line to the building(s) with minimum 1GB bandwidth (with a preference for two independent lease lines for backup purposes);
  - good mobile phone reception;
  - good WIFI reception;
  - core network hub;
  - network provision for Emergency Services and Careline alarms;
  - Registry Office;
  - CCTV provision for the borough and the Parking service;
  - 4 x car parking spaces;
  - electrical car charging points; and
  - ability for the landlord to carry out the fit-out process on the Council's behalf including structured cabling (in order to meet the required timescales for the decant).
- 5.10. Since the Council does not have sufficient property holdings to accommodate these requirements, the Council used an external agent, BNP Paribas, to consider freehold and leasehold accommodation opportunities in the Hammersmith area. BNP Paribas have also advised on negotiations and undertaken valuations in respect of the decant accommodation options.
- 5.11. An extensive search of the market identified a number of potential options to meet the decant accommodation requirements. These were reviewed by officers from the Council's Property, Finance and WKSR Programme team, supported by BNP Paribas, and were also considered by the WKSR Programme Board. These options include two properties that are available to the Council to purchase (off-market), as well as a number that are available to lease.
- 5.12. Final approval of the decant sites will be subject to approval by the Chief Executive. Final approval of legal documents necessary to enter into the agreements for the decant properties has been delegated to the Strategic Director, Growth and Place, in consultation with the Assistant Director of Legal and Democratic Services.

## **6. CONSULTATION**

- 6.1. Consultation for the wider WKSR programme has been outlined in previous reports to Cabinet.
- 6.2. Consultation with key stakeholders in relation to the Town Hall refurbishment including IT, Facilities Management and the Events team has commenced and will continue throughout the project.

- 6.3. Consultation on the suitability of the identified decant accommodation options for the Council's use has been undertaken with key officers and the Director for Corporate Services. Engagement with the Superintendent Registrar has been undertaken to check the viability of relocating the Register Office to one of the chosen sites and the proposed design of the space.
- 6.4. Consultation with key stakeholders in the delivery and operation of the proposed decant sites has been undertaken, including with Facilities Management and IT. Engagement will continue throughout the decant programme and will commence with a wider staff audience once a decision about the decant locations and detailed timescales have been confirmed.

## **7. EQUALITY IMPLICATIONS**

- 7.1. The Council has given due regard to its duties under Section 149 of the Equalities Act 2010 and a full Equality Impact Assessment has been carried out.
- 7.2. The WKSР design team has actively engaged the Disability Planning Forum and members of the Disabled People's Commission (a key stakeholder group) using the Council's new co-production approach to planning for the WKSР Programme and Town Hall refurbishment.
- 7.3. *Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.*

## **8. LEGAL IMPLICATIONS**

- 8.1 Gowling WLG have been retained by the Council to provide advice on:
  - (a) the entry into a joint venture (JV) partnership with A2Dominion Developments Ltd. (A2DD);
  - (b) a tripartite arrangement between the Council, A2DD and the Quakers for the exchange of land and for the delivery of new accommodation for the Quakers;
  - (c) the entry into a conditional agreement for lease under which Council land will be leased to the JV partnership;
  - (d) the provision of funding of up to £90 million from the Council to the JV partnership; and
  - (e) the ability of the Council to rely upon the A2Dominion framework for the letting of the contracts relating to the Town Hall refurbishment works.
- 8.2 The advice relating to each of these points is set out below.

## **Joint Venture**

- 8.3 The Council has the opportunity to form a joint venture through:
- (a) a corporate JV (for example a company limited by shares, a limited partnership or a limited liability partnership); or
  - (b) a contractual JV – for example a lease or an investment agreement.
- 8.4. We recommend a corporate joint venture because, although it requires greater resources, it has the benefits of greater transparency and control. Also, a third party investor could acquire a share in the JV so, in that sense, it is a more liquid structure. We understand that A2DD's preference is to form an LLP and, subject to the point made at paragraph 8.5(b) below, this is acceptable.
- 8.5. The Council should be aware:
- (a) that conflicts of interest will need to be managed to ensure that Council officers can make recommendations / decisions on behalf of the Council and that alternative officers can represent the Council at LLP level; and
  - (b) that an LLP is not an attractive structure for a pension fund, should either party wish to sell its interest in the partnership in future, however this is not currently anticipated.

## **Tripartite agreement with the Quakers**

- 8.6. The Council's role under the tripartite agreement will be limited to the acquisition of the existing Friends Meeting House and to the disposal of the Bradmore Park Road Children's Centre once the new accommodation has been completed. The development obligations will be the responsibility of A2DD.
- 8.7. The acquisition of the Friends Meeting House will be pursuant to section 227 of the Town and Country Planning Act 1990.
- 8.8. The disposal of the Bradmore Park Road Children's Centre will be pursuant to section 233 Town and Country Planning Act 1990 as it has been confirmed that the land is held for planning purposes. BNP Paribas have been appointed by the Council to advise on best consideration.

## **Conditional Agreement for Lease with JV**

- 8.9. An agreement can be entered into direct with the JV, and without procurement, provided that this is on the basis of a property transaction (that is not a public works contract). The CLSA will not contain any positive development obligations on the JV but a set of commercial incentives/protections for the Council (as landowner) given that it is

disposing of a significant land interest. The Council will have a degree of control over development through its role as lender and JV partner.

- 8.10. The statutory requirement to achieve best consideration must be observed (section 233 Town and Country Planning Act 1990 applies where land is held, acquired or appropriated for planning purposes) and a viability condition has been included within the draft conditional agreement. BNP Paribas have been appointed to advise on best consideration and this should be kept up to date (typically, we suggest no more than 6 months old) and must be updated if the underlying assumptions change.
- 8.11. If the Council will be directly subsidising the works contract to be let by the JV by more than 50%, the Council is required to ensure compliance with the competition requirements of the PCR by the JV.

### **Funding**

- 8.12. In providing the proposed funding to the JV, the Council must comply with the law on state aid.
- 8.13. It is advised that the terms of the funding must satisfy the Market Economy Investor Principle such that the terms are 'market facing'. Deloitte have been appointed to confirm this from a finance perspective and GWLG will review the terms from a legal perspective.
- 8.14. A failure to comply with the law on state aid could mean that the Council is fined and the unlawful aid would be repayable by the recipient (i.e., JV) together with a penal rate of interest.

### **Refurbishment works and reliance on A2D framework**

- 8.15. The Council will let a separate contract for the Town Hall refurbishment works.
- 8.16. Gowlings have reviewed the A2D framework and can confirm that LBHF may use the A2D framework<sup>1</sup> to appoint the Town Hall refurbishment contractor, if desired.

Legal Implications drafted by Gowlings WLG.

- 8.17. It is to be noted that paragraph of 2.15 and 2.7 of the Cabinet report dated 3rd December 2018 are duplicate recommendations. The decision to enter into the leases for the decant properties is an executive decision which was delegated by Cabinet to the Strategic Director of Growth and Place and accordingly such a decision has not been included in this report. Additionally paragraph 2.14 of the Cabinet Report is not included in this report as this decision will be taken at a later date by the Executive following a procurement decision.

- 8.18 Implications drafted by Rhian Davies, Assistant Legal and Democratic Services.

## **9. FINANCIAL IMPLICATIONS**

- 9.1. These financial implications are based on the current drafts of the legal agreements and reports received from advisers to date. Any changes to the draft agreements may change the financial implications as set out in this report. Officers will ensure that the financial implications of any changes are fully understood.

### **Summary of Outline Business Case and key financial information**

- 9.2. As with any financial undertaking, the Council must ensure that this project represents Value for Money. To this end, the Strategic Director for Growth and Place, and the Strategic Director for Finance and Governance jointly procured specialist advice from Deloitte to provide financial advice on this project, input into the Outline Business Case and advise the Council on whether the deal provides value for money for the Council. As set out in 4.26 above, the best consideration valuation will be subject to review until scheme costs and scope are fixed. This valuation is an important input into the value for money assessment and therefore a final assessment will be sought and considered alongside the final valuation before the land is sold.

### **Financial overview of the proposed Joint Venture**

- 9.3. The Council will enter into a Joint Venture with A2DD forming a development vehicle which will deliver the WКСR scheme.

### **Site assembly and disposal of land into the JV**

#### ***Cinema site***

- 9.4. The Council's 2018-2022 capital programme provided an additional budget envelope of £50 million, from 2017/18 onwards, to provide operational flexibility, for taking forward major projects.
- 9.5. The expert determination process determined that the purchase price for the cinema site should be £15 million and total initial capital cost of this transaction including transaction costs, taxes and fees was £15,963,395. Ongoing building control monitoring of the existing structures and site security is estimated at £2,330 per month until the end April 2019, bringing the total capital budget requirement to £15,982,035.
- 9.6. The Council also had to pay VAT of £3 million on the transaction which has been reclaimed from Her Majesty's Revenue and Customs. The Council has opted to tax the Cinema site to protect its own tax position.
- 9.7. The purchase of this site increases the general fund Capital Financing Requirement (CFR) by £16 million. To avoid incurring immediate borrowing costs, the transaction was completed using internal borrowing against cash



balances. However, a Treasury Management Strategy decision will need to be made on the longer-term funding of this acquisition in the wider context of the Council's Treasury Strategy.

