



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
18 APRIL 2011
7.00 pm

COURTYARD ROOM
HAMMERSMITH
TOWN HALL
KING STREET
LONDON W6 9JU

Membership

Councillor Stephen Greenhalgh, Leader
Councillor Nicholas Botterill, Deputy Leader (+Environment and Asset Management)
Councillor Mark Loveday, Cabinet Member for Strategy
Councillor Helen Binmore, Cabinet Member for Children's Services
Councillor Joe Carlebach, Cabinet Member for Community Care
Councillor Harry Phibbs, Cabinet Member for Community Engagement
Councillor Lucy Ivimy, Cabinet Member for Housing
Councillor Greg Smith, Cabinet Member for Residents Services

Date Issued
30 March 2011

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Reports on the open Cabinet agenda are available on the Council's website: http://www.lbhf.gov.uk/Directory/Council_and_Democracy

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-14** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to David Viles at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Monday 11 April 2011.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 20 April 2011**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Wednesday 27 April 2011 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Wednesday 27 April 2011**.

Members of the Public are welcome to attend.
A loop system for hearing impairment is provided, together with disabled access to the building

Cabinet Agenda

18 April 2011

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 21 MARCH 2011	1 - 11
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<p>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.</p> <p>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.</p> <p>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.</p>	
4.	PETITIONS : H&F CHILDREN'S CENTRES To follow.	
5.	THE GENERAL FUND CAPITAL PROGRAMME, HOUSING REVENUE CAPITAL PROGRAMME AND REVENUE BUDGET 2010/11 – MONTH 10 AMENDMENTS	12 - 18
6.	PROPERTY DISPOSALS PROGRAMME	19 - 27
7.	REFORMING PUBLIC SERVICES THROUGH LEAN SYSTEMS THINKING	28 - 34
8.	AWARD OF TERM CONTRACT FOR TREE MAINTENANCE 2011- 2014	35 - 40

9.	RECONFIGURATION OF SURE START CHILDREN'S CENTRES NETWORK	41 - 78
10.	SHORT BREAKS FUNDING FOR DISABLED CHILDREN	79 - 85
11.	LYRIC THEATRE REDEVELOPMENT	86 - 97
12.	HOUSING DEVELOPMENT COMPANY	98 - 177
13.	HOUSING CAPITAL PROGRAMME 2011/12	178 - 184
14.	HOUSING ESTATES INVESTMENT PLAN	185 - 226
15.	FORWARD PLAN OF KEY DECISIONS	227 - 235
16.	SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION	236 - 240
17.	SUMMARY OF URGENT DECISIONS TAKEN BY THE LEADER, REPORTED TO THE CABINET FOR INFORMATION	241 - 242
18.	EXCLUSION OF PRESS AND PUBLIC	

The Cabinet is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

19.	EXEMPT MINUTES OF THE CABINET MEETING HELD ON 21 MARCH 2011 (E)	
20.	AWARD OF TERM CONTRACT FOR TREE MAINTENANCE 2011-2014 : EXEMPT ASPECTS (E)	
21.	SUMMARY OF EXEMPT DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION (E)	

Agenda Item 1

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 21 March 2011

PRESENT

Councillor Stephen Greenhalgh, Leader
Councillor Nicholas Botterill, Deputy Leader (+Environment and Asset Management)
Councillor Mark Loveday, Cabinet Member for Strategy
Councillor Helen Binmore, Cabinet Member for Children's Services
Councillor Joe Carlebach, Cabinet Member for Community Care
Councillor Harry Phibbs, Cabinet Member for Community Engagement
Councillor Lucy Ivimy, Cabinet Member for Housing
Councillor Greg Smith, Cabinet Member for Residents Services

1. **MINUTES OF THE CABINET MEETINGS HELD ON 7 AND 16 FEBRUARY 2011**

RESOLVED:

That the minutes of the meetings of the Cabinet held on 7 and 16 February 2011 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

2. **APOLOGIES FOR ABSENCE**

RESOLVED:

There were no apologies for absence.

3. **DECLARATION OF INTERESTS**

There were no declarations of interest.

4. **THE GENERAL FUND CAPITAL PROGRAMME, HOUSING REVENUE CAPITAL PROGRAMME AND REVENUE BUDGET 2010/11 – MONTH 9 AMENDMENTS**

RESOLVED:

- 1 That the changes to the capital programme as set out in Appendix 1 be approved.

- 2 That a revenue virement totalling £133,000 as set out in Appendix 2 be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

5. AMENDMENTS TO THE H&F BRIDGE PARTNERSHIP CONTRACT

RESOLVED:

That the HFBP contract be amended by a Deed of Variation from 1 April 2011 to permit the transfer, under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), of Business Transformation and Programme Management Office project management services.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

6. SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2011/2012

RESOLVED:

That the annual subscriptions, at a total cost of £227,363, as set out in Appendix A of the report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

7. TFL FUNDED ANNUAL INTEGRATED TRANSPORT INVESTMENT PROGRAMME 2011/12

RESOLVED:

1. That feasibility design and consultation be carried out on projects C1 to C5 and N1 to N5 at a total cost of £170,000 (approximately 10% of the project total) as set out in paragraph 3 of the report be approved.
2. That authority be delegated to the Deputy Leader and Cabinet Member for Environment and Asset Management, in conjunction with the Director of Environment, to approve implementation of the ten individual schemes (C1 to C5 and N1 to N5) subject to local support.
3. That approval be given to spend £130,000 to complete the 2010/11 projects and to spend £76,000 to initiate the 2012/13 projects as detailed in paragraph 4 of the report.
4. That approval be given to spend £321,000 on the smarter travel programme as detailed in paragraph 5 of the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

8. HIGHWAY MAINTENANCE - APPROVAL OF THE 2011/12 PROGRAMME

RESOLVED:

1. That the 2011/12 planned highway maintenance (carriageway and footway) schemes, as set out in Appendix A, be approved.
- 2 That authority be delegated to the Director of Environment and Director of Finance and Corporate Services to amend the programme in order to make

the optimum use of resources, allowing virements to contain expenditure within the approved resources and not subject to the normal virement rules.

- 3 To report update programme amendments (additions and removals) to the Cabinet Member for Environment and Asset Management be agreed.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

9. SCHOOL ORGANISATION STRATEGY 2011/12

The Leader welcomed Mr Dennis Charman and his colleagues to the meeting. Mr Charman presented his deputation expressing concern regarding how the Council had used the data available to substantiate the recommendations within the report. He was of the view that the strategy should not be based too much on choice data. It should also consider parental preference and what they received from the schools. He noted that parents' satisfaction levels from their 3rd and 4th preference schools were at a very high level. Parents were very happy with the high level of service delivered by these schools. He implored the Council to work with the schools to build up their profile and use the data more carefully as the schools' achievements might not be reflected in their reputation.

In response, Councillor Binmore noted that the Council believes in giving parents the right to choose the school they prefer their children to attend. The strategy took into account a wide range of factors including 4 to 5 years of preference data, schools' ability to expand from 1 to 1½ form entry, site suitability, OFSTED reports and attainment. The Leader thanked Mr Charman for his comments. He noted that the Council was keen to see all schools succeed and parents to have an option to choose local schools. The Council's expectation was for more local children to be educated in local schools.

RESOLVED:

1. That the School Organisation Strategy, as outlined in the report be approved;
2. That the decision to dispose of the Askham Centre, taken at Cabinet on 7 February 2011, to allow its use as the site for Queensmill Special School's relocation be revoked.
3. That authority be delegated to the Cabinet Member for Children's Services, in consultation with the Leader of the Council, the Director of Children's

Services and the Director of Finance and Corporate Services, to take the necessary decisions to progress the strategy, including:

- (a) The decision on the temporary decant or permanent relocation of the Haven Respite Centre from its current location to Dalling Road Children's Home;
- (b) Appointing the preferred design team for the schemes contained within this report, following the bid evaluation process;
- (c) Appointing the preferred contractor for the schemes contained within this report, following the tender evaluation process;
- (d) Agreeing 'bulge' classes where necessary;
- (e) Procuring contracts on behalf of Free Schools, where necessary and at the request of the Department for Education and Partnership for Schools, to deliver cost efficiencies;
- (f) Altering the priority order of schemes if circumstances change.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

10. CONNEXIONS SERVICE ARRANGEMENTS

RESOLVED:

1. That authority be delegated to the Cabinet Member for Children's Services in conjunction with the Director of Children's Services to finalise the terms of the contract for the Connexions Service.
2. That the Council's Contracts Standing Orders be waived in accordance with section 1 of this report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

11. PROPOSED CLOSURE OF TAMWORTH SUPPORTED HOSTEL (11 FARM LANE)

Cabinet was informed that the Union's deputation request had been withdrawn.

RESOLVED:

1. That the closure of the Tamworth hostel (after all current residents are moved onto alternative accommodation) and cease use of 11 Farm Lane as a supported housing provision be approved.
2. That the site be declared surplus to the Council's requirements and to dispose of it in accordance with S123 Local Government Act 1972 on terms considered appropriate by the Director of Environment, Assistant Director (Building and Property Management) and the Assistant Director (Legal and Democratic Services) be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

12. NEW INSTALLATION OF CCTV ON: BAYONNE ESTATE & LAMPETER SQUARE; WHITE CITY ESTATE & BATMAN CLOSE AND BECKLOW GARDENS

RESOLVED:

That the placing of an order under a New Contract, in the form of a JCT Standard Building Contract, to carry out new CCTV installations on Bayonne Estate & Lampeter Square W6; White City Estate & Batman Close, W12 and Becklow Gardens W12, be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

13. WESTFIELD SECTION 106 AGREEMENTS - RSD SEEKING CONFIRMATION OF APPROVAL OF EXPENDITURE

RESOLVED:

That the allocation of Westfield Section 106 agreements, totalling £2.095 million, to Residents Service Department (RSD) initiatives, including CCTV, crime reduction initiatives, parks and libraries, as set out in the Appendix to the report, be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

14. DELIVERY OF THE COUNCIL'S TRADE WASTE SERVICE FOR 2011/12

RESOLVED:

That the Council continue to deliver a Trade Waste Sales operation in 2011/12 with a further review in twelve months time, be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

15. FORWARD PLAN OF KEY DECISIONS

RESOLVED:

The Forward Plan was noted.

16. SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION

RESOLVED:

The summary was noted.

17. SUMMARY OF URGENT DECISIONS TAKEN BY THE LEADER, REPORTED TO THE CABINET FOR INFORMATION

RESOLVED:

The summary was noted.

18. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the remaining items of business on the grounds that they contain information relating to the financial or business affairs of a person (including the authority)] as defined in paragraph 3 of Schedule 12A of the Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

[The following is a public summary of the exempt information under S.100C (2) of the Local Government Act 1972. Exempt minutes exist as a separate document.]

19. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 10 JANUARY 2011

RESOLVED:

That the exempt minutes of the meeting of the Cabinet held on 10 January 2011 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

20. **NEW INSTALLATION OF CCTV ON: BAYONNE ESTATE & LAMPETER SQUARE; WHITE CITY ESTATE & BATMAN CLOSE AND BECKLOW GARDENS : EXEMPT ASPECTS (E)**

RESOLVED:

That the recommendations in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

21. **AMENDMENTS TO THE H&F BRIDGE PARTNERSHIP CONTRACT : EXEMPT ASPECTS (E)**

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

22. **DELIVERY OF THE COUNCIL'S TRADE WASTE SERVICE FOR 2011/12 : EXEMPT ASPECTS (E)**

RESOLVED:

That the report be noted.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

23. **CONNEXIONS SERVICE ARRANGEMENTS : EXEMPT ASPECTS (E)**

RESOLVED:

That the recommendations in the exempt report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.

24. **SUMMARY OF EXEMPT DECISION TAKEN BY THE LEADER AND REPORTED TO CABINET FOR INFORMATION (E) - DEFERRED FROM LAST ORDINARY MEETING**

RESOLVED:

The summary was noted.

25. **SUMMARY OF EXEMPT DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION (E)**

RESOLVED:

The summary was noted.

26. **SUMMARY OF EXEMPT URGENT DECISIONS TAKEN BY THE LEADER AND REPORTED TO THE CABINET FOR INFORMATION (E) - DEFERRED FROM LAST ORDINARY MEETING**

RESOLVED:

The summary was noted.

Meeting started: 7.00 pm
Meeting ended: 7.13 pm

Chairman

London Borough of Hammersmith & Fulham



Cabinet

18 APRIL 2011

LEADER

Councillor Stephen Greenhalgh

**THE GENERAL FUND CAPITAL PROGRAMME,
HOUSING REVENUE CAPITAL PROGRAMME
AND REVENUE BUDGET 2010/2011 – MONTH
10 AMENDMENTS AND AMENDMENTS TO THE
2011/12 REVENUE BUDGET**

Wards

All

The purpose of this report is to seek approval for changes to the Capital Programme and the Revenue Budget.

CONTRIBUTORS

All Departments

Recommendations:

- 1. That the changes to the capital programme as set out in Appendix 1 be approved.**
- 2. That the 2011/12 revenue virements of £1.207m as set out in Appendix 2 be approved.**

<p>HAS AN EIA BEEN COMPLETED? YES</p>
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1. SUMMARY

- 1.1 This report sets out proposed amendments to Capital Estimates as at month 10 for the 2010/11 budget. It also proposes changes to the 2011/12 revenue budget.

2. GENERAL FUND CAPITAL PROGRAMME

- 2.1 Table 1 summarises the proposed amendments to the 2010/11 General Fund capital programme and is detailed in Appendix 1.

Table 1 – Summary of Proposed Amendments to the General Fund Capital Programme.

Service Area	Revised Budget at Month 9	Additions/ Reductions	Slippage to 2011/12	Revised Budget at Month 10
	£'000	£'000	£'000	£'000
Children's Services	11,811	0	0	11,811
Community Services (Adult Social Care)	574	0	0	574
Regeneration and Housing	3,021	100	0	3,121
Environment Services	10,943	210	(363)	10,790
Finance and Corporate Services	2,036	0	0	2,036
Resident's Services	4,718	0	(530)	4,718
Total	33,103	310	(893)	32,520

- 2.2 **Movement in Specific Funded Budgets.** The net addition of £0.310m relates mainly to additional grant for the works on Low Carbon refurbishment (£0.100m) and developer contributions for controlled parking zones at White City highways (£0.150m) and Cathnor Road Highways works (£0.78m). The net slippage of £0.893m relates mainly to developers contributions (£0.356m) within the Environment Services and £0.530m on Parks within Resident Services. These are detailed in Appendix 1.

3. REVENUE BUDGET ADJUSTMENTS

- 3.1 Cabinet is required to approve all budget virements that exceed £100,000. At month 10, there are no adjustments to make for 2010/11. Two virements are proposed regarding the 2011/12 Budget with funding coming from contingency sums. These are set out in Appendix 2 and summarised below:

Family Support, Early Years and Children's Centres.

It was originally anticipated that new arrangements would be in place from the start of 2011/12. But the scale of change required and need for extensive consultation means that the new operational arrangements for children's centres will commence in July 2011 with the appointments to the Family Support Locality

teams being completed in September 2011. A one-off virement of £1.04m, from contingency sums, is required to meet this revised timetable.

Implementation of the Libraries Strategy

Cabinet have previously approved (January 10) the transfer of the Council-run facility at Barons Court to Avonmore Primary School whilst the Sands End library provision should transfer to Hurlingham and Chelsea School. Timing issues mean that additional one-off funding of £0.167m is required in 2011/12 to ensure that a continuous service is maintained at both sites pending implementation of the new arrangements.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department
1.	Revenue Monitoring Documents	James Arthur Ext. 2562	Corporate Finance Room 5 , Town Hall
2.	Capital Monitoring Documents	Isaac Egberedu Ext. 2503	Corporate Finance Room 5, Town Hall

REGENERATION & HOUSING

Schemes	2010/11				Comments
	Last Reported Budget	Additions/Reductions	Slippage	Revised Budget at Month 10	
	£000's			£000's	
Fulham Twenty20 - BEC	155	0	0	155	
St Andrews Church	268	0	0	268	
Management and Admin	21	0	0	21	
Fulham Futures - Dawes Road	997	0	0	997	
Shepherds Bush Training Centre	430	(220)	0	210	Redirected budget
Lyric Theatre	0	220	0	220	Redirected budget
Your Move (Housing Options)	84	0	0	84	
Renovation Grants (mainstream)	938	0	0	938	
Low Carbon Refurbishment	128	100	0	228	Additional grant
Total	3,021	100	0	3,121	

ENVIRONMENT SERVICES

Schemes	2010/11				Comments
	Last Reported Budget	Additions /Reductions	Slippage	Revised Budget at Month10	
	£000's	£000's	£000's	£000's	
Footways and Carriageways.	2,197	0	0	2,197	
Planned Maintenance/DDA Programme	2,273	0	0	2,273	
River Wall Repairs	150	0	0	150	
Transport For London Schemes	2,701	0	0	2,701	
Parking Reserve	826	20	20	866	New additions and reprofiling
Developer Contribution Funded	1,390	274	(356)	1,308	Additional budget allocation and slippage
Efficiency Reserve Fund	436	0	0	436	
West London Grant	673	0	0	673	
Others	297	(84)	(27)	186	Budget reduction of £0.055m on carriage ways and £0.029m on footways and a slippage of £0.027m.
Total Environment Services	10,943	210	(363)	10,790	

RESIDENT'S SERVICES

Schemes	2010/11				Comments
	Last Reported Budget	Additions/Reductions	Slippage	Revised Budget at Month 10	
	£000's	£000,s	£000,s	£000's	
Other Parks Expenditure	1,239	0	(200)	1,039	Slippage to future years
Bishops Park	2,059	0	0	2,059	
Play Builders	1,229	0	(330)	899	Slippage to future years
Libraries	9	0	0	9	
Safer Communities	39	0	0	39	
Others	143	0	0	143	
Total Residents Services	4,718	0	(530)	4,188	

APPENDIX 2 - VIREMENT REQUEST FORM**2011/12 REVENUE BUDGET**

Details of Virement	Amount (£000)	Department
Due to the revised timetable to progress the development of the new family support programme, a one –off budget provision is required.	1,040	Children's Services
Funding provided from contingency to meet the revised timetable.	(1,040)	Centrally Managed Budgets - Contingency
Additional one-off funding is required in 2011/12 to ensure that a continuous service is maintained at both the Barons Court and Sands End library sites pending implementation of the new arrangements for the library strategies.	167	Residents Services
Funding provided from contingency to maintain the two sites.	(167)	Centrally Managed Budgets - Contingency
TOTAL of Requested Virements (Debits)	1,207	

Agenda Item 6

London Borough of Hammersmith & Fulham



Cabinet

18 APRIL 2011

LEADER

Councillor Stephen Greenhalgh

DEPUTY LEADER (+ENVIRONMENT AND ASSET MANAGEMENT)

Councillor Nicholas Botterill

CABINET MEMBER FOR CHILDREN'S SERVICES

Councillor Helen Binmore

CABINET MEMBER FOR RESIDENTS SERVICES

Councillor Greg Smith

CONTRIBUTORS

AD BPM
DFCS
ADLDS
DChS
DCS
DRS
ADHR

HAS A EIA BEEN
COMPLETED?
YES

HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES

PROPERTY DISPOSALS PROGRAMME

This report provides details of phase II of the Council's Corporate Disposal Programme.

Authority is sought to dispose of the properties detailed in this report.

Wards:

Town
Shepherds Bush
Green
Avonmore &
Brook Green
Fulham Reach
Palace Riverside
Hammersmith
Broadway
Munster

Recommendations:

1. That officers be authorised to dispose of the properties listed below in the open market for the best price reasonably obtainable and otherwise on such terms and conditions as the Assistant Director (Legal and Democratic Services) and the Assistant Director of Building and Property Management consider appropriate in consultation with the Director of Environment and the Cabinet Member for Environment and Asset Management.

The Lodge, St John's Walham Green

111 Devonport Road

Avonmore Centre (subject to public notice under Section 123(2A) Local Government Act 1972 and consideration

of any objections received).

Fulham Cross Centre, Caroline Walk

34 Fulham Palace Road

Hurlingham Yard (subject to public notice under Section 123(2A) Local Government Act 1972 and consideration of any objections received).

Nuffield Health Club, 77-81 Stevenage Road

Fulham Cemetery Lodge, Fulham Palace Road

2. That the Director of Environment, in consultation with the Cabinet Member for Environment and Asset Management, be authorised to consider any objections duly received in response to public notice given under Section 123(2A) Local Government Act 1972 (reporting back to Cabinet only if the objection is both material and one not substantially taken into account already).

1. INTRODUCTION

- 1.1 As part of the Council's asset management function, a review of the Council's property assets has been completed recently. This review has resulted in the identification of a number of properties which are not required for service delivery by the Council and are surplus to the Council's requirements.
- 1.2 The Council has identified savings of £60m which is required over the next three years in addition to reducing the Council's current debt of £133m. In light of this, the Council has undertaken a property asset review of each Directorate's property portfolio to identify land and or buildings which are considered no longer required or which can no longer be economically retained by the Council. This is in order to preserve as much funding as possible for vital frontline services to vulnerable residents .
- 1.3 This report sets out the details of 8 freehold properties which require formal approval from Cabinet to declare surplus and be sold.
- 1.4 Cabinet agreed to the sale of a number of properties in February 2011 and this report continues this process. Further reports will be forthcoming on a number of other properties as and when necessary information and advice has been received by officers in Building and Property Management.
- 1.5 The details of each property are set out below.

2. DISPOSALS REQUIRING CABINET APPROVAL

- 2.1 Authority is now requested to dispose of the following properties:

The Lodge, St John's Walham Green – Children Services



The lodge is situated on the corner of Filmer Road and Munster Road. The Lodge will become vacant at the end of the academic year and will be surplus to requirements.

111 Devonport Road – Community Services



The property comprises a 3 storey Victorian semi-detached building situated in a mainly residential street. It was until recently occupied by the Primary Care Trust under a business lease which expired in September 2010. The PCT vacated the premises in October 2010 and moved their services to their Headquarters now located in the Town Hall Extension. Only two rooms on the top

floor are occupied by 'Living Well' previously part of the PCT. Since leaving the PCT, Living Well have found accommodation in Ladbrooke Grove and only use the top floor on an ad-hoc basis for patient consultation. They are occupying on a Tenancy at Will at nil rent. In light of the building becoming vacant it is considered surplus to requirements.

Avonmore Centre, 14 Gorleston Street – Children Services



This property is a Freehold interest in the Council's ownership. The building is single storey of brick and block construction under a pitched profile metal clad roof, believed to have been constructed in the late 1980's. It is located at the end of Gorleston Street giving vehicular and pedestrian access. The building is also adjacent to a playground at Marcus Garvey park.

The youth centre service is being outsourced to schools and the building is therefore considered surplus to requirements and is now vacant.

It is envisaged that some land currently providing access to the building from Gorleston Street will be required in the proposed disposal. Although the building itself is not designated as 'public open space' in the UDP, the access to it is and will be subject to public notice under Section 123(2A) Local Government Act 1972 and the consideration of any objections received by the Director of Environment in consultation with the Cabinet Member for Environment.

Fulham Cross Centre, Caroline Walk – Children Services



The site is broadly L-shaped, with vehicular access from Caroline Walk or Bayonne Road.

The Property contains a single stand alone building within a 0.32 acre (0.13 ha) site providing youth club facilities. The building is predominantly arranged over two storeys with a single storey extension to the south. It dates from the

1930s, and comprises brick elevations with limited glazing beneath a pitched, tiled roof. Adjoining the eastern elevation of the property is an open recessed sports court.

This service is being outsourced to schools and the building is therefore surplus to requirements. The property is expected to become vacant on 8 April 2011.

34 Fulham Palace Road – Environment



A three storey terraced building arranged as a shop with two upper floors. The building is currently used as offices and occupied by two Trade Unions, GMB and Unite. The Trade Unions will be relocated. It is the intention of the Council to sell with vacant possession if approval to dispose is granted.

Hurlingham Yard, Hurlingham Road – Resident Services



The site is approximately 299 sq m (3,221 sq ft) with frontage to Hurlingham Road and backing onto Hurlingham Park. It comprises 5 single storey brick buildings surrounding the yard. It was previously used by Park services and is now vacant.

The site is designated as 'open space' in the UDP, as is the adjacent building known as Field Cottage which was sold by the council 7 years ago. The proposed sale of Hurlingham Yard will be subject to Section 123 (2A) Local Government Act 1972 on consideration of the representations and objections received by the Director of Environment in consultation with the Cabinet Member for Environment.

Nuffield Health Club, 77-81 Stevenage Road – Environment Services



head lessee being a special purchaser.

Situated on the corner of Stevenage Road and Eternit Walk, the Council owns the Freehold of this building. The long leasehold interest is owned by CBREi who sublet to Nuffield Health Club. The building is not used to provide a Council service and the Council only receives a peppercorn ground rent from the long leaseholders. The Council requires authority to sell the freehold interest to the

Fulham Cemetery Lodge, Fulham Palace Road – Resident Services



This site comprises a detached Victorian house built originally as the Superintendent's house and brick outbuildings within the Fulham Cemetery. The site has vehicular access from the main gates into the cemetery and also its own independent pedestrian access from Fulham Palace Road. The building is

currently being used as offices by Parking Services who are due to vacate this year and relocate to the Clem Atlee Estate.

2.2 Estimated Capital Receipt

Should the above properties be approved by Cabinet as being surplus to requirements and authority is given to dispose of the buildings, the total capital receipt is estimated to be £4,700,000.

3. RISK MANAGEMENT

- 3.1. The subject of this report is included on the departmental risk register and relates to achieving capital receipts to assist in reducing the councils debt and supporting the savings target. Performance monitoring and action to address controllable and non-controllable risk factors (including market risk) have been implemented. This includes reporting to Corporate Asset Delivery Team, and the Department of Finance so that financial risk / implications can be managed corporately and an effective strategy is implemented.

4. EQUALITY IMPLICATIONS

- 4.1 Equality impact assessments are available electronically.

5. COMMENTS OF DIRECTOR OF COMMUNITY SERVICES

- 5.1 The Director of Community Services' comments have been included in the body of the report.

6. COMMENTS OF DIRECTOR OF CHILDREN'S SERVICES

- 6.1 The Director of Children Services' comments have been included in the body of the report.

7. COMMENTS OF DIRECTOR OF RESIDENTS SERVICES

- 7.1 The Director of Resident Services' comments have been included in the body of the report.

8. COMMENTS OF THE ASSISTANT DIRECTOR OF HUMAN RESOURCES

- 8.1 Management have commenced consultation with the two trade unions, GMB and Unite, who occupy the premises at 34 Fulham Palace Road and advised them that further discussion will be required in order to find them alternative accommodation within the Council. These discussions will also need to take account of the proposed further review of trade union facility time which will commence at the beginning of the next financial year.

9. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 9.1. The cost of sales associated with each property sold is limited to 4% of the sale price for each property. The anticipated security costs associated with the disposal of these properties is approximately £20,000. The net receipts realised from each property will be used to reduce the general fund debt as required by the debt reduction strategy that is being implemented by the Council.
- 9.2. In disposing of these properties, the loss of rental income to the Council is £17,100, while the annual running cost that will be saved by the Council is approximately £79,000. Budget adjustments would have to be made to the respective Service areas to take into account the loss of income and the revenue savings that will contribute towards the MTFs Efficiency savings target.

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

- 10.1. The Council has power under Section 123 Local Government Act 1972 to dispose of land at the best price reasonably obtainable.
- 10.2. In the case of land forming part of an open space, Section 123(2A) imposes an additional requirement that the disposal not take place until the proposal has been advertised by public notice for 2 consecutive weeks in a local newspaper and any objections duly considered. It is normal to allow a 4 week

period for objections to be lodged. Both Avonmore Centre and Hurlingham Yard are likely to be affected by this requirement.

- 10.3. In order to comply with statutory equalities duties, where a service is materially affected as a result of a decision to dispose of the property from which it has hitherto been delivered, it is particularly important that a meaningful consultation with stakeholders should have taken place and due regard had to the result, in terms of the effect on them by reason of their sex, race, disability etc.
- 10.4. If the Lodge St John's Walham Green has been used for the purposes of a community school in the past 8 years, the consent of the Secretary of State for Education will be needed to its disposal. If the property does not exceed 8000 sq m, disposal may be covered by a general consent (but intended use of such consent will still need to be reported to the Secretary of State for Education).
- 10.5. Avonmore Youth Centre is within the title to Marcus Garvey Park. Despite the fact that the centre is not shown as being on metropolitan open land, it would be as well for the public notice given under Section 123(2A) Local Government Act 1972 to relate to the whole land to be dispose of.
- 10.6. The sale of Fulham Cemetery Lodge will (unless a revised vehicular entrance is created) mean that the purchaser will require access into the cemetery during closing hours. Whilst this may pose practical problems, there is no legal impediment, as there is no longer a statutory obligation to fence a cemetery. Given the location of the cemetery lodge at the entrance to the cemetery, consideration ought to be given to imposing restrictive covenants to ensure the lodge is not used or occupied in a manner inconsistent with the sensibilities of those attending the cemetery. Even if such covenants have an effect on the price achieved, this will not cause a breach of the Council's duty to sell for the best consideration reasonably obtainable.
- 10.7. Some properties may be subject to covenants, but these should not prevent sale, though a purchaser may require restrictive covenant indemnity cover (in which case the premium will probably have to be deducted from the sale price).

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Property Case Files	Manjit Gahir x4886	ENV – VPS
CONTACT OFFICER:		NAME: Miles Hooton EXT. 2835	

London Borough of Hammersmith & Fulham



Cabinet

18 APRIL 2011

LEADER

Councillor Stephen Greenhalgh

REFORMING PUBLIC SERVICES THROUGH LEAN SYSTEMS THINKING

**Wards:
All**

This report seeks approval for funding from the Invest to Save fund to implement Lean Systems Thinking in the areas of H&F Direct and Business Support. In addition, Cabinet are asked to approve the decision making route to appoint and award a contract for targeted consultancy support.

CONTRIBUTORS

DFCS
ADLDS
ADRSD
ADH&F DIRECT
ADCT

Recommendations:

**HAS AN EIA BEEN COMPLETED?
YES**

1. That £208,000 be released from the Invest to Save Fund in order to fund two projects to implement Lean Systems Thinking in the areas of H&F Direct and Business Support. The two projects will deliver net general fund cumulative savings of £555,000 in 2011/12, £1,697,000 by 2012/13 and £2,197,000 in 2013/14.
2. That approval be given to the award, via the Leader's urgent decision-making process, of a contract of up to £150,000 for external consultancy support.

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

1. BACKGROUND AND CONTEXT

- 1.1 With a challenging MTFS to deliver, EMT, Assistant Directors and Heads of Service recognise that a renewed and co-ordinated focus on understanding and delivering the right services to our customers in the right way is required in order to deliver Political priorities of providing our residents with “More for Less” through:
- Lower taxes
 - Less Waste and
 - Better Services
- 1.2 Each department has outlined their savings proposals for the next 3 years. However, it is recognised that to achieve these savings in a sustainable manner (i.e. not ‘slash and burn’) there is a fundamental need to apply a different business lens to the way we deliver services. We need to design and manage our work in a very different way and this requires officers at all levels of the organisation to think and act differently going forwards.
- 1.3 In response to this, EMT and other Senior Managers view Lean Systems Thinking as an approach to interrogate current services and to redesign them as a whole to ensure that they are customer focused, fit for purpose and affordable for the future (whether we continue to directly deliver or commission services in the future). It is understood this is not about applying a toolkit or a roll-out of a training programme but a radical shift in the way we conceive, design and deliver services and ultimately outcomes for residents.
- 1.4 Taking a Lean Systems Thinking approach would enable the organisation to:
- Fundamentally challenge the core purpose of the service from a customer perspective;
 - Reduce costs;
 - Understand and manage customer demands;
 - Interrogate and improve key workflows;
 - Identify and address waste in the system;
 - Increase productivity;
 - Help to redesign whole services in an appropriate way that will meet the savings required;
 - Encourage continuous improvement
 - Ensure that services are fit for purpose and cost effective before pursuing alternative delivery models e.g. combined services with RBK&C and WCC or indeed outsourcing

2. SCOPE AND OBJECTIVES OF THE WORK

2.1 Consultancy capability and capacity is sought to support 2 strategic Lean projects. These have been selected by EMT, scoped through engagement with Assistant Directors and Heads of Service and informally agreed with the Leader of the Council. They have been selected on the following basis:

- They represent high spend areas (and therefore there is potential for significant savings) for the Council;
- They cover service areas where the application of a 'Lean Thinking' approach would be appropriate to fundamentally challenge the way that the service is provided
- They have the potential to drive and embed a culture of continuous improvement in key services that could be applied in other parts of the department and across the business.

2.2 The 2 key projects selected by EMT that are in scope for this work are outlined in the following sections.

2.3 Redesigning H&F Direct – FCS

Project Sponsor- Jane West

Business Change Manager- John Collins

The service has seen a 50% increase in demand over the past year and this is set to continue due to the economic climate. At the same time, the service needs to generate significant savings. A Lean Systems Thinking approach will be applied to create immediate efficiencies in the system (addressing failure demand and workflow issues) whilst also fundamentally reviewing the current operating model and redesigning it so that it is fit for the future. This will take account of both changing demographics and customer behaviour (e.g. more customers doing things online) as well as current Government thinking that Housing Benefit will be delivered by DWP going forwards.

2.4 Business support – Cross Council

Project Sponsor – Nigel Pallace

Business Change Manager- Jane West

It is recognised that a number of business support activities are undertaken across the organisation and that many of these have been developed over time and have become custom and practice. In line with organisation priorities to reduce the level of organisation back office/support costs in order to protect frontline services, this project focuses on a number of core areas and activities primarily but not exclusively in Finance and Corporate Services, namely:

- P.A. / Executive Support
- Complaints / Freedom of Information requests
- Committee Services
- Performance, Policy, Research and Information
- Procurement

- Post & Scanning

A Lean systems thinking approach will be applied to these areas in order to manage demand, remove waste and unnecessary bureaucracy (including duplication of effort, hand offs and skills misuse) and to redesign core activities to ensure that they are fit for purpose and affordable for the future.

