



London Borough of Hammersmith & Fulham

Cabinet

7 NOVEMBER 2011

LEADER

Councillor Stephen Greenhalgh

**FUNDING REQUEST FOR TRI-BOROUGH
ADDITIONAL COSTS**

**Wards:
All**

This report requests funding for the H&F share of the necessary additional staff costs, identified to date, that are being incurred in order to secure the delivery of the Tri-borough proposals and associated benefits which include £11m savings for H&F by 15/16.

CONTRIBUTORS

Head of
Transformation
EDFCG
ADLDS

**HAS A EIA BEEN
COMPLETED?**

N/A

**HAS THE REPORT
CONTENT BEEN RISK
ASSESSED?**

N/A

Recommendations:

- 1. That approval be given to fund the currently identified additional staff requirements as set out in para. 3 of the report for the period up to the end of 2011/12 - £314,000 and for 2012/13 – £238,000.**
- 2. That specific Tri-borough business cases are presented to secure funding for further investment.**

1. BACKGROUND

- 1.1 The 3 Councils agree that it is in their collective interest to keep to a necessary minimum the additional costs they each incur in order to deliver Tri-borough and secure the £33.4m savings alongside other benefits, such as protecting front line services. The H&F share of these savings is £11m¹.
- 1.2 The Councils have therefore undertaken wherever possible to adjust the priorities of existing staff in order to undertake Tri-borough work; and thereby to avoid the need for additional spending.
- 1.3 However, in certain cases there is a requirement to create specific posts in order to secure the successful delivery of Tri-borough.
- 1.4 The Chief Executives of the 3 Councils agreed the principle to share the additional costs of filling these posts between the 3 Councils (or 2 Councils in the case of Bi-borough work). For the purposes of this report, the H&F cost share is simply calculated as either 1/3rd for Tri-borough or 1/2 for Bi-borough work.

2. REQUIREMENT FOR ADDITIONAL STAFF

- 2.1 The main additional requirement is for programme and project management staff, to work alongside Directors and Senior Managers with the skills and capacity to drive the implementation and ensure that the Councils are able to secure the planned savings and other benefits.
- 2.2 The criteria used to determine additional staff costs are:
 - where a post has necessarily been created specifically to secure the delivery of the Tri-borough implementation and associated benefits; and
 - a Council has incurred additional costs as a result.
- 2.3 At regular intervals, aggregate costs incurred by each borough will be calculated and reviewed by the Chief Executives. Any payments necessary to distribute these costs fairly across the three boroughs will be made.

¹ (Attribution around Environment and Corporate Services is being further considered)

3. COSTS

- 3.1 The H&F share of the additional costs identified to date for the period up to April 2012 are estimated to be £314,000.
- 3.2 The H&F share of the additional costs identified to date for April 2012 to April 2013 is £237,891.
- 3.3 With initiatives of the scale and complexity of Tri-borough it is highly likely that additional requirements, requiring funding, will be identified in the future. No contingency or allowance in the above figures for these yet to be specified requirements.
- 3.4 There are likely to be additional staff costs beyond April 2013 although based on current work plans these are not expected to be of the same magnitude.
- 3.5 There will be additional costs associated with ICT infrastructure, specialist large scale procurement e.g. Athena, Facilities Management. These will be the subject of separate business cases.

4. RISK MANAGEMENT

- 4.1 Responsibility for Tri Borough Programme risk management resides within the governance structure outlined in the February 2011 Cabinet report and the proposal document 'Bold ideas for Challenging Times'. Further detail is set out in the document 'Tri-borough Risk Management' published to the H&F Overview and Scrutiny Board 21 September 2011.

5. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 5.1 It is estimated that the tri-borough programme will deliver annual revenue of more than £11m savings for Hammersmith and Fulham by 2015/16. Upfront investment is required if such savings are to be realised. As set out in this report approval is now required for this authority to contribute £0.314m in 2011/12 and £0.238m in 2012/13 toward the additional staff resources needed to take forward the programme. This will be met from contingency balances.
- 5.2 Further costs may well arise particularly regarding IT investment and use of procurement specialists. Approval for such expenditure will be subject to the agreement of specific business cases.

6. EQUALITY IMPLICATIONS

- 6.1 Under the Equality Act 2010, the Council must consider its obligations with regard to the Public Sector Equality Duty (PSED). It must carry out its functions (as defined by the Human Rights Act 1998) with due regard to the duty and its effect on the protected characteristics in relevant and proportionate way.
- 6.2 In this case, none of the protected characteristics is relevant to, and none will be impacted by, the creation of posts or attributing costs to each borough, as these will have no effect on service users. H&F will comply with its own policies and procedures when recruiting to the posts.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1. The Council's powers to enter into Tri-borough arrangements have been set out in earlier reports.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Bold Ideas for Challenging Times – Feb 2011	Martin Nottage x3542	FCS
2.	Tri-borough Implementation Plans – Cabinet paper June 2011	Kayode Adewumi x2499	FCS
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