- 9.8. Using cash balances to fund this purchase has an impact on revenue in the form of foregone interest income of £132,651 per year based on interest rate in December 2018 of 0.83% earned on balances.
- 9.9. The increased CFR will result in an increase to the Council's MRP of £517,818 per year from the year after the scheme completes and the site is transferred to the JV, the MRP charge will continue until such time that the CFR is paid down by the MRP or other capital receipts.

#### ***Quakers - Friends Meeting House***

- 9.10. In compiling the site for onward disposal to the JV, the Council have agreed Heads of Terms with the Quakers for a land swap of their Friends' Meeting House and the Council's Bradmore Park site. This site is held as a surplus asset and was recorded at fair value in the Council's asset register at a value of £1.734 million at 31<sup>st</sup> March 2018.
- 9.11. The Council must dispose of any assets in line with the best consideration. Although this is a land swap, best consideration must still be obtained. A best consideration valuation is being obtained by BNP Paribas. This needs to be considered by the Strategic Director of Growth and Place as advised by the Council's Head of Asset Strategy and Property Portfolio before the conclusion of the land swap.
- 9.12. This asset will become part of the site which will be sold to the JV in exchange for its share of the JV and will be included in the overall land value.

#### ***Vacant possession of Hammersmith Town Hall and Extension***

- 9.13. As set out in 5.4 to 5.12 above, to fully assemble the site the Council will need to deliver vacant possession of the existing Town Hall Extension.

#### ***Conditional land sale agreement to the joint venture - best consideration***

- 9.14. The Council must ensure that when disposing of land, it achieves best consideration. Due to changes in market conditions, a final valuation will need to be obtained once all conditions of the land sale agreement have been met, to ensure the Council obtains best consideration at that point in time. In the meantime, a draft best value consideration has been obtained from BNP Paribas to provide assurance on the assumed value in the development appraisal. The development appraisal model currently assumes a value of £25.3 million, the draft best value consideration based on the restricted value provides assurance that the figure used is reasonable. Any changes to this value may affect the financial implications for both the Council and/or the JV.

- 9.15. The Council's Head of Asset Strategy and Property Portfolio, having been advised by BNP Paribas, will need to confirm that the transaction achieves best consideration for the Council, or secretary of state approval will need to be obtained.
- 9.16. The Council land will be sold to the JV, subject to a conditional land sale agreement, in exchange for 50% "member capital" in the JV. This share in the JV entitles the Council to 50% of the JV profits. Any profits could be applied to replenish reserves utilised by the decant accommodation costs.

### **Town Hall decant – associated costs and savings**

- 9.17. As set out in paragraphs 5.10 to 5.12, officers, as advised by BNP Paribas, have identified potential options to meet the Council's decant requirements. After previously approved enabling budgets, further budget of up £27.3 million is requested to be funded from revenue reserves. The budget requirement is based on 5 year leases, however these costs will reduce should the Council be able to exercise break clauses.

### **Hammersmith Town Hall refurbishment and fit-out (including extension fit-out)**

- 9.18. The capital costs of the Town Hall refurbishment and the fit out of the Town Hall and new extension will be met by the Council. A capital budget for the scheme of £45.6m is requested in this report.

### **Taxation implications**

- 9.19. The proposed scheme carries various taxation implications (primarily VAT and Stamp Duty) for both the Council individually and the Joint Venture, however the prevailing view is that these can be managed to a tax-efficient position. The tax implications and risks to the Council are set out in the tables 1, 2 and 3 below.

**Table 1: VAT implications**

<b>Project stage</b>	<b>VAT implications to the Council</b>
<b>Site assembly</b>	<ul style="list-style-type: none"> <li>The Council has incurred VAT input tax of £3 million on the purchase of the Cinema site as the previous owner had elected it for VAT. This and the wider site have been opted by the Council to protect its own VAT position.</li> <li>The Council and A2DD are still in discussions with the Quakers to mitigate the risk of additional VAT costs (estimated at £600,000) being borne by the Council or JV.</li> </ul>
<b>Land Transfer to JV</b>	<ul style="list-style-type: none"> <li>The Council has opted to tax the land. The default position is that all land should be opted. The Council will need to carefully consider whether to opt to tax the Friends Meeting House, once the land swap has completed.</li> <li>The land transfer will be in exchange for equity ("member capital") in the JV rather than cash. Where the Council has opted-for-VAT</li> </ul>

	some or all the land being transferred, it will be necessary to issue the JV with a VAT only invoice which the JV will need to settle in cash.
<b>Outputs from the JV to the Council</b>	<ul style="list-style-type: none"> <li>The provision of the new Town Hall extension will constitute a supply from the JV to the Council. Under self-supply rules this is expected to be a standard rated supply. The new extension will be in exchange for the Council's share in the JV (repayment of its equity share) however the Council may be required to pay a VAT-only invoice.</li> <li>In the first instance the Council will be able to reclaim this VAT however it will need to carefully consider future supplies it makes from the new Town Hall Extension. Were the Council to make exempt supplies, for example, the leasing of office space, this could mean that the input tax incurred at point of transfer impacts on the partial exemption position. This will need to be carefully managed and approach agreed with the HMRC.</li> </ul>
<p><b>Footnote: VAT Partial Exemption Overview</b></p> <p><i>Under normal circumstances, VAT registered bodies:</i></p> <ul style="list-style-type: none"> <li><b>can</b> reclaim from HMRC the VAT they have incurred in the course of making Vatable supplies.</li> <li><b>cannot</b> reclaim VAT incurred in the course of making VAT exempt supplies.</li> </ul> <p><i>Special rules apply to Local Authorities which allow them to reclaim the VAT incurred in the course of making exempt supplies, providing this VAT does not exceed 5% of all VAT (the total input tax) incurred by an Authority in a given year.</i></p> <p><i>If this threshold is breached, <b>all</b> the VAT incurred in the course of making exempt supplies is repayable to HMRC (not simply that in excess of the threshold). As such an unmitigated breach could cost the Council between £2-3m in the year of a breach.</i></p> <p><i>Typical exempt supplies for a local authority include some commercial activities, such as halls lettings, and land and property transactions. The latter requires particular attention because:</i></p> <ul style="list-style-type: none"> <li><i>transactions can be of significant value; and</i></li> <li><i>very often the determination of relevant inputs incurred – such as capital works – need to be considered over many years.</i></li> </ul> <p><i>An option to tax may be available which allows an authority to elect land and buildings for VAT, thereby managing the partial exemption position; however, an option:</i></p> <ul style="list-style-type: none"> <li><i>may not be automatically granted depending on historic land-use;</i></li> <li><i>may be disapplied by future purchasers under certain circumstances;</i></li> <li><i>needs to be carefully managed by the to ensure that any future supplies it makes from opted land and buildings are appropriately taxed;</i></li> <li><i>once invoked, remains in place for 20 years.</i></li> </ul>	

**Table 2: SDLT implications**

<b>Project stage</b>	<b>SDLT implications to the Council</b>
<b>Site assembly</b>	<ul style="list-style-type: none"> <li>The Council has incurred Stamp Duty of £889,500 on the purchase of the Cinema site. This can be capitalised under existing guidance.</li> <li>SDLT costs will be payable on the barter transaction to obtain the Friend's Meeting House in line with the SDLT exchange provisions. The Council and A2DD are still in discussions with</li> </ul>

	the Quakers to finalise the landswap terms. There are risks that this may result in additional costs to the Council or the JV of an estimated £300.000.
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**Table 3: Corporation tax implications**

Project stage	Corporation tax implications for the Council
<b>Outputs from the JV to the Council</b>	<p>For corporation tax purposes, LLPs, such as the proposed Joint Venture, are fiscally transparent and are not taxable entities. The members of the LLP are allocated their profit share and the tax treatment follows the members' tax status.</p> <p>Accordingly, any profits and gains from the LLP to the Council would not be subject to corporation tax on the basis that the Council is exempt from Corporate and Income tax.</p>

### ***Tax Implications for the JV***

- 9.20. The development model of the JV currently makes assumptions with regards to the requirement to pay tax. Further discussions are being held with A2DD, as the JV partner, to understand the tax implications of the scheme with a local authority as a joint venture partner so that they can update their development appraisal model. Our tax advice has been shared (by agreement with Deloitte) with A2DD for discussion and as a basis for updating the model.
- 9.21. Any changes to the tax and cashflow assumptions in the model could either positively or negatively impact on the development viability and the Council's expected profit share.

