



London Borough of Hammersmith & Fulham

Cabinet

15 OCTOBER 2012

LEADER

FUNDING REQUEST FOR 2012/13 TRI-BOROUGH COSTS

**Wards:
All**

This report requests funding for the H&F share of the necessary additional staff costs, identified to date, that need to be incurred in order to secure the delivery of the Tri-borough proposals and associated benefits. These include £17 million savings for H&F by 2015/16.

CONTRIBUTORS

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HAS A EIA BEEN COMPLETED?
N/A

Recommendation:

That approval of £235,000 be given to fund additional short term staff requirements through to the end of March 2013 as set out in section 3 of the report, to deliver required LBHF savings.

HAS THE REPORT CONTENT BEEN RISK ASSESSED?
N/A

1. BACKGROUND

- 1.1. The three 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 £40m savings alongside other benefits, such as protecting front line services. The H&F share of these savings is £17 million to be delivered by 2015/16.
- 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 one third for Tri-borough or half 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 Exec Directors and Senior Managers with the skills and capacity to drive implementation and thus to 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 Aggregate costs incurred by each Borough will be calculated and reviewed by the Chief Executives on a regular basis. Any payments necessary to distribute these costs fairly across the three boroughs will be made.

3. COSTS

- 3.1 Cabinet approved funding of £238,000 for 2012/13 as recommended in a report to Cabinet on 10 October 2011. The paper indicated that additional, short term programme and project requirements would be required to deliver the savings required of the key tri-borough programmes and that further costs and their link to savings targets would be outlined in early 2012/13. Cabinet is now asked to approve funding for these costs.
- 3.2 The total cost of the H&F share of the additional costs for April 2012 to March 2013 is £473,000. Taking into account the previously approved funding of £238,000, Cabinet are asked to approve funding of £235,000 for the remaining 2012/13 costs.
- 3.3 In totality, the resources will directly enable delivery of 2012/13 and 2013/14 savings whilst also progressing the plans and initiatives required to deliver savings through to 2015/16 (table 1).

Table 1 LBHF savings to be delivered (£ 000)

Service/ Programme	12/13 costs (£ '000)	H&F savings (£'000) ¹		
		12/13	13/14	15/16
Children's Services	93	1,940	2,287	1,080
Adult Social Care	32	1,026	3,005	1,272
Libraries	31	197	74	0
Corporate Services	236	0	0	2,333
Managed Services	81	0	0	2,000
TOTAL	473	3,163	5,366	8,434
Funding approved October 2011	238			
Funding requested September 2012	235			

¹ Figures taken from report to Tri-borough Leaders 25th May 2012

- 3.4 It should be noted that the costs shown for Corporate Services cover:
- Corporate costs to enable tri-borough working e.g. for ICT and Finance;
 - Costs associated with the Corporate Services programme up until 31 July 2012 (costs for the next phase are set out in a separate Cabinet report).

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 The Tri-borough programme will deliver £17 million savings for Hammersmith and Fulham by 2015/16. Upfront investment is required if such savings are to be realised. Approval is now required for this authority to contribute £235,000 in 2012/13 toward the additional staff resources needed to take forward the programme. This will be met from the Efficiency Projects Reserve.

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 DIRECTOR OF LAW

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

8. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND ICT STRATEGY

- 8.1 There are no procurement implications.

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 - PUBLISHED	Martin Nottage x3542	FCS
2.	Tri-borough Implementation Plans – Cabinet paper June 2011 - PUBLISHED	Kayode Adewumi x2499	FCS