

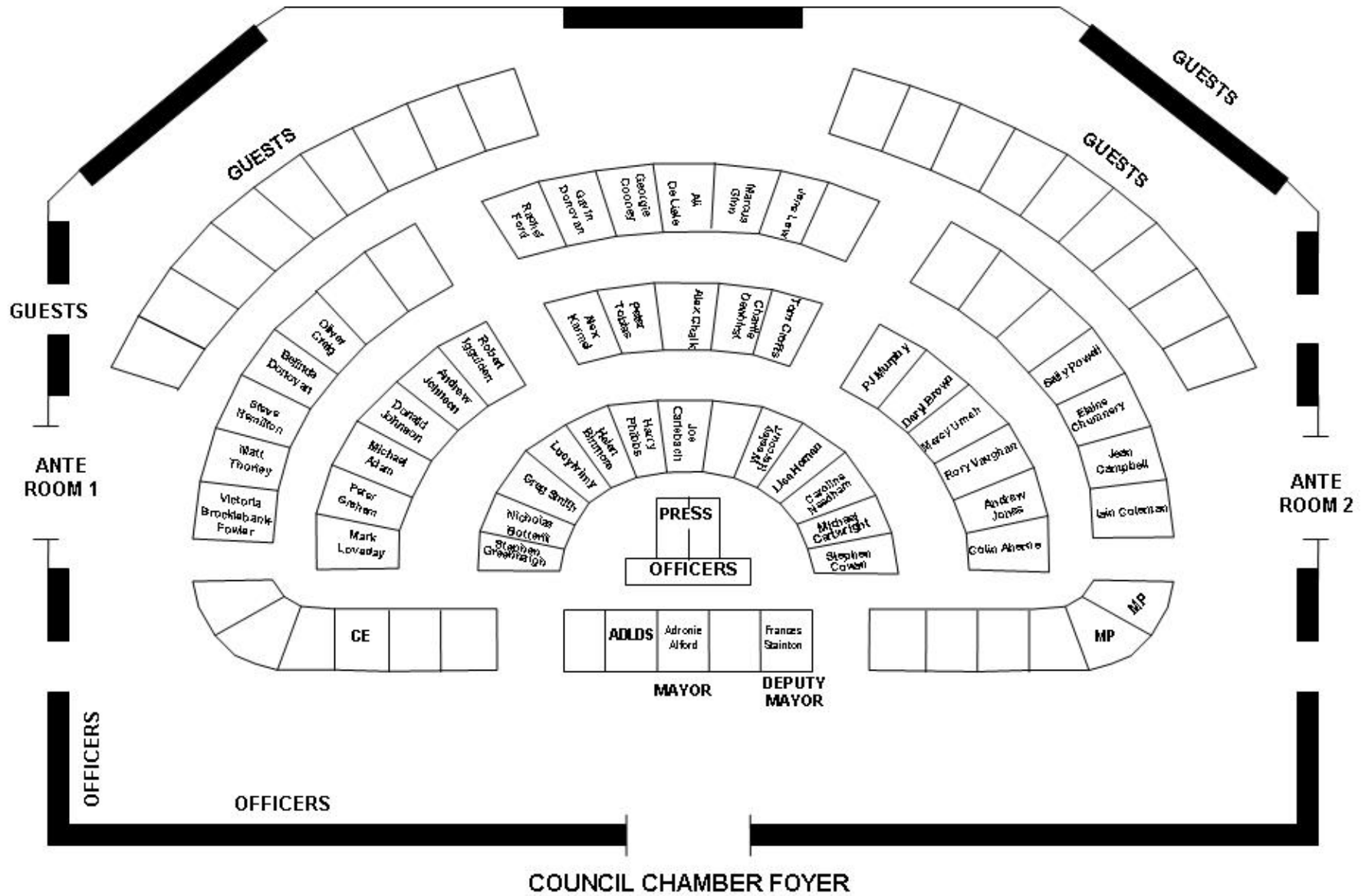
# COUNCIL AGENDA

(Budget Council Meeting)

Wednesday 23 February 2011



# COUNCIL CHAMBER SEATING 2010/11





The Mayor (Councillor Adronie Alford)  
Deputy Mayor (Councillor Frances Stainton)

ADDISON

Alex Chalk (C)  
Belinda Donovan (C)  
Peter Tobias (C)

HAMMERSMITH  
BROADWAY

Michael Cartwright (L)  
Stephen Cowan (L)  
PJ Murphy (L)

RAVENSCOURT PARK

Charlie Dewhirst (C)  
Lucy Ivimy (C)  
Harry Phibbs (C)

ASKEW

Lisa Homan (L)  
Caroline Needham (L)  
Rory Vaughan (L)

MUNSTER

Michael Adam (C)  
Adronie Alford (C)  
Alex Karmel (C)

SANDS END

Steve Hamilton (C)  
Ali de Lisle (C)  
Jane Law (C)

AVONMORE &  
BROOK GREEN

Helen Binmore (C)  
Joe Carlebach (C)  
Robert Iggulden (C)

NORTH END

Daryl Brown (L)  
Georgie Cooney (C)  
Tom Crofts (C)

SHEPHERDS BUSH  
GREEN

Iain Coleman (L)  
Andrew Jones (L)  
Mercy Umeh (L)

COLLEGE PARK &  
OLD OAK

Elaine Chumnerly (L)  
Wesley Harcourt (L)

PALACE RIVERSIDE

Marcus Ginn (C)  
Donald Johnson (C)

TOWN

Oliver Craig (C)  
Stephen Greenhalgh (C)  
Greg Smith (C)

FULHAM BROADWAY

Victoria Brocklebank-  
Fowler (C)  
Rachel Ford (C)  
Matt Thorley (C)

PARSONS GREEN AND  
WALHAM

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

WORMHOLT AND  
WHITE CITY

Colin Aherne (L)  
Jean Campbell (L)  
Dame Sally Powell (L)

FULHAM REACH

Gavin Donovan (C)  
Peter Graham (C)  
Andrew Johnson (C)



# SUMMONS

Councillors of the London Borough of  
Hammersmith & Fulham  
are requested to attend the  
Budget Meeting of the Council on  
Wednesday 23 February 2011  
at Hammersmith Town Hall, W6

The Council will meet at 7.00pm.

14 February 2011  
Town Hall  
Hammersmith W6

Geoff Alltimes  
Chief Executive

# Full Council Agenda

23 February 2011

<u>Item</u>		<u>Pages</u>
<b>1.</b>	<b>MINUTES</b>	726 - 747
	To approve and sign as an accurate record the Minutes of the Special and Ordinary Council Meetings held on 26 January 2011.	
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b>	
<b>3.</b>	<b>MAYOR'S/CHIEF EXECUTIVE'S ANNOUNCEMENTS (IF ANY)</b>	
<b>4.</b>	<b>DECLARATIONS OF INTERESTS</b>	
	If a Councillor has any prejudicial or personal interest in a particular report he/she should declare the existence and nature of the interest at the commencement of the consideration of the item or as soon as it becomes apparent.	
	At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a prejudicial 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, unless a dispensation has been obtained from the Standards Committee.	
	Where members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration, unless the disability has been removed by the Standards Committee.	
<b>5.</b>	<b>PUBLIC QUESTIONS</b>	
	There are no public questions to consider.	
<b>6.</b>	<b>ITEMS FOR DISCUSSION/COMMITTEE REPORTS</b>	
<b>6.1</b>	<b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2011/12</b>	748 - 807
	This report sets out proposals in respect of the revenue budget for the Council for 2011/12 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues.	

**6.2 CAPITAL PROGRAMME 2011/12 TO 2015/16** 808 - 835

This report sets out proposals in respect of the capital programme, together with ancillary issues.

**6.3 TREASURY MANAGEMENT STRATEGY REPORT** 836 - 862

The report provides information on the Council's Treasury Management Strategy for 2011/12 including interest rate projections and borrowing and investment activity reports for the period April to December 2011.

The report seeks approval for borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in the year 2011/12.

**6.4 REVIEW OF THE COUNCIL'S CONSTITUTION - CHANGES TO OFFICER SCHEMES OF DELEGATION AND MINOR AMENDMENTS** 863 - 870

The Council at its meeting on 26 May 2010 agreed revisions to the Constitution and re-adopted the document for the 2010/11 Municipal Year.

This report proposes some in year amendments to reflect changes to Cabinet portfolio responsibilities and changes to the Schemes of Delegation as a result of the creation of a new Housing and Regeneration department.

**6.5 COUNCILLORS ALLOWANCES SCHEME: REVISION** 871 - 880

This report performs the statutory annual review of Councillors' allowances for the 2011/12 financial year, and takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).

**7. SPECIAL MOTIONS**

There are no special motions to consider.

**8. INFORMATION REPORTS - TO NOTE (IF ANY)**

There are no information reports to note.

# **COUNCIL MINUTES**

(SPECIAL COUNCIL MEETING)

WEDNESDAY 26 JANUARY 2011



PRESENT

The Mayor Councillor Adronie Alford  
Deputy Mayor Councillor Frances Stainton

Councillors:

Colin Aherne	Charlie Dewhirst	Andrew Jones
Helen Binmore	Belinda Donovan	Alex Karmel
Nicholas Botterill	Gavin Donovan	Jane Law
Victoria Brocklebank-Fowler	Rachel Ford	Mark Loveday
Daryl Brown	Marcus Ginn	PJ Murphy
Jean Campbell	Peter Graham	Caroline Needham
Joe Carlebach	Stephen Greenhalgh	Harry Phibbs
Alex Chalk	Steve Hamilton	Sally Powell
Elaine Chumnerly	Wesley Harcourt	Greg Smith
Iain Coleman	Lisa Homan	Matt Thorley
Georgie Cooney	Lucy Ivimy	Peter Tobias
Oliver Craig	Andrew Johnson	Mercy Umeh
Tom Crofts	Donald Johnson	

**32. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Michael Adam, Michael Cartwright, Stephen Cowan, Robert Iggulden, Ali de Lisle and Rory Vaughan.

**33. DECLARATIONS OF INTERESTS**

There were no declarations of interest.

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

The Mayor announced with sadness the recent death of former Councillor Ken Martindale.

Councillor Colin Aherne paid tribute to Mr Ken Martindale.

The Council observed a minute of silence in his memory.

The Mayor congratulated the Deputy Lieutenant Wing Commander Mike Dudgeon on his promotion to Vice Lord Lieutenant and expressed Members' thanks for his support to the borough during his time as Deputy Lieutenant.

The new Deputy Lieutenant Mrs Sandy Cahill was welcomed and wished every success in her new role.

The outgoing Deputy Lieutenant Wing Commander Mike Dudgeon was presented with the Borough Shield by the Mayor. In response, he thanked the Council for its support during his tenure.

The Mayor congratulated all the residents who received various honours in the New Year's Day Honours list and offered the Council's congratulations to Angela Clarke MBE who was present in the meeting.

Mr Graeme Findlay, a member of the Residents Services Department, was commended for his recent service to his country. Graeme served for 6 months last year in Afghanistan, as a Sapper in 217 Field Squadron, 33 Engineer Regiment. The Mayor presented Graeme with the Mayor's Honour Award.

Graeme gave a brief thank you speech in response.

The Mayor's Announcements were circulated and tabled at the meeting. (Copy attached as **Appendix 1** to these minutes).

**35. HONORARY FREEDOM OF THE BOROUGH - THE ROYAL YEOMANRY**

7.12pm - The report and recommendations were moved for adoption by the Leader, Councillor Stephen Greenhalgh. Speeches on the report were made by Councillors Greenhalgh and Alex Karmel (for the Administration) and Lisa Homan (for the Opposition).

**RESOLVED:**

That pursuant to Section 249 (5) of the Local Government Act 1972 (as amended by the Local Democracy, Economic Development and Construction Act 2009) the Council confer the Honorary Freedom of the London Borough of Hammersmith and Fulham on The Royal Yeomanry in recognition of their gallant and outstanding military service to the Country.

The Mayor presented a scroll to Lieutenant Colonel Newton Astbury, the Commanding Officer of the Royal Yeomanry on behalf of the Regiment. The Commanding Officer made a speech thanking the Council for the honour bestowed on the Regiment.

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

Meeting started: 7.00 pm  
Meeting ended: 7.20 pm

Mayor .....

## ANNOUNCEMENTS BY THE MAYOR

1. I am sure everyone shares my sadness to hear of the recent death of a former Councillor Kenneth (Ken) Martindale on Wednesday 5<sup>th</sup> January 2011 in London. Mr Kenneth Martindale, was elected as a Councillor representing Wormholt Ward from May 1986 until 1990.

I invite you all to stand for one minute's silence in his memory.

2. I would like to congratulate our Deputy Lieutenant Wing Commander Mike Dudgeon on his promotion to Vice Lord Lieutenant and express our sincere thanks to him for his support to this borough during the time he has been our Deputy Lieutenant.

I also want to welcome our new Deputy Lieutenant Mrs Sandy Cahill and wish her every success in her new role. We very much look forward to working with her.

3. I would like to congratulate residents of our borough who received various honours in the New Years Day Honours list 2011. Colin Gibbs OBE for his work as a senior lawyer in the counter terrorism division of the Crown Prosecution Service, Peter Kyle OBE, Chief Executive of the Globe Theatre, Margaret Owen OBE, Widows for Peace through Democracy, Jeff Vickers MBE for his work in the photographic industry and Angela Clarke MBE for her services to the local community.
4. I would also like to commend Graeme Findlay for his recent service to his country. Graeme served for 6 months last year in Afghanistan, as a Sapper in 217 Field Squadron, 33 Engineer Regiment. I am pleased to announce that Graeme will be the first recipient of the Mayor's Honour Award.
5. On 28<sup>th</sup> October 2010, I attended a Halloween Fun Day event, Lyric Square, W6.
6. On 28<sup>th</sup> October, I attended an event at Phoenix School, The Curve, W12.
7. On 1<sup>st</sup> November, I attended the funeral of a former Councillor and Past Mayor, Mr Fred Inniss, West London Crematorium, Kensal Green, NW10.
8. On 1<sup>st</sup> November, I attended Mrs Cynthia Hatcher Art Exhibition, Wimbledon Library Gallery, Wimbledon.
9. On 3<sup>rd</sup> November, I attended the Hammersmith Society AGM, Holy Trinity Parish Hall, Brook Green, W14.

10. On 4<sup>th</sup> November, accompanied by my Consort, I attended a tour of Lambeth Palace.
11. On 4<sup>th</sup> November, accompanied by both my Mayoresses, I attended an Exhibition, Italian Cultural Institute, Belgrave Square, SW1.
12. On 5<sup>th</sup> November, accompanied by my Mayoress and Consort, I attended and counted down H&F Fireworks Display, Bishops Park, SW6.
13. On 10<sup>th</sup> November, I attended the official opening and blessing of the Olivier Centre, Lady Margaret School, SW6.
14. On 10<sup>th</sup> November, I attended Bishop Creighton House AGM, Lillie Road SW6.
15. On 10<sup>th</sup> November, accompanied by my Mayoress, I attended the Bhavan Cultural Institute Diwali Banquet, The Millennium Hotel, SW1.
16. On 11<sup>th</sup> November, I attended a Remembrance Day Service, St. John's Church, Walham Green, SW6.
17. On 11<sup>th</sup> November, I attended Fulham Society Artists and Potters event, Fulham Library, SW6.
18. On 12<sup>th</sup> November, accompanied by my Mayoress, I attended the GLA Annual Service of Remembrance, City Hall, SE1.
19. On 12<sup>th</sup> November, accompanied by my Mayoress, I attended a Charity Dinner, House of Commons, Westminster, SW1.
20. On 13<sup>th</sup> November, accompanied by my Mayoress, I attended the Lord Mayor's Show, Mansion House, EC4.
21. On 13<sup>th</sup> November, accompanied by my Consort, I attended the Mayor of Ealing's Charity Dinner, Karahi Palace, Cavendish Parade, TW4.
22. On 14<sup>th</sup> November, accompanied by both my Mayoresses and Consort, I was honoured to take the salute at the Remembrance Day Parade and Service, Fulham.
23. On 17<sup>th</sup> November, I attended the launch of the renewal proposal 2011 - 2016 for Hammersmith London (BID), which Councillor Greg Smith also attended, The Walt Disney Company, Queen Caroline Street, W6.
24. On 18<sup>th</sup> November, accompanied by my Mayoress, I attended the reception to mark the start of the 2011 Boat Race Season, Thames Rowing Club, Putney Embankment SW15.
25. On 21<sup>st</sup> November, accompanied by my Mayoress, I attended Sir William Powell's Almshouses rededication ceremony, which the Bishop of Kensington gave the blessing, Sir William Powell's Almshouses, Church Gate, SW6.

26. On 22<sup>nd</sup> November, I attended with Councillor Alex Karmel a tour of Hammersmith Fire Station, Shepherds Bush Road, W6.
27. On 24<sup>th</sup> November, I visited Henry Compton School, Kingwood Road, SW6.
28. On 24<sup>th</sup> November, accompanied by my Mayoress, I attended a Regiment Cocktail Party, Horseferry Road SW1.
29. On 26<sup>th</sup> November, I was delighted to switch on Fulham Broadway Shopping Centre 'Christmas Light', Fulham Broadway, SW6.
30. On 26<sup>th</sup> November, I attended the Youth Volunteers Award Ceremony, Assembly Hall, Hammersmith Town Hall.
31. On 27<sup>th</sup> November, accompanied by my Consort, I attended the Mayor of Wandsworth Charity Police Ball and Dinner, British Genius, Battersea Park.
32. On 28<sup>th</sup> November, I attended Albanian Independence Day celebration, Assembly Hall, Hammersmith Town Hall.
33. On 28<sup>th</sup> November, I attended St Saviours Church 'Start of Advent' service, Cobbold Road, W12.
34. On 29<sup>th</sup> November, accompanied by my Mayoress and Councillor Alex Karmel, I attended a tour of Fulham Fire Station, Fulham Road, SW6.
35. On 30<sup>th</sup> November, I attended Nazareth House Pensioners Party, Hammersmith Road, W6.
36. On 1<sup>st</sup> December, I attended the Jack Petchey's "Speak Out" Challenge Regional Final for Hammersmith and Fulham, Hurlingham and Chelsea School, SW6.
37. On 1<sup>st</sup> December, I attended the HAFTRA Christmas Party Quiz Night, Aspen Gardens, W6.
38. On 2<sup>nd</sup> December, accompanied by my Mayoress, I was honoured to greet and welcome HRH The Duchess of Cornwall to the Borough. HRH The Duchess of Cornwall was guest of honour, Chelsea Harbour, SW10.
39. On 4<sup>th</sup> December, I attended the Foodbank Third Collection charity event, Sainsbury's, Townmead Road, SW6.
40. On 4<sup>th</sup> December, I attended and officially opened the Parsons Green Fair, Parson Green, SW6.
41. On 4<sup>th</sup> December, I attended the Maggie's Centre Christmas Fair, Charing Cross Hospital, W6.
42. On 7<sup>th</sup> December, accompanied by both my Mayoresses, I attended Larmenier and Sacred Heart School 'Christmas Celebrations', Brook

Green, W14.

43. On 8<sup>th</sup> December, I attended Hammersmith United Charities Christmas Dinner, John Betts House.
44. On 9<sup>th</sup> December, I attended Carols by Candlelight, Normand Park, SW6.
45. On 10<sup>th</sup> December, I attended Mrs Phyllis Rae's 100<sup>th</sup> Birthday celebration, Rugby Mansions, Bishop Kings Road, W14.
46. On 10<sup>th</sup> December, I attended Westfield London 'Schools' Competition' event, Westfield London, W12.
47. On 10<sup>th</sup> December, I attended St Augustine's School 'Christmas Fair', St Augustine's School, Disbrowe Road, W6.
48. On 10<sup>th</sup> December, I attended and presented certificates at the London In Bloom Awards ceremony, Mayor's Parlour, Hammersmith Town Hall.
49. On 11<sup>th</sup> December, accompanied by both my Mayoresses, I attended St Paul's Church Carols by Candlelight Service, Hammersmith, W6.
50. On 13<sup>th</sup> December, I attended HMP Wormwood Scrubs 'Carol Service' The Chapel, Wormwood Scrubs, Du Cane Road, W12.
51. On 14<sup>th</sup> December, I attended the Pan London Boroughs' Citizenship Ceremony, City Hall, SE1.
52. On 14<sup>th</sup> December, accompanied by the Deputy Mayor and my Mayoress, I attended a Community Carol Service, All Saints Church, Fulham, SW6.
53. On 15<sup>th</sup> December, I attended Elgin Resource Centre 'Art Exhibition', Elgin Close, W12.
54. On 15<sup>th</sup> December, I attended Lygon House 'Christmas Tree Party', Fulham Palace Road, SW6.
55. On 16<sup>th</sup> December, I was delighted to attend Westfield London 'Schools' Competition' event and present cheques to the winning schools, Westfield London, W12.
56. On 16<sup>th</sup> December, accompanied by both my Mayoresses, I attended the Mayor of Redbridge charity service, The Chapel, Snaresbrook Crown Court, Redbridge.
57. On 17<sup>th</sup> December, accompanied by the Deputy Mayor and both Mayoresses, I was delighted to attend and take the salute at London International Horse Show 2010, Olympia, W14.
58. On 19<sup>th</sup> December, I attended a Community Carol Service, St Andrews Church, Star Road, W14.

59. On 21<sup>st</sup> December, I attended London Oratory School 'Carol Service', Brompton Oratory Church, Old Brompton Road, SW7.
60. On 22<sup>nd</sup> December, I attended a Citizenship Ceremony during which, I presented each citizen with their official certificate, Council Chamber, Fulham Town Hall.
61. On 22<sup>nd</sup> December, I visited Farm Lane Nursing Home and Past Mayor, William C Smith, Farm Lane, SW6.
62. On 25<sup>th</sup> December, I was delighted to attend the H&F Pensioners Christmas Day lunch, Assembly Hall, Hammersmith Town Hall.
63. On 1<sup>st</sup> January 2011, I attended the New Year's Day Parade, One Whitehall Place SW1. Albert & Friends, RLNI, Creative Kidz Stage School and Mayhew Animal Home represented our borough in aid of the Mayor's chosen charity.
64. On 2<sup>nd</sup> January, accompanied by both my Mayoresses, I attended the Lord Mayor of Westminster's reception, Westminster City Hall, SW1.
65. On 2<sup>nd</sup> January, accompanied by both my Mayoresses, I attended the New Year's Day Parade Concert, Cadogan Hall, SW1.
66. On 7<sup>th</sup> January, accompanied by my Mayoress, I was delighted to host a small reception and attend the performance of 'Salad Days' in aid of my chosen charity the RNLI; other London borough Mayors also attended, Riverside Studios, W6.
67. On 12<sup>th</sup> January, I attended a Citizenship Ceremony during which, I presented each citizen with their official certificate, Council Chamber, Fulham Town Hall.
68. On 12<sup>th</sup> January, accompanied by my Consort, I attended the Opening of The Posk Exhibition, The Polish Centre, King Street, W6.
69. On 13<sup>th</sup> January, I attended the London Government Dinner, Mansion House, EC4.
70. On 16<sup>th</sup> January, I attended the Annual Chinese Church in London celebration, Assembly Hall, Hammersmith Town Hall, W6.
71. On 17<sup>th</sup> January, I attended the BBC Outreach Community event, TV Centre Wood Lane, W12.
72. On 20<sup>th</sup> January, I was delighted to attend Fulham Primary School Special Assembly, Halford Road, SW6.
73. On 20<sup>th</sup> January, I was honoured to attend the Metropolitan Police Commendation Ceremony and present a plaque to our retiring Borough Commander Kevin Hurley, which Councillor Greg Smith also attended, Small Hall, Hammersmith Town Hall, W6.



74. On 22<sup>nd</sup> January, I officially opened the Adult Community Learning Centre (ACLC) at Canberra Primary School, Australia Road, White City, W12.
75. On 22<sup>nd</sup> January, I attended a match between Fulham Football Club vs. Stoke City Football Club, Stevenage Road, SW6.
76. On 22<sup>nd</sup> January, accompanied by my Mayoress, I attended the Mayor of Greenwich Charity Gala Concert, The Old Library, Charlton House, SE7.
77. On 24<sup>th</sup> January, accompanied by the Deputy Mayor and both Mayoresses, I was delighted to attend the 100<sup>th</sup> Year celebration of the White City Japan-British Exhibition 1910, Embassy of Japan, Piccadilly.
78. On 25<sup>th</sup> January, I attended the Holocaust Memorial Day Ceremony, City Hall, City Hall, Queens Walk, SE1.
79. On 26<sup>th</sup> January, I attended the funeral service of Mr Ken Martindale a former Councillor, Our Lady of Fatima RC Church, Commonwealth Avenue, W12.
80. On 26<sup>th</sup> January, I hosted a reception for the Royal Yeomanry, to celebrate their achievements and to wish them well for their forthcoming tour of Afghanistan.

# **COUNCIL MINUTES**

(ORDINARY COUNCIL MEETING)

WEDNESDAY 26 JANUARY 2011

PRESENT

The Mayor Councillor Adronie Alford  
Deputy Mayor Councillor Frances Stainton

Councillors:

Colin Aherne	Charlie Dewhirst	Andrew Jones
Helen Binmore	Belinda Donovan	Alex Karmel
Nicholas Botterill	Gavin Donovan	Jane Law
Victoria Brocklebank-Fowler	Rachel Ford	Mark Loveday
Daryl Brown	Marcus Ginn	PJ Murphy
Jean Campbell	Peter Graham	Caroline Needham
Joe Carlebach	Stephen Greenhalgh	Harry Phibbs
Alex Chalk	Steve Hamilton	Sally Powell
Elaine Chumnerly	Wesley Harcourt	Greg Smith
Iain Coleman	Lisa Homan	Matt Thorley
Georgie Cooney	Lucy Ivimy	Peter Tobias
Oliver Craig	Andrew Johnson	Mercy Umeh
Tom Crofts	Donald Johnson	Rory Vaughan

**36. MINUTES**

The minutes of the Council Meeting held on 27 October 2010 were confirmed and signed as an accurate record.

**37. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Michael Adam, Michael Cartwright, Stephen Cowan, Robert Iggulden and Ali de Lisle.

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

The announcements were made during the Special Council meeting.

**39. DECLARATIONS OF INTERESTS**

There were no declarations of interest.

## 40. PETITIONS

### 40.1 Irish Cultural Centre

7.31pm - The Council received a petition opposing the Council's proposal to consider disposing of the Irish Cultural Centre and requests it to reconsider the future of this building and its people. It also requested the Council to help to preserve their excellent Cultural Programme, the broad spectrum of support and services it provides, and to maintain a centre for both the Irish in London, and the large number of users from all other backgrounds. The petition organiser, Mr Jim O'Hara addressed the Council on the petition.

Mr O'Hara responded to questions from Councillors Caroline Needham, Andrew Jones, Sally Powell, Daryl Brown, Stephen Greenhalgh and Joe Carlebach

Councillor Joe Carlebach moved the report's recommendation that officers undertake research into the matter and refer their findings to Cabinet on 7 February 2011 for consideration, be agreed by the Council.

Under Standing Order 13.2(b), Councillor Lisa Homan moved an amendment to the report to "Delete all after the first word and insert "the Council urge the Cabinet to take the action requested in the petition". Councillor P J Murphy seconded the motion.

Speeches on the amendment were made by Councillors Lisa Homan, P J Murphy and Daryl Brown (for the Opposition) and Councillor Georgie Cooney (for the Administration).

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

#### **AGAINST**

Binmore  
Botterill  
Brocklebank-Fowler  
Carlebach  
Chalk  
Cooney  
Craig  
Crofts  
Dewhirst  
B Donovan  
Ford  
Ginn  
Graham  
Hamilton  
Ivimy  
A Johnson  
D Johnson  
Karmel  
Law  
Loveday

#### **FOR**

Aherne  
Brown  
Campbell  
Chumnerly  
Coleman  
Harcourt  
Homan  
Jones  
Murphy  
Needham  
Powell  
Umeh

#### **ABSTENTIONS**

Alford

Phibbs  
Smith  
Stainton  
Thorley  
Tobias

AGAINST	25
FOR	12
ABSTENTIONS	1

The motion was declared **LOST**.

Councillor Botterill made a speech winding up the debate before the substantive motion was put to the vote.

FOR	26
AGAINST	12
ABSTENTIONS	1

The recommendation was declared **CARRIED**.

**RESOLVED:**

That officers undertake research into the matter and refer their findings to Cabinet on 7 February 2011 for consideration.

**41. PUBLIC QUESTIONS**

There were none.

**42. ITEMS FOR DISCUSSION/COMMITTEE REPORTS**

**42.1 Council Tax Base and Collection Rate 2011/12**

8.25pm - The report and recommendations were moved for adoption by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	24
AGAINST	0
ABSTENTIONS	11

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

**RESOLVED:**

That the following recommendations for the 2011-2012 financial year be approved:

- (1) the estimated numbers of properties for each Valuation Band, as set out in the report be approved;
- (2) an estimated Collection rate of 97.5% be approved; and
- (3) the Council Tax Base of 79,799 Band "D" equivalent properties be approved.

42.2 Treasury Management Mid Year review

8.26pm - The report and recommendations were moved for adoption by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	25
AGAINST	0
ABSTENTIONS	10

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

**RESOLVED:**

That the Council's debt, borrowing and investment activity up to the 30 September 2010 be noted.

42.3 New Byelaws for Pleasure Grounds, Public Walks and Open Spaces

8.27pm - The report and recommendations were moved for adoption by the Deputy Leader, Councillor Nicholas Botterill.

The report and recommendations were put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

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

## **RESOLVED:**

- (1) That the new model Byelaws (as set out in Appendix 1 to the report) be approved; and
- (2) That the Assistant Director (Legal and Democratic Services) be authorised to apply to the Secretary of State for the Department of Communities and Local Government for provisional approval of the proposed byelaws.

### **43. SPECIAL MOTIONS**

Under Standing Order 15(e)(iii), Councillor Loveday proposed a motion that Special Motion 5 take precedence over Special Motions 3 and 4, which was agreed.

#### **43.1 Special Motion 1 - Community Based Budgeting**

8.27pm – Under Standing Order 14 (ii), Councillor Loveday proposed a motion that Special Motion 1 be withdrawn. This was agreed.

#### **43.2 Special Motion 2 - H&F Homes**

8.28pm – Councillor Lucy Ivimy moved, seconded by Councillor Andrew Johnson, the special motion standing in their names:

“This Council welcomes the clearly expressed preference of Council tenants that H&F Homes be returned to direct Council control and resolves to put this into effect.”

Speeches on the special motion were made by Councillors Lucy Ivimy and Andrew Johnson (for the Administration).

Under Standing Order 15(e) (vi), Councillor Caroline Needham moved, seconded by Councillor Lisa Homan, an amendment to the motion as follows:

Delete all after "This Council" and replace with “regrets that this Council refused to carry out a one resident one vote referendum and instead chose to use a consultation where three of the five questions asked counted as a residents’ endorsement of the Conservative Administration’s plans to bring the housing management service back in house.

We call on the Council to give residents genuine influence on how their homes are managed on an estate or area basis which includes the choice to terminate housing management contracts if they are receiving a poor service.”

Speeches on the amendment were made by Councillors Caroline Needham, Lisa Homan and Andrew Jones (for the Opposition) and Councillors Nicholas Botterill and Andrew Johnson (for the Administration) before it was put to the vote:

FOR	12
AGAINST	26
ABSTENTIONS	0

The motion was declared **LOST**.

A speech on the substantive motion was then made by Councillor Charlie Dewhirst (for the Administration).

Councillor Lucy Ivimy (for the Administration) made a speech winding up the debate before the substantive motion was put to the vote:

FOR	27
AGAINST	12
ABSTENTIONS	0

The motion was declared **CARRIED**.

8.53 pm – **RESOLVED**:

That this Council welcomes the clearly expressed preference of Council tenants that H&F Homes be returned to direct Council control and resolves to put this into effect.

#### 43.3 Special Motion 5 - Blomfontein Road All Weather Football Pitch

8.54 pm – Councillor Iain Coleman moved, seconded by Councillor Andrew Jones, the special motion standing in their names:

“This Council recognises that the decrepit conditions of the all-weather football pitch at Blomfontein Road represents a very real danger in terms of health and safety to anyone using it. The Council therefore resolves to expedite the refurbishment of the services and maintenance of this facility without any further delay.

The Council further resolves that this facility, which is located in the most deprived area of the borough, shall remain free of charge for the benefit of all local residents.”

Speeches on the special motion were made by Councillors Iain Coleman and Andrew Jones (for the Opposition).

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

Delete all and insert:

This Council:

1. Recognises that the all-weather football pitch on South Africa Road needs improving.



2. Notes the tender process currently taking place for improving the facilities at South Africa Road.
3. Looks forward to the new sports facilities (with free community use) opening in January 2012.

Speeches on the amendment were made by Councillors Greg Smith and Stephen Greenhalgh (for the Administration) and Councillor Lisa Homan (for the Opposition) before it was put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

The motion was declared **CARRIED**.

9.10 pm – **RESOLVED**:

This Council:

1. Recognises that the all-weather football pitch on South Africa Road needs improving.
2. Notes the tender process currently taking place for improving the facilities at South Africa Road.
3. Looks forward to the new sports facilities (with free community use) opening in January 2012.

#### 43.4 Special Motion 3 - Old Oak HS2/Crossrail Station

9.11pm – Councillor Mark Loveday moved, seconded by Councillor Stephen Greenhalgh, the special motion standing in their names:

“This Council welcomes:

1. The work of the coalition of local authorities, Park Royal Partnership, Mayor for London and others that has supported the case for a major new High Speed Rail/Crossrail interchange at Old Oak Common.
2. The government’s commitment to the “High Speed 2” railway scheme with a major London rail hub at Old Oak Common.
3. The opportunity to regenerate the railway and industrial land at Old Oak Common, including the potential for over 10,000 new homes, 5,000 new jobs and major transport and community benefits.

This Council:

1. Supports the regeneration of the railway and industrial land within the Park Royal Opportunity Area around the proposed HS2/Crossrail interchange.
2. Pledges itself to working with HS2 Ltd, site owners, government and the Mayor for London to deliver sustainable benefits for residents in one of the most disadvantaged parts of London.

3. Commits itself to protect and enhance the natural amenities of Wormwood Scrubs within the redevelopment of Old Oak Common.”

Speeches on the special motion were made by Councillors Mark Loveday and Stephen Greenhalgh (for the Administration).

Under Standing Order 15(e) (vi), Councillor Wesley Harcourt moved, seconded by Councillor Elaine Chumnerly, an amendment to the motion as follows:

Add a new final paragraph.

4. “This Council pledges to involve the current residents and ward councillors in its development planning and building a consensus for its plan that will include affordable housing that will meet the needs of those people on the housing waiting list.”

Speeches on the amendment were made by Councillors Wesley Harcourt and Elaine Chumnerly (for the Opposition) and Councillors Nicholas Botterill and Mark Loveday (for the Administration) before it was put to the vote:

FOR	Unanimous
AGAINST	0
ABSTENTIONS	0

The motion was declared **CARRIED**.

9.34 pm – **RESOLVED**:

That the Council welcomes:

1. The work of the coalition of local authorities, Park Royal Partnership, Mayor for London and others that has supported the case for a major new High Speed Rail/Crossrail interchange at Old Oak Common.
4. The government’s commitment to the “High Speed 2” railway scheme with a major London rail hub at Old Oak Common.
5. The opportunity to regenerate the railway and industrial land at Old Oak Common, including the potential for over 10,000 new homes, 5,000 new jobs and major transport and community benefits.

That the Council:

1. Supports the regeneration of the railway and industrial land within the Park Royal Opportunity Area around the proposed HS2/Crossrail interchange.
2. Pledges itself to working with HS2 Ltd, site owners, government and the Mayor for London to deliver sustainable benefits for residents in one of the most disadvantaged parts of London.
3. Commits itself to protect and enhance the natural amenities of Wormwood Scrubs within the redevelopment of Old Oak Common.
4. Pledges to involve the current residents and ward councillors in its development planning and building a consensus for its plan that will include

affordable housing that will meet the needs of those people on the housing waiting list.