### **Other budget requirements**

- 9.22. To date, enabling budgets of £9.398million have been approved in previous Cabinet reports as set out in table 4 below. As previously approved, reserves need to be set aside for these costs although some costs may be capitalisable to the extent that they enable vacant possession or are directly attributable, bringing the capital assets *to the location and condition necessary for it to be capable of operating in the manner intended*. A detailed review of these costs will determine which costs can be capitalised, but as a default these will need to be funded from reserves.

**Table 4: WKSr approved budgets to date**

	Value £m
Enabling projects for decant	1.760
Programme management for decant enabling project	0.116
Transition co-ordinator (moves and declutter)	0.080
Moves and logistics manager	0.080

Financial advice on development of final business case	0.149
Completion of survey and technical work on existing Town Hall	0.100
Technical advisers	0.261
Client-side programme delivery team	1.700
Specialist decant costs	2.511
Additional decant programme costs	2.031
Other project costs	0.610
<b>Total approved budgets to date</b>	<b>9.398</b>

### **Financial strength of the JV partner**

- 9.23. The Regulator of Social Housing judgement in October 2018 regraded its viability assessment of A2Dominion Housing Group Limited from V1 for viability and G1 for Governance to V2 for viability whilst maintaining G1. V2 continues to comply with the HCA requirements in that *the provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.*
- 9.24. The judgement does not cover the main contracting party A2Dominion Developments Limited (which is a subsidiary of A2Dominion Housing Group). The JV agreement proposes to cover this risk by ensuring that A2Dominion Homes Ltd. have step in rights over A2Dominion Developments Ltd. if there is any failure on their part as well as by ensuring that continued financial stability and strength is one of the conditions in the land sale agreement.
- 9.25. The conditional land sale agreement will include provisions that ensure A2Dominion Housing Group Ltd maintain its financial and governance standing with the regulator (Homes England) – should they be downgraded below acceptable levels (lower than G2 for governance and V2 for viability) then the Council would have the right to review the agreement and the management arrangements.
- 9.26. A Creditsafe check for A2Dominion Developments Ltd. has been re-run on 18<sup>th</sup> November 2018 and resulted in a rating of 77, which is a good rating. However, these checks, especially the Creditsafe score, rely on historic performance, which isn't necessarily a guide to the future.

### **Provision of Development Funding to the Joint Venture**

- 9.27. The report requests approval to provide development funding (a loan) to the JV of up to £90 million. The current development appraisal shows a need for £87 million of development finance, however there are a number of options being pursued in relation to provision of funding for the office block element of the development. Should either of these options progress, this would reduce the need for the Council to provide development funding by c£50 million.
- 9.28. The loan would be for the life of the JV and would be repaid in line with agreed repayment terms and at the point of it being wound-up after all sales were

completed. Further cashflow analysis is required in compiling the final development appraisal model which would inform the detail of the JV borrowing requirements, and to consider what borrowing the Council would need to undertake from the Public Works Loan Board (PWLB) to meet these requirements and will be provided by A2DD. The Council may use internal borrowing but it is expected it will need to borrow from the PWLB to on-lend to the JV if the full £90 million is required and these arrangements are likely to be fixed term loans. The Council's borrowing would therefore be for a medium-term period of up to 5 years.

- 9.29. Depending on the amount borrowed and the length of the loan, the Council will incur interest charges on its borrowing based on the rates available when the loan is taken out. In on-lending to the JV, the Council will need to ensure that it does so on state-aid compliant terms, considering the terms of the agreement including the interest rate. Given that the Council can borrow relatively cheaply from the PWLB, it is likely that the Council will obtain a margin from on-lending to the JV. That margin will be determined by both the interest rate obtained from the PWLB and the state-aid compliant rate charged to the JV.
- 9.30. Under accounting rules, loans to third parties must be treated as capital expenditure (and the repayment considered a capital receipt) by the Council and considered under MRP regulations. Regulations require that MRP is charged based on the life of the underlying assets being created by the party to whom the loan is granted. This spreads the impact of any impairment of the loan that may be required to the JV.
- 9.31. The Council will also need to be mindful that, if the Council were to externally borrow to manage the cash flow associated with this loan, it should likewise borrow for commensurate terms, otherwise there is a risk the Council's external loans could exceed the CFR (when the loan is repaid to the Council), which is not permitted under the Prudential Code.
- 9.32. As the total value of the development finance, the PWLB loan rate and the on-lending rate cannot yet be determined, the detailed financial implications are not yet available.

### **Financial risks and sensitivities**

- 9.33. The scheme viability and profit to the Council from the JV will be sensitive to a number of factors primarily:
  - i. construction cost overruns; and
  - ii. fluctuations in the housing market and commercial property market.
- 9.34. As set out previously, further discussions are progressing between the Council, A2DD and the Quakers with respect to the land swap to obtain the Quakers Meeting House. There is a risk that the Council or the JV will incur addition costs of an estimated £600,000 VAT and £300,000 SDLT risk identified cannot be mitigated. These may result in additional project costs,

thereby reducing the expected profit of the scheme, or may be an additional cost to the Council in putting together the site.

- 9.35. The Town Hall refurbishment and fit-out, is the responsibility of the Council – therefore any cost overruns and increased costs will need to be met by the Council. There are also uncertainties with regards to the timing and receipt of potential CIL funds to fund the capital costs, where CIL cannot be applied to fund these, the Council will need to borrow with consequential annual revenue costs.
- 9.36. Whilst the conditional land sale agreement includes penalty clauses which seek to mitigate financial risks to the Council should the Town Hall and new extension not be ready for occupation as planned, these penalties will be payable by the JV and therefore reduce the profits available for distribution to the Council.
- 9.37. In addition, where the Council provides development funding to the JV, there is a risk of default should the JV be unable to repay the Council. The funding will be provided on state-aid compliant terms which will include mitigations such as a charge on the assets of the JV.
- 9.38. Additional financial implications are contained within exempt Appendix 2.
- 9.39. *Implications completed by Emily Hill, Assistant Director Corporate Finance, telephone 0208 753 3145 and Hitesh Jolapara, Strategic Director Finance and Governance.*

## **10. PROPERTY IMPLICATIONS**

- 10.1. The Council has appointed external property advisors that have provided valuation advice on the search for decant accommodation and are also working with Deloitte on specialist advice on SDLT and VAT aspects. Draft lease terms have been agreed for offices within the Hammersmith locality that provide modern ways of working. In addition, a property for specialist accommodation uses has been located through a site search. The external agents negotiated terms that provide flexibility for a seamless and prompt decant away from Hammersmith Town Hall and Town Hall Extension and also a return to the new Town Hall scheme.
- 10.2. Property Services have worked with Deloitte and Gowling WLG on the conditional land contract as well inputting into the JV structure.
- 10.3. BNP Paribas have provided a best consideration report under s233 Town and Country Act 1990. The scope of the advice required was agreed by Deloitte, external solicitors and internal colleagues. The report provides advice on restricted value, voluntary conditions and unrestricted value of the assets included within the proposed conditional land contract. The initial findings of the report support the scheme and show that it provides best consideration based on the restricted value. The report will be reviewed by internal colleagues and then a formal application will be submitted to the Secretary of State (SOS) for consent to proceed with the conditional land agreement. The

normal timeline for SOS to consider consent is around 6 weeks. The Strategic Director of Growth and Place will approve the final valuation report for best consideration. The best consideration valuation will be updated as necessary in line with recommendation 2.2.

- 10.4. Property Services has also assisted in the project team securing specialist advice by Deloitte to ensure VAT and SDLT tax implications on the property transactions are fully understood.
- 10.5. *Implications completed by Nigel Brown, Head of Asset Strategy and Property Portfolio, Commercial Team, tel. 0208 753 2835.*

## **11. IMPLICATIONS FOR BUSINESS**

- 11.1. This is a significant commercial opportunity for businesses in the borough, with c.£140 million of commercial contracts expected to be available. The Local Planning Authority through the s106 agreement would secure a commitment to partner with the economic development team and the local supply chain programme to ensure that local companies are able to bid for opportunities.
- 11.2. The current proposals also include affordable studios and workspace which will be targeted at Small Medium Enterprises, as well as an additional 65,000 sqft of B1 office space, which will support business generally in the Hammersmith Town Centre area.
- 11.3. As the proposals involve the temporary decant of staff from both buildings, this could reduce the footfall in the area for local businesses. While the presence of a significant number of construction workers will compensate for some of this, the Council will develop a mitigation strategy to support businesses on West King Street and avoid empty shop fronts during construction.
- 11.4. *Implications verified by Albena Karameros, Programme Manager – Growth, tel. 020 793 8583.*

## **12. COMMERCIAL AND PROCUREMENT IMPLICATIONS**

- 12.1. The costs for the refurbishment of the existing Town Hall remain the Council's costs, therefore any procurement under that element of the project will need to comply with statutory requirements (PCR 2015) and the Council's Contract Standing Orders (CSOs).
- 12.2. While the demolition contractor will be appointed by the newly formed JV, the programme delivery team and contractor for the works to the Town Hall refurbishment will be appointed by the Council in accordance with 12.1, following a regulated procurement exercise.
- 12.3. The £2 million decant programme providers will be appointed following compliant procurement processes, in accordance with the CSOs and PCR (2015), by calling off from compliant framework agreements or conducting open tender exercises.