3. FINANCIAL CASE

- 3.1 In order to deliver the 2 projects, Cabinet is asked to agree funding of £208,000 as set out in Table 1. This will deliver net general fund cumulative savings of £555,000 in 2011/12, £1,697,000 by 2012/13 and £2,197,000 in 2013/14 (Table 2). These are ongoing savings that have been accounted for in the MTFS.

Table 1

FUNDING REQUEST	2011/12
External consultancy support	£150,000
2 x Project Managers	£58,000
TOTAL	£208,000

Table 2

CASHABLE MTFS SAVINGS			
	2011/12	2012/13	2013/14
H&F Direct (FCS)	£155,000	£847,000	£1,047,000
Business support (FCS)	£400,000	£850,000	£1,150,000
TOTAL	£555,000	£1,697,000	£2,197,000

4. PROCUREMENT ARRANGEMENTS

- 4.1 In February 2011, the Leader of the Council gave his permission to formally test the market for external support to deliver the projects outlined in section 2.3 and 2.4.
- 4.2 Council officers decided to embark on an open tender process to fully test the market. A registration phase for expressions of interest was published on the Council website and the London Tenders Portal and all tender documents were subsequently released to interested parties with a deadline of 14th March 2011.
- 4.3 During the registration phase, 112 suppliers expressed interest in working with the Council.
- 4.4 A Tender Appraisal Panel has been established and will be chaired by Jane West, Director of Finance and Corporate Services.

- 4.5 Cabinet will be fully briefed on the outcome of each stage of the procurement as set out in section 4.7.
- 4.6 It is assumed that the procurement process will be successful and that an Officer decision will be made on 8th April 2011. On this basis, approval is sought from Cabinet to award a contract of up to £150,000 via the Leader's urgent decision-making route in late April 2011.
- 4.7 The procurement timetable for the work is outlined below.

1.	Post Contract advertisement to the Council's website and the London Tenders Portal to secure expressions of interest	8 th February 2011
2.	Suppliers invited to submit Pre Qualification Questionnaires (PQQ) and Invitations to Tender (ITT)	14 th February 2011
3.	Last date for suppliers to query or request for information regarding the PQQ or ITT via the e-tendering portal	4 th March 2011 17:00 hours.
4.	Deadline for submission of PQQs and ITTs	14 th March 2011 03:00 hours
5.	Cabinet Briefing report requesting approval for the final contract award to be made via the Leader's urgent decision route	21 st March 2011
6.	Evaluation of PQQs and ITTs	14 th March– 1 st April 2011
7.	Taking up supplier references	14 th to 23 rd March 2011
8.	Cabinet briefed on Officer decision of 3 highest scoring tenderers to be invited to present to the tender assessment panel (NB. This report will be tabled as an Officer decision will not be reached until 6pm on 1st April 2011)	4 th April 2011
9.	Presentations for shortlisted tenderers	6 th /7 th April 2011
10.	Officer decision re preferred supplier	8 th April 2011
11.	Cabinet Briefing report setting out the outcome of presentations and Officer recommendation re preferred supplier	18 th April 2011
12.	Cabinet report requesting approval for the final contract award to be made via the Leader's urgent decision route	18 th April 2011

	(further to Cabinet Briefing on 21 st March 2011)	
13.	Cabinet decision to appoint and award contract via the Leader's urgent decision making route	26 th April 2011
14.	Award contract to successful supplier	27 th April 2011
15.	Work commences	May 2011

5. TENDER EVALUATION

- 5.1 Tenders will be evaluated by the Tender Appraisal Panel in accordance the publicised price/quality ratio.
- 5.2 The 3 top-scoring suppliers (as evaluated at the ITT stage) will be invited to make a presentation based on their written submission. After the presentations and subsequent question and answer sessions original quality marks will be moderated and an Officer decision will be reached.

6. APPROACH TO COMMERCIALS

- 6.1 The Invitation to Tender and draft contract outlines that a 'payment by results' approach to commercials will be applied. Payments will only be made to the supplier on the satisfactory achievement of key outcomes (including financial outcomes).

7. RISK MANAGEMENT

- 7.1. Risks associated with the procurement of this work will be managed by the Tender Appraisal Panel in the first instance. Upon contract award, key risks will be managed by the Business Change Manager and Project Sponsors outlined in section 2.3 and 2.4 and ultimately by EMT.

8. EQUALITY IMPLICATIONS

- 8.1 There are no immediate equality implications relating to the delegated authority for awarding a contract. Further Equality Impact Assessments will be completed once the projects are underway and service redesign options are being considered.

9. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

9.1. The outlined pathfinder projects are planned to deliver on-going net general fund annual savings of £0.555m in 2011/12, increasing to £2.197m by 2013/14. One-off cash funding of £208,000 has been requested to deliver these efficiencies and it is proposed that this be made available from the Invest to Save fund. The current uncommitted value of the fund is approximately £1.2 million.

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

10.1. The AD (Legal and Democratic Services) agrees with the recommendations in this report.

11. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT

11.1. The Corporate Procurement Team has provided support and guidance throughout this process. The value of the contract is below the statutory thresholds set out in the Public Contracts Regulations 2006 (as amended) and is therefore not subject to the EU procurement rules.

11.2. Consequently, the AD agrees with the recommendations contained in this report.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	High Level Business case	Marie Snelling x4288	Resident Services
2.	Tender specification	Marie Snelling x4288	Resident Services
CONTACT OFFICER:		NAME: Marie Snelling EXT. x4288	

Agenda Item 8



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

**DEPUTY LEADER
(+ENVIRONMENT AND
ASSET
MANAGEMENT)**
*Councillor Nicholas
Botterill*

AWARD OF TERM CONTRACT FOR TREE MAINTENANCE 2011 – 2014

**Wards:
All**

Seeking approval to the award of this contract.

A separate report on the exempt part of the Cabinet agenda provides information on the tender opening and assessment.

CONTRIBUTORS

DENV
DFCS
ADLDS
ADP

**HAS A EIA BEEN
COMPLETED?
YES**

**HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
N/A**

Recommendations:

- 1. That the Term Contract for Tree Maintenance 2011 - 2014 be awarded as set out in the report on the exempt part of the Cabinet agenda, commencing on 1 April 2011 and running for a period of three years through to 31 March 2014 (with the possibility of two 12 month extensions), on the basis of the most economically advantageous tender received as detailed in this report.**
- 2. To note that the annual current notional value of the contract is in the region of £200,000, and that the value may go up or down depending on the work ordered through the contract, but that all works ordered under the contract will be subject to the appropriate budget being available.**

1. BACKGROUND

- 1.1 Following a competitive tendering process, which was undertaken in accordance with the Council's Contract Standing Orders and the Public Contract Regulations 2006, officers are seeking approval to award the Term Contract for Tree Maintenance 2011 - 2014. The contractor recommended to be awarded the contract is the tenderer judged to have submitted the most economically advantageous tender to the Council.
- 1.2 A description and summary of the key aspects of the Term Contract for Tree Maintenance 2011 - 2014 is given in Appendix 1 of the separate report on the exempt part of the agenda.
- 1.3 The current contract (Term Contract for Street Tree Maintenance 2009 - 2011) was awarded to Glendale Countryside Limited for 17 months.
- 1.4 In anticipation of the procurement exercise, officers have reported to the Cabinet Member for Environment and Asset Management, to approve the procurement strategy and tender specifications.
- 1.5 In accordance with the Council's Contract Standing Orders a Tender Appraisal Panel (TAP) was established for this tender exercise. The TAP and Cabinet Member for Environment agreed that tenders should be assessed on a 70:30 price / quality split respectively.
- 1.6 The contract shall be awarded for a period of three years, with the possibility of two, 12 month extensions to be agreed at the Council's discretion.

2. TENDER PROCESS

- 2.1 The procurement process has been overseen by the TAP.
- 2.2 Table 1 provides a summary of the stages in the procurement of the contract:

Table 1: Key procurement stages

Date	Action	Description
27 July 2010	Approval of Procurement strategy.	Cabinet Member Decision at ECM.
17 August 2010	Contract advertised and Pre-Qualification Questionnaires (PQQ's) issued.	PQQ issued electronically via London Tenders Portal.
15 September 2010	Deadline for return of PQQ's.	15 completed PQQ's received.
12 October 2010	Short list of six tenderers for the contract agreed.	Short list agreed by Chief Officer Decision following officer recommendation.
19 November 2010	Glendale Countryside Ltd withdrew from the tender process.	Short list reduced to five.
23 December 2010	Tender documents issued.	Via London Tenders Portal.
02 February 2011	Tender period closed at 03:00am.	Tenders opened by the Mayor the same day.

3. TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) REGULATIONS 2006 (TUPE)

- 3.1 The Council, in conjunction with the incumbent contractor, has taken the view and considers that, the provisions of TUPE do not apply to this new contract, but may do on the conclusion of the contract to be awarded.

4. RISK MANAGEMENT

- 4.1. This report is not included on a departmental or corporate risk register.

5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 5.1 The tender process has been carried out in accordance with the Council's Contract Standing Orders.
- 5.2 There is no set price for the contract and the amount of works ordered under the contract will need to be managed in order to ensure that existing revenue budgets are not exceeded.

6. EQUALITY IMPLICATIONS

- 6.1 The recommendations of this report in relation to impacts (negative or positive) on race, disability, gender, sexual orientation, age or belief system groups are clearly explained in the Equality Impact Assessment (EIA) which is available electronically.

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

- 7.1 The AD (Legal and Democratic Services) agrees with the recommendations in this report.

8. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT

- 8.1 The AD has been represented on the TAP and has provided procurement related advice. The tendering of these services has been undertaken in accordance with the Public Contract Regulations 2006 (as amended) and the Council's Contract Standing Orders.
- 8.2 The AD agrees with the recommendations contained in the report.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Contract documentation and tender submissions.	Jonathan Addis	H&E, 5 th Floor, THX
2.	Tender Evaluation Sheets	Jonathan Addis	H&E, 5 th Floor, THX
CONTACT OFFICER:		NAME: Mark Hodgson EXT. 3490	

APPENDIX 1 – To the exempt report

APPENDIX 2 – TENDER EVALUATION CRITERIA

Price:

Table 1: Price Assessment Scoring

Price Component	Maximum Points
Schedule of Rates	55
Schedule of Dayworks Rates	4
TABLE A Assessment	11
Grand Total	70

Table 2: Schedule of Rates Points assignment

Schedule of Rates Series	Maximum Series Points
3000 LANDSCAPE AND ECOLOGY	
Maintenance Regimes	10
Tree Planting	6
Pruning / Clearing	7
Crown Works	6
Dead Wooding / Crown Clearing	3
Pollarding	10
Tree Felling / Removal	7
Stump Treatment	6
	55

Each of the remaining Tenders will be awarded marks based on the same model in accordance with the following calculation (rounded to two decimal places);

Lowest Tendered Series Value / Tendered Series Value x Maximum score

This process will be carried out for each series listed in Table 1 to give a total maximum score out of 70 for each Tenderer.

Quality:

Quality Submission Evaluation Criteria:

Criteria	Max. score	Weighting (%)	Weighted Score	Min. Threshold Score
SECTION 1: QUALITY SUBMISSION				
1.1 - Council Objectives:	10	10%	3	1.5
Understanding of Council objectives.	5			
Delivery of service to meet Council Objectives	5			
1.2 - Best Value:	20	20%	6	3
Management Training & supervision	5			
Continuous improvement & flexibility	5			
Technical Innovation	5			
IT and communication systems	5			
1.3 - Putting Residents First:	20	20%	6	3
Presentation, identification & branding	5			
Customer Care / Satisfaction	5			
Working with the community	5			
Local circumstances & complaints	5			

SECTIONS 2 – 8: METHOD & RESOURCES STATEMENT

Completed Method & Resource Statement document** (5 points per marked question)	110	50%	15	7.5
		Total	30	15

Quality Submission Scoring System:

Score	Description	Mark
Excellent	Meets all the requirements in a very full and comprehensive manner and exceeds some requirements.	5
Very Good	Meets most requirements in a full and comprehensive manner.	4
Good	Generally satisfactory and meets the criteria requirements to the satisfaction of the TAP.	3
Adequate	Satisfactory but with aspects which cause concern because either the response is incomplete, or differs from the professional / technical judgement of the TAP on the necessary requirements.	2
Inadequate	Indications that the response meets some of the requirements but either there are serious doubts about aspects of the response, or inadequate information has been provided.	1
Unacceptable	Little or none of the response is satisfactory, or little or no information has been provided	0

Agenda Item 9

London Borough of Hammersmith & Fulham



Cabinet

18 APRIL 2011

**CABINET MEMBER
FOR CHILDREN'S
SERVICES**

*Councillor Helen
Binmore*

**RECONFIGURATION OF SURE START
CHILDREN'S CENTRES NETWORK**

**Wards:
All**

For a decision on the proposed reconfiguration model of children's centres taking into consideration the views expressed in the public consultation.

CONTRIBUTORS

DFCS
ADLDS
DCS

Recommendations:

1. That the commissioning of 16 Children's Centres as outlined in sections 53 to 58 of the attached report for the period of the funding (i.e. until March 2013) be agreed.
2. That authority be delegated to the Cabinet Member for Children's Services, in consultation with the Director of Children's Services and the Director of Finance and Corporate Services of £133,000 for spot purchasing of additional services to support the new configuration of Children's Centres across the borough to ensure the delivery of appropriate services.
3. That Cabinet delegate to the Cabinet Member for Children's Services in consultation with the Director of Children's Services and the Director of Finance and Corporate Services the approval of details of the service specification for the future commissioning of Children's Centres.

**HAS AN EIA BEEN
COMPLETED?
YES – available
electronically**

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

BACKGROUND

INTRODUCTION

1. Central government is committed to the Sure Start Children's Centres programme indicating that they wish to see them operating along the lines of the original principles of the Sure Start Local Programme (SSLP) initiative i.e. that they should focus on their original purpose of supporting the most vulnerable families. At the same time, the Council has confirmed its commitment to Children's Centres to provide services to families, including the most vulnerable across the borough.
2. Funding for the Sure Start Programme is included in the Early Intervention Grant. This grant is 12.9% less than previous equivalent provision. In addition to this, Children's Services has to make significant savings in the next spending review period. However, as the funding is no longer ring-fenced, the Council has the opportunity to take a fresh look at services and reconfigure its offer, building upon lessons learned from the past as well as current research to find a better way to support families, including through Children's Centres. This approach will identify and support vulnerable families at the earliest opportunity whilst maintaining a level of universal support.
3. The Council has developed its investment in families with children under the age of five and supported them in two key areas: building based family focused services delivered in Children's Centres and in outreach/home based work with vulnerable families who are less likely to access building based services.
4. The Council's plan is to build upon the valuable work that has already taken place and to invest further in the outreach model (Family Support Programme) with the development of localities based, multi-disciplinary teams in the north, centre and south of the borough. These teams will focus their efforts on the most vulnerable families with children from 0-19 years of age, supporting them with a wide range of identified issues such as parenting, housing, health and education and employment and over time encourage families to access universally delivered community based services. This will simplify access to services for vulnerable families, and bring together professionals enabling them to work together in a more joined up cost effective way. The reconfiguring of the Children's Centre programme has been designed to work with and complement the Family Support Programme.

RESEARCH EVIDENCE

5. National findings for the impact of Sure Start programmes from the National Evaluation of Sure Start (NESS) have shown a mixture of positive and negative effects, and many non-effects, especially with regard to children's development.
 - The positive effects include: greater life satisfaction for parents, parents reported providing a more stimulating and less chaotic home environment for their children, and discipline methods improved. In physical health children appear to benefit directly with lower Body Mass Indices and better general physical health. By the age of three, children showed greater self-regulation than their peers. There was also a greater decrease in workless households.
 - However nationally no Sure Start Local programme effects emerged in the case of 'school readiness' defined in terms of children's early language, numeracy and social skills needed to succeed in schools.
 - The National Evaluation of SureStart research team concluded that although the value of Sure Start Children's centres is improving, greater emphasis needs to be given to focusing services on child outcomes, particularly language development, if school readiness is to be enhanced for the children served¹.
 - National research has shown strong evidence of economies of scale. Small Sure Start local programmes spend more per head overall, more on non-service costs, and more on each key service than do medium sized and larger programmes.²

LOCAL SUCCESS

6. Locally there has been some emerging evidence of better outcomes at Foundation stage for children who have benefited from activities run in Children's Centres (e.g. on a small sample at Cathnor Park and at Randolph Beresford).
7. Courses for parents have also been well received – e.g. attendees on 'Take Three Days courses' indicated that as a result they were taking positive steps towards training or employment. Parents who attended Triple P parenting courses indicated that they have increased confidence

¹ The impact of Sure Start Local Programmes on five year olds and their families DFE RB067 November 2010

² Cost Effectiveness of Implementing SSLPs: An Interim Report – Feb 2006

in their ability to parent effectively and have raised family expectations.

LESSONS DRAWN FROM CURRENT DELIVERY MODEL:

8. Centres have been expected to deliver universal services in a targeted area informed by the Income Deprivation Affecting Children Index (IDACI). Services delivered have developed based on identified local need by professionals and parental input. However, some of the services offered (baby yoga, baby massage for example) are particularly attractive to local residents who are more able and whilst their children benefit from these services these parents are often able to pay and could obtain such services elsewhere (or on site for a small fee). These parents are often the first to apply, leaving the more vulnerable less well organised families without access to a service.
9. Engagement with Health organisations and JobCentre is valued by service users. The Baby Café, for example, attracts mothers with very young babies and having Health Visitor input has been invaluable as they are on hand to answer questions and support parents, often spotting warning signs of issues, such as post natal depression, at an early stage.
10. Money Made Clear sessions in partnership with the Financial Services Authority have been very well received and have assisted parents in better managing their financial situation. It is clear that there is more work to be done to support parents back into employment. For example, parents who are ready to enter the employment market need to understand that work pays and how to budget and manage their finances and childcare. Parents who are not yet skilled sufficiently to enter the employment market need training particularly in basic skills and potentially in vocational training courses which will prepare them for employment so that they are prepared before their benefits change.
11. Of the 15 Children's Centres the 3 currently run directly by the council are currently funded to a higher level compared to the rest which are run by schools or specialist voluntary sector organisations.

THE PROPOSED FUTURE MODEL

12. There is more to be done to continue to develop centres of excellence that can meet local needs within resources. Centres will need to continue to support a range of families that are often just coping, vulnerable and isolated. They should, at the same time, be able to increase confidence, build resilience in both children and their parents and gradually move unemployed families into employment thus reducing child poverty (a statutory requirement placed on councils). Centres will focus on three

main priorities: parenting skills, school readiness for children, (especially communication skills), and work readiness for adults.

13. Children's Centres are well placed to take forward programmes that will continue to deliver not only positive outcomes for young children but increasingly deliver better outcomes for their parents/carers.
14. The proposal is to reconfigure Children's Centre delivery by moving to a hub and spoke model which will complement the Family Support Programme.
15. Spokes will deliver the universal offer and also provide space for targeted work and courses/sessions delivered by hubs and other partners. They will also be places where locality team members can meet and work with families and where assessments of children can take place. Hubs will also have a universal offer but will concentrate their delivery on preventative and early intervention services for vulnerable families which will provide a complementary and seamless service for families in concert with the work of the localities teams.
16. This new model where all 16 centres are commissioned will also result in economies of scale and back office efficiencies whilst ensuring a full geographical network of centres.
17. Childminders are self-employed professional childcarers who are registered with Ofsted. Their ratings are reported and included in the local authority's reports. There are a total of 39 in the H&F Childminding Network, they are qualified with at least a Level 3 early years and childcare qualification but these only form a small portion of the number of currently registered childminders. There are 192 registered self-employed childminders in the borough. They generally charge between £130 and £300 per week to provide full time childcare to support working parents. Many of the childminder drop-in groups are already managed by childminders themselves.
18. For the past 6 years we have funded a network of 5 part-time coordinators to support these childminders across all children's centres. Given the passage of time and the reduced amount of public funding we consider that childminders should now be able to manage their own support networks and market forces will determine which providers continue to deliver a quality service and remain in business.
19. Our Family Information Service data suggests that 82% of registered childminders currently have spare places. The Children's Centres development worker will be required to support the creation of at least two self managed childminder network groups and Children's Centre venues

will be made available at no cost (for the first two years at least) in order to enable these meetings to occur. Children's Centres will therefore provide space for childminders to hold their groups but the childminders themselves will be required to undertake risk assessments, prepare and tidy away rooms and develop a programme of activities to support their development as childcare providers.

HUB KEY PERFORMANCE INDICATORS AND OUTCOMES

20. Every hub centre will be expected to analyse the demographic profile and needs of local families in their catchment area against the following key outcome areas – some measures for these are illustrated and LBHF will help provide baseline data on local need to each Hub:

- Preventing children from coming into care e.g. number of under 5s with Child Protection plan
- Child safety e.g. number of repeat domestic violence incidents for parents of children under 5
- In the long term preventing children from getting into trouble e.g. numbers of first time entrants to criminal justice system
- Preventing school exclusions, improving life chances through attainment at school e.g. proportion achieving target level at the end of the Early Years Foundation Stage, following on from readiness for school
- Better health for families e.g. % child population registered with GPs, immunisation rates, dental health, rate of obesity
- Better long term outcomes for families and children e.g. employment rate for parents of 0-5s

21. Hub Sure Start Children's Centres will then be expected to tailor and prioritise their provision of support to local need in line with this analysis, whilst providing some universal services. An illustration of the types of provision that might meet needs for each priority outcome area is listed below

	Hubs	Spokes/ Satellites
Preventing Children from coming into care		
Provide outreach services for parents/carers and children	Yes	No
Information and advice to carers about the range of family support services and activities available in the area	Yes	Yes
Activities to increase families' understanding of child development	Yes	Yes
Activities to develop parenting skills	Yes	Yes
Opportunities to provide early identification of children with special needs and disabilities with inclusive services and support for their families	Yes	Yes

Work in partnership with tier three and tier four services by offering step down support and to contribute to Children In Need (CIN) and Child Protection (CP) plans and to identify early families in need of more intensive services delivered by the family support locality teams and statutory services	Yes	Yes
Information and advice to parents/carers on a range of subjects, including local childcare, early years provision, and education services for three and four year olds	Yes	Yes
Child Safety		
Early identification of families experiencing Domestic Violence and referral to DV support services	Yes	Yes in part
Support to teenage parents and their children Bump to Baby groups are significant and link with Family Nurse Partnership work.	Yes	Yes
Parenting programmes addressing all key target groups.	Yes	Yes
Preventing children from getting into trouble		
Citizenship and community safety sessions. Restorative approaches to problem solving for family and community difficulties – linking to work in schools; Police surgery and drop in sessions.	Yes	No
School readiness sessions e.g. speech and language therapy	Yes	Yes
Quality crèche provision to support adult learning	Yes	No
Parenting sessions	Yes	No
Preventing school exclusions, life chances through attainment at school		
Provide access to focused support for children with special needs and disabilities, including speech and language support.	Yes	Optional
Establishing good habits of school attendance and where appropriate tracking attendance	Yes	No
Activities for children and carers at the centre, for example pre-school groups, stay and play, parents' groups, drop-in sessions.	Yes	Yes
Bringing together and analysing information on children attending the centre covering their needs and progress	Yes	Data collection only
Better Health for families		
Checking and encouraging GP and dental registration for Children's Centre clients; Provide a venue for Child Friendly Dentists	Yes	Yes
Access to health services including ante and post-natal support; Provide a venue for Midwifery, Health Visiting, Speech and Language and CAMHS services to be delivered	Yes	Yes
Targeted information, guidance and support on breastfeeding, nutrition, hygiene, healthy lifestyles, safety and smoking cessation	Yes	No
Childhood obesity preventative programmes for young children and their families	Yes	No
Better outcomes for families		

Links with Job Centre Plus to encourage and support parents/carers who wish to consider training and employment Work in partnership with the Early Years Foundations Service and the Jobcentre Plus offering venues for parents to access benefit advice, childcare brokerage services and support for completion of benefit applications Offer sessions on debt management, living on a budget, money management, CV preparation and interview skills	Yes	Yes, in part
Support to childminders (to ensure a good local network of child care provision for those returning to work or study)	Yes	No
Access to basic skills courses Become centres for delivery of adult learning – particularly English as a Second Language (ESOL) and basic skills and offering information, advice and guidance sessions	Yes	No
General		
Referring/signposting families to further services Engage with under-represented groups; specifically teenage parents, Black and Minority Ethnic groups and fathers Continue to provide accommodation for Young Carers	Yes	Yes
During opening hours, staffed by someone who is able to offer information and advice to families and can help families to access the services they need	Yes	Yes
Provide volunteering opportunities for parents in the local community	Yes	Yes
Centre open for a minimum of 5 days a week, 10 hours a day and 48 weeks a year	Yes	No

22. Whilst we do not intend to be prescriptive about the types of staffing structures in the Hub centres we expect to see services delivered in line with the outcome areas and areas of provision set out above.

SPOKE CENTRES KEY PERFORMANCE INDICATORS AND OUTCOMES

- Links developed with local hub centre and locality team and provision of a venue for some of their service delivery
- Links developed with Midwifery, Health Visitors, Child and Adolescent Mental Health Services, GPs and Dentist services and provision of a venue for some of their service delivery
- At least one stay and play session delivered weekly and one child development focused session delivered weekly (building on reading to children, speech and language development, healthy eating, physical development) based upon locally identified needs
- Provide venue for training and other universal services e.g. childminders

- Referrals made to hubs and locality teams
- Published delivery programmes accessible to parents produced termly
- Signposting information provided for service users for other services and initiatives
- Provide venue for voluntary organisation activity relating to children and families

OFSTED INSPECTION OVERVIEW

Performance management of children's centres

23. Local authorities must manage the performance of their children's centres against local and strategic targets. Local targets should be based on the identified needs within the centre reach area; the take up of services; and the impact of those services on outcomes for children and their families. It is important that the centres priorities work to locally align to the central government targets.
24. Inspectors make a number of inspection judgements when assessing the effectiveness of each children's centre. These cover the broad range of a centre's work, including the impact of a centre's services in improving outcomes for users and the wider community, including outreach services; the quality of the centre's provision; its leadership and management and capacity to improve, and also its overall effectiveness.
25. When making judgements inspectors weigh up the balance of evidence in a particular area and consider it against the grade descriptors set out in the evaluation schedule, taking into account the context of the particular centre being inspected. The judgements made are set out below. We will expect Hubs and Spokes to operate in line with Ofsted requirements. Delivering the best outcomes for all users will require the good functioning of the overall network of Hub and Spoke provision, with the Hubs delivering specialist support for the more vulnerable families. Outcomes for families will be tracked and targeted by the local Hub, irrespective of where services are accessed.

Overall effectiveness

The effectiveness of the children's centre in meeting the needs of and improving outcomes for users and the wider community

The centre's capacity for sustained improvement

What does the centre need to do to improve further?

Recommendations for further improvement

How good are outcomes for users?

The extent to which children, including those from vulnerable groups, are physically, mentally and emotionally healthy and families have healthy lifestyles

The extent to which children are safe and protected, their welfare concerns are identified and appropriate steps taken to address them

The extent to which all users enjoy and achieve educationally and in their personal and social development

The extent to which children engage in positive behaviour and develop positive relationships and users contribute to decision-making and governance of the centre

The extent to which children are developing skills for the future and parents are developing economic stability and independence including access to training and employment.

How good is the provision?

The effectiveness of the assessment of the needs of children, parents and other users

The extent to which the centre promotes purposeful learning, development and enjoyment for all users

The extent to which the range of services, activities and opportunities meet the needs of users and the wider community

The quality of care, guidance and support offered to users within the centre and the wider community

How effective are the leadership and management?

The extent to which governance, accountability, professional supervision and day-to-day management arrangements are clear and understood

The extent to which ambitious targets drive improvement, provision is integrated and there are high expectations for users and the wider community

The extent to which resources are used and managed efficiently and effectively to meet the needs of users and the wider community

The extent to which equality is promoted and diversity celebrated, illegal or unlawful discrimination is tackled and the centre fulfils its statutory duties

The effectiveness of the centre's policy, procedures and work with key agencies in safeguarding children and, where applicable, vulnerable adults

The extent to which evaluation is used to shape and improve services and activities

The extent to which partnerships with other agencies ensure the integrated delivery of the range of services the centre has been commissioned to provide

SELECTION MEASURES FOR IDENTIFYING HUBS

26. The IDACI (Income Deprivation affecting Children Index) banding was chosen as one selection measure to ensure that hubs were in the highest areas of deprivation (see map for the banding and current locations of centres).

27. The geographic distribution of contacts to children’s social care, children subject to child protection orders, and looked after children, were also taken into consideration to ensure accessible provision for those vulnerable children and families most at risk of harm.
28. The starting point was to continue Hub provision in existing children’s centre locations (where it made economic sense to do so) to enable continuity of service for as many of the most vulnerable local families as possible. As well as seeking an overall geographic distribution across the borough with two Hub centres in each locality, and proximity to greatest need, the ‘travelling time’ for service users to Hub provision was considered. In addition the quality and nature of existing provision in existing centres was considered.
29. Whilst there were often several centres to choose from, choices were made based on a variety of factors; including whether centres were prepared to become Hubs, size of facilities and the fact that the council would no longer directly manage the three former Sure Start Local programmes (Cathnor Park, Broadway and Fulham South) instead moving to a commissioning model.
30. Current research based on the number of current registered users was also a determining factor. Current registered numbers based upon February 2011 figures are as follows:

Name of the centre	IDACI bandings of location	Registered numbers of current users	Locality area
Old Oak	0-30%	521	North
Randolph Beresford	20%	250	North
Wendell Park	20-40%	215	Central
Cathnor Park	20-40%	1,586	Central
Flora Gardens	20-40%	518	Central
Masbro Centre	20-40% with some 60-80%	515	Central
Broadway Centre	Majority 20-40% with some 60-80%	719	Central
Shepherds Bush Families Project	20-40%	105 from the area	Central
Melcombe	Primarily 20-40% with some 40-60%	565	Central
Bayonne (Rouzanna)	20-40%	494	South
Normand Croft	20-40% with some 40-60%	356	South
Fulham Central	20-40% with some 40-60%	87 (phase 3)	South

New Kings	20-100% with majority 40-60%	88 (phase 3)	South
Bishops Palace	20-100% with half 20-60%	199 (phase 3)	South
Fulham South	20% majority with some 20-100%	950	South

31. Building size and availability was another selection factor. Additional families are expected to access hubs so there had to be consideration of suitable available space and facilities. Wendell Park, Bayonne and New Kings for example are small and unlikely to be able to meet the needs of an expanded hub intake. Fulham South is located in Sands End Community Centre (approved for disposal) and therefore the premises are not available in the long term, which is also the case for Shepherd's Bush Families Project located in the Bulwer Street property, also identified for disposal.
32. Willingness to continue to deliver a full service was also taken into consideration. Normand Croft stated that the school wished to concentrate on school business and therefore was willing only to play a limited part in future development and would welcome being a spoke/satellite.
33. Bayonne initially stated interest in being a spoke, then changed to a hub preference so it was difficult to be sure that they had a long term commitment to hub activity – their major interest is in running a Forest School. New Kings wants to be more than a spoke, as does Wendell. However the size of both premises is limiting.
34. Officers have met with each Centre Manager or Leader individually to explore options for the future. The majority agreed with the proposed options publicly consulted on and all have been asked to submit draft staffing structures and plans based upon their preferred option presenting a rationale for any change from the options discussed. In the light of revised proposals as now set out, further conversations are in progress.

CONSULTATION

35. The Council has a statutory duty under the Childcare Act 2006 to undertake a consultation with residents, service users and professional agencies prior to proposing changes to children's centres. The requirements for a lawful consultation process are set out at paragraph 10. Officers are of view that a lawful consultation process has been carried out and the product of the consultation is set out below and in the following Appendix 1 for consideration by Cabinet. The consultation ran from the 22 January until the 28 February. The consultation was on the Council's

website and advertised. Hard copies of the consultation were also placed in every Children's Centre and staff actively encouraged parents, carers and childminders to fill them in.

36. Residents were asked for their view of a range of existing services delivered within the current children's centre model and on the proposed 'hub' and 'spoke' delivery model. 667 full and partial responses were received out of 7,168 registered users of Children's Centres, and 617 of these have been analysed in depth. A series of focus groups were held with a particular emphasis on young parents and on fathers. In addition there were opportunities for residents to meet with officers to discuss the proposals (although all 15 centres were offered this option only 4 accepted). The Lead Member visited all the Children's Centres prior to the consultation starting and also held 2 focus groups for parents (of the 15 Centres only two elected not to send any parent representatives). Officers also met with two resident led local action groups.
37. Most respondents to the consultation were female (88%) and in the 25-44 age range (83.5%). A majority of those who expressed a view agreed that support should be targeted at the most vulnerable families. Most of the children of respondents were under 5 years old (70%) and a significant number of respondents (14%, totalling 77) had children with disabilities. There was an even split between respondents who were employed or unemployed (48% to 52%). 91.4% of respondents were registered with a Children's Centre. There was a variance on responses by individual Children's Centres areas with Masbro making up 18.8% and Cathnor Park making 16.7% of responses, totalling a third of responses. Only 0.6% of responses were from users of the New King's centre, and under 3% each from Old Oak and Randolph Beresford. The table set out below reports the number of respondents to the consultation questionnaire, compared with the number of families registered at each centre.