#### 43.5 Special Motion 4 - Local Housing Allowance

9.35pm – Councillor Peter Graham moved, seconded by Councillor Andrew Johnson, the special motion standing in their names:

“This Council:

- (1) Endorses the statement that “Housing Benefit will be reformed to ensure that we do not subsidise people to live in the private sector on rents that other ordinary working families could not afford”: (A Future Fair For All: The Labour Party Manifesto 2010).
- (2) Notes:
  - that new rules will be implemented from April 2011 for those who receive Housing Benefit in the form of Local Housing Allowance;
  - that social housing tenants, and anyone who started receiving payments for a property prior to April 2008, will not be affected by the new Local Housing Allowance rules, and;
  - the wider changes to the benefits system from 2013 onwards;
- (3) Resolves:
  - to assist households whose rent becomes unaffordable to negotiate lower rents with their landlords and;
  - when renegotiation of rents is not feasible, to make discretionary payments to those with special circumstances and;
  - to assist other households in finding affordable properties as near as possible to the tenants’ preferred location.”

Speeches on the special motion were made by Councillors Peter Graham and Andrew Johnson (for the Administration).

Under Standing Order 15(e) (vi), Councillor Lisa Homan, seconded by Councillor Caroline Needham, moved an amendment to the motion as follows:

Delete all after "This Council" and replace with:

“regrets the simplistic and inaccurate caricature the Tory led government is peddling to sell its housing benefits and LHA cuts and instead recognise the assessment of Shelter, the leading independent housing and homeless charity, that “The vast majority of HB claimants are either pensioners, those with disabilities, people on low incomes, and only one in eight people who receive HB is unemployed”.

The Council is concerned about the possibility of unprecedented levels of homelessness these cuts will cause and notes that the Conservative Administration claims only 1,300 Hammersmith and Fulham households will be affected in some way but this contradicts with the Department of Work and Pensions assessment that 2,670 Hammersmith and Fulham household will be affected by these cuts. The Council urges the Conservative Administrative to take an objective approach to managing this issue and not to downplay the numbers of people affected.

This Council resolves to:

- To assist households whose rent becomes unaffordable to negotiate lower rents with their landlord
- Use the governments discretionary payment funding to help those families affected
- Take the Conservative led government's advice that any arrears because of a loss of HB/LHA should be treated as beyond the tenant's control and that those households facing the loss of their home should be treated as "unintentionally homeless".

Speeches on the amendment were made by Councillors Lisa Homan, Caroline Needham, P J Murphy and Andrew Jones (for the Opposition) and Councillors Lucy Ivimy, Andrew Johnson and Mark Loveday (for the Administration) before it was put to the vote:

FOR	11
AGAINST	27
ABSTENTIONS	0

The motion was declared **LOST**.

Speeches on the substantive motion were then made by Councillor Marcus Ginn and Mark Loveday (for the Administration).

Councillor Peter Graham (for the Administration) made a speech winding up the debate before the substantive motion was put to the vote:

FOR	27
AGAINST	11
ABSTENTIONS	0

The motion was declared **CARRIED**.

10.24 pm – **RESOLVED**:

That the Council:

- (1) Endorses the statement that "Housing Benefit will be reformed to ensure that we do not subsidise people to live in the private sector on rents that

other ordinary working families could not afford”: (A Future Fair For All: The Labour Party Manifesto 2010).

(2) Notes:

- that new rules will be implemented from April 2011 for those who receive Housing Benefit in the form of Local Housing Allowance;
- that social housing tenants, and anyone who started receiving payments for a property prior to April 2008, will not be affected by the new Local Housing Allowance rules, and;
- the wider changes to the benefits system from 2013 onwards;

(3) Agrees:

- to assist households whose rent becomes unaffordable to negotiate lower rents with their landlords and;
- when renegotiation of rents is not feasible, to make discretionary payments to those with special circumstances and;
- to assist other households in finding affordable properties as near as possible to the tenants’ preferred location.

**44. INFORMATION REPORTS - TO NOTE (IF ANY)**

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

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

Meeting started: 7.30 pm  
Meeting ended: 10.27 pm

Mayor .....



## Report to Council

23 FEBRUARY 2011

### LEADER

*Councillor Stephen Greenhalgh*

### REVENUE BUDGET AND COUNCIL TAX LEVELS 2011/12

**Wards**

All

This report sets out proposals in respect of the revenue budget for the Council for 2011/12 including Council Tax levels, and deals with the precept from the Greater London Authority (GLA), together with ancillary issues.

### CONTRIBUTORS

All Departments

### RECOMMENDATIONS:

1. **To note the Council Tax freeze for the Hammersmith & Fulham element for 2011/12. For planning purposes, there will be no change for 2012/13 and 2013/14.**
2. **The Council Tax be set for 2011/12 for each category of dwelling, as calculated in accordance with Sections 30 to 47 of the Local Government Finance Act 1992, as outlined below and in full in Appendix A:**
  - (a) **The element of Council Tax charged for Hammersmith & Fulham Council will be £811.78 per Band D property in 2011/12.**
  - (b) **The element of Council Tax charged by the Greater London Authority will be **£309.82** per Band D property in 2011/12.**
  - (c) **The overall Council Tax to be set will be **£1,121.60** per Band D property in 2011/12.**

<b>Category of Dwelling</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Ratio	6/9 £	7/9 £	8/9 £	1 £	11/9 £	13/9 £	15/9 £	18/9 £
a) H& F	541.19	631.38	721.58	811.78	992.18	1,172.57	1,352.97	1,623.56
b)GLA	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64
<b>c)Total</b>	<b>747.74</b>	<b>872.35</b>	<b>996.98</b>	<b>1,121.60</b>	<b>1,370.85</b>	<b>1,620.09</b>	<b>1,869.34</b>	<b>2,243.20</b>

3. **The Council's own total net expenditure budget for 2011/12 is set as £189.289m**
4. **That fees and charges are approved as set out in paragraph 4.4.**
5. **That the Director of Finance and Corporate Services' budget projections to 2013/14 be noted.**
6. **That the Director of Finance and Corporate Services' statements under Section 25 of the Local Government Act 2003 regarding adequacy of reserves and robustness of estimates be noted (section 13).**
7. **That the Director of Finance and Corporate Services be authorised to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council Schemes of Delegation.**
8. **That all Chief Officers be required to report monthly on their projected financial position compared to their revenue estimates (as part of the Corporate Monitoring Report).**
9. **That all Chief Officers be authorised to implement their service spending plans for 2011/12 in accordance with the recommendations within this report and**

**the Council's Standing Orders, Financial Regulations and relevant Schemes of Delegation and having due regard to the Council's general equality duties.**

**10.Members attention is drawn to S106 of the Local Government Finance Act 1992 which requires any Member who is two months or more in arrears on their Council Tax to declare their position and not to vote on any issue that could affect the calculation of the budget or Council Tax.**



## 1 BACKGROUND

- 1.1 The Council is obliged by legislation to set a balanced budget. It also has responsibility to set the Council Tax every year in accordance with the Local Government Act 1992.
- 1.2 The calculation of the Council Tax is made up from the following elements:
- the recommended net Council budget for 2011/12 (sections 2 to 6);
  - the Aggregate External Support estimated by the Council (section 7);
  - the Council Tax base set at Council on 26<sup>th</sup> January 2011 (section 8);
  - the precept notified by the Greater London Authority (section 9).
- 1.3 The requisite calculation for the Council's share of the Council Tax is set out in **Appendix A**.

## 2 BUDGET OVERVIEW

- 2.1 Last year Britain's fiscal deficit was the largest in its peacetime history – the state borrowed one pound for every four that it spent. The Coalition Government came to power in May 2010 with a policy of accelerating the response to the deficit in the public finances. In June in-year savings of £6.2bn were announced. Local government's share was £1.16bn of which Hammersmith and Fulham's revenue grant reduction, excluding schools, amounted to £2.3m. The Local Government Finance Settlement (LGFS) announced on 13<sup>th</sup> December 2010 confirmed that the Coalition Government aim to tackle this deficit (£81bn) over the next four years. For local government, excluding schools, this means an average funding reduction of 8.5% in 2011/12 and 28.5% by 2014/15. For Hammersmith and Fulham, as a grant 'floor' authority the funding reduction is even greater. Formula Grant will fall by 11.3% in 2011/12 and by a further 7.4% the year after.
- 2.2 The LGFS 2010 did not just set financial targets. Radical changes were announced regarding the local government finance system with 90 specific grant funding streams reduced to just 9. Only 1 ring-fenced grant remains – the dedicated schools grant. These changes not only require the council to account for such resources in a different way but also represent a shift in power away from central government. A greater proportion of resources can now be allocated in line with local priorities.
- 2.3 The budget proposals now presented address these twin challenges. The Council is playing its part in tackling the fiscal deficit whilst focusing available resources on key local priorities. Front-line services and council tax payers are protected as far as possible (**a council tax freeze is proposed for 2011/12, following a 3% reduction each year over the last 4 years**) with a continued emphasis on value for money. A number of new cross-cutting transformational projects are to be taken forward both within the Council and with other partners – such as

collaborative working with the Royal Borough of Kensington and Chelsea and City of Westminster.

- 2.4 The scale of the financial challenge facing the Council is summarised in Appendix B. **Savings of nearly £27m are required to balance the budget in 2011/12 (12% of the Base Budget)**. This savings requirement increases to £64.2m by 2013/14 (29% of the Base Budget).
- 2.5 It is against this demanding background that the Council's revenue budget proposals are now presented to Council for approval.

### 3 THE BUDGET REQUIREMENT

- 3.1 The Director of Finance and Corporate Service's medium term projection of the Council budget requirement to 2013/14 is set out in Appendix B and summarised in Table 1 for 2011/12.

**Table 1: The Budget Requirement**

	<b>£000s</b>
<b>2010/11 Original Budget</b>	<b>184,345</b>
Add: Grant Funded Expenditure now Mainstreamed ( <i>para 4.1 refers</i> )	39,059
Less: Adjustment made for Economic Slowdown	(850)
<b>2010/11 Adjusted Budget</b>	<b>222,554</b>
<i>Plus</i>	
Inflation ( <i>para 4.3 refers</i> )	2,721
Growth	11,797
Unallocated core revenue grant ( <i>para 4.1 refers</i> )	2,409
<i>Less</i>	
Efficiency Savings and Income Generation	(26,709)
Net Drawdown from Earmarked Reserves ( <i>para 4.5 refers</i> )	(3,342)
<b>Gross Council Budget 2011/12</b>	<b>209,430</b>
<i>Less</i>	
Core Revenue Grants (unringfenced)	<b>(20,141)</b>
<b>Budget Requirement</b>	<b>189,289</b>
<b>Funded From:</b>	
Formula Grant ( <i>para 7.1 refers</i> )	(124,510)
Council Tax (section 8 refers)	(64,779)
	<b>(189,289)</b>

3.2 The relevant Service Directors and Cabinet Members, in conjunction with the Director of Finance and Corporate Services have considered the detail of the individual estimates. Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the robustness of the estimates for 2011/12 included in the report. This statement is set out section 13.

## 4 Budget Assumptions

4.1 **Grant Expenditure Now Mainstreamed.** The Local Government Finance Settlement has provided for a significant devolution of financial control to councils. The number of separate core grants has reduced from over 90 to just 9 with just 1 ringfenced grant, dedicated schools grant – which is excluded from the Council's budget requirement, remaining in 2011/12. A new public health grant will also be ringfenced but the timing and amount of this is not yet confirmed. The transition from the old system to the new system is quite complex.

- Some grants have been rolled into formula grant.
- Some grants have been rolled into the new core revenue grants.
- Some funding streams have stopped or appear to have increased.
- The position of some grants is not yet clear.

4.2 The latest known position is set out in Appendix F. Excluding the ring-fenced Dedicated Schools Grant (DSG), overall grant funding is estimated to have reduced by £23m from 2010/11 to 2011/12 – of which £7m is Specific and Area Based Grant funding (ABG) . Expenditure of £39m, which was previously funded through Area Based Grant (ABG), or from one of the new unringfenced core revenue grants, is now under local control and is mainstreamed within the budget requirement.

4.3 **Inflation.** In order to contain growth, no inflation has been applied except where there is a contract in place. A pay freeze is expected and no inflation has been built into the 2011/12 salary budgets. It has also been decided not to hold an inflation contingency for future pay awards but to increase the general contingency instead. This is because the uncertainty around the future economy makes it impossible to predict how financial pressures will manifest. The only certainty is that there will be pressures. Current inflation is above the long-term government target and sensitivity analysis has been undertaken to identify the potential impact should this be on-going. This is identified as a risk in Appendix E

4.4 **Fees and Charges.** The budget has been prepared on the basis of an average 2% increase in fees and charges. Exceptions to the average 2% inflationary uplift are detailed in Appendix G.

4.5 **Pensions.** The funding position of the pension fund is measured by the Council's actuary every three years and the Council has now received the draft actuarial valuation results for 31st March 2010. The funding level has increased from 70% to 74% over the three year period from 31st March 2007 to 31st March 2010 and this has enabled the Council to maintain its current employer contribution rate of 24.7% for the next three years without need for further increases. The valuation report is currently still in draft and will not be signed off by the actuary until 31st March 2011, as it is possible that the government may announce changes to the local government pension scheme which could affect the valuation. Any changes would most likely improve the position on the pension fund further.

4.6 **Net Drawdown from Earmarked Reserves.** At the close of 2009/10 the Council had earmarked reserves of £32m. It is now proposed that £3.3m be drawn down as part of the 2011/12 budget. This relates to a reserve set aside for the transition from the Area Based Grant (ABG) regime. This is no longer required following the abolition of ABG. £1.97m will also be drawn down, from a planned underspend and other balances, to meet Adult Social Care Spend pressures. It is intended that use of this funding be one-off with spend pressures addressed as part of next years budget process.

## 5 GROWTH

5.1 In the course of the budget process departments have identified areas where additional resources are required. Additional requirements are detailed in **Appendix C** and summarised in Table 2 below for 2011/12.

**Table 2: Growth Proposals**

	<b>£000s</b>
Children's Services	150
Community Services	2,837
Environment Services	0
Finance and Corporate Services	547
Regeneration and Housing	2,313
Residents Services	1,600
Corporate Items (includes post Spending Review growth)	4,350
<b>Total Growth</b>	<b>11,797</b>

5.2 Table 3 summarises why budget growth is required

**Table 3: Reasons for Budget Growth**

	<b>£'000s</b>
Council Priorities	1,950
Government	3,753
Other Public Bodies	2,350
Demographic and Cost Pressures	1,719

Redundancy costs	1,500
Other	525
<b>Total Growth</b>	<b>11,797</b>

- 5.3 The main Council priority supported is £1.6m for the on-going provision of extended beat policing in the three town centres (this is subject to an appropriate agreement being reached with the Metropolitan Police that achieves adequate value for money). This funding was previously met from earmarked reserves.
- 5.4 £4.1m of growth is directly attributable to government policy. The main increase (£1.96m) relates to the proposed reduction in the cap on rent levels supported by housing benefit. This reduces the income receivable by the council regarding those properties it has rented/leased from landlords to house homeless persons.
- 5.5 £2.5m of growth relates to other public bodies. A significant element relates (£0.6m) to the freedom pass. There are a number of reasons for such growth including a move towards new usage data, changes in government funding and cost increases from the transport operators.
- 5.6 The unprecedented level of savings that the Council is required to deliver will inevitably result in an increased number of redundancies. Whilst action will be taken to keep these to a minimum the Director of Finance and Corporate Services considers it prudent to increase the existing provision, £1.2m, by a further £1.5m.
- 5.7 The financial environment in which the Council operates has become more challenging. Departments have identified a number of risks for future years (Appendix E). These reflect the unprecedented level of savings required to address the fiscal deficit.

## **6 SAVINGS AND INCOME GENERATION**

- 6.1 Over £64m of savings are required to balance the budget over the next 3 years. In bringing forward proposals to meet this challenge the Council has:
- Looked to protect front-line services.
  - Continued to focus on asset rationalisation to reduce accommodation costs and deliver debt reduction savings.
  - Built on previous practice of seeking to deliver the best possible service at the lowest possible cost. Effective budget management is essential.
  - Considered thoroughly what benefits can be obtained from commercialisation and competition.
  - Recognised that more cross-cutting action is necessary. A number of council wide transformation projects, such as Smart Working, World Class Financial Management and a Business Support Review, have been put in place to deliver savings.
  - Taken forward working collaboratively with others. In the past couple of years progress was made regarding integration with the PCT (for which

different arrangements now apply). New collaborative working proposals are now proposed with City of Westminster and Royal Borough of Kensington and Chelsea with discussions on-going. Other shared service solutions will be taken forward as and when appropriate.

- 6.2 The saving proposals put forward are detailed in **Appendix D** with the 2011/12 position summarised in Table 1.

**Table 4: Savings Proposals**

	<b>£000s</b>
Children's Services	6,515
Community Services	6,103
Environment Services	4,802
Finance and Corporate Services	3,876
Housing and Regeneration	923
Residents Services	3,791
Corporate Items	700
<b>Total Savings</b>	<b>26,709</b>

- 6.3 A categorisation of the savings is shown in Table 5. Posts will need to be deleted and the latest estimate of the reduction in employee numbers is identified. Job losses through redundancy will be kept to a minimum by focusing on vacant posts, controlling recruitment, improving redeployment procedures and releasing agency staff but significant numbers of redundancies are unavoidable. Some savings fit within more than one category – for the purposes of this analysis they are categorised according to the main element.

**Table 5: Analysis of the 2011/12 Savings**

<b>Type of Saving</b>	<b>£'000s</b>
Efficiencies	(4,354)
Staffing / Productivity	(4,801)
Commissioning	(856)
Procurement/Market Testing	(2,841)
Commercialisation / Income	(3,996)
Family Support Services Restructuring	(3,260)
Transformation Projects	(1,936)
Alternative Funding Regimes / Miscellaneous	(1,383)
Reconfiguration/Rationalisation of Services	(911)
Voluntary Sector Grants	(500)
Debt Reduction	(700)
Buildings	(665)
Sharing Services with Royal Borough of Kensington & Chelsea and City of Westminster	(506)
<b>Total</b>	<b>(26,709)</b>

Job Reductions (Full-Time Equivalents)	<b>(339)</b>
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## 7. EXTERNAL FUNDING

7.1 **Formula Grant.** The Government announced a new 2-year Local Government Finance Settlement starting in 2011/12. The Council will receive Formula Grant of £124.5m – a decrease of £15.9m from the comparable 2010/11 allocation. A comparison against the London and National Position is set out in Table 6.

**Table 6: Formula Grant Decreases**

	<b>2011/12</b>	<b>2012/13</b>
Hammersmith and Fulham	-11.3%	-7.4%
Inner London	-11.2%	-7.4%
Outer London	-11.3%	-7.9%
National Average	-9.9%	-7.3%

7.2 Hammersmith and Fulham will be a ‘floor’ authority for each year of the settlement. In a change from previous years authorities with social services responsibilities have been placed in 4 different ‘floor’ bands. Those authorities, including this council, that are most dependant on formula grant (i.e. have the lowest share of their budget requirement funded from council tax) have been placed in Band 1. Hammersmith and Fulham is in Band 1 – formula grant accounts for 66% of the net budget requirement in 2010/11. In comparison, formula grant accounts for 18% of the budget requirement for Richmond LB. Given this low dependency, Richmond LB is in Band 4. The impact on the respective Bands is set out in Table 7.

**Table 7: Floor Bands**

<b>Floor band</b>	<b>2011/12 floor</b>	<b>2012/13 floor</b>
Band 1 (most dependent)	-11.3%	-7.4%
Band 2	-12.3%	-8.4%
Band 3	-13.3%	-9.4%
Band 4 (least dependent)	-14.3%	-10.4%

7.3 A consultation paper was issued in the summer on potential changes to the 2011/12 formula grant system. The options put forward largely updated and fine-tuned the existing system. The exception was the use of new data for the Area Cost Adjustment (ACA) – this recognises the higher cost of labour in certain parts of the country – which would disadvantage London. The changes to the ACA have

been accepted and Hammersmith and Fulham's notional formula grant figure is now £30m below the actual grant (previously the figure was £24m below). Were the 'floor' arrangements not in place this authority would be £30m worse-off. Unless radical changes are made to the formula grant system this authority will be at the 'floor' for the foreseeable future.

7.4 The Council continues to press for long term change. The coalition agreement set out plans to undertake a Local Government Resource Review. This is expected to commence in January 2011. Ministers have also indicated that they consider the current formula grant system to lack both clarity and common sense.

7.5 **Core Revenue Grants (unringfenced).** Details of the new unringfenced core revenue grants are set out in Table 8. The amount of grant funding was not confirmed until the Local Government Finance Settlement was published and further work is required to fully understand these funding streams. Out of the total grant allocation of £20.1m it is currently proposed that £2.4m be held in a contingency. This will allow the Council more time to properly consider how use of this funding is prioritised.

**Table 8: Core Revenue Grants (unringfenced)**

Grant	Amount £'000s	Notes
Early Intervention Grant	9,429	This is a new grant that is intended to give local areas the freedom and flexibility to invest in early intervention. It is pulled together from a number of old specific grants (such as Sure Start) and ABG.
Learning Disabilities Grant	3,962	This is replacement funding. It reimburses the Council with budgets that have transferred from the PCT.
New Homes Bonus	909 (estimated)	This is new. It rewards Councils where new homes are built by match funding the Council Tax for six years.
Council Tax Freeze Grant	1,619	This is new. It rewards Councils, like this authority, that freeze their 2011/12 council tax levels. The grant is equivalent to a 2.5% increase in 2011/12 council tax.
Housing Benefit and Council Tax Administration Grant	2,288	This grant continues from previous years but is reduced from 2010/11 by £0.151m.
Preventing Homelessness	1,775	This continues from previous years but is £0.5m higher than in 2010/11.
Lead Flood Authority	159	This is new and intended to fund the new roles for the council under the Floods and Water Management Act 2010



<b>Total</b>	<b>20,141</b>	
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**Note:** Confirmation is still awaited on the allocation for the PFI grant.

7.6 **Core Revenue Grants (ringfenced).** Funding for schools continues to be provided through ring-fenced Dedicated Schools Grant. The 2011/12 allocation for Hammersmith and Fulham will not be known until June 2012. Significant changes have been made to the funding formula with the inclusion of a new pupil premium for disadvantaged children. The direct government funding of this service requires the Council to exclude it from its budget requirement.

7.7 In summary major changes have been made to the grant regime. Overall external funding, excluding Dedicated Schools Grant, is estimated to have reduced by £23m from 2010/11 to 2011/12.

## 8 COUNCIL TAX BASE

8.1 The Council on 26th January 2011 has formally agreed a Tax Base of 79,799 equivalent Band D properties for 2011/12. Therefore the Council's element of the Council Tax can be calculated as follows:

$\frac{\text{Total Budget Requirement}}{\text{Tax Base}} = \frac{189,289-124,510}{79,799} = \text{£}811.78$
---

8.2 This represents no change from the 2010/11 charge.

## 9. PRECEPTOR'S COUNCIL TAX REQUIREMENTS

9.1 The Greater London Authority's precept of £24.723m (agreed on 23rd February 2011) also has to be funded from Council Tax. The following table analyses the total amount to be funded and the resulting overall Band D Council Tax level.

$\frac{\text{Preceptors Budget Requirement}}{\text{Tax Base}} = \frac{\text{£}24.723\text{m}}{79,799} = \text{£}309.82$
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9.2 For a third year this represents no change from the 2008/09 Council Tax level.

## 10 OVERALL COUNCIL TAX REQUIREMENTS 2011/12 AND 2012/13

10.1 It is proposed to freeze Hammersmith and Fulham's element of the Council Tax in 2011/12 in order to provide a balanced budget in year with £10m-£17m in current reserves (see section 13). The overall amount to be funded from the Council Tax is calculated as follows:

**Table 9**

	<b>£000s</b>
London Borough of Hammersmith & Fulham	189,289
Greater London Authority	24,723
<u>Less</u>	
External Support	(124,510)
<b>Total Requirement for Council Tax</b>	<b>89,502</b>

10.2 In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a Council Tax for its own budgetary purposes (section 8) and then add the separate Council Tax requirements for each of the preceptors (section 9).

10.3 It must then set the overall Council Tax for the Borough. These calculations have to be carried out for each of the valuation bands A to H, and are set out in the recommendations at the front of the report. The amount per Band D equivalent property is calculated as follows:

<u>Total Budget Requirement</u>	=	<u>£89.502m</u>	=	£1,121.60
Tax Base		79,799		

10.4 The Band D charge is unchanged from 2010/11 for the Hammersmith and Fulham element and the Greater London Authority.

10.5 The robust forward financial plans set out in the Council's MTFs has enabled an indicative Council Tax figure to be provided for 2012/13. It is planned that it remain at the 2011/12 level of £811.78. For 2013/14 planning purposes, the Director of Finance and Corporate Services has again assumed no change to the 2010/11 Council Tax level.

10.6 The current Band D Council Tax charge is the 4<sup>th</sup> lowest in London and the current freeze follows 4 successive 3% decreases. Table 10 sets out the changes in the Band D charge for the Hammersmith and Fulham element of Council Tax since 2002/03. The proposed Band D charge for 2011/12 is the lowest charge since that approved for 2002/03.

**Table 10**

	<b>Band D Hammersmith and Fulham Element</b>	<b>Change</b>	<b>Change</b>
	£	£	%
2002/03	772.41	0	0
2003/04	848.49	+76.08	+9.85
2004/05	890.07	+41.58	+4.90
2005/06	903.42	+13.35	+1.50
2006/07	916.97	+13.55	+1.50
2007/08	889.45	-27.52	-3.00
2008/09	862.77	-26.68	-3.00
2009/10	836.89	-25.88	-3.00
2010/11	811.78	-25.11	-3.00
2011/12	811.78	0	0
2012/13 (for planning purposes)	811.78	0	0
2013/14 (for planning purposes)	811.78	0	0

10.7 Council Tax in Hammersmith & Fulham has reduced by 11.5% from 2006/07 to 2010/11. This compares to a London average increase of 8% over the same period. This represents a £500 cash saving for Hammersmith & Fulham residents against the average Borough increase from 2006/07 to 2010/11.

## **11 CONSULTATION WITH NON DOMESTIC RATEPAYERS**

11.1 In accordance with the Local Government Finance Act 1992, the Council is required to consult with Non Domestic Ratepayers on the budget proposals. The consultation can have no effect on the Business Rate, which is set by the Government.

11.2 As with previous years, we have discharged this responsibility by writing to the twenty largest payers and the local Chamber of Commerce together with a copy of this report.

## **12 COMMENTS OF THE SCRUTINY COMMITTEES**

12.1 As part of the Scrutiny process each department's estimates have been reviewed by a relevant Scrutiny Committee. There are no comments to report back.

## **13 COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

### **The Robustness of the Budget Estimates**

13.1 The relevant Service Directors and Cabinet Members, in conjunction with the Director of Finance and Corporate Services, have considered the detail of the individual estimates. Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the robustness of the estimates for 2011/12 included in the report.

13.2 Budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but gives Members reasonable assurances that the budget has been based on the best available information and assumptions. For the reasons set out below the Director of Finance and Corporate Services is satisfied with the accuracy and robustness of the estimates included in this report :

- The budget proposals have been developed following guidance from the Director of Finance and Corporate Services and have been through a robust process of development and challenge.
- Contract inflation is provided for.
- Adequate allowance has been made for pension costs
- Service managers have made reasonable assumptions about growth pressures.
- Mechanisms are in place to monitor sensitive areas of expenditure and the delivery of savings.
- Key risks have been identified and considered.
- Prudent assumptions have been made about interest rates and the budget proposals are joined up with the requirements of the prudential code and Treasury Management Strategy.
- The revenue effects of the capital programme have been reflected in the budget.
- The recommended increases in fees and charges are in line with the assumptions in the budget.

- The provision for redundancy costs has increased to meet future restructuring and downsizing.
- The use of budget monitoring in 2010 -11 in order to re-align budgets where required
- A review via the Council Executive Management Board of proposed savings and their achievability
- A Member review and challenge of each department's proposals for the budget.

### **Risk, Revenue Balances and Earmarked Reserves**

13.3 Under Section 25 of the Local Government Act 2003, the Director of Finance and Corporate Services is required to include in budget reports a statement of her view of the adequacy of the balances and reserves the budget provides for. The level of balances is examined each year along with the level of reserves in light of the risks facing the Authority in the medium term.

### **General Fund Balances**

13.4 The Council's general balance stood at £15m as at 1<sup>st</sup> April 2010 and it is currently projected that they will increase by £0.1m the current financial year. This will leave approximately £15.1m in general balance at year end, which represents 8.2% of the current budget requirement.

13.5 The Council's budget requirement for 2011/12 is in the order of £189.3m. Within a budget of this magnitude there are inevitably areas of risk and uncertainty and this is particularly true for 2011/12 when a significant reduction is being made in the level of funding available to the council. The key financial risks that currently face the Council have been identified and quantified. They are set out in Appendix E and amount to £10.8m. The Council has in place rigorous budget monitoring arrangements and a policy of restoring balances once used.

13.6 Given the unprecedented scale of change in local government funding, the Director of Finance and Corporate Services considers that a wider than normal range needs to be specified for the optimal level of balances. She is therefore recommending that reserves need to be maintained within the range £10m - £17m. This compares to a range of £8m-£9m in 2006/07. The optimal level of £10m-£17m is projected to be broadly met over the next 3 years and is, in the Director of Finance and Corporate Service's view, sufficient to allow for the risks identified and to support effective medium term financial planning.

## **Earmarked Reserves**

13.7 The Council also holds a number of earmarked reserves to deal with anticipated risks and liabilities, and to allow for future investment in priority areas. Reviews are undertaken of the need for, and the adequacy of, each earmarked reserve as part of the budget process and again when the accounts are closed. These are formally reported to the Audit and Pensions Committee in June and September of each year.

## **14 COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

14.1 The Council is obliged to set the Council Tax and a balanced budget for the forthcoming financial year in accordance with the provisions set out in the body of the report.

14.2 In addition to the statutory provisions the Council must also comply with general public law requirements and in particular it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good when setting the Council Tax and budget. In implementing the budget proposals appropriate consultation will be carried out where required and due regard given to the Council's equality duties.

14.3 The recommendations contained in the report have been prepared in line with these requirements.

14.4 Section 25 of the Local Government Act 2003, which came into force on 18 November 2003, requires the Director of Finance to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The Council must take these matters into account when making decisions about the budget calculations.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	Revenue Budget 2011/12	Andrew Lord Ext. 2531	Finance Department Room 5 Town Hall
2.	Formula Grant Papers 2011/12	Andrew Lord Ext. 2531	Finance Department Room 5 Town Hall
3.	Finance and Corporate Services Budget Papers	Dave Lansdowne Ext. 2549	Finance Department Room 4 Town Hall
4.	Community Services Budget Papers	Mark Jones Ext. 5006	Community Services Department 77 Glenthorne Road
5.	Children's Services Budget Papers	Dave McNamara Ext 3404	Children's Services Department Cambridge House
6.	Housing and Regeneration Budget Papers	Kathleen Corbett Ext. 3031	Housing and Regeneration Department 77 Glenthorne Road
7.	Residents Services Budget Papers	Kathleen Corbett Ext. 3031	Residents Services Department 77 Glenthorne Road
8.	Environment Services Budget Papers	Dave McNamara Ext. 3404	Environment Department Town Hall Extension

**APPENDIX A**

The Requisite Calculations for Hammersmith & Fulham (as set out in Sections 36 to 36 of the Local Government Finance Act 1992)

		<u>£000s</u>
(a)	being the aggregate of the amounts which the Council estimates for the items set out in section 32 (2)(a) to (e) of the Act.	624,888
(b)	being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3)(a) to (c) of the Act.	(435,599)
(c)	being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 32 (4) of the Act, as its budget requirement for the year.	189,289
(d)	being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, or additional grant, (in accordance with section 33 (1) decreased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97 (3) of the Local Government Finance Act 1988 (i.e. Council Tax Deficit). (i.e. Aggregate External Support plus Council Tax adjustments).	(124,510)
(e)	being the amount at (c) above less the amounts at (d) above, calculated by the Council in accordance with Section 33 (1) of the Act	64,779
(f)	being the amount at (c) above less the amount at (d) above all divided by the amount in Section 8 of the report, calculated by the Council, in accordance with Section 33 (1) of the Act, as the Basic Amount of its Council Tax (Band D) for the year i.e. <u>£(c)k - £(d)k</u> Amount Section 9	811.78



(g) Valuation Bands – Hammersmith & Fulham Council:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
541.19	631.38	721.58	811.78
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
992.18	1,172.57	1,352.97	1,623.56

being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which that proportion is applicable to dwellings listed in band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in the different valuation bands.