- 12.4. A separate procurement strategy for the Town Hall refurbishment and fit out projects will need to be presented to Cabinet in a timely manner and build in sufficient time to undertake any procurement process required. Commercial and Procurement will offer support and guidance throughout any procurement process.
- 12.5. A waiver from the CSO requirements to seek competitive tenders was obtained at cabinet in December so as to directly award the landlords of the decant properties for furniture and fit out works. The estimated values of the direct awards is under the statutory threshold for works, £4,551,413. Therefore, a fully regulated procurement is not a statutory requirement. However, under the Council's Contract Standing Orders ("CSOs"), where no suitable existing contract or framework agreement can be used in respect of the required works, an open tendering procedure (i.e. without a pre-qualification stage), shall be sought.
- 12.6. CSOs require the use of an established framework agreement or an open tender procedure and a procurement strategy for all contracts over £100,000. These requirements can be waived by the Appropriate Persons (in this case the appropriate Cabinet Member(s) and the Leader of the Council) if they are satisfied that a waiver is justified because:
- the nature of the market for the works to be carried out, or the goods to be purchased, or the services to be provided has been investigated and is demonstrated to be such that a departure from these CSOs is justifiable; or
  - the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
  - the circumstances of the proposed contract are covered by legislative exemptions; or
  - it is in the Council's overall interest; or
  - there are other circumstances which are genuinely exceptional.
- 12.7. All contracts resulted from this strategy shall be placed on the Council's Contracts Register.
- 12.8. With regards to the establishment of the JV and the land sale, the legal advice received will be followed.
- 12.9. *Implications completed by: Andra Ulianov, Procurement Consultant, tel. 0208 753 2284, verified by Simon Davis, Assistant Director for Contracts and Procurement, 07920503651*

### **13. IT IMPLICATIONS**

- 13.1. The decant from the Town Hall and Town Hall Extension will be enabled by the delivery of the new Desktop Strategy (Tech-tonic). The new strategy will

provide each member of staff with a mobile device, such as a convertible tablet or a laptop, and a mobile phone.

- 13.2. This new technology will enable officers to work from any location and provide maximum flexibility to staff. The decant workspace has been designed in line with these principles of flexible and mobile working, offering a range of work settings to accommodate different workstyles enabled by the Desktop Strategy roll-out.
- 13.3. The new laptops replace the current end of life white boxes (VDI) and backend infrastructure. The Desktop rollout programme is coordinating its rollout with the WKSR programme, but it has a wider remit in that all staff across the estate will be moved to the new flexible working solution to minimise the on-going use of poorly performing white boxes. To meet Health and Safety requirements, the laptops need to have the capability of being connected to separate monitors, keyboards and mice. If there is a significant gap between completing the laptop rollout and moving officers to the new decant locations, then the new monitors will be installed in HTH and HTHX and these will be moved at the time of the decant.
- 13.4. It will be necessary to move the Council's network hub out of the Town Hall to minimise disruption to services during any building work. The hub will be moved to 145 King Street as suitable permanent links already exist and the hub can be left there once staff have moved back to the refurbished Town Hall.
- 13.5. New network connections to the decant sites will be required and termination of the circuits in the Town Hall and Town Hall Extension. Project and Network Management resources have been allocated to the project to ensure that the work is completed appropriately and in accordance with the WKSR Programme milestones.
- 13.6. New resilient network links will be required in the decant locations. Network links are provided by third parties and these normally take at least six months to commission and implement. IT recommend that orders are placed ahead of full approval because there is no financial cost until after the site surveys have been completed by the third party. This will reduce the elapsed time for implementation.
- 13.7. The migration of network links to new multiple sites will result in increased running costs compared to current costs. These costs are estimated to be up to £45k for the two proposed decant locations, plus possible additional smaller links for CCTV, Parking, Emergency Services and Careline.
- 13.8. As part of the relocation and building closure, there will be a considerable reduction in the level of paper records held on site. Information Asset Owners and their teams will be responsible for systematically reviewing their paper records, updating information asset registers and implementing GDPR compliant treatment of records through the decant period and as business-as-usual thereafter. This will also necessitate the completion of Data Protection Impact Assessments (DPIAs) as appropriate to ensure (a) existing records are

catalogued and securely stored or destroyed in compliance with the GDPR and statutory retention periods; and (b) that appropriate assessment has been made with regard to any different working practices and record management resulting from mobile working.

- 13.9. *Implications completed by: Veronica Barella, Chief Information Officer, tel 020 8753 2927.*

## **14. RISK MANAGEMENT IMPLICATIONS**

- 14.1. These risk implications are based on the current drafts of the legal agreements and reports received from advisers to date. Any changes to the draft agreements may change the risk implications as set out in this report. Officers will ensure that the risk implications of any changes are fully understood. There are a number of risks associated with the proposed delivery of the WKSР Programme, including the relocation of staff to alternative decant sites during the development period.
- 14.2. A summary of the key risks and mitigation measures for the WKSР Programme and Town Hall refurbishment set out by officers is provided below:

<b>Risk and impact</b>	<b>Mitigation measures</b>
Selection of the right JV model to ensure that the Council and its partners have the best possible vehicle to ensure the successful delivery of the project.	The proposed strategy for delivering the WKSР and Town Hall programme is through a 50:50 JV partnership with A2DD, for the reasons set out in the Outline Business Case.
Proposed JV arrangements are found to be in breach of Public Procurement Regulations, leading to legal challenge.	Legal advice has been provided by Gowling WLG to confirm that the arrangements can be legitimately structured as a Conditional Land Sale Agreement (CLSA) and JV Agreement, without the need for an OJEU procurement process.
A2Dominion or its development subsidiary goes into administration, meaning the scheme cannot be delivered.	The Council has commissioned a review of A2Dominion Group's financial strength, including A2Dominion Developments. A Parent Company Guarantor will also be sought for A2Dominion's and A2 Dominion Developments share of obligations under the JV agreement.
The scheme does not secure development funding and therefore cannot be delivered.	The Council and A2Dominion are reviewing a range of funding options, including use of private senior debt, Public Works Loan Board

	(PWLB) and potentially a forward funding arrangement with an institutional investor.
Brexit has a detrimental effect on the supply chain, construction workforce, interest rates, borrowing and inflation, thereby affecting scheme viability.	The Council and its partners will continue to monitor the implications of Brexit making any reasonable adjustments to the programme delivery strategy and reviewing scheme viability prior to go live.
Residential market deteriorates leading to lower sales values, thereby affecting scheme viability.	Sensitivity analysis has been undertaken as part of the business case development and both parties will continue to monitor viability.
Letting risk of the B1 Office Block affects scheme viability.	The CLSA includes the "Office Condition", which requires the grant of an underlease for the office building.
Town Hall Extension is not delivered by the JV, leading to increased costs for the Council.	Under the proposed JV arrangements, the Council can better control delivery of the scheme. Gowling WLG have also considered appropriate security packages.
Town Hall Extension and/or refurbishment construction costs increase, (for example due to heritage constraints) thereby affecting scheme viability.	The Council's cost consultant has reviewed the cost estimates provided by A2Dominion's cost consultant, Silver. The JV will seek to let fixed price construction contracts to aid cost certainty. For heritage related matters, the Council is able to rely on the consultants appointed by the JV. In addition, Currie and Brown are also advising the Council in this matter.
The Council's business resilience is compromised by the decant occurring at the same time as other major programme implementation, leading to a negative impact on the quality of services residents receive.	The WKSR Programme team will liaise with major corporate programme leads to manage risks and business resilience. Major Programmes Board to provide oversight and assurance of risk.
Protracted contract negotiations / prolongation of fit-out works cause delays to decant and subsequent	Heads of Terms and key milestones have been agreed in principle with landlords to ensure no unforeseen delays to securing and fitting out the decant accommodation.

vacant possession of the Town Hall site.	A dedicated Decant Programme Manager is overseeing the programme of work involved, reporting regularly to the WKS SR Programme Board to ensure the impact of any delays can be mitigated.
Decant properties are leased to alternative tenants and no longer available to the Council.	The Council has negotiated commercially advantageous terms on the decant accommodation. Prompt legal completion of the decant accommodation is needed post Cabinet.
CCTV services, emergency services and Careline are not decanted to a new location in time for the programme deadline, leading to delays to the overall scheme.	Proposed relocation site identified and migration of services to be replanned to support overall programme timescales. Further mitigation measures to be explored as part of the decant programme.
Delay in network links to decant sites delays decant, leading to delays to the overall scheme.	Network links take six months or more to implement. Links have been pre-ordered as there is no penalty for cancelling the links if this is done ahead of actual installation.
Implementation of Desktop Strategy is impacted by delay in timing of successful decant, leading to cost increases.	New monitors, with keyboard and mice, would be implemented in HTH/HTHX if the decant is delayed. There will be additional cost of moving the monitors to decant locations, which can be accommodated within the decant budget.