Children's Centre	Number of families who completed the questionnaire	Number of families on Estart in March 2011	% of the numbers registered who completed the consultation
Rouzanna/Bayonne (494)	45	494	9%
Bishop's Park (201)	64	201	32%
Broadway (724)	79	724	11%
Cathnor Park (1587)	103	1,587	6%
Flora Gardens (330)	42	330	13%
Fulham Central (89)	31	89	35%
Fulham South (956)	42	956	4%
Masbro (533)	117	533	22%
Melcombe Park (568)	120	568	21%

New Kings (90)	14	90	16%
Normand Croft (361)	28	361	8%
Old Oak (531)	19	531	4%
Randolph Beresford (160)	28	160	18%
Shepherds Bush Families Project &CC (104)	27	104	26%
Wendell Park (215)	39	215	18%

38. Generally respondents to the consultation regarded all the services they had accessed as important, with every service getting a response of over 60% judging the service as either 'important' or 'very important'. The highest 'very important' score overall was for universal drop-in type ('stay and play') services at 83%. Child development programmes and convenient opening hours were the next two highest responses at just under 79% and at 74% respectively. The lowest areas were in relation to employment support activities with under 50% judging these very important, although the lowest individual score was for computer access at 38% judging this 'very important', but with a further 25% judging this 'important'.
39. This pattern changed slightly when respondents were asked about the priority services for their local community. All areas were still regarded as important (by over 70%) but with relatively higher support for child development and outreach activity to help prevent children coming into care (e.g. 66% thinking outreach services very important, and over 70% for activities to increase families understanding of child development, and early identification of special needs). The highest 'very important' score was activities for children and carers at the centres (77%).
40. On the overall proposal of creating 6 hubs and 10 spokes, over 30% of respondents agreed, with 44% disagreeing and just over 23% not sure. Question 7 asked for responses on whether there should be children's centre 'spokes' or 'satellites'. Approximately 47% of respondents did not answer this question. Over 40% agreed that smaller services should decide themselves but more agreed there should be spokes linked to hubs (25.9%) than said they should be independent satellites (15%).
41. There was slightly more support for charging for universal services (44%) (with concessions) than disagreement (35.8%), although there was concern about the impact on low income families. In general most responses were against making any cuts in Children's services, instead suggesting alternative routes of raising revenue.
42. 39% of respondents tended to agree or agreed strongly that support should be targeted at the most vulnerable families, compared to 31.8% who disagreed, with 22.7% 'not sure'. However in comments made there was strong support for maintaining an overall mix of users rather than

losing universal provision.

43. Officers met with all the 12 partner providers (3 centres previously being council run at a higher cost). Of these the 6 proposed hub partners were all content to accept additional funding and to deliver an enhanced programme.
44. Of the others:
 - 3 Centre Leaders said they did not want to operate a hub because it would divert from their main priority service
 - 1 third sector provider is also being asked to deliver a hub and said they would like to combine the resources for two ventures, one hub and one spoke
 - 1 third sector provider said that they had found that the high level of funding for the Children's Centre activities had previously made it more difficult for them to fundraise for other (non Children's Centre) activities which they wished to develop and so chose to be a spoke/satellite.

REVISED PROPOSALS FOLLOWING CONSULTATION

45. The representations made in the consultation exercise, especially local users' views about Children's Centres have been considered carefully. The distribution of deprivation affecting children across the borough and how well the support from the planned Hub and Spoke locations will match up to that need has also been revisited and looked at in finer detail. In the light of this, the distribution of Hub locations remains the same, and the Council considers that it is important to maintain a 'critical mass' of services in Hub locations to ensure good quality all-round support for the most vulnerable families.
46. However, although the distribution of spoke and satellite children's centres is fairly even across the borough to ensure good universal provision, there are relatively few spoke outlets available in the highly deprived northern end of the borough. This could result in excess levels of resource pressure on the neighbouring spoke provision in the centre of the borough. It could also therefore potentially affect particular groups to whom we must have particular regard for equalities impact (e.g. particular ethnic groups or religious groups where these might be more prevalent in the north of the borough).. The Council therefore thinks it right to flex the model by bolstering the support available in the north in particular – through a slightly higher level of funding than for other hubs/spokes for Randolph Beresford and for Cathnor Park. For most other spoke locations, they are either in an area of relatively below-average deprivation for the borough,

or are closer to good levels of hub provision, or have another significant source of funding.

47. It is therefore proposed that each of the six hubs receives between £300k and £336k and that spokes/satellites receive between £19k and £50k each depending upon local need, parent proposals, proximity and quantity of other hubs and spokes in the locality, user numbers and relationship with neighbouring hub. (The three council run Children's Centres currently each receive £473.5k per annum, the other Centres each receives between £104k and £250k per annum. So for the new Hub sites this would represent an increase on current funding).
48. To differentiate between the hubs and the spokes/satellites it is also proposed that in future hubs should be called Sure Start Children's Centres and the others Sure Start Family Centres or Community Centres.
49. Ofsted inspections have also identified that why something is done in a Children's Centre is more important than what is done. i.e. the activities need to be linked to targets and outcomes.
50. Parents also expressed concern about the postcode lottery which prohibited them from using Centres outside of their home address locality. Therefore in future parents will be able to choose to access services from any Centre across the borough. New birth visits will still be allocated to Hubs on the basis of proximity to home address. However families will be able to use services in hubs, spokes and satellites across the borough, thus increasing resident's choice.
51. Parents identified many groups that might use the Children's Centre premises (e.g. National Childbirth Trust) and activities that they thought could be offered (e.g. yoga sessions for a fee). In response to these suggestions it has been decided to create a one year fixed term post of Children's Centre development worker to support the development of an enhanced local offer in each of the centres, particularly spokes and satellites, across the borough. This will involve working with local parents and partner agencies (e.g. health and specialist voluntary sector organisations) to determine what might be offered. Some preliminary work has been done to look at which groups might want to use centres, and to consider what space might be available. It has been assumed that during the day the focus would be on children and families groups (particularly under 5s). At the end of the day, there could be space for supplementary schools, and in the evening, for adult groups. Weekend use would also be developed, e.g. for children's parties.
52. As a result of community groups and partner responses our delivery model has been revised and the proposal is now as follows:

53. **In the Northern Locality (3)**

Old Oak Children's Centre – To be a hub with £300k funding

Randolph Beresford Children's Centre – to be a hub with £336k funding

The Locality Team (North) would also deliver targeted services from both the above venues.

Shepherd's Bush Families Project – To be a spoke with £20k funding from Children's Services and additional funding from Housing – with supported relocation to Charcroft Community Centre and 56 Minford Gardens.

Total Children's Centre (North) funding = £656k

54. **In the Central Locality (6)**

Cathnor Park Family Centre – to be a super spoke possibly to be managed by Vanessa Nursery School with £50k funding. The Hut Pre School group would remain here delivering 3 sessions per week and would receive £3k. Vanessa headteacher and chair of governors are both considering this proposal, subject to terms and agreement of full governing body. Could develop a community led model if sufficient parental interest.

Masbro Brook Green Family Centre – to be a satellite of Masbro hub Children's Centre who would receive a further £19k for this centre and deliver some sessions from this venue. The existing Addison Pre School and Step By Step day care would continue to be delivered from this Centre and the Central Locality staff team would also be based here and deliver services to targeted families.

Avonmore Community Centre – to be a satellite with £19k of funding from Children's Services and £50k from another funding source.

The Locality Team (Central) would also deliver services to targeted families from the above 3 venues.

Masbro Children's Centre – to be a hub with £300 funding to UPG.

Flora Gardens Children's Centre – To be a hub with £300k funding.

Wendell Park Family Centre – to be a spoke with £25k of funding.

Total Children's Centre (Central) funding = £716k

55. **In the Southern Locality (7)**

Bayonne Family Centre – to be a satellite receiving £19k for upkeep of the premises and to have services delivered on site by Melcombe Children’s Centre

New Kings Family Centre – to be a spoke receiving £25k.

Normand Croft Family Centre – to be a spoke receiving £19k.

The Locality Team (South) would also deliver services to targeted families from the above 3 venues

Bishops Palace Family Centre – to be a satellite receiving £19k and linked with Fulham Central Children’s Centre (both run by Pre School Learning Alliance and staff/services to be shared)

Fulham Central Children’s Centre – to be a hub receiving £300k

Melcombe Children’s Centre – to be a hub receiving £300k and delivering some satellite services at Bayonne.

Ray’s Playhouse Ltd – to be a spoke receiving £19k to deliver from Sands End Playhouse in William Parnell Park. The parent led group have already identified a significant alternative funding source.

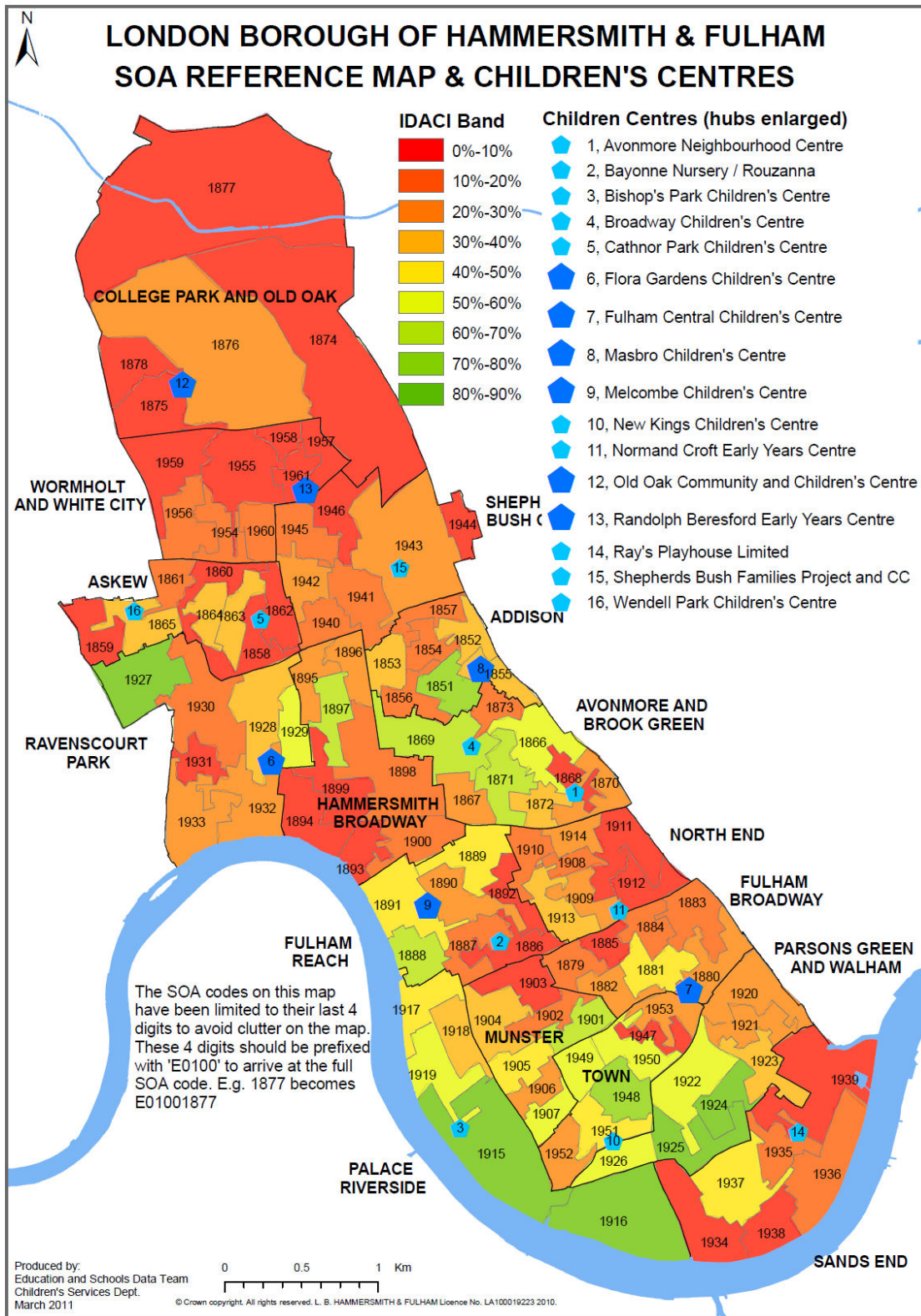
Total Children’s Centre (South) funding = £701k

56. Across the borough the 16 contracts would use £2,073,000 of the proposed budget. £133,000 would be retained to provide additional financial support to any of the 16 Centres as determined by local need and as service delivery evolves. Authority to be delegated to Lead Member for Children’s Services for the dispersal of this amount.

57. Continuity of service was also raised by many parents who have developed relationships and support networks both with staff and other parents. The retention of provision in all previous sites ensures that a local offer is retained. Children’s Centre staff will be subject to staff reorganisations both under Children’s Centre proposals and as part of the cohort delivering the Family Support Programme localities work. Where possible and subject to exigencies for the service, staff will be asked to identify where they have an ongoing relationship within a local community and will where possible be redeployed in that area. Thus families may see familiar faces either in a reconfigured Children’s Centre hub or spoke.

58. Advantages of the revised proposal:

- tighter fit in distribution to resource to match local need, especially deprived north of borough, having regard to need to protect and prioritise support for vulnerable groups (supported in consultation) and equalities duties
- development worker to enable an enhanced local offer by working with parents and partner agencies; this will ensure maximum use made of the resources available, and responds to some of the points raised in consultation about making more of volunteering
- retention of a central fund allows further flexibility of the model during the year to supplement support through any centre as service delivery evolves; this makes the approach a safer transition from current provision
- redeployment of staff where possible to existing local sites supports the issue of continuity of support raised in consultation.



CONTRACT MANAGEMENT

59. Each hub centre, satellite and spoke centre will receive a Service Level Agreement with a service specification which outlines the key performance indicators and expected outcomes.
60. The initial responsibility for the development and monitoring of the Service Level Agreements for the hubs and spokes/satellites will sit within the Early Years team in the Localities Service who will also be responsible for the Children's Centre Strategic Board, made up of representation from Children's Centres, social care, health providers, JCP and the Pre-School Learning Alliance.
61. Work is underway to investigate a three borough approach to contract management which could be implemented in 2012/13.

RISK MANAGEMENT

62. Risks for the project to implement changes to the reconfigured network of children's centres are included in the risk register for the wider Family Support Programme.

EQUALITY IMPLICATIONS

63. A full EIA is available and will need to be considered by Cabinet in conjunction with this report. The main equalities implications are summarised below.

Age - Children's centres actively encourage involvement of grandparents services to the youngest children will be enhanced – access to outdoor play
no youth provision affected

Disability - All locations will remain fully accessible with disabled toilets and signage. Some disabled users may have to travel further to access a full range of services but universal offer will remain available at centres. Some impact in short term as users become familiar with new locations and travel routes.

Gender reassignment - Services work under council policies on equal opportunities.

Marriage and civil partnership - Services work under council policies on equal opportunities.

Pregnancy and maternity: all centres actively encourage breast feeding and make provision for women to feed while on site. Encouraging and promoting breast feeding are key health indicators and will be monitored by health partners delivering services within the centres.

Race: Hubs will deliver services based on identified local needs – these should therefore be tailored to the local population whatever its ethnic makeup. Promotion of equal opportunities will continue as centres will either follow council policies or develop policies mirroring these.

Religion/ belief: The Children's centres make provision for prayer and will continue to do so as required.

Sex: Services work under council policies on sex discrimination. Fathers and male carers as well as mothers and female carers are encouraged to access services within centres.

Sexual orientation: All centres will continue to work under policies and procedures in line with the council's policies

64. Analysis of the consultation showed that the universal activities valued by families are those still planned to be delivered in all centres. Parents expressed concerns about being restricted to certain centres because of their postcode boundaries. As a result we are proposing to enable parents to access services at centres of their choice.

COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

65. The Family Support Programme is part of a wider review of Tier 2 and 3 services provided by the Children's Services Department, as part of the medium term financial strategy.
66. The operating model proposed under the Family Support Programme is significantly different from current arrangements. The programme approach was to restructure current tier 2 and 3 children's provision into locality based multi-disciplinary locality based teams, and to reconfigure Children's Centres provision as described in this report. Once the structure of these teams was finalised it became possible to compare the cost of the new provision against current arrangements.
67. The cost of current provision totals £25.926m, of which £11.736m is received in the form of grants, contributions from the PCT, schools and other authorities leaving a net spend of £14.189m.

68. It is currently assumed that to operate 6 Hub children's centres and 10 spoke centres would cost £2.073m. In addition there would be a central fund to be held initially in reserve of £133,000.
69. The Programme Board are currently receiving monthly monitoring statements to monitor the implementation plan and achievement of savings.

COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

Consultation

70. In proposing significant changes to current children's centres delivery the Council has a statutory duty under the Childcare Act 2006 to undertake a consultation with residents, service users and professional agencies prior to proposing changes to children's centres.

There is case law guidance as to what constitutes proper consultation. Consultation should include the following:

It should be carried out when the proposals are still at a formative stage.

- Sufficient reasons should be given for the proposals to allow those consulted to give intelligent consideration and an intelligent response..
- Adequate time must be given for responses.
- The product of consultation must be conscientiously taken into account when the ultimate decision is taken

71. The consultation process followed is outlined in sections 35 to 58 of the report, and the associated Appendix 1 sets out the outcome of the consultation.. The product of the consultation was also used to inform the Equalities Impact Assessment which is available and can be read electronically. Officers are of the view that an extensive and lawful consultation process has been carried out.

Equalities Duties

72. The timing of this report means that the decision is likely to straddle the replacement of the separate general equality duties with the new single duty under s.149 of the Equality Act 2010 which is expected to be in force on 5th April 2011. Both sets of duties are therefore set out for consideration by Cabinet.
73. Until s.149 comes into force the Council must, when making a decision in relation to any of its functions such as to changes in service provision

comply with its general equality duties imposed by each of the Sex Discrimination Act 1975 ("SDA"), Race Relations Act 1976 ("1976") and Disability Discrimination Act 1995 ("DDA"). These provisions in similar, but not identical, terms require public authorities in the carrying out of their functions to have due regard to the need among other things to eliminate unlawful discrimination and to promote equality of opportunity.

74. The specific matters to which the authority needs to have due regard in the exercise of its functions are set out in the relevant sections as follows:

DDA - s 49A General duty

- (1) Every public authority shall in carrying out its functions have due regard to:
- (a) the need to eliminate discrimination that is unlawful under this Act;
 - (b) the need to eliminate harassment of disabled persons that is related to their disabilities;
 - (c) the need to promote equality of opportunity between disabled persons and other persons;
 - (d) the need to take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons;
 - (e) the need to promote positive attitudes towards disabled persons;
- and
- (f) the need to encourage participation by disabled persons in public life.

SDA - s 76A Public authorities: general statutory duty

- (1) A public authority shall in carrying out its functions have due regard to the need:
- (a) to eliminate unlawful discrimination and harassment, and
 - (b) to promote equality of opportunity between men and women.

RRA - s 71 Specified authorities: general statutory duty

- (1) Every body or other person specified in Schedule 1A or of a description falling within that Schedule shall, in carrying out its functions, have due regard to the need-
- (a) to eliminate unlawful racial discrimination; and
 - (b) to promote equality of opportunity and good relations between persons of different racial groups.

75. Case law has established the following principles:

(i) Compliance with the general equality duties is a matter of substance not form.

(ii) The duty to have "due regard" to the various identified "needs" in the relevant sections does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

(iii) Due regard is regard that is appropriate in all the circumstances, including the importance of the area of life of people affected by the decision and such countervailing factors as are relevant to the function that the decision-maker is performing. The weight to be given to the countervailing factors is a matter for the authority.

(iv) The general equality duties do not impose a duty on public authorities to carry out a formal equalities impact assessment in all cases when carrying out their functions, but where a significant part of the lives of any protected group will be directly affected by a decision, a formal equalities impact assessment is likely to be required by the Courts as part of the duty to have 'due regard'.

10.6 A full Equality Impact Assessment has been carried out and is available electronically for Cabinet's consideration. The Equality Impact Assessment was informed by the consultation process.

76. Parts of the Equality Act 2010 came into force on 1st October 2010 but not those parts of the Act which cover the new public sector equality duty, which has been the subject of recent consultation by the Government. When the public sector equality duty provisions in s.149 of the Act come into force, expected on 5th April, it will widen the general equalities duties with which a local authority has to comply. It will (among other things) include age as one of the protected characteristics to which the general equality duties will apply and will amend slightly the factors to which authorities will need to have due regard if they are to comply with those duties. Section 149 of the Act provides (so far as relevant) as follows:

(1) A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) tackle prejudice, and

(b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The expanded protected characteristics under the Equality Act are as follows:-

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

77. In addition, local authorities will be under a duty by virtue of s 29 of the Equalities Act 2010 not to discriminate against, victimize or harass any person to whom they provide services on any of the protected grounds. The protected grounds will include age as well as the grounds on which the existing equalities legislation already protects people from discrimination by local authorities (i.e. disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex). Discrimination means (1) treating someone less favourably because of a particular protected characteristic (or for a reason related to it, in the case of disability) ("direct discrimination") or (2) applying a provision, criteria or practice equally to everyone but which puts people of a particular protected characteristic at a particular disadvantage (indirect discrimination). An authority may rely on a defence of justification (i.e. that the discrimination was a proportionate means of achieving a legitimate end) in response to a claim of indirect discrimination, or in response to a claim of direct discrimination on grounds of age. Otherwise, direct discrimination cannot be justified.

Conclusion

78. In reaching a decision Cabinet must take into account all relevant matters, both general and particular, which are set out in the report. Cabinet will need to pay particular regard to the outcome and product of the consultation exercises described in the report. Cabinet must also have due regard to the positive and negative aspects of its equality duties set out above. It should be noted that the duty is to have due regard to the need to achieve the desired outcomes rather than to achieve a particular result and the Cabinet will need to balance these with countervailing matters including the council's financial position. Cabinet members should consider the detailed Equalities Impact Assessment which is available electronically as part of the decision making process.

COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT

79. No procurement-related issues are anticipated until 2012-13 when the service is due for re-tendering.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1. 2. 3. 4. 5.	Children's Centre statutory guidance Consultation document Consultation feedback EQIA Sure Start national research programme (online)	Gill Sewell, Pat Bunche gill.sewell@lbhf.gov.uk pat.bunche@lbhf.gov.uk	Children's Services Department
CONTACT OFFICER:		NAME: Gill Sewell EXT. 020 8753 3608	

SURE START CHILDREN'S CENTRES CONSULTATION

1. There were 667 responses out of 7168 registered users of children's centres, of which 617 could be analysed (answered the questions beyond demographics). Most respondents were female (88% and in the 25-44 age range (83.5%). A majority of those who expressed a view agreed that support should be targeted at the most vulnerable families.
2. Respondents judged all the services they had accessed as important or very important (over 60%). The highest overall score was for drop-in type ('stay and play') services at 83%. Child development programmes and convenient opening hours were the next two highest responses at just under 79% and at 74% respectively. This pattern changed slightly when respondents were asked about the priority services for their local community. All areas were still regarded as important (by over 70%) but with relatively higher support for child development and outreach activity to help prevent children coming into care.
3. On the overall proposal of creating six hubs and 10 spokes over 30% of respondents agreed with 44% disagreeing and just over 23% not sure. Question 7 asked for responses on whether there should be children's centre 'spokes' or 'satellites'. Approximately 47% of respondents did not answer this question. Over 40% agreed that smaller services should decide themselves but more agreed there should be spokes linked to hubs (25.9%) than said they should be independent (15%).

INTRODUCTION

4. In proposing significant changes to current children's centres delivery the Council has a statutory duty under the Childcare Act 2006 to undertake a consultation with residents, service users and professional agencies prior to proposing changes to children's centres. The consultation was implemented from 22 January until 28 February. The consultation was on the Council's website and advertised. Hard copies of the consultation were also placed in every children's centre. Staff actively encouraged parents, carers and childminders to fill them in and computers were made available for on-line completion at Children's Centres.
5. Residents were asked for their view of a range of existing services delivered within the current children's centre model and on the proposed 'hub' and 'spoke' delivery model. 667 responses have been received. A series of focus groups were held with a particular emphasis on young parents and on fathers. In addition there were four opportunities for residents to meet with officers to discuss the proposals (although all 15 centres were offered this

option only four accepted). The Lead Member visited all the children's centres prior to the consultation starting and also held two focus groups for parents (of the 15 Centres two elected not to send any parent representatives). Officers also met with two resident led local action groups.

6. There was slightly more support for charging for universal services (44%) (with concessions) than disagreement (35.8%), although there was concern about the impact on low income families. In general most responses were against making any cuts in Children's Services, instead suggesting alternative routes of raising revenue.

RESULTS OF CONSULTATION EXERCISE

Overall findings

7. There are currently 7168 registered users of children's centres on the estate database. There were in total 667 responses. There were in addition four comprehensive written responses from:
 - The Primary Care Trust
 - A member of staff
 - Hammersmith Community Gardens Association
 - Active Planet

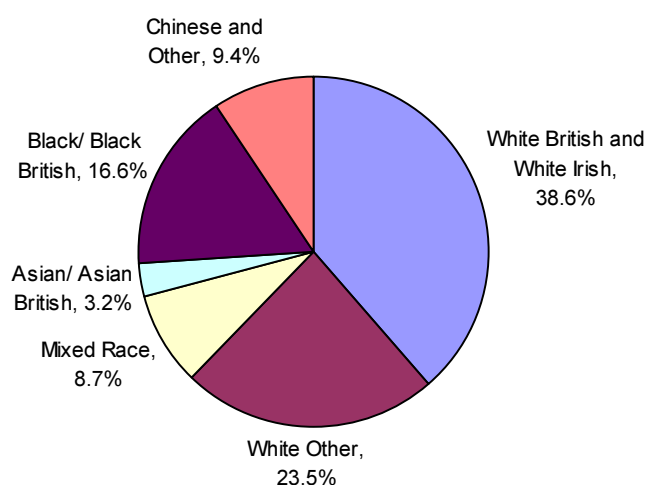
In addition, proposals were received from New Kings, Rouzanna and Wendell Park

8. Of the 667 responses 50 did not then answer any questions beyond the required demographic information so these have been omitted from the analysis giving a total of 617 responses. For many questions however there were some 'nil' returns – these have not been highlighted in the summary below but mean that the figures reported on some questions may not sum to 100%.

Children's Centre	Number of families who completed the questionnaire	Number of families on Estart	% of the numbers registered who completed the consultation
Rouzanna/Bayonne (494)	45	494	9%
Bishop's Park (201)	64	201	32%
Broadway (724)	79	724	11%
Cathnor Park (1587)	103	1,587	6%
Flora Gardens (330)	42	330	13%
Fulham Central (89)	31	89	35%
Fulham South (956)	42	956	4%
Masbro (533)	117	533	22%

Melcombe Park (568)	120	568	21%
New Kings (90)	14	90	16%
Normand Croft (361)	28	361	8%
Old Oak (531)	19	531	4%
Randolph Beresford (160)	28	160	18%
Shepherds Bush Families Project &CC (104)	27	104	26%
Wendell Park (215)	39	215	18%

9. Of the 546 registered users of children’s centres who responded on demographic questions, most (88%) were female. The vast majority of all respondents were in the 25-44 age range (83.5%). Just seven users, all female, who responded to the question identified themselves as under 20 years old. Five respondents, all but one registered with a children’s centre, identified themselves as over 65. 70% of the children of respondents were under 5 years old, with a further 24% in the range 5-11 years old. A significant number of respondents (14% of respondents, totalling 77, all but 2 registered with a children’s centre) had children with disabilities. There was quite an even split between respondents who were employed or unemployed (48% to 52%). Respondents came from a wide variety of ethnic backgrounds, with 38.6% identifying themselves as White British or White Irish, 23.5% as White Other and 16.6% as Black or Black British.



10. All but 2% of respondents (11) who answered the question (511) had a home postcode within the borough.

11. 91.4% of respondents in the analysis were registered with a children’s centre. There was a variance on responses by individual children’s centres areas with Masbro making up 18.8% and Cathnor Park making 16.7% of responses, totalling a third of responses. Only 0.6% of responses were from users of the New King’s centre, and under 3% each from Old Oak and Randolph Beresford.

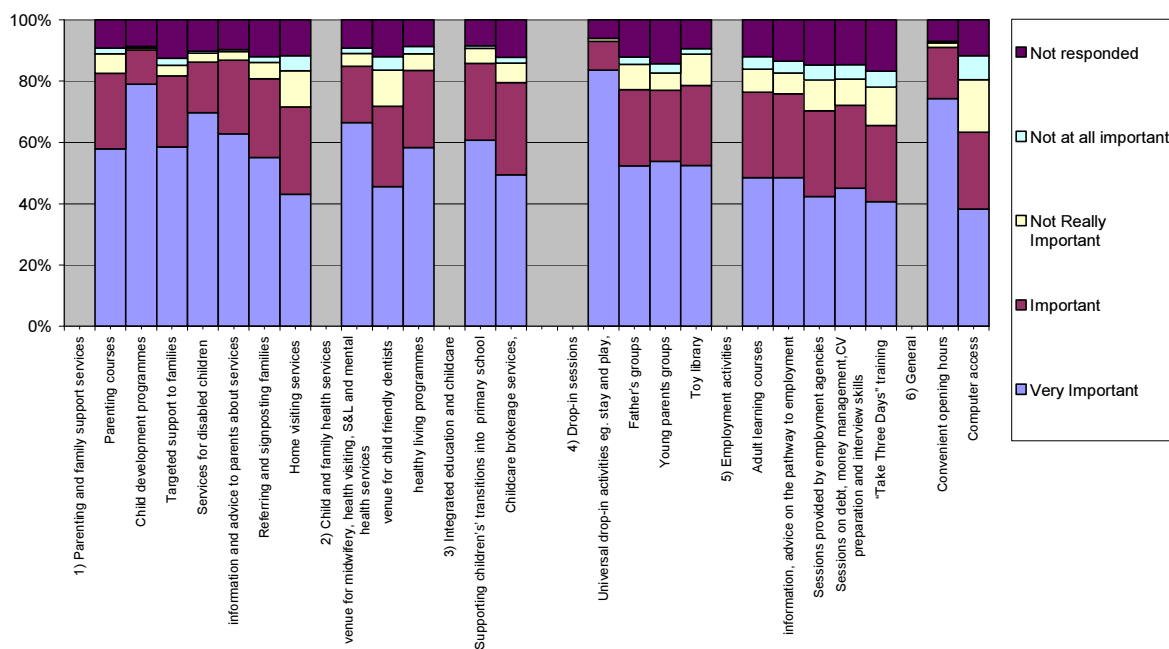
12. In response to question 11, 39% of respondents tended to agree or agreed strongly that support should be targeted at the most vulnerable families, compared to 31.8% who disagreed, with 22.7% 'not sure'. However in comments made there was strong support for maintaining an overall mix of users rather than losing universal provision.
13. Generally respondents to the consultation regarded all the services they had accessed as important, with every service getting a response of over 60% judging the service as either 'important' or 'very important'. The highest 'very important' score overall was for universal drop-in type ('stay and play') services at 83%. Child development programmes and convenient opening hours were the next two highest responses at just under 79% and at 74% respectively. The lowest areas were in relation to employment support activities with under 50% judging these very important, although the lowest individual score was for computer access at 38% judging this 'very important', but with a further 25% judging this 'important'.
14. This pattern changed slightly when respondents were asked about the priority services for their local community. All areas were still regarded as important (by over 70%) but with relatively higher support for child development and outreach activity to help prevent children coming into care (e.g. 66% thinking outreach services very important, and over 70% for activities to increase families understanding of child development, and early identification of special needs). The highest 'very important' score was activities for children and carers at the centres (77%).

Services for you and your family

Importance of Services

15. Over 90% of respondents agreed children's centre services were beneficial to them and their family. To explore what services were beneficial the consultation survey then asked residents to rate how important or not important the current range of services they accessed were in children's centres. This was under the children's centres core offer services:
 - Parenting and family support services
 - Child and family health services
 - Integrated education and childcare
 - Drop-in sessions
 - Employment activities
 - General

Importance of services



Parenting and family support services

16. Residents rated child development programmes as the most important activity under this core offer with over 90% stating these were important/very important. The next most important/very important activity is information advice and guidance to parents about the range of family support services and activities in the local area. Parenting courses (86%), services for disabled children (81.9%) and targeted support to families (81%) were next in ranking order with home visiting services ranked least important in this section, although with over 70% judging it at least important.

Child and family health services

17. Providing a venue for midwifery, health visiting, speech and language and child and adult mental health services and providing a range of child and family healthy living programmes were rated as the most important/very important activities at 84% and 83.4% rating. Providing a venue for child friendly dentist was ranked least important. However, dental health is a major concern, with very poor rates of dental health in the borough, and a high rate of hospital admissions for dental caries in children.

Integrated education and childcare

18. 84% of participants rated 'supporting children's transitions into schools' as important/very important with childcare brokerage rated at 79% important or very important.

Drop-in sessions

19. Universal drop-in activities were the highest rated service with 93% stating it important/very important with 83.6% rating it as very important. This was strongly reflected in the comments from users. Toy library, fathers group and young parents groups all rated at over 77% important/very important.

Employment activities

20. The services under this core offer had the lowest overall importance ratings with adult learning being the most valued at 76.5% important/very important rating. Next at just under 60% is information, advice and guidance sessions supporting parents on the pathway to employment. Sessions on debt management, living on a budget, money management, CV preparation and interview skills and session provided by employment agencies were rated at 72.2% and 70.3%. Least rated activity was self esteem building activities.