(h) Valuation Bands – Greater London Authority

That it be noted that for the year 2009-10, the following amounts in precepts issued to the Council in respect of the Greater London Authority, its functional and predecessor bodies, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
206.55	240.97	275.40	309.82
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
378.67	447.52	516.37	619.64

(i) That having calculated the aggregate in each case of the amounts at (g) and (h) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2009-10 for each of the categories of dwellings shown below:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
747.74	872.35	996.98	1,121.60
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,370.85	1,620.09	1,869.34	2,243.20

### Medium Term Budget Requirement

	Year 1 2011/12 £'000	Year 2 2012/13 £'000	Year 3 2013/14 £'000
<b>2010/11 Council Budget</b>	<b>184,345</b>		
Less: Adjustment for Economic Slowdown	(850)		
Add: Rolling-in of previously grant funded expenditure	39,059		
<b>2011/12 Net General Fund Base Budget</b>	<b>222,554</b>	<b>222,554</b>	<b>222,554</b>
Contract and Income Inflation	2,721	6,338	9,080
Growth	11,797	13,568	16,762
Departmental Efficiencies	(26,709)	(50,073)	(64,180)
Additional General Contingency	0	5,104	10,208
Provisional Local Government Finance Settlement (Unallocated Grant Funding)	2,409	2,409	2,409
<b>Total Expenditure</b>	<b>212,772</b>	<b>199,900</b>	<b>196,833</b>
Reduction in Drawdown from Earmarked Reserves (Economic Slowdown)	850	850	850
Draw Down from Earmarked Reserve (Community Services)	(1,975)	0	0
Drawdown from Earmarked Reserves (ABG transition)	(2,217)	0	0
<b>Gross Budget Requirement</b>	<b>209,430</b>	<b>200,750</b>	<b>197,683</b>
Less:			
Council Tax Freeze/New Homes Bonus Grant	2,528	3,437	4,346
Core Revenue Grants	17,613	17,613	17,085
<b>Revenue Grants</b>	<b>20,141</b>	<b>21,050</b>	<b>21,431</b>
<b>Net Budget Requirement</b>	<b>189,289</b>	<b>179,700</b>	<b>176,252</b>
<b>Funded by:</b>			
Formula Grant	124,510	114,921	111,473
Council Tax	64,779	64,779	64,779
	<b>189,289</b>	<b>179,700</b>	<b>176,252</b>
<i>Risks</i>	<i>10,848</i>	<i>18,159</i>	<i>27,032</i>

Children's Services					
Growth		2011/12	2012/13	2013/14	
Title	Description	£'000	£'000	£'000	£'000
Schools	Secondary Schools Capital Investment (Prudential Borrowing)	150	300	450	
<b>Total Growth</b>		<b>150</b>	<b>300</b>	<b>450</b>	
Community Services					
Existing Growth		2011/12	2012/13	2013/14	
Title	Description	£'000	£'000	£'000	£'000
Adult Social Care	Increase in demand for disabled people placements and care packages	0	205	410	
Adult Social Care	Placement packages and direct payments	840	840	840	
Adult Social Care	Mental Health - New Continuing Care Placements as a result of a change in funding from NHS to the Council	703	703	703	
Learning Disabilities	Increase in demand for learning disability placements and care packages	0	335	335	
<b>Total Existing Growth</b>		<b>1,543</b>	<b>2,083</b>	<b>2,288</b>	
New Growth		2011/12	2012/13	2013/14	
Title	Description	£'000	£'000	£'000	£'000
Adult Social Care	Increase in demand for all aged people with care placements and care packages	0	300	1,200	
Adult Social Care	Loss of ILF Funding for New Clients (Funded from earmarked reserve in 2011/12)	366	366	366	
Adult Social Care	Home Care Charging Income Budget- the department has an ongoing shortfall of £400k and has decided in consultation with the head of legal services and lead cabinet member not to consult on a review of the HCC Scheme. (Funded from earmarked reserve in 2011/12)	400	400	400	
Quality, Commissioning & Procurement	Loss of Supporting people funding- with the ongoing reduction of the grant, the reduced level of funding is now affecting adult social care services. (Funded from earmarked reserve in 2011/12)	363	363	363	
Resources	Loss of removal income from storage of council tenants belongings: H&F Homes are reviewing where tenants belongings are stored and returning them to tenants which has resulted in an income loss to the removals service. (Funded from earmarked reserve in 2011/12)	165	164	164	
<b>Total New Growth</b>		<b>1,294</b>	<b>1,593</b>	<b>2,493</b>	

Finance & Corporate Services						
Existing Growth		2011/12	2012/13	2013/14		
Title	Description	£'000	£'000	£'000		£'000
Councillor Services	Councillor Briefings after May Elections	-15	-15	-15		-15
H&F Direct	Freedom Passes- Introduction of a new apportionment basis which shifts costs from Outer to Inner London and cost increase	586	912	1,251		1,251
H&F Direct	Admin Grant Income (tbc)	85	85	85		85
Local Elections	May 2010 Election and Implementing the new Electoral Administration Bill	-250	-250	-250		-250
<b>Total Growth</b>		<b>406</b>	<b>732</b>	<b>1,071</b>		<b>1,071</b>
Regeneration & Housing						
New Growth		2011/12	2012/13	2013/14		
Title	Description	£'000	£'000	£'000		£'000
H&F Direct	HB Admin Grant Income (5% reduction in grant per annum)	66	274	462		462
Local Elections	Annual contribution to a provision to provide for the cost of future local elections and councillor briefings	75	75	75		75
<b>Total Growth</b>		<b>141</b>	<b>349</b>	<b>537</b>		<b>537</b>
Residents Services						
Growth		2011/12	2012/13	2013/14		
Title	Description	£'000	£'000	£'000		£'000
Safer Neighbourhoods	Enhanced beat policing - subject to an appropriate agreement being reached with the Metropolitan Police that achieves adequate value for money	1,600	1,600	1,600		1,600
<b>Total Growth</b>		<b>1,600</b>	<b>1,600</b>	<b>1,600</b>		<b>1,600</b>

Corporate					
<b>Growth</b>	<b>Description</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
NINDR	Net growth arising from revaluation and fall in multiplier	431	431	431	
WRWA Levy	Increase in levy payable to Western Riverside Waste Authority (landfill tax)	850	850	850	
Office Accommodation	Rental and service charges increases	150	300	300	
Pensions	Additional contributions to the London Pensions Fund Authority	211	211	211	
Land Charges	Impact of legal review on ability of local authorities to generate land charges income and impact of economic downturn on building control fees	750	750	750	
Redundancy Costs	Allowance for downsizing and restructuring	1,500	1,500	1,500	
<b>Total Growth</b>		<b>3,892</b>	<b>4,042</b>	<b>4,042</b>	

Growth post Spending Review 2010					
<b>Growth</b>	<b>Description</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
H&F Direct	HB Admin Grant Income	35	133	216	
Building & Property Management	Carbon Trading Scheme	264	264	264	
Highways & Engineering	New Flood Responsibilities	159	159	159	
		<b>458</b>	<b>556</b>	<b>639</b>	

Hammersmith and Fulham - Summary					
		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Existing Growth		6,741	7,907	8,601	
New Growth		5,056	5,661	8,161	
<b>Grand Total</b>		<b>11,797</b>	<b>13,568</b>	<b>16,762</b>	

Efficiencies

Appendix D

Children's Services	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Children, Youth & Communities	Commissioning of services to reduce costs (including employment costs)	(27)	(27)	(27)	0
Children, Youth & Communities	Reduction of vehicle lease costs	(11)	(11)	(11)	0
Children, Youth & Communities	Extended services - end of match funding time limited grants	(120)	(120)	(120)	0
Children, Youth & Communities	Efficiencies from reprovision of services in schools as part of extended services offer	(200)	(200)	(200)	0
Education Services	School Improvement - Reducing Senior Management overheads and business support Deletion of 2 principal adviser posts and reduction in AD costs of 30% due to shared role in merger. 8 further posts to be deleted by Sept 2011	(50)	(250)	(250)	(10)
Education Services	Sharing of education services with WCC / RBKC	0	(150)	(500)	TBC
School Resources	BSF Core Funding & Schools Resourcing Reorganisation following the ending of the BSF and Primary Capital programmes and a further reorganisation following the completion of the merger work	(175)	(225)	(275)	(4)
School Resources	Transfer of Traded Services relating to schools into a 'Mutual'/Social Enterprise Efficiencies as expected to be achieved through further commercialisation of the services.	(50)	(100)	(200)	0
Education Services	Possible stretch related to merger - Traded Services More work is required to better understand the nature of these mergers and the developing strategies, although a further stretch of £175k on traded services if RBKC is involved seems reasonable.	0	(50)	(150)	0
School Improvement & Standards	End of inequitable discretionary grants	(8)	(8)	(8)	0
School Improvement & Standards	Special Educational Needs (SEN) staffing efficiencies	(40)	(40)	(40)	0
Social Care	H&F Advice Centre - Staffing Efficiencies	(31)	(31)	(31)	0
Social Care	Reduction in Family Support and Child Protection [FSCP], Contact and Assessment [C&A], and Safeguarding staffing following reduction in demand for services	(700)	(1,000)	(1,000)	(12)
Social Care	More efficient procurement of the workers providing support in the home for disabled children and their families, and reorganisation of the social work teams.	(50)	(125)	(200)	0

**Efficiencies**

Appendix D

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Social Care	Reorganisation of C&A and FS&CP will result in fewer handovers and yield efficiencies in relation to staffing without impact on the quality of child protection service. This will result in fewer 'handovers' of cases, improving the quality of service for children and their families.	0	(175)	(175)	(3)
Social Care	It is anticipated that following the publication of the Munro Review it will be possible to deliver process efficiencies, reducing staffing requirements.			(250)	(5)
Social Care	Senior management/ senior business support - delayering of management tiers.	(80)	(195)	(400)	(6)
Social Care	Merging the Looked After Children [LAC] and Young Peoples Service [YPS] to create one 0 - 18 service for children in care, reducing handovers of cases, so improving the service quality for children, their families and carers.	0	(125)	(250)	(5)
Social Care	Continuing to reduce the population of children in care with better preventative services [see Locality teams] and more timely permanent placements [Adoption/Special Guardianship/Residence]; thereby reducing placement costs	(320)	(640)	(960)	0
Social Care	Transport costs reduced as a result of there being fewer children in care	(60)	(120)	(180)	0
Social Care	Independent Reviewing Officer costs being reduced as a result of there being fewer children in care			(50)	(1)
Social Care	Reprovision of residential care currently provided at Dalling Road, providing more appropriate placement options.	(400)	(400)	(400)	(17)
Social Care	Savings in foster care costs as a result of there being fewer children in care, and subsequent possible reprovision as part of 3 Borough working	0	(50)	(300)	(6)
Social Care	Reduced expenditure on leaving care services resulting from there being fewer children in care	(40)	(100)	(160)	0
Social Care	More efficient procurement of placements for children in care from Independent Fostering Agencies and Private & Voluntary Residential Care Services delivering better choice and more local placements.	(150)	(375)	(675)	0
Tiers 2 & 3	Refocus of Children's Centre Programme to Sure Start model, targeting support to vulnerable children and their families. With a significant reduction in Central Government funding the programme is to be reshaped to provide support to the children most in need of it. Provision to be commissioned from schools and the third sector and to be run on a 'hub' and 'spoke' model with services being provided on an outreach basis in the 'spokes'. Further discussion to be had with the PCT/CLCH about the delivery of child health services in Sure Start Children's Centres.	(1,321)	(1,321)	(1,321)	(43)
Tiers 2 & 3	Early Years - Reduction in core early years teams to undertake statutory functions for private voluntary and independent providers and childminders	(338)	(338)	(338)	(9)

Efficiencies

Appendix D

Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
Tiers 2 & 3	Commissioning youth services from schools and the third sector [based on result of consultation of young people] resulting in efficiencies and reducing commissioning cost thereafter.	(297)	(297)	(297)	(6)
Tiers 2 & 3	Extended schools - ending support for school clusters, following cessation of grant funding	(290)	(290)	(290)	(3)
Tiers 2 & 3	Voluntary sector - Voluntary sector provision recommissioned with efficiencies sought.	(140)	(140)	(140)	0
Tiers 2 & 3	Children's commissioning - Reduction in Commissioning posts	(417)	(417)	(417)	(3)
Tiers 2 & 3	Connexions - recommission universal provision in anticipation of Government policy change and provision of targeted services for vulnerable children in Locality Teams	(175)	(175)	(175)	(8)
Tiers 2 & 3	Reduction in centrally employed literacy support staff - Reduction of 2 currently vacant posts, with cessation of grant.	(116)	(116)	(116)	(2)
Tiers 2 & 3	Rationalisation of business support to DMT [as DMT reduced in size] and efficiency review of Planning & Support Team	(173)	(173)	(173)	(4)
Tiers 2 & 3	Reorganisation of Traveller Support Function - Responsibility for teaching for Travellers absorbed into Locality teams. Traveller Home Liaison role retained.	(58)	(58)	(58)	(1)
Tiers 2 & 3	Playing for Success programme - Cessation of literacy project based at football clubs following the ending of the grant	(75)	(75)	(75)	(4)
Transformation Savings	Slicker Business - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme; including 3 Borough Shared Services	(212)	(476)	(593)	0
Transformation Savings	Procurement - Procurement savings, in addition to those proposed by Social Care.	(139)	(185)	(278)	0
Transformation Savings	Customer Transformation - Income Generation Increased income via Traded Services with Schools (e.g. Governor's Clerking) prior to development of new delivery model for Education Services	(75)	(175)	(175)	0
Transformation Savings	Customer Transformation - Subject to the identification of suitable projects in consultation with the programme manager and in accordance with the initiatives of the transformation programme	(141)	(391)	(617)	0
Transformation Savings	Role of the Organisation - Linked to the potential merger of services with WCC and RBKC	(36)	(700)	(700)	0
<b>Total</b>		<b>(6,515)</b>	<b>(9,844)</b>	<b>(12,575)</b>	<b>(151)</b>



Community Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
		£000s	£000s	£000s	
<b>Community Services Department - Protecting frontline services for vulnerable people by making savings from productivity, efficiency and innovation, so more people will be supported to live longer in their homes through better prevention and rehabilitation.</b>					
Adult Social Care	<b>Applying Private Finance Initiative subsidy</b> from nursing home contracts.	(165)	(165)	(165)	0
Adult Social Care	<b>More efficient equipment procurement</b>	(50)	(100)	(100)	0
Adult Social Care	<b>Transfer of Occupational Therapist costs</b> to the HRA Capital Programme in line with the volume of work and capital guidelines.	(50)	(50)	(50)	0
Adult Social Care	<b>Alternative home support for out of Borough placements for people with learning disabilities</b>	(400)	(700)	(1,000)	0
Adult Social Care	<b>Alternative home support for out of Borough placements for people with mental health conditions</b>	(100)	(200)	(300)	(9)
Adult Social Care	<b>Social Work Productivity through process re-engineering:-</b> Staffing efficiencies to be realised by addressing both the skills mix and productivity of social work and assessment staff to concentrate on professional social work tasks and assessment and care management as a distinct service integrated with health and housing support.	(600)	(600)	(600)	(15)
Adult Social Care	<b>Personal Support Plans.</b> Use creative care plans for people in receipt of adult social care non residential services which will result in lower cost solutions than traditional care packages.	(300)	(300)	(300)	0
Adult Social Care	<b>Improved intensive home support including extra care sheltered housing with nursing</b> to reduce reliance on nursing homes	0	0	(3,000)	0
Adult Social Care	<b>Eligibility Criteria</b>	0	(400)	(400)	0
Quality Commissioning & Procurement	<b>Home Care productivity through electronic monitoring.</b> As part of the WLA homecare framework agreement, care providers are required to provide electronic monitoring. This efficiency can be delivered by monitoring the time on a more efficient basis	(579)	(579)	(579)	0
Quality Commissioning & Procurement	<b>Home Care - Smarter Procurement.</b> As part of the WLA homecare framework agreement, the Council has managed to secure lower average hourly rates for the homecare market resulting in these contractual savings.	(578)	(578)	(578)	0
Quality Commissioning & Procurement	<b>Reprioritisation of 3rd Sector Investment Funds.</b> The proposal is to review the Councils 3rd sector providers contracts with a reallocation of the investment fund and fast track budget.	(500)	(555)	(705)	0

Community Services		Description of Saving			2011/12 2012/13 2013/14			Reduction in FTEs
Division		£000s	£000s	£000s				
Quality Commissioning & Procurement	<b>Staffing efficiencies</b> and headcount reductions in Quality, Commissioning & Procurement, Programme Management, Communications, Executive Support, and Senior Managers	(415)	(675)	(877)		(16)		
Quality Commissioning & Procurement	<b>London Borough Grant Efficiencies (London Council Levy)</b> - subject to consultation	(305)	(500)	(500)		0		
Quality Commissioning & Procurement	<b>Increased rental income from properties</b>	(75)	(100)	(100)		0		
Quality Commissioning & Procurement	<b>Formalise joint commissioning through integration</b> - The efficiency resulting from the joint funding and streamlining of work over a two year period.	(34)	(34)	(34)		(1)		
Quality Commissioning & Procurement	<b>Reorganisation of Advice services</b>	(100)	(100)	(100)		(4)		
Resources	<b>Project Management service to be self financing</b> and be phased in over two years with Business Units being recharged for service required.	(120)	(180)	(180)		(3)		
Resources	<b>Improved collection of Residential Charges</b>	(300)	(300)	(300)		0		
Resources	<b>Maximising revenue from new and existing Careline products</b> - May include differential contributions	(200)	(400)	(400)		0		
Resources	<b>Further productivity in Meals on Wheels costs.</b> The department is exploring alternative models of meals provision to reduce costs, and determine whether the charge can be increased without reducing the benefit to vulnerable people.	(100)	(100)	(100)		0		
Resources	<b>Consolidating budget control efficiencies</b> - Following the 09/10 outturn position, the department has reviewed all its cost centres and its adjusting the budget in a range of areas where there were underlying underspends.	(320)	(320)	(320)		0		
Resources	<b>World Class Financial Management (WCFM):</b> As part of the Councils productivity programme, it will improve the working and efficiency of the finance function across the Council by standardising a number of financial processes with an expected 20% reduction in resources.	(98)	(264)	(264)		(6)		
Resources	<b>Productivity in management, support and procurement through 3 Boroughs Integration, and with the NHS</b>	0	0	(1,500)		0		
Cross Cutting	<b>Planned Efficiencies from Area Based Grant expenditure</b>	(714)	(2,424)	(2,815)		0		
<b>Total</b>		<b>(6,103)</b>	<b>(9,624)</b>	<b>(15,267)</b>		<b>(54)</b>		

Efficiencies

Appendix D

Environment Services					
Division	Description of Saving	2011/12 £000s	2012/13 £000s	2013/14 £000s	Reduction in FTEs
Building & Property Management	Advertising Income	(375)	(375)	(375)	0
Building & Property Management	Civic Accommodation Savings	(500)	(500)	(500)	0
Building & Property Management	PCT Letting of HTHX	(200)	0	0	0
Building & Property Management	HTHX LED lighting	(33)	(33)	(33)	0
Building & Property Management	Accommodation Savings	0	(500)	(500)	0
Finance & Resources	Other Support Costs - Reduction in the Supplies and Services budget	(5)	(5)	(5)	0
Finance & Resources	Reduction in decentralised Maternity & Redundancy payments	(16)	(16)	(16)	0
Highways & Engineering	Football - the three football clubs in the borough have taken responsibility for the traffic management arrangements associated with matches at their grounds. This has released one council post as we now do not need to supervise this work.	0	0	0	(1)
Highways & Engineering	A reduction in contract costs with the removal of the shift work for the Highway Emergency Vehicle Service	(48)	(98)	(62)	0
Highways & Engineering	Carriageway Planned Maintenance a further reduction of 5%	0	(70)	0	0
Highways & Engineering	Footway Planned Maintenance reduction 33%	0	(150)	0	0
Highways & Engineering	Rationalise out of hours response to one contractor currently shared between two highways contractors	(15)	(15)	(15)	0
Highways & Engineering	Reduce gully cleansing cycle. Improved performance information from the new contractor has unidentified savings which will not affect the level of service	(40)	(40)	(40)	0
Highways & Engineering	Reduce road marking relining cycle on local roads	(25)	(25)	(25)	0
Highways & Engineering	Reduction in two staff posts( to be identified in year monitoring non fee earning posts)	(80)	(80)	(80)	(2)
Highways & Engineering	Resurfacing using different material (in appropriate circumstances)	(200)	(200)	(200)	0
Highways & Engineering	Review the use of Consultants and Agency	(100)	(100)	(100)	0
Highways & Engineering	Self-supervision of COLAS contract ( the contractor would take increased responsibility with the council monitoring on an exception basis)	(100)	(100)	(100)	0
Highways & Engineering	Further review of post including the rationalisation of duties and hence the need for fewer posts	(50)	(50)	(50)	0

Efficiencies

Appendix D

Environment Services						
Division	Description of Saving	2011/12 £000s	2012/13 £000s	2013/14 £000s	Reduction in FTEs	
Highways & Engineering	Street Lighting review will take place investigating the options for delivery in 2011-12.	(200)	(200)	(200)	0	
Parking	Automatic Number Plate Recognition reduction	0	(1,000)	(1,000)	0	
Parking	Cashless Parking - Reduction in maintenance, energy + cash collections	0	(1,000)	(1,000)	0	
Parking	Parking Back Office - Subject to the ongoing Capital Ambition funded project with RBK&C	0	(500)	(500)	0	
Parking	Increase in Resident parking permit charges	(400)	(400)	(400)	0	
Parking	Increase in Pay and Display charges	(1,500)	(1,750)	(2,000)	0	
Planning	External funding attracted for Planning Post	(100)	0	0	0	
Planning	Assumed Productivity Savings relating to Development Management + other related initiatives	(30)	(60)	(60)	(2)	
Public Protection	Refinement of risk-based inspection regime	(50)	(50)	(50)	(1)	
Public Protection	Support Service Review	(35)	(35)	(35)	(1)	
Transformation Programme	Working with the transformational teams to secure cross departmental and council wide savings through Slicker business techniques and processes, more efficient procurement and improved use of customer channels.	(700)	(1,485)	(1,868)	0	
<b>Total</b>		<b>(4,802)</b>	<b>(8,837)</b>	<b>(9,214)</b>	<b>(7)</b>	

Efficiencies

Finance & Corporate Services						
Division	Description of Saving	2011/12 £000s	2012/13 £000s	2013/14 £000s	Reduction in FTEs	
Communications	Additional income streams around new advertising opportunities: web adverts on H&F News website; lamp post advertising and neighbourhood guides	(5)	(10)	(10)	0	
Communications	Review of print service	0	(50)	(100)	(1.0)	
Communications	Customer Transformation - web commercialisation	(50)	(100)	(150)	0	
Communications	Business support review	(40)	(40)	(40)	(1.0)	
Communications	Graphic design productivity improvements	(38)	(38)	(38)	(1.0)	
Communications	Information and research review	(52)	(52)	(52)	(1.0)	
Communications	Reduced expenditure on developing and producing publications eg corporate plans and on professional training requirements	(5)	(5)	(5)	0	
Executive Services	Slicker Business: Business Support Review	(168)	(168)	(168)	0	
Finance	Debt Management and Restructuring	(100)	(200)	(200)	0	
Finance	Reduction in the contribution to the Insurance Fund	(200)	(200)	(200)	0	
Finance	Recharge half of DDF post to RBKC	(70)	(70)	(70)	(0.5)	
Finance	Audit Contract - lower charges	(50)	(50)	(50)	0	
Finance	Other Audit/CAFS savings	(75)	(75)	(75)	(2.0)	
Finance	Audit Commission Fee reduction	(40)	(40)	(40)	0	
H&F Direct	Improved Housing Benefit administration	(150)	(150)	(150)	0	
H&F Direct	Contact Centre Improvements	(30)	(30)	(30)	0	
H&F Direct	Additional services transferred to relocated contact centre	(50)	(50)	(50)	0	
H&F Direct	Relocation/ Out sourcing of some H &F Direct Services	(80)	(80)	(80)	0	
H&F Direct	Administration of all petty cash payments through the payroll system using Trent Self Service.	(50)	(50)	(50)	0	
H&F Direct	Introduction of credit card transaction fees	(73)	(73)	(73)	0	
H&F Direct	Cashiers Service - encouraging customers to use other methods of payment	(120)	(120)	(120)	(3.0)	
H&F Direct	Business Rates discretionary rate relief	(100)	(100)	(100)	0	
H&F Direct	Customer Transformation - more transactions on-line	(50)	(100)	(150)	(4.0)	

Efficiencies

Finance & Corporate Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
H&F Direct	Close face to face cashiers (needs policy change in Parking)	0	(180)	(180)	(5.0)
H&F Direct	End to recession should result in the scaling back of demand and enable savings to be made	(50)	(50)	(200)	(5.0)
H&F Direct	Blue Badges/ Freedom passes - move to appointments only	(30)	(30)	(30)	(1.0)
H&F Direct	Reduce benefit take up work	(30)	(30)	(30)	(1.0)
H&F Direct	Reduce cashiers opening hours (from Mo 9-5, Tu 8-5, We 9-5, Th 8-7, Fr 9-5 to Mo-Fr 9-5)	(42)	(42)	(42)	(1.0)
H&F Direct	Reduce post in funded Direct Lettings	(15)	(15)	(15)	(0.5)
H&F Direct	Baliff's Fees	(40)	(40)	(40)	0
Human Resources	Improvements through Manager and Employee self-service	(14)	(14)	(14)	0
Human Resources	Reduction in staff overheads, such as maternity costs due to a reduction in employee numbers	(150)	(150)	(150)	0
Human Resources	Re-tender of Pensions Administration (framework agreement) £50k saving to Pension Fund	0	0	0	0
Human Resources	Trent leasing budget	(100)	(100)	(100)	0
Human Resources	Reduced cost of added years	(150)	(200)	(250)	0
Human Resources	Salaries	(110)	(110)	(110)	0
Human Resources	Employee Assistance Scheme	(40)	(40)	(40)	0
Legal & Democratic Services	Lower contribution to London Councils	(58)	(58)	(58)	0
Legal & Democratic Services	Reduction in Locum staff	(50)	(50)	(50)	(1.0)
Legal & Democratic Services	Councillors Services - salaries	(23)	(23)	(23)	0
Legal & Democratic Services	Councillors Services - admin, equipment and furniture	(25)	(25)	(25)	0
Legal & Democratic Services	Legal - permanent staff to be recruited for posts currently covered by agency staff	0	(48)	(48)	0
Legal & Democratic Services	Councillors Services - reduce printing costs by decreasing the number of agendas and publications printed; improve the information provided on the internet and intranet and encouraging residents to access and submit information via the intranet	(10)	(10)	(10)	0
Legal & Democratic Services	Councillors Services - restructure of section and creation of a trainee post to allow better succession planning and avoid the use of agency staff to cover vacant posts	(4)	(4)	(4)	0
Procurement & IT Strategy	Cost Containment	(15)	(42)	(42)	0

Efficiencies

Finance & Corporate Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
Procurement & IT Strategy	Reduced HFBP costs	(300)	(500)	(500)	0
Procurement & IT Strategy	Office Depot Stationery Rebate	(20)	(20)	(20)	0
Procurement & IT Strategy	Staffing efficiencies in procurement. First phase of market testing programme will have been completed.	(60)	(60)	(60)	(1.0)
Departmental	Rationalisation of services within FCS following the merger of Finance & Assistant Chief Executive's Departments	(122)	(122)	(122)	(1.0)
Departmental	Spans & tiers review including reducing AD numbers	(200)	(400)	(600)	(3.0)
Transformation Portfolio	Slicker Business - WCFM	(170)	(170)	(170)	(3.0)
Transformation Portfolio	Customer Transformation - Billing & Payments	(17)	(17)	(17)	0
Transformation Portfolio	Customer Transformation - Advertising & Sponsorship	(175)	(175)	(175)	0
Transformation Portfolio	Procurement - Internal Audit Contract	(60)	(60)	(60)	0
Transformation Portfolio	Procurement - H&F News	(150)	(150)	(150)	(2.0)
Transformation Portfolio	Role of the Council - Integration of H&F and RBK&C Legal Teams	(50)	(100)	(150)	(2.0)
Transformation Portfolio	Proposals being developed	0	(47)	(297)	0
<b>Total</b>		<b>(3,876)</b>	<b>(4,933)</b>	<b>(5,783)</b>	<b>(40)</b>

Regeneration & Housing		2011/12	2012/13	2013/14	Reduction in FTEs
Division	Description of Saving	£000s	£000s	£000s	
Finance	Slicker Business: World Class Financial Management	(32)	(65)	(65)	(1)
Housing	Efficiency and VFM Analysis of Housing Options Functions	0	(783)	(1,023)	(40)
Housing	Review of Business Communication	(34)	(34)	(34)	0
Housing	Reduction in storage provision and costs	(20)	(20)	(20)	0
Housing	VFM efficiency in interpreting costs	(10)	(10)	(10)	0
Housing	Reallocation of Homelessness Directorate Grant funding	(266)	(266)	(266)	(4)
Regeneration	Reorganisation of Development & Regeneration function: Contribution from HRA	(426)	(426)	(426)	0
Regeneration	Reorganisation of Economic Development	(100)	(100)	(100)	0
Regeneration	Termination of subscription to West London Business	(14)	(14)	(14)	0
Regeneration	VFM efficiency in administration costs	(21)	(21)	(21)	0
<b>Total</b>		<b>(923)</b>	<b>(1,739)</b>	<b>(1,979)</b>	<b>(45)</b>



Residents Services						
Division	Description of Saving	2011/12 £000s	2012/13 £000s	2013/14 £000s	Reduction in FTEs	
Cleaner Greener Neighbourhoods	Review waste and street cleansing costs within the Serco contract	(100)	(100)	(100)	0.0	
Cleaner Greener Neighbourhoods	Increase bulky waste charges above 5% with the minimum charge being increased from £15 to £20 for up to 5 items (rather than the offer of the current 3)	(20)	(20)	(20)	0.0	
Cleaner Greener Neighbourhoods	Graffiti and clinical waste operations review	(30)	(30)	(30)	(1.0)	
Cleaner Greener Neighbourhoods	Rationalising Contract Monitoring across the department	(35)	(35)	(35)	(1.0)	
Cleaner Greener Neighbourhoods	Eyes and Ears - RSD (rationalising our on-street enforcement and warden teams, including transfer of locking / unlocking parks)	(300)	(395)	(395)	(8.0)	
Cleaner Greener Neighbourhoods	More efficient Stray dogs arrangements	(10)	(10)	(10)	0.0	
Cleaner Greener Neighbourhoods	Bring NI195 monitoring in-house	(10)	(10)	(10)	0.0	
Cleaner Greener Neighbourhoods	Charge for return of shopping trolleys and set up an A Boards annual licence fee	(10)	(10)	(10)	0.0	
Cleaner Greener Neighbourhoods	Reduction in Transport Insurance Premium	(50)	(50)	(50)	0.0	
Cleaner Greener Neighbourhoods	Review of Commercial Waste operations, fees, charges and profitability	(110)	(110)	(110)	0.0	
Commercial Income	Pitching service to hospitals as an income growth stream	(15)	(15)	(15)	0.0	
Commercial Income	Explore new markets for growing cemeteries business, memorabilia, charging for a grave maintenance service and liaison with veterinary hospitals to become preferred supplier for pet crematorium services	(45)	(45)	(45)	0.0	
Commercial Income	Universal product offering encompassing ENV/RSD services to large commercials	(75)	(75)	(75)	0.0	
Commercial Income	Growth in the sales of professional witness & neighbourhood wardens service	(15)	(15)	(15)	0.0	
Commercial Income	Consultancy Services to other authorities	(45)	(45)	(45)	0.0	
Commercial Income	Sponsorship	(20)	(115)	(115)	0.0	
Commercial Income	Growth in divisional income streams where there is still potential for further expansion and further review of fees and charges in areas where we are still underpriced relative to the market	(217)	(217)	(217)	0.0	
Departmental	Move from 4 to 2 operational ADs over 2 years	(120)	(120)	(120)	(1.0)	
Departmental	Move from 9 to 7 Heads of Service over 2 years	(130)	(130)	(130)	(2.0)	

Residents Services					
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs
Departmental	Administration Review - Create admin hubs in department around billing and payment activity and general admin/report writing. Move customer activity to the contact centre	(210)	(210)	(210)	(6.0)
Departmental	Cross Cutting Contract Renegotiation	(15)	(21)	(21)	0.0
Departmental	Reduce from 7 to 6 Heads of Service. There is already an Efficiency of £120k to reduce from 9 to 7 Heads of Service from 2011/12	(65)	(65)	(65)	(1.0)
Parks & Culture	Review of GM contract	(155)	(283)	(283)	0.0
Parks & Culture	Further commercialise events programme, reducing elements that are not cost effective	(130)	(130)	(130)	(3.0)
Parks & Culture	Tennis delivery review	(55)	(55)	(55)	(2.0)
Parks & Culture	Parks & Recreation team restructure	(150)	(150)	(150)	(3.0)
Parks & Culture	Remove internal catering service	(40)	(40)	(40)	(2.5)
Parks & Culture	Rationalise Archives Service	(88)	(88)	(88)	(2.0)
Parks & Culture	Rationalise bowling greens	(22)	(22)	(22)	0.0
Parks & Culture	Future delivery of library service	(310)	(310)	(310)	0.0
Parks & Culture	Reduction of grant funding to Fulham Palace	(50)	(100)	(150)	0.0
Parks & Culture	Hammersmith AWP lease income	(50)	(50)	(50)	0.0
Parks & Culture	Net premises saving on transferring Passmore Edwards Library to the Bush Theatre	(32)	(32)	(32)	0.0
Parks & Culture	Redesign layout of Cemeteries within the borough to release additional burial space for sale	(114)	(114)	(114)	0.0
Parks & Culture	£400k targeted saving on Leisure contract review from 2012/13 - potential for some service reduction in 2011/12 and resulting part year contract management saving. Discussions underway with CHS to understand any impact for Phoenix School.	(100)	(400)	(400)	0.0
Parks & Culture	Addition to planned 2011/12 efficiencies on grounds maintenance contract.	(17)	(17)	(17)	0.0
Resources	Reduction in AD Resources post from 1 to 0.5 as part of the World Class Financial Management (WCFM) Programme. As departmental finance teams are likely to be integrated into more centralised teams, the role of departmental ADs will be reduced	(60)	(60)	(60)	(0.5)
Resources	Reduction in Resources team post achieved through increased emphasis on manager self service, therefore reducing the coordination role	(43)	(43)	(43)	(1.0)
Resources	Finance team Reorganisation as part of World Class Financial Management (WCFM) programme	(113)	(113)	(113)	(3.0)
Safer Neighbourhoods	Additional savings Out of Hours review	(99)	(99)	(99)	(3.0)
Safer Neighbourhoods	Relocation of Emergency services- reduction in SLA property charges	(40)	(40)	(40)	0.0

Residents Services						
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs	
Safer Neighbourhoods	Reduce IT storage costs below existing SLA Target	(43)	(43)	(43)	0.0	0.0
Safer Neighbourhoods	Reduction in Security costs	(40)	(140)	(140)	0.0	0.0
Safer Neighbourhoods	SND supplies and services review	(10)	(10)	(10)	0.0	0.0
Safer Neighbourhoods	Rationalisation of Enhanced Policing Model policing working hours	(120)	(120)	(120)	0.0	0.0
Safer Neighbourhoods	Outsourcing the security service as part of the FM market testing exercise	0	(120)	(155)	0.0	0.0
Safer Neighbourhoods	Targeted 15% underspend across all former ABG budgets	(108)	(108)	(108)	(1.0)	(1.0)
Safer Neighbourhoods	Increase 24/7 Policing saving from £120k to £275k through service remodelling	(155)	(155)	(155)	(1.0)	(1.0)
<b>Total</b>		<b>(3,791)</b>	<b>(4,685)</b>	<b>(4,890)</b>		<b>(42)</b>

Corporate Items						
Division	Description of Saving	2011/12	2012/13	2013/14	Reduction in FTEs	
		£000s	£000s	£000s		
Capital Debt Reduction	Debt Reduction Strategy	(700)	(1,400)	(3,380)		0
Pensions	Increase in employee contribution	0	(800)	(800)		0
Cross-Cutting	Further productivity and other efficiencies from outsourcing and new ways of working	0	(8,211)	(10,292)		0
<b>Total</b>		<b>(700)</b>	<b>(10,411)</b>	<b>(14,472)</b>		<b>0</b>

Hammersmith and Fulham - Summary						
Grand Total	2011/12	2012/13	2013/14	Reduction in FTEs		
	£'000	£'000	£'000			
	(26,709)	(50,073)	(64,180)			(339)

Children's Services				
Title	Description	2011/12	2012/13	2013/14
		£'000	£'000	£'000
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>

Community Services				
Title	Description	2011/12	2012/13	2013/14
		£'000	£'000	£'000
All Divisions.	There are a number of new efficiencies proposed where there is a high degree of operational difficulty to deliver.	2,360	3,455	7,005
Adult Social Care	Home Care efficiency- the proposal to reduce by 5 minute through electronic monitoring for all home care hours needs to be evaluated.	290	290	290
Adult Social Care	Loss of ILF Funding for New Clients	0	183	366
All Divisions.	The department has budget pressures and income shortfalls added as growth which will mean the department has an increased shortfall compared with the target as growth would have to be found. There is a risk that this shortfall may not be fully addressed	0	1,293	1,293
<b>Total</b>		<b>2,650</b>	<b>5,221</b>	<b>8,954</b>

Environment Services				
Title	Description	2011/12	2012/13	2013/14
		£'000	£'000	£'000
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>

Finance and Corporate Services		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Insurance	Increase in premiums following recent high value claims	200	200	200
Housing Benefits	Housing Benefit Subsidy Grant lower than expected	400	400	400
<b>Total</b>		<b>200</b>	<b>200</b>	<b>200</b>

Regeneration & Housing		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Finance	Loss of contribution to staffing costs following transfer of Adult Learning & Skills Service, closedown of New Deal for Communities programme, and expiry of Future Jobs Fund schemes	80	80	80
Finance	Loss of contribution to support costs following transfer of Adult Learning & Skills Service to Further Education College	260	260	260
Regeneration	Shortfall in rental income on new business starter units	70	70	70
<b>Total</b>		<b>410</b>	<b>410</b>	<b>410</b>

Residents Services		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Cleaner Greener Neighbourhoods	Review of Commercial Waste operations, fees, charges and profitability	110	110	110
Parks & Culture	£400k targeted saving on Leisure contract review from 2012/13 - potential for some service reduction in 2011/12 and resulting part year contract management saving. Discussions underway with CHS to understand any impact for Phoenix School.	100	400	400
Parks & Culture	Rationalise Archives Service	88	88	88
<b>Total</b>		<b>298</b>	<b>598</b>	<b>598</b>

Corporate		2011/12	2012/13	2013/14
Title	Description	£'000	£'000	£'000
Trade Refuse	Trade Refuse Transition	700	0	0
Pay	Pay Award at 2%	0	3,000	6,000
Land Charges	Land Charges	250	250	250
Inflation	Contract inflation 2% higher than currently assumed	2,140	4,280	6,420
Corporate	Potential non-delivery of savings	2,700	2,700	2,700
Corporate	Debt Reduction - downturn/delay in forecast capital receipts. Interest rate adjustments	500	500	500
Corporate	Costs incurred in asset disposal programme	1,000	1,000	1,000
<b>Total</b>		<b>7,290</b>	<b>11,730</b>	<b>16,870</b>
<b>Hammersmith and Fulham - Summary</b>				
		2011/12	2012/13	2013/14
		£'000	£'000	£'000
<b>Grand Total</b>		<b>10,848</b>	<b>18,159</b>	<b>27,032</b>

## Revenue Grant Funding 2011/12

Funding Stream	2010/11 Award £000's	Movement in Existing Grants/ Other Changes £000's	2010/11 Comparable Award £000's	2011/12 Actual Award £000's	Change in Funding £000's	Comment
<b>Formula Grant</b>	120,922	19,451	140,373	124,510	(15,863)	
<b>Area Based Grant</b>	22,668	(18,630)	4,038	0	(4,038)	
<b>Core Revenue Grants</b>						
- Adult Social PFI Grant	1,094	0	1,094	TBC	0	To be confirmed
- Council Tax and Housing Benefits Admin	2,439	0	2,439	2,288	(151)	
- Council Tax Freeze Grant	0	0	0	1,619	1,619	
- Early Intervention Grant	0	10,825	10,825	9,429	(1,396)	
- Lead Flood Authority Grant	0	0	0	159	159	
- Learning Disability Commissioning	3,868	0	3,868	3,962	94	
- New Homes Bonus Grant	0	0	0	909	909	
- Preventing Homelessness Grant	1,233	0	1,233	1,775	542	
<b>New Core Revenue Grants Total</b>	<b>8,634</b>	<b>10,825</b>	<b>19,459</b>	<b>20,141</b>	<b>1,776</b>	
<b>Specific Grants</b>						
- Education Grants	17,204	(15,191)	2,013	0	(2,013)	
- Non Education Grants	10,788	(9,040)	1,748	0	(1,748)	
- Adult Social Care Funding	1,434	(398)	1,036	0	(1,036)	
<b>Specific Grants Total</b>	<b>29,426</b>	<b>(24,629)</b>	<b>4,797</b>	<b>0</b>	<b>(4,797)</b>	
<b>General Fund</b>	<b>181,650</b>	<b>(12,983)</b>	<b>168,667</b>	<b>144,651</b>	<b>(22,922)</b>	
Dedicated Schools Grant	93,434	15,191	108,625	TBC	TBC	To be confirmed in June 2012
<b>General Fund and Schools Funding</b>	<b>275,084</b>	<b>2,208</b> <sup>1</sup>	<b>277,292</b>	<b>144,651</b>	<b>(22,922)</b>	

**Notes**

<sup>1</sup> The net increase of £2.208m represents new funding streams that are now included as part of formula grant. The largest element is £1.48m for Concessionary Fares

<sup>2</sup> There exists a number of grants whose status and/or allocations remain unclear for 2011/12. These include funding streams such as the Youth Justice Board, UASC (Under 18) and UASC (Leaving Care). In total, this represents £4.78m in 2010/11.