- 14.3. Officers have considered the risks associated with the various stages of this programme, as set out above, and sought to put in place appropriate mitigations. It is recommended that they continue to review, monitor, and escalate as appropriate until the programme objectives have been delivered and ensure that new risks identified are assigned to risk owners. The financial implications section in this report identifies a number of key financial risks which will need to be closely monitored
- 14.4. The Strategic Outline Business Case sets out four main risks, listed below, which could significantly impact on the feasibility and affordability of the scheme. In recommending the Strategic Outline Business Case and recommendations in this report to Members, officers need to demonstrate that they have detailed plans and contingencies prepared to mitigate the risks identified or to take alternative courses of action in the event that one or more of these risks materialises.
- 14.5. The main risks identified in the Strategic Outline Business Case were:

- Macroeconomic factors such as an economic downturn in the housing market could result in lower sales values and a slower sale of units;
  - Macroeconomic factors such as material price inflation, post-Brexit wage inflation, etc could result in an increased build cost;
  - Microeconomic factors including the assessment of the value of the land “Best Consideration”; and
  - Any change from previously agreed specifications during later stages of design and delivery will impact on both cost and time constraints.
- 14.6. The Strategic Outline Business Case also makes it clear that the Council is yet to receive a best consideration report for the value of its land and as a result, the JV Financial Model, including associated equity contributions and the ultimate profitability of the proposed delivery model, are all draft and subject to material change. Given the sensitivity of this value to the project’s viability, this poses a significant and material risk to the project.
- 14.7. On receipt of the best consideration report, officers, with support from external advisers will need to consider the impact on the feasibility and affordability of the programme and make appropriate recommendations to Members in terms of progressing the programme.
- 14.8. Officers have obtained and followed appropriate external legal advice to assure those approving this report that the proposed approach would enable the Council to achieve its objectives for this programme, subject to the final best consideration report, and should not be subject to procurement challenge by following the recommended course of action.
- 14.9. Officers will need to ensure that final legal advice in respect of ensuring compliance with state aid regulations is received in respect of the provision of development funding to the proposed JV partnership and that this advice is followed to ensure that the funding is provided in accordance with state aid compliant market terms. This will mitigate the risk of potential future challenge.
- 14.10. Officers will need to ensure that the remaining external reports/advice, including the final Best Consideration report, are received in advance of the final delegated decision being taken by the Chief Executive.
- 14.11. Officers will then need to ensure they act on all final advice/reports received when progressing the relevant transactions and provide appropriate assurances to the Chief Executive and Members that this has been done. This will mitigate the risk of challenge or potential qualification by the Council’s external auditor as part of their audit procedures.
- 14.12. The report identifies some uncertainty around the sources of funding, in particular the use of and collectability of CIL to fund the Town Hall refurbishment and the sensitivity analysis regarding potential JV margins which are expected to contribute to the cost of the programme. The potential impact on revenue, in terms of additional borrowing which may be required if

these risks materialise, is included in the report. Ongoing reporting to Members will need to provide assurance regarding the management of these risks and any impact on the Council's financial position.

- 14.13. The report sets out a number of significant delegations to officers in terms of decisions required to progress the programme. Officers should ensure that all decisions are appropriately documented, retained and reported to Members to demonstrate that decisions have been taken in line with delegations granted.
- 14.14. Given the significance, value and complexity of the proposed programme, officers should set out the officer and member governance arrangements which will provide programme oversight and assurance and ensure that costs are appropriately controlled, and key actions taken once appropriate consents and approvals have been confirmed.
- 14.15. *Implications validated by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel: 0207 361 2389*

## **15. HUMAN RESOURCES IMPLICATIONS**

- 15.1. The Council's *hello future* programme aims to fundamentally transform how services are delivered to residents and the way the council works. The programme is underpinned by the roll-out of new technology planned for early 2019 as part of the Tech-tonic programme; the new Integrated Business Centre (IBC) system (for finance, payroll, HR and procurement); and the refurbishment of the Town Hall to create a modern, fit-for-purpose working environment for council staff, start-up businesses and visitors, making maximum use of the space available.
- 15.2. The *hello future* programme will allow staff to work from anywhere, at any time and with the environment and equipment they need to do their jobs well, whilst also ensuring that the Council makes the best use of its resources and budgets. It will enable the Council to make more flexible use of the space available, allowing it to make better and more value generating uses of assets in prime locations. Proposals in this report encourage mixed use of spaces in keeping with modern and successful organisations. This, together with the proposed decant of the Town Hall site and move to alternative office accommodation during the three to four-year development period, will have implications on staff, particularly those within scope of the decant currently based within the Town Hall, Town Hall Extension and 181 King Street.
- 15.3. There is a risk of increased staff turnover and sickness levels as a result of the move, as well as reduced productivity. Furthermore, the loss of on-site car parking will have implications on staff with current parking permits, including potential outcomes for custom and practice and a potential increase in grievances.
- 15.4. As part of the decant programme, Occupational Health are being consulted regarding new equipment to establish any potential impact on reasonable

adjustments. Any reasonable adjustments required for individuals will be made and/or specialist equipment provided.

- 15.5. It should be noted that the Council is planning to TUPE transfer staff employed by Mitie. It is proposed that transfers may take place in March/April 2019 prior to the proposed decant from the Town Hall site. There are c.70 members of Mitie staff, subject to the sign off of due diligence.
- 15.6. Given that the majority of FM services (excluding cleaning and post room services) will be provided by the landlord in the proposed decant sites under the terms of the leases, fewer FM staff are likely to be required during the decant period. The implications of this are set out in paragraph 15.2 of the exempt part of the Cabinet agenda dated 3<sup>rd</sup> December 2018.
- 15.7. The Mitie TUPE transfers, as well as any bi-borough service restructures taking place prior to the decant, may have an impact on the overall staff numbers expected to work out of the decant accommodation. This will continue to be monitored by the Decant Programme Manager to ensure the decant accommodation provides sufficient space, in line with the proposed desk to staff ratios and agile ways of working.
- 15.8. *Implications validated by: Tina Dempsey, Head of People and Talent, tel 07813 146254*

## **16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name and contact details of responsible officer</b>	<b>Department/ Location</b>
1	West King Street Renewal Programme: Approval of Business Case and Delivery Strategy Cabinet Report – 03.12.18	David Burns	Growth Directorate