General

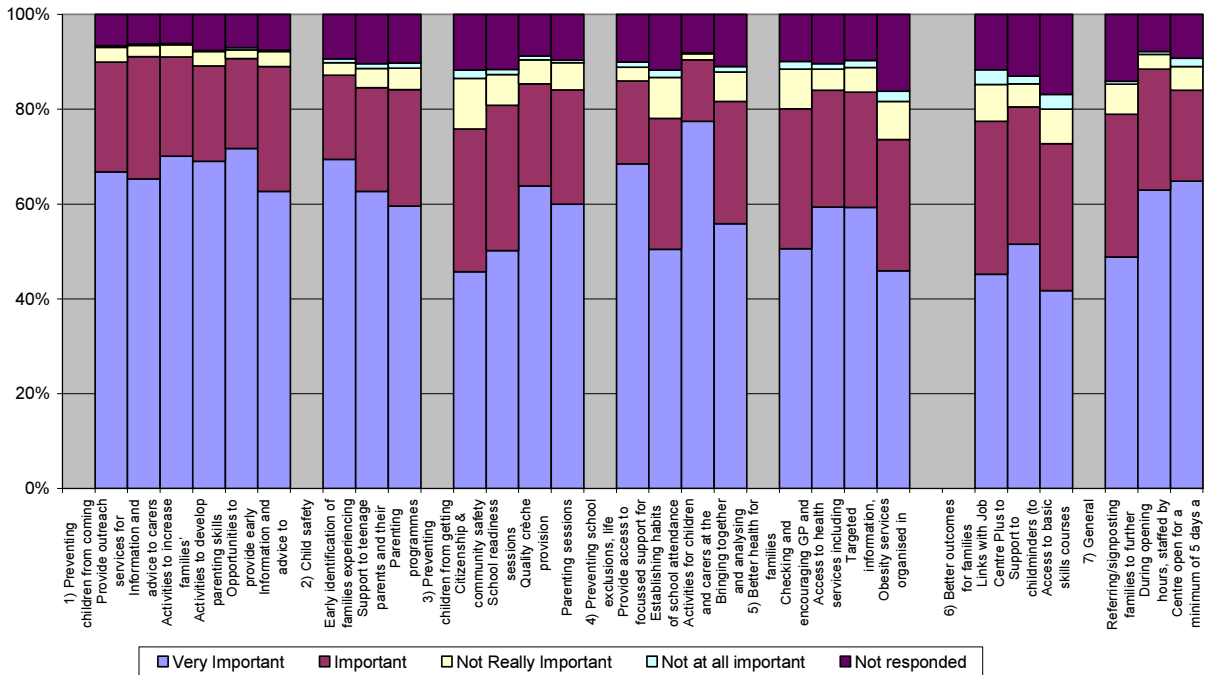
21. Over 90% of respondents rated convenient opening hours as important/very important with computer access seen as least important.

Priorities for your local community

22. The next questions asked 'How important do you feel the identified priorities outlined in the consultation document are for the local community?' This asked respondents to rate proposed activities under the following proposed priorities.

- Preventing children from coming into care
- Child safety
- Preventing children from getting into trouble
- Preventing school exclusions, improving life chances through attainment at school
- Better health for families
- Better outcomes for families
- General

Areas of activity



Preventing children from coming into care

23. All of the services were rated at over 90% as important/very important with activities to increase families understanding on child development rated as the most important/very important at 92.2%. At 90 – 91.1% important/very important rating were information and advice about the range of family support services and activities, opportunities to provide early identification of disabled children and those with special educational needs with inclusive services and support and outreach services. The services with the lowest ranking were activities to develop parenting skills and information and advice on early years and childcare.

Child safety

24. Early identification of families experiencing Domestic Violence (DV) and referral to DV support services was ranked as the most important/very important service at 87.2% followed by support to teenage parents and parenting programmes at 84%.

Preventing children from getting into trouble

25. Quality crèche provision, used when accessing children’s centre services, was ranked as the most important/very important at over 85% with

parenting and school readiness ranked next. Citizenship and community safety sessions were ranked bottom.

Preventing school exclusions, improving life chances through attainment at school

26. Activities for children and carers, for example pre-schools, stay and play, parents groups and drop-in sessions were rated as important/very important at over 90% with 77.5% rating these as very important. Ranked second is access to focused support for children with special educational needs and disabilities including speech and language support. Activities regarding school attendance and tracking attendance and bringing together and analysing children's progress were ranked lower.

Better health for families

27. Encouraging GP and dental registration, access to health services including ante and post natal support and targeted information and guidance on breastfeeding, nutrition, hygiene, healthy lifestyles, safety and smoking cessation were rated from 80.1% to 83.9%. Obesity services were ranked least important.

Better outcomes for families

28. Support to childminders to support parents returning to work and links with Jobcentre Plus were ranked at 80% which is the lowest rating of services across the priorities. Access to basic skills was ranked lowest.

General

29. 88.5% rated the service of during opening hours, the centre is staffed by someone who is able to offer information and advice to families, followed by opening hours. Referring/signposting families to further services was ranked as least important.

Hubs and Spokes

30. Question 6 asks for residents' response to the Councils proposal of establishing six children's centre 'hubs' and 10 children's centre 'spoke / satellites'. Over 30% of respondents agreed with 44% disagreeing and just over 23% not sure.
31. Question 7 asked for responses on whether there should be children's centre 'spokes' or 'satellites'. Approximately 47% of respondents did not answer this question. Over 40% agreed that smaller services should

decide themselves but more agreed there should be spokes linked to hubs (25.9%) than said they should be independent (15%).

Charging, finding efficiencies and impact on particular groups

- 32.** When asked at Question 8 about implementing a charge for universal drop-in services, with concessions for low-income families over 44% agreed this would be acceptable, with 17.7% not sure, and 35.8% disagreeing or strongly disagreeing. This was reflected in responses to the question about alternative ways of making efficiencies, with 35 responses suggesting making a charge for some or all services.
- 33.** However Question 9 asked about concerns regarding the impact of the proposals for particular communities. The most responses (52) raised a concern about low income families who might be caught by any charges. 34 responses thought the proposals would affect vulnerable families. These might include homeless or families in temporary accommodation, 'new mums', teenage parents, Black and Minority Ethnic groups, disabled children and parents, and children and families in general.
- 34.** Question 10 asked about alternative ways of making efficiencies. The majority of responses were against making any cuts in Children's Services, instead suggesting alternative ways of raising revenue (such as making a charge for some or all services, hiring out buildings, or seeking business sponsorship) or making cuts elsewhere, (such as senior salaries, or other areas of council services such as road repairs). However some suggestions for making savings in Children's Services focused on shorter opening hours, parents doing more volunteering, and reducing 'giveaways' such as books to children.

Views of partner providers

- 35.** Officers met with all the 12 partner providers (three centres previously being Council run at a higher cost). Of these the six proposed hub partners were all content to accept additional funding and to deliver an enhanced programme.
- 36.** Of the others:
 - Three Centre Leaders said they did not want to operate a hub because it would divert from their main priority service
 - One third sector provider is also being asked to deliver a hub and said they would like to combine the resources for two ventures, one hub and one spoke

- One third sector provider said that they had found that the high level of funding for the children's centre activities had previously made it more difficult for them to fundraise for other (non children's centre) activities which they wished to develop and so chose to be a spoke/satellite.
- 37.** A group of parents have set up a new charity and identified a significant legacy which can provide additional funding to ensure Sure Start type services will be delivered by them in Council premises, alongside a social enterprise they are hoping to develop offering stay and play sessions.
- 38.** Legal and financial implications will be addressed in full in the report to Cabinet.

Agenda Item 10



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

**CABINET MEMBER
FOR CHILDREN'S
SERVICES**

*Councillor Helen
Binmore*

**SHORT BREAKS FUNDING FOR DISABLED
CHILDREN**

**Wards:
All**

The Council is committed to retaining services to disabled children at the current level. To achieve this a funding gap needs to be bridged, given the reduction in central government grants to the Council.

CONTRIBUTORS

AD Children's Social
Care
ADLDS
DFCS

**HAS A EIA BEEN
COMPLETED?
YES**

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

Recommendations:

- 1.: That additional funding of £270,000 for Short Breaks, as set out in para. 4.3 of the report, be approved.**
- 2. That authority be delegated to the Cabinet Member for Children's Services in conjunction with the Director of Children's Services, to decide on the specific allocation of this additional funding between the various services outlined in Appendix 3.**

1. BACKGROUND

- 1.1. The Council is committed to maintaining the services to disabled children at the current level in recognition of the importance these services have to families in the borough and the need for disabled children to have the same opportunities as their peers. To achieve this a funding gap needs to be bridged. This gap has arisen as a result of the central government reduction in funding through the Revenue Support Grant and the Early Intervention Grant. This report seeks agreement to additional funding of Short Break services for families with disabled children.
- 1.2. Short Breaks are an important support to families with disabled children. Many disabled children need a high level of one to one attention from their parents throughout the day and sometimes for periods during or throughout the night. This puts pressure on the parents who value even a short time away from providing the direct care to their child to enable them to recharge their batteries or give attention to other members of their family.
- 1.3. Short Breaks can range from 1 – 1 support in the child’s home for a few hours to residential respite care overnight, and include direct payments enabling families to purchase their own break, specialist play provision, family based breaks with specialist carers, 1 – 1 support from specialist carers in the child’s home or the community.
- 1.4. The government previously supported the expansion of Short Breaks provision through the 3 years of the Aiming High grant (ending March 2011). From April 2011 the financial support for Short Breaks is included in the Early Intervention Grant. The EIG is 12.5% lower than the sum of the grants it replaced – see Appendices 1 and 2.
- 1.5. In order to maintain Short Break services at the current level, it is necessary for an additional £270,000 to be allocated for Short Break services from contingency funds.

2. SHORT BREAK SERVICES

- 2.1. Using Social Care and Health data, it is estimated that there are 475 disabled children with high levels of need in Hammersmith and Fulham.
- 2.2. Each child is different and so are their support needs. The disability may vary from a communication disability like autism to a physical disability like cerebral palsy.
- 2.3. The type of service valued by families will vary. The residential respite service at the Haven is used by families where the children have a high level of need and where an overnight break is important to the family. Some families prefer to arrange the care themselves and through the “direct payment” provision ask that the money that would have been

spent on providing the service is given to the family for them to purchase their own break.

- 2.4. In addition, families with disabled children often find it hard to access the mainstream play and day care provision that other children and their families can access. So Short Breaks can provide either support to enable the disabled child to attend a mainstream service (by providing a 1 – 1 carer) or can enable access to specialist play services for disabled children.
- 2.5. The key aim of Short Break services is to enable children to remain at home and the family to stay together. For some families the strain of caring for their disabled child is too much and the request that their child is looked after by the Council. Of the 22 children currently in residential care, 7 are disabled children (therefore disabled children are 33% of the looked after residential care population compared to 1.5% of the general Hammersmith and Fulham child population). So Short Breaks are an important preventative measure to keep families together and also a positive cost reduction measure if children can be kept out of residential care.

3. COST OF SHORT BREAKS

- 3.1. The cost of Short Breaks varies according to the type of provision, with direct payments (£12.32 per hour) and 1 – 1 support in the home (£18.50 per hour) the least expensive, and the high support provision at the Haven the highest at £35 per hour.
- 3.2. The total packages of care that families receive varies according to their level of need but is usually between £5k and £10k per year.
- 3.3. The cost of residential care for disabled children is significantly higher and is between £100k and £200k per year with the current children in placement costing an average of £155k.

4. BUDGET GAP RE EXPENDITURE ON SHORT BREAKS

- 4.1. The range of Short Breaks provision and the £2.5m overall expenditure in the year ending March 2011 on Short Breaks is shown in Appendix 3.
- 4.2. Given the reduction of central government funding through the Revenue Support Grant and the Early Intervention Grant there is a gap between the cost of maintaining the level of service and the current budget allocation for disabled children for the year 2011-2012.
- 4.3. The gap is £270,000. Hence the request through this report for additional funding to be release from the contingency. Without this gap being covered there would be an impact on support to families with disabled

children as services would have to be reduced from the current level.

- 4.4. In order to reduce the dependency on Council funding the commissioning section of the department is working with voluntary providers to help them become self sufficient through obtaining other sources of funding.

5. RISK MANAGEMENT

- 5.1. The key risk is the likely increased risk of children needing to become looked after if there was a reduction in preventative Short Breaks services.

6. EQUALITY IMPLICATIONS

- 6.1. One of the aims of Short Breaks services is to ensure that disabled children have the same opportunities as non disabled children. The opportunity to remain living at home with their parents, to have access to play and leisure facilities and to socialise with their peers.

7. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 7.1. As part of the approved 2011/12 Budget, a contingency of £2.4m was established. This funding was not confirmed until the Local Government Finance Settlement was published and the Council wanted more time to properly consider how use of such resources should be prioritised.
- 7.2. Authority is now sought to draw down £270,000 from the contingency to enable the department to continue with the current level of support provision for families with disabled children. This funding will be in addition to the revenue funding in the 2011/12 estimates and will allow the Council to spend £2.5m in total.

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

- 8.1. Local authority provision for short breaks has previously been made under legal powers under s17(1) Children Act 1989 which provides that every local Authority has a duty to safeguard and promote the welfare of children in need within their area. The Children Act 1989 as originally drafted did not contain an explicit provision as to short breaks.
- 8.2. Section 25 of the Children and Young Persons Act 2008 introduces a specific provision by inserting at para 6(1)(c) Schedule 2 Children Act

1989 a duty to assist individuals who provide care for such children to continue to do so, or to do so more effectively, by giving them breaks from caring.

8.3. Section 25 comes into force on 1st April 2011, as on the same date do The Breaks for Carers of Disabled Children Regulations 2010.

9. RECOMMENDATION

9.1. Agreement is given for an additional sum of £270,000 to be released from the contingency to fund Short Breaks respite care services in order that services can be maintained at their current level.

9.2. Authority is delegated to the Cabinet Member for Children's Services in conjunction with the Director of Children's Services to allocate the funding as appropriate between the various services outlined in the Appendix 3.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Aiming High for disabled children	Steve Miley. 2300	Children's services. Cambridge House
CONTACT OFFICER:		NAME: Steve Miley EXT. 2300	

APPENDIX 1 EARLY INTERVENTION GRANT ALLOCATION

	2010-11 Current Funding streams Early Intervention Grant replaced	Early Intervention Grant 2011-12 allocations	Early Intervention Grant 2012-13 allocations
Grant to Hammersmith and Fulham	£10,8m	£9,5m	£9,64m 79
% reduction in the EIG		12.5%	10.9%

APPENDIX 2 FUNDING STREAMS EIG REPLACED

Former funding streams for Children, Young People and Families

The new Early Intervention Grant replaces a number of former funding streams. These are:

Grant Name	2010-11 Allocation £m
Sure Start Children's Centres	1,135.148
Early Years Sustainability- including funding for sufficiency and access, quality and inclusion, buddying, holiday child care and disabled access to childcare	238.044
Early Years Workforce - quality and inclusion, graduate leader fund and every child a talker	195.701
Two Year Old Offer - Early Learning and Childcare	66.757
Disabled Children Short Breaks	184.647
Connexions	466.732
Think Family	94.196
Youth Opportunity Fund	40.752
Youth Crime Action Plan	11.975
Challenge and Support	3.900
Children's Fund	131.804
Positive Activities for Young People Programme	94.500
Youth Taskforce	4.344
Young People Substance Misuse	7.002
Teenage Pregnancy	27.500
Key Stage 4 Foundation Learning	19.882
Targeted Mental Health in Schools Grant	27.818
Contact Point	15.000
Children's Social Care Workforce	18.156
Intensive Intervention Grant	2.800
January Guarantee	6.000
Child Trust Fund	1.325
DfE Emergency Budget Reduction	-311.000
Total Grants	2,482.982

APPENDIX 3

FULL LIST OF SHORT BREAKS PROVISION/EXPENDITURE 2010/2011*

	service	type of provision	age range	expenditure for 2010/2011 and for 2011/2012
1	Haven residential respite	Residential care overnight and day care for those children with the highest levels of need.	9 – 18	£668,723
2	Shared care	family based respite care – can be overnight or day care	All	£144,839
3	Sessional support at home or the community	Short periods of flexible 1 – 1 support that can be used in the family home, taking the child out, or for emergency situations over night in the family home.	All	£50,000
4	Agency support at home or the community	Similar to sessional care but the carer comes from an agency and not recruited by the Council.	All	£940,346
5	Direct payments	The equivalent cost of support is provided to the family to purchase their own packages of support in the way that best meets their needs.	All	£499,778
6	1 – 1 support to enable access to in mainstream play services	1 – 1 worker attends the play service with the child in situations where the child would otherwise not be able to attend.	Under 5	£50,000
7	Queensmill play scheme	Day play scheme at weekends and holidays.	9 +	£77,800
8	HAFAD summer scheme	1 – 1 support for children to attend the holiday play scheme during school holidays.	5-19	£42,000
	TOTAL EXPENDITURE ON RESPITE CARE SERVICES			£2,473,486

* Expenditure includes full staffing costs as well as the direct cost of provision.



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

CABINET MEMBER FOR CHILDREN'S SERVICES

Councillor Helen Binmore

LYRIC THEATRE REDEVELOPMENT

This report addresses the education offer from The Lyric Hammersmith to schools in the local authority and how this might be further developed through the proposed capital investment programme.

**Wards:
All**

CONTRIBUTORS

CHSD
DFCS
ADLDS

Recommendations:

1. **With a view to the promotion of the economic, social and environmental well-being of the borough, to delegate authority to the Cabinet Member for Children's Services, in consultation with the Head of Asset Strategy and Portfolio Management, the Director of Finance and Corporate Services and the Assistant Director (Legal and Democratic Services), to negotiate and conclude the new lease with St Martins or their successors in title and a new sublease or subleases (as appropriate) with the Lyric, together with any incidental documentation she and they shall consider appropriate. Terms may provide for surrender of existing leases or subleases (including of the former Lyric box office) with a view to consolidation in a new lease or sublease (as the case may be) of the same or extended duration.**

2. **Subject to successful negotiation of the lease, that the following recommendations be approved:**
 - a) **To allocate £2.8m to the Lyric capital project from prudential borrowing supported by the DSG centrally retained funds.**

**HAS A EIA BEEN COMPLETED?
YES**

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

- b) To delegate authority to the Cabinet Member for Children's Services, in consultation with the Director of Children's Services, to procure the necessary works for the Lyric partnership through the IESE framework within the sums identified within this report.**

- c) To delegate authority to the Cabinet Member for Children's Services to agree the education offer for schools and create a borough-based community hub for voluntary groups within the enlarged Lyric facility and (if the hub is included in the new sublease to the Lyric) to negotiate (in consultation with the Assistant Director Property and Management) a sub-underlease back to the Council of the hub.**

1. BACKGROUND

- 1.1 For over 100 years, The Lyric Theatre, Hammersmith West London's largest theatre, has been developing the skills of young people through their pioneering productions, youth theatre and workshops.
- 1.2 The Lyric is committed to working with young people in Hammersmith and Fulham and currently has a broad education offer which includes:
- **LYC** – West London's largest youth theatre offers local young people, from a range of schools in the private and state sector, a chance to participate in regular activities, attend master classes led by industry professionals, perform in a professional space and see Lyric shows. This also encourages a life long habit of attending theatre productions
 - **START** – A unique six-week training programme for young West Londoners, aged between 13 and 19, who are not in education, employment or training (NEET). The project re-engages young people with learning and has enabled over 90% of participants to gain a level 1 or 2 qualification in literacy and numeracy, with over 30 young people benefiting from the process in 2010.
 - **Primary School workshops** – Children's shows and "messy play" through a year round programme of performances and hands on activities enabling parents and their children to engage in a range of fun and creative activities.
 - **Targeted projects for example "Young, Autistic and Stagestruck"**. This was an ambitious project which captured the journey of a group of nine young people with autistic spectrum disorders as they worked together to devise, produce and perform an original piece of theatre. The resulting landmark four-part documentary series was broadcast on Channel 4 and had over 3 million viewers. "**Play Up, Pay Back**" is a project delivered in partnership with the Youth Offending Service which engages young people who have offended in diversionary activities on Friday and Saturday nights and encourages them to make a positive contribution to their local community. Such projects will continue to be developed to meet specific needs.
- 1.3 In 2011, The Lyric wish to expand their education offer to schools with more effective targeting of provision. This will form the basis of a comprehensive offer once the Lyric is expanded. It is proposed that in 2011 they will start work on a capital project to build the UK's first ever "teaching theatre" for the performing arts. The new facility will allow artists, teachers and other young people's professionals to collaborate to inspire young people to become the artists, arts managers and audiences of the future.
- 1.4 The project has been developed in response to a wide-ranging consultation and responds to a wide range of economic, social and environmental needs linking to the H&F Community Strategy, including those of the young people of West London, the needs of residents and businesses in Hammersmith, as

well as the needs of the creative and cultural industry sector and the theatre itself.

2. HAMMERSMITH & FULHAM OBJECTIVES

- 2.1 The Lyric Theatre project will provide exciting opportunities for an enhanced creative and media curriculum offer to our borough's pupils by a business partner. Our current offer will be greatly improved by the access gained to the specialist facilities being provided for teaching and learning, as well as schools being able to access comprehensive facilities and services for their own productions.
- 2.2 The new facilities will be linked to the existing building and will create a unique learning environment in the heart of a professional theatre where artists and teachers will collaborate to support, train and inspire young people to achieve their potential. Open seven days a week from 8am in the morning to 11pm at night they will engage up to 200 young people a day and 20,000 each year in range of formal education and apprenticeship programmes as well as extra curricular activities in drama, dance, music, film, TV, visual arts and technical skills.
- 2.3 A detailed Service Level Agreement (SLA) has been agreed whereby the Lyric will provide a curriculum offer specifically for the borough (see Appendix 1).
- 2.4 The vision statement, underpinning our Community Strategy priorities, is to create a borough of opportunity for all. The seven key priorities, that provide a ladder of opportunity for all, drive the council's policies. The recommendation's of this report support the key priority to deliver 'a top quality education for all'.

3. CAPITAL FUNDING REQUIREMENT

- 3.1 The current cost of the redevelopment is £15m. The following sources of funding are currently identified:
- The Arts Council - confirmed financial support of £4.5m
 - The LDA/GOL - confirmed financial support of £1.0m
 - The DfE - confirmed financial support of £3.0m (but this money must be committed during this financial year)

Therefore, the total confirmed financial support is £8.5m. Due to the level of support for the proposals, the Lyric are confident that they can raise an additional £1.5m through fundraising activities, giving a total of £10.0m funding.

- 3.2 The Council is also supporting the project with an additional £0.5m, which is already committed within Council budgets:

- £0.25m via funding already provided as per the previous Cabinet Decision to develop the feasibility study for the programme.
 - £0.25m as part of the Council's Corporate Planned Maintenance Programme to repair the roof on the Lyric and replacement of front of house air handling unit (both of which can be re-aligned into this project as these works would not be required if the bigger scheme was to go ahead).
- 3.3 The current projected costs of £15m could be reduced if VAT could be reclaimed on the project. If the Council were to become the procuring body, on the basis that the lease is held by the Authority (see section 4 below), then the project would be able to reclaim VAT through the usual Council mechanisms. This is based on the rationale that the land is the borough's (via the lease) and the project is delivering goods and services that are ultimately being commissioned by the borough, through its SLA.
- 3.4 This reduces the total cost of the project from £15.0m to £13.5m, leaving a funding shortfall of £3m for the project, which the Council is being asked to provide.
- 3.5 The proposal recommended to Cabinet is for the Council to contribute £2.8m towards this sum and the Lyric will find an extra £200,000 towards the implementation of the project.

4. LEASE POSITION

- 4.1 St Martins, the freeholders, are currently in negotiation with potential purchasers of the freehold. Discussions are taking place with both parties regarding in effect extending the Council's lease to include the additional space required. This will be substantially on the same terms (999 years at a peppercorn rent) as we currently have for the Lyric Theatre (as opposed to the box office, which may be included in the new lease too).
- 4.2 The Authority will simultaneously need to enter into an agreement with the Lyric (in effect) to extend the existing sub-lease to the Lyric to include the extension when complete. The duration of the sub-lease may also need to be extended so as to justify the investment by the Lyric and its backers. The Lyric also has a sublease from the Council on Unit 19, Kings Mall (the former box office) which it may also be necessary or appropriate to extend in duration or merge into the sublease of the remainder of their premises. The Lyric will also need to agree to make available to the Council any funding they have procured or committed to raise for the build project and the manner in which the proposed hub is to dealt with.

5. RISK MANAGEMENT

- 5.1 The key risk currently is the sale of the freehold and this project will ultimately only be delivered if the negotiations are concluded successfully.
- 5.2 This project will be added to the Children's Services risk register. Key risks already identified are timings, financial, contractual relationship and the Lyric's ability to raise external funds.

6. EQUALITY IMPLICATIONS

- 6.1 A EIA has been completed and is available electronically. This project will support the enhancement of opportunity for many young people in the borough and will have a positive impact on all communities.

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

- 7.1 The Council has power to take a new (supplemental or replacement) lease from St Martins or its successor under Section 120 Local Government Act 1972. That power can also be used to accept a surrender from the Lyric of their existing lease(s) (in order for them to be granted a new lease of the enlarged building, with or without Unit 19 as the case may be).
- 7.2 The Council has power under Section 123 of the Local Government Act 1972 to grant a new lease to the Lyric (of the enlarged building, with or without Unit 19 as the case may be), but only with the consent of the Secretary of State at DCLG, where (as here) the lease is not granted for the best consideration that can reasonably be obtained (since only a peppercorn rent is being charged). However, the Secretary of State has issued the General Disposal Consent 2003, which permits a local authority to dispose of property at an undervalue of up to £2m if it considers that the purpose the land will be used for will promote the economic, social or environmental well-being of the borough or any part of it or anyone resident or present in it. Should the undervalue prove greater than £2m, *ad hoc* consent would need to be sought direct from the Secretary of State.
- 7.3 The Council will either retain its existing lease of 999 years and enter into an agreement to take a co-terminous supplemental lease from St Martins of the additional land, once the works have been completed or enter into an agreement with St Martins for the surrender of the existing lease (and possibly Unit 19) and grant of a new lease for the enlarged premises when complete (with Unit 19, as appropriate). The Lyric, on the other hand, are likely to be required to surrender their existing 30 year lease in return for an entirely new sub-lease from the Council of the enlarged premises (possibly for an extended term of up to 125 years and possibly also to include Unit 19).

- 7.4 The Council has power to make grants to the Lyric to support the creation of a teaching theatre, using the power under Section 2 Local Government Act 2000. This enables the Council to do anything which it considers will promote the economic, social or environmental well-being of the borough or any part of it or any persons present in it. In using the power, the Council must have regard to its community strategy and to any guidance issued by the Secretary of State. As regards the latter, nothing has been issued which would adversely affect the present proposal.
- 7.5 Hampshire County Council (on behalf of Improvement & Efficient South East (IESE) has let a Framework Agreement known as the South East and London Construction Framework for Major Projects (OJEU Notice 220175-2010).
- 7.6 This Framework Agreement has a four year duration and has provision for several contractors to provide construction works under it. The Framework Agreement permits Local Authorities and certain public bodies in London and other named authorities in neighbouring areas to call off works from the Framework.
- 7.7 Subject to the following (i) confirmation of the publication of a Contract Award; (ii) compliance with call-off award criteria contract; and (iii) subject to contract it will be permissible for the Council to call off works from the Framework Agreement.

8. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 8.1 The Director of Finance has been consulted and notes:
- a) As the Council is taking the lead in procuring the project due to being the primary leaseholder on a long term lease with St Martins, it is important that the Authority ensure any cost risks are borne by the Lyric.
- b) The provision of £2.8m capital is from the Prudential Borrowing already identified as part of the Council's capital strategy to support learning within the borough and is supported by DSG.
- 8.2 The Director notes that the amount being provided by the Council is less than 25% of the total project costs and will contribute to a significant external investment in Hammersmith and Fulham to benefit the broader life long learning agenda.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		
CONTACT OFFICER:		NAME: Ian Heggs EXT. 2880	

APPENDIX 1

Draft Service Level Agreement

The Lyric Theatre – School Outreach

The Lyric Theatre Hammersmith West London's largest theatre has been developing the skills of young people through their pioneering productions, youth theatre and workshops. The Lyric is committed to working with young people in Hammersmith and Fulham schools and has developed an outreach programme for learners and teachers.

The Service:

The service aims to:

- Support schools in the co-delivery of the performing arts curriculum including GCSEs, IGCSEs and A Levels both in school and at the Lyric.
- Develop creative learning practice in secondary, special and primary schools including early years
- Work with teachers to provide curriculum assessment opportunities in a range of core skills
- Co-develop extended schools programme including after school clubs and school-based youth provision both in school and at the Lyric
- Share innovation and good practice
- Promote inclusive strategies to re-engage learners
- Create ever stronger partnerships and collaboration amongst our schools to support better local delivery of creative learning with children and young people
- Develop The Lyric as a community hub for arts and media practitioners including a youth theatre group and targeted youth programmes

This work is underpinned by the following principles:

- A shared responsibility with schools to develop creative learning practices to support the progress of all learners, especially those who are vulnerable and underachieving
- To develop strong and dynamic partnerships between the creative industries and the school community to place Hammersmith and Fulham schools at the centre of performing arts and new media

The service provides expertise in the following:

- Professionally trained and CRB cleared practitioners from a range of areas including dance, theatre, film, TV, radio, script writing, props, make-up and wardrobe
- Effective teaching and learning and workshops in performing arts
- Supporting curriculum planning and assessment
- Work related learning opportunities including placements at the theatre and with partner industries

- Project design and co-ordination

All schools are eligible for one free workshop per annum and a set of class tickets for one of The Lyric's productions. Those schools who chose to buy-back will receive additional support and will have direct access to expert practitioners from The Lyric Theatre network.

The benefits

- Expert advice from a professional team
- A responsive outreach offer, discussing with you a planned and coherent programme that matches your school curriculum plans
- A partnership to work with you and your learners in developing creative practice
- A flexible service able to respond to your specific needs and aspirations.
- Access to front of house and behind the scenes activities at a premier London Theatre

Service standards

- The Lyric Theatre outreach service will work with the school to draw up a support programme tailor made to the schools requirements
- All work will be monitored and evaluated to measure the effectiveness of the programme

Cost

The tailor made programme will be costed on a 'not for profit' basis with an open book approach.

APPENDIX 2

Quotes:

“The proposed capital project for the Lyric Theatre in Hammersmith is both visionary and exciting. The project will enhance the ability of the Lyric to include all elements of the community in its programming and educational activities and in doing so help to realise the dreams and aspirations of its client groups.”

**Sir William Atkinson, Executive Headteacher,
The Phoenix Canberra Schools Federation**

“London is proud of the Lyric’s outstanding reputation for its work in developing young people and new theatre-makers. The redevelopment project will make a much needed and important contribution to the creation of world-class leisure and education facilities for young people in London. It will give young Londoners of all backgrounds a chance to be involved in positive activities that help them achieve their potential and forge connections with their community. The Lyric’s capital project will enable the organisation to radically expand the number of young people it works with each year enabling to become a 24-hours a day, 7-days a week operation working with up to 20,000 young people a year and also generate a legacy beyond 2012”

**Boris Johnson
Mayor of London**

Case Studies: *[names have been changed to protect identity]*

Chenice:

Chenice was 19 when she first came into contact with the Lyric. She had attempted the START programme twice previously but had never got past the first week to complete the course due to her lack of commitment and low motivation levels. Chenice had very low confidence and self esteem which meant she had a fear of failure that meant she was reluctant to try new activity. Chenice had reached a point where she was confused about what she wanted to do in the future and had tried both education and employment routes; none of which she had completed. Chenice completed the entire programme of START with 99% attendance which demonstrated Chenice’s level of engagement on the project and how much they felt they were gaining from the project. Chenice flourished and grew in confidence trying every activity and challenge which was presented to her. Chenice was encouraging and motivating to other members of the group which was a fantastic asset to the project. Chenice had quite low confidence in her literacy but really applied herself and worked hard to achieve a level 2 City and Guilds literacy qualification. Since the end of the project in April 2010 Chenice expressed an interest in getting involved in youth work to inspire other young people. The Lyric has since offered Chenice a range of opportunities to develop her aspirations by shadowing and supporting on a variety of youth lead projects. Chenice always demonstrates professionalism and a natural ability to engage and support young people, assisting in recruiting over 100 local young people on to our Summer Programme. Chenice is also now employed at the Lyric working in visitor services through Future Jobs Fund and has been described as an asset to the Lyric Team. Chenice is now considering enrolling in

further education to gain her youth work qualification which is an amazing merit to the journey she has come one and we will continue to support her in her professional career development.

Tom:

Tom first engaged in the Lyric through our work experience programme in summer 2009 he attended a local secondary school and was refereed through his drama teacher who knew the work of the Lyric well. During the work experience programme support staff recognized that Tom had huge dance potential dancer but lacked in self confidence and struggled when working alongside his peers, Tom attended an all boy's schools and had difficulty expressing himself and often hid his dance ability. Staff referred Tom onto the Lyric Summer Uni programme funded by LBHF he completed two dance course one focusing on contemporary dance and the other street dance. Tom then returned to school and completed his GCSE with a new found confidence. Tom continued to engage with positive activities provided by the Lyric, he joined LYC the Lyrics resident youth theatre and self referred to our summer Skills 2010 programme. Tom spent two weeks working alongside professional artists gaining new performance skills. At the age of 16 Tom finished his schooling and had no plans to continue his education, in September 2010 Tom auditioned for the annual Lyric pantomime Dick Whittington, he was successful and spend two months rehearsing the production and performed in 26 shows, the project ensured that Tom continued to remain focused on a positive activity after leaving education, by participating in the Panto programme and continuing to engage with the Lyric he has increased his employment opportunities. The Lyric is now supporting Boy A to continue his development as a performance, continue to build his confidence and harness his employability skills.



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

CABINET MEMBER FOR HOUSING

Councillor Lucy Ivimy

HOUSING DEVELOPMENT COMPANY

This report sets out proposals for setting up Council controlled subsidiary vehicles that could undertake development of Council owned land for the provision of new affordable housing.

**Wards:
All**

CONTRIBUTORS

DFCS
ADLDS
Housing &
Regeneration

Recommendations:

1. To approve the setting up of:
 - a. A wholly owned subsidiary company (Development Company)
 - b. A Charitable company
2. That approval be given to the draft company documentations set out in Appendices 2 – 6, and that authority be delegated to the Director of Housing and Regeneration in conjunction with the Assistant Director (Legal and Democratic Services) and the Cabinet Member for Housing and the Leader to finalise.
3. That a detailed business case be developed for suitable Council-owned land for development through the Development company for further consideration by the Cabinet.
4. That approval be given to consultancy spend of up to £50,000 towards the cost of legal, property and tax/financial advice in relation to setting up the company structures and developing detailed business cases for the first phase delivery sites.