**Appendix G**

**Children's Services  
Fees & Charges  
2010/11  
&  
2011/12**

**Review January 2011**

Children's Services				
Fee Description by Division	2010/11 Charge (£)	2011/12 Charge (£)	Proposed Uplift (%)	Reason for uplift/comments
<b>Play Service</b>				
Play Service - Out of Hours School Care (Full Fee) per day	8.10	8.10	0	Leader has agreed no uplift.
Play Service - Out of Hours School Care (Concession) per day	5.50	5.50	0	Leader has agreed no uplift.
<b>Community Hall Hire- Sands End/Edward Woods</b>				
Community Hall Hire - 1 room per hour	4.28	4.37	2.00	
Community Hall Hire - 1 hall per hour.	15.30	15.61	2.00	
Private Hall Hire - 1 room per hour.	21.73	22.16	2.00	
Private Hall Hire - 1 hall per hour	41.57	42.40	2.00	
<b>School Meal Fees</b>				
School Meals- Primary (Pupils)	2.40	2.42	0.92	Charges increased in line with contract.
School Meals- Secondary (Pupils)	1.80	1.82	0.92	Charges increased in line with contract.
School Meals- Primary (Adults)	2.95	2.98	0.92	Charges increased in line with contract.
School Meals- Secondary (Adults)	3.21	3.24	0.92	Charges increased in line with contract.
<b>City Learning</b>				
<u>CLC 1</u>				
Full day	412.00	435.00	5.58	Fees have not been increased since 2008 and benchmarking revealed existing charges were lower than comparable venues.
Half day	206.00	220.00	6.80	As Above
<u>CLC 2</u>				
Full day	412.00	435.00	5.58	As Above
Half day	206.00	220.00	6.80	As Above
<u>CLC 3</u>				
Full day	467.00	490.00	4.93	As Above
Half day	234.00	245.00	4.70	As Above
Conference per day	290.00	305.00	5.17	As Above
Curriculum Support/Training per day	626.00	660.00	5.43	As Above
Technical Support per day	626.00	660.00	5.43	As Above
IT Consultancy per day	626.00	660.00	5.43	As Above
<b>Lilla Huset</b>				
<b>Education Staff</b>				
Meeting Room	75.00			Existing charges to apply until at least July 11. Review of charges will be undertaken following the School Improvement and Standards Division restructure and outcome of 3 borough working discussions.
Boardroom	150.00			As above
Training Suite	175.00			As above
Conference Room	225.00			As above
<b>LBHF EX EDU</b>				
Meeting Room	100.00			As above
Boardroom	200.00			As above
Training Suite	225.00			As above
Conference Room	275.00			As above
<b>External Users</b>				
Meeting Room	100.00			As above
Boardroom	200.00			As above
Training Suite	375.00			As above
Conference Room	500.00			As above

**Appendix G**

**Community Services  
Fees & Charges  
2010/11  
&  
2011/12**

**Review January 2011**

Community Services				
Fee Description by Division	2010/11 Charge (£)	2011/12 Charge (£)	Proposed Uplift (%)	Reason for uplift
<b>Meal Service</b>				
Meals Service	3.85	4.10	6%	For the Meals on Wheels service the price per meal is proposed to increase from £3.85 to £4.10 in 2011/12. Some other Boroughs currently charge up to £5.99 per meal. Hammersmith & Fulham has kept its price lower by making efficiencies in the costs of delivery.
<b>Home Care Charging</b>				
Home Care Charge	10.72	12.00	12%	The Cabinet has previously mandated officers to increase the contribution per hour for home care up to £12.40. It is proposed in this budget to increase the contribution in 2011/12 from £10.72 per hour to £12.00. This is inline with the actual cost of home care provision.
<b>Removals</b>				
<b>ADDITIONAL STAFFING</b>				
Monday - Friday - per man hour	21.68	21.68	0%	Uplift would otherwise make the service uncompetitive
Saturday - per man hour	22.54	22.54	0%	Uplift would otherwise make the service uncompetitive
Out of hours - per man hour	22.54	22.54	0%	Uplift would otherwise make the service uncompetitive
Saturday after 1430hrs	30.09	30.09	0%	Uplift would otherwise make the service uncompetitive
Waiting time per hour	38.71	38.71	0%	Uplift would otherwise make the service uncompetitive
Late notice of cancellation (within 24hrs)	38.71	38.71	0%	Uplift would otherwise make the service uncompetitive
Cancellation from store	60.28	60.28	0%	Uplift would otherwise make the service uncompetitive
Packing service - per man hour	21.68	21.68	0%	Uplift would otherwise make the service uncompetitive
Packing cases - each	3.77	3.77	0%	Uplift would otherwise make the service uncompetitive
Client access to store per hour	56.10	56.10	0%	Uplift would otherwise make the service uncompetitive
<b>STORAGE COSTS</b>				
0-300 cubic ft per day	2.14	2.35	10%	Retaining trading account position due to fall in volume of containers
351-550 cubic ft per day	4.39	4.83	10%	Retaining trading account position due to fall in volume of containers
Over551 cubic ft per day extra - per cubic ft	0.01	0.01	10%	Retaining trading account position due to fall in volume of containers
Packing crate charge per week	0.71	0.71	0%	Uplift would otherwise make service uncompetitive
Dump charge per container (Housing)	46.61	46.61	0%	Uplift would otherwise make service uncompetitive
<b>ALL OTHER REMOVALS</b>				
Monday-Friday 0800hrs-1500hrs Van x 2 staff	43.35	43.35	0%	Uplift would otherwise make the service uncompetitive
Extra staff - per man hour	21.68	21.68	0%	Uplift would otherwise make the service uncompetitive
Saturdays - per man hour	32.44	32.44	0%	Uplift would otherwise make the service uncompetitive
Sundays - per man hour	43.35	43.35	0%	Uplift would otherwise make the service uncompetitive

**Appendix G**

**Environment Services  
Fees & Charges  
2010/11  
&  
2011/12**

**Review January 2011**

Environment Services					
Division/Service	Fee Description	2010/11 Charge (£)	2011/12 Charge (£)	Proposed Uplift (%)	Reason for uplift
Building Control	Exempt Building Works Consent		100		New charge
Building Control	Retrieval of archived Files and Records, & Investigation and Retrieval of Microfiche data		88		New charge
Building Control	Resurrection of 'old' jobs where no completion inspection had been requested or carried out, and for subsequent issuing of completion letters		88		New charge
Valuers	Third Party fees charged for valuation services	469	500	6.61%	Fee comparable to market level
Licensing	Renewal application for Sex Establishment (Shops & Cinemas)	16,688	8,696		Introduced a lower renewal fee (50% REDUCTION ON FEE FOR NEW APPLICATION)
Licensing	Renewal application for Sex Establishment (Sex Encounter Premises)		8,696	4%	Introduced a lower renewal fee (50% REDUCTION ON FEE FOR NEW APPLICATION)
Pest Control	For each additional visit required - Rats	26.38	25.00	-5.2%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	For each additional visit required - Mice	26.38	25.00	-5.2%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	1 visit for wasps	43.40	45.83	5.6%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	2 visit for bedbug treatments; maximum of two bedrooms (additional rooms £25 each)	142.13	145.83	2.6%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	Up to 3 visits for cockroaches	97.87	100.00	2.2%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	For each additional visit required for cockroaches	48.51	50.00	3.1%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	Commercial Charge	£81 for up to 1 hour, £41 per 30 minutes thereafter (excl VAT)	£83 for up to 1 hour, £41 per 30 minutes thereafter (excl VAT)	2.5%	Fees recalculated to take into account 20% VAT rate. Charges rounded up or down, to make the pricing structure simpler
Pest Control	Includes squirrels, common clothes moths, etc.	0	POA		New charge
Pest Control	Missed Appointment	0.00	21.00		New charge
Private Housing	HMO Licence Fee	£1,020 plus £15 per habitable room	£1,060 plus £16 per habitable room	4.0%	Inflation + inspection costs for compliance
Private Housing	Enforcement Notices under Housing Act 2004	380.00	395.00	4.0%	Inflation + inspection costs for compliance
Environmental Quality	Demolition Notice S80 Building Act	0.00	150.00		New charge to account for officer and processing time
Planning	Pre-application advice - A) Very Minor (by letter)	£25 for householders / £50 for others	£51 for all	104% / 2%	To ensure all officer time is recovered
Planning	Pre-application advice - A) Very Minor (first meeting)	£50 for householders / £100 for others	£100 for all	100% / 0%	To ensure all officer time is recovered
Planning	Pre-application advice - advice on conditions (by letter)	A) - FREE; B/C) £50; D/E) Charge will be negotiated based on officer charge out rates.	A) - £51; B/C) £51; D/E) Charge will be negotiated based on officer charge out rates.	New Charge/2%	To ensure all officer time is recovered
Planning	Pre-application advice - advice on conditions (first meeting)	A) - £25 for householders, £50 for others B/C) £100 D/E) Charge will be negotiated based on officer charge out rates.	£51 for all	104% / 2%	To ensure all officer time is recovered

**Appendix G**

**Regeneration & Housing Services  
Fees & Charges  
2010/11  
&  
2011/12**

**Review January 2011**

Regeneration & Housing				
Fee Description by division	2010/11 Charge (£)	2011/12 Charge (£)	Proposed Uplift (%)	Reason for uplift
<b>Private Sector Leasing</b>				
Private Sector Leasing Water Charges	Varies	Varies	0.00	The charge is determined by the annual increase set by the water companies
Private Sector Leasing Rent (average per week)	296.10 as at 1 April 2010	292.50 as at 1 December 2010		The proposed fee is based on the best available (December 2010) data. From 1 April 2010, the PSL rent threshold is based on the January Local Housing Allowance (LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. The threshold formula is 90% of LHA plus £40 and subject to a cap of £500 on Inner London and Outer South West London Broad Rental Market Areas (BRMA) and a cap of £375 on other BRMAs.
<b>Bed &amp; Breakfast Temporary</b>				
B & B Rent Single/Family	237.96 as at 1 April 2010	232.89 as at 1 December 2010		The proposed fee is based on the best available (December 2010) data. From 1 April 2010, the PSL rent threshold is based on the January Local Housing Allowance (LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. This fee is the LHA threshold for one bedroom properties.
B & B Amenity Charge				It is proposed to increase the charge in line with inflation to reflect the increase in the cost of B&B amenities provided to clients.
Adult	9.20	9.61	4.50	
2 Adults	11.75	12.28	4.50	
3 Adults	14.80	15.47	4.50	
4 Adults	17.35	18.13	4.50	



**Appendix G**

**Residents Services  
Fees & Charges  
2010/11  
&  
2011/12**

**Review January 2011**

**Cleaner & Greener Neighbourhoods Fees & Charges 2010/11 - 2011/12**

Description	2010/11 From 1st April 2010	2011/12 From 1st April 2011	% Change from 1st April 2010	Research Done to Assess Adequacy of Charge (E.g. benchmarking with other Councils, Competitor Analysis etc)
<b>TRANSPORT</b>				
<b>Transport Workshops - External Charges</b>				
Parts	Cost + 10.5%	Cost + 10.5%	Variable	Fees & charges change in year as the cost of buying these commodities changes
Fuel - Diesel / Petrol	Cost + 10.5%	Cost + 10.5%	Variable	Fees & charges change in year as the cost of buying these commodities changes
Ad Hoc Vehicle Hire	Cost + 10.5%	Cost + 10.5%	Variable	Fees & charges change in year as the cost of buying these commodities changes
Management and Administration Charge	Based on Insurance Cost only + 10.5%	Based on Insurance Cost only + 10.5%	Variable	Fees & charges change in year as the cost of buying these commodities changes
<b>WASTE MANAGEMENT</b>				
<b>Trade Waste Charges</b>				
Trade Waste Sacks - General Waste - cost per sack	£1.20	£1.40	17%	Align Fees & Charges with other competitors and cover increased disposal costs
Trade Waste Sacks - Recycling - cost per sack	£0.85	£0.85	0%	Price freeze to encourage increased recycling
360 Ltr Wheelie Bins - General Waste - cost per empty	£6.85	£7.65	12%	Align Fees & Charges with other competitors and cover increased disposal costs
360 Ltr Wheelie Bins - General Waste - 2-5 bins - cost per empty	£6.75	£7.55	12%	Align Fees & Charges with other competitors and cover increased disposal costs
360 Ltr Wheelie Bins - General Waste - 6+ bins - cost per empty	£6.65	£7.45	12%	Align Fees & Charges with other competitors and cover increased disposal costs
360 Ltr Wheelie Bins - Recycling - cost per empty	£4.85	£4.85	0%	Price freeze to encourage increased recycling
360 Ltr Wheelie Bins - Recycling - 2-5 bins - cost per empty	£4.80	£4.80	0%	Price freeze to encourage increased recycling
360 Ltr Wheelie Bins - Recycling - 6+ bins - cost per empty	£4.75	£4.75	0%	Price freeze to encourage increased recycling
1100 Ltr Euro Bins - General Waste - cost per empty	£10.00	£13.00	30%	Align Fees & Charges with other competitors and cover increased disposal costs
1100 Ltr Euro Bins - General Waste - 2-5 bins - cost per empty	£9.85	£12.85	30%	Align Fees & Charges with other competitors and cover increased disposal costs
1100 Ltr Euro Bins - General Waste - 6+ bins - cost per empty	£9.70	£12.70	31%	Align Fees & Charges with other competitors and cover increased disposal costs
1280 Ltr Euro Bins - Recycling - cost per empty	£7.70	£8.33	8%	Align Fees & Charges with other competitors and cover increased disposal costs
1280 Ltr Euro Bins - Recycling - 2-5 bins - cost per empty	£7.60	£8.23	8%	Align Fees & Charges with other competitors and cover increased disposal costs
1280 Ltr Euro Bins - Recycling - 6+ bins - cost per empty	£7.50	£8.13	8%	Align Fees & Charges with other competitors and cover increased disposal costs
940 Ltr Paladins & Chamberlains - General Waste Only	£9.50	£12.50	32%	Align Fees & Charges with other competitors and cover increased disposal costs
940 Ltr Paladins & Chamberlains - 2-5 bins - General Waste Only	£9.35	£12.35	32%	Align Fees & Charges with other competitors and cover increased disposal costs
940 Ltr Paladins & Chamberlains - 6+ bins - General Waste Only	£9.25	£12.25	32%	Align Fees & Charges with other competitors and cover increased disposal costs
<b>Skips &amp; Compactors</b>				
Domestic Compactors - Internal	£141.20	£141.20	0%	
Domestic Compactors - External	N/A	£141.20	New Charge	
Commercial Compactors	£141.20	£350.00	148%	
Commercial Skips	£141.20	£200.00	42%	
<b>Household Bulky Collections - VAT Zero rated</b>				
Minimum charge for up to 5 large items	£15.75	£20.00	27%	Minimum charge bracket increased from 3 to 5 items
Further items charged at £5.75 per additional item	New charge	New charge	New charge	
<b>General Bagged Household Waste - VAT Zero rated</b>				
Minimum charge for up to 10 sacks of miscellaneous waste	£15.75	£20.00	27%	
Further items charged at £2.00 per additional sack	New charge	New charge	New charge	
<b>Household Derived Builders Rubble - VAT Zero rated</b>				
Minimum charge for up to 10 sacks of household derived builders rubble	£30.00	£30.00	0%	
Further items charged at £3.00 per additional sack	New charge	New charge	New charge	
<b>Bathroom Suites (items include bath, toilet, hand basin &amp; shower stand)</b>				
First item	£30.00	£30.00	0%	
Further items charged at £6.00 per additional item	£32.50	£36.00	11%	
<b>Household Fencing Waste</b>				
First 5 panels	£30.00	£35.00	0%	
Additional Panels	extra panels charged for at the unit rate of £6.04	(extra panels charged for at the rate of £7.00 per item)	16%	
Broken down sheds	£48.00	£60.00	25%	
<b>Household Fridges and Fridge Freezers etc</b>				
One fridge / freezer	£15.75	N/A	N/A	Now charged for as standard bulky waste above
Two fridges / freezers	£15.75	N/A	N/A	Now charged for as standard bulky waste above
Three fridges / freezers	£15.75	N/A	N/A	Now charged for as standard bulky waste above
Trade Bulky Collections	As above but subject to VAT			
<b>Trade Fridges and Fridge Freezers etc</b>				
One fridge / freezer	£26.25	£50.00	90%	
Two fridges / freezers	£31.50	£80.00	154%	
Three fridges / freezers	£36.75	£110.00	199%	
<b>STREET TRADING CHARGES - all inclusive of VAT</b>				
<b>CERTIFICATE OF REGISTRATION</b>				
Permanent Trader	£55.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Temporary Trader	£55.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Annual Renewal	£55.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Replacement Licence	£55.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Variation Fee (NEW)	N/A	TBC	TBC	New charge introduction for commodity and pitch variation - tbc
<b>Street &amp; Market Traders - Weekly charges (PERM ONLY)</b>				
1 day per week (Standard)	£20.40	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
1 day per week (Extended)	£29.58	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
2 days per week(Standard)	£27.54	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
2 days per week(Extended)	£41.82	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
3 days per week (Standard)	£42.84	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs

3 days per week (Extended)	£61.20	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
4 days per week (Standard)	£54.06	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
4 days per week (Extended)	£80.58	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
5 days per week (Standard)	£68.34	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
5 days per week (Extended)	£99.96	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
6 days per week (Standard)	£83.64	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
6 days per week (Extended)	£120.36	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
* An additional charge of £10 will be payable for trading on Friday and/or Saturday - NO LONGER APPLICABLE DUE TO PRICE INCREASE PROPOSAL				
<b>News Vendors</b>				
<b>Annual Charges</b>	£3,053.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
<b>Daily charges:</b>				
Temporary Licences for casual traders at street markets (per day)				
Mon-Thurs (Standard)	£20.40	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Mon-Thurs (Extended)	N/A	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Fri/Sat (Standard)	£30.60	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Fri/Sat (Extended)	N/A	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
* An additional charge of £10 will be payable for trading on Friday and/or Saturday - NO LONGER APPLICABLE DUE TO PRICE INCREASE PROPOSAL				
<b>Charges for Traders outside football grounds</b>				
Annual Charge per square metre	£395.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs
Minimum charge of 1.5 sq m and maximum charge of 12 sq m				
<b>Charges for Specialist markets/events (NEW)</b>				
Charge per trading day	£395.00	TBC	TBC	Market Trading prices being reviewed to ensure full recovery of waste collection and disposal costs

**Safer Neighbourhoods Fees & Charges 2010/11 - 2011/12**

No VAT is applied to these charges

Description	2010/11 From 1st April 2010	2011/12 From 1st April 2011	% Change from 1st January 2011	% Change from 1st April 2010	Research Done to Assess Adequacy of Charge (E.g. benchmarking with other Councils, Competitor Analysis etc)
Fixed Penalty Notices (FPNs)	£50 (£75 if paid after 10 days)	£60 (£80 if paid after 10 days)	20%	20%	In line with neighbouring boroughs
Motorcycle recovery	£25.00	£30.00	0%	20%	No comparator information available
ASB investigations (charge per hour)	£100.00	£100.00	0%	0%	Currently little demand for service
Infectious cases from Kingston Hospital to Fulham Mortuary	£450.00	£750.00	0%	67%	
Return of Stray Dogs to Owners	N/A	£75.00	New Charge	New Charge	New charge in line with neighbouring boroughs

**Parks & Culture Fees & Charges 2010/11 - 2011/12**

Description	2010/11 From 1st April 2010	2011/12 From 1st April 2011	% Change from 1st April 2010	Research Done to Assess Adequacy of Charge (E.g. benchmarking with other Councils, Competitor Analysis etc)
<b>SPORTS CHARGES</b>				
<b>Winter Pitch Bookings</b>				
<b>FOOTBALL @ SP HP WWS</b>				
Per pitch per game (am or pm 2hrs)	£60.00	£70.00	17%	
Junior pitch rate - 7-a-sides at Wormwood Scrubs	N/A	£45.00	New Charge	
Football per hour - In Borough state Schools	£27.00	£32.00	19%	
Football per hour - out of borough and private Schools	N/A	£37.60	New Charge	
<b>**11-a-side All Weather Pitch</b>				
Per pitch per hour	£60.00	£70.00	17%	
In Borough state School	£27.00	£32.00	19%	
Out of borough and private Schools	N/A	£37.60	New Charge	
<b>**5-a-side All Weather Pitch</b>				
Per pitch per hour	£32.50	£35.00	8%	
School - In borough state Schools	£15.00	£17.00	13%	
Out of borough and private Schools	N/A	£19.98	New Charge	
<b>RUGBY/GAELIC FOOTBALL/LACROSSE/HOCKEY/AUSTRALIAN RULES*</b>				
Per pitch per game (am or pm 2hrs)	£60.00	£70.00	17%	
Rugby per match @ Hurlingham - in borough state Schools	£27.00	£32.00	19%	
Rugby per match @ HurPk - out of borough and private schools	N/A	£37.60	New Charge	
<b>Summer Pitch Booking</b>				
<b>CRICKET (10am - 5.00pm or 5.00pm -9.00pm)</b>				
Per pitch per game (day or night)	£60.00	£85.00	42%	
Cricket per hour - in borough state School	£27.00	£32.00	19%	
Cricket per hour - out of borough and private schools	N/A	£37.60	New Charge	
<b>ROUNDERS/BASEBALL @ Sp / WWS</b>				
Per pitch per game	£60.00	£70.00	17%	
Rounders per hour - in borough state Schools	£27.00	£32.00	19%	
Rounders per hour - out of borough and private schools	N/A	£37.60	New Charge	
<b>MINI BASEBALL @ WWS</b>				
Per pitch per game	N/A	£50.00	New Charge	New separate charge for mini baseball from April 2011 - previously charged in line with baseball
<b>SOFTBALL @ Eel Brook</b>				
Per pitch per game	£60.00	£70.00	17%	
<b>BICYCLE POLO</b>				
Per pitch per game	£60.00	£70.00	17%	
<b>TOUCH/TAG RUGBY (half size of football pitch, 2 pitches = 1 football pitch)</b>				
Per pitch per game	£27.00	£32.00	19%	
Tag Rugby per hour - in borough state School	£27.00	£32.00	19%	
Tag Rugby - out of borough and private schools	N/A	£37.60	New Charge	
<b>Hurlingham Park &amp; South Park</b>				
<b>ATHLETICS- Adult and Corporate groups</b>				
<b>Inc. markings, changing room</b>				
Athletics per hour	£35.00	£45.00	29%	
Athletics Half Day (3 hours)	£105.00	£130.00	24%	
Athletics Full Day (6 hours)	£210.00	£250.00	19%	
<b>Hurlingham Park &amp; South Park</b>				
<b>ATHLETICS- Adult and Corporate groups</b>				
<b>Excl. markings, changing room</b>				
Athletics per hour	N/A	£35.00	New Charge	New site specific charge
Athletics Half Day (3 hours)	N/A	£100.00	New Charge	New site specific charge
Athletics Full Day (6 hours)	N/A	£190.00	New Charge	New site specific charge
<b>ATHLETICS - Schools</b>				
<b>Inc. markings, changing room</b>				
Athletics per hour	£15.00	£32.00	113%	
Athletics per half day	£60.00	£90.00	50%	
Athletics per full day	£120.00	£170.00	42%	
<b>Sports Area @ Ravenscourt, Brook Green, Lillie Road</b>				
<b>Without markings</b>				
Athletics per hour	£15.00	£20.00	33%	
Athletics per half day(3 hours)	N/A	£55.00	New Charge	Reconfigured timings
Athletics per full day (6 hours)	N/A	£110.00	New Charge	Reconfigured timings
Athletics per hour - in borough state Schools	N/A	£17.00	New Charge	Differentiate out of borough and private school charges
Athletics per hour - out of borough and private schools	N/A	£19.98	New Charge	Differentiate out of borough and private school charges
<b>Markings to be confirmed with GM</b>				
Athletics per hour	N/A	£15.00	New Charge	
<b>TENNIS</b>				
<b>Pay and Play</b>				
Pay and Play - Adult	£9.00	£9.00	0%	Price freeze in line with London benchmark and imminent contracting out of service
Pre booked	£7.00	£7.00	0%	Price freeze in line with London benchmark and imminent contracting out of service
Pay and Play - U/18	£3.50	£3.50	0%	Price freeze in line with London benchmark and imminent contracting out of service
Pre Booked - School	£3.50	£3.50	0%	Price freeze in line with London benchmark and imminent contracting out of service
Lifestyle - 2 members per court per hour - 9am-4pm, Mon - Fri	£3.50	£3.50	0%	Price freeze in line with London benchmark and imminent contracting out of service
<b>Tennis With Floodlights</b>				
Pay and Play - Adult	N/A	£11.00	New Charge	New floodlit service
Pre booked	N/A	£7.00	New Charge	New floodlit service
Pay and Play - U/18	N/A	£5.50	New Charge	New floodlit service
Pre Booked - School	N/A	£5.50	New Charge	New floodlit service
Lifestyle - 2 members per court per hour - 9am-4pm, Mon - Fri	N/A	£5.50	New Charge	New floodlit service
<b>5 games</b>				
Pre booked 5 games	£35.00	£35.00	0%	Price freeze in line with London benchmark and imminent contracting out of service
<b>10 games</b>				
Pre booked 10 games	£70.00	£70.00	0%	Price freeze in line with London benchmark and imminent contracting out of service
<b>Tennis Coach Licence FEE</b>				
Coaches Licence Fee (One payment)	£920.00	£920.00	0%	Price freeze in line with London benchmark and imminent contracting out of service
Coaches Licence Fee (Six payments)	£920.00	£960.00	4%	Additional charge for payment by instalments
<b>NETBALL</b>				
Per court per game	£9.00	£10.00	11%	
Floodlights	£18.00	£20.00	11%	
Netball per hour - in borough state School	£9.00	£10.00	11%	
Netball per hour - out of borough and private schools	N/A	£11.75	New Charge	
<b>COMMUNITY ROOM @ HURLINGHAM (look at promoting party hire)</b>				
Room Hire only	£46.00	£46.00	0%	Price freeze due to lack of demand
Party Hire (1hr) Room +(1hr) Sports Pitch = (2hr)	N/A	£90.00	New Charge	New product offering

<b>CHANGING ROOM @ HURLINGHAM</b>				
Charge per booking	£15.00	£16.00	7%	
For in borough state schools per booking	£15.00	£16.00	7%	
Out of borough and private schools booking	N/A	£18.80	New Charge	Differentiate out of borough and private school charges
<b>BOWLS</b>				
Adult - per person per round	£2.00	£2.00	0%	Income retained by bowling club
OAP/Youth - per person per round	£1.00	£1.00	0%	Income retained by bowling club
Lifestyle - per cardholder per round	£1.00	£1.00	0%	Income retained by bowling club
Adult season ticket	£42.00	£42.00	0%	Income retained by bowling club
OAP/Youth season ticket	£21.00	£21.00	0%	Income retained by bowling club
Locker rent	£10.00	£10.00	0%	Income retained by bowling club
<b>TRAINING AREA &amp; FLOODLIGHTS @ HURLINGHAM</b>				
Training area per hour - includes Change & Com room	£30.00	£32.00	7%	
Training area per hour - in borough state School	N/A	£32.00	New Charge	Differentiate out of borough and private school charges
Training area per hour - out of borough and private schools	N/A	£37.60	New Charge	Differentiate out of borough and private school charges
<b>Fulham Football Club - Grass pitch and Community Room Prices</b>				
AWP &/ Grass pitches, Com Room & Changing room -per day	£225.00	£225.00	0%	Market value to maintain scheme
<b>TRAINING AREAS at LILLIE ROAD, BISHOPS PARK, SOUTH PARK and EEL BROOK COMMON</b>				
Football, Rugby, Gaelic Football, Australian Rules Football				
Training area per hour	N/A	£32.00	New Charge	
Training area per hour - in borough state School	N/A	£17.00	New Charge	Differentiate out of borough and private school charges
Training area per hour - out of borough and private schools	N/A	£19.98	New Charge	Differentiate out of borough and private school charges
Equipment Storage	N/A	£150.00	New Charge	
<b>GROUP TRAINING INSTRUCTOR ANNUAL LICENCE FEE</b>				
	N/A	£1,200.00	New Charge	
<b>PERSONAL TRAINER ANNUAL LICENCE FEE</b>				
	N/A	£350.00	New Charge	
<b>Discounts (%) Allowed on booking price</b>				
6-9 block booking	25%	20%	-20%	
10 or more booking that meet criteria VAT EXEMPT	18%	20%	14%	VAT increase Jan 2011 so bigger discount
<b>SPORTS CHARGES - Linford Christie Stadium</b>				
<b>Athletics</b>				
*Under 16's Over 60's or Disabled				
<b>Annual Inclusive Pass</b>				
Adult (Member)	£80.00	£90.00	13%	
Adult ( Non Member)	£120.00	£140.00	17%	
*Concessionary (12 months only) (member)	£30.00	£40.00	33%	
*Concessionary (12 months only) (Non Member)	£40.00	£70.00	75%	
Student 12 months	£40.00	£70.00	75%	
Adult 6 months (member)	£43.00	£50.00	16%	
Adult 6 months (non member)	£60.00	£80.00	33%	
<b>Causal Use session Price</b>				
Adult (Member)	£4.00	£4.00	0%	Price freeze in line with London benchmark
Adult (Non Member)	£5.00	£5.00	0%	Price freeze in line with London benchmark
*Concessionary (12 months only) (member)	£2.00	£2.00	0%	Price freeze in line with London benchmark
*Concessionary (12 months only) (Non Member)	£3.00	£3.00	0%	Price freeze in line with London benchmark
Lifestyle Plus Member	£0.50	£0.50	0%	Price freeze in line with London benchmark
Adult spectator/ entrance fee (events)	£2.00	£2.00	0%	Price freeze in line with London benchmark
Use of shower facilities / changing facilities	£2.00	£2.00	0%	Price freeze in line with London benchmark
<b>Track Hire</b>				
Training (LBHF School) facilities only	£24.00	£24.00	0%	Price freeze in line with London benchmark
Training (LBHF School) facilities and Instructor	£42.00	£42.00	0%	Price freeze in line with London benchmark
Training (non LBHF School) facilities only	£48.00	£48.00	0%	Price freeze in line with London benchmark
Training (non LBHF School) facilities and Instructor	£56.00	£56.00	0%	Price freeze in line with London benchmark
Sports Day (LBHF School) up to 3 hrs - Facility only	£140.00	£140.00	0%	Price freeze in line with London benchmark
Sports Day (LBHF School) up to 3 hrs - Facility and Instructor	£220.00	£220.00	0%	Price freeze in line with London benchmark
Sports Day (non LBHF School) up to 3 hrs - Facility only	£164.50	£164.50	0%	Price freeze in line with London benchmark
Sports Day (non LBHF School) up to 3 hrs - Facility and Instructor	£258.50	£258.50	0%	Price freeze in line with London benchmark
Sports Days move than 3 hours	£56.00	£56.00	0%	Price freeze in line with London benchmark
TVH meetings	£48.00	£48.00	0%	Price freeze in line with London benchmark
Additional miscellaneous fee - setting out and clearing up	£56.00	£56.00	0%	Price freeze in line with London benchmark
<b>Pitches &amp; Ancillary Hire Servies</b>				
<b>11-a-side AWP Main (whole pitch)</b>				
Adult	£75.00	£80.00	7%	
Club	£50.00	£60.00	20%	
School	£37.00	£40.00	8%	
Out of borough and private Schools		£47.00		
<b>Contact Price for QPR-Chelsea-Chiswick Hockey</b>				
Adult	£37.00	£40.00	8%	
Junior	£25.00	£27.00	8%	
<b>5-a-side AWP</b>				
Adult & Club - Peak	£30.00	£35.00	17%	
Adult & Club - Off Peak	£29.00	£20.00	-31%	Differentiate between peak and off peak times to encourage more demand
Schools	£15.00	£17.00	13%	
<b>Contact Price for QPR-Chelsea-Chiswick Hockey</b>				
Adult	£19.00	£20.00	5%	
Junior	£15.00	£17.00	13%	
* Off Peak rate are charged before 18H00 Mon - Fri excl W/ends				
<b>Grass Pitches</b>				
Centre - without Floodlighting	£60.00	£70.00	17%	
Centre - without Floodlighting - School	£45.00	£50.00	11%	
Centre - with Floodlighting	£72.00	£80.00	11%	
Centre - with Floodlighting - School	£56.00	£60.00	7%	
Rugby Training area - top & bottom (no Floodlights)	£30.00	£32.00	7%	
<b>Rooms / Storage Hire</b>				
Community Room	£24.00	£30.00	25%	
Annoncer box	£24.00	£30.00	25%	
Changing Room per team (when no pitch hire)	£24.00	£30.00	25%	
Storage container per annum	£1,650.00	£1,750.00	6%	
Community Room - School	£12.00	£17.00	42%	
Annoncer box - School	£12.00	£17.00	42%	
Changing Room per team (when no pitch hire) - School	£12.00	£17.00	42%	
Storage container per annum - School	£1,100.00	£1,200.00	9%	
<b>CEMETERIES CHARGES - Exempt for VAT</b>				
	2010/11 From 1st April 2010	2011/12 From 1st April 2011	% Change from 1st April 2010	Research Done to Assess Adequacy of Charge & Date of Last Review (E.g. benchmarking with other Councils, Competitor Analysis etc)
<b>Resident Fees</b>				
<b>Private Grave</b>				
Purchase and Grant (75 years) <b>Change to 60 years</b>	£1,200.00	£1,400.00	17%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Internment/Reopening</b>				
Up to 2 interments (each)	£1,047.00	£1,200.00	15%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09