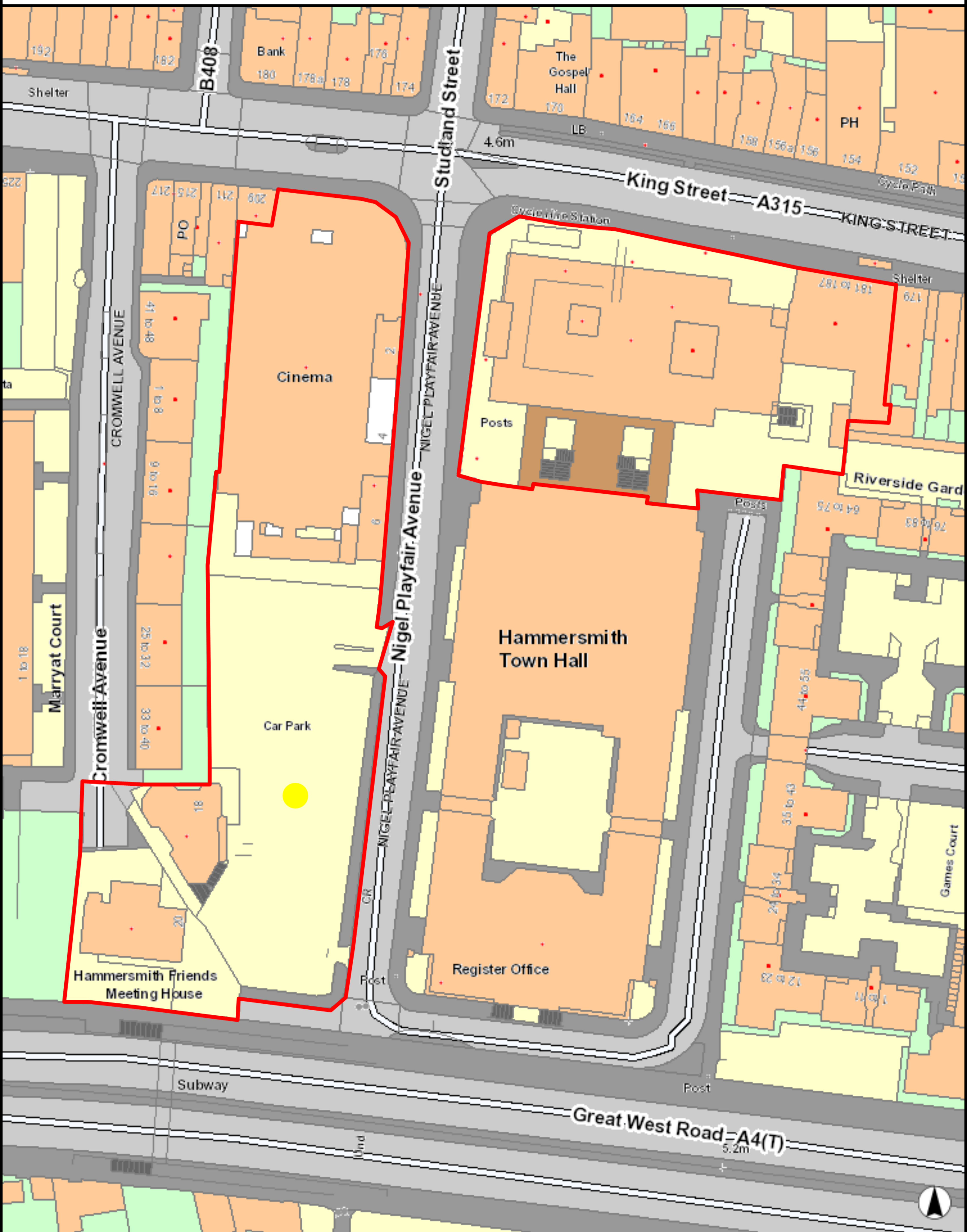
## **LIST OF APPENDICES**

- Appendix 1 – Conditional Sale of Land Plan (Open)  
Appendix 2 – Exempt Financial Implications (Exempt)




# London Borough of Hammersmith & Fulham

## West King Street Renewal Programme - Conditional Land Sale Agreement Plan



# Agenda Item 6.5

<b>London Borough of Hammersmith &amp; Fulham</b>  <b>FULL COUNCIL</b>  <b>23 January 2019</b>		 hammersmith & fulham
<b>REVIEW OF THE CONSTITUTION</b>		
<b>Report of the Leader of the Council – Councillor Stephen Cowan</b>		
<b>Open Report</b>		
<b>Classification:</b> For Decision <b>Key Decision:</b> No		
<b>Wards Affected:</b> None		
<b>Accountable Director:</b> Rhian Davies, Monitoring Officer		
<b>Report Author:</b> Kayode Adewumi, Head of Governance and Scrutiny		<b>Contact Details:</b> Tel: 020 8753 2499 E-mail: <a href="mailto:kayode.adewumi@lbhf.gov.uk">kayode.adewumi@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 This report asks Council to approve changes to the Pensions Board terms of reference and the Licensing Sub-Committee's terms of reference.

## 2. RECOMMENDATIONS

- 2.1 That the changes to the Pensions Board's terms of reference, as set out in Appendix 1 of the report, be agreed.
- 2.2 That the changes to the Licensing Committee and Licensing Sub-Committee's terms of reference, as set out in Appendix 2 of the report, be agreed.

## 3. REASONS FOR DECISION

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



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

- 4.1 The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure business is conducted in an efficient, transparent, and accountable manner.
- 4.2 The Monitoring Officer has a duty to keep the Constitution under review and 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. All extensive changes to the Constitution, however, must be approved by Full Council.

#### **5. PROPOSALS AND ISSUES**

##### **Pensions Board – Terms of Reference Changes**

- 5.1 This amendment is proposing the following changes:
- To increase the Employee Representatives fixed term of office from two years to four years (with the start date remaining as July 2015).
  - To increase the Employer Representatives fixed term of office from two years to four years with a start date of May 2018 to synchronise with the LBHF Council election cycle.
- 5.2 The Public Service Pensions Act 2013 required Pensions Boards to be established for all public service pension schemes. The role of each Pensions Board is to help to ensure each scheme complies with governance and administration requirements.
- 5.3 Pensions Boards need to have an equal number of Employer Representatives and Employee Representatives. They may also have other types of members, such as independent experts. All Pensions Board members have a duty to act in accordance with scheme regulations and other governing documents.
- 5.4 The levels of expertise and continuity required from all members of the Pensions Board has resulted in the original requirement for representatives to serve a fixed term of office of just two years has proved impractical. It is therefore recommended that the term of office for both Employer Representatives and Employee Representatives be increased to four years. There is no conflict with the Public Service Pensions Act 2013 regarding this proposal.
- 5.5 The changes to the fixed term of office will strengthen the continuity and resilience of the Pensions Board by ensuring that the entire membership of the Board does not stand down all at once.
- 5.6 The selection process of the Employee Representatives requires all active, deferred and pensioners to be contacted to self-nominate. Being such a large

group of stakeholders it is more appropriate and cost effective to engage with them within a four-year cycle rather than the shorter two-year period.

### **Licensing Committee and Sub-Committee – Terms of Reference Changes**

- 5.7 This recommendation is proposing the following change:
- To add the following line to the terms of reference for both the Licensing Committee and Licensing Sub-Committee: “To determine applications in relation to special treatments.”
- 5.8 While the committees have previously had the powers to consider special treatment licenses, this change provides greater clarity for members, officers, businesses, and residents.

## **6. EQUALITY IMPLICATIONS**

- 6.1 The equalities implications of this decision have been considered to be neutral.
- 6.2 Implications verified/completed by: Kayode Adewumi, Head of Governance and Scrutiny – Tel: 020 8753 2499

## **7. LEGAL IMPLICATIONS**

- 7.1 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.
- 7.2 Implications verified by: Rhian Davies, Monitoring Officer – Tel: 020 7641 2729

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications.
- 8.2 Implications completed by: Kayode Adewumi, Head of Governance and Scrutiny – Tel: 020 8753 2499

## **9. BUSINESS IMPLICATIONS**

- 9.1 There are no direct business implications.
- 9.2 Implications completed by: Kayode Adewumi, Head of Governance and Scrutiny – Tel: 020 8753 2499

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**  
None.

**List of Appendices**

Appendix 1 – Pensions Board Terms of Reference

Appendix 2 – Licensing Sub-Committee Terms of Reference

## **Pensions Board Constitution and Terms of Reference**

### **Members**

The Pension Board shall consist of six members and be constituted as follows:

- Three employer representatives comprising one from an admitted or scheduled body and two nominated by the Council; and
- Three scheme member representatives whether from the Council or an admitted or scheduled body.

The process for selecting non-Council nominated employer members of the Pension Board is set out in a separate document “Selection of Pension Board members”.

### **Quorum**

The Pension Board shall be quorate when three Pension Board Members are in attendance.

### **Role of the Local Pension Board**

The role of the local Pension Board is defined by section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme (LGPS) Governance Regulations 2013. It is to assist the administering authority (the Council) with:

- Securing compliance with the LGPS Governance regulations and any other legislation relating to the governance and administration of the LGPS
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the scheme and
- Ensuring effective and efficient governance and administration of the scheme-recommendations to the Pensions Sub-Committee.

### **Membership:**

#### **Chair of the Board**

The Chair and Vice Chair of the Board will be appointed by members of the Board as the first business at their first meeting.

#### **Substitute Members**

Each Scheme Member representative may agree a nominate substitute at the first meeting who would act in the Board member's absence.

Each Employer representative is there on behalf of the employer so may be replaced by the nominating body with another individual representing the same employer.

#### **Periods of Office**

Each Board Member shall be appointed for a fixed period of **four years**<sup>1</sup> ~~two years,~~ which can be extended for a further two-year period subject to re-nomination.

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<sup>1</sup> Note: additions are highlighted in yellow. Subtractions are marked with a line through them.

**Termination**

Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least two meetings each year. In the event of consistent non-attendance by any Board member, then the membership of that Board member should be reviewed by the other Board members with advice from officers.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the unanimous agreement of all the other Board members present at the meeting.

A Board member may choose not to continue in their role, and so shall notify the Board accordingly following which the process for a replacement shall start.

**Board Meetings:****Frequency of meetings**

The Board shall as a minimum meet twice a year, and where possible, should aim to do so four weeks before the Pensions Sub-Committee meets. Meetings shall take place at a time and place agreed by the Pensions Board on an annual basis.