HAS THE REPORT CONTENT BEEN RISK ASSESSED?
YES

HAS A EIA BEEN COMPLETED?
YES

1. INTRODUCTION & BACKGROUND

- 1.1 The Council recognises that there is an imbalance of housing tenures in the borough with a high proportion of social and private rented accommodation and a low percentage of home ownership and lack of intermediate housing for those on low to middle incomes.
- 1.3 The Council is concerned that the option of disposal of land to developers, be they housing associations or private sector developers, fails to maximise its financial return, gives it limited control over what is built on the site and takes away control of any affordable housing on the site.
- 1.4 However, under the current legislation the Council is unable to undertake commercial operations such as development of housing directly. Therefore, in order to be able to build homes directly it is necessary for the Council to establish subsidiary vehicles to overcome the potential vires issues. This would also ensure that commercial, legal and financial risks are not all contained within the Council.
- 1.5 Officers and Members of the Council have investigated other local authority housing delivery vehicle models, in particular Westminster City Council and Woking Borough Council models. These have helped to inform the recommendations of the report; however the Council has taken legal and financial advice to ensure that the proposed structure is fit for LBHF purposes.

Objectives

- 1.6 The key Council objective is that any sale/development of land/properties will:
 - a. Enable the Council to maximise its financial return.
 - b. Enable the Council to retain any affordable housing that is developed in such schemes within its portfolio.
 - c. Give the Council greater control over the design of the scheme and ensure it delivers what the Council and local community want in the built environment.

2. POTENTIAL HOUSING DEVELOPMENT COMPANY STRUCTURES

- 2.1 The Council has considered a range of options for achieving its objectives and has concluded that they can be achieved by setting up a range of corporate vehicles that could:
 - a. achieve directly controlled housing delivery on Council owned land;
and

- b. provide a housing management company that could manage the affordable housing

Development Company

2.2 In order to meet these requirements it is necessary for the Council to set up a wholly owned subsidiary company to undertake the building of new homes. How the development company could operate is set out below:

- a. Council Land

Council could transfer land into the development company. This will always be leasehold so that the Council continues to own and control the freehold interests. The length of the leases will vary according to the type of scheme. If the scheme includes units for market or intermediate sale a period of up to 125 years will need to be granted.

This land could be transferred at nil value, discounted value or full value according to the viability of the particular scheme or programme. In most instances the land transfer will require the Secretary of State's consent which is normally provided within 14 days of application.

- b. Loan Agreements

The development company could take on short term development funding sufficient to build out the sites. The peak debt could be reduced by sales income and any HCA funding.

The lenders could be high street banks, pension funds, major developers with cash assets or through prudential borrowing.

External lenders will want to understand the business, gauge the risk and know that this has been covered off, wherever possible. They will also have a keen interest in who the contractor is and that they are financially sound. For these reasons the selection process for the lenders should take place either prior to or simultaneously with the selection of the contractor.

Subject to acceptable financial and legal advice one alternative which could help to simplify the lending and in all likelihood lower the overall costs would be to make the borrowing through the Public Works Loan Board.

- c. Agreements with Contractor

The development company could enter into agreements with contractor to build out the individual schemes and market any outright sales units. These areas represent the biggest areas of financial risk and in view of this the Council could require the development company to ensure that the contractor takes out a Bond to:

- i) Protect against the effect of the builder going into receivership or not meeting the development timescales or standards required either statutorily (Building Control, Planning etc) or those required by the HCA.
- ii) Guarantee the minimum sales prices of any market sales units in order to provide certainty over the minimum level of sales income that will be generated and that this level fits within the overall financial model for the scheme. In instances where higher sales values are achieved these could be shared between the development company and the contractor on a pre agreed basis.

Profits and Investment Portfolio

2.3 Four potential development structures have been investigated that could hold the new affordable housing built (including retained equity under any Shared Equity arrangements) and any profits generated from the development. The options are set out below:

- Structure 1: The development company could retain the affordable properties and the post-tax development profits distributed to the Council
- Structure 2: The development company could gift to the Council the affordable properties and any post-tax development profits
- Structure 3: The development company could gift to the Council the affordable properties and gift to a charitable entity any post-tax development profits
- Structure 4: The development company could gift to a charitable entity the affordable properties and any post-tax development profits.

See diagram in Appendix 1 for an overview of the potential structures.

2.4 There are various tax implications associated with each of the above options, which are set out below:

Summary of main tax differences between the structures	DevCo retains properties and profit	DevCo gifts properties & profits to LBHF	DevCo gifts properties to LBHF & profits to Charity	DevCo gifts properties & profits to Charity
No SDLT ¹ on transfers of land between the entities in the structure	✓	✓	✓	✓
No VAT on costs of constructing residential properties	✓	✓	✓	✓

¹ Stamp Duty Land Tax

Summary of main tax differences between the structures	DevCo retains properties and profit	DevCo gifts properties & profits to LBHF	DevCo gifts properties to LBHF & profits to Charity	DevCo gifts properties & profits to Charity
Profits from sale of completed properties not subject to Corporation Tax	x	x	✓	✓
Profits from sale of further equity in shared equity properties not subject to Corporation Tax	x	✓	✓	✓

Charity

- 2.5 Under two of the structures above it would be necessary to establish a separate charitable entity to work alongside the development company. This could be a company with charitable aims established under the Industrial and Provident Society rules and registered with the Financial Services Authority. The charity would be well placed to be able to apply for Registered Provider status through the Tenant Services Agency (TSA) and this will open the way for this company to receive HCA grant funding towards the provision of affordable homes.
- 2.6 It is evident from the above table that there are likely to be numerous options for how any properties and any profits could be held for tax efficiency purposes. It is likely that the choice of final structure will be dependent on individual schemes, including variables such as land values, level of profit, tenure mix, etc.
- 2.7 It is advisable that in order to gain tax efficiency and maximise return for the Council both the development company and charity would need to be in place, however the use of the charity will need to be determined on a case by case basis in light of details of each scheme. As part of development of detailed business cases and implementation plans detailed tax advice will be sought from suitably qualified tax lawyers.

3. GOVERNANCE ARRANGEMENTS

- 3.1 The governance of the two companies will be essential to the Council in order to protect the assets that are transferred and to minimise risk. There will be numerous options available to the Council to exercise control over the companies. The following paragraphs set out how these could be applied:

Development Company

- 3.2 The development company could have only two board members (appointed by the Council) and one shareholder (Council). Through this arrangement

the Council can completely control the decisions made by the company and the agreements it enters into with lenders and contractors.

Draft company Articles of Association attached in Appendix 2.

Charity

3.3 The charity would have to be independent of the Council. The charities decisions would have to be made in the interest of the company and in pursuit of its charitable interests. However, as the Council may decide to make considerable investment in the charity it would be appropriate to seek to ensure that these are protected and continue into the future to support the Council's overarching housing & regeneration strategies. In order to ensure this is achieved, while not breaching any company or charitable rules, the Council could put in place following set of "controls":

a. The Shareholders

There could be 4 shares held by the shareholders, 3 by the Council and 1 by an independent.

b. The Board

The Board could comprise of 7 members, 4 nominated by the Council plus 2 residents and 1 independent selected by the Council. The independent could act as the chair of the board.

The Rules of the Charity could give the Council the right to appoint a majority of the board of directors and provide that a board meeting would not be quorate unless a majority of the directors present were Council representatives.

c. Registered Rules of the Company

Aside from the shareholding and board composition as set out above the Council could also exert controls over the business of charity through the Registered Rules.

Notwithstanding the number of shareholders from time to time in the charity, the Council could always have sufficient voting rights to block any resolution to change the rules or anything else requiring a special resolution of the members.

Draft Registered Rules of the charity attached in Appendix 3.

d. Individual funding agreements

In order to protect the Council's various investments, individual funding agreements could be required between the Council and the charity on any scheme on which land, grants or loans are made available through the Council. Where loans are made available a charge could also be registered on the title for the property concerned.

These agreements and charges would ensure that in the unlikely event of default by the charity that the Council will have priority over the assets, subject to any step in rights agreed with lenders or HCA conditions applied on HCA grant funded schemes.

e. Intra Group Agreement

In a similar manner to Registered Providers the Council, as the parent organisation, could agree an Intra Group Agreement (IGA) with the charity in order to ensure that the significant Council investment is safeguarded and that the charity and the Council continue to work in partnership to deliver schemes which complement and contribute towards the delivery of the Council's and the charity's housing and regeneration strategies now and in the future.

This key agreement could provide the Council with considerable control over the day to day operations of the charity, including the requirement that parent approval is obtained for:

- i) All reports considered at the board
- ii) For any meeting at which a board member including the chair is to be removed, and has right of veto
- iii) For any changes to board composition
- iv) Shareholder meetings could only be quorate if the parent is represented
- v) In all matters the Intra Group Agreement takes precedence

Draft Inter Group Agreement attached in Appendix 4.

f. Board Member Undertakings

The Council and the charity could agree that board members can only be appointed once they have signed the Board Members Undertaking which in outline covers board Members general conduct and what is expected of them, and requires board members:

- i) To acknowledge the precedence of the Intra Group Agreement
- ii) Not to bring the parent into disrepute
- iii) To constructively contribute towards the setting, adoption and delivery of the charity's housing strategy

Draft Board Member Undertakings is attached in Appendix 5.

g. Chair's Agreement for Services

The Council and charity could agree that the chair is selected by the parent under the rules and should be required to sign an Agreement for Services prior to being formally appointed to be chair. This Agreement could also reflect the requirements set out for board members above but also highlight these other areas:

- i) Role as leader of the board to ensure compliance with the Registered Rules, Intra Group Agreement and delivery of the Council/charity's housing and regeneration strategies
- ii) Confidentiality both when in post and beyond
- iii) Time commitment and attendance at board meetings and other events as requested
- iv) Acknowledgement of parent selection for 3 years

Draft Chair's Agreement for Services is attached in Appendix 6.

- 3.4 Council has taken advice from legal firm Brown Jacobson in drafting the various company documentations to ensure they could create the correct levels of control to protect the significant input the Council could make while still allowing the charity to meet its independent charitable and company requirements.

4. IMPLEMENTATION PROGRAMME

- 4.1 If approval is given officers supported by external advisors will commence on the following work programme:

a. The Company/Companies

- finalise and submit rules for company/companies
- register the company/companies
- finalise the appropriate levels of governance
- apply for charitable status for the charity
- work up and submit application to TSA for Registered Provider status for the charity
- submit application for approved housing manager status with TSA

b. Business Plans

- work up detailed business plan for initial site for development through the housing companies.

Timetable

- 4.3 Subject to the Cabinet approval it will be possible to set-up and register the development company and charity in May 2011, including submission of

application to the FSA for charitable registration and application to TSA/HCA for Registered Provider status.

Resources

- 4.4 Cabinet previously approved a report in March 2010 through which Section 106 unallocated funds were ring-fenced in order to fund the strategic regeneration programme consultancy in feasibility exercises, legal and finance work and other specialist areas which cannot be undertaken by the Council itself. This report requests approval to appoint professional finance/tax advisors, property/planning and legal advice to the value of £50,000, which will be met from the Watson House s106. A sum of £30,000 has been spent on consultancy services in developing the structures and drafting company documents.

5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 5.1 The report sets out the reasons why it is proposed to set up two housing companies (a wholly owned subsidiary and a charitable company). They potentially offer a more financially advantageous way, rather than traditional disposal or provision through the Housing Revenue Account, of taking forward the Council's objectives regarding the sale and development of properties and land. They may also enable the Council to keep greater control over the design of schemes and future use of the new dwellings.
- 5.2 The decision on whether to take forward developments through either company, or a standard disposal/redevelopment through the HRA, will be taken on completion of a detailed business case for each potential site. The option selected will require Cabinet approval. It is understood that potential schemes will now be subject to the preparation of a detailed business case.
- 5.3 As well as bringing benefits there are important issues that the Council needs to be comfortable with when proceeding with either company:
- There is more inherent financial risk. Traditional disposal delivers an upfront receipt with risk passing to the purchaser. Risk would remain with the council under the company model which would need to be carefully managed/shared.
 - Significant development finance, both short and long-term, may be required. This may come from the decent neighbourhoods pot (receipts generated from the sale of expensive voids etc), developer contributions or borrowing. Should borrowing be required it would be shown on the Council's balance sheet. Whilst financed by charges to the appropriate housing company this would count as council debt.
 - Any profits that pass to the company with charitable aims can only be used for such charitable purposes. The Council would not have a free choice on how such money is used and needs to be satisfied that the charitable purposes are appropriate. Long-term control of the assets, and underlying equity, would reside with the charitable company.

- 5.4 Subject to Cabinet approval, it is now proposed that delegated authority be given to the Director of Housing and Regeneration and the Assistant Director (Legal and democratic Services) in conjunction with the Cabinet Member for Housing and the Leader, to finalise the company documentation and structures.
- 5.5 Individual business plans will need to be developed for taking forward new initiatives and costs will be incurred on financial and legal advice regarding setting up the company structures. It is proposed that a budget of £50,000 be approved for these purposes funded from an appropriate section 106 agreement.

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

Consent for the disposal of land

- 6.1 The proposal is to transfer vacant properties or land to the development company. Most of these may be held for housing purposes under Part 11 of the Housing Act 1985. Under section 32 of the 1985 Act, the Council has power to dispose of land held for housing purposes but only with the consent of the Secretary of State. The specific consent of the Secretary of State will not be required if any of the general consents contained in the Consent for the Disposal of Part 11 Dwelling Houses 2005 apply. In particular, there is a general consent (Consent E3.1) which applies on the disposal of land for the best consideration which can be reasonably obtained where any dwelling houses included in the disposal are vacant, will not be used as housing accommodation and will be demolished. This general consent would therefore appear to be appropriate to the development sites the Council is currently considering, where the land would be transferred to the development with vacant possession and the development company does not let any of the property as housing accommodation but instead demolishes all of the existing buildings for redevelopment.
- 6.2 If the land in question is held for non housing purposes, then this can be disposed of in accordance with section 123, Local Government Act 1972. Provided that the disposal is for the best consideration which can be reasonably obtained then the Secretary of State's consent is required but a general consent (Local Government Act 1972, General Disposal Consent 2003) will apply if the purpose of the disposal is likely to contribute to the promotion or improvement of economic, social or environmental well-being in respect of the whole or part of the Council's area or of any people in the area and the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2 million.

Consent for the provision of financial assistance

- 6.3 If the Council is to provide any financial support to the development company, it will be necessary to obtain consent under section 25, Local

Government Act 1988. The Council is only able to exercise its power to give financial assistance in accordance with a consent given by the Secretary of State. Again, a number of general consents have been issued but, in the case of this section, it does not appear that any of the consents currently available would be applicable to this project.

Consent for the appropriation of land to the general fund.

- 6.4 The receipt from the initial transfer of any Council's housing land will go to the HRA unless the HRA land is appropriated to the General Fund prior to transfer to the development company but if this was to be carried out, the prior consent of the Secretary of State would be required under section 19, Housing Act 1985.

Council vires

- 6.5 The Council has a general fiduciary duty to its tax payers to ensure that it achieves value for money in connection with the disposal of its assets. Assuming the Council transfers its land to the development company for the best consideration obtainable, value for money will be achieved. However, if a transfer at an undervalue is contemplated, then the state aid rules may need to be complied with.
- 6.6 Following the case of LAML (Risk Management Partners Limited v the Council of the London Boroughs of Brent and Harrow, the importance of the need for councils to report on the particular powers being used to carry out any particular scheme was highlighted. In the case of development company, the two principal powers to establish and participate in a proposed LHC are the "well-being power" contained in section 2, Local Government Act 2000 and the power under section 111, Local Government Act 1972. The well-being power prohibits the raising of money by borrowing so if it was proposed for the Council to on-lend to the development company, it is likely that consent from the Secretary of State would be required under section 24, Local Government Act 1988

EU Procurement

- 6.7 A simple disposal of land by the Council to the development company would fall within the "land exemption" and would not be subject to advertisement under the EU procurement rules. However, if the transfer to the development company also includes specific requirements of the Council to be delivered by the development company then there is the possibility of these amounting to a public works contract and caught by the procurement rules.

Security of Tenure

- 6.8 Both of the options described lead to the ability to let on assured shorthold tenancies. However, in both instances this will be in relation to tenancies that are excluded from the definition of "secure tenancies" as provided by the Housing Act 1985 as amended. As such, the accommodation is likely to be provided as temporary accommodation for the homeless or for introductory tenants

Future Risk

- 6.9 It should be noted that if the development company is to attract funding, then there is the likelihood of the Council being required by the funder to stand in the position as a guarantor. Whilst the land itself may be sufficient security in some instances, it may not always be the case especially if there are considerable construction costs.

Summary

- 6.10 These comments refer to a number of the consent and vires issues which the Council would face in the setting up and running of a development company. It is therefore important that specialist legal advice is available to ensure that the Council operates within its powers. A tender exercise has already been carried out and the firm of Browne Jacobson has been appointed from the panel of the London Borough's Legal Alliance.

7. RISK MANAGEMENT COMMENTS

- 7.1 The proposals outlined to Members identify a number of legal, financial, procurement and taxation risks that require further detailed exploration before proceeding. There are distinctly benefits to be gained from the options and risks need to be carefully managed as the project evolves. The Corporate Risk Register will be updated to include details of this new emerging risk.

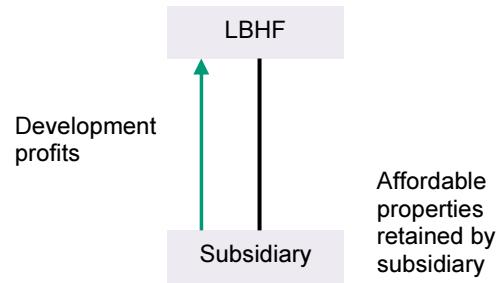
LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		
CONTACT OFFICER:		NAME: Matin Miah EXT. 3480	

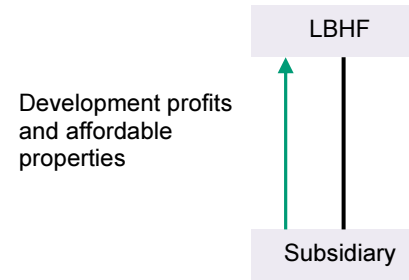
APPENDIX 1 - DIAGRAM OF DEVELOPMENT STRUCTURES

DEVELOPMENT STRUCTURES

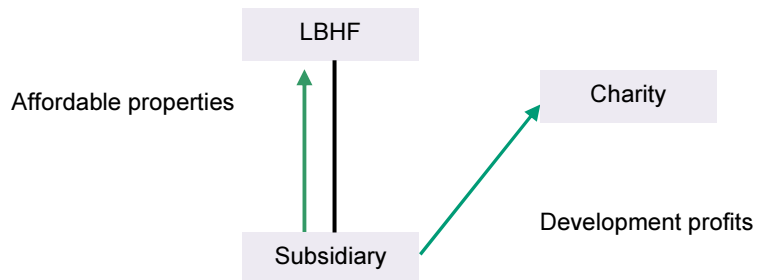
Structure 1 - development company only



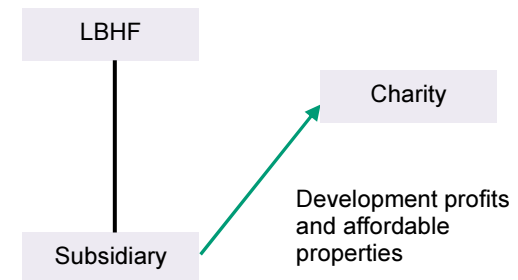
Structure 2 - LBHF takes profits and ownership of affordable properties



Structure 3 - charity takes profits and LBHF takes ownership of affordable properties



Structure 3 - charity takes profits and ownership of affordable properties



**APPENDIX 2 - DRAFT DEVELOPMENT COMPANY
ARTICLES OF ASSOCIATION**

DRAFT DEVELOPMENT COMPANY ARTICLES OF ASSOCIATION

**COMPANY HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF
H & F DEVELOPMENTS LIMITED**

Contents

Clause

1.	Interpretation	5
2.	Unanimous decisions.....	6
3.	Quorum for directors' meetings.....	6
4.	Transactions or other arrangements with the company	7
5.	Directors' conflicts of interest.....	7
6.	Records of decisions to be kept.....	9
7.	Number of directors.....	9
8.	Appointment and removal of directors	9
9.	Appointment and removal of alternate directors.....	9
10.	Rights and responsibilities of alternate directors.....	10
11.	Termination of alternate directorship.....	10
12.	Secretary.....	11
13.	Poll votes	11
14.	Proxies	11
15.	Means of communication to be used.....	11
16.	Indemnity	12
17.	Insurance	12

**Introduction
Interpretation**

In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Appointor: has the meaning given in article 9.1;

Articles: means the company's articles of association for the time being in force;

Business day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Conflict: has the meaning given in article 5.1;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter); and

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended prior to the date of adoption of these Articles.

Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- a) any subordinate legislation from time to time made under it; and
- b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

Articles 8, 11(2) and (3), 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company.

Article 7 of the Model Articles shall be amended by:

- the insertion of the words "for the time being" at the end of article 7(2)(a); and

- the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".

Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

Directors

Unanimous decisions

A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or has otherwise indicated agreement in writing to it.

A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a meeting at which the subject matter of such decision was to be considered.

Quorum for directors' meetings

Subject to article 3.2, the quorum for the transaction of business at a meeting of directors is two eligible directors.

For the purposes of any meeting (or part of a meeting) held pursuant to article 5 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director, the quorum for such meeting (or part of a meeting) shall be one eligible director.

If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- to appoint further directors; or
- to call a general meeting so as to enable the shareholders to appoint further directors.

Transactions or other arrangements with the company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
- shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

Directors' conflicts of interest

The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (Conflict).

Any authorisation under this article 5 will be effective only if:

- the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

- the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

Any authorisation of a Conflict under this article 5 may (whether at the time of giving the authorisation or subsequently):

- extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
- impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- disclose such information to the directors or to any director or other officer or employee of the company; or
- use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence.

A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

Records of decisions to be kept

6.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

Number of directors

7.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.

Appointment and removal of directors

Without prejudice to any other provision of the Articles, the holder or holders from time to time of a majority of the ordinary shares of the Company may either appoint or remove a director at any time by notice in writing delivered to the registered office of the Company.

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

Appointment and removal of alternate directors

Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- exercise that director's powers; and
- carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

The notice must:

- identify the proposed alternate; and
- in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

Rights and responsibilities of alternate directors

An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

Except as the Articles specify otherwise, alternate directors:

- are deemed for all purposes to be directors;
- are liable for their own acts and omissions;
- are subject to the same restrictions as their appointors; and
- are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

A person who is an alternate director but not a director:

- may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- shall not be counted as more than one director for the purposes of articles 10.3.(a) and 10.3.(b).

A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

Termination of alternate directorship

An alternate director's appointment as an alternate terminates:

- when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- on the death of the alternate's appointor; or
- when the alternate's appointor's appointment as a director terminates.

Secretary

- 12.1 The directors may appoint any person who is willing to act as the secretary and may also appoint one or more persons to act as a deputy secretary. Each such appointment shall be for such term, at such remuneration and upon such conditions as the directors may think fit. The directors may from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Decision making by shareholders

Poll votes

A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

Proxies

- 14.1 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

Means of communication to be used

Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- **if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);**
- **if properly addressed and delivered by hand, when it was given or left at the appropriate address;**
- **if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and**
- **if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.**

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

Indemnity

Subject to article 16.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
- in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
- the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 16.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

In this article:

- companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

Insurance

The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

In this article:

- a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

APPENDIX 3 - DRAFT RULES OF THE CHARITY

DRAFT RULES OF THE CHARITY

**RULES OF
H & F HOUSING LIMITED
REGISTER NO: IPxxxxxR**

**Registered under the Industrial and Provident
Societies Act, 1965**

Based on the National Housing Federation Model Rules 2005

CONTENTS

Part 1 Name and objects

- 1.1 Name
- 1.2 Objects
- 1.3 – 1.4 Non-profit

Part 2 Powers of association, board, and shareholders

- 2.1 – 2.3 Powers
- 2.4 – 2.6 Powers of the board
- 2.7 Limited powers of shareholders in general meeting
- 2.8 – 2.10 General

Part 3 The board

- 3.1 Functions
- 3.2 – 3.8 Composition of board
- 3.9 – 3.17 Election and appointment to the board
- 3.18 – 3.20 Quorum for the board
- 3.21 – 3.29 Board members' interests
- 3.30 – 3.31 Meetings of the board
- 3.32 – 3.35 Management and delegation
- 3.36 – 3.39 Miscellaneous provisions

Part 4 Chair, chief executive, secretary and other officers

- 4.1 – 4.5 The chair
- 4.6 The chair's responsibilities
- 4.7 The chief executive
- 4.8 The secretary
- 4.9 – 4.10 Miscellaneous

Part 5 Shareholders and general meetings

- 5.1 Obligations of shareholders
- 5.2 – 5.4 Nature of shares
- 5.5 – 5.9 Nature of shareholders
- 5.10 – 5.12 Admission of shareholders
- 5.13 Ending of shareholding
- 5.14 Expulsion of a shareholder
- 5.15 – 5.16 Annual general meeting
- 5.17 – 5.19 Special general meetings
- 5.20 – 5.21 Calling a general meeting
- 5.22 – 5.26 Proceedings at general meetings
- 5.27 Proxies
- 5.28 – 5.34 Voting

Part 6 Financial control and audit

- 6.1 – 6.8 Auditor
- 6.9 – 6.10 Auditor's duties

- 6.11 – 6.13 Accounting requirements
- 6.14 Annual returns and balance sheets
- 6.15 – 6.18 Borrowing
- 6.19 Investment

Part 7 Miscellaneous and statutory

- 7.1 – 7.2 Registered office and name
- 7.3 – 7.6 Disputes
- 7.7 – 7.12 Minutes, seal, registers and books
- 7.13 – 7.14 Statutory applications to the Financial Services Authority
- 7.15 – 7.18 Amendment of rules
- 7.19 – 7.20 Dissolution

Part 8 Interpretation of terms

PART 1

NAME AND OBJECTS

Name

- 1.1 The name of the society shall be **H & F Housing Limited** (the “association”).

Objects

- 1.2 The association is formed for the benefit of the community. Its objects shall be to carry on and for the benefit of the community:
- a. the business of provision of social housing and affordable housing, providing and managing housing and matters connected with or incidental to providing housing (including but not limited to the maintenance, improvement or provision of public amenities, the promotion of public safety and prevention of crime and the provision of recreational facilities), in each case for poor people or for the relief of aged, disabled, (whether physically or mentally), or chronically sick people.
 - b. any other charitable object that can be carried out from time to time by an Industrial and Provident Society registered as a provider of social housing with the Regulator.

Non-profit

- 1.3 The association shall not trade for profit.
- 1.4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

PART 2

POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

- 2.1 The association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.
- 2.2 Without limiting its general powers the association shall have power to:
- a. purchase, take or grant any interest in land, or construct or carry out works to buildings;
 - b. help any charity or body not trading for profit in relation to housing;
 - c. subject to rule 6.15 borrow money or issue loan stock and enter into swap transactions for the purposes of the association on such terms and on such security including floating charges as the association thinks fit; and
 - d. subject to rule 6.20 invest the funds of the association.
- 2.3 The association shall not have power to receive money on deposit in any way which would require authorisation under any statute unless it has such authorisation.

Powers of the board

- 2.4 The business of the association shall be directed by the board.
- 2.5 Apart from those powers which must be exercised in general meeting: by statute; or under these rules all the powers of the association may be exercised by the board for and in the name of the association.
- 2.6 The board shall have power to delegate, in writing, the exercise of any of its powers to committees or to an officer or an employee on such terms as it determines. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

- 2.7 The association in general meeting can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

- 2.8 The certificate of an officer of the association that a power has been properly exercised shall be conclusive as between the association and any third party acting in good faith.
- 2.9 A person acting in good faith who does not have actual notice of these rules or any of the association's regulations shall not be concerned to see or enquire if the board's powers are restricted by any of those rules or regulations.
- 2.10 The association shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

PART 3

THE BOARD

Functions

- 3.1 The association shall have a board (in these rules referred to as the "board") which shall direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- a. define and ensure compliance with the values and objectives of the association;
 - b. establish policies and plans to achieve those objectives;
 - c. approve each year's accounts prior to publication and approve each year's budget;
 - d. establish and oversee a framework of delegation and systems of control;
 - e. agree policies and make decisions on all matters that create significant financial risk to the association or which affect material issues of principle;
 - f. monitor the association's performance in relation to these plans, budget, policies, controls and decisions;

- g. appoint (and if necessary remove) the chief executive (if any);
- h. satisfy itself that the association's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- i. take appropriate advice where necessary.

Composition of the board

- 3.2 The board shall consist of **[seven]** board members or of such other number of board members as may from time to time be determined by the parent.
- a. Without prejudice to rule 3.4, **four** members of the board shall be parent board members appointed in accordance with rule 3.13.
 - b. Up to **two** members of the board shall be resident board members elected in accordance with rule 3.15 unless there are no residents willing and able to serve as a resident board member in accordance with these rules in which case rule 3.8 shall apply.
 - c. **One** board member shall be an independent board member appointed in accordance with rule 3.17 who shall also be the Chair.
- 3.3 The board shall in its annual report set out the obligations of every board member to the board and to the association. The board shall review and may amend the obligations of board members from time to time.
- 3.4 No board member may act as such until they have signed and delivered to the board a statement, confirming that they will meet their obligations to the board and to the association. The board may vary the form of statement from time to time.
- 3.5 No one can become or remain a board member at any time if:
- a. they are disqualified from acting as a director of a company for any reason; or
 - b. except in respect of parent board members, they have absented themselves from four consecutive meetings of the board without special leave of absence from the board; or
 - c. they are, or may be, suffering from mental disorder and they are admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - d. they are, or may be, suffering from mental disorder and an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for their detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to their property or affairs; or
 - e. any performance contract or similar agreement entered into by such member

with any group member is terminated; or

- f. they are a resident and cease to be a resident; or
- g. they are a resident and they are in the opinion of the board in breach of their tenancy agreement, lease or license with the relevant group member and they fail to rectify the breach within 90 days of receiving written notice from the relevant group member informing them of the breach and, at the end of such notice period, the board resolves that they should cease to be a shareholder; or
- h. they are a board member other than a resident board member and they become a resident; or
- i. they are the independent board member and they become a resident or a local authority person; or
- j. they have been convicted of an indictable offence within the last five years; or
- k. they are an employee or elected representative of the parent (in the case of a parent board member) and that employment or office is terminated for any reason; and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.

3.6 A board member may resign by giving a written notice of resignation to the secretary.

3.7 Except in the case of a board member appointed by the parent, a member of the board may be removed by a resolution passed at a quorate board meeting by two thirds of those board members present:

- a. at least fourteen days notice of the proposed resolution has been given to all board members, and
- b. the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule 3.3, and
- c. the board is satisfied that the allegation(s) is or are true; and
- d. the parent has approved the calling of the meeting.

3.8 Whenever the number of board members is less than permitted by these rules, the board may with the written consent of the parent appoint a further board member (subject to the limits contained in rule 3.2). Any board member so appointed shall retire at the next annual general meeting.

Election and Appointment to the board

3.9 Each board member (with the exception of the parent board members) shall be elected or appointed for a fixed term.

- 3.10 No board member may be appointed for a term which, when aggregated with previous consecutive terms, amounts to a continuous period of office as a board member exceeding 9 years. A board member's performance contract may specify a lower term. At the end of such term the board member shall retire from office.
- 3.11 A board member who, at the expiry of their term of office, has continuously held office for the maximum period stated in rule 3.10 shall not be eligible for re-appointment until the expiry of 12 months from the date they cease to be a board member. Any other board member who retires from office at the expiry of their term of office shall be eligible for re-appointment subject to any restrictions contained in these rules or in any performance contract or similar agreement.
- 3.12 The shareholders shall endeavour to ensure that the board possesses the quality, skills and experience which the association has from time to time determined that it requires.
- 3.13 Without prejudice to rule 3.14, the parent shall have the right to appoint four persons as parent board members. Any vacancies occurring among parent board members shall be filled by the parent. Appointments or withdrawals shall be made in writing to the secretary.
- 3.14 The parent may from time to time by notice to the association remove from office any or all of the members of the board appointed by it pursuant to rule 3.13. Any such notice shall be in writing and may be signed by any authorised representative of the parent and shall take effect on and from the time at which it is received at the registered office of the association or is handed to the chairman of any meeting of the board.
- 3.15 Resident board members shall be elected to the board in accordance with any policy decided by the board from time to time.
- 3.16 The secretary shall announce the results of the elections of resident board members at or before each relevant annual general meeting and the residents so elected shall be duly appointed as resident board members with effect from the end of that annual general meeting and without further formality.
- 3.17 The board shall select and appoint one independent board member in accordance with rules 3.17A to 3.17C. For this purpose an independent board member is a board member who is not:
- a. a resident; or
 - b. a local authority person; or
 - c. a member of or an employee of a group member.
- 3.17A Whenever it is the intention of the board to appoint an independent board member it shall not be permitted to do so unless it has notified the parent of the same in writing. In the event that, within 60 days of such notice the parent provides the association with details of at least three candidates which it considers suitable for the position, then the board must either:
- a. select one of those candidates to be the independent board member; or

- b. if, acting reasonably, the board does not consider any of the candidates suitable for the position, give an additional notice to the parent in writing stating the same.
- 3.17B In the event that a notice has been given in accordance with rule 3.17A(b) and within 60 days of such notice the parent provides the association with details of at least three different candidates which is considers suitable for the position, then the board must select one of those candidates to be the independent board member unless, acting reasonably, the board does not consider any of the candidates suitable for the position, in which case the board may put in place such arrangements for the identification and appointment of the independent board member as they see fit.
- 3.17C If the parent does not give the association notice identifying candidates within the time periods set out in rule 3.17A and 3.17B the board may put in place such arrangements for the identification and appointment of the independent board member as they see fit.

Quorum for the board

- 3.18 A quorum shall be present at a board meeting if at least **four** board members are present but only if more than half of the board members present are parent board members. The board with the written consent of the parent board members may determine a higher number or impose additional requirements.
- 3.19 Up to **31 March 2012**, the board members may act as the board notwithstanding that they are less than the number necessary for a quorum. Thereafter, if the number of the board members falls below the number necessary for a quorum, the remaining board members may continue to act as the board for the maximum continuous period of six months and the provisions in rule 3.18 shall to the extent necessary to give effect to the foregoing be suspended for that time. At the end of that time the only power that the board may exercise shall be to call a general meeting of the association to bring the number of the board members up to that required by these rules.
- 3.20 At any board meeting, if the meeting becomes inquorate the meeting shall be adjourned until a later date, time and place approved by the chair of the meeting. An adjourned board meeting is a continuation of the original board meeting and can only deal with matters adjourned from the original board meeting.