Per extra interment (below 7ft)	£219.00	£250.00	14%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Exhumations</b>				
Standard Charge (Coffin or Casket)	£1,874.00	£2,000.00	7%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Disinterment of Cremated Remains	£150.00	£200.00	33%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Grave Diggers Allowance per Grave	£100.00	£100.00	0%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Interment of cremated remains</b>				
Purchase and Grant	£353.00	£550.00	56%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Interment	£232.00	£300.00	29%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Scattering of Ashes	£59.00	£75.00	27%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Search Fee</b>				
Standard	£58.00	£10.00	-83%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09. Not currently receiving any income at the 2010 prices. Change charging mechanism from 3 free searches then £58 to £10 per search from April 2011
<b>Change of Ownership</b>				
Standard	£83.00	£90.00	8%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Chapel</b>				
Use of chapel	£58.00	£85.00	47%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Grave Maintenance</b>				
Soil or Turf	£77.00	£100.00	30%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Full Maintenance	£154.00	£200.00	30%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Attention only	£110.00	£125.00	14%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Non Resident Fees</b>				
<b>Private Grave</b>				
Purchase and Grant (75 years) <b>Change to 60 years</b>	£3,693.00	£3,900.00	6%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Interment/Reopening</b>				
Up to 2 interments (each)	£1,600.00	£1,750.00	9%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Per extra interment (below 7ft)	£700.00	£700.00	0%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Casket (includes interment fee)	£1,948.00	£2,250.00	16%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Non private grave</b>				
Grave space only	£1,544.00	£1,650.00	7%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Exhumations</b>				
Standard Charge (Coffin or Casket)	£1,874.00	£2,000.00	7%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Disinterment of Cremated Remains	£150.00	£200.00	33%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Grave Diggers Allowance per Grave	£100.00	£100.00	0%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Interment of cremated remains</b>				
Purchase and Grant	£1,180.00	£1,300.00	10%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Interment	£360.00	£400.00	11%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Scattering of Ashes	£59.00	£75.00	27%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Search Fee</b>				
Standard	£58.00	£10.00	-83%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09. Not currently receiving any income at the 2010 prices. Change charging mechanism from 3 free searches then £58 to £10 per search from April 2011
<b>Change of Ownership</b>				
Standard	£83.00	£90.00	8%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Chapel</b>				
Use of chapel	£70.00	£85.00	21%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>Grave Maintenance</b>				
Soil or Turf	£77.00	£100.00	30%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Full Maintenance	£154.00	£200.00	30%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Attention only	£110.00	£125.00	14%	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Non Private grave digging fee	N/A	£1,200.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Memorial Permit (resident)	N/A	£225.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Memorial Permit (non-resident)	N/A	£265.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Oversized coffin (residents)	N/A	£1,350.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Oversized coffin (non-residents)	N/A	£2,000.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Casket (residents)	N/A	£1,500.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Additional inscription (resident)	N/A	£75.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Additional inscription (non-resident)	N/A	£165.00	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
Surcharge Saturdays	N/A	Negotiable (minimum £1500)	<b>New Charge</b>	Benchmarking with all London Boroughs using cemeteries in London Fees 30/10/09
<b>HALL, PARKS &amp; OPEN SPACES HIRE - Zero Rated VAT (Hourly Rates)</b>	<b>2010/11 From 1st April 2010</b>	<b>2011/12 From 1st April 2011</b>	<b>% Change from 1st April 2010</b>	<b>Research Done to Assess Adequacy of Charge &amp; Date of Last Review (E.g. benchmarking with other Councils, Competitor Analysis etc)</b>
<b>HTH Assembly Hall &amp; FTH Grand Hall</b>				
Weekday daytime	£150.00	£180.00	20%	
Weekday evenings	£255.00	£255.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Friday from 6pm & Saturdays)	£280.00	£280.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Sundays)	£280.00	£280.00	0%	Intentional price freeze to maintain value for money service for customer
Commercial ticketed events	£410.00	£410.00	0%	Intentional price freeze to maintain value for money service for customer
Bank Holiday Mondays, New Years Eve	£560.00	£560.00	0%	Intentional price freeze to maintain value for money service for customer
New Years Eve falling on a Sunday	£615.00	£615.00	0%	Intentional price freeze to maintain value for money service for customer
Hourly rate after midnight add £50	£50.00	£50.00	0%	Intentional price freeze to maintain value for money service for customer
<b>FTH Concert Hall</b>				
Weekday daytime (subject to GH booking)	£80.00	£80.00	0%	Price freeze pending cabinet decision on FTH
Weekday evenings	£122.00	£122.00	0%	Price freeze pending cabinet decision on FTH
Weekends	£122.00	£122.00	0%	Price freeze pending cabinet decision on FTH
Flat rate supplement for the Concert hall to be added to the Grand hall booking	£210.00	£210.00	0%	Price freeze pending cabinet decision on FTH
<b>HTH Small Hall</b>				
Weekday	£60.00	£60.00	0%	Intentional price freeze to maintain value for money service for customer
Weekday evening	£80.00	£80.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Friday from 6pm & Saturdays)	£122.00	£122.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Sunday)	£127.00	£127.00	0%	Intentional price freeze to maintain value for money service for customer
<b>HTH Committee Room 1, Courtyard Room, Council Chamber</b>				
Weekday	£66.00	£66.00	0%	Intentional price freeze to maintain value for money service for customer
Weekday evening	£86.00	£86.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Friday from 6pm & Saturdays)	£97.00	£97.00	0%	Intentional price freeze to maintain value for money service for customer
Weekend (Sunday)	£102.00	£102.00	0%	Intentional price freeze to maintain value for money service for customer
<b>HIRE OF PARKS &amp; OPEN SPACES FOR EVENTS - CHARGES PER DAY (Customer / Intended Audience)</b>				
Large event (1000+ attendance) - Commercial / Private	POA	POA	N/A	
Large event (1000+ attendance) - Commercial / Public	POA	POA	N/A	

Large event (1000+ attendance) - Community Org / Public	POA	POA	N/A	
Large event (1000+ attendance) - Registered Charity / Public	POA	POA	N/A	
Medium event (500-999 att) - Commercial / Private	POA	POA	N/A	
Medium event (500-999 att) - Commercial / Public Paid For	£825.00	£825.00	0%	Intentional price freeze to maintain value for money service for customer
Medium event (500-999 att) - Commercial / Public Free	£510.00	£510.00	0%	Intentional price freeze to maintain value for money service for customer
Medium event (500-999 att) - Community Org / Public Paid For	£250.00	£250.00	0%	Intentional price freeze to maintain value for money service for customer
Medium event (500-999 att) - Community Org / Public Free	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Medium event (500-999 att) - Registered Charity / Public	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Small event (up to 499 att) - Commercial / Private	£1,050.00	£1,050.00	0%	Intentional price freeze to maintain value for money service for customer
Small event (up to 499 att) - Commercial / Public Paid For	£510.00	£510.00	0%	Intentional price freeze to maintain value for money service for customer
Small event (up to 499 att) - Commercial / Public Free	£255.00	£255.00	0%	Intentional price freeze to maintain value for money service for customer
Small event (up to 499 att) - Registered Charity / Public	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Small event (up to 499 att) - Community Org / Public Free	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Promotional activity - Large scale/space - Commercial / Public	POA	POA	-	
Promotional activity - Large scale/space - Community Org / Public	POA	POA	-	
Promotional activity - Large scale/space - Registered Charity / Public	POA	POA	-	
Promotional activity - Small scale/space - Commercial / Public	£255.00	£255.00	0%	Intentional price freeze to maintain value for money service for customer
Promotional activity - Small scale/space - Community Org / Public	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Promotional activity - Small scale/space - Registered Charity / Public	£120.00	£120.00	0%	Intentional price freeze to maintain value for money service for customer
Fairground - Large scale - Commercial / Public	£1,050.00	£1,050.00	0%	Intentional price freeze to maintain value for money service for customer
Fairground - Small scale - Commercial / Public	£510.00	£510.00	0%	Intentional price freeze to maintain value for money service for customer
<b>ADD ON SUPPLEMENTS</b>				
Showcase Park / Town Centre Spaces	£100.00	£100.00	0%	Intentional price freeze to maintain value for money service for customer
Large scale Infrastructure e.g. staging, toilets	£200.00	£200.00	0%	Intentional price freeze to maintain value for money service for customer
Small scale Infrastructure e.g. tents, generators	£100.00	£100.00	0%	Intentional price freeze to maintain value for money service for customer
Catering facilities	£100.00	£100.00	0%	Intentional price freeze to maintain value for money service for customer
Sale of alcohol	£100.00	£100.00	0%	Intentional price freeze to maintain value for money service for customer
Amplified music	£100.00	£100.00	0%	Intentional price freeze to maintain value for money service for customer
<b>RBDM</b>	<b>2010/11 From 1st April 2010</b>	<b>2011/12 From 1st April 2011</b>	<b>% Change from 1st April 2010</b>	<b>Research Done to Assess Adequacy of Charge &amp; Date of Last Review (E.g. benchmarking with other Councils, Competitor Analysis etc)</b>
<b>Civil Marriage/Civil Partnership</b>				
<b>Mayor's Parlour, Fulham Town Hall (Register Office)</b>				
Mon - Thur	£43.50	£60.00	38%	
Fri - Sat	£93.50	£93.50	0%	Price freeze pending cabinet decision on FTH
<b>Walham Green Room Fulham Town Hall</b>				
Mon - Thur	£143.50	£143.50	0%	Price freeze pending cabinet decision on FTH
Fri - Sat	£193.50	£193.50	0%	Price freeze pending cabinet decision on FTH
<b>Council Chamber – Fulham Town Hall</b>				
Mon - Thur	£353.50	£353.50	0%	Price freeze pending cabinet decision on FTH
Fri	£453.50	£453.50	0%	Price freeze pending cabinet decision on FTH
Sat	£503.50	£503.50	0%	Price freeze pending cabinet decision on FTH
Sun/Bank Holidays	£653.50	£653.50	0%	Price freeze pending cabinet decision on FTH
<b>Approved Venues</b>				
Mon - Thur	£323.50	£323.50	0%	Price freeze to remain competitive with other London wedding venues
Fri - Sat	£403.50	£403.50	0%	Price freeze to remain competitive with other London wedding venues
Sun/Bank Holidays	£503.50	£503.50	0%	Price freeze to remain competitive with other London wedding venues
<b>Naming Ceremonies/Marriage Vows Renewal</b>				
<b>Hammersmith and Fulham Register Office, Fulham Town Hall (Up to 60 people)</b>				
Mon - Thur 9am to 4pm	£153.00	£153.00	0%	Price freeze pending cabinet decision on FTH
Mon - Thur 4pm to 6pm	£204.00	£204.00	0%	Price freeze pending cabinet decision on FTH
Fri 9pm to 4pm	£178.00	£178.00	0%	Price freeze pending cabinet decision on FTH
Fri 4pm to 6pm	£255.00	£255.00	0%	Price freeze pending cabinet decision on FTH
Sat afternoon	£255.00	£255.00	0%	Price freeze pending cabinet decision on FTH
Sun/Bank Hols	£306.00	£306.00	0%	Price freeze pending cabinet decision on FTH
<b>Fulham Council Chamber, Fulham Town Hall (Up to 100 people)</b>				
Fri	£306.00	£306.00	0%	Price freeze pending cabinet decision on FTH
Sat	£408.00	£408.00	0%	Price freeze pending cabinet decision on FTH
Sun/Bank Holidays	£560.00	£560.00	0%	Price freeze pending cabinet decision on FTH
<b>Other Venues*</b>				
Mon - Thur 9am to 4pm	£178.00	£178.00	0%	Price freeze to remain competitive with other London wedding venues
Mon - Thur 4pm to 6pm	£204.00	£204.00	0%	Price freeze to remain competitive with other London wedding venues
Fri 9pm to 4pm	£178.00	£178.00	0%	Price freeze to remain competitive with other London wedding venues
Fri 4pm to 6pm	£204.00	£204.00	0%	Price freeze to remain competitive with other London wedding venues
Sat	£306.00	£306.00	0%	Price freeze to remain competitive with other London wedding venues
Sun/Bank Holidays	£357.00	£357.00	0%	Price freeze to remain competitive with other London wedding venues
<b>Other Fees</b>				
Same day service for copy certificates	£10.00	£10.00	0%	Price freeze to remain competitive with GRO online service
<b>Nationality Checking Service Fees</b>				
Adult	N/A	TBC	TBC	New service from Nov 2010 - April prices being reviewed post service implementation
Couple	N/A	TBC	TBC	New service from Nov 2010 - April prices being reviewed post service implementation
Child	N/A	TBC	TBC	New service from Nov 2010 - April prices being reviewed post service implementation
When child is the only applicant	N/A	TBC	TBC	New service from Nov 2010 - April prices being reviewed post service implementation
<b>LIBRARIES CHARGES</b>	<b>2010/11 From 1st April 2010</b>	<b>2011/12 From 1st April 2011</b>	<b>% Change from 1st April 2010</b>	<b>Research Done to Assess Adequacy of Charge &amp; Date of Last Review (E.g. benchmarking with other Councils, Competitor Analysis etc)</b>
<b>Adults 16-59. Concessions: Children 0-11, Teens 12-15, Pensioners 60+, Lifestyle Plus cardholders.</b>				
<b>Book Overdue and Reservation Charges</b>				
Overdue Books - Per Day Age 16-59	£0.25	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Requests not in stock- British Library	£5.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Requests not in stock - SELMS partners	£2.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Requests- Age 16-59	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Overdue Notifications Printed- all ages (No VAT Charged)	£0.40	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Audio-Visual Loan and Overdue Charges</b>				
DVD Loans Feature Films 3 days Adult Age 16-59	£1.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Overdue DVDs- Age 16-59 Per Day Max £7.50	£0.75	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Language Courses/ Learning Packs-three weeks	£2.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Overdue CDs- Per Day Max £7.50 (No VAT Charged)	£0.25	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Box sets DVDs loans Age 16-59 (No VAT Charged)	£3.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Box sets DVDs Overdues to a maximum of 7.50 Age 16-59 (No VAT Charged)	£0.75	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Talking Book Loans	N/A	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Internet Charges</b>				
Access - After First Half Hour - Per Half Hour members	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
(H&F School Children Free)	£0.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A4 Print - black and white	£0.10	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working



Access- None members pay for every Half Hour	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Access- Advance 3 hour booking	£2.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A4 Colour	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Fax Charges - Per Page</b>				
UK	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Europe	£1.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
North America	£2.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Australia	£2.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Elsewhere	£4.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Incoming Material	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Photocopying - Per Page</b>				
A4 black and white - self service	£0.10	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A3 black and white - self service	£0.20	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A4 black and white - assisted service	£0.20	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A3 black and white - assisted service	£0.40	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A4 colour - self service	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A3 colour - self service	£1.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A4 colour - assisted	£1.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
A3 colour - assisted	£2.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Sale Items - guide prices - No VAT Charged</b>				
<b>Withdrawn Library Books</b>				
Adult Fiction and Children's books	£0.60	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Adult Non-Fiction	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Paperbacks	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Cassettes	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
CD's	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Videos/DVDs	£0.50	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Miscellaneous Sale Items</b>				
ECO Bags	£1.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Memory Sticks	£9.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Premises Hire - Per Hour</b>				
<b>Community Groups: (Voluntary groups in H&amp;F, Registered charities and Residents Associations only)</b>				
During Library Hours	£15.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Outside library Hours	£50.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Other Groups</b>				
During Library Hours	£30.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Outside library Hours	£100.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>Exhibition Space - Per Day</b>				
Preparatory Day	£60.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
Exhibition Days	£120.00	TBC	TBC	Increase to be decided following a review of common charges across 3 borough working
<b>FULHAM PALACE HALL HIRE - Zero Rated VAT</b>	<b>2010/11 From 1st April 2010</b>	<b>2011/12 From 1st April 2011</b>	<b>% Change from 1st April 2010</b>	<b>Research Done to Assess Adequacy of Charge &amp; Date of Last Review (E.g. benchmarking with other Councils, Competitor Analysis etc)</b>
Minimum Hire Charge for 1 or more rooms Friday - Saturday May - September	£4,000.00	£4,495.00	12%	
Minimum Hire Charge for 1 or more rooms Friday - Saturday October - April	£3,500.00	£3,995.00	14%	
The Great Hall - Standard Day (9am-5pm or 6pm-1am)	£1,000.00	£1,000.00	0%	Remain competitive with alternative providers
The Great Hall - Half Day (4 hours 9am-1pm or 6pm-1am)	£750.00	£750.00	0%	Remain competitive with alternative providers
The Great Hall - Civil Wedding Ceremonies	£750.00	£750.00	0%	Remain competitive with alternative providers
The Drawing Room Café, Bishop Howley's Drawing Room, Morning Room - Standard Day (9am-5pm or 6pm-1am)	£1,000.00	£1,000.00	0%	Remain competitive with alternative providers
Bishop Terrick's Drawing Room - Standard Day (9am-5pm or 6pm-1am)	£600.00	£600.00	0%	Remain competitive with alternative providers
Bishop Terrick's Drawing Room - Half Day (4 hours 9am-1pm or 6pm-1am)	£450.00	£450.00	0%	Remain competitive with alternative providers
Bishop Terrick's Drawing Room - Civil Wedding Ceremonies	£450.00	£450.00	0%	Remain competitive with alternative providers
Bishop Terrick's Dining Room - Standard Day (9am-5pm or 6pm-1am)	£375.00	£375.00	0%	Remain competitive with alternative providers
Bishop Terrick's Dining Room - Half Day (4 hours 9am-1pm or 6pm-1am)	£275.00	£275.00	0%	Remain competitive with alternative providers
Bishop Terrick's Dining Room - Civil Wedding Ceremonies	£275.00	£275.00	0%	Remain competitive with alternative providers
The Chaplain's Garden Marquee - Standard Day (9am-5pm or 6pm-1am)	£3,500.00	£3,500.00	0%	Remain competitive with alternative providers
The Chaplain's Garden Marquee - Half Day (4 hours 9am-1pm or 6pm-1am)	POA	POA	-	
Bishop Blomfield's Rooms - Standard Day (9am-5pm or 6pm-1am)	£500.00	£500.00	0%	Remain competitive with alternative providers
Bishop Blomfield's Rooms - Half Day (4 hours 9am-1pm or 6pm-1am)	£300.00	£300.00	0%	Remain competitive with alternative providers
The East courtyard Room	POA	POA	-	
The West Courtyard Room	POA	POA	-	
The North or Main Lawn	POA	POA	-	
Exclusive use of Fulham Palace Excluding Marquee	£4,000.00	£4,000.00	0%	Remain competitive with alternative providers
Exclusive use of Fulham Palace Including Marquee	£6,500.00	£6,500.00	0%	Remain competitive with alternative providers



## Report to Council

23 FEBRUARY 2011

### LEADER

*Councillor Stephen Greenhalgh*

### CAPITAL PROGRAMME 2011/12 TO 2015/16

Wards:  
All

This report sets out proposals in respect of the capital programme, together with ancillary issues.

### CONTRIBUTORS

All Departments  
DFCS  
ADLDS

#### Recommendations:

1. To approve that the General Fund Capital Programme is £31.931m for 2011/12.
2. To approve a Debt Reduction target of £53.9m by 2015/16 which will reduce underlying debt (Capital Financing Requirement to £78.8m).
3. To approve that 25% of receipts generated for the decent neighbourhoods programme continue to be used to support general capital investment.
4. To approve the following initiatives within the capital programme:
  - The continuation of the rolling programmes for Corporate Planned Maintenance (£2.5m), repairs to carriageways and footways (£2.1m), private sector housing grants (£0.45m), Parks Improvements (£0.5m) and contributions to the Invest to Save Fund (£0.750m)
  - The setting aside of £0.250m in reserve for the DDA Programme.
5. To approve, subject to agreement of the overall programme, prudential borrowing of £5.4m regarding the Schools Capital Strategy.
6. To note and approve the level of resource forecast (Table 5) and indicative expenditure for the decent neighbourhoods programme as detailed in Appendix 1 and proposed 2011/12 contribution to fund works to the HRA stock of £14.867m from the Decent Neighbourhoods Pot for one year only.

- 7. To approve the 2011/12 HRA capital programme as set out in Appendix 3, and subject to appropriate Member approval for un-committed schemes.**
- 8. To approve the prudential indicators as set out in Appendix 4 to the report.**
- 9. To approve the following annual Minimum Revenue Provision: (Appendix 5).**
  - For debt which is supported through Formula Grant this authority will calculate the Minimum Revenue Provision in accordance with current regulations (namely 4% of the Capital Financing requirement net of adjustment A).**
  - For debt which has arisen through prudential borrowing it should be written down in equal instalments over the estimated asset life. The debt write-off will commence the year after an asset comes into use.**

## 1. INTRODUCTION

- 1.1 This report sets out an updated resource forecast and a capital programme for 2011/12 to 2015/16. Since 2006/07, the Council has put in place a debt reduction strategy which has enabled £36m of capital debt to be repaid by the end of 2009/10. Annual revenue savings of £3.6m are forecast by 2011/12. The capital programme now put forward seeks to build on these savings whilst funding essential new investment and key Council priorities.
- 1.2 The Building Schools for the Future programme was halted in 2010/11. An update is now given on future capital proposals for schools.
- 1.3 The funding for the Decent Homes Programme has now come to an end. Proposals are now put forward regarding the on-going housing investment needs for 2011/12. The funding options for 2012/13 onwards will be reviewed subject to the outcome of Government's announcement to replace the existing Housing Revenue Account (HRA) subsidy system with a new system of council housing finance.
- 1.4 The Council has embarked on a number of major projects such as the King Street Regeneration Strategy and a range of decent neighbourhood schemes. A brief update on these projects is set out in this report and appropriate allowance made within the overall capital programme.

## 2. DEBT REDUCTION

- 2.1 General Fund debt (as measured by the Capital Financing Requirement) was £132.7m at the start of 2010/11. As set out in Table 1 it is now forecast that such debt will reduce by £53.9m, to £78.8m, by 2015/16. This will largely be achieved by applying surplus capital receipts, which are over and above the core investment needs, for debt redemption. Overall revenue savings are budgeted to increase by £4.6m from 2011/12 to 2015/16.

**Table 1 – Movement in the Capital Financing Requirement (CFR)**

	11/12	12/13	13/14	14/15	15/16
	£'m	£'m	£'m	£'m	£'m
Opening Capital Financing Requirement	127.1	117.0	92.7	84.8	81.4
Revenue Repayment of Debt	-3.5	-3.0	-1.9	-1.6	-1.5
Repayment of receipts used for temporary debt redemption.	2.4	2.0	0.0	0.0	0.0
Borrowing For Schools Investment	5.4	0.0	0.0	0.0	0.0
Annual (Surplus)/Deficit in the Capital Programme (Table 2)	-14.4	-23.3	-6.0	-1.8	-1.2
Closing CFR	117.0	92.7	84.8	81.4	78.8
Net Movement from the opening 2010/11 CFR (£132.7)	-15.7	-40.0	-47.9	-51.3	-53.9
Revenue Impact (9% of CFR – lagged by 1 year)	-0.50	-1.41	-3.6	-4.3	-4.6

### 3. THE GENERAL FUND CAPITAL PROGRAMME

#### Summary

- 3.1 The proposed capital programme (Appendix 2) and resource forecast is summarised in Table 2. The overall programme is forecast to be in surplus of £49.9m to the end of 2015/16. It is planned to use this surplus to repay debt.

**Table 2 – General Fund Capital Programme Summary**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000s	£'000s	£'000s	£'000s	£'000s
Forecast Resources (Table 3)	46,377	32,857	14,967	9,100	8,500
Capital Programme (Table 4)	31,931	9,519	9,004	7,300	7,300
<b>In-Year Surplus/(Deficit)</b>	<b>14,446</b>	<b>23,338</b>	<b>5,963</b>	<b>1,800</b>	<b>1,200</b>
<b>Cumulative Balance Surplus/(Deficit)</b>	<b>14,446</b>	<b>40,925</b>	<b>46,888</b>	<b>48,688</b>	<b>49,888</b>

#### Resources

- 3.2 The general fund resource forecast is detailed in Table 3.

**Table 3 General Fund Resource Forecast.**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000s	£'000s	£'000s	£'000s	£'000s
Right to Buy Receipts	500	500	500	500	500
Planned Sales	22,876	23,725	3,875	600	0
Decent Neighbourhood Receipts	7,956	5,413	7,888	7,000	7,000
-Reimbursement of Decent Neighbourhood receipts	(6,293)	0	0	0	0
Scheme Specific Resources	21,338	3,219	2,704	1,000	1,000
<b>Total Forecast Resources</b>	<b>46,377</b>	<b>32,857</b>	<b>14,967</b>	<b>9,100</b>	<b>8,500</b>

- 3.3 **Right to Buy (RTB) Receipts.** Usable RTB receipts (25% of sale value) are now running at £0.5m (10 properties) a year and are not expected, given current market conditions, to increase in 2012/13 onwards. The Council continues to explore options that promote the shared ownership of Council dwellings. No income from such schemes is assumed within the resource forecast
- 3.4 **Planned Sales.** The current forecast for planned asset sales is set out in Table 3. The actual level, and timing, of sales is subject to certain caveats. Not least they are dependant on the wider property market, appropriate consultation and planning considerations. The Council continues to review its asset holdings to identify potential further disposals. The target for forecast sales is ambitious. A risk is identified within the Medium Term Financial Strategy that sales may slip or not be achieved or that significant cost of sales may be incurred.
- 3.5 **Borrowing.** From 2007/08 to 2010/11 the Council undertook no new general borrowing as part of the debt reduction strategy. Allowance for prudential borrowing of £5.4m is made to support investment in schools. This is treated as a specific resource.

- 3.6 **Decent Neighbourhoods Receipts.** Via a number of specific Cabinet decisions, the Council has opted to ringfence receipts from disposals of certain asset types (hostels, street properties, and other regeneration sites) for regeneration or affordable housing purposes. These receipts have been channelled into the Decent Neighbourhoods fund. Although this approach has allowed for investment in a number of such schemes, in general the level of receipts coming into the fund has outstripped the expenditure from it. This has led to a position where the fund is projected to be in surplus by between £2.8m and £90m over the capital programme period. This is subject to future decisions regarding the possible use of such resources. Given the imbalance in funding between this and the general programme the Council agreed that, from 2010/11, these receipts should be top sliced by 25% to contribute to general resources. This approach continues to be reviewed over time to ensure that there is no material impact on the delivery of regeneration or affordable housing initiatives.
- 3.7 There is a central government imposed restriction on how local authorities can use housing capital receipts. The Council has to determine a Capital Allowance. This increases as expenditure is incurred on affordable housing and regeneration initiatives and decreases in line with housing capital receipts. Should the Capital Allowance become negative then 75% of housing receipts are payable to the Government. The latest estimate is that the Capital Allowance will exceed £21m at the close of 2011/12 and the Council can accordingly make full use of the housing receipts. This position continues to be reviewed and may be impacted by future changes to the housing capital finance regime.
- 3.8 **Specific Funding Allocations.** The specific funding resource forecast is based on current allocations and will be updated over the forthcoming months in accordance with relevant government, and other public and private, spending announcements.

#### Expenditure

- 3.9 The Council's Capital Programme has, in recent years, been developed through a combination of agreed rolling programmes, agreement of individual projects (via formal decision making processes), and the inclusion of specifically funded schemes. The framework for an annual bidding round has not been applied in recent years as available resources have been prioritised to repay debt.
- 3.10 The proposed programme for 2011/12 (Table 4) onwards provides for the completion of existing schemes (mainly Bishops Park) and continuation, with the exception of the Disability Discrimination Act (DDA) programme, of the previously agreed rolling programmes. Over recent years an annual provision of £0.25m has been made for DDA works but has been infrequently used. DDA works tend now to be undertaken as a matter of course within new capital initiatives. It is proposed that any unapplied allocation brought forward from 2010/11 (up to £0.25m) be set aside within a reserve for use as appropriate. No further annual provision will be made. This position will continue to be reviewed.

**Table 4 – 2011/12 to 2015/16 Capital Programme**

	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Mainstream</b>	£'000	£'000	£'000	£'000	£'000
Completion of Existing Schemes	4,293	0	0	0	0
Continuation of Rolling Programmes:					
- Carriageways	1,350	1,350	1,350	1,350	1,350
- Footways	750	750	750	750	750
- Planned Maintenance	2,500	2,500	2,500	2,500	2,500
- Private Sector Housing Grants	450	450	450	450	450
-Contributions to Invest To Save	750	750	750	750	750
-Parks Development	500	500	500	500	500
<b>Scheme Specific Schemes</b>	21,338	3,219	2,704	1,000	1,000
<b>Total</b>	<b>31,931</b>	<b>9,519</b>	<b>9,004</b>	<b>7,300</b>	<b>7,300</b>

- 3.11 **Schools Capital Programme** - The scheme specific resources include an allowance of £5.4m for prudential borrowing to support capital investment in schools and new capital grant awards for schools investment of £7.6m for 2011/12. Following the abandonment of the Building Schools for the Future programme the Government announced that a review would be taken of future education capital funding. This is expected to be complete in early 2011. The future schools capital programme for the Council will be determined once the outcome of the Government review is known.
- 3.12 **White City Health and Care Centre** - The centre will be both a flagship joint health and social care service centre operated in conjunction with H&F PCT, and a major housing development delivering on the Council's priority to increase home ownership in the borough. It is also expected to play a significant role in regenerating the physical environment in the north of the borough.
- 3.13 The Council side of the project will be delivered via a LIFT Co arrangement, a health finance vehicle with similarities to a PFI deal, where the Council will take a lease- plus interest in the building for a period of 25 years. The cost of the lease plus agreement will be met by freeing up various satellite premises as teams move into the new centre. The Collaborative Care Centre is based on the old Janet Adegoke Leisure Centre site, incorporating the Children's Services site at Sawley Road. The Council awaits the outcome of a PFI credits bid of £4.5m to fund its ongoing running costs.
- 3.14 The planning permission, subject to the completion of a section 106 Legal agreement, is for 175 residential units above the collaborative care centre, comprising of 105 market units and 70 affordable. The 70 affordable units will be a mixture of bed sizes from studio accommodation through to family sized dwellings. The affordable housing will be low cost home ownership tenures affordable to residents in the borough on low to moderate incomes.

#### 4. DECENT NEIGHBOURHOODS – EXPENDITURE AND RESOURCE FORECAST

4.1 The Council continues to set aside housing capital receipts regarding it's objectives for regeneration and creating sustainable communities. The current regeneration receipts forecast, and expenditure plan, is set out in Appendix 1 and summarised in table 5.

**Table 5 Decent Neighbourhoods - Resource/Expenditure Forecast.**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Balance b/fwd</b>	<b>(928)</b>				
Expenditure	3,934	36	0	0	0
Resources	(32,547)	(18,238)	(23,663)	(21,000)	(21,000)
<b>In Year (Surplus) – based on approved schemes</b>	<b>(29,541)</b>	<b>(18,202)</b>	<b>(23,663)</b>	<b>(21,000)</b>	<b>(21,000)</b>
Capital Investment in maintaining existing housing stock. (1 year only)	<b>14,867</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Schemes Under Consideration	<b>11,861</b>	<b>(5,000)</b>	<b>1,500</b>	<b>0</b>	<b>0</b>
<b>Revised In Year (Surplus)</b>	<b>(2,813)</b>	<b>(23,202)</b>	<b>(22,163)</b>	<b>(21,000)</b>	<b>(21,000)</b>
<b>Cumulative (Surplus)</b>	<b>(2,813)</b>	<b>(26,015)</b>	<b>(48,178)</b>	<b>(69,178)</b>	<b>(90,178)</b>

4.2 The programme is forecast to be in surplus by £90m by 2015/16. The expensive voids policy is still in place and the resources forecast is likely to increase as more properties come through for disposal although this is likely to be offset in future years by new initiatives that emerge.

4.3 The resources forecast include the sale of expensive to repair void properties. Allowance has been made for the top-slice of 25% of future receipts to support general investment needs. The current forecast is based on the identification of 50 new properties for sale in 2011/12 – increasing to 80 by 2014/15.

4.4 A key priority for the Council is to ensure adequate on-going investment in the Council housing stock following the completion of the decent homes programme. Section 5 sets out the current Housing Capital Expenditure and Resource forecast. A drawdown of £14.9m is being proposed for 2011/12 only.

4.5 The resources available for the decent neighbourhoods programme continue to be separately identified and their use is subject to Member approval.

#### 5. REGENERATION INITIATIVES

5.1 The Council is currently progressing a number of major projects that are likely to impact on the capital programme over the next five years. An update is provided in this section on current progress. As these projects are progressed appropriate amendments will be made to Capital and Revenue Estimates subject to Member approval.



- 5.2 **King Street Regeneration.** The Council is currently taking forward proposals for this scheme which includes a major change to the existing Civic Accommodation provision in Hammersmith. At present a developer has been appointed to take forward this scheme and a planning application submitted. It is hoped that the strategy can be delivered at net nil cost to the Council but this position, particularly in the light of the current economic conditions, will need to be kept under review.
- 5.3 **Earls Court.** The Council is in discussions with other landowners (Transport for London and Capital & Counties) regarding the potential redevelopment of Earls Court after 2012. This is intended to bring substantial benefits to the wider area, including more and better quality homes, new jobs and improved open spaces. The plans could include the West Kensington and Gibbs Green Estate and a key concern for the Council is that any scheme must provide new homes for these 1,650 residents in the same area as they are living. To date the Council has approved expenditure of £0.650m regarding planning and transport studies. This has been funded from section 106 (planning) and developer contributions.
- 5.4 **White City/Shepherds Bush Market.** White City is a major development area with potential for up to 5,000 new homes being built. Most of those are being earmarked for land east of Wood Lane with detailed proposals likely to emerge in the next few years. The Council has also set out a new vision to protect Shepherds Bush Market. This includes the relocation of the Bush Theatre to the old Shepherds Bush library for which capital resources (funded from section 106 resources) of £1m have been identified to secure the release of a restrictive covenant from the church commissioners. The Council has also agreed an option for the potential future sale, at market value, of the old laundry site at Pennard Road, to developers, Orion Shepherd Bush Market Limited. This is subject to the developer assembling the rest of the land needed to come up with a viable scheme for redeveloping the market that ultimately gets planning consent and is in accordance with the Council's planning brief.
- 5.5 **A Housing Company.** The Council is exploring options for establishing two housing companies, a development company that would provide new housing, including housing for sale, and a company with charitable aims that would subsequently hold any rented or intermediate housing (such as shared ownership). The Council has identified a number of sites in its ownership which could, if developed, represent a significant opportunity to develop new homes through innovative delivery arrangements.

## 6. HOUSING CAPITAL PROGRAMME

- 6.1 The latest capital resource forecast for the Housing Capital Programme is set out in table 6 below (see Appendix 3 for details), together with the proposed Housing Revenue Account Capital Programme.
- 6.2 The HRA resource forecast indicates a deficit of £12m from 2012/13 onwards. The HRA capital programme post-2011/12 will be subject to the changes to the HRA subsidy trailed in the Sustainable Communities Bill.

**Table 6 HRA Capital resource forecast**

	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Proposed HRA Capital Programme</b>	<b>43,179</b>	<b>29,335</b>	<b>29,105</b>	<b>28,858</b>	<b>28,858</b>
Resources:					
Major Repairs Allowance	12,648	12,921	13,037	13,321	13,321
Receipts	5,103	0	0	0	0
Expensive Voids Contributions (Proposed – 1 year only)	14,867	0	0	0	0
Leasehold Contributions	7,880	4,414	4,068	3,537	3,537
<b>Total mainstream resources</b>	<b>40,498</b>	<b>17,335</b>	<b>17,105</b>	<b>16,858</b>	<b>16,858</b>
Specific Funding	2,681	0	0	0	0
<b>Total Resources</b>	<b>43,179</b>	<b>17,335</b>	<b>17,105</b>	<b>16,858</b>	<b>16,858</b>
In-Year (Surplus) / Deficit	<b>0</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
Cumulative (Surplus) / Deficit	<b>0</b>	<b>12,000</b>	<b>24,000</b>	<b>36,000</b>	<b>48,000</b>

6.3 The funding for the decent homes programme came to an end in 2010/11. The proposed future programme maintains the condition and fitness for purpose of the stock including ensuring homes are maintained at a decent standard and remain in a condition suitable for letting, addresses our statutory and health and safety obligations, improves energy efficiency, addresses residual backlog works which were outside the scope of the decent homes programme and meets resident priorities such as security and environmental improvements. As previously noted mainstream resources are insufficient to cover the program and a draw down has been made from the Decent Neighbourhoods pot of £14.9m in 2011/12.