**Voting Rights**

Each Board member will be entitled to vote and where a vote is taken the matter will be decided by a majority of the Board members present and voting but it is expected that the Pension Board will as far as possible reach a consensus. In the event of an equality of votes, the Chair will have a second and or a casting vote.

**Notice and Circulation of Papers**

The papers for each Board meeting shall be circulated to all Board members one calendar week in advance of each meeting. The papers shall be published on the Council's website unless they contain material considered to be exempt or confidential, as defined by the Local Government Act 1972 and subsequently agreed as such by the Board.

**Minutes**

Minutes of all non-confidential or non-exempt parts of the Board's meetings shall be recorded and published on the Council's website.

**Secretariat Service**

Council officers will provide the Board with the secretariat services required.

**Role of Advisers:****Access to Council advisers**

The Board may request that one of the Council's advisers attends a Board meeting to provide advice or information to the Board. The request should be submitted to the Monitoring Officer.

**Appointment of advisers specifically for the Board**

If the Board requires advice outside that already provided to the Council, then the request should be made to the Pensions Sub-Committee and Council officers.

### **Budget and Expenses:**

#### **Budget**

An annual budget will be agreed by the Board for professional advice, training or other purposes if such matters are required and Officers being authorised to incur expenditure to implement the programme.

#### **Expenses**

Each Board member may claim, upon production of the relevant receipts, travel expenses directly incurred in the work of the Pension Board.

### **Additional policies relating to the Board Operations:**

#### **Code of Conduct**

The role of Pension Board members requires the highest standards of conduct and therefore, all Board members are required to abide by the Pension Board Code of Conduct.

#### **Conflict of Interests**

The Board is required to always act within these terms of reference. Board members should abide by the separately prepared Conflicts Policy and keep the policy under review.

#### **Knowledge and Understanding**

All Board members are required to have sufficient knowledge and understanding of pensions matters to undertake their roles. Board members are expected to comply with the separate policy on knowledge and understanding and maintain appropriate records.

### **Reporting:**

#### **Annual report on activity**

The Pension Board should prepare an annual report on its activities and its compliance with these terms of reference and the associated policies. This report should be addressed to full Council each year, in the first six months of the financial year, reporting on the activities of the Pension Board for the previous financial year. Such a report will be submitted to the Pension Sub-Committee for noting prior to submission to Council.

#### **Reporting Recommendations**

If the Pension Board determines that it wishes to make recommendations to the Pension Sub-Committee, such recommendations should be reported to the next meeting of the Pension Sub-Committee. The Pension Sub-Committee's response to the recommendation will be reported to the next meeting of the Pension Board.



### Licensing Committee Terms of Reference

**Members**

12 voting councillors  
There shall be no ex-officio members

**Quorum**

6 members of the Committee

**Political proportionality**

9 Administration members  
3 Opposition members

**Co-opted Members**

None

#### 1. Sub-Committees

- 1.1 The Committee may establish Sub-Committees comprising 3 members drawn from the parent Committee, and may delegate any, or all, of its functions to such Sub-Committees or to an Officer, subject to any statutory restrictions.

#### 2. Statutory status

- 2.1 The Licensing Committee is constituted as Licensing Committee under s6 of the Licensing Act 2003 in respect of licensing and related functions under that Act, and as an ordinary committee under s101 of the Local Government Act 1972 in respect of its licensing, regulatory and registration functions.

#### 3. Operational Matters

- 3.1 In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote.
- 3.2 A member may consider any matter affecting their Ward, or in which they (or their spouse/partner) has a personal interest (but not a prejudicial interest), provided the interest is disclosed in the usual manner in line with the provisions of the Members' Code of Conduct (This provision takes over the administrative arrangements set out in paragraph 23.4 of the Council's Statement of Licensing Policy, January 2011, revised July 2012).
- 3.3 Ward Councillors may attend meetings where permitted under the Code of Conduct to make representations on behalf of their constituents.
- 3.4 Meetings will take place during the Municipal Year on dates and times as notified and as required.

#### 4. Decision-Making Powers

- 4.1 All matters relating to the discharge of the Council's licensing and related functions under the Licensing Act 2003, (other than the adoption of the

Licensing Policy, which shall be a matter for Full Council), shall be discharged by the Licensing Committee.

- 4.2. The Committee (or any Sub-Committee established for the purpose) shall consider all matters relating to the discharge by the licensing authority of its licensing and related functions under the Licensing Act 2003, with a view to promoting the licensing objectives, viz.:
  - The prevention of crime & disorder
  - Public safety
  - The prevention of public nuisance
  - The protection of children from harm
- 4.3. The Committee (or any Sub-Committee) shall have regard to the Statement of Licensing Policy published by the licensing authority, and to any Guidance issued by the Secretary of State.
- 4.4. To consider and resolve all other matters relating to the licensing, certification and registration functions of the Council undertaken by the Director of Environment Health.
- 4.5. To hear appeals against decisions made by officers carrying out delegated functions in respect of the matters set out in paragraph 3.4.
- 4.6. To hear and determine all applications for full or partial waivers of the rule of Management No. 1A (for small establishments) or 3a (for large establishments) relating to striptease/activity which could require a Sex Establishment licence if the Council has so resolved.
- 4.7. To make regulations prescribing standard conditions to be attached to street licences, to revoke, to refuse to grant, to refuse to renew and to make or vary the conditions attached to a street trading licence.
- 4.8. To designate streets as prohibited or licence streets.
- 4.9. To determine applications in relation to special treatments.

## **Licensing Sub-Committee**

### **Terms of Reference**

#### **Members**

3 voting councillors, drawn from the membership of the Licensing Committee  
There shall be no ex-officio members

#### **Quorum**

2 members of the Sub-Committee

#### **Political proportionality** (Where applicable)

2 Administration members  
1 Opposition member

#### **Co-opted Members** None

### **1. Statutory status**

- 1.1 The Licensing Committee is constituted as Licensing Committee under s6 of the Licensing Act 2003 in respect of licensing and related functions under that Act, and as an ordinary committee under s101 of the Local Government Act 1972 in respect of its licensing, regulatory and registration functions

### **2. Operational Matters**

- 2.1. In the event of an equality of votes, the Chair of the Sub-Committee shall have a second or casting vote.
- 2.2. A member may consider any matter affecting their Ward, or in which they (or their spouse/partner) have a personal interest (but not a prejudicial interest), provided the interest is disclosed in the usual manner in line with the provisions of the Members' Code of Conduct. (This provision takes precedence over the relevant arrangements set out in paragraph 23.4 of the Council's Statement of Licensing Policy, January 2011, and revised July 2012).
- 2.3. Ward Councillors may attend meetings where permitted under the Code of Conduct to make representations as interested parties themselves, or on behalf of their constituents, where permitted by the relevant legislation.
- 2.4. Meetings will take place during the Municipal Year on dates & times as notified and as required.

### **3. Decision-Making Powers**

- 3.1. All matters relating to the discharge of the Council's licensing and related functions under the Licensing Act 2003, (other than the adoption of the Licensing Policy, which shall be a matter for Full Council).
- 3.2. The Sub-Committee shall consider all matters relating to the discharge by the licensing authority of its licensing and related functions under the Licensing Act 2003, with a view to promoting the licensing objectives, viz.:

- The prevention of crime & disorder
  - Public safety
  - The prevention of public nuisance
  - The protection of children from harm
- 3.3. The Sub-Committee shall have regard to the Statement of Licensing Policy published by the licensing authority, and to any Guidance issued by the Secretary of State.
- 3.4. To consider and resolve all other matters relating to the Licensing, Certification and Registration functions of the Council (i.e. matters other than those under the Licensing Act 2003).
- 3.5. To hear appeals against decisions made by officers carrying out delegated functions in respect of the matters set out in paragraph 3.4.
- 3.6. To hear and determine all applications for full or partial waivers of the Rules of Management No. 1A (for small establishments) or 3a (for large establishments) relating to striptease/activity which could require a Sex Establishment licence if the Council has so resolved.
- 3.7. To make regulations prescribing standard conditions to be attached to street licences, to revoke, to refuse to grant, to refuse to renew and to make or vary the conditions attached to a street trading licence.
- 3.8. To designate streets as prohibited or licence streets, where the determination of the matter could not wait until the subsequent meeting of the Licensing Committee.
- 3.9. To determine applications in relation to special treatments.

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## **SPECIAL MOTION NO. 1 – LANNOY AND HARTOPP**

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Standing in the names of:

- (i) Councillor Adronie Alford
- (ii) Councillor Alex Karmel

This Council notes the ongoing situation regarding safety at Lannoy and Hartopp Points. The Council is commended for its actions placing Fire Wardens in Lannoy and Hartopp as the welfare and safety of our residents must be paramount.

The Council calls on the Administration to fully explain how the need for this has arisen and to explain how the blocks have been allowed to become so neglected.