Board members' interests

- 3.21 No board member or member of a committee or officer shall have any financial interest:
- a. personally; or
 - b. as a member of a firm; or
 - c. as a director or other officer of a business trading for profit; or
 - d. in any contract or other transaction with any group member, unless it is expressly permitted by these rules or by law.
 - e. in any other way whatsoever.

- 3.22 Subject to rule 3.28, the association shall not pay or grant any benefit to anyone who is a board member or a member of a committee or an officer, unless it is expressly permitted by these rules and by law.
- 3.23 Any board member or member of a committee, having an interest in any arrangement between the association and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Unless the interest is of a type specified in rule 3.24, the board member shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 3.24 Provided the interest has been properly disclosed pursuant to rule 3.23, a board member or member of a committee may remain present during the discussion and may vote on the matter under discussion where the interest arises:
- a. because the board member or member of a committee is a resident so long as the matter in question affects all or a substantial group of residents; or
 - b. because the board member or member of a committee is a board member, director or officer of a group member.
- 3.25 Furthermore, a board member or member of a committee shall not be treated as having an interest of which the board member or member of a committee has no knowledge and of which it is unreasonable to expect him to have knowledge or in respect of the establishment of a policy in relation to expenses payable under rule 3.28(a).
- 3.26 If requested by a two thirds majority of the board or members of a committee at a meeting convened specially for the purpose, a board member or member of the committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.
- 3.27 Every board member and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:
- a. director or officer or member; or
 - b. a member of a firm; or
 - c. an official or elected member of any statutory body; or
 - d. the owner or controller of more than two percent of a company the shares in which are publicly quoted or more than ten percent of any other company;
 - e. any property owned or managed by the association which they own or occupy; or
 - f. any other significant or material interest which in each case would or could affect any arrangement with the association or any other group member.
- 3.28 The association may:
- a. pay properly authorised expenses to board members and members of committees when actually incurred on the association's business; and

- b. pay insurance premiums in respect of insurance taken out to insure officers against the cost of a successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty;
 - c. pay remuneration, fees, allowances or recompense for loss of earnings to board members and members of committees; and
 - d. grant benefits to board members and members of committees,
provided that any such payment or benefit is lawful and is made or granted with the written consent of the parent.
- 3.29 A board member appointed by the parent is not obliged to disclose to the association any information regarding or relating to the parent that he obtains in this capacity as an employee, officer or a board member of the parent. Furthermore a board member appointed by the parent may disclose to the parent any information he obtains as a board member of the association provided such disclosure does not conflict with the interests of the association.

Meetings of the board

- 3.30 The board shall meet at least three times every calendar year. At least three days' written notice of the date and place of every board meeting shall be given by the secretary to all board members. The board may meet on shorter notice where not less than two thirds of the board members so agree.
- 3.31 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members as soon as possible after receipt of such a request. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting. Any such notice or communication sent by post shall be deemed to have arrived two days after being sent and any sent by fax or electronic communication shall be deemed to have been served when received, provided that, in respect of a fax, it is legible and, in the case of an electronic communication, it is in a readable form.

Management and delegation

- 3.32 The board may delegate any of its powers under written terms of reference to committees or to an officer or employee. Those powers shall be exercised in accordance with any written instructions given by the board.
- 3.33 The membership of any committee shall be determined by the board. Every committee shall include one board member. The board will either appoint the chair of any committee or determine a procedure for the committee to appoint its own chair. The board shall specify the quorum of each committee.
- 3.34 All acts and proceedings of any committee shall be reported to the board.

- 3.35 No committee can incur expenditure on behalf of the association unless at least one board member of the board on the committee has voted in favour of the resolution or the board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions

- 3.36 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or in the appointment of the members at a meeting.
- 3.37 A resolution in writing sent to all board members or all members of a committee and signed by three quarters of the board members or by three quarters of the members of that committee (as the case may be) shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or that committee and may consist of documents in the same form and signed by one or more persons and may be evidenced by letter, electronic communication in writing (or by any other means which the board may approve from time to time).
- 3.38 Meetings of the board or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings and whether or not all are assembled in one place
- *3.42 Notice may be given to board members by post or fax or electric communication at the last address for such communication given to the secretary. The accidental failure to give notice to a board member or the failure of the board member to receive such notice shall not invalidate the proceedings of the board.*

PART 4

CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS

The chair

- 4.1 The association shall have a chair, who shall also chair board meetings, and shall be appointed under rule 4.2. The association may also have a deputy chair who shall, in the chair's absence, chair board meetings and who shall be appointed by the board from the parent board members.
- 4.2 The chair shall be the independent board member appointed pursuant to rule 3.17 and shall hold office until the earlier of:
- a. the date on which the chair resigns as chair;
 - b. the date on which the chair ceases to be a board member; or
 - c. the first board meeting held following the expiry of three years after the chair was elected by the board.
- 4.3 A chair who has held office for a consecutive period of nine years or more shall not be capable of being re-elected as chair.

- 4.4 The first item of business for any board meeting when there is no chair or the chair is not present shall be to elect the chair. In the case of any equality of votes, the chair shall not have a casting vote.
- 4.5 The chair of the association may be removed at a quorate board meeting called for the purpose provided the resolution is passed by at least two thirds of the members of the board present and voting at the meeting.

The chair's responsibilities

- 4.6 The chair shall seek to ensure that:
- a. the board's business and the association's general meetings are conducted efficiently;
 - b. all board members are given the opportunity to express their views;
 - c. a constructive working relationship is established with, and support provided for, the chief executive (if any).

The chief executive

- 4.7 The association may have a chief executive appointed by the board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive.

The secretary

- 4.8 The association shall have a secretary who shall be appointed by the board. The secretary shall in particular:
- a. summon and attend all meetings of the association and the board and keep the minutes of those meetings; and
 - b. keep the registers and other books determined by the board; and
 - c. make any returns on behalf of the association to the Financial Services Authority; and
 - d. have charge of the seal of the association; and
 - e. be responsible for ensuring the compliance of the association with these rules.

Miscellaneous

- 4.9 Every officer shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.
- 4.10 Except for the consequences of their own dishonesty or negligence or of breach by them of their performance contract or similar agreement with the association no board member or officer shall be liable for any losses suffered by the association.

Obligations of shareholders

- 5.1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the association and, for the benefit of the community, as guardians of the objects of the association.

Nature of shares

- 5.2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- 5.3 Shares shall not be capable of transfer.
- 5.4 When a shareholder ceases to be a shareholder or is expelled from the association, their share shall be cancelled. The amount paid up shall become the property of the association.

Nature of shareholders

- 5.5 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders. The shareholders shall be:
- a. the parent; and
 - b. the chair of the board from time to time and
 - c. ***[For Decision]***
- 5.6 The following cannot be or become shareholders:
- a. a minor;
 - b. [any person who is not also a board member other than the parent;]
 - c. an employee of any group member; and
 - d. in the case of a body corporate, a body which is in liquidation or the subject of an administration order or has a receiver and/or manager appointed over all or any of its assets or is subject to an agreement with its creditors generally.
- 5.7 A corporate body who is a shareholder can appoint an individual to exercise its rights at general meetings and may revoke such appointment. Any such appointment or revocation shall be in writing, and shall take effect on being given to the secretary. A representative shall be entitled to speak at the meeting at which they are entitled to vote. For all purposes, including the execution or signature of any appointment of a proxy, resolution in writing, notice or other document (including electronic communications) executed, signed or approved by a corporate body, the signing by an authorised representative of that corporate body shall be deemed to be and shall be accepted as signing by that body corporate.

- 5.8 No shareholder shall hold more than one share.
- 5.9 A share cannot be held jointly.

Admission of shareholders

- 5.10 Subject to rule 5.6, the board shall make such appointments of shareholders as are required from time to time in order to give effect to rule 5.5, and will not appoint any other shareholders.
- 5.11 An applicant for a share shall apply in writing to the association's registered office enclosing the sum of one pound (which shall be returned to them if the application is not approved).
- 5.12 Every application to become a shareholder shall be considered by the board in accordance with rule 5.10. The board shall not admit as a shareholder any person other than as stated in rule 5.10. If the application is approved the name of the applicant and the other necessary particulars shall be entered in the register of shareholders.

Ending of shareholding

- 5.13 A shareholder shall cease to be a shareholder if:
- a. they die; or
 - b. they are expelled under rule 5.14; or
 - c. they withdraw from the association by giving one month's notice to the secretary; or
 - d. except in the case of the parent, they do not participate in, nor deliver written apologies in advance to, a general meeting of the association in the period starting with one annual general meeting up to and including the next annual general meeting; or
 - e. except in the case of the parent, the association serves notice on the shareholder asking them to indicate within a period (not being less than 3 months) whether they wish to remain a shareholder and they fail to reply within such period; or
 - f. in the case of a body corporate it ceases to be a body corporate; or
 - g. they become ineligible to be a shareholder under rule 5.6; or
 - h. they are a resident and they are in the opinion of the board in breach of their tenancy agreement, lease or licence with the relevant group member and they fail to rectify the breach within 90 days of receiving written notice from the relevant group member informing them of the breach and, at the end of such notice period, the board resolves that they should cease to be a shareholder; or
 - i. in the case of a person who has been the chair of the board and/or a parent board member, that person ceases to hold that position; or

Expulsion of a shareholder

- 5.14 All shareholders except the parent may be expelled. This must be through a special resolution at a special general meeting called by the board.
- a. The board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the reasons for the proposed expulsion and must request the shareholder to attend the meeting to respond to the reasons given in the notice.
 - b. At the general meeting called for this purpose the shareholders shall consider the evidence presented by the board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.
 - c. If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

Annual general meeting

- 5.15 The association shall hold a general meeting called the annual general meeting within six calendar months after the close of each of its financial years or such later date as may be permitted by law.
- 5.16 The functions of the annual general meeting shall be:
- a. to receive:
 - the revenue accounts and balance sheets for the last accounting period
 - the auditor's report (if one is required by law) on those accounts and balance sheets
 - the board's report on the affairs of the association
 - b. to appoint the auditor (if one is required by law);
 - c. to transact any other general business of the association set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

- 5.17 All general meetings other than annual general meetings shall be special general meetings and shall be convened either:
- a. upon an order of the board;
 - b. upon a written requisition signed by an authorised representative of the parent; or
 - c. upon a written requisition signed by 3 of the shareholders stating the business for which the meeting is to be convened.
- 5.18 If within twenty-eight days after delivery of a requisition to the secretary a meeting required under rule 5.17 is not convened, the shareholders who have signed the

requisition may convene a meeting.

- 5.19 A special general meeting shall not transact any business that is not mentioned in the notice convening the meeting.

Calling a general meeting

- 5.20 All general meetings shall be convened by at least fourteen clear days' written notice (or, with the written consent of all the shareholders, such other period of written notice as the shareholders agree) posted or delivered or sent by fax or electronic communication to every shareholder at the address, fax number or electronic address shown in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- 5.21 Any accidental failure to get any notice to any shareholder (including any accidental failure to send it), shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived two days after being posted and any sent by fax or electronic communication shall be deemed to have been served when received provided, in respect of a fax, it is legible and, in respect of an electronic communication, it is in a readable form.

Proceedings at general meetings

- 5.22 Before any general meeting can start its business there must be a quorum present. A quorum is present if:
- a. at least **two** shareholders are present in person or by an authorised representative or by proxy; and
 - b. the parent is present by an authorised representative or by proxy (and the parent shall count towards the number of shareholders specified in rule 5.22(a)).
- 5.23 A meeting held as a result of a shareholders' requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.
- 5.24 All other general meetings with too few shareholders will be adjourned to the same day, at the same time in the following week at the association's registered office. If the shareholders present half an hour after the time the adjourned meeting should have started are less than as stated in rule 5.22, those shareholders present shall carry out the business of the meeting.
- 5.25 The chair of any general meeting can:
- a. take the business of the meeting in any order that the chair may decide; and
 - b. adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.

- 5.26 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the deputy chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting.

Proxies

- 5.27 Any shareholder entitled to attend and vote at a meeting is entitled to appoint another person (whether or not a shareholder) as their proxy to attend and vote instead of them. A proxy can be appointed by delivering a written appointment to the registered office or such other place as may be selected by the board and stated in the notice calling the meeting at least two days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

Voting

- 5.28 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed or is required by these rules, be decided upon a show of hands.
- 5.29 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote save that the share held by the parent shall entitled it to not less than 40% of the votes capable of being cast on any resolution. In the case of an equality of votes the chair of the meeting shall not have a second or casting vote.
- 5.30 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association, shall be conclusive evidence of that fact.
- 5.31 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.
- 5.32 A ballot on a resolution may be demanded by the parent or any three shareholders at a meeting (in person or by proxy) or directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by ballot.
- 5.33 A ballot shall be taken at the meeting at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.
- 5.34 A resolution in writing signed by every shareholder entitled to attend and vote at general meetings shall be as valid and effective as a resolution passed at such meeting. Such resolution may comprise more than one document in the same form each signed by one or more shareholders.

Auditor

- 6.1 The association if required by law shall appoint a firm of auditors to act in each financial year. They must be qualified as provided by Section 7 of the Friendly and Industrial and Provident Societies Act 1968 as amended by the Companies Act 1989.
- 6.2 The following cannot act as auditor:
- a. an officer or employee of the association;
 - b. a person employed by or employer of, or the partner of, an officer or employee of the association.
- 6.3 Subject to rule 6.1 and to rule 6.4, an auditor must be appointed by resolution at a general meeting.
- 6.4 The board may appoint an auditor to fill a casual vacancy.
- 6.5 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:
- a. a general meeting has appointed someone else to act or has resolved that the auditor shall not act; or
 - b. the auditor does not want to act and has told the association so in writing; or
 - c. the person is not qualified or falls within rule 6.2; or
 - d. the auditor has become incapable of acting; or
 - e. notice under rule 6.5(a) of intention to pass a resolution to appoint another auditor, or that the auditor shall not act, has been given.
- 6.6 Not less than twenty eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed.
- 6.7 The association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible.
- 6.8 If it is not possible to give the notice referred to in rule 6.7 as specified in that rule, the association shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its shareholders under Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

Auditor's duties

- 6.9 The findings of the auditor shall be reported to the association, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968.

- 6.10 The board shall produce the revenue account and balance sheet audited by the auditor, (if required by law) and the auditor's report (if required by law) at each annual general meeting. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

- 6.11 The end of the accounting year must be a date allowed by the Financial Services Authority.
- 6.12 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
- 6.13 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- 6.14 Every year, within the time period specified by legislation, the secretary shall send the association's annual return to the Financial Services Authority. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Financial Services Authority, and shall be lodged within the period allowed by law. The annual return shall be accompanied by the auditor's report (if required by law) for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

- 6.15 The total borrowings of the association at any time shall not exceed £1,000,000,000 (one billion pounds sterling).
- 6.16 In respect of any proposed borrowing, for the purposes of rule 6.15, in relation to the amount remaining un-discharged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the association the amount of borrowing shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing; and
- 6.17 For the purposes of rule 6.15 in respect of any proposed borrowing intended to be on deferred interest or index-linked terms or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing; and
- 6.18 No person dealing in good faith shall be concerned to know whether rule 6.15 or this rule have been complied with.

Investment

- 6.19 The funds of the association may be invested by the board in such manner as it determines.

Registered office and name

7.1 The association's registered office is:

Hammersmith & Fulham Town Hall Extension
King Street
London
W6 9JU

7.2 The association's registered name must:

- a. be placed prominently outside every office or place of business; and
- b. be engraved on its seal (if any); and
- c. be stated on its business letters, notices, adverts, official publications, cheques and invoices.

Disputes

7.3 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:

- a. the association and an officer; or
- b. the association and a shareholder; or
- c. the association and a person claiming to be a shareholder; or
- e. the association and a person who was a shareholder in the last six months.

7.4 Alternatively, such dispute can be resolved by an arbitrator appointed by both parties to the dispute. If the parties do not agree on the choice of arbitration or the arbitrator the dispute shall be dealt with in the County Court.

7.5 The arbitrator's decision is binding. No appeal is allowable. No court of law can alter it, but it can be enforced by a County Court.

7.6 The arbitrator's decision on the costs of the arbitration is binding.

Minutes, seal, registers and books

7.7 The minutes of all general meetings, and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever chairs the meeting and kept safe.

7.8 The secretary shall keep the seal (if any). It shall not be used except under the board's authority. The affixing of the seal must be attested by the signatures of one board member and the secretary or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted.

- 7.9 The association must keep at its registered office:
- a. the register of shareholders showing:
 - the names and addresses of all the shareholders; and
 - a statement of all the shares held by each shareholder and the amount paid for them; and
 - a statement of other property in the association held by the shareholder; and
 - the date that each shareholder was entered in the register of shareholders.
 - b. a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.
 - c. the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate.
 - d. a register of holders of any loan.
 - e. a register of mortgages and charges on land.
 - f. a copy of the rules of the association.
- 7.10 The association must display a copy of its balance sheet and auditors report (if required by law) from its latest annual audited accounts at its registered office.
- 7.11 The association shall give to all shareholders on request copies of its last annual return with the auditor's report (if required by law) on the accounts contained in the return, free of charge.
- 7.12 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the Financial Services Authority

- 7.13 The parent or [two] other shareholders can apply to the Financial Services Authority to appoint an accountant to inspect the books of the association, provided all of them have been shareholders of the association for a twelve month period immediately before their application.
- 7.14 The shareholders may apply to the Financial Services Authority in order to get the affairs of the association inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

- 7.15 The rules of the association may be rescinded or amended but not so as to stop the association being a charity.

- 7.16 Subject to rules 7.15 and 7.17, the rules of the association may only be amended by a resolution put before a general meeting by the board and where each amendment has previously been approved by at least two thirds of the board members voting on such approval.
- 7.17 Rules 1.2; 1.3; 1.4; 2.1; 2.2; 2.3; 5.2; 5.3; 3.18; 3.30; 7.15 and 7.20 can only be amended or rescinded by three fourths of the votes cast at a general meeting. Any other rule can be rescinded or amended by two thirds of the votes cast at a general meeting.
- 7.18 Amended rules shall be registered with the Financial Services Authority as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

- 7.19 The association may (but only with the consent of the parent) be dissolved by a three fourths majority of shareholders who sign an instrument of dissolution in the form prescribed by Treasury Regulations; or by winding-up under the Act.
- 7.20 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to a charitable body with objects similar to those of the association who has been approved by the parent.

PART 8

INTERPRETATION OF TERMS

Interpretation of terms

- 8.1 In these rules, including this rule, unless the subject matter or context are inconsistent:-
- 8.1.1 words importing the singular or plural shall include the plural and singular respectively;
- 8.1.2 words importing gender shall include the male and female genders;
- 8.1.3 any reference to an Act shall include any amendment or re-enactment from time to time and references to any provision in any Act shall include reference to such provision (and to any orders or regulations made under such provision) in each case as from time to time amended, varied, replaced, extended or re-enacted. Any reference to the Financial Services Authority or the Central Office includes reference to their statutory successor carrying the relevant functions of any of them;
- 8.1.4 "Act" shall mean the Industrial and Provident Societies Acts 1965 to 2002;
- 8.1.5 "amendment of rules" shall include the making of a new rule and the rescission of a rule, and "amended" in relation to rules shall be construed accordingly;
- 8.1.6 "association" shall mean the association of which these are the registered rules;

- 8.1.7 “authorised representative” means in relation to a corporate body any person who appears to any officer of the association (acting reasonably and in good faith) to have been authorised by that corporate body;
- 8.1.8 “board” shall mean the board appointed in accordance with Part 3 and “board member” or “member of the board” shall mean a member of the board for the time being;
- 8.1.9 “chair” shall, save in rule 4.1, and where applicable, include the deputy chair;
- 8.1.10 “group” means at any time all entities which are at that time group members;
- 8.1.11 “group member” means the association, each subsidiary of the association, any associate of the association, any body corporate of which the association is a subsidiary and any subsidiary of such body corporate; and for this purpose “associate” and “subsidiary” have the meanings given by the Friendly and Industrial and Provident Societies Act 1968 and/or the Housing Act 1996 and/or the Companies Acts 1985 to 2006;
- 8.1.12 “independent board member” means a member of the board appointed by the board in accordance with rule 3.17;
- 8.1.13 “local authority person” means a member, officer or employee of the parent;
- 8.1.14 “officer” shall if the context permits include the chair and secretary of the association and any board member for the time being;
- 8.1.15 “the parent” means Hammersmith & Fulham, a London borough council, its office being at Town Hall Extension, King Street, London W6 9JU
- 8.1.16 “parent board member” means a board member appointed by the parent in accordance with rule 3.13 and “parent board members” shall be construed accordingly;
- 8.1.17 “property” shall include all real and personal estate (including loan stock certificates, books and papers);
- 8.1.18 “register of shareholders” means the register kept in accordance with rule 7.9;
- 8.1.19 “resident” means a person who alone or jointly with others occupy premises owned and/or managed by any group member for residential use;
- 8.1.20 “resident board member” means a board member elected in accordance with rule 3.15 and “resident board members” shall be construed accordingly;

- 8.1.21 "secretary" means the officer appointed by the board to be the secretary of the association;
- 8.1.22 "services agreement" means any agreement to which the managing agents are a party and which relates to any property in respect of which the association has an interest;
- 8.1.23 "shareholder" shall mean one of the persons referred to in rule 5.5 and means "member" as defined by the Act;
- 8.1.24 "special resolution" means a resolution at a general meeting passed by a two thirds majority of all votes capable of being cast at any general meeting in person or by proxy;
- 8.1.25 "swap transaction" has the meaning given in the definition of "swap transaction" appearing in the 2006 ISDA Definitions as amended from time to time but for the avoidance of doubt shall include a retail prices (or other published index) transaction and any contract for differences (as defined in the glossary in The Full Handbook as published by the Financial Services Authority, from time to time)."
- 8.1.26 "these rules" shall mean the registered rules of the association for the time being;
- 8.1.27 "Hammersmith & Fulham" means the administrative area from time to time of the parent.
- 8.1.28 "social housing" has the meaning given to it in sections 68 and 77 of the Housing and Regeneration Act 2008;
- 8.1.29 "Regulator" means the body defined as the Office for Tenants and Social Landlords in, and constituted under, Part 2 of the Housing and Regeneration Act 2008 or any statutory successor to or assignee of any or all of its relevant functions from time to time.

INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Acknowledgement of Registration of Society

Register No.

is this day registered under the Industrial and Provident Societies Act 1965.

Dated **(Seal of Central Office)**

Copy kept
**Financial Services Authority
Central Office**

1.....Shareholder

2.....Shareholder

3.....Shareholder

4.....Secretary

APPENDIX 4 - DRAFT INTER-GROUP AGREEMENT

DRAFT INTER-GROUP AGREEMENT

DATED

2011

THE LONDON BOROUGH OF HAMMERSMITH & FULHAM

- and -

H & F HOUSING LIMITED

INTRA-GROUP AGREEMENT

TABLE OF CONTENTS

1	INTERPRETATION.....	44
2	GROUP STRUCTURE.....	46
<u>3</u>	BUSINESS PLANNING.....	46
<u>4</u>	GENERAL INFORMATION.....	46
5	RESOLUTION OF DISPUTES.....	47
<u>6</u>	CONFIDENTIALITY.....	47
7	REVIEW AND VARIATIONS.....	48
8	ASSIGNMENT.....	<u>5</u>
9	SEVERANCE.....	48
10	waiver.....	48
11	NOTICES.....	49
12	TERM OF AGREEMENT.....	49
<u>13</u>	<u>Counterparts.....</u>	<u>6</u>
<u>14</u>	<u>AGREEMENT TO PREVAIL.....</u>	<u>6</u>
<u>15</u>	<u>Law.....</u>	<u>6</u>
16	COVENANTS.....	49
<u> </u>	<u>SIGNATORIES.....</u>	<u>53</u>

BETWEEN:

- (1) **The London Borough of Hammersmith & Fulham** (the **Parent**); and
- (2) **H & F Housing Limited** an industrial and provident society and an exempt charity (number IP XXXXXX) (the **Charity**).

RECITALS

- (1) The Charity has been established with objects *inter alia* of the provision of social housing and affordable housing, providing and managing housing and matters connected with or incidental to providing housing.
- (2) The Parent has agreed to provide substantial financial and other support to the Charity to enable it to deliver on its objects.
- (3) Although the detailed terms of any support to be provided by the Parent to the Charity will be separately documented it is an absolute condition of the Parent that before any financial or other support is provided, the Charity enters into this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

In this Agreement the following words and phrases shall bear the following meanings:

Anniversary	means an anniversary of the date of this Agreement.
Board	means the Board of the Charity which has responsibility for the direction of the Charity's business (or as it may be renamed from time to time).
Business Day	means a day (other than a Saturday or Sunday) on which the Parent's offices are open for business.
Business Plan	means the business plan (incorporating a budget and financial forecast) of the Charity approved by its Board and by the Parent from time to time.
Management Agreement	means any agreement from time to time between the Charity and the Company who agrees to provide any management services to the Charity.
Competent Authority	means the Financial Services Authority, the Department for Communities and Local Government, the HCA, the Tenant Services Authority (otherwise Office for Tenants and Social Landlords), the Audit Commission, National Audit Office, HM Revenue & Customs and the Charity Commission or any successor body or any other body with statutory or regulatory authority over the Parties or any person whose consent is required under any deed or agreement which is binding on either Party.

Devco	H&F Developments Limited (company number []).
Group	means collectively all of the Group Members.
Group Member	means the Parent, the Charity and Devco together with any other entity which is from time to time a Subsidiary of the Charity or Devco.
HCA	means the Homes and Communities Agency or any successor organisation.
HCA Agreement	means any agreement from time to time between the Charity and the HCA under which the HCA agrees to provide any form of financial assistance to the Charity.
Parent Funding Agreement	means an agreement between the Parent and the Charity from time to time under which the Parent agrees to provide financial assistance to the Charity.
Party	means a body which is from time to time a party to this Agreement.
SLA	means a service level agreement between the Parent and the Charity for the provision of services by the Parent to the Charity.
Subsidiary	means an incorporated or unincorporated body which is from time to time a subsidiary within the meaning of Companies Act 2006 section 1159 (whether or not the relevant body is incorporated under that Act) and/or is a subsidiary within Section 15 of the Friendly and Industrial and Provident Societies Act 1968.

Interpretation

In this Agreement where the context so permits:

Words denoting the singular shall include the plural and vice versa, words denoting the masculine gender shall include the feminine gender and vice versa and words denoting persons shall include corporations.

Reference to any statutory provisions or instruments shall be deemed to include reference to any such provisions or instruments as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations under such provisions.

References to a clause or a schedule shall be deemed to be references to a clause or a schedule to this Agreement and references to a sub-clause shall be deemed to be references to a sub-clause of the clause in which the reference appears.

A reference to a person includes its successors, transferees and assigns.

No partnership shall be created by virtue of this Agreement which would result in any Party becoming jointly and severally liable for the obligations of another.

Clause headings are included for ease of reference only and shall not affect this Agreement or the interpretation hereof.

a. *GROUP STRUCTURE*

Group Member Status

It is the intention of the Parties that they shall be treated as a group for the purpose of generally accepted accounting principles.

Obligations of Charity.

The Charity undertakes to the Parent that it will act at all times in the best interests of the Group except to the extent this might conflict:

1. with charity law and regulations; or
2. with the requirements of any Competent Authority; or
3. directly with the interests of the Charity,

provided that nothing in this Agreement of itself requires the Charity to offer financial assistance to any other Group Member.

Notwithstanding anything contained in this Agreement, the Charity cannot be obliged to take any action or refrain from taking any action which is not permitted by, or otherwise in accordance with, its charitable objects from time to time.

3. BUSINESS PLANNING

- 3.1 In each calendar year, the Parent shall prepare a revised draft Business Plan in consultation with the Charity and will consider any reasonable revisions requested by the Charity. Promptly after the Business Plan has been prepared, the Charity will arrange for its Board to consider its approval and adoption (such approval and adoption not to be unreasonably withheld or delayed) and adopt it. Each draft Business Plan will be accompanied by a commentary on any significant variations from the last approved Business Plan.
- 3.2 Any Business Plan must demonstrate that, amongst other things, the Charity can meet all of its obligations to the Parent and other Group Members and to funders and its other contractual commitments from its own resources and must comply with all relevant legislation and regulations.
- 3.3 Until a new Business Plan is adopted by the Charity, the Charity shall continue to comply with the latest Business Plan approved by the Parent and the Charity.
- 3.4 The Charity shall use all reasonable endeavours to implement its Business Plan and shall not take any action not anticipated or incorporated in the Business Plan without the prior consent of the Parent.

4. GENERAL INFORMATION

- 4.1 The Charity will:
 - a) provide such relevant information as may be requested by the Parent as to the performance of the Charity in relation to strategic policy, delivery and performance, financial matters and generally;

- b) provide promptly all information upon any aspect of its affairs requested from time to time by the Parent including, without limitation, any information relevant to the preparation and audit of its accounts and, if applicable, the consolidation of its accounts with those of other Group Members as applicable;
- c) co-operate fully with any investigations into its affairs initiated by the Parent or by any Competent Authority from time to time;
- d) consult the Parent and keep the Parent informed, in respect of the housing needs of the area(s) of operation of the Charity so as to enable the Parent to submit bids for financial assistance to public sector bodies; and
- e) co-operate with the Parent in relation to the preparation of all applications and bids to public sector bodies for financial assistance for the Charity and information required by any of these bodies in respect of delivery of the Charity's programmes, in accordance with the Parent's timetable and as approved by the Parent.

5. RESOLUTION OF DISPUTES

- 5.1 All matters of disagreement under this Agreement should be resolved by negotiation and discussion between the Parties. The procedure set out in clause 5.3 should only be applied in exceptional circumstances.
- 5.2 Each Party shall use its best endeavours to apply the terms of this Agreement without the necessity for recourse to the following provisions of this clause 5.
- 5.3 In the event that any dispute or other failure to agree shall arise between the Parties which cannot be resolved by negotiation and discussion within 30 days, the Parent and the Charity shall observe the following procedure for the resolution of the dispute:
 - a) A representative acting under the authority of either Party may serve on the other Party (a **Receiving Party**) a dispute notice (a **Dispute Notice**). Any Dispute Notice shall state the subject matter of the dispute and shall specify the proposals of the Party serving the notice for the resolution of the dispute.
 - b) Within 14 days after the date of service of a Dispute Notice, and if the proposals for resolution set out in the Dispute Notice are not acceptable to the Receiving Party, the Receiving Party shall serve a counter notice or the first Party specifying its proposals for the resolution of the dispute and specifying a date (which shall be not less than 14 nor more than 28 days after the service of the counter notice) for a meeting to resolve the dispute (a **Dispute Counternotice**).
 - c) The meeting referred to in clause 5.3(b) shall be attended by one senior representative of each Party and shall be held at the office of the Parent or at some other place to be agreed between the Parties.
 - d) Those persons present at such meeting shall use their best endeavours in a reasonable manner to resolve the dispute between the parties.

6. CONFIDENTIALITY

- 6.1 ***Subject to clauses 6.2 or 6.3, the Parent and the Charity shall not, and each shall use all reasonable endeavours to ensure that none of their respective employees, agents, contractors or consultants will make any public statement or disclosure about the specific terms of this Agreement without the prior written consent of the other parties.***

6.2 Clause 6.1 will not apply to any statement or disclosure which:

- a) is required in order to comply with any law or the requirements of any court or tax authority or Competent Authority; or
- b) is made to bankers, funders and professional advisers of the disclosing Party who are subject to an equivalent obligation of confidentiality; or
- c) relates to information which is already in the public domain otherwise than through a breach of this Agreement.

6.3 The Parent is authorised by the Charity, in carrying out its functions under this Agreement and in fulfilling its role as Parent of the Group, to discuss matters relating to the Charity with any Competent Authority and any other third parties.

7. REVIEW AND VARIATIONS

- 7.1 It is anticipated by the Parent and the Charity that it is their overall aim and intention to co-operate for the benefit of the Group as a whole and that, in order to do so, the provisions of this Agreement may from time to time require amendment.
- 7.2 The Parent and the Charity agree that the Director of Housing of the Parent, or some other person duly authorised by the Parent, shall formally review the operation of this Agreement at intervals of not more than 12 months, and shall report on it to the Parent and to the Board of the Charity. The Parent and/or the Charity may thereupon propose to the other that a variation be made to this Agreement. In such an event the Parent and the Charity shall negotiate in good faith with a view to reaching agreement upon the variation proposed.
- 7.3 In the event of a variation being agreed, it shall be recorded in writing in a supplemental agreement to this Agreement.

8. ASSIGNMENT

- 8.1 The Parent may assign any of its rights and obligations under this Agreement in such manner as it deems fit subject to it complying with its legal obligations in relation to confidentiality provided that prior to doing so it shall consult with the Charity.
- 8.2 The Charity may not assign its rights or obligations under this Agreement without the prior written consent of the Parent.

9. SEVERANCE

- 9.1 If any provision of this Agreement shall become or shall be declared by any court of competent jurisdiction to be invalid, unlawful or unenforceable this shall not in any way impair or affect the validity, lawfulness or enforceability of any other provision of this Agreement which shall remain in full force and effect.

10. WAIVER

- 10.1 Failure by any Party at any time to enforce the provisions of this Agreement or to require performance by the other Party of any of the provisions of this Agreement shall not be construed as a waiver of any such provision and shall not affect the validity of the Agreement or any part thereof or the right of either Party to enforce any provision in accordance with its terms.

11. NOTICES

11.1 Every notice, request or other communication shall:

- a) be in writing delivered personally or by prepaid first-class letter or any other written communication;
- b) be deemed to have been received, in the case of a letter, when delivered personally or 48 hours after it has been sent by first-class post or, in the case of a fax or e-mail, on receipt of a legible copy by the recipient provided that any letter sent by fax, e-mail or personally which arrives after business hours or on a day which is not a Business Day shall be deemed to have been served at opening of business on the next Business Day; and
- c) be sent: to the other Party in accordance with its respective details stated at the end of this Agreement or to such other address or fax number and/or marked for the attention of such other person in England as may be notified in writing by the relevant Party to the other Party by not less than 15 days' notice.

12. TERM OF AGREEMENT

12.1 This Agreement will remain in force for a term of 100 years or, if earlier, until the Charity ceases to be a Subsidiary of the Parent. Before this agreement ends the Parent may produce a new agreement and request the Charity to enter into it under clause 16.1

13. COUNTERPARTS

13.1 This Agreement may be executed in any number of counterparts, and on the same shall have the same effect as if the various signatures on the counterparts were on a single copy.

14. AGREEMENT TO PREVAIL

14.1 If there is an inconsistency between any of the provisions of this Agreement and the provisions of any Parent Funding Agreement or any other agreement entered into between the Charity and the Parent, the provisions of this Agreement shall prevail.

15. LAW

15.1 This Agreement shall be governed by, and construed in accordance with, English law.

16. COVENANTS

16.1 Positive covenants

The Charity covenants with the Parent that subject to clause 2.2 it will:

- a) **Comply with all best practice recommendations in regard to housing, financial or similar matters and comply with all advice of Competent Authorities;**
- b) **Give all due consideration to the entry by the Charity into any agreement or arrangement which the Parent determines is necessary or expedient to give effect to and implement the Charity's strategic objectives, policies and Business Plan, in each case in a form provided or approved by the Parent, unless the Charity (acting reasonably) has obtained independent**

advice to the effect that the agreement or arrangement cannot lawfully be entered into or implemented;

- c) Comply with all laws, regulations and regulatory standards and expectations applicable to it;**
- i) Comply with all agreements, covenants, restrictions, deeds and documents to which it is party or which bind it or any of its assets;**
- j) Use its reasonable endeavours to achieve any objectives set out in the Business Plan;**
- k) Set and may from time to time revise a procedure setting out the processes to be followed and factors to be taken into account when recruiting and appointing resident board members and the independent board member to the Board of the Charity (the Appointment Process). The adoption of and each amendment to the Appointment Process must be agreed by the Parent; and**
- l) Comply with the Appointment Process when identifying the skills, qualities and experience which it requires from its Board Members and when filling any vacancy.**

16.2 Permitted activities

The Charity covenants with the Parent that its activities will be limited to:

- a) The acquisition, construction, development, refurbishment, holding, management and maintenance of properties in the City of Westminster for use as homes for people who are charitable beneficiaries;**
- b) The provision of services and activities which benefit the people referred to in clause 16.2(a) (and which may also benefit third parties) provided that such provision is a charitable activity;**
- c) Any activity which in the reasonable opinion of the Charity is ancillary or incidental to the activities referred to in clauses 16.2(a) and 16.2(b) and is charitable; and**
- d) Any other charitable activity which is agreed by the Parent and is permitted by the Charity's rules.**

16.3 Negative Covenants

The Charity covenants with the Parent that it will not, in each case unless (a) the Parent has given its specific consent or (b) the relevant matter is included in or specifically anticipated by the latest Business Plan of the Charity which has been approved by the Parent:

- a) Acquire or form any Subsidiary, associate, affiliate or related company or enter into any merger, amalgamation or consolidation or joint venture or partnership;**
- b) Cease or threaten to cease to carry on all or a material part of its business or make any substantial change in the scope or nature of its business or operations or any material disposal of its assets or any gift or donation exceeding £25,000 in any year;**

- c) Enter into any loan or any transaction having the commercial effect of a borrowing (whether as lender or borrower) or any derivative or contract for differences or investment;
- d) Enter in to any transaction (including any agreement) which is outside the ordinary course of the Charity's business under which the amount payable or receivable (when aggregated with the amount payable or receivable under other related transactions) exceeds £[50,000];
- e) Consider at its Board any report which has not been approved by a duly authorised representative of the Parent;
- f) Change the Charity's accounting reference date, registered office, auditors, secretary or bankers;
- g) Pay remuneration to its Board members. This will not prevent reimbursement of costs and expenses incurred by its Board or committee members to the extent permitted by its rules and by charity law;
- h) Appoint any employees or consultants;
- i) Enter into any development agency agreement or building contract or other documents relating to developments, refurbishment, repair management or maintenance;
- j) Delegate any of its powers or functions to any committee or officer otherwise than in accordance with the standing orders and/or terms of reference previously approved by the Parent;
- k) Appoint any contractors, advisers or consultants other than from a panel approved by the Parent from time to time;
- l) Take any action which could bring it or any Group Member into disrepute;
- m) Terminate, vary or waive its rights under any Management Agreement, HCA Agreement, Parent Funding Agreement, SLA or any other key contracts or any agreement or document entered into under them;
- n) Adopt or implement any strategic objectives and policies (including without limitation policies for management of housing stock);
- o) Make amendments to its strategic objectives, policies, standing orders, procedures and terms of reference; or
- p) Appoint or remove auditors.

16.4 Mergers etc

The Charity covenants with the Parent that, unless an authorised representative of the Parent agrees otherwise and unless a Competent Authority so requires unless it is required by law, it shall not and shall take such steps as are open to it to endeavour to ensure that none of its shareholders or Board members will:

- a) Requisition or join in any requisition for any general meeting or otherwise convene a general meeting for the purpose (with or without other purposes) of passing a resolution (i) for the transfer of engagements of the Charity to another body or (ii) for the amalgamation

of the Charity with another body or (iii) for the winding up of the Charity or (iv) for its conversion to a company or (v) to amend its rules or (vi) which would have the effect that the Charity ceases to be a Subsidiary of the Parent; or

- b) Vote in favour of any such resolution at any general meeting of the Charity; or**
- c) Execute any instrument of dissolution in respect of the Charity**

IN WITNESS whereof this Agreement has been duly signed by or on behalf of the Parties hereto and is hereby delivered on the date hereof.

SIGNATORIES

SIGNED by _____)

For and on behalf of _____)

THE LONDON BOROUGH OF HAMMERSMITH & FULHAM _____)

Address for notices: [3rd Floor, Town Hall, Extension, King Street, London W6 9JU]

E-mail address:

Fax number:

Notices for attention of: []

SIGNED by _____)

For and on behalf of _____)

H & F HOUSING LIMITED _____)

Address for notices: [3rd Floor, Town Hall Extension, King Street, London W6 9JU]

E-mail address:

Fax number:

Notices for attention of: []

**APPENDIX 5 - DRAFT BOARD MEMBER
UNDERTAKINGS**

DRAFT BOARD MEMBER UNDERTAKINGS

To: **H & F Housing Limited** of Town Hall Extension, King Street London W6 9JU
(Industrial and provident society and exempt charity, Number: IPxxxxxx) (the
Charity)

I, [name of board member] of [address] hereby undertake to the Charity as follows:

1. Definitions

In this undertaking

Associated Corporation means any company, corporation, industrial and provident society, partnership, or other entity, which is directly or indirectly controlled by, or directly or indirectly controls the Charity together with any other bodies to which I may have been nominated or appointed by the Charity.

Board means the Board of management from time to time of the Charity and Board Member means a member of the Board.

Code of Conduct means the Charity's code of conduct for directors as varied from time to time by the Charity, a copy of which may be obtained from the Charity's human resources department.

Devco H&F Developments Limited (company number [])

Group means the Parent, the Charity and Devco together with any other entity which is from time to time a Subsidiary of the Charity or Devco (each a **Group Member**).

Intra Group Agreement Means the intra group agreement between the Parent and the Charity dated # 2011 as amended or restated from time to time.

Parent means The London Borough of Hammersmith & Fulham

Rules means the rules adopted by the Charity from time to time.

2. Appointment

2.1 I will serve as a Board Member of the Charity until my appointment as a Board Member comes to an end in accordance with the Rules.

3. Time commitment

3.1 I will allocate sufficient time to meet the requirements of my role. I will obtain the agreement of the Board before I accept additional commitments that might affect the time I am able to devote to my role as a member of the Board.

4. Role/duties

4.1 I acknowledge that I have the same general legal responsibilities to the Charity as any other Board Member (whether executive or non-executive).

4.2 I acknowledge that the Board as a whole is collectively responsible for ensuring the success of the Charity and ensuring its compliance with all legal and regulatory obligations and best practice and that it upholds its reputation, values and objectives by directing and supervising the Charity's affairs and carrying out the further functions set out in Rule 3.1.

a. In addition to contributing to the Board meeting these responsibilities I agree that, together with the other non-executive members of the Board, I will:

i. **Risk:** satisfy myself that financial controls and systems of risk management for the Charity are in place and are robust and defensible; and

ii. **Performance:** support the performance of the Charity in meeting the objectives set in accordance with the Intra Group Agreement, and monitor that performance and the reporting of it and

iii. **Strategy:** constructively contribute to the setting, adoption and achievement of the Charity's strategy and

iv. **Support Services:** satisfy myself that appropriate levels of internal and external support services are in place to effectively manage the Charity's business, agree appropriate levels of payments for these services and participate in decisions relating to the appointment and where necessary replacement of staff (if applicable) and such service providers.

4.3 I understand that it is a condition of the continued support by the Parent for the Charity that I give the undertaking contained within this clause and I therefore further undertake as a Board Member to comply with and act in a manner consistent with the terms of the Intra Group Agreement and not act or vote in a

way which would conflict with the Intra Group Agreement, the terms of which will prevail in the event of any conflict with this Agreement.

4.4 I further undertake:

- a. to participate in agreeing, and to comply with and uphold, the Charity's policies, procedures, standing orders and terms of reference in force from time to time;
- b. to act within and comply with the Rules;
- c. to contribute to, abide by and share responsibility for decisions of the Board and/or any committee of the Board of which I am from time to time a member;
- d. to attend induction, training and performance review sessions and other such sessions or events as are reasonably required by the Charity;
- e. to regularly attend meetings of the Board and other relevant committees;
- f. to read Board and/or committee papers (as applicable) before meetings;
- g. to represent the Charity when requested;
- h. to comply with and uphold the Charity's Code of Conduct, Equal Opportunities Policy and the National Housing Federation's Code for Members;
- i. not to take any action that would bring any Group Member into disrepute, or would undermine its work;
- j. to ensure that decisions taken by the Board are in the Charity's best interests and not to take any action which would constitute a breach by the Charity with its legal, moral and contractual obligations;
- k. to receive and consider reports prepared by staff of any Group member and by agents, consultants and advisers and to question these to ensure that recommendations are well founded; and
- l. to comply with any other obligations set by the Charity from time to time in writing.

5. Outside interests

5.1 I will declare any relevant direct or indirect interests or conflicts of interest whenever required by the Rules or the Code of Conduct.

6. Confidentiality

6.1 I will treat all information acquired during my appointment as confidential to the Charity and will not release it either during my appointment or following termination (by whatever means) to third parties without prior clearance from the Board.

7. Review process

7.1 I will participate in an annual appraisal review of my performance as an individual Board member.

8. Position on Termination

8.1 Upon the termination of my appointment as a Board Member:

- a. I will at the request of the Charity immediately resign from all offices that I hold by virtue of being a Board Member, including any office in any Associated Corporation where the Charity requests this. In this event, I will if relevant, take all steps necessary to transfer ownership of any shareholding in the Charity and/or any Associated Corporation without claim for compensation. In the event of my failure to comply with this clause, I hereby irrevocably authorise the Charity to appoint someone in my name and on my behalf to sign and deliver such resignations or transfers to the Charity and to each relevant Associated Corporations; and
- b. I shall not represent myself as being in any way connected with the Charity or any Associated Corporation.

9. Declaration

9.1 I am not aware of any reasons that would or would be likely to make me ineligible to serve as a Board Member of the Charity.

Signed

Board member

Date

**APPENDIX 6 - DRAFT CHAIR'S AGREEMENT FOR
SERVICES**

DRAFT CHAIR'S AGREEMENT FOR SERVICES

Dated

[2011]

H & F HOUSING LIMITED

and

[NAME OF CHAIR]

Draft 22.02.2011

Chair of the Board: Agreement for Services

Dated this [] day of [] 2011.

Parties

- (A) **H & F Housing Limited** of Town Hall Extension, King Street London W6 9JU (I&P Number: IPxxxxxx)
(the **Charity**)
- (B) **[Insert name and address of Chair of the Board]**
(**you**)

Definitions

It is agreed as follows.

Agreement	means this Agreement as may be amended, modified or supplemented from time to time in accordance with its provisions.
Associated Corporation	means any company, corporation, industrial and provident society, partnership, or other entity, which is directly or indirectly controlled by, or directly or indirectly controls the Charity together with any other bodies to which you may have been nominated or appointed by the Charity. Associated Corporations shall be construed accordingly.
AGM	means an annual general meeting of the Charity.
Board	means the Board of directors from time to time of the Charity.
Board Member	means a member of the Board.
Business	means the business of the Charity from time to time.
Code of Conduct	means the Charity's code of conduct for directors as varied from time to time by the Charity a copy of which may be obtained from the Charity's human resources department.
Devco	H&F Developments Limited (company number [])
Group	means collectively all of the Group Members.
Group Member	means the Parent, the Charity and Devco together with any other entity which is from time to time a Subsidiary of the Charity or Devco.
Intra Group Agreement	Means the intra group agreement between the

	Parent and the Charity dated # 2011 as amended or restated from time to time.
Members	means the members of the Charity from time to time.
Parent	means The London Borough of Hammersmith & Fulham.
Rules	means the rules or articles and memorandum of association or such other governing instrument which governs the Charity (as the case may be) adopted by the Charity from time to time.
Services	means the services supplied by you hereunder.

Appointment

3.1 Appointment and Renewal of Appointment as Board Member

Your appointment on the terms of this Agreement was approved at the meeting of the Board held on [date] and will commence [forthwith] [from [insert date]] (the Board Member Appointment Date).

Your appointment will be for an initial term [**of 3 years**] commencing on the Appointment Date and expiring on [date] unless otherwise terminated earlier as provided for by the terms of this Agreement or in accordance with the Rules (the Board Member Expiry Date).

Your appointment as Board Member may be renewed for successive terms of up to **3 years** at the discretion of the Board subject to a maximum of **9 years** from the original Board Member Appointment Date and in accordance with the Rules.

3.2 Appointment and Renewal of Appointment as Chair

a) The Board has appointed you to act as Chair of the Board on the terms of this Agreement and your appointment as Chair will commence [forthwith] [from [insert date]] (the Chair Appointment Date).

b) Your appointment as Chair will be for an initial term [**of 3 years**] commencing on the Chair Appointment Date and expiring on [date] unless otherwise terminated earlier as provided for by the terms of this Agreement or in accordance with the Rules (Chair Expiry Date).

c) Your appointment as Chair may be renewed for successive terms of up to **9 years** at the discretion of the Board subject to a maximum of **6 years** from the original Chair Appointment Date and in accordance with the Rules.

3.3 Nothing contained in this Agreement shall be construed or have effect as constituting any relationship of employer and employee between the Charity and you.

4 Termination

4.1 Termination as a Board Member

4.1.1 Your appointment both as Board Member and as Chair will terminate forthwith without any entitlement to compensation on the earliest of:

- a) the Board Member Expiry Date in accordance with clause 3.1; or
- b) if you are removed as a member of the Board by special resolution passed at a general meeting of the Charity held in accordance with the Rules and in particular subject to the provisions contained within rules 3.8 and 5.22; or
- c) if you cease to be a member of the Board whether by reason of your vacating office or otherwise pursuant to any provision of the Rules; or
- d) if a body with the statutory authority to regulate the activities of the Charity requires or orders your removal; or
- e) if the Board (with the agreement of the Parent) notifies you that they consider there has been a material underperformance at any time in the performance of your duties under this Agreement or that you have been in breach of Clause 8 of this Agreement or the Code of Conduct.

4.2 Termination as Chair only

4.2.1 Your appointment as Chair of the Board will terminate forthwith without any entitlement to compensation on the earliest of:

- a) the Chair Expiry Date in accordance with clause 3.2;
- b) the date of your resignation as Chair of the board;
- c) the date of a Board meeting (called for the purpose) at which a resolution for your removal as Chair of the Board is passed by at least two thirds of the members of the Board who are present and voting under Rule 4.5(a) of the Rules;
- d) the date of termination of your appointment as Board Member as provided for at clause 4.1 above.

5 Time commitment

5.1 You will perform those duties normally attendant on the office of Board Member and Chair including, without limitation, those duties set out at clause 0. You are expected to work with and through the Board; you are not expected to undertake executive duties or to assume executive responsibilities. In addition, you will be a member of the following committees of the Board, namely [insert as appropriate].

5.2 By entering into this Agreement you confirm that you are able to allocate sufficient time to meet the requirements of your role. The agreement of the Board should be sought before you accept additional commitments that might affect the time you are able to devote to your role both as a member of the Board and Chair.

6 Role/duties

- 6.1 You acknowledge that you have the same general legal responsibilities to the Charity as any other Board Member (whether executive or non-executive).
- 6.2 The Board as a whole is collectively responsible for ensuring the success of the Charity and ensuring its compliance with all legal and regulatory obligations and best practice and upholds its reputation, values and objectives by directing and supervising the Charity's affairs and carrying out the further functions set out in Rule 3.1.
- 6.3 In addition to these responsibilities of the Board your role, together with the other non-executive members of the Board, has the following key elements:
- a) **Strategy:** You should constructively contribute to the setting, adoption and achievement of the Charity's strategy;
 - b) **Performance:** You should support the performance of the Charity in meeting the objectives set in accordance with the Intra Group Agreement, and monitor that performance and the reporting of it;
 - c) **Risk:** You should satisfy yourself that financial controls and systems of risk management for the Charity are in place and are robust and defensible; and
 - d) **Support Services:** You should satisfy yourself that appropriate levels of internal and external support services are in place to effectively manage the Charity's business, agree appropriate levels of payments for these services and participate in decisions relating to the appointment and (where necessary) replacement of staff (if necessary) and such service providers.
- 6.4 You understand that it is a condition of the continued support by the Parent to the Charity that you give the undertaking contained in this clause and therefore you further undertake as a Board Member of the Charity, to comply with and act in a manner consistent with the terms of the Intra Group Agreement and not act or vote in a way which would conflict with the Intra Group Agreement, the terms of which will prevail in the event of any conflict with this Agreement.
- 6.5 You undertake:
- a) to participate in agreeing, and comply with and uphold, the Charity's policies, procedures, standing orders and terms of reference in force from time to time;
 - b) to act within and comply with the Rules;
 - c) to contribute to, abide by and share responsibility for decisions of the Board and/or any committee of the Board of which you are from time to time a member;
 - d) to attend induction, training and performance review sessions and other such sessions or events as are reasonably required by the Charity;
 - e) to regularly attend meetings of the Board and other relevant committees

as referred to at clause 5.1.

- f) to read Board and/or committee papers (as applicable) before meetings;
- g) to represent the Charity when requested;
- h) to comply with and uphold the Charity's Code of Conduct, Equal Opportunities Policy and the National Housing Federation's Code for Members;
- i) not to take any action which would bring any Group Member into disrepute or would undermine its work,
- j) to ensure that decisions taken by the Board are in the Charity's best interests and not to take any action which would constitute a breach by the Charity with its legal, moral and contractual obligations;
- k) to receive and consider reports prepared by staff of any Group member and by agents, consultants and advisers and to question these to ensure that recommendations are well founded; and
- l) to comply with any other obligations set by the Charity from time to time in writing.

6.6 As Chair of the Board and in addition to your roles and duties as set out in clauses 6.1 to 6.5 above you further undertake such other duties as are set out in the Rules.

7 Fees

- 7.1 You will be paid a fee of £xx,xxx gross per annum (**Fee**) in respect of your role as Chair which will be paid six monthly in arrears. You will be solely responsible for deduction of any applicable PAYE and Class 1 national insurance deductions in respect of your Fee and will indemnify the Charity against any liability in respect of these. The Fee will be subject to an annual review by the Board. In the event that your position as Chair (but not as Board Member) is terminated for whatever reason you acknowledge and agree that you will only be entitled to the appropriate pro rata Fee for the period you served as Chair and that in respect of your position as Board Member you will not be entitled to any Fee. The Charity will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office subject to such deductions as are lawfully required.
- 7.2 In the event that you fail to attend 2 board meetings (including any meetings of sub-committees of the Board) within a period of 6 months and or fail to properly undertake your duties hereunder both as Chair and as Board Member the fee will be reduced by such amount as the Board in its absolute discretion determines, and such reduction shall be deducted from any subsequent fees owed. Further such failure will constitute a material breach of this Agreement.
- 7.3 You may choose to decline payment or pay it to a charity of your choice. However you must be aware that where you have done either you may face tax liabilities and/or loss of entitlement to state benefits. This is a matter that has to be resolved between you and the relevant authorities and the Charity is not able to give any guarantee in relation to this.

8 Outside interests

- 8.1 You undertake that you will declare any relevant direct or indirect interests whenever required by the Rules or the Code of Conduct.
- 8.2 It is accepted and acknowledged that you have business interests other than those of the Charity. You agree that you have declared any conflicts that are apparent at present. In the event that you become aware of any actual or potential conflicts of interest, you agree that these will be disclosed to the Board as soon as one becomes apparent.

9 Confidentiality

- 9.1 All information acquired during your appointment is confidential to the Charity and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Board.

10 Review process

- 10.1 Your performance as an individual board member and as Chair through the Board appraisal review the performance of the whole Board and its committees will be evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Board as soon as is appropriate. You are required to attend and participate in all performance reviews related to your individual performance as a member of Board, as Chair and the performance of the Board as a whole.

11 Insurance

- 11.1 The Charity has officers' liability insurance in place and it is intended to maintain such cover for the full term of your appointment. The current indemnity limit is £5m; a copy of the policy document is available upon request.

12 Position on Termination

- 12.1 Upon the termination of your appointment as a Board Member under this Agreement by whatever means:
- a) You shall at the request of the Charity immediately resign from all offices that you hold pursuant to the terms of this Agreement, including any office in any Associated Corporation where we request this. In this event, if relevant, you will surrender, and undertake to take all steps that are necessary to transfer ownership of any shareholding in the Charity and/or any Associated Corporation. In each case you agree to do so without claim for compensation. In the event of your failure to comply with this clause 12.1, you hereby irrevocably authorise the Charity to appoint someone in your name and on your behalf to sign and deliver such resignation or resignations or surrenders or transfers (as the case may be) to the Charity and to each of its Associated Corporations of which you are at that time an officer or (as the case may be) shareholder; and
 - b) You shall not represent yourself as being in any way connected with the Charity or any Associated Corporation.

13 General

- 13.1 This Agreement and any documents referred to in it embody and set out the entire agreement and understanding of the parties and supersedes all prior oral or written agreements understandings or arrangements relating to the subject matter of this Agreement. Neither party shall be entitled to rely on any agreement, understanding or arrangement which is not expressly set out in this Agreement.
- 13.2 This Agreement shall not be amended, modified, varied or supplemented except in writing signed by a duly authorised representative of the Charity.
- 13.3 No failure or delay on the part of either party hereto to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof nor shall any single or partial exercise of any right or remedy as the case may be. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.

14 Notices

- 14.1 Any notice to be given hereunder shall be in writing and be sufficiently served:
- a) in your case by being delivered either personally to you or sent by registered post addressed to you at your usual or last known place of abode; or
 - b) in the case of the Charity by being delivered at or sent by registered post or recorded delivery addressed to its registered office marked for the attention of the Board, and any such notice if so posted shall be deemed to be served on the second day following that on which it was posted.

15 Declaration

- 15.1 By signing this document you are agreeing and declaring that you are not aware of any reasons that would or would be likely to make you ineligible to serve as a Board Member and as Chair of the Charity and in particular that:
- a) you are not bankrupt or subject to any agreement with your creditors;
 - b) you are not disqualified for any reason from acting as a company director or charity trustee;
 - c) you have not been convicted of any indictable offence that would be likely to bring the Charity into disrepute; and
 - d) you have made a full declaration to the Charity of any actual or potential conflicts of interest affecting you, members of your family and businesses or other companies with which you are associated.

16 Jurisdiction

- 16.1 The terms of this Agreement shall be governed by the Laws of England and the parties agree to submit to this jurisdiction in the case of dispute.

IN WITNESS whereof the hands of the parties have executed this Agreement the day and year above written

SIGNED by)
duly authorised on behalf of)
H & F HOUSING LIMITED)
in the presence of:-)

SIGNED by the)
[NAME OF CHAIR])
in the presence of:-)



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

CABINET MEMBER FOR HOUSING

Councillor Lucy Ivimy

HOUSING CAPITAL PROGRAMME 2011/12

This report sets out the proposed 2011/12 Housing Capital Programme and seeks authority to proceed with various schemes previously identified within the overall budget approved by Cabinet on 7th February 2011.

**Wards :
All**

CONTRIBUTORS

HF Homes
DFCS
ADLDS

**HAS A EIA BEEN COMPLETED?
YES**

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

Recommendations:

- 1. That approval is given to proceed with the programme outlined in para. 3 of the report at a total estimated cost of £11.493m, subject to appropriate contract approval for individual projects.**
- 2.: That authority be delegated to the Cabinet Member for Housing, in conjunction with the Director of Housing and Regeneration, to approve future amendments to the programme for operational reasons and where such amendments can be contained within the overall approved budget.**

1. INTRODUCTION

- 1.1 This report sets out the proposed 2011/12 Housing Capital Programme and seeks authority to proceed with various schemes previously identified within the overall budget approved by Cabinet on 7th February 2011.
- 1.2 The report also seeks approval to delegate authority to the Cabinet Member for Housing, in conjunction with the Director of Housing and Regeneration, to amend the programme should such amendments be required for operational reasons and provided changes are within the overall approved budget. Any such changes will be reported to Cabinet as part of the monthly Corporate Capital Monitor.

2. BACKGROUND

- 2.1 The proposed 2011/12 housing capital programme seeks to meet the ongoing investment needs of the borough's social housing stock which comprises nearly 13,000 rented homes and nearly 4,500 leasehold homes.
- 2.2 Cabinet on 7th February 2011 approved a contribution of £14.867m from the Decent Neighbourhoods pot to support continued investment in the stock. The total available budget in 2011/12, taking into account re-profiling subsequently reported via the Corporate Capital Monitor, is £46.371m. Of this, a total of £34.878m is approved for existing contractual commitments and the continuation of programmes such as the major refurbishment of void properties. The remaining available budget of £11.493m is earmarked for further high-priority projects and schemes, described below, and authority is now sought to proceed with these.
- 2.3 The proposed programme is attached at Appendix 1. The projects and work programmes identified have been the subject of a rigorous prioritisation exercise and represent the minimum level of investment required to fulfil statutory obligations, to protect the health, safety and well-being of residents, and to preserve the integrity of the housing stock.
- 2.4 The programme excludes any spending plans for 2012/13 onwards other than commitments expected to be entered into during 2011/12 which will be the first call on future resources. Options will be explored for the funding of the future programme once the implications of the Government's reformed housing finance system are known.

3. DETAILS OF PROPOSED PROJECTS

- 3.1 Details of the proposed projects are given below.
- 3.2 Robert Owen House fire reinstatement (£800k) : In July 2010 a serious fire occurred at Block C Robert Owen House resulting in the evacuation of residents and necessitating major reinstatement works prior to their return. At

the time of submission of the 2011/12 capital programme report the procurement route for these works was undecided. Subsequently, and with the agreement of the Council's insurers, the reinstatement works to Block C have now been incorporated within the existing decent homes partnering framework with Lovell Partnerships, who are currently on site completing external works to the other blocks on the estate. This change will be reflected in future capital monitoring reports.

- 3.3 Fire Safety Improvements (£750k): A management plan has been developed for the delivery of large-scale improvements to the borough's housing stock to comply with current regulations and best practice under the Regulatory Reform (Fire Safety) Order 2005 (the Order). Specific works are dependent on the recommendations of detailed fire risk assessments and guidance from the London Fire Brigade. Works within the plan may include the replacement of communal or flat entrance doors, compartmentalisation of roof voids, improvements to means of escape and the like.
- 3.4 Water Tank Replacements (£500k): Rolling programme replacing communal water tanks where the potential spread of legionella is identified as a risk during statutory biennial surveys. Works may also include, where necessary, the upgrade of loft spaces to ensure secure access and a safe working environment for operatives.
- 3.5 Disabled Adaptations (£800k): A programme delivering adaptations to the homes of disabled tenants in order to meet their needs and statutory entitlements. The programme is important in restoring or enabling independent living, privacy, confidence, and dignity for individuals and their families.
- 3.6 Emergency Lighting (£180k): A continuing programme upgrading existing or providing new emergency lighting systems in high-rise blocks. This further supports The Regulatory Reform (Fire Safety) Order 2005 (the Order).
- 3.7 Warden Call System Upgrade (£509k): The borough's existing network is obsolete and, to ensure continuation of service, needs to be replaced with a digital network prior to the switch-off of the analogue signal in 2012.
- 3.8 Boiler Replacement Programme (£270k): A number of properties within the borough have open-flue boilers which are generally less efficient and increase the risk of carbon monoxide emissions. It is intended to replace all open flue boilers with modern appliances.
- 3.9 Water Pressure Boosters (£243k): Thames Water have been implementing a programme of pressure management which has affected water pressure to many flats above 3-storeys. The worst affected blocks have been prioritised and the proposed works in 2011/12 represent Phase 3 of an ongoing programme. Works will comprise the installation of new mains water booster pumps, new pipe-work and connections to the existing boosted & non-boosted mains water systems serving over 700 homes on various estates.

- 3.10 Landlord's Electrical Installations (£100k): This is an annual budget provision to ensure the safety and reliability of landlord's electrical installations and distribution systems.
- 3.11 Fire Alarm Upgrade, Sheltered Housing (£163k): The existing fire alarms in sheltered housing schemes will be upgraded to ensure the continued early detection of fire and to reduce the level of false alarms. These works are potentially the subject of an Enforcement Order from the London Fire Brigade.
- 3.12 Digital Television Systems (£750k): Since 2003, most of the borough's estates or stand-alone blocks of four or more units have had integrated digital television reception systems installed either via the decent homes programme or other major refurbishment schemes. A two year programme is now proposed to complete installations to the remaining blocks to ensure continued reception ahead of the switch-off of the analogue signal in 2012.
- 3.13 Sheltered Housing Windows (£2,453k): Many blocks did not have windows replaced under the decent homes programme because the windows did not fail the standard as strictly applied and therefore did not attract additional funding. This included a number of sheltered housing blocks and residents have petitioned members at some schemes, namely Swanbank Court, Philpot Square, Viking Court, Seagrave Road, and Barclay Road. It is proposed to provide new energy-efficient double-glazed units to these blocks and to the general needs blocks which form part of Philpot Square estate.
- 3.14 Minor Estate Improvement Programme (£270k): This is an annual budget controlled by registered Tenant and Resident Associations and earmarked for improvements to the estate environment or tenant facilities. Schemes are considered and funding allocated by each Local Area Housing Forum.
- 3.15 Lift Programme (£555k): The council's housing assets include over 200 passenger lifts generally serving blocks of six or more storeys. Many of these lifts have exceeded or are approaching the end of their useful life and are increasingly difficult to maintain due to obsolete parts. Lifts were not included within the decent homes standard and therefore their modernisation did not attract any additional funding. A ten-year programme of modernisation has been prioritised and individual sites identified for 2011/12 onwards. Due to the long lead-in time for design and manufacture of lifts the total scheme costs for Phase 1 have been cashflowed across more than one year.
- 3.16 Street Properties Planned Maintenance (£1,000k): Approximately 3,000 street properties were removed from the decent homes programme because their external and communal components either did not fail the decent homes standard or were not covered by it. A programme of preventative maintenance, repairs, and renewals is proposed to remedy disrepair, prevent deterioration, and extend the life of the stock.
- 3.17 Planned Maintenance (£926k): A programme of preventative maintenance, repairs and renewals to remedy disrepair, prevent deterioration, and extend the life of the stock.

- 3.18 Heating Schemes (£159k): It is proposed to replace the communal boilers in district heating systems serving Rosewood Square and Rowberry Close, both sheltered housing schemes. The boilers are approaching the end of their useful life and replacement has been recommended to ensure continuation of service.
- 3.19 Controlled Access (£265k): . A ten-year programme to replace ageing systems has been prioritised and individual sites identified for 2011/12 onwards, subject to periodic review.
- 3.20 Miscellaneous Plant & Equipment Renewal (£25k): This budget allocation is proposed to fund the unplanned replacement of mechanical and electrical plant such as communal laundries and communal extract fans.
- 3.21 Estates CCTV (£575k): The 2011/12 programme includes the residual funding allocation for Phase 1 Estates CCTV Programme approved by Cabinet July 2009. Phase 1C is currently out to tender and the project is being managed by Resident Services Department.
- 3.22 Groundwork Environmental Programme (£200k): An annual budget allocation administered by a tenant representative panel in partnership with Groundwork West London. The panel considers and approves environmental improvement schemes submitted by Tenant and Resident Associations which can include, for example, soft and hard landscaping of open spaces or provision of new play areas.

4. RISK MANAGEMENT

- 4.1. Various risks associated with the delivery of the housing capital programme have previously been included on HF Homes risk register. With the reintegration of the Almo with the Council these risks will be considered for inclusion in the corporate risk register. Consequently, appropriate risk strategies will be developed for the programme overall and for specific projects.
- 4.2 Individual projects will be subject to separate, appropriate tender approval reports by Members or delegated officers. Recommendations for contract awards will include an assessment of the financial standing of successful contractors.

5. EQUALITY IMPLICATIONS

- 5.1 An Equalities Impact Assessment has been completed and is available electronically.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

6.1. Cabinet on the 7 February 2011 gave approval for the funding of already committed Housing Capital programme to the value of £34.878m. This report is requesting approval for the funding of as yet uncommitted Housing Capital programme of about £11.493m. In line with setting a balanced budget, the funding for the Housing Capital programme of £46.371 was identified including receipts of £8.776m of leaseholder contributions.