6.4 The Housing Capital programme indicates that it will be in deficit of £48m by 2015/16. Options will be explored to balance the programme from 2012/13 onwards once the proposals for the new Housing Subsidy regime are known.

## **7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

7.1 Debt reduction is a key element of the Council's revenue budget strategy. The proposals set out in this report will provide for annual revenue savings of £7.7m to have been delivered from 2006/07 to 2015/16. The future delivery of these savings is heavily reliant on meeting the target for asset sales and progress against target will need to be closely monitored. The costs of sale, including security and relocation, also need to be tightly controlled to avoid additional capital and revenue spend pressures.

7.2 The Council's mainstream capital programme is now largely restricted to core rolling programmes but it is looking to regenerate a number of priority areas through a number of initiatives. These may have a major impact, both in terms of expenditure and resources, on the capital forecast over the next five years. Amendments will be made in line with Member approval.

7.3 In accordance with the requirements of the Prudential Code for Capital Finance local authorities are required to maintain a number of prudential indicators. These are set out in Appendix 4. The indicator used to reflect the underlying need of an authority to borrow for a capital purpose is the Capital Financing Requirement (CFR). The General Fund CFR is estimated to be £127.1m at the start of 2011/12. The proposals set out in this report are estimated to reduce it to £78.8m by 2015/16. This net reduction has been taken account of within the Council's Treasury Management Strategy. No allowance is made yet for any borrowing should a decision be taken to proceed with a housing company.

7.4 Each year local authorities are required to set aside some of their revenues as provision for debt repayment. This is commonly termed the minimum revenue provision (MRP). Before the start of each financial year Full Council is required to approve a statement of its policy on making MRP in respect of that financial year. Appendix 5 sets out the options now available to Hammersmith and Fulham and recommends which option should be followed.

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

8.1 There are no direct legal implications in relation to this report.

**LOCAL GOVERNMENT ACT 2000**  
**BACKGROUND PAPERS**

No.	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department
1.	Capital Monitoring Documents	Isaac Egberedu Ext 2503	Finance Dept., 2 <sup>nd</sup> floor , HTH Extension

Decent Neighbourhoods Capital Budgets							Appendix 1
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	Total £'000
<b>EXPENDITURE</b>							
Watermeadow Court	2,804						2,804
Pennard Road Land Acquisition	4,831						4,831
Fulham Court (includes works and fees)	665	3,809	36				4,510
Traveller Site Improvement Project		125					125
Buy out Shepherds Bush Library covenant	1,000						1,000
<b>Total Expenditure</b>	<b>9,300</b>	<b>3,934</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,270</b>
<b>Resources:</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2014/15 £'000</b>	<b>Total £'000</b>
<b>Brought Forward*</b>	<b>(3,500)</b>	<b>(2,400)</b>	<b>(2,000)</b>				<b>(7,900)</b>
<b>Expensive Voids:</b>							
Sales to date	(11,120)						(11,120)
Identified but not yet sold	(4,655)	(7,475)					(12,130)
Forecast	0	(17,500)	(21,000)	(24,500)	(28,000)	(28,000)	(119,000)
Other Sales	(3,863)	(6,849)	(650)	(7,050)	0	0	(18,412)
<b>Total Sales Receipts</b>	<b>(19,638)</b>	<b>(31,824)</b>	<b>(21,650)</b>	<b>(31,550)</b>	<b>(28,000)</b>	<b>(28,000)</b>	<b>(160,662)</b>
Grants and other contributions	(1,465)	0	0	0	0	0	(1,465)
<b>Resources transfers</b>	<b>13,716</b>	<b>1,677</b>	<b>5,413</b>	<b>7,888</b>	<b>7,000</b>	<b>7,000</b>	<b>42,693</b>
<b>Total Resources</b>	<b>(10,888)</b>	<b>(32,547)</b>	<b>(18,238)</b>	<b>(23,663)</b>	<b>(21,000)</b>	<b>(21,000)</b>	<b>(127,335)</b>
<b>In Year (Surplus)/Deficit</b>	<b>(1,588)</b>	<b>(28,613)</b>	<b>(18,202)</b>	<b>(23,663)</b>	<b>(21,000)</b>	<b>(21,000)</b>	
<b>Cumulative Surplus</b>	<b>(1,588)</b>	<b>(30,201)</b>	<b>(48,402)</b>	<b>(72,065)</b>	<b>(93,065)</b>	<b>(114,065)</b>	
<b>Schemes under consideration</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2014/15</b>	<b>Total</b>
Schemes under consideration	660	11,861	(5,000)	1,500	0	0	9,021
Capital Investment in maintaining existing HRA stock (Proposed).		14,867	0	0	0	0	14,867
<b>Total</b>	<b>660</b>	<b>26,728</b>	<b>(5,000)</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>23,888</b>
<b>Revised In-Year Surplus/Cost</b>	<b>(928)</b>	<b>(1,885)</b>	<b>(23,202)</b>	<b>(22,163)</b>	<b>(21,000)</b>	<b>(21,000)</b>	
<b>Revised Cumulative Total</b>	<b>(928)</b>	<b>(2,813)</b>	<b>(26,015)</b>	<b>(48,178)</b>	<b>(69,178)</b>	<b>(90,178)</b>	<b>(90,178)</b>
<b>Notes:</b>							
No allowance has been made for the re-provision of family dwellings under the revised voids policy current under review							
* The actual cash brought forward is £3.5m. A further £4.4m was set aside to deliver revenue savings for the regeneration programme through debt repayment. This will be released back to capital if required.							

**General Fund Capital Programme Summary 2011/12 to 2015/16**

**Appendix 2**

Department	Future Years Budget : Mainstream					Future Years Budget : Scheme Specific				
	2011/12 Budget £'000	2012/13 Budget £'000	2013/14 Budget £'000	2014/15 Budget £'000	2015/16 Budget £'000	2011/12 Budget £'000	2012/13 Budget £'000	2013/14 Budget £'000	2014/15 Budget £'000	2015/16 Budget £'000
Children's Services	990	0	0	0	0	13,130	0	0	0	0
Community Services (Adult Social Care)	0	0	0	0	0	300	0	0	0	0
Regeneration and Housing	450	450	450	450	450	0	0	0	0	0
Environment Services	5,799	4,600	4,600	4,600	4,600	5,873	3,219	2,704	1,000	1,000
Finance and Corporate	750	750	750	750	750	0	0	0	0	0
Residents Services	2,604	500	500	500	500	2,035	0	0	0	0
<b>Total Expenditure</b>	<b>10,593</b>	<b>6,300</b>	<b>6,300</b>	<b>6,300</b>	<b>6,300</b>	<b>21,338</b>	<b>3,219</b>	<b>2,704</b>	<b>1,000</b>	<b>1,000</b>

General Fund Capital Programme 2011/12 to 2015/16.

Appendix 2

**CHILDREN'S SERVICES CAPITAL PROGRAMME**

Ref	Schemes	Expenditure to 31.03.10 £000's	Forecast Outturn 2010/11 £000's	2011/12 Budget £000's	2012/13 Budget £000's	2013/14 Budget £000's	2014/15 Budget £000's	2015/16 Budget £000's	Future Years Budget £000's	Forecast Scheme Outturn £000's
CHS1	Modern Lang Faculty	950	1,124	10	0	0	0	0	10	2,084
CHS2	Performing Arts Block	1,140	627	46	0	0	0	0	46	1,813
CHS3	Lyric Theatre Development	0	0	0	0	0	0	0	0	0
CHS4	Hydro Pools	984	510	50	0	0	0	0	50	1,544
CHS5	Devolved Capital	0	0	452	0	0	0	0	452	452
CHS6	School Expansion Plan	0	0	970	0	0	0	0	970	970
CHS7	Wendell Park Rem	0	710	20	0	0	0	0	20	730
CHS8	Basic Needs			4,026	0	0	0	0	4,026	4,026
CHS9	Maintenance			3,173	0	0	0	0	3,173	3,173
CHS10	Prudential Borrowing	113	227	5,373	0	0	0	0	5,373	5,713
CHS11	<b>Total Children's Services</b>	<b>0</b>	<b>3,198</b>	<b>14,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,120</b>	<b>20,505</b>

**CHILDREN'S SERVICES FINANCING SUMMARY**

Mainstream	990	0	0	0	0	0	0	0	990	
Department for Education	7,757	0	0	0	0	0	0	0	7,757	
Prudential Borrowing	5,373	0	0	0	0	0	0	0	5,373	
	<b>14,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,120</b>	

General Fund Capital Programme 2011/12 to 2015/16.

Appendix 2

**COMMUNITY SERVICES CAPITAL PROGRAMME**

Ref	Schemes	Expenditure to 31.03.10 £000's	Forecast Outturn 2010/11 £000's	2011/12 Budget £000's					2015/16 Budget £000's	Future Years Budget £000's	Forecast Scheme Outturn £000's
				2011/12 Budget £000's	2012/13 Budget £000's	2013/14 Budget £000's	2014/15 Budget £000's	2015/16 Budget £000's			
CSD1	Adult Social Care Grant	84	67	250	0	0	0	0	0	151	
CSD2	Social Care IT Infrastructure Capital Grant (DOH)	0	33	50	0	0	0	0	0	33	
	<b>Total Community Services</b>	<b>333</b>	<b>524</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>894</b>	

**COMMUNITY SERVICES FINANCING SUMMARY**

Mainstream	0	0	0	0	0	0	0	0	0	0
DOH Grant	300	0	0	0	0	0	0	0	300	300
	300	0	0	0	0	0	0	0	300	300

General Fund Capital Programme 2011/12 to 2015/16.

Appendix 2

**REGENERATION & HOUSING OPTIONS CAPITAL PROGRAMME**

Ref	Schemes	Expenditure to 31.03.10	Forecast Outturn 2010/11	2011/12 to 2015/16 Budget					Future Years Budget	Forecast Scheme Outturn
		£000's		£000's	£000's	£000's	£000's	£000's		
RHO1	Renovation Grants (mainstream)	Rolling	938	450	450	450	450	450	2,250	Rolling
	<b>Total</b>	<b>0</b>	<b>938</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>2,250</b>	

**REGENERATION & HOUSING OPTIONS FINANCING SUMMARY**

Mainstream		450	450	450	450	450	450	2,250
		450	450	450	450	450	450	2,250



**ENVIRONMENT SERVICES CAPITAL PROGRAMME**

Schemes	Expenditure to 31/03/10 £000's	Forecast Outturn 2010/11 £000's	2011/12 Budget £000's	2012/13 Budget £000's	2013/14 Budget £000's	2014/15 Budget £000's	2015/16 Budget £000's	Future Years Budget £000's	Forecast Scheme Outturn £000's
ENV1 Carriageways (Mainstream)	Rolling	1,111	1,549	1,350	1,350	1,350	1,350	6,949	Rolling
ENV2 Footways (Mainstream)	Rolling	787	750	750	750	750	750	3,750	Rolling
ENV3 Planned Maintenance (Mainstream)	Rolling	1,203	3,500	2,500	2,500	2,500	2,500	13,500	Rolling
ENV4 Bridge Strengthening	1,932	20	14	0	0	0	0	14	1,966
ENV5 Corridors	1,187	2,072	1,988	1,704	1,000	1,000	1,000	5,764	6,951
ENV6 Controlled Parking Zones	417	75	1,344	1,000	1,000	1,000	1,000	5,344	6,180
ENV7 Cycling Non LCN	312	0	18	0	0	0	0	18	348
ENV8 54-108 Uxbridge Road shops	98	40	1,009	0	0	0	0	1,009	1,147
ENV9 Imp Wharf- Traffic Calming	546	45	137	122	0	0	0	259	865
ENV10 Imp wharf- Pedestrian & Cycle lane	142	0	0	109	0	0	0	109	251
ENV11 S106 NCP Hammersmith Grove	47	0	3	0	0	0	0	3	53
ENV12 S106 168-186 Fulham Palace Rd	0	0	85	0	0	0	0	85	170
ENV13 White City Highways CPZ	303	90	57	0	0	0	0	57	507
ENV14 Hammersmith Town Ctr Improve	20	3	477	0	0	0	0	477	977
ENV15 Westfield Traffic Mgt Measures	14	0	486	0	0	0	0	486	793
ENV16 Wandsworth Bridge Road	0	1	29	0	0	0	0	29	59
ENV17 280 - 284 Munster Road	0	0	10	0	0	0	0	10	20
ENV18 Fulham Palace Road - Slip Road	0	0	100	0	0	0	0	100	100
ENV19 Scrubs Lane\Hythe Road Jct	4	81	32	0	0	0	0	32	131

<b>ENVIRONMENT SERVICES CAPITAL PROGRAMME</b>										
Schemes	Expenditure to 31/03/10	Forecast Outturn 2010/11	2011/12 Budget	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	Future Years Budget	Forecast Scheme Outturn	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Total Environment Services</b>		4,131	11,672	7,819	7,304	5,600	5,600	37,995		
<b>ENVIRONMENT SERVICES FINANCING SUMMARY</b>										
Mainstream			5,799	4,600	4,600	4,600	4,600	24,199		
Revenue Contributions			1,344	1,000	1,000	1,000	1,000	5,344		
Developer Contributions			2,443	231	0	0	0	2,674		
Transport For London			2,086	1,988	1,704	0	0	5,778		
			<b>11,672</b>	<b>7,819</b>	<b>7,304</b>	<b>5,600</b>	<b>5,600</b>	<b>37,995</b>		

General Fund Capital Programme 2011/12 to 2015/16.

Appendix 2

**FINANCE & CORPORATE SERVICES CAPITAL PROGRAMME**

Schemes	Expenditure to 31.03.10	Forecast Outturn 2010/11	2011/12 Budget	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget	Future Years Budget	Forecast Scheme Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Contribution to Invest to Save Fund	0	750	750	750	750	750	750	3,750	4,500
<b>Total Expenditure</b>	<b>0</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>3,750</b>	<b>4,500</b>

**FINANCE & CORPORATE SERVICES FINANCING SUMMARY**

Mainstream	750	750	750	750	750	750	750	3,750	
	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>3,750</b>	

General Fund Capital Programme 2011/12 to 2015/16.

Appendix 2

**RESIDENT'S SERVICES CAPITAL PROGRAMME**

Schemes	Expenditure to 31.03.10 £000's	Forecast Outturn 2010/11 £000's	2011/12 Budget					2012/13 Budget					2013/14 Budget					2014/15 Budget					2015/16 Budget					Future Years Budget £000's	Forecast Scheme Outturn £000's
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's				
RSD1 H&F Park Improvements - Holding Budget		20	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	2,500	2,520				
RSD2 Bishops Park - Stage 1,2 and 3	924	4,027	2,104	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,104	7,055					
RSD3 Shepherds Bush Common Improvements.	629	2,136	2,035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,035	4,800					
<b>Total Residents Services</b>	<b>1,553</b>	<b>6,183</b>	<b>4,639</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>6,639</b>	<b>14,375</b>					

**RESIDENT'S SERVICES FINANCING SUMMARY**

Mainstream			2604	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	4604	
Developer Contributions			2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2035	
			<b>4639</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>6639</b>	

							Appendix 3	
		2010/11 2011/12 2012/13 2013/14 2014/15				Total to 14/15	Risks/Issues	
<b>Resources</b>								
Supported borrowing		9,755	0	0	0	0	9,755	
Major Repairs Allowance		31,801	12,648	12,921	13,037	13,321	83,727	
Capital Receipts		8,605	5,103	0	0	0	13,708	
Leasehold Contributions		5,745	7,880	4,414	4,068	3,538	25,644	
- DH framework		2,165	6,735	1,496	1,010	311	11,717	
- Non-framework capital schemes		1,145	1,145	732	586	469	4,077	
- Historic contributions		2,435					2,435	
- Future programme				2,186	2,472	2,758	7,415	
Grants		4,971	600	0	0	0	5,571	
Section 106		1,163	967	0	0	0	2,130	
Other		896	1,114	0	0	0	2,010	
<b>Total Resources</b>		<b>62,936</b>	<b>28,312</b>	<b>17,335</b>	<b>17,104</b>	<b>16,858</b>	<b>142,545</b>	
<b>Committed Expenditure</b>	<b>Priority Group</b>							
Decent Homes partnering framework	1	44,375	12,576	0	0	0	56,951	
Regeneration: Edward Woods Estate	1	5,800	8,526	617	0	0	14,943	
Rephasing 2010/11	1	(2,735)	2,735					
Regeneration: Maystar Estate	1	95	0	0	0	0	95	
Heating schemes	1	45	0	0	0	0	45	
Lift programme	1	404	13	0	0	0	417	
Fabric Repair	1	719	22	0	0	0	741	
Planned maintenance	1	525	0	0	0	0	525	
Minor Estate Improvement Programme	1	126	0	0	0	0	126	
Groundwork Environmental Programme	1	200	0	0	0	0	200	
Maystar Environmental	1	8					8	
Water tanks	1	300					300	
Charecroft amenity deck	1		241				241	
Stock Survey	1	25					25	
HTHx Office Move	1	82					82	
Fire Safety	1	600					600	
Emergency Lighting	1	100					100	
Controlled Access	1	19					19	
Water tanks	1	402	0	0	0	0	402	
Water Pressure Boosters	1	17	0	0	174	0	191	
Fire Alarm upgrade, sheltered housing	1	24					24	
Warden Call System upgrade	1	39					39	
Digital TV systems	1	35					35	
LBHF Managed schemes	1	1,314	229	0	0	0	1,543	
Capitalisation - Works	1	6,495	5,700	5,650	5,650	5,650	29,145	
Capitalisation - Salaries/IT	1	3,922	1,750	1,750	1,750	1,750	10,922	

These works have all been instructed

Appendix 3						
	2010/11	2011/12	2012/13	2013/14	2014/15	Total to 14/15
<b>Sub-total committed/capitalisation Resources available for additional planned programme</b>	<b>62,936</b>	<b>31,792</b>	<b>8,017</b>	<b>7,574</b>	<b>7,400</b>	<b>117,719</b>
<b>Expenditure: Statutory requirements, H&amp;S, firm commitments to residents</b>	<b>(0)</b>	<b>(3,480)</b>	<b>9,318</b>	<b>9,530</b>	<b>9,458</b>	<b>24,826</b>
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
Robert Owen House fire reinstatement	800					800
Fire Safety Improvements	750	1,000	1,000			2,750
Water Tank replacements	730	630	560	590		2,510
Disabled adaptations	800	800	800	800		3,200
Emergency Lighting	100					100
Warden Call System upgrade	509	13				522
Open-flued boiler replacement programme	270	200				470
Water pressure boosters	243					243
Landlord's electrical installations	100	100	100	100		400
Fire Alarm upgrade, sheltered housing	163	163				326
Digital TV systems	750	715				1,465
Jepson House refurbishment - scheme included	0	0	0			0
Sheltered Hsng Windows - (DH)	2,453	100				2,553
<b>Sub-total: Future Plans; Statutory requirements, H&amp;S, firm commitments to residents</b>	<b>0</b>	<b>7,668</b>	<b>3,721</b>	<b>2,460</b>	<b>1,490</b>	<b>15,339</b>

Risks/Issues

Block decanted following major fire; insurance to fund most works

Continuation of programme to address recommendations of risk assessments

Statutory requirement to prevent the spread of legionella within water storage systems

Element of statutory requirement

Completion of programme to provide service to all high-rise blocks

BT is switching all lines over to digital, the ageing system not compatible with a digital

Potentially increased risk of carbon monoxide emissions if works not carried out.

Risk of inadequate or possibly lost water supply due to reduced mains water pressure as a result of ongoing Thames Water programme;

Replacement electrical services to common parts; minimum level

To reduce level of false alarms; potential enforcement notice from London Fire Brigade

Works required prior to analogue switch-off to maintain tv reception

Pending redevelopment option appraisal now shown separately in decent neighbourhoods programme

Single glazed windows nearing end of economic life; subject of two petitions; Decent Homes Committee and Councilor expectation

Appendix 3						
	2010/11	2011/12	2012/13	2013/14	2014/15	Total to 14/15
<b>Sub Total - Available for future plans after statutory and firm commitments</b>	<b>(0)</b>	<b>(11,148)</b>	<b>5,597</b>	<b>7,070</b>	<b>7,968</b>	<b>9,487</b>
<b>Expenditure : Future Plans; Resident expectation/higher officer priority</b>						
Minor Estate Improvement Programme	3	270	270	270	270	1,080
Lift programme	3	501	1,394	50	0	1,945
Street Properties planned maintenance - (DH)	3	1,000	4,990	1,990		7,980
Planned Maintenance	3	900	1,095	95	0	2,090
Heating schemes	3	0	248	670	177	1,095
Controlled Access	3		265	8	0	273
Misc Plant & Equipment Renewal	3		25	50	50	175
Estates CCTV	3		575			575
<b>Sub-total : Future Plans; some expectation or higher priority</b>	<b>0</b>	<b>3,519</b>	<b>8,734</b>	<b>2,640</b>	<b>320</b>	<b>15,213</b>
<b>Sub Total - Available for future plans after all statutory and resident commitments</b>	<b>(0)</b>	<b>(14,667)</b>	<b>(3,137)</b>	<b>4,430</b>	<b>7,648</b>	<b>(5,726)</b>
<b>Expenditure : Future Plans; some expectation/ lower officer priority</b>						
EMU Installations	4		200	200	200	600
Groundwork Environmental Programme	4	200	200	200	200	800
Commercial properties	4		100	100	100	300
Tenant halls	4		100	100	50	250

Risks/Issues

Ageing components, prone to failure. Potential loss of service

Properties removed from decent homes programme; Resident, Decent Homes

Works required to maintain external fabric and common parts; residents consulted; design

Planned replacement of life-expired central heating boilers

Systems past recommended life; parts obsolete, difficult and expensive to maintain

Ageing components, prone to failure; potential loss of service

Cabinet approval Phase 1; future phases political priority

To improve performance monitoring of lifts and allow remote communication of faults;

Resident-led programme of environmental works carried out by the Groundwork Trust

No previous programme of maintenance; potential loss of use and income

No previous programme of maintenance; potential loss of use

Appendix 3									
		2010/11	2011/12	2012/13	2013/14	2014/15	Total to 14/15	Risks/Issues	
Alice Gilliatt Block P lift provision				250	40		290	Previously planned under regeneration scheme; lift in a block where there previously was not lift, resident expectations subject to resolution of significant design issues	
<b>Future Plans: some expectations, lower priority</b>		<b>0</b>	<b>200</b>	<b>850</b>	<b>640</b>	<b>550</b>	<b>2,240</b>		
<b>Sub Total - Available for future plans after priorities 1-3</b>		<b>(0)</b>	<b>(14,867)</b>	<b>(3,987)</b>	<b>3,790</b>	<b>7,098</b>	<b>(7,966)</b>		
<b>Expenditure: Future Stock Investment</b>									
5	Heating schemes			1,000	1,065	970	3,035	Planned replacement of life-expired central heating boilers	
5	Water pressure boosters			150	150	150	450	Risk of inadequate water supply due to reduced mains water pressure;	
5	Lift programme			1,464	1,680	1,826	4,970	Ageing components, prone to failure. Potential loss of service	
5	Planned Maintenance			2,114	7,936	10,911	20,961	Works required to maintain external fabric and common parts	
5	Controlled Access			429	463	445	1,337	Systems past recommended life; parts obsolete, difficult to maintain	
5	Windows/fabric repairs			2,856	2,036	1,976	6,868	Required to maintain stock at decent standard	
5	Kitchens, bathrooms, rewiring				2,460	2,820	5,280	Required to maintain stock at decent standard	
<b>Future Plans: stock investment</b>		<b>0</b>	<b>0</b>	<b>8,013</b>	<b>15,790</b>	<b>19,098</b>	<b>42,901</b>		
<b>Sub Total - Available for future plans</b>		<b>0</b>	<b>(14,867)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(50,867)</b>		
<b>Total Uncommitted Expenditure</b>		<b>62,936</b>	<b>43,179</b>	<b>29,335</b>	<b>29,104</b>	<b>28,858</b>	<b>193,412</b>		
<b>Surplus / (Deficit) against current resources</b>		<b>0</b>	<b>(14,867)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(12,000)</b>	<b>(50,867)</b>		
<b>Bid from Void programme</b>			<b>14,867</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,867</b>		
<b>Surplus / (deficit) after using resources from voids</b>		<b>0</b>	<b>0</b>	<b>(12,000)</b>	<b>(24,000)</b>	<b>(36,000)</b>	<b>(36,000)</b>		
<b>Expenditure by priority</b>									
		2010/11	2011/12	2012/13	2013/14	2014/15	Total		
1	Contractual commitments/capitalisation	62,936	31,792	8,017	7,574	7,400	117,719		
2	Statutory H&S, firm resident/political commitments	0	7,668	3,721	2,460	1,490	15,339		
3	Future plans, some expectation, higher priority due to potential loss of amenity	0	3,519	8,734	2,640	320	15,213		
4	Future plans, some expectation, lower priority	0	200	850	640	550	2,240		
5	Future plans, newly arising need	0	0	8,013	15,790	19,098	42,901		



## PRUDENTIAL INDICATORS

## CAPITAL EXPENDITURE

The proposed indicative capital programme for the current financial year and the forthcoming financial years built upon the assumed level of resources is as follows:

	<b>Forecast 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>	<b>Estimate 2012-13 £000</b>	<b>Estimate 2013-14 £000</b>
General Fund	39,092	31,931	9,519	9,004
Housing Revenue Account	62,936	43,179	29,335	29,104
Decent Neighbourhoods	9,300	3,934	36	0
<b>TOTAL</b>	<b>111,328</b>	<b>79,044</b>	<b>38,890</b>	<b>38,108</b>

The above figures exclude over-programming.

## CAPITAL FINANCING REQUIREMENT (CFR)

As a consequence of the proposed indicative capital programme, it is envisaged that the capital financing requirement, which reflects the underlying need to borrow to finance the capital programme, will be as follows:

	<b>Forecast 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>	<b>Estimate 2012-13 £000</b>	<b>Estimate 2013-14 £000</b>
General Fund	127,120	116,955	92,714	84,810
Housing Revenue Account	414,829	414,829	414,829	414,829
<b>TOTAL</b>	<b>541,949</b>	<b>531,784</b>	<b>507,543</b>	<b>499,639</b>

The General Fund CFR includes allowance for new prudential borrowing of £5.4m regarding the Schools Development programme.

## NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

This is the key indicator of prudence. Its purpose is to ensure that net borrowing is only for capital purposes. This is achieved by measuring net external borrowing against the capital-financing requirement. Estimates of net external borrowing for the preceding year, the current year, and the next two financial years indicate that net borrowing will be less than the capital financing requirement. The Council is forecast to meet the demands of this indicator. The projections are:

	<b>Forecast 2010-11 £000</b>	<b>Estimate 2011-12 £000</b>	<b>Estimate 2012-13 £000</b>	<b>Estimate 2013-14 £000</b>
Net Borrowing	475,520	459,520	459,346	439,090
Capital Financing Requirement (CFR)	541,949	531,784	507,543	499,639
<b>Net Borrowing Less than CFR</b>	<b>-66,429</b>	<b>-72,264</b>	<b>-48,197</b>	<b>-60,549</b>

## **RATIO OF FINANCING COSTS TO THE NET REVENUE STREAM**

This indicator demonstrates the percentage of the GF budget and HRA budget that is consumed by financing the capital programme. It should be noted that the HRA expenditure is effectively reimbursed through the Housing Subsidy system.

	<b>Estimate 2011-12 %</b>	<b>Estimate 2012-13 %</b>	<b>Estimate 2013-14 %</b>
General Fund	4.3	4.3	2.9
Housing Revenue Account	28.56	31.10	30.33

## **INCREMENTAL IMPACT OF CAPITAL SPENDING ON THE GENERAL FUND AND HOUSING REVENUE ACCOUNT.**

The estimate of the incremental impact of capital decisions proposed over and above capital investment decisions that have already been taken by the council are as follows:

	<b>Estimate 2011-12 £</b>	<b>Estimate 2012-13 £</b>	<b>Estimate 2013-14</b>
General Fund– council tax £ per Band D home per annum	-8.77	-17.54	-42.36
Housing Revenue Account – rent £ per household per week	0.00	0.00	0.00

The impact on the Housing Revenue Account is shown as nil. It is anticipated that all the new investment will either be fully funded through housing subsidy or from other specific funding allocations.

## **BORROWING – AUTHORISED LIMIT & OPERATIONAL BOUNDARY**

The prudential indicators concerning the authorised limit for borrowing, and other treasury management activities, are set out in the Treasury Management Strategy report presented elsewhere on this agenda.

## Annual Minimum Revenue Provision (MRP) Statement

### Recommendation

The recommended Annual MRP statement for Hammersmith and Fulham is:

- For debt which is supported by Revenue Support Grant this authority will calculate the Minimum Revenue Provision in accordance with current regulations (namely 4% of the Capital Financing Requirement net of Adjustment A)
- For debt which has arisen through prudential borrowing it shall be written down in equal instalments over the estimated asset life. The debt write-off will commence the year after an asset comes into use.

### Background

Each year local authorities are required to set aside some of their revenues as provision for debt repayment. This is commonly termed the minimum revenue provision (MRP).

Local authorities are required to approve an annual MRP Statement.

This Appendix sets out:

- The options.
- A recommended annual MRP Statement for this authority.

### The Options

Councils can opt for 4 options regarding the MRP calculation.

#### Option 1

This provides for local authorities to calculate MRP in line with the minimum statutory charge. This is 4% of their opening Capital Financing Requirement, net of Adjustment A and the Commutation adjustment. As set out in Table 1 this would provide for an LBHF charge of £3.358m in 2011/12.

	£'000
Opening 2010/11 Capital Financing Requirement (CFR)	127,120
Less Adjustment A	(43,179)
Adjusted CFR	83,941
Minimum Gross MRP (at 4%)	3,358

The statutory minimum is not considered appropriate for this authority. LBHF has been concerned to ensure that all prudential borrowing is sustainable and that debt is actively managed downwards. As such it has decided to write

down all prudential borrowing over the asset life. This should ensure that budget provision is available to fund asset replacement and that overall borrowing levels are affordable.

### Option 2

This provides for authorities to calculate MRP prior to Adjustment A.

This is not considered appropriate. Given the scale of Adjustment A for LBHF it would increase the level of MRP by £1.727m. This is not affordable. It is also disproportionate given that our actual borrowing is below the CFR net of Adjustment A. It represents an over provision.

### Option 3

This provides for separate treatment for supported and unsupported (prudential) borrowing.

For supported borrowing MRP would be calculated as at present (4% on the CFR net of Adjustment A).

For unsupported borrowing the debt would be written down over the asset life.

This option is current LBHF practice. It should be noted that for this Council:

- The debt write off would start the year after an asset comes into use. This would provide transitional relief as schemes are brought on stream.
- The level of unsupported borrowing is excluded from the 4% CFR calculation. This is logical because you are otherwise, in the short-term, writing down debt 'twice' (at both 4% and over the asset life).

Under this option authorities need to carefully consider the type of assets they fund through prudential borrowing. For example, in the short-term, it could be financially advantageous to fund schemes that have a long asset life, rather than a short-life, through prudential borrowing. This would reduce the MRP charge. Whilst this is a consideration, and will be borne in mind, it is unlikely to be an attractive option for LBHF. This authority only undertakes prudential borrowing when it is considered affordable and is supported by a business case. For example if IT equipment is purchased through prudential borrowing it is more sustainable for the debt to be repaid over the asset life. This ensures that revenue capacity is retained for its replacement. It also requires Departments to properly cost out their business case.

The total estimated MRP charge for this option is £3.407m which is £0.049m greater than option 1.

#### Option 4

This is similar to Option 3. It provides for separate treatment for supported and unsupported (prudential borrowing).

The difference is that it provides for schemes that have been financed from unsupported borrowing to be written down by an amount equivalent to the amount of depreciation provision arrived at under standard accounting rules.

This would be technically more difficult for the Council to introduce and would require a change in existing practice. There could also be future complications regarding asset revaluations that could result in significant increases in debt repayment levels.

Option 4 is not considered as attractive as option 3.

#### Conclusion

Option 3 is current practice and it is recommended that this continue.

23 FEBRUARY 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**TREASURY MANAGEMENT STRATEGY REPORT**

**Wards**

**All**

The report provides information on the Council's Treasury Management Strategy for 2011/12 including interest rate projections and borrowing and investment activity reports for the period April to December 2011.

The report seeks approval for borrowing limits and authorisation for the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in the year 2011/12.

**CONTRIBUTORS**

DFCS

**Recommendations:**

- 1. To approve the future borrowing and investment strategies and authorise the Director of Finance and Corporate Services to arrange the Council's cashflow, borrowing and investments in 2011/12.**
- 2. To approve the additions to the list of institutions to the Council's restricted lending list noted at paragraph 10.4.**
- 3. In relation to the Council's overall borrowing for the financial year 2011/12, approve the Prudential Indicators as set out in Section 3 of this report.**
- 4. To delegate future amendments to the credit criteria to Cabinet.**

## **1. Introduction**

### **1.1 Background**

Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

### **1.2 Statutory requirements**

The Local Government Act 2003 (the Act) and supporting regulations require the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraph 9 of this report); this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Department of Communities and Local Government has issued revised investment guidance which came into effect from April 2010. There were no major changes required over and above the changes already required by the revised CIPFA Treasury Management Code of Practice 2009.

### **1.3 Treasury Management Strategy for 2011/12**

The strategy for 2011/12 in respect of the following aspects of the treasury management function is based upon the Treasury officers’ views on interest rates, supplemented with leading market forecasts provided by the Council’s treasury advisor. The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- prudential indicators
- the current treasury position;
- the borrowing requirements;
- prospects for interest rates;
- the borrowing strategy;
- the investment strategy;
- debt rescheduling;

### **1.4 Balanced Budget Requirement**

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from

capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:-

- a) increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- b) any increases in running costs from new capital projects are limited to a level which is affordable within the projected revenue income of the Council for the foreseeable future.

## **2. Treasury Limits 2011/12 to 2013/14**

- It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Authorised Limit”.
- The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is ‘acceptable’.
- Whilst termed an “Authorised Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and the two successive financial years.

### **2.1 Limits to Borrowing Activity**

- The Authorised Limit – This represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers “prudent” and it needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable and encompasses borrowing for temporary purposes. It is not a limit that is designed to be brought into consideration during the routine financial management of the authority. That is the purpose of the Operational Boundary.
- The Operational Boundary – This indicator is the focus of day to day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self imposed Authorised Limit. Sustained breaches of the Operational Boundary would give an indication that the authority may be in danger of stepping beyond the Prudential boundaries it has set itself.

### **2.2 Interest Rate Exposures**

Interest rate risk management is a key priority for local authority management. While fixed rate borrowing and investment can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance may justify, or even demand, retaining a degree of flexibility through the use of variable interest rates on at least part of a treasury management portfolio. This is a best practice approach to treasury management and is to be encouraged to the extent that it is compatible with the effective management and control of risk.



- a) Upper Limit on fixed rate exposure – This indicator identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- b) Upper Limit on variable rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- c) Total principal funds invested for periods longer than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.
- d) Maturity structures of borrowing – This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is not necessary to include variable rate debt because local authorities do not face substantial refinancing risks. The indicator is, in effect, a limit on longer term interest rate exposure.
  - This indicator gives the upper and lower limits for maturity structure of borrowing.

### 3. Prudential Indicators for 2010/11 – 2013/14

3.1 The Prudential Indicators in the table below are relevant for the purpose of setting an integrated treasury management strategy.

3.2 The Council is also required to indicate if it has adopted the revised 2009 CIPFA Code of Practice on Treasury Management. Council adopted this revised Code of Practice on 24 February 2010.

Table 1 - Prudential Indicators

<b>Treasury Management Indicators</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>
<b>Authorised limit for external debt</b>				
Borrowing	563,249	553,523	529,283	521,379
Other Long Term Liabilities	16,000	16,000	16,000	16,000
Total authorised limit	579,249	569,523	545,283	537,379
<b>Operational boundary</b>				
Borrowing	499,694	479,520	479,345	459,090
Other Long Term Liabilities	16,000	16,000	16,000	16,000

Total operational boundary	515,694	495,520	495,345	475,090
<b>Upper limit for fixed rate exposure</b> expressed as: - net principal re fixed rate borrowing/ investments	540,000	544,000	533,000	509,000
<b>Upper limit for variable rate exposure</b> expressed as: - net principal re variable rate borrowing /investments	108,000	108,800	106,600	101,800
<b>Upper limit for total principal sums invested for over 364 days</b>	20,000	20,000	20,000	20,000

Maturity structure of fixed rate borrowing during 2010/11	Upper Limit	Lower Limit
Under 12 months	15%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

#### 4. Current Portfolio Position

4.1 The Council's treasury portfolio position at 31 December 2010 is shown in the following table.

Table 2 – Current Debt Portfolio

		Principal		Ave. rate
		£000's	£000's	%
Fixed rate funding	PWLB*	475,520		
	Market	0	475,520	5.75
Variable rate funding	PWLB	0		
	Market	0	0	
Total Debt			475,520	5.75
Total Short Term Investments			93,700	1.03
Total Debt net of total Investments			381,820	

\* Public Works Loan Board

4.2 The reason for the difference between the gross and net debt is because the Council has borrowed £77 million for the Decent Homes Initiative and expects this to be used by 31 March 2011. In addition, the Council is holding monies

on behalf of Capital Ambition, West London Housing in addition to Section 106 planning money.

- 4.3 The split of Council's debt between the Housing Revenue Account and the General Fund is show below.

Table 3 – Council Debt split

	31 March 2010	31 March 2011(estimate)
HRA	404,634	414,829
GF	70,886	60,691
<b>Total Debt</b>	<b>475,520</b>	<b>475,520</b>

- 4.4 The General Fund Capital Financing Requirement (CFR) is £133 million as at 31 March 2010 compared to £137 million as at 31 March 2009 a reduction of £4 million. The HRA CFR is £405 million as at 31 March 2010 compared to £353 million as at 31 March 2009 an increase of £52 million. The increase in HRA CFR is due to the delivery of the decent homes programme. The total CFR is £538 million as at 31 March 2010. The CFR represents the underlying need to borrow and is higher than the actual level of debt due to the temporary borrowing of internal resources.
- 4.5 It is estimated that the General Fund Capital Requirement (CFR) will be £127 million as at 31 March 2011 compared to £133 million as at 31 March 2010 a reduction of £6 million. The HRA CFR is estimated as £415 million as at 31 March 2011 compared to £405 million as at 31 March 2010 an increase of £10 million. The increase in HRA CFR is due to the delivery of the decent homes programme. The total estimate of CFR is £543 million as at 31 March 2011.

## **5. Borrowing Requirement**

- 5.1 The Council is currently exploring the setting up of a housing company which may result in a further increase in new borrowing in future years to enable the building of new dwellings.

Table 4 – Potential Borrowing Requirement

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
	Actual	Estimate	Estimate	Estimate
New borrowing (including ALMO)	0	0	0	0
Maturing loans	0	16,000	174	20,255

- 5.2 Due to the debt reduction policy it is likely that replacement borrowing will not be required for the maturing loans in 2011/12 to 2013/14.
- 5.3 Under the capital finance regulations, local authorities are permitted to borrow up to three years in advance of need. This Council will only consider borrowing up to one year in advance of need as the borrowing requirement in later years is only an estimate at this stage. The reason for borrowing in advance is to take advantage of low long term interest rates. There is a short term cost to borrowing in advance of need as currently investment rates are considerably lower than long term borrowing rates. This will be evaluated before any decision is taken to borrow in advance of need.
- 5.4 Borrowing in advance of need increases the level of temporary investments and thus increases the risk of loss of investment principal. However, the Council has put in place a prudent methodology to minimise this risk, see paragraph 11.

## 6. Prospects for Interest Rates

6.1 The Council appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix A draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view:

6.2 Sector Bank Rate forecast for financial year ends (March)

- 2010/2011 0.50%
- 2011/2012 1.00%
- 2012/2013 2.25%
- 2013/2014 3.25%

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

## 7. Borrowing Strategy

Sectors' forecast for PWLB borrowing rates is shown in the table below:

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Mar-13	Mar-14
Bank rate	0.50%	0.50%	0.50%	0.75%	1.00%	2.25%	3.25%
5yrPW LB rate	3.30%	3.30%	3.40%	3.50%	3.60%	4.30%	5.00%
10yrPW LB rate	4.40%	4.40%	4.40%	4.50%	4.70%	5.10%	5.40%
25yrPW LB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.50%	5.70%
50yrPW LB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.50%	5.70%

A more detailed forecast is included in appendix A

7.1 The Council's borrowing strategy will give consideration to new borrowing in the following order of priority:-

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking market loans at long term rates which will be higher in future years.
- PWLB variable rate loans for up to ten years.
- Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity periods (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.
- Fixed rate PWLB borrowing for periods under ten years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.
- Rates are expected to gradually increase during the year so it should therefore be advantageous to time new borrowing for the start of the year.

7.2 **Sensitivity of the forecast** – In normal times the main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- If it were felt that there was a significant risk of a sharp fall in long and short term rates, due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowing will be postponed.
- If it were felt that there was a more significant risk of a sharp rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

## 8. Annual Investment Strategy

8.1 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2009 CIPFA's Treasury Management in Public Services of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

Although the annual investment strategy has to be approved by full Council, it is proposed that amendments to the investment methodology are delegated to Cabinet to enable changes to be made on a timely basis to reflect changes in market conditions.

8.2 The Council's investments priorities are:-

- (a) the security of capital and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments

8.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

8.4 Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non Specified' Investment categories. Counterparty limits will be as set by Council.

8.5 The Council in conjunction with its treasury advisor Sector, will use Fitch, Moody's and Standard and Poor ratings plus data on movements in credit default swap to derive its credit criteria. Credit ratings alerts and changes are notified to treasury officers on a daily basis and these are acted upon immediately. In addition officers monitor the financial press and economic reports. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn.
- In addition to the use of Credit Rating the Council will be advised of information in movements in Credit Default Swaps (CDSs) against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list. It should be noted that the Council is only monitoring CDS movements for information purposes, and is not actually purchasing any CDSs.

8.6 The DCLG guidance requires authorities to specify their minimum acceptable credit rating. The minimum ratings required by the Council are:

Fitch Long Term	Short Term	Individual	Support
A-	F2	C	2

Moody's Long Term	Short Term	Financial Strength
A3	P-2	C

S & P Long Term	Short Term
A-	A-3

## 8.7 Country Limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch Ratings (or equivalent from other agencies) see Appendix B. This list will be added to, or reduced, by officers should ratings change in accordance with this policy.

## 9. Interest rate outlook for investments

9.1 Bank Rate has been unchanged at 0.50% since March 2009. Bank rate is forecast to commence rising in quarter 3 of 2011 and then to rise steadily from thereon. Bank Rate forecasts for financial year ends (March) are as follows:-

2010/11	0.50%
2011/12	1.00%
2012/13	2.25%
2013/14	3.25%

9.2 There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

9.3 The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this council.

9.4 For its cash flow generated balances, the Council will utilise its business reserve accounts, money market funds and short dates deposits (overnight to three months) in order to benefit from the compounding of interest.

The Council will report on its investment activity as part of a mid year review and at the end of the financial year as part of the Annual Outturn Report.

## 9.5 Specified Investments

A specified investment is defined in the guidance as an investment which satisfies the conditions set out below:

- (a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- (b) The investment is not a long-term investment (i.e. over 364 days)
- (c) The investment does not involve the acquisition of share capital or loan capital in any body corporate.

Types of specified investments include and may be used by the Council are:

Term deposit – UK government  
Term deposits – other Local Authorities  
Term deposits – banks and building societies  
Money market funds  
Callable deposits – under one year  
Certificates of deposits - issued by banks and building societies.

## 9.6 Non-Specified Investments

The Council has made no investments in non-specified investments to date. These are any investments not meeting the definition in paragraph 9.5 above.

9.7 However if there was a core cash balance available after taking into account the cash flow requirements and the outlook for short-term interest rates then the following non-specified investments could be used after consultation with our Treasury Advisor.

- Term deposits with banks with maturities in excess of one year.
- Term deposits with building societies with maturities in excess of one year.
- Term deposits with Local Authorities with maturities in excess of one year.
- Structured deposits.
- Bond Funds with AAA rating credit criteria
- Callable deposits in excess of one year
- Certificates of deposits - issued by banks and building societies in excess of one year.
- UK Government Gilts in excess of one year

## 10. Credit Criteria

10.1 Each week the Treasury Section receives an up to date list of the credit rating for individual counterparties from our treasury advisors. In addition to this if any changes in the credit rating of individual counterparties or in banking structures e.g. on mergers or takeovers occur during the month Sector e-mail the amendments to the Treasury Section on a daily basis and the section adds/deletes counterparties as appropriate to/from the approved counterparty list.

10.2 The banking sector is still a volatile area and the current policy is that whilst we maintain our full lending list in accordance with the methodology in approved by Council on the 24 February 2010 we have been operating a more **restricted lending list**, lending only to UK banks, other Local Authorities and AAA Money Market Funds. For illustrative purposes Appendix B is attached to show the countries and organisations on the lending list at the present time using the approved methodology.

10.3 However, it is part of the Treasury Management Code of Practise that the Council needs a sound diversification policy with high credit quality counterparties. Such a policy is needed to prevent overreliance on a small number of counterparties and should also consider country, sector and group limits. In addition, there is a possibility that within the next 12 months the government will lower its support to RBS, Lloyds Bank and NatWest and therefore they will no longer have the creditworthiness of the government itself. The effect of this means the credit rating of these banks will be lower as the rating agencies will rate these banks without the government guarantee, this in turn means the Council will have to reduce the amount and duration the Council can lend to these banks. It is therefore proposed that we



expand our current restricted list and diversify our lending portfolio now to other highly credit rated banks within highly credit rated countries. This will enable the Council to spread its credit risk but still maintain a low risk investment strategy.

10.4 Below is the proposed list of banking institutions which it is recommended the Council now adds to its **restricted lending list** use as well as the UK banking institutions, the AAA Money Market Funds and other Local Authorities. All of which are on our current lending list maintained in accordance with the agreed methodology approved by Council on 24 February 2010 for convenience it is shown as Appendix C.

10.5 Added to this the Nat West Call Account that we presently use will be affected by the new FSA liquidity rules and it is likely that call account deposits with instant access will pay a much lower rate of interest, possibly below base rate, this will further reduce the Council's investment options.

10.6 The limits are driven by the methodology which is shown in full in Appendix C the maximum limits for these banks are shown in the table below. The limits can change if there are rating changes, however the maximum limit would never be more than £25 Million.

	Fitch	Moody's	S&P	Max Limit
<b>Australia</b>	AA+	Aaa	AAA	£'000
Australia & New Zealand Bank	AA-, F1+, B, 1	Aa1, P-1, B	AA, A-1+	25,000
Commonwealth Bank of Australia	AA, F1+, A/B, 1	Aa1, P-1, B	AA, A-1+	25,000
National Bank of Australia	AA,F1+, B, 1	Aa1, P-1, B	AA, A-1+	25,000
Westpac Bank Corporation	AA, F1+,A/B, 1	Aa1, P-1, B	AA, A-1+	25,000
<b>Canada</b>	AAA	Aaa	AAA	
Bank of Montreal	AA-, F1+, B, 1	Aa2, P-1, B-	A+, A-1,	20,000
Bank of Nova Scotia	AA-, F1+, B, 1	Aa1, P-1, B	AA-, A-1+	25,000
National Bank of Canada	A+,F1,B,2	Aa2, P-1, B-	A,A-1	20,000
Toronto Dominion Bank	AA-,F1+,B,1	Aaa, P-1, B+	AA-,A-1+	25,000
<b>France</b>	AAA	Aaa	AAA	
Societe Generale	A+, F1+, B/C, 1	Aa2, P-1, C+	A+, A-1	20,000
<b>Germany</b>	AAA	Aaa	AAA	
Deutsche Bank	AA-,F1+,B/C, 1	Aa3, P-1, C+	A+,A-1	20,000
<b>Singapore</b>	AAA	Aaa	AAA	
DBS Ltd	AA-, F1+, B, 1	Aa1, P-1, B	AA-, A-1+	25,000
Overseas Chinese Banking Corporation	AA-, F1+, B, 1	Aa1, P-1, B	A+, A-1	25,000
United Overseas Bank Ltd	AA-, F1+, B, 1	Aa1, P-1, B	A+, A-1	25,000

## 11. Nationalised Banks and Part Nationalised Banks

In the UK, the nationalised and part-nationalised banks have credit ratings which do not conform to the credit criteria usually used to identify banks which are of high credit worthiness, as they are no longer separate institutions in their own right. However, the Council has agreed to invest in these institutions as they are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support

rating of 1; in other words, on both counts, they have the highest ratings possible.

## **12. Debt Rescheduling**

12.1 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lenders Option Borrowing Option) loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

12.2 As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a flattening of the Council's maturity profile as in recent years there has been a lean towards longer dated PWLB.

12.3 The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings
- Help fulfil the strategy outlined in paragraph 8 above; and
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

## **13. Decent Homes Initiative**

In 2005/06 DCLG awarded the Council £192 million for supported borrowing for Decent Home Initiative. This funding has been drawn down since 2005/06. There is a further borrowing requirement for the Decent Homes Initiative of £3.7 million in 2011/12.

## **14. HRA Reform consultation**

The Government are currently considering the reform of the HRA. This would mean that central government may repay a significant portion of the Council's Housing debt. It is expected that the method used will be for the CLG to make a payment directly to the PWLB who will top slice all our PWLB loans in the ratio total debt repayment to total debt. These proposals are currently on hold and we are waiting for further announcements.

## **15. Investment Consultants and Investment Training**

15.1 Sector Treasury Services Ltd were appointed on 1 February 2008 for a three year period following a tendering exercise. Sector provide interest rate forecasts, economic updates, strategy reviews, training for treasury management staff and advice on the formulation of suitable borrowing and investment strategies and advice on investment counterparty creditworthiness. As the Sector contract expired on 31 January 2011, a new tender process is currently underway.

15.2 The Council is a member of the CIPFA treasury management network which provides a forum for the exchange of views and training of treasury management staff independent of the treasury management consultants. It also provides a quality check on the services received from the consultants.

15.3 Treasury management staff are required to attend the CIPFA network meetings and Sector seminars and training events on a regular basis throughout the year to ensure that they are up to date at all times on developments in treasury management and continue to develop their expertise in this area.

## **16. Comments of the Director of Finance and Corporate Services**

16.1 The comments of the Director of Finance and Corporate Services are contained within this report.

## **17. Comments of the Head of Legal Services**

17.1 The statutory requirements are set out in the body of the report.

## **18. Comments of the Audit and Pensions Committee**

18.1 Any comments from the Audit and Pensions Committee will be orally reported at the meeting.

### **LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1	Borrowings and Investments Ledger	Rosie Watson Ext. 2563	Ground Floor Town Hall
2	CIPFA-Prudential Code - Accounting for Capital Finance	Rosie Watson Ext. 2563	Ground Floor Town Hall
3	Various Economic commentaries	Rosie Watson Ext. 2563	Ground Floor Town Hall

## APPENDIX A Interest Rate Forecasts

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

### 1. Individual Forecasts

#### Sector: interest rate forecast – 6.1.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Bank rate	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.00%	3.25%	3.25%
3 month LIBID	0.60%	0.70%	0.80%	1.00%	1.25%	1.50%	1.75%	2.00%	2.50%	3.00%	3.25%	3.50%	3.50%
6 month LIBID	0.90%	1.00%	1.10%	1.20%	1.50%	1.80%	2.10%	2.40%	2.80%	3.20%	3.50%	3.80%	4.00%
12 month LIBID	1.40%	1.50%	1.60%	1.80%	2.10%	2.40%	2.70%	3.00%	3.20%	3.40%	3.65%	4.00%	4.20%
5yr PWLB rate	3.30%	3.30%	3.40%	3.50%	3.60%	3.80%	3.90%	4.10%	4.30%	4.60%	4.80%	4.90%	5.00%
10yr PWLB rate	4.40%	4.40%	4.40%	4.50%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%	5.40%	5.40%
25yr PWLB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%
50yr PWLB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%

#### Capital Economics: interest rate forecast – 12.1.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.50%	2.00%
5yr PWLB rate	3.20%	3.20%	3.00%	2.75%	2.75%	2.90%	3.00%	3.20%	3.40%	3.60%	3.90%	4.20%
10yr PWLB rate	4.75%	4.75%	4.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.90%	4.00%	4.30%	4.60%
25yr PWLB rate	5.25%	5.25%	4.85%	4.65%	4.65%	4.65%	4.65%	4.65%	4.75%	4.85%	5.10%	5.30%
50yr PWLB rate	5.30%	5.30%	5.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.10%	5.20%	5.30%

**UBS: interest rate forecast (for quarter ends) – 6.1.11**

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
<b>Bank rate</b>	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
<b>10yr PWLB rate</b>	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%
<b>25yr PWLB rate</b>	5.25%	5.30%	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%
<b>50yr PWLB rate</b>	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%	5.65%	5.70%

2. Survey of Economic Forecasts

**HM Treasury December 2010**

The current Q4 2010 and 2011 forecasts are based on the December 2010 report. Forecasts for 2010 – 2014 are based on 32 forecasts in the last quarterly forecast – in November 2010.

BANK RATE FORECASTS	quarter ended			annual average Bank Rate			
	actual	Q4 2011		ave. 2011	ave. 2012	ave. 2013	ave. 2014
<b>Median</b>	0.50%	2.00%		0.90%	1.60%	2.40%	3.00%
<b>Highest</b>	0.50%	0.50%		2.10%	3.10%	3.60%	4.50%
<b>Lowest</b>	0.50%	0.80%		0.50%	0.50%	0.60%	1.20%

**CREDIT RATING LIST**

**APPENDIX B**

Counterparty	Fitch rating						Moody's rating						S & P rating				Suggest Duration (Watch/Outlook Adjusted)	Suggested Duration (CDS Adjusted)							
	Fitch S Term		Fitch Indiv.		Fitch Supp.		Moody's S Term		Moody's S Term		Moody's FRS Status		S & P L Term		S & P S Term				Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status		
	L Term	S Term	Status	Indiv Status	Supp Status	L Term	S Term	Status	L Term	S Term	FSR	L Term	S Term	L Term	S Term										
<b>Australia Sovereign</b>	SB	AA+					SB	Aaa				SB	AAA				Not Applicable	04/02/11	55.3	-3.5%	7.2%	35.9%	21.6%	In Range	Not Applicable
Australia & New Zealand Banking Group Ltd	PO	AA-	F1+	B	1	NO	Aa1	P-1	NO	B		SB	AA	A-1+			Orange = 12 mths	109.6	0.8%	8.5%	7.4%	12.2%	In Range	Orange = 12 mths	
Commonwealth Bank of Australia	SB	AA	F1+	A/B	1	NO	Aa1	P-1	NO	B		SB	AA	A-1+			Purple = 24 mths	109.0	0.8%	8.1%	7.4%	15.3%	In Range	Purple = 24 mths	
National Australia Bank Ltd	SB	AA	F1+	B	1	NO	Aa1	P-1	NO	B		SB	AA	A-1+			Purple = 24 mths	109.0	-1.2%	7.9%	6.0%	10.9%	In Range	Purple = 24 mths	
Westpac Bank Corporation	SB	AA	F1+	A/B	1	NO	Aa1	P-1	NO	B		SB	AA	A-1+			Purple = 24 mths	109.0	-1.2%	8.1%	7.3%	13.6%	In Range	Purple = 24 mths	
<b>Canada - Sovereign</b>	SB	AAA					SB	Aaa				SB	AAA				Not Applicable	04/02/11							Not Applicable
Bank of Montreal	SB	AA-	F1+	B	1	RD	Aa2	P-1	RD	B-		SB	A+	A-1			Orange = 12 mths								No Data Available
Bank of Nova Scotia	SB	AA-	F1+	B	1	SB	Aa1	P-1	SB	B		SB	AA-	A-1+			Orange = 12 mths								No Data Available
Canadian Imperial Bank of Commerce	SB	AA-	F1+	B	1	NO	Aa2	P-1	NO	B-		SB	A+	A-1			Orange = 12 mths								No Data Available
National Bank of Canada	SB	A+	F1	B	2	SB	Aa2	P-1	SB	B-		SB	A	A-1			Red = 6 mths								No Data Available
Royal Bank of Canada	SB	AA	F1+	A/B	1	SB	Aa1	P-1	SB	B		PO	AA-	A-1+			Purple = 24 mths								No Data Available
Toronto Dominion Bank	SB	AA-	F1+	B	1	NO	Aaa	P-1	NO	B-		PO	AA-	A-1+			Purple = 24 mths								No Data Available
<b>Denmark - Sovereign</b>	SB	AAA					SB	Aaa				SB	AAA				Not Applicable	04/02/11	44.9	-8.9%	0.4%	42.4%	18.4%	In Range	Not Applicable
Danske Bank AS	SB	A+	F1	B/C	1	SB	Aa3	P-1	NO	C		NO	A	A-1			Green = 3 mths	117.5	-5.8%	3.2%	42.6%	86.7%	In Range	Green = 3 mths	
<b>Finland - Sovereign</b>	SB	AAA					SB	Aaa				SB	AAA				Not Applicable	04/02/11	36.8	-7.8%	11.3%	30.9%	44.2%	In Range	Not Applicable
Nordea Bank Finland Plc	SB	AA-	F1+	B	1	SB	Aa2	P-1	SB	B-		SB	AA-	A-1+			Orange = 12 mths								No Data Available

Counterparty	Fitch rating												Moody's rating				S & P rating				Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Data				Suggested Duration (CDS Adjusted)
	Fitch L Term Status		Fitch S Term Status		Fitch Indiv. Status		Fitch Supp. Status		Moody's L Term Status		Moody's S Term Status		Moody's FRS Status		S & P L Term Status		S & P S Term Status		04/02/11	Week % Change			1 Month % Change	3 Month % Change	6 Month % Change		
	L Term Status	S Term Status	Indiv. Status	Supp. Status	L Term Status	S Term Status	FRS Status	FRS Status	L Term Status	S Term Status	L Term Status	S Term Status	L Term Status	S Term Status													
France - Sovereign	SB	AAA							SB	Aaa					SB	AAA			86.7	-12.0%	-18.0%	16.1%	42.4%	In Range	Not Applicable		
BNP Paribas	SB	AA-			B		1		SB	Aa2					NO	AA		A-1+	100.8	-4.4%	-4.7%	4.6%	28.8%	In Range	Orange = 12 mths		
Societe Generale	SB	A+			B/C		1		NO	Aa2					SB	A+		A-1	138.8	-7.3%	-8.2%	11.2%	46.4%	In Range	Red = 6 mths		

Counterparty	Fitch rating												Moody's rating				S & P rating				Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Data				Suggested Duration (CDS Adjusted)
	Fitch L Term Status		Fitch S Term Status		Fitch Indiv. Status		Fitch Supp. Status		Moody's L Term Status		Moody's S Term Status		Moody's FRS Status		S & P L Term Status		S & P S Term Status		04/02/11	Change			% Change	% Change	Change		
	L Term Status	S Term Status	Indiv. Status	Supp. Status	L Term Status	S Term Status	FRS Status	FRS Status	L Term Status	S Term Status	L Term Status	S Term Status	L Term Status	S Term Status													
Germany - Sovereign	SB	AAA							SB	Aaa					SB	AAA			52.1	-12.8%	-6.6%	45.0%	41.1%	In Range	Not Applicable		
Deutsche Bank AG	NO	AA-			B/C		1		SB	Aa3					SB	A+		A-1	95.9	3.0%	0.5%	-4.1%	1.7%	In Range	Red = 6 mths		

Counterparty	Fitch rating												Moody's rating				S & P rating				Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Data				Suggested Duration (CDS Adjusted)
	Fitch L Term Status		Fitch S Term Status		Fitch Indiv. Status		Fitch Supp. Status		Moody's L Term Status		Moody's S Term Status		Moody's FRS Status		S & P L Term Status		S & P S Term Status		04/02/11	Change			% Change	% Change	Change		
	L Term Status	S Term Status	Indiv. Status	Supp. Status	L Term Status	S Term Status	FRS Status	FRS Status	L Term Status	S Term Status	L Term Status	S Term Status	L Term Status	S Term Status													
Hong Kong	SB	AA+							PO	Aa1					SB	AAA			47.0	1.2%	6.5%	11.7%	-2.2%	In Range	Not Applicable		
Hong Kong and Shanghai Banking Corporation Ltd	SB	AA			A/B		1		SB	Aa1					SB	AA		A-1+						In Range	No Data Available		

Counterparty	Fitch rating												Moody's rating				S & P rating				Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Data				Suggested Duration (CDS Adjusted)
	Fitch L Term Status		Fitch S Term Status		Fitch Indiv. Status		Fitch Supp. Status		Moody's L Term Status		Moody's S Term Status		Moody's FRS Status		S & P L Term Status		S & P S Term Status		04/02/11	Week % Change			1 Month % Change	3 Month % Change	6 Month % Change		
	L Term Status	S Term Status	Indiv. Status	Supp. Status	L Term Status	S Term Status	FRS Status	FRS Status	L Term Status	S Term Status	L Term Status	S Term Status	L Term Status	S Term Status													
Netherland - Sovereign	SB	AAA							SB	Aaa					SB	AAA			52	-13.1%	-14.5%	9.5%	37.5%	In Range	Not Applicable		
Bank Nederlandse Gemeenten	SB	AAA					1		SB	Aaa					SB	AAA		A-1+						In Range	No Data Available		
ING Bank NV	SB	A+			C		1		SB	Aa3				SB	A+			A-1	115.8	-15.2%	-19.1%	-1.8%	26.8%	In Range	Red = 6 mths		
Co-operative Centrale Raiffeisen - Boerenleenbank BA	SB	AA+			A/B		1		NO	Aaa				NO	AAA			A-1+	70.1	-5.9%	-12.6%	0.2%	7.4%	In Range	Purple = 24 mths		

Counterparty	Fitch rating												Moody's rating				S & P rating				Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Data				Suggested Duration (CDS Adjusted)
	Fitch L Term Status		Fitch S Term Status		Fitch Indiv. Status		Fitch Supp. Status		Moody's L Term Status		Moody's S Term Status		Moody's FRS Status		S & P L Term Status		S & P S Term Status		04/02/11	Change			% Change	% Change	Change		
	L Term Status	S Term Status	Indiv. Status	Supp. Status	L Term Status	S Term Status	FRS Status	FRS Status	L Term Status	S Term Status	L Term Status	S Term Status	L Term Status	S Term Status													

Country	Fitch rating										Moody's rating										S & P rating										CDS Data				
	L Term Status	L Term	S Term Status	S Term	Indiv. Status	Indiv.	Supp. Status	Supp.	Fitch S Term Status	Fitch S Term	Fitch L Term Status	Fitch L Term	Moody's L Term Status	Moody's L Term	Moody's S Term Status	Moody's S Term	Moody's FRS Status	Moody's FRS	Moody's FSR Status	Moody's FSR	S & P L Term Status	S & P L Term	S & P S Term Status	S & P S Term	S & P FSR Status	S & P FSR	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS)		
Norway - Sovereign	SB	AAA										SB	Aaa								SB	AAA							20.4	-8.9%	-7.2%	-6.9%	-3.2%	In Range	Not Applicable No Data Available
DnB NOR Bank	SB	A+	F1	B	1	SB	Aa3	P-1	RD	C	SB	A+	SB	AAA	A-1	Not Applicable	Red = 6 mths	Not Applicable																	

Counterparty	Fitch rating										Moody's rating										S & P rating										CDS Data				
	L Term Status	L Term	S Term Status	S Term	Indiv. Status	Indiv.	Supp. Status	Supp.	Fitch S Term Status	Fitch S Term	Fitch L Term Status	Fitch L Term	Moody's L Term Status	Moody's L Term	Moody's S Term Status	Moody's S Term	Moody's FRS Status	Moody's FRS	Moody's FSR Status	Moody's FSR	S & P L Term Status	S & P L Term	S & P S Term Status	S & P S Term	S & P FSR Status	S & P FSR	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS)		
Singapore - Sovereign	SB	AAA										SB	Aaa								SB	AAA													Not Applicable
DBS Ltd	SB	AA-	F1+	B	1	SB	Aa1	P-1	SB	B	A-1+	Orange = 12 mths								Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	49.3	0.0%	11.3%	27.1%	6.5%	In Range	Orange = 12 mths	
Oversea Chinese Banking Corp Ltd.	SB	AA-	F1+	B	1	SB	Aa1	P-1	SB	B	A+	Orange = 12 mths								Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	49.8	0.0%	5.3%	28.4%	7.6%	In Range	Orange = 12 mths	
United Overseas Bank Ltd.	SB	AA-	F1+	B	1	SB	Aa1	P-1	SB	B	A+	Orange = 12 mths								Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	49.8	0.0%	5.3%	28.4%	7.6%	In Range	Orange = 12 mths	

Counterparty	Fitch rating										Moody's rating										S & P rating										CDS Data					
	L Term Status	L Term	S Term Status	S Term	Indiv. Status	Indiv.	Supp. Status	Supp.	Fitch S Term Status	Fitch S Term	Fitch L Term Status	Fitch L Term	Moody's L Term Status	Moody's L Term	Moody's S Term Status	Moody's S Term	Moody's FRS Status	Moody's FRS	Moody's FSR Status	Moody's FSR	S & P L Term Status	S & P L Term	S & P S Term Status	S & P S Term	S & P FSR Status	S & P FSR	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS)			
Sweden - Sovereign	SB	AAA										SB	Aaa								SB	AAA														
Swedish Bank AB	SB	AA-	F1+	B	1	SB	Aa2	P-1	NO	C+	Orange = 12 mths									Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	32.1	-11.0%	-1.0%	10.0%	-8.5%	In Range	Not Applicable		
Swedish Handelsbanken AB	SB	AA-	F1+	B	1	SB	Aa2	P-1	SB	C+	Orange = 12 mths									Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	58.3	-2.2%	5.5%	22.4%	12.6%	In Range	Orange = 12 mths		

Counterparty	Fitch rating										Moody's rating										S & P rating										CDS Data				
	L Term Status	L Term	S Term Status	S Term	Indiv. Status	Indiv.	Supp. Status	Supp.	Fitch S Term Status	Fitch S Term	Fitch L Term Status	Fitch L Term	Moody's L Term Status	Moody's L Term	Moody's S Term Status	Moody's S Term	Moody's FRS Status	Moody's FRS	Moody's FSR Status	Moody's FSR	S & P L Term Status	S & P L Term	S & P S Term Status	S & P S Term	S & P FSR Status	S & P FSR	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS)		
Switzerland - Sovereign	SB	AAA										SB	Aaa								SB	AAA													
Credit Suisse	SB	AA-	F1+	B	1	NO	Aa1	P-1	NO	B	A+	Orange = 12 mths								Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	88.8	-3.0%	-9.3%	-8.5%	2.1%	In Range	Not Applicable	

Counterparty	Fitch rating										Moody's rating										S & P rating										CDS Data				
	L Term Status	L Term	S Term Status	S Term	Indiv. Status	Indiv.	Supp. Status	Supp.	Fitch S Term Status	Fitch S Term	Fitch L Term Status	Fitch L Term	Moody's L Term Status	Moody's L Term	Moody's S Term Status	Moody's S Term	Moody's FRS Status	Moody's FRS	Moody's FSR Status	Moody's FSR	S & P L Term Status	S & P L Term	S & P S Term Status	S & P S Term	S & P FSR Status	S & P FSR	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status	Suggested Duration (CDS Adjusted)		
UK - Sovereign	SB	AAA										SB	Aaa								SB	AAA													
Barclays Bank plc	SB	AA-	F1+	B	1	SB	Aa3	P-1	SB	C	Orange = 12 mths									Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	59.7	-14.3%	-17.6%	9.4%	11.9%	In Range	Not Applicable	
HSBC Bank plc	SB	AA	F1+	B	1	NO	Aa2	P-1	NO	C+	Orange = 12 mths									Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	Orange = 12 mths	73.0	-2.4%	-18.2%	10.7%	16.9%	In Range	Orange = 12 mths	



Standard Chartered Bank	SB	AA-	F1+		B	1	SB	A1	P-1		B-	SB	A+	A-1	Red = 6 mths	78.7	-3.0%	-12.3%	1.1%	3.3%	In Range	Red = 6 mths
Sumitomo Mitsui Banking Corporation Europe Ltd.	SB	A	F1		C	1	SB	Aa2	P-1		C	SB	A+	A-1	Green = 3 mths	77.6	-8.7%	22.5%	20.9%	-12.6%	In Range	Green = 3 mths

Counterparty	Fitch rating						Moody's rating						S & P rating						CDS Data						Duration (CDS Adjusted)	
	Term Status	L Term	Term Status	Indiv. Status	Supp. Status	Support	L Term Status	L Term	S Term Status	S Term	FRS Status	FSR Status	L Term Status	L Term	S Term Status	S Term	Not Applicable	Watch/Outlook	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status		Duration (CDS Adjusted)
<b>US - Sovereign</b>	SB	AAA					SB	Aaa				SB	AAA				Not Applicable		04/02/11							
Bank of New York Mellon	SB	AA-	F1+	A/B	NW	1	SB	Aaa	P-1		B+	SB	AA	A-1+			Purple =24 mths		47.5	-7.9%	18.7%	13.9%	31.4%	In Range	Not Applicable	
HSBC Bank USA	SB	AA	F1+	B/C		1	NO	Aa3	P-1	NO	C	SB	AA	A-1+			Orange = 12 mths								No Data Available	
JP Morgan Chase Bank NA	SB	AA-	F1+	B	NW	1	NO	Aa1	P-1	NO	B	NO	AA-	A-1+			Orange = 12 mths		68.7	-11.3%	-10.8%	-19.4%	-16.9%	In Range	Orange = 12 mths	
State Street Bank and Trust Company	SB	A+	F1+	B	NW	1	NO	Aa2	P-1	NO	B	NO	AA-	A-1+			Orange = 12 mths		86.70%	-10.40%	-9.90%	-13.60%	2.30%	In Range	Red = 6 mths	

Counterparty	Fitch rating						Moody's rating						S & P rating						CDS Data						Suggested Duration (Watch/Outlook Adjusted)	Suggested Duration (CDS Adjusted)
	Term Status	L Term	Term Status	Indiv. Status	Supp. Status	Support	L Term Status	L Term	S Term Status	S Term	Moody's FRS Status	FSR Status	L Term Status	L Term	S Term Status	S Term	Not Applicable <th>Watch/Outlook <th>04/02/11</th> <th>Week % Change</th> <th>1 Month % Change</th> <th>3 Month % Change</th> <th>6 Month % Change</th> <th>CDS Status</th> <th>Duration (CDS Adjusted)</th> </th>	Watch/Outlook <th>04/02/11</th> <th>Week % Change</th> <th>1 Month % Change</th> <th>3 Month % Change</th> <th>6 Month % Change</th> <th>CDS Status</th> <th>Duration (CDS Adjusted)</th>	04/02/11	Week % Change	1 Month % Change	3 Month % Change	6 Month % Change	CDS Status		
<b>UK Nationalised and Part nationalised banks</b>																										
Bank of Scotland Plc	SB	AA-	F1+	C		1	SB	Aa3	P-1	SB	D-	SB	A+	A-1			Blue = 12 mths									Not Applicable
Lloyds TSB Bank plc	SB	AA-	F1+	C		1	SB	Aa3	P-1	SB	C-	SB	A+	A-1			Blue = 12 mths		189.3	-7.2%	-4.4%	19.6%	15.1%			Not Applicable
National Westminster Bank plc	SB	AA-	F1+			1	SB	Aa3	P-1	SB	C-	SB	A+	A-1			Blue = 12 mths									Not Applicable
Royal Bank of Scotland plc	SB	AA-	F1+	C/D		1	SB	Aa3	P-1	SB	C-	SB	A+	A-1			Blue = 12 mths		200.3	-8.0%	-4.0%	25.1%	22.6%			Not Applicable
Ulster Bank Ltd	SB	A+	F1+	E		1	NO	A2	P-1	NO	D-	DW NW	A	A-1			Blue = 12 mths									Not Applicable

**EXPOSURE LIMITS**  
Blue - Exposure limit of £35 million with a maximum duration of 364 days  
Purple - Exposure limit of £25 million with a maximum duration of 24 months  
Orange - Exposure limit of £20 million with a maximum duration of 364 days  
Red - Exposure limit of £10 million with a maximum duration of 3 months  
Green - Exposure limit of £10 million with a maximum duration of 3 months  
No colour - 0 months duration

**MONEY MARKET FUNDS**

- PRIMERATE
- INSIGHT
- BLACKROCK
- GOLDMAN SACHS

All funds have AAA credit rating which have a 60 weighted average maturity. These funds allow instant access to cash, and provide enhanced yield and security  
Exposure limit of £10 million per fund - no maximum duration as these are instant access funds

**GOVERNMENT**

- Debt Management Office
- Treasury Bills
- Government Bills

No maximum amount because if we no capacity to place funds with other financial institutions we need to place them with the government.

**PUBLIC AUTHORITIES**

- Utility Authorities
- Local Authorities
- Borough and District Council
- Fire and Police Authorities

These authorities do not have credit ratings but statute suggests that credit risk attached to these authorities is an acceptable one.

Exposure limit of £25 million with a maximum duration of 364 days

**Group Limits**

The following banks operate under their own name but are part of the same banking group

- 1) Lloyds Bank Group plc - Bank of Scotland/Lloyds TSB plc, Halifax plc, HBOS Treasury Services
- 2) Royal Bank of Scotland Group plc - ABN AMRO Bank NV, Nat West, RBS plc, Ulster Bank Ltd
- 3) Dexia Bank (in Belgium), Dexia BIL (in Luxembourg), Dexia Credit Local (in France)
- 4) Credit Agricole, Credit Agricole Indosuez, Cajyon (French)
- 5) HSBC plc, HSBC Bank USA, Hong Kong and Shanghai Banking Corp (Hong Kong)
- 6) Bank of Ireland and Bristol and West
- 7) Nordea Bank's - Denmark, Finland, Norge ASA, Sweden
- 8) Banco Santander - Banco Santander UK plc (old Abbey National) Alliance and Leicester, Bradford and Bingley
- 9) Nationwide Building Society, Derbyshire, Cheshire and Dunfermline Building Society
- 10) Barclays, Woolwich

The limits for the Groups will be £25 Million or as per the Lending limit for the individual Bank except for the UK which would be unlimited.

**Table Council minimum rating requirement is as follows**

Sovereign Rating AA+

Long Term Short Term Individual Support  
A- F2 C 2

Long Term Short Term Financial Strength  
A3 P-2 C

Long Term Short Term  
A- A-3

**Moody's**

**S & P**

**KEY**

- NO - Negative Outlook
- NW - Negative Watch
- DG - Downgrade
- RD - Under Review for Possible downgrade
- PO - Positive Outlook
- PW - Positive Watch
- UP - Upgrade
- RU - Under Review for Possible Upgrade
- SB - Stable Outlook
- EW - Evolving Watch
- EO - Evolving Outlook
- WD - Rating Withdrawn
- DO - Developing Outlook
- UN - Direction Uncertain
- DG NO Downgrade & Negative Outlook
- DG NW Downgrade & Negative Watch
- DG RD Downgrade & Under Review for Possible Downgrade
- DG SB Downgrade & Stable Outlook
- DG EW Downgrade & Evolving Watch
- DG EO Downgrade & Evolving Outlook
- DG DO Downgrade & Developing Outlook
- DG UN Downgrade & Direction Uncertain
- UP PO Upgrade and Positive Outlook
- UP PW Upgrade and Positive Watch
- UP RU Upgrade and Under review for Possible Upgrade
- UP SB Upgrade and Stable Outlook
- UP EO Upgrade and Evolving Outlook
- UP DO Upgrade and Developing Outlook
- UP UN Upgrade and Direction Uncertain

## APPENDIX C

### METHODOLOGY FOR ESTABLISHING CREDIT CRITERIA

The follow methodology has been used to establish the credit criteria for an organisation or group.

All Countries where investments are placed should have a minimum **Sovereign rating** of AA+

**Exposure limit of £25 Million to be placed with any one country except the UK which would be unlimited.**

The Council will use all 3 credit rating agencies Fitch, Moody's and Standard & Poor to derive its credit criteria. The methodology has a mathematical basis and gives a score to each of the ratings. An average score is then calculated for each of the constituent rating for Long Term, Short Term, Individual and Support. A sum of the averages is then taken and duration calculated based on this final value. The methodology is completely objective and mathematical, applying equal weight to each credit rating component.

The system also takes into account negative and positive rating watches and outlook.

The methodology applies a ranking and scoring procedure to the credit rating to obtain a number, based on all the credit ratings of every rating agency, which is then compared to the scoring bands.

#### Scoring procedure for the 3 Credit Rating Agencies

##### Long Term Ratings

Fitch		Moody's		S&P	
Rating	Scoring	Rating	Scoring	Rating	Scoring
AAA	1	Aaa	1	AAA	1
AA+	2	Aa1	2	AA+	2
AA	3	Aa2	3	AA	3
AA-	4	Aa3	4	AA-	4
A+	5	A1	5	A+	5
A	6	A2	6	A	6
A-	7	A3	7	A-	7

##### Short Term Ratings

Fitch		Moody's		S&P	
Rating	Scoring	Rating	Scoring	Rating	Scoring
F1+	1	-	-	A-1+	1
F1	2	P-1	2	A-1	2
F2	3	P-2	3	A-3	3

Only Fitch and Moody's use Individual Ratings

**Individual Ratings**

Fitch		Moody's	
Rating	Scoring	Rating	Scoring
-	-	A+	0.5
A	1	A	1
-	-	A-	1.5
A/B	2	B+	2
B	3	B	3
-	-	B-	3.5
B/C	4	C+	4
C	5	C	5

**Support Ratings**

As only Fitch uses Support ratings, there is no need to create any equivalency tables and we can use the rating directly into the calculation.

We then calculate the scoring for each counterparty on the scoring procedure.

**Example**

	Fitch				Moody's			S&P	
	Long Term	Short Term	Indiv	Support	Long Term	Short Term	FRS	Long Term	Short Term
Bank									
Australia and New Zealand Banking Group	AA-	F1+	B	1	Aa1	P-1	B	AA	A-1+
Scoring	4	1	3	1	2	2	3	3	1

The Average for Long Term Rating is Fitch 4, Moody's 2 and S&P 3 = 9  
 9 divided by 3 (the no. of agencies) = 3

The Average for Short Term Rating is Fitch 1, Moody's 2 and S&P 1 = 4  
 4 divided by 3 (the no. of agencies) = 1.333

The Average for Individual Rating is Fitch 3 and Moody's 3 = 6  
 6 divided by 2 (the no. of agencies) = 3

The average for Support Rating is Fitch 1 as it is the only agency that uses Support Ratings

The sum total of these averages = 3+1.333+3+1 = 8.333

The score is now placed within the predetermined bands.

### Bands

Colour	Lower Boundary	Upper Boundary
Purple	4.00	8.50
Orange	8.50	10.50
Red	10.50	12.50
Green	12.50	14.50
No Colour	14.50	30.00

Where:-

Purple - Exposure limit of £25 Million with a maximum duration of 24 months.

Orange - Exposure limit of £25 Million with a maximum duration of 364 days.

Red – Exposure limit of £20 Million with a maximum duration of 6 months.

Green – Exposure limit of £10 Million with a maximum duration of 3 months

No Colour – 0 months duration

In the example a score of 8.33 would place the bank in the Purple band and gives it a suggested maximum duration of 24 months.

### Credit Watch/Outlook Overlay

To take into account credit watch and outlooks from the three credit rating agencies an overlay has been developed which penalises a counterparty's score.

The methodology focuses just on the negative and positive outlooks and watches. Although stable, evolving and developing outlooks are still considered important when looking for a broader credit perspective, they can not be correlated with a direct impact in the change of counterparties score on the credit list.

**Watches** – are considered short term actions, where as **outlooks** are considered over a longer period of time.

To take account of the effect of a bank being on **negative watch**, one point is added to the score of the relevant credit rating e.g. if Moody's placed a bank's short term rating on negative watch, we would add one point to its score. The opposite is applied for positive watches, 1 point is deducted.

To take account of the effect of a bank being on **negative outlook**, then 1/2 point is added to the score of the relevant credit rating e.g. if Moody's placed a bank's short term rating on negative outlook, we would add 1/2 point to its score. The opposite is applied for positive outlooks, 1/2 point is deducted.

In the example above for Australia and New Zealand Group if Fitch had placed the bank on negative watch we would have added one point to the Fitch Long Term score to penalise the bank

The Average for Long Term Rating is Fitch 4 +1, Moody's 2 and S&P 3 = 9 divided by 3 (the no. of agencies) = 3.333

Then when the sum total had been added together it would have changed from 8.333 to 8.666 which would move it down to a lower band – Orange.

### Banks that do not have a four way credit rating

To account for banks that do not have a full 4 way credit rating i.e. Long Term, Short Term, Individual and Support, adjustments will be made to that bank's score.

By not having a full set of ratings it can skew the score for a bank making it higher as only 2 or 3 variables are being taken into account. See example below.

#### Example

	Fitch				Moody's			S&P	
	Long Term	Short Term	Indiv	Support	Long Term	Short Term	FRS	Long Term	Short Term
Bank									
Jyske Bank					Aa2	P-1	B-		
Scoring					4	2	3.5		

The average score is going to be:-

Long Term - 4, Short Term – 2, Individual 3.5, Support – 0 = 9.5

As this bank is only rated by Moody's and therefore does not have a four way approach. Currently they have a score of 9.5 putting them into the Orange band.

This colour of Orange is biased upwards as only 3 ratings have been taken into account, so it is intended to drop the colour of the bank by one band for every missing rating.

So if an bank only had a Long and Short Term rating, the initial colour would be reduced by 2 bands.

## **Applying CDS spreads to the credit list**

CDS spreads are used as it has been proven that credit rating agencies lag market events and thus do not provide investors with an “up to date” picture of the credit quality of a particular bank.

CDS spreads are used as an overlay to the credit ratings. CDS spreads provide perceived market sentiment regarding the credit quality of an institution. Since they are traded instruments, they reflect the market perception related to that entity’s credit quality. Credit ratings look at a firm’s fundamentals i.e. balance sheet, income statement etc. and tend to focus on a longer term view of the firm.

It is important to note that not all entities will have an actively traded CDS spread.

## **Trend analysis**

The weekly credit list provided by Sector shows the 1 week, 1 month and 3 month percentage change in a counterparty’s CDS spread. This allows Treasury officers to monitor the short, medium and long term trends of CDS spreads.

## **Benchmark analysis**

The benchmark CDS index which measures the “average” level of the most liquid financial CDS spreads in the market is the iTraxx Senior Financials Index. This is an index published by Markit who are the leading company in CDS pricing and valuation. The index is based on an equal weighting of CDS spreads of 25 European financial companies.

The iTraxx can be used to see where an institution’s CDS spread is relative to that of the market and judge its creditworthiness in that manner, as well as looking at the credit rating.

## **Adjusted duration**

The methodology employs the rule that if the CDS spread of a bank/building society is below or equal to the level of the iTraxx, then it is deemed “In Range.” It retains its’ colour and duration.

If the bank/building society’s CDS spread is between the iTraxx level and the iTraxx level + 50bps, then it is deemed “Monitoring.” When a bank/building society is “Monitoring” its colour and duration is reduced by one band.

If the bank/building society’s CDS spread is above the iTraxx level + 50bps, then it is deemed “Out of Range” its colour becomes no colour and is removed from the list.

## **Exceptions to this methodology**

### **Nationalised and Part Nationalised Banks**

See paragraph 11.

In light of this the colour Blue is used, for UK nationalised or part nationalised banks  
Exposure limit of £35 Million with a maximum duration of 364 days.

### **Government**

Debt Management Office  
Treasury Bills  
Government Gilts

No maximum amount because if we have no capacity to place funds with other financial institutions we need to place them with the government.

### **Public Authorities**

Unitary Authorities  
Local Authorities  
Borough and District Council's  
Met. Police  
Fire and Police Authorities

These authorities do not have credit ratings but statute (LG Act 2003 s13) suggests that credit risk attached to these authorities is an acceptable one.

Exposure limit of £25 Million with a maximum duration of 364 days.

### **Money Market Funds**

All funds have a AAA credit rating which have a 60 day weighted average maturity. These funds allow instant access to cash, and provide enhanced yield and security.

Exposure limit of £10 Million – no maximum duration as these are instant access funds.





# MONITORING OFFICER'S REPORT TO COUNCIL

23 FEBRUARY 2011

**REVIEW OF THE COUNCIL'S CONSTITUTION -  
CHANGES TO OFFICER SCHEMES OF DELEGATION  
AND MINOR AMENDMENTS**

**WARDS  
All**

## **Summary**

The Council at its meeting on 26 May 2010 agreed revisions to the Constitution and re-adopted the document for the 2010/11 Municipal Year.

This report proposes some in year amendments to reflect changes to Cabinet portfolio responsibilities and changes to the Schemes of Delegation as a result of the creation of a new Housing and Regeneration department.

**CONTRIBUTOR: RECOMMENDATIONS**

**ADLADS**

**That the changes and amendments proposed to the Council Constitution, as summarised in Appendix 1 to the report, be agreed.**

## **1. COMMENTS OF MONITORING OFFICER**

- 1.1 Over the past 12 months, changes have been made to the Constitution to reflect the changes to the Cabinet portfolio responsibilities and amendments to the Schemes of Delegation. 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.
- 1.2 The Council's Executive and Scrutiny processes have continued to operate as intended and as laid out in the Constitution over the past year. The proposed changes and the reasons for them are set out in Appendix 1.

## **2. SCHEMES OF DELEGATION**

- 2.1 The main revisions are made to the Scheme of Delegation to reflect the transfer of powers and functions from the Community Services department to the Housing and Regeneration department from 1 April 2011 in line with the new Corporate structure. As in previous years, further minor amendments to the detailed Schemes of Delegation (which set out how responsibilities are assigned from the Council to its Directors and other officers) are being proposed. These changes have been included in the Constitution and circulated separately to Members.

## **3. CONTRACTS STANDING ORDERS**

- 3.1 These have also been reviewed and updated where necessary and included in the Constitution circulated separately to Members.

## **LOCAL GOVERNMENT ACT 2000 - BACKGROUND PAPERS**

<b>No.</b>	<b>Brief Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department/Location</b>
1.	Review of the Constitution Working papers/file	Kayode Adewumi Head of Councillors' Services, Ext 2499	Second Floor, Hammersmith Town Hall, Room 202a

**REVIEW OF THE COUNCIL’S CONSTITUTION FEBRUARY 2011  
PROPOSED AMENDMENTS**

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<b><u>Part 3 – Responsibilities for functions</u></b>		
<b>Executive members : responsibilities and portfolios</b>	Leader of the Council  Cabinet Member for Housing	<p><b>Delete</b> reference to the borough partnership and Local Strategic Partnership in function 1.3.</p> <p><b>Rationale:</b> These no longer exist.</p> <p><b>Add</b> Director of Housing and Regeneration to Cabinet Member responsibility for directorates (in consultation with the Leader).</p> <p><b>Rationale:</b> New Housing and Regeneration department.</p>
<b>Regulatory and other Committees memberships 2010/11</b>	Licensing Committee – membership  Licensing Sub-Committee - membership	<p><b>Replace</b> Councillor Georgie Cooney with Councillor Thomas Crofts</p> <p><b>Rationale:</b> This change was approved in October 2010.</p>

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<b>General Scheme of delegation to all Chief Officers</b>	Section A, paras. 6 and 7 - Delegated authority to Chief Officers to accept tenders and quotations of up to £50,000, tenders/awards and quotations over this level being processed as Cabinet Members' Decisions	<p><b>1. Amend</b> to provide for all tenders/awards and quotations over £20,000 to be processed as Cabinet Members' decisions. Similar amendments to be made to the Contract Standing Orders and the Financial Procedure Rules.</p> <p><b>Rationale:</b> To accord with current limits to delegated authority required by the Leader.</p>
<b>Directors' Schemes of Delegation</b>	Section A para. 17	<p><b>2. Amend</b> to read "In consultation with Human Resources on the application of paragraphs 13(g), 13(h), 18, 20 and 22 below, all Directors are authorised:"</p> <p><b>Rationale:</b> Correction of paragraph cross-references.</p>
<b>Directors' Schemes of Delegation (cont.)</b>	Directors of Community Services and Environment – detailed Scheme of Delegation: shared powers	<p><b>3. Transfer</b> functions shared by Director of Community Services and Director of Environment to Director of Housing and Regeneration and Director of Environment.</p> <p><b>Rationale:</b> New Housing and Regeneration department.</p>

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<p><b>Directors' Schemes of Delegation (cont.)</b></p>	<p>Director of Environment – detailed Scheme of Delegation</p>	<p><b>4. Transfer</b> functions formerly exercised by the Director of Community Services (currently exercised by Director of Environment) to Director of Housing and Regeneration (pp.251-265 of May 2010 Constitution).</p> <p><b>Rationale:</b> New Housing and Regeneration department.</p> <p><b>5. Amend</b> delegations 191 and 194 (pp. 230-232 of May 2010 Constitution) to allow officers to decide small variations to schemes where planning permission has been approved.</p> <p><b>Rationale:</b> To provide for approval of small variations which raise no new departures and which do not warrant the use of Committee time.</p> <p><b>6. Amend</b> delegations 195, 197, 198 and 199 (pp. 233-234 of May 2010 Constitution) to enable planning officers to authorise, issue, Serve and vary relevant planning enforcement notices, breach of condition and stop notices themselves, and to issue and serve such notices where enforcement action has already been authorised at Planning Applications Committee. Any distinction between types of unauthorised development would also be removed.</p> <p><b>Rationale:</b> At present, these powers are delegated to the Assistant Director (Legal and Democratic Services). Enabling planning officers to do this themselves will be far quicker and will</p>

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<b>Directors' Schemes of Delegation (cont.)</b>	Director of Environment – detailed Scheme of Delegation (cont.)	<p>achieve a considerable saving in costs. The Assistant Director (Legal and Democratic Services) supports this proposal.</p> <p><b>7. Add</b> new delegations to cover S215 and 216 (power to require proper maintenance of land and to prosecute) and S224 and 225 (control over advertisements and illegal estate agents' boards) of the Town and Country Planning Act 1990 and associated legislation.</p> <p><b>Rationale:</b> To update and clarify existing delegations.</p> <p><b>8. Add</b> the posts of Veterinary Surgeon or Veterinary Practitioner to the list of delegations in respect of the agriculture, animal welfare and zoo licensing legislation (pp.168, 169, 171, 172, 212, 222 and 247 of May 2010 Constitution),</p> <p><b>Rationale:</b> Reflecting new post titles.</p> <p><b>9. Add</b> new delegations in respect of : enforcement regarding Breeding and Sale of Dogs (Welfare) Act 1999, the Companies Act 2006, Criminal Procedures and Investigations Act 1996, Dangerous Wild Animals Act 1976, Digital Evidence Act 2010, Fraud Act 2006, Health Acts 2006 and 2009, London Olympic Games and Paralympic Games Act 2006, Rabies (Importation of Dogs, Cats and Other Mammals) Order 1974, Sale of Dogs (Identification Tag) Regulations 1989, Sunbeds (Regulation) Act 2010,</p>

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
<b>Directors' Schemes of Delegation (cont.)</b>	<p>Director of Environment – detailed Scheme of Delegation (cont.)</p> <p>Director of Community Services – detailed Scheme of Delegation</p> <p>H&amp;F Homes – detailed Scheme of Delegation</p>	<p><b>Rationale:</b> New legislation or powers.</p> <p><b>10. Transfer</b> to the Director of Housing and Regeneration all Housing functions and functions exercisable in conjunction with other officers (pp. 267-287 of May 2010 Constitution).</p> <p><b>Rationale:</b> New Housing and Regeneration department.</p> <p><b>11. Transfer</b> to the Director of Housing and Regeneration (pp. 302-313 of May 2010 Constitution), except responsibilities in respect of enforcement of tenancy conditions (see no. 12 below).</p> <p><b>Rationale:</b> New Housing and Regeneration department.</p> <p><b>12. Transfer</b> as a shared power by the Director Housing and Regeneration and the Director of Residents Services (subject to review in 12 months) responsibilities in relation to the enforcement of tenancy conditions under all grounds of the Housing Acts 1985 and 1996, the Crime and Disorder Act 1998 and the Anti-Social Behaviour Act 2003.</p> <p><b>Rationale:</b> These provisions also have implications for Residents Services department.</p>

CONSTITUTION SECTION	RELEVANT SUB-SECTION	PROPOSED CHANGES
	Detailed Schemes of Delegation passim.	<b>13. Amend</b> cross-references consequent upon the establishment of the new Housing and Regeneration department.
<b><u>Part 4 – Rules of procedure</u></b>		
<b>Council Procedure Rules</b>	Section 3 – Other Council Meetings, sub-para. (c )	<p><b>Add</b> to the provision for the Mayor to call an Extraordinary Council meeting the words: “An Extraordinary meeting may consider any of the matters specified in Rule 2.1 above (Business at ordinary Council meetings)”.</p> <p><b>Rationale:</b> To clarify, in accordance with existing practice, that an Extraordinary Council meeting may consider any of the types of business required to be considered at ordinary Council meetings.</p>
<b>Executive Procedure Rules</b>  and  <b>Overview and Scrutiny Procedure Rules</b>	Section 2.2 (c ): Requests for deputations to be submitted to the Cabinet must be made at least 5 working days before the relevant meeting  Section 25 (a) (iii): Requests for deputations to Overview and Scrutiny Committees or Task Groups must be submitted at least 10 working days before the relevant meeting.	<p><b>Amend</b> in both cases, to provide for requests for deputations to be submitted up to 3 working days before a meeting of the Cabinet, Overview and Scrutiny Committees.</p> <p><b>Rationale:</b> This is because the current limits give insufficient time for some deputation organisers to organise their deputations, given that Cabinet/Committee agendas and papers are published at the most 10 working days before the relevant meeting.</p> <p><b>Delete</b> reference to submission of deputations to Task Groups.</p> <p><b>Rationale:</b> This is because deputations would not in practice be submitted to ad hoc single issue working groups.</p>





# Report to Council

23 FEBRUARY 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**COUNCILLORS' ALLOWANCES SCHEME:  
REVISION**

**WARDS  
All**

**SYNOPSIS**

This report performs the statutory annual review of Councillors' allowances for the 2011/12 financial year, and takes into account the recommendations made in the Independent Remunerator's report to London Councils (May 2010).

**CONTRIBUTORS**

DFCS  
ADLDS

**RECOMMENDATION:**

**That the Councillors' Allowances Scheme 2011 – 12 as set out in Appendix 1, be adopted.**

## 1. BACKGROUND

- 1.1 The Council is required under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 to undertake an annual review of its Members' Allowances scheme.
- 1.2 The Council's proposed Scheme for the financial year 2011/12 is set out at **APPENDIX 1** to this report. The Council's Scheme broadly remains the same as agreed in May 2010 with no additional Special Responsibility Allowance (SRA) being recommended. There has been a reduction of the cooptee allowance as the Committees meet less often. Council has taken into account the independent remunerator's recommendation issued in May 2010 but has decided to retain its own basic rate allowance.
- 1.3 In 2009, due to the economic conditions, it was recommended that all allowances be frozen at the 2008/9 levels. In years prior to this decision being taken, an automatic uplift in line with the previous year's Local Government Pay Settlement was made. The pay award for 2010/11 was 0%. Due to the current economic conditions, it is recommended that all allowances continue to be frozen for a third year at the 2008/9 levels.

## 2. INDEPENDENT REMUNERATOR'S REPORT

- 2.1 The Council is formally required to undertake a review of its members' allowances scheme each financial year. Any changes in allowances are required to take into account the recommendations of a local independent panel on remuneration for Councillors. Where a scheme includes a provision for an automatic uplift, the operation of this provision may only be relied on for a period of four years before reference must again be made to a local independent remunerator's report and recommendations.
- 2.2 In the case of London, there is a standing report produced by the local remuneration panel appointed by London Councils which is applicable to all London Borough Councils. The Local Authorities (Members' Allowances) (England) Regulations 2003 authorises the establishment by the Association of London Government (now *London Councils*) of an Independent Remuneration Panel to make recommendations in respect of the members' allowances payable by London Boroughs. Such a Panel was established and reported in 2001, 2003 and 2006. The Panel was re-constituted in 2009 comprising Sir Rodney Brooke CBE (Chair), Professor Drew Stevenson and Jo Valentine. The Panel findings were agreed by London Councils Leaders' Committee in May 2010. The report has 12 recommendations which are attached at **APPENDIX 2**.
- 2.3 Having considered the proposals contained within the report, the Council once again notes that the current scheme is broadly consistent with the independent remunerator's report and recommendations with the following significant differences:-
  - Allowances to be updated in line with local government pay awards;
  - Role descriptions should be developed for councillors for all their areas of work;

- The role descriptions should be placed on council websites;
- Councils should consider the introduction of an appraisal system for members;
- Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. The legislation requiring only an attendance at a council meeting every six months should be tightened.
- Only one SRA should be paid to a councillor in respect of duties with the same authority.
- Rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.

2.4 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level. The basic role of a councillor is enshrined in the constitution which is already published on the Internet. In particular there are detailed provisions in relation to the Mayor and Cabinet. The political parties rather than officers are in a better position to introduce and administer an appraisal system for members. This is a matter for the parties to undertake and administer at their discretion.

The Council agrees that Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance and legislation requiring only an attendance at a council meeting every six months should be tightened. The Council does not agree that only one SRA should be paid to a councillor in respect of duties with the same authority. Each local authority should be able to look at its own local circumstances due to the profile and size of its membership. The Council consists of 46 members with a high proportion of young councillors and people in active employment. The removal of the Cabinet, Mayor and Deputy Mayor participating in the committees reduces the number of people who would be available to seat on committees which meet with an exceptional frequency.

The Council also agrees that there should be a rationalisation in the tax treatment of expenses borne by councillors and support that the Local Government Association be asked to pursue this at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.

2.5 Council is requested to adopt the Scheme set out at Appendix 1 effective from 26 May 2011 subject to any changes which might arise.

### **3. COMMENTS OF THE ASSISTANT DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES**

3.1 The proposals contained within the report are in line with the Local Government Act 2000 and appropriate regulations.

#### 4. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 4.1 The Director of Finance and Corporate Services can confirm that the proposed action is cost neutral and that sufficient provision in the existing budget to fund the costs as contained in this report.

#### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	The Remuneration of Councillors in London: 2010 Review (May 2010)	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall
2.	Members' Allowance Scheme report 2010/11	Kayode Adewumi, ext 2499	FCS Room 202a, Hammersmith Town Hall

# APPENDIX 1

## Members' Allowances Scheme 2011-12

[Scheme effective from 26<sup>th</sup> May 2011]

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This scheme is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") for 2011 –2012 and subsequent years. The allowances scheme has been prepared having regard to the report of the Independent Panel on the Remuneration of Councillors in London established by London Councils on behalf of all London Councils, co-authored by Rodney Brooke, Drew Stevenson and Jo Valentine, and published in May 2010.

### 1. BASIC ALLOWANCE

- 1.1 The independent remunerator's report suggests a flat-rate basic allowance be paid to each member of the authority of £9964 per annum to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.
- 1.2 The Council has taken into account the independent remunerator's recommendation but has decided to retain its own basic rate allowance frozen at the 2008 – 09 level.

The basic rate allowance for all LBHF Councillors will therefore be:

£8,940 - to be paid in 12 monthly instalments on the 15<sup>th</sup> of each month.

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year.

### 2. SPECIAL RESPONSIBILITY ALLOWANCES

- 2.1 Regard has been had to the recommendations in the independent remunerator's report for differential banding in relation to the payment of Special Responsibility Allowances (SRA's), but in the interest of maintaining a low Council Tax and the current economic conditions, it has been decided to freeze the Council's own scheme of SRA's at the same level approved for 2008 - 9 and not to follow the independent remunerator's recommendations which would have proved considerably more costly to local council taxpayers.
- 2.2 The following Special Responsibility Allowances shall therefore be paid to Councillors holding the specified offices indicated:

The Leader	£35,763
Deputy Leader	£29,796
Other Cabinet members (6)	£23,838
Chief Whip (where not a member of Cabinet)	£23,838
Deputy Chief Whip	£5,000
Chairmen of Overview & Scrutiny Committees (4)	£6,183
Leader of the Opposition	£17,874

Deputy Leader of the Opposition	£6,183
Opposition Whip	£6,183
Chairmen of Planning Applications Committee, Audit and Pensions Committee, Licensing Committee & Councillor member on Adoption Panel	£6,183
The Mayor	£11,922
Deputy Mayor	£6,183
Cabinet Assistants	£3,000

Councillors only receive an allowance for the period of their term of office in cases where it is less than the whole financial year. A Special Responsibility Allowance would cease where the SRA entitled post ceases to exist during year.

### 3) OTHER ALLOWANCES

#### a) Dependent Carer Allowance

Dependant carer allowance is payable in respect of expenses incurred for the care of a member's children or dependants in attending meetings of the authority, its executive, committees and sub-committees and in discharging the duties set out in paragraph 7 of the Regulations.

(1) £4.18 per half hour before 10 p.m.; £5.31 per half hour after 10 p.m. (not payable in respect of a member of the councillor's household).

#### b) Travel & Subsistence

Allowances are payable (at the same rates as employees) for duties undertaken away from the Town Halls when discharging duties under paragraph 8 of the Regulations. In addition, the cost of travel after late evening meetings from the Town Hall would be paid.

##### (1) Public Transport

Actual travel costs (second class only) will be reimbursed.

##### (2) Car mileage

Cc	first 8500 miles (pence per mile)	above 8500 miles (pence per mile)
Below 1000	42.9	11.7
1000 or more	47.7	12.2

The figures above are the 2009/10 rates as car mileage is paid at the same rate as for officers.

##### (3) Cycle allowance

£36.93 per month – where this is claimed, no other travel claims are permissible.

**(4) Subsistence**

Allowance payable at same rates and conditions as employees.

Payment is only made for expenses incurred outside the Borough, and is subject to a maximum of £5.00 per claim.

**c) Sickness, Maternity and Paternity Allowance**

Where a Member is entitled to a Special Responsibility Allowance, it will continue to be paid in the case of sickness, maternity and paternity leave in the same way as employees.

**4) ANNUAL INCREASE**

The allowances in this scheme apply to the financial year 2011-12. All allowances have been frozen at the 2008 – 9 level.

**5) ELECTION TO FOREGO ALLOWANCES**

In accordance with the provisions of regulation 13, a Councillor may, by notice in writing to the Chief Executive, elect to forego any part, or all, of his or her entitlement to an allowance under this scheme.

**6) TIME LIMIT FOR CLAIMS**

The majority of allowances are payable monthly, but where allowances are the subject of claims, these claims should be made in the agreed form with the appropriate declaration within six months of the duty to which they relate.

**7) WITHHOLDING OF ALLOWANCES**

In the event of a Councillor being suspended or partially suspended, the Standards Committee shall have the power to withhold the allowances payable to that Councillor either in whole or in part for the duration of that suspension.

**8) MEMBERS' PENSIONS**

Previously, Councillors could only join the authority's pension scheme if they were aged under 70 and could only pay contributions and accrue benefits until their 70<sup>th</sup> birthday. However, under new pensions regulations, the situation has changed, and the independent remunerator's report now recommends all Councillors under the age of 75 years be entitled to join the London Borough of Hammersmith & Fulham Pension Scheme, and have their basic allowance and special responsibility allowances treated as pensionable. This recommendation has accordingly been adopted.

**9) MEMBERSHIP OF MORE THAN ONE AUTHORITY**

A member may not receive allowances from more than one authority (within the meaning of the regulations) in respect of the same duties.

## **ALLOWANCES FOR CO-OPTED MEMBERS AND INDEPENDENT MEMBERS OF STANDARDS COMMITTEE**

### **Co-optees**

The independent remunerator's report recommends a rate of allowance for co-opted members of £117 per meeting, to be calculated on an annualised basis by the number of meetings. This recommended figure has not been adopted. The Council's own figure of £504.00 p.a. payable by equal monthly instalments of £42.00 on the 15<sup>th</sup> of each month.

Co-opted members shall be entitled to the same travel allowances as Councillors, but shall not be entitled to subsistence payments

### **Standards Committee Independent Members**

The independent remunerator's report also recommends the independent Chairman and Committee Members of a Standards Committee be paid an allowance of £256 and £127 per meeting respectively, calculated on an annualised basis by the number of meetings, to reflect not just attendance at meetings, but related and incidental additional activity carried out by the postholders. This recommendation has not been adopted. The Council's own figure of £252.00 p.a. payable by equal monthly instalments of £21.00 on the 15<sup>th</sup> of each month.

In all cases, the allowances given in this scheme shall not be uprated by the same percentage rate of increase as the previous years national Local Government Pay Settlement but frozen at the 2008 – 9 levels.



### INDEPENDENT REMUNERATION PANEL RECOMMENDATIONS

1. We believe that the scheme of allowances that the panel recommended in 2001, updated in line with local government pay awards, is still appropriate. We set out the five bands of responsibility with updated figures for the basic allowance and for the five bands.
2. We continue to believe that the roles identified in the 2006 report as attaching to the bands are still, in general terms, appropriate. Consultation has suggested other roles, but most are covered by the 2006 recommendations. We have added to the role descriptions in band one 'community leaders' and 'leaders of a specific major project'. We appreciate that such responsibilities can provide development opportunities for the leaders of the future and are analogous to other responsibilities within band one.

We also recommend the inclusion of 'acting as a member of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods' and 'acting as a member of an adoption panel where membership requires attendance with exceptional frequency or for exceptionally long periods'.

3. With changes in local government structure and organisation, we accept that some cabinet roles may be more demanding than others. Although it may be sensible for many councils to remunerate cabinet members at the same level, we believe that there is sufficient width in band three to permit councils to recognise different levels of responsibility within the cabinet where this is appropriate.
4. In return for the levels of remuneration which we propose, it is important that councillors account publicly for their activities. We believe that:
  - a. role descriptions should be developed for councillors for all their areas of work;
  - b. the role descriptions should be placed on council websites;
  - c. members should report publicly on their activity through a variety of channels as illustrated in the main report; and
  - d. councils should consider the introduction of an appraisal system for members.
5. Councillors who, without reasonable cause, fail to discharge their duties should not claim the basic allowance. We believe that the legislation requiring only an attendance at a council meeting every six months should be tightened.
6. We endorse the recommendations of the 2006 report in relation to the chair and members of the standards committee.
7. We reiterate our view that only one SRA should be paid to a councillor in respect of duties with the same authority.

8. Although councillors are not employees, we believe that it is reasonable that their special responsibility allowances should not cease in case of sickness, maternity and paternity leave in the same way that employees enjoy such entitlements. We continue to recommend that councils should be able to make arrangements in their schemes in appropriate circumstances to enable this to happen.
9. We continue to recommend that the allowances we recommend should be updated annually in accordance with the headline figure in the annual local government pay settlement. We appreciate that Regulation 10(1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 appears to require re-adoption of the scheme at the start of each municipal year. However Regulation 10(4) provides that the scheme will not be deemed amended by virtue only of adjustment of the scheme through indexation. If there is no other change a re-adoption can be achieved by a simple resolution.
10. While we continue to believe that intra-borough travel should be part of the basic allowance, we recognise that there are circumstances where it may be appropriate for a scheme to provide payment for the cost of transport e.g. journeys home after late meetings and for people with disabilities. In the case of dispute, we believe that the standards committee could adjudicate.
11. We strongly believe that there is need for rationalisation in the tax treatment of expenses borne by councillors and recommend that the Local Government Association be asked to pursue that at the national level, or failing that, London Councils attempt to achieve rationalisation on behalf of London.
12. We have consistently recommended that eligible councillors should be eligible for admission to the local government pension scheme and we continue to urge that councils should give their members this opportunity.