The Council calls on the Administration to provide a breakdown of the additional costs for these fire wardens and further to provide information on the timescale and costs to make the blocks fit for the residents.

# Agenda Item 7.2

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## **SPECIAL MOTION NO. 2 – AUSTERITY IS ECONOMICALLY ILLITERATE, CRUEL AND NO MORE THAN AN IDEOLOGICALLY CONSERVATIVE ATTEMPT TO SHRINK THE STATE WHICH IS WHY IT MUST END**

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Standing in the names of:

- (i) Councillor Andrew Jones
- (ii) Councillor Alexandra Sanderson

This Council calls on the Conservative government to immediately end austerity and not just talk of doing so.

The Council acknowledges that austerity was introduced in 2010 by the Conservative / Liberal Democrat government, not as part of good economic management, but to deliver that government's ideologically conservative agenda.

The Council notes that austerity is economically illiterate and counter-productive which is why in 2010 it had the immediate effect of killing economic growth, driving the UK into recession and curtailing UK debt payments. It further notes that this policy has been widely condemned internationally, exemplified in particular by a 2016 IMF report concluding that it did 'more harm than good'.

The Council notes the broad coloration between the areas of Great Britain hardest hit by austerity and the vote to leave the European Union during David Cameron's flawed EU Referendum.

The Council views with sadness the consequences of austerity to our society most recently reported by the United Nation's which detailed how it has caused extreme poverty and damaged people's human rights.

The Council declares that it is a matter of shame for the Conservative / Liberal Democrat (2010-2015) and Conservative (2015-present) governments that the UN report was able to conclude:

"The UK is the world's fifth largest economy, it contains many areas of immense wealth, its capital is a leading centre of global finance, its entrepreneurs are innovative and agile, and despite the current political turmoil, it has a system of government that rightly remains the envy of much of the world. It thus seems patently unjust and contrary to British values that so many people are living in poverty. This is obvious to anyone who opens their eyes to see the immense growth in foodbanks and the queues waiting outside them, the people sleeping rough in the

streets, the growth of homelessness, the sense of deep despair that leads even the Government to appoint a Minister for suicide prevention and civil society to report in depth on unheard of levels of loneliness and isolation. And local authorities, especially in England, which perform vital roles in providing a real social safety net have been gutted by a series of government policies. Libraries have closed in record numbers, community and youth centers have been shrunk and underfunded, public spaces and buildings including parks and recreation centers have been sold off. While the labour and housing markets provide the crucial backdrop, the focus of this report is on the contribution made by social security and related policies.”

The Council recognises that since 2010 almost sixty pence out of every pound of government funding has been cut to this council's budget.

The Council applauds the fact that the borough's Labour councillors opposed austerity from its start at the beginning of this decade. It notes that Conservative councillors have consistently justified austerity and voted to support it.

The Council calls for all councillors to now oppose austerity and the government's flawed management of our economy and joins with other councils across the country in calling for fair funding for councils.

# Agenda Item 7.3

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## **SPECIAL MOTION NO. 3 – CALL FOR A SEA-CHANGE IN THE GOVERNMENT’S TREATMENT OF DISABLED PEOPLE**

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Standing in the names of:

- (i) Councillor Ben Coleman
- (ii) Councillor Patricia Quigley

This Council supports the Labour administration’s aspiration for Hammersmith & Fulham to be the most inclusive borough in the country.

The Council welcomes the Labour administration’s commitment to continuing to provide free home care and reduced prices for meals on wheels - a commitment matched by no other council.

The Council welcomes the report of Hammersmith & Fulham’s Independent Disabled People’s Commission and supports the administration’s commitment to the full implementation of the report’s recommendations - despite severe cuts in government funding. Those recommendations include:

- Taking a human rights approach to policy and services, using the UN Convention on the Rights of Persons with Disabilities as the framework for change.
- Working in co-production with Disabled residents on the development, implementation and monitoring of policy.

The Council notes that:

- The UN Committee on the Rights of Persons with Disabilities has identified the British government as failing to uphold disabled people’s human rights.
- The Department for Work and Pensions has confirmed that more than 4,500 Disabled people were wrongly stripped of their Personal Independence Payment in the switch from the previous Disability Living Allowance.
- The DWP has confirmed that 180,000 Disabled people were underpaid £970 million in an earlier switch from incapacity benefits to the Employment and Support Allowance (ESA) between 2011-2014 but Disabled people are now being required to fill out a 45-page form to win back their ESA benefits.
- The government has confirmed that almost 100,000 Disabled people were forced last year to wait longer than two weeks for their benefit payments.
- The Ministry of Justice has confirmed that nearly three-quarters of PIP assessments by the private firms to which the government has wholly outsourced this task are now being overturned.



The government's approach to Disabled people has evidently created a cruel and hostile environment and caused Disabled people unnecessary stress, anxiety, depression and loss of independence.

This Council therefore calls on the government to change radically its approach to Disabled people and for all councillors to lobby the government to adopt the recommendations of Hammersmith & Fulham's Independent Disabled People's Commission.

# Agenda Item 7.4

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## **SPECIAL MOTION NO. 4 – DISABLED ACCESS TO TUBE STATIONS**

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Standing in the names of:

- (i) Councillor Victoria Brocklebank-Fowler
- (ii) Councillor Donald Johnson

This Council recognises the challenge facing disabled people and others with limited mobility, including older people and young families, of using the London Underground.

This Council notes that whilst some tube stations in our borough have step free access, many others do not.

This Council calls on Transport for London to put forward plans to give additional stations across the borough step-free access, such as Putney Bridge and Parsons Green Tube Stations.

This Council pledges to work with TfL, local residents, businesses and developers to support plans for step free access, and to provide Section 106 funding to support these schemes.

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## **SPECIAL MOTION NO. 5 – COUNCIL HOUSING BORROWING CAP**

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Standing in the names of:

- (i) Councillor Adronie Alford
- (ii) Councillor Matt Thorley

This Council understands the serious challenges facing many residents of our borough in finding, secure long-term housing.

This Council notes the significant impact this has on our local services, such as the NHS, schools and many more as well as local businesses in attracting and retaining staff.

This Council recognises the need to build many more additional homes in the borough, of all tenures, including council housing, housing association homes, intermediate housing, key-worker housing, discount market sale as well as homes for the open market.

This Council welcomes the Government's recent announcement to lift the cap on the amount of money that councils can borrow to build new council homes.

This Council looks forward to further details of this proposal being brought forward at the Budget, and pledges to work with the Government and the GLA to ensure that more homes of all tenure, but especially council housing are built in our borough.

# Agenda Item 7.6

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## **SPECIAL MOTION NO. 6 – RINGGO AND THE NEW VISITOR PERMIT**

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Standing in the names of:

- (i) Councillor Alex Karmel
- (ii) Councillor Matt Thorley

The Council calls on the Administration to urgently review the RingGo system and the new visitor permits and if necessary urgently consider alternative solutions.

Following on from the scandal of the old machines not accepting the then newly introduced pound coins the new RingGo system is not fit for purpose and is discriminatory.

1. There have been numerous complaints that RingGo and the new visitor permits have failed to work correctly.
2. The helpline does not function properly and is charged at a premium rate.
3. The system discriminates against the elderly and the economically disadvantaged with the requirement to use the Android system or iPads.
4. The reduction in pay and display machines coupled with incorrect or missing on-street signage of the location of ticket machines makes it difficult to locate them.

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## **SPECIAL MOTION NO. 7 – PROTECTING AND SECURING HARTOPP AND LANNOY POINTS**

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Standing in the names of:

- (i) Councillor Lisa Homan
- (ii) Councillor Larry Culhane

This Council acknowledges and supports the extensive work undertaken by Hammersmith & Fulham's Labour Administration to ensure the safety of all residents at Hartopp and Lannoy Points.

The Council reaffirms its support of the fire safety measures it has put in place including fire wardens, smoke alarms and a £600k investment in fire safety programme – all actions put in place after discussions with the London Fire Brigade and world-leading Fire Safety Experts, CS Todd Associates.

The Council welcomes the Administration's on-going commitment to work with residents of all the borough's council estates which is in stark contrast to the council housing sell-off and demolition programme undertaken by Hammersmith & Fulham's Conservative councillors during their two consecutive terms of administration ending in 2014 – many of those individuals still Conservative councillors now.

This Council reiterates its commitment to continue to work with Hartopp and Lannoy Points' residents, providing them with full access to information, including Fire Risk Assessments, Structural Survey, a Hartopp and Lannoy webpage and weekly housing management surgeries.

The Council supports the Labour Administration's commissioning of the structural investigation of Hartopp and Lannoy Point and that it has engaged and consulted extensively with all Hartopp and Lannoy Point's residents on this issue over the whole period this work has been on-going.