6.2 Progress on expenditure and resources for the programme will be reported to Members as part of the regular monthly capital monitoring report and action will be taken where necessary to ensure that expenditure is adequately covered by the available resources.

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

7.1. There are no direct legal implications

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Housing Capital Programme Documents; Investment Planning Documents	Vince Conway x1915	HF Homes , 3 rd Floor, Town Hall Extension
CONTACT OFFICER:		NAME: Vince Conway EXT. 1915	

		2011/12	2012/13	2013/14	2014/15	Total
Resources						
Supported borrowing		0	0	0	0	0
Major Repairs Allowance		12,723	12,921	13,037	13,321	52,002
Capital Receipts		19,970	0	0	0	19,970
Leasehold Contributions		8,776	4,414	4,067	3,537	20,794
Grants		600	0	0	0	600
Section 106		1,568	0	0	0	1,568
Other		2,734	0	0	0	2,734
Total Resources		46,371	17,335	17,104	16,858	97,668
Committed Expenditure						
	Priority Group					
Decent Homes partnering framework	1	15,458	0	0	0	15,458
Regeneration: Edward Woods Estate	1	9,021	722			9,743
Rephasing 2010/11	1	2,009				2,009
Lift programme	1	13	0	0	0	13
Fabric Repair	1	22	0	0	0	22
Charecroft amenity deck	1	241				241
Water tanks	1	435	18	0	0	453
Water Pressure Boosters	1	0	0	174	0	174
LBHF Managed schemes	1	229	0	0	0	229
Capitalisation - Works	1	5,700	0	0	0	5,700
Capitalisation - Salaries/IT	1	1,750	0	0	0	1,750
Sub-total committed/capitalisation		34,878	740	174	0	35,792
Resources available for additional planned programme		11,493	16,595	16,930	16,858	61,876
Expenditure: Statutory requirements, H&S, firm commitments to residents						
	Priority Group	2011/12	2012/13	2013/14	2014/15	Total
Robert Owen House fire reinstatement	2	800				800
Fire Safety Improvements	2	750				750
Water Tank replacements	2	500				500
Disabled adaptations	2	800				800
Emergency Lighting	2	180				180
Warden Call System upgrade	2	509	13			522
Open-flued boiler replacement programme	2	270	200			470
Water pressure boosters	2	243				243
Landlord's electrical installations	2	100				100
Fire Alarm upgrade, sheltered housing	2	163	163			326
Digital TV systems	2	750	715			1,465
Jepson House refurbishment - scheme included within Decent Neighbourhoods prog	2	0	0			0
Sheltered Hsng Windows - (DH)	2	2,453	100			2,553
Sub-total: Future Plans; Statutory requirements, H&S, firm commitments to residents		7,518	1,191	0	0	8,709
Sub Total - Available for future plans after statutory and firm commitments		3,975	15,404	16,930	16,858	53,167
Expenditure : Future Plans; Resident expectation/higher officer priority						
	Priority Group					
Minor Estate Improvement Programme	3	270				270
Lift programme	3	555	1,436	50	0	2,041
- Door operator renewal programme	3	100				100
-Standish House lift controller	3	37				37
- Barton House lift modernisation	3	180	20			200
- Lampeter Square lift modernisation	3	72	216			288
- Hartopp/Lannoy lift modernisation	3	50	526			576
- Walham Green Ct 'C' lift modernisation	3	36	84			120
- Falkland/Clifford lift modernisation	3	30	210			240
- Becklow Gardens lift modernisation	3	50	380	50		480
Street Properties planned maintenance - (DH)	3	1,000	4,990	1,990		7,980
Planned Maintenance	3	926	1,061	103	0	2,090
- Fulham Palace Road external repairs	3		90			90
- 69 Humbolt Road loft conversion	3		60			60
- Calvert, Winthrop, Carteret	3	57	740	103		900
- Davis, Evans , Mackay	3	869	171			1,040
Heating schemes	3	159	7	0	0	166
- Rowberry Close communal boilers	3	74	3			77
- Rosewood Square communal boilers	3	85	4			89
- Planned programme, individual boilers	3					0
- Planned programme, communal boilers	3					0
Controlled Access	3	265	8	0	0	273
- White City, various blocks	3	141	4			145
- Arthur Henderson/William Banfield	3	64	2			66
- Arlington House; William Church	3	35	1			36
- Wyfold Road/Wheatsheaf Lane	3	25	1			26
Misc Plant & Equipment Renewal	3	25				25
Estates CCTV	3	575				575
Sub-total : Future Plans; some expectation or higher priority		3,775	7,502	2,143	0	13,420
Sub Total - Available for future plans after all statutory and resident commitments		200	7,902	14,787	16,858	39,747
Expenditure : Future Plans; some expectation/ lower officer priority						
	Priority Group					
Groundwork Environmental Programme	4	200				200
Future Plans: some expectations, lower priority		200	0	0	0	200
Sub Total - Available for future plans		0	7,902	14,787	16,858	39,547
Total Uncommitted Expenditure		11,493	8,693	2,143	0	22,329
Total Programme Size		46,371	9,433	2,317	0	58,121
Surplus / (Deficit) against current resources		0	7,902	14,787	16,858	39,547



London Borough of Hammersmith & Fulham

Cabinet

18 APRIL 2011

LEADER

Councillor Stephen Greenhalgh

CABINET MEMBER FOR HOUSING

Councillor Lucy Ivimy

CONTRIBUTORS

DFCS
ADLDS

<p>HAS A PEIA BEEN COMPLETED? YES</p>

HOUSING ESTATES INVESTMENT PLAN

A policy framework to establish improvement and investment strategies for housing estates in the borough and the Council's housing stock in general.

Wards

All

Recommendations:

That Cabinet:

- (i) notes independent research into methods of area-based improvement (both physical and social), investment and the evaluation of what works.
- (ii) notes the proposed policy framework for area-based improvement in Hammersmith and Fulham
- (iii) gives formal approval for officers to undertake statutory consultation with all Council tenants along the lines set out in para 3.6 on:
 - the policy approach of area-based improvement
 - the various methods to effect improvement
 - the assessment process and selection criteria for deciding where to channel area-based support
- (iv) notes the investment needs of the Council's housing stock

- (v) approves the asset management based approach to investment, including the new thresholds and criteria for limited HRA void disposals as set out in section 9.**
- (vi) delegates the authority to dispose of properties meeting the asset-based criteria to the Cabinet Member for Housing in consultation with the Director of Housing and Regeneration, the Director of Finance and Corporate Services and the Assistant Director (Legal and Democratic Services).**
- vii) delegates authority to the Director of Housing and Regeneration to undertake works to properties being disposed of where there is a net cost benefit, e.g. an increase in the sale receipt and also to incur valuation and professional costs, these costs to be recovered from the sale receipt**
- viii) agrees that useable receipts generated from asset-based disposals will be put to the uses set out in section 10.**
- ix) agrees to a review of the policy of asset-based disposals, including the disposal threshold figures, after the first year of operation, and annually thereafter**

1. INTRODUCTION

- 1.1 The Council is committed to improving the lives of residents across the borough, and to make neighbourhoods and housing estates in the borough attractive places with good reputations where people want to live, both now and in the future.
- 1.2 The Council recognises that in some parts of the borough there are lower levels of satisfaction with the local area and public services, problems with crime and anti social behaviour and where there are worse outcomes for some residents and their families, with, for instance, poorer health, poorer educational outcomes, higher levels of overcrowding, unemployment, and lower than average incomes.
- 1.3 The Council, H&F Homes and other public services recognise that there needs to be a better response to the residents living in these areas. In particular, the Council and its partners have made it a priority in the borough's Community Strategy 2007-14 to:
- reduce dependency on benefit, increasing skills levels and raising employment rates
 - achieve more balanced tenure at a neighbourhood level and promote home ownership and housing opportunities
 - tackle crime and anti-social behaviour
 - raise the educational attainment of local children
 - promote healthier lifestyles and a healthier environment
 - deliver high quality value for money public services
 - promote a cleaner, greener, borough.

The Council will therefore work with partners on a neighbourhood-level to achieve these goals.

- 1.4 Methods for improving neighbourhoods are numerous. Where it is appropriate and viable comprehensive regeneration, involving demolition and rebuilding, is being taken forward. However, for most neighbourhoods in the borough comprehensive regeneration is not an appropriate solution. Achieving positive change will require alternative approaches. This document sets out the framework and methods for achieving positive change for these areas.
- 1.5 The Council is also aware in the light of housing finance reform that funding is needed for ongoing investment in its housing stock as well as related capital regeneration activities as the funding sources currently in place are not likely to meet the funding requirements in either the short or the long term. To that end, sections 8-10 of this document sets out

revisions to the Council's current limited voids disposals policy to raise additional funding.

2. INDEPENDENT RESEARCH ON AREA-BASED IMPROVEMENTS

- 2.1 There is a body of independent research to guide the Council on what methods work best to improve neighbourhoods. A major study on this topic is the seven volume 2010 evaluation led by Sheffield Hallam University of the recently concluded New Deal for Communities (NDC) programme.
- 2.2 The NDC programme was tasked with transforming 39 deprived neighbourhoods, each accommodating on average 9,900 people, over a ten year period, to close the gap between these 39 areas and the rest of the country at the level of place (in relation to crime, the community and housing and the physical environment) and in people's lives, (specifically in terms of health, education, and employment). Ten partnerships were in London, including one in Fulham. It is regarded as one of the most innovative and intensive to have been undertaken in England.
- 2.3 Methods of place-based improvements used included new community facilities, new build housing often for sale, intensive housing and neighbourhood management, cleanliness drives, changes to design out crime, and enhanced policing and neighbourhood warden schemes.
- 2.4 These methods achieved significant improvements. There were increases in area satisfaction and reductions in crime when compared with performance over the same period nationally and locally as well as with other areas of a similar socio-economic profile. Area satisfaction, for example, in Salford increased by 25%. In Haringey NDC, the number of residents feeling unsafe after dark shrank by almost a third. Area popularity also increased, (taking property prices as a crude measure of demand), with percentage increases in value exceeding both those in the wider locality and comparator areas. Increased ratings in area satisfaction were particularly sharp in areas where satisfaction ratings had been previously amongst the lowest.
- 2.5 Changes to housing and the physical environment, as the most visible transitions in an area, had a decisive part to play in the significant increases in area satisfaction. Areas which invested more on housing and the physical environment also had more positive outcomes on crime and worklessness. According to the researchers, given the beneficial effects are experienced right through the resident population, improvements through this method deliver quick results for everyone.

- 2.6 People-based support was myriad including schemes to help people into work suffering from mental illness, programmes to tackle child obesity, and health and well-being services to vulnerable people such as drug and alcohol users and winter warmth for low income households.
- 2.7 People-based changes were harder to effect, with only some improvements in health, and no net change in educational attainment or tackling worklessness. Unlike place-related change, interventions on jobs, health and education impacted on fewer people, with the immediate advantages accruing to the individual beneficiaries rather than the area as a whole. Short- to medium-term improvements in these parts of people's lives proved hard to effect. Despite the relative lack of success, the studies argue that the methods are still valuable as interventions can move participants in a desired trajectory, though the ultimate outcome could take many years to become apparent.
- 2.8 Diversifying tenure where there are high concentrations of social rented housing by building or setting aside homes for sale also assisted with people-based change, as owner-occupiers tended to be working, healthier and better qualified. This method had a diluting effect, reducing the scale of people-based challenges for an area. For existing residents with low outcomes on health, education, or jobs, there were no observable benefits on these indicators using this method, whether in evaluations using the NDC data or reviews of mixed tenure programmes in other parts of the country.
- 2.9 Where tenure diversity has been a success has been at the level of place. Significant links were found between tenure mix and positive change. Increases in area satisfaction and popularity, flourishing, better managed estates, and reductions in crime and ASB are partly attributable to this method. Success depended on selling to owner-occupiers. Places improved, according to the researchers with the arrival of residents with a strong interest in driving up estate management standards and articulate and adept at challenging poor performance. The spatial distribution of tenure mix was also a factor. Where tenure mix is segregated with owner-occupiers living in separate buildings to renters, the place-based gains were also likely to be more circumscribed. Integrated tenure mix, for example pepperpotting, distributed the gains more widely. Positive place-based outcomes related to mixing tenure have also been found in other programmes. The Joseph Rowntree Foundation's policy between 1998-2002 of selling 50% of vacant dwellings on one of its estates in York is frequently cited in this respect.
- 2.10 Challenges noted with this method were the affordability of home ownership for local residents, unplanned housing management pressures from serving a new highly organised resident body, and the need for

- neighbourhood governance arrangements in relation to running multi-tenure and multi-landlord estates. Another challenge with this method is that landlords tended to favour segregated tenure mix. Income mix could also be affected: where there was low cost homeownership aimed at middle to low income groups, high housing costs meant new occupants having disposable incomes not much higher than those on welfare benefits; sales where a no buy-to-let clause had not been imposed were also shown to draw in housing benefit dependent private tenants.
- 2.11 In relation to methods of service involvement, better results were noted with agencies with a spatial remit or those already operating at a neighbourhood level, notably the police, than those agencies whose brief it is to work with individuals or households. The relatively small size of neighbourhoods could also be a hindering factor for key public agencies operating across a wide catchment on health, education and jobs as could the need for services such as schools and health to meet national targets rather than the priorities of any one neighbourhood. Successful NDC projects that raised educational attainment were those that worked with pupils and families, rather than taking a schools-based approach. Bringing services on site to people's doorstep is also noted as an effective element in the service delivery model.
- 2.12 In terms of programme design, the research advocates an evidence-based localised approach with plausible goals and with geographic boundaries wherever possible approximating those of the key delivery agencies. A common template for all areas is unlikely to be appropriate. A further lesson is to sequence interventions rather than pressing ahead on all fronts from the outset. The researchers found that place-related indicators showed considerable movement in the first two years with a slow down in the rate of change thereafter. On the other hand to embed strategies to improve people-related outcomes could take 5 or 6 years and a further period beyond that to achieve outcomes.
- 2.13 In summary, independent research indicates that proactive intervention into neighbourhoods can have positive and lasting effects, particularly in relation to place-based gains. In addition, methods such as tenure and income mix can achieve both place- and people-based improvements, though in terms of the latter there is no evidence of a direct benefit for existing residents so neighbourhood working would also require a sustained and intensive co-ordinated and collaborative response from services to raise socio-economic outcomes.

3. RATIONALE FOR AREA-BASED INVESTMENT AND IMPROVEMENT IN h&F

- 3.1 Improving neighbourhoods in the ways evaluated by the independent research would assist the Council and its partners in meeting the goals of the borough's Community Strategy 2007-14. The aim would be to invest resources and energies in those areas and housing estates suffering disproportionately and where there is an evidenced need for additional support.
- 3.2 The assessment and selection process is detailed in Appendix 1. In broad terms, priority for assistance would be given to neighbourhoods evidenced as having:
- high levels of unemployment and benefit dependency, low incomes and debt
 - high levels of overcrowding and housing need
 - low educational attainment
 - high incidences of crime and ASB
 - high proportion of lets to first-time tenants and a high incidence of arrears and other tenancy breaches
 - poor health outcomes
 - low levels of home ownership
 - high reliance on statutory and acute services
 - low resident satisfaction with services and the area
 - low area popularity
- 3.3 A factor affecting selection at the outset of the policy will be the size of the neighbourhood in the sense that the Council will seek to move by degrees and prefer to test and refine models by beginning work on smaller neighbourhoods first, as opposed to the largest.
- 3.4 The case for selection will also be considered as and when it arises for those neighbourhoods attracting resources and a programme of activities outside the frame of this policy, providing there are sound business reasons and the evidence shows Community Strategy goals would be furthered by designating these as Action Areas for Improvement so as to implement measures such as those described in 4 below.
- 3.5 Decisions on which areas to bring forward as Action Areas for Improvement would be evidence-based. Wide-ranging profile data will be used to inform decision making in this regard. Action Plans will require Cabinet approval.

- 3.6 Statutory consultation with all the borough's Council tenants on the policy framework will be conducted, including consultation on the selection and assessment process and the various potential improvement methods. Consultation will take place through the Borough Forum. This will be supplemented by consultation through tenant newsletters and other consultative forms to ensure all tenants have the opportunity and the time to learn about the proposals and air their views. Once a neighbourhood has been selected, the detailed action plan for that neighbourhood will be consulted on with local residents in the respective neighbourhood.

4. TOOLS FOR AREA-BASED IMPROVEMENT

- 4.1 Tools for improvement which the Council and its partners may combine on a given neighbourhood would be bespoke to respond flexibly and effectively to what support and assistance is required. The following is a sample of methods, some validated by the independent research, but by no means exhaustive that may be potentially used:

i. – Physical and Environmental improvements

Such improvements can take a range of forms. These might include installing more advanced CCTV, improved landscaping, refurbishing or providing new community buildings, providing new housing for sale, extensions and conversions to relieve overcrowding, removing physical barriers that enclose and segregate neighbourhoods from surrounding streets, and changing the layout to deter crime and anti-social behaviour.

ii. - Local Lettings Plans

Local Lettings Plans allow more control over allocations in particular areas with higher levels of economic and social problems. They can be used, for example, to set aside rented properties for working households if thought beneficial to improve an area's income mix, or as shown by the research a neighbourhood's standing on people-based indicators such as health, or can be used to prioritise allocations to tenants with proven household skills where there is a high incidence of tenancy breakdown.

Neighbourhood-based outreach for places marked by a high incidence of overcrowding and housing need could be developed to complement this method.

iii. – Improving tenure diversity

As indicated in the independent research mixing tenure has been shown to have positive impacts for neighbourhoods, improving resident satisfaction and area popularity, with fewer reported crimes and incidents of ASB. Therefore, in neighbourhoods with low levels of owner-occupation the Council would look to promote a tenure balance approaching the borough average, though remaining in proportion to other improvement

goals and consistent with discharging the Council's main housing duties. A number of properties either newly built or within the existing Council housing stock would be ringfenced for sale to households on low incomes who have an aspiration to move into home ownership. They would be sold on a shared ownership basis maybe via a housing association (Registered provider) making them affordable. Preference would be given to residents already living in the neighbourhood and those on the housing list with a recognised housing need, and thereafter to residents or those who work in the borough registered on the Council's Home Buy register.

iii.a Disposing to a housing association would have the advantage of residents being able to draw on the considerable experience and specialist expertise housing associations have acquired over many years of constructing, marketing and administering shared ownership accommodation. The Council currently does not hold this expertise in-house and would need to find the finances to staff and develop such a capacity or pay significant agency fees if a housing association were to be appointed to provide this service on the Council's behalf. Housing associations also potentially have access to capital funding from the Homes and Community Agency unavailable to the local authority which can be put to refurbishing properties up to a high standard so as to attract buyers who may not otherwise have chosen to purchase in less popular neighbourhoods.

iii. b Disposing units to a housing association also has a number of direct financial advantages for the Council:

- The full value of the dwelling is passed to the Council immediately. In contrast if the Council sells directly to a shared-owner the receipts would be limited to the proportion sold which is frequently only 25% (to ensure affordability). Shared-owners would be under no obligation either at the outset or in the future to buy the unsold share, whether in whole or in part.
- The receipt would not count as a right to buy receipt and if the correct procedures were followed would not be caught by pooling, ensuring the retention of the full receipt by the council.
- Properties could be sold in packages with the sales and marketing risks, (especially significant if pepper potted) including the cost of refurbishment for sale, transferred to the Registered Provider, who would also bear future stair-casing, arrears and repossession risks.

iii.c Having properties under different management within a block does present a management risk, especially on issues such as antisocial behaviour, sub-letting and leaks.

iv. – Coordinated Housing Management Services and Collaborative Neighbourhood Focussed Services

Neighbourhood and Housing Management Services must be delivered effectively as they have a significant impact on all residents. Poor landlord services are unacceptable and can have a negative effect on residents' day to day lives. It is essential that tenancy management issues are addressed at the first point of call and rent management is maintained and controlled. To maintain effective and efficient services and provide assistance to residents when the need is identified, the Council could introduce as part of area improvements, and in partnership with social landlords, a Coordinated Housing Management Service.

A model for this service would be a Neighbourhood Team where the style of management would shift from a transactional approach to a more relationship based service. Officer objectives would be to develop relationships with residents and community groups, offering a generic service able to respond proactively to situations. The co-ordinated Housing Management Service would enable pooling of resources, knowledge and expertise from a cross section of professionals rather than organisations working in isolation which in turn will avoid duplication and provide value for money. The service should ensure residents receive a tailored person centred package of support, which meets their needs, promotes preventative solutions, assists households to be self reliant, lessening dependence on crisis-based or acute services.

v. - Employment and training

Maximising employment and skills training opportunities is a critical strand of any improvement programme. The aim would be to offer results-driven services which carefully consider the different starting points for residents in their journey off welfare benefits and into work.

The NDC research indicates that improvements in this area can take a long time. A programme including the following could be devised to achieve sustained outcomes:

- practical employment support workshops based on estates and pitched at the level of the residents e.g. people furthest from the labour market or lone parents
- flexible and immediate unpaid work experience places with local employers including key large employers such as the council
- short courses or training programmes targeted at filling current vacancies, particularly industry specific offers, e.g. food hygiene training for restaurant or hospitality work
- apprenticeship and traineeship opportunities aimed at young people including NEETs (i.e. young people not in education, employment or training) and others without formal qualifications
- integrated debt and financial advice/support

- community outreach work with schools, community groups, etc. to update residents on job opportunities coming up locally and training needs
- co-ordinated access to supplementary services, e.g. ESOL, childcare availability.

vi. - **Resident involvement**

Resident involvement is crucial to improving neighbourhoods. All improvement programmes will include consultation with local residents in programme design. The Council and its partners will support those living in designated neighbourhoods to take wherever possible an active part in shaping and delivering improvement for their own areas.

5. MEASURING AREA-BASED SUCCESS

5.1 The key areas for improvements, in accordance with Community Strategy priorities, in terms of evaluating success and monitoring progress for report back to Cabinet, are:

- Increase in and take up of training and employment opportunities
- Increase in satisfaction with services and neighbourhood
- Increase in educational attainment levels for children living in the neighbourhood
- Improvements in health outcomes
- Improvements in standards of caretaking and housing management
- More balanced tenure and income mixes at a neighbourhood level
- Reduced incidence of overcrowding and housing need
- Increased popularity of estates reflected in increased home ownership, fewer transfer requests, and more tenants seeking transfers to the area
- Reductions in fear and incidents of crime and anti-social behaviour
- Reductions in use of crisis and acute service and better take up of prevention and information services

5.2 Regular monitoring of the strategy in the round in terms of progress against desired outcomes will be undertaken through the Director of Housing and Regeneration. This will include ensuring the policy is working fairly and lawfully across the borough and its estates.

6. FUNDING FOR AREA-BASED IMPROVEMENTS

6. 1 The Council will aim wherever possible to deliver improvements without incurring additional revenue costs. The approach will mean existing

resources already spent on estates being more co-ordinated across agencies and services in the borough. It is expected that improved value for money would result from the co-ordination of services.

- 6.2 Capital works may incur additional expenditure. Appropriate Member approval will be required for all new expenditure.
- 6.3 It is envisaged that any receipts from sales of properties (via housing associations) to low income households as part of the drive to increase home ownership opportunities will be placed into the decent neighbourhoods pot.

7. THE INVESTMENT REQUIREMENTS OF THE COUNCIL'S HOUSING STOCK

7.1 The Council currently has a portfolio of 12,945 rented dwellings in its Housing Revenue Account (HRA):

HRA Tenanted Stock Summary

	Bed size							Grand Total
	0	1	2	3	4	5	6	
Houses	0	2	183	582	493	58	8	1,326
Low rise (1-2 storey) flats	49	604	251	69	7	2	1	983
Medium rise (3-5 storey) flats	348	2,879	2,580	1,581	290	24	4	7,706
High rise (6 or more storey) flats	230	1,080	1,303	287	21			2,921
Bungalows		5	3	1				9
	627	4,570	4,320	2,520	811	84	13	12,945

7.2 Over the past 5 years, the housing stock has benefited from a £213m investment via the Decent Homes Programme. In addition to the proposed area based improvements strategy and regeneration projects a capital maintenance investment strategy is in place to maintain and build on the benefits of the Decent Homes programme to:

- Protect the investment in decent homes.
- Protect the HRA balance by ensuring our reactive maintenance costs do not escalate.
- Ensure the properties remain fit for purpose
- Maintain current resident satisfaction levels

7.3 A stock condition survey, commissioned in 2009 estimated an annual capitalisable maintenance requirement of approximately £29m per annum over the next 10 years with an investment of £43m required in 2011/12.

8. OVERVIEW OF THE CURRENT HRA LIMITED VOIDS DISPOSALS POLICY

8.1 The Council has a policy for raising funds for capital investment through the limited sale of council dwellings. These funds currently go into the Decent Neighbourhoods pot. Properties currently considered for sale are

- units with an open market value of £450k
- units with refurbishment costs of £30k
- the last unsold unit in a former acquired house where all the other homes have been sold
- units that are costly or hard to manage

8.2 Since the policy was introduced in March 2007, 64 dwellings have been sold yielding capital receipts of £31.3m. This gives an average number of sales of marginally more than 1.5 properties per month, however property sales have accelerated significantly over the past 18 months, with approximately 40 properties having been sold in 2010.

9. ASSET MANAGEMENT APPROACH TO PROPERTY DISPOSALS

9.1 It is intended to align the current disposals approach with a number of new conditions for disposal and revisions to the existing conditions in order to meet the investment needs of the stock over the coming decades, including our proposed area based improvement programme and investment required to meet housing need. The revisions to the policy are set out below.

Net Present Value

9.2 The current HRA Limited Void Disposal policy does not take into account the relative long-term value of dwellings when considering them for disposal. Dwellings which pose a long-term drain on HRA resources, i.e. cost more over a 30-year period than the amount of income that they yield and, therefore, have a 'negative net present value', will also be considered for disposal, regardless of the size of the potential capital receipt or any investment cost required to bring them into lettable condition.

Bedroom sizes and refurbishment thresholds

9.3 By setting a single high value threshold of £450k above which disposal will be considered regardless of the number of bedrooms, the current policy favours the disposal of dwellings with more bedrooms. This model is crude and is not congruent with the housing need in the borough, which generally shows larger units being in short supply with smaller units significantly less sought after (a full analysis of housing need and supply is provided at

Appendix 3) Therefore, a new scale of thresholds based on bedroom-size will be applied as follows:

Open Market Value Thresholds for Disposals based on Bedroom Size

Bedroom size	Disposal Threshold
Studio	£170,000
1 bedroom	£220,000
2 bedrooms or more	£350,000

Disposal based on costs of returning a unit to a lettable condition will also continue, however, given the extent of the capital investment shortfall, the threshold will be lowered from £30k to £15k.

Other disposal criteria

- 9.4 In addition to disposing of the freehold to properties only occupied by leaseholders we will consider the disposal of the freehold of properties where only one tenanted property remains, retaining a long leaseholder interest in the remaining property subject to necessary consents.

10. USE OF CAPITAL RECEIPTS FROM AN ASSET- BASED DISPOSALS APPROACH

10. 1 The strategy, assuming that as indicated there is no significant change to the treatment of capital receipts and capital allowances under HRA reform, is to reinvest the receipt as follows:

- To fund capital expenditure on area-based improvements and estate improvements that help the Council achieve its corporate objectives (e.g. reducing levels of crime and anti social behaviour).
- To develop or acquire new affordable housing to meet identified housing needs, including where appropriate extension of current properties
- To fund tenant incentive initiatives (qualifying as capital expenditure) that free up council housing which is in demand for those in housing need (e.g. the need for larger family accommodation).
- Subject to the Council ensuring that its statutory housing responsibilities to meet housing needs are met to use receipts to reduce HRA or General Fund debt where this is identified as a priority, and where repayment of debt is of net financial benefit to the Council's HRA or General Fund.
- To invest in capital expenditure on planned maintenance of the current LBHF Housing stock until this is fully funded by the HRA revenue account.

10. 2 The implementation of the new policy is forecast to yield capital receipts as set out below. This calculation prudently assumes an average receipt

of £350k per property, but takes no account of any potential pooling liability. Disposals over the past 12 months have returned average receipts of £452k.

	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Estimated No of Void Disposals	50	60	70	80	80	300
Estimated Capital Receipts from Voids Disposals	£17,500	£21,000	£24,500	£28,000	£28,000	£107,000

10.3 The receipts set out above would make available considerable resources to allow for the funding of regeneration activities and capitalisable area based improvements.

10.4 Increases in the rate of disposals however will mean fewer properties being available to meet housing need in the borough. This circumstance has to be weighed against the maintenance needs of the overall stock.

10.5 An assessment of housing need in the borough is set out in Appendix 3 of this report. This bears out that the greatest relative shortage of properties exists with regard to family-sized accommodation, which adds significant pressure on temporary accommodation costs. An allowance in the use of disposal receipts has therefore been set aside to allow the expansion of the stock of family-sized dwellings either within or outside of the borough and to fund measures to tackle overcrowding.

11. POLICY FOR DISPOSAL

11.1 The detailed policy to be applied by officers effecting disposals is set out at Appendix 2.

11.2 In some circumstances it will be appropriate to retain properties which would otherwise be disposed under an asset-based approach. The factors to be weighed when deciding whether to dispose are set out in the procedure at Appendix 2.

12. MONITORING AND REVIEWING ASSET-BASED DISPOSALS

12.1 The operation of the approach including the disposal threshold figures will be reviewed after the first 12 months of operation (and annually thereafter) by the Cabinet Member for Housing in consultation with the Director of Housing and Regeneration, and the Council's legal and valuation services. Due regard and consideration will be given to ensure that the Council is meeting any existing responsibilities or requirements laid upon it with respect to meeting housing need and to ensuring that the policy is operating lawfully and fairly across the borough.

12.2 No review shall be effective until approved by Cabinet and until then (or in the absence of any review taking place) the current policy shall remain in force. No change to the policy shall affect any sale for which authority has already been given.

13. COMMENT FROM ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

13.1 The improvement of unpopular estates is of course capable of being a legitimate housing objective. This includes measures to rebalance tenures on an estate, provided conforming with the following principles:-

- Lettings on non-secure tenancies and/or to persons lacking normal priority must be strictly in accordance with a local lettings policy that itself does not unbalance the Council's allocations policy in terms of affording reasonable preference to those in priority need (see 7.8 below)
- Although housing authorities have no legal obligation to acquire houses themselves, sales and lettings of stock (as envisaged by this report) must be motivated purely by *bona fide* housing objectives. In particular they must not be tainted by any considerations of potential electoral advantage (any member or officer pursuing, or wilfully blind to, such motives would act unlawfully and not be protected by any legal advice)
- Criteria and mechanisms for selection of properties for disposal/letting must be objective, transparent, uniform across the borough and firmly rooted in housing policy and in particular be consistent with the Council's then current requirements as a local housing authority properly to discharge its duties (e.g. scarce properties for which there is a pressing need should normally not be sold)

- Due regard must be had to the likely effect on persons with protected characteristics under the Equality Act 2010
- 13.2 On the basis lettings effected pursuant to any local lettings plan would be on a fully secure basis, the lettings can still be effected by the Council itself. If security were not to be offered those lettings would have to be through a housing association or local housing company. In relation to sales: whilst the Council can effect sales, where these are to purchasers intending to occupy as their only or main home, the Council will stand to lose 75% of the capital receipt under national pooling rules (expected to be repealed by the new Government in due course). This may therefore also dictate the end result being achieved via a housing association or local housing company, provided there are sound business reasons for adopting that course anyway.
- 13.3 Disposal of Part II housing land (except by way of Right to Buy sale or grant of secure and introductory tenancies and tenancies to the homeless) requires Secretary of State consent at DCLG under Section 32 Housing Act 1985. A number of general consents have been issued, which would allow the sales envisaged in this report, but most of these are for disposals which would entail the 75% loss of capital receipt mentioned above. Where, though, sale is to a housing association (for the best consideration that can reasonably be obtained) of properties “in need of substantial works of repair, improvement or conversion”, then no ad hoc consent is required and 100% of the capital receipt can be retained (provided the Council has sufficient “available capital allowance” i.e. amounts it has resolved to contribute towards schemes of affordable housing or regeneration). Counsel’s advice has been sought as to what in this context qualifies as being “in need” of “substantial works”. Counsel has advised that the relevant General Consent does pre-suppose disposal of “run down housing”, but being run-down may result from the estate environment as much as the condition of the dwelling itself. The “need” for works can similarly arise not just from the condition of the dwelling but from what is genuinely and reasonably considered to be needed to effect a good sale and to improve the tone of the estate. This would have to be determined on a case by case basis with valuation advice, but higher quality kitchens and bathrooms are likely to be justifiable. They are also likely to qualify as “substantial works”, whereas mere redecoration or minor repairs definitely would not.
- 13.4 Where the Council disposes to a housing association or local housing company for less than the best consideration that can reasonably be obtained, consent would be needed under Section 25 Local Government Act 1988 (with no general consent that is likely to be applicable). It is considered this would not prevent a bona fide discount for bulk being offered where a number of properties are purchased as a package. A

significant discount for any other reason, however, would be likely to trigger the need for S.25 consent if not reflecting something of corresponding value (in money or money's worth) provided by the housing association.

- 13.5 Directing resources to where they are most needed is of course logical, but a reasonable balance must be struck (in a transparent and properly justified form). One or two particularly problematic estates cannot monopolise all available resources (especially over a period of years) leaving nothing for other estates that perhaps evidence many of the same problems. Nor would it be appropriate automatically to earmark proceeds of sale of particular properties for improvements to the estates those properties are situated on. However, it is understood here that all receipts will initially go into a single pot and that expenditure from that pot will only be against a clear case made by reference to transparent criteria and after receiving specific approval by Cabinet.
- 13.6 The impact of estate improvements on leaseholders will need to be considered. Such improvements may initially be funded by sale receipts etc, but this will not of itself justify the Council in not re-charging leaseholders for works which the Council is clearly entitled to include in the service charge. The Council's fiduciary duty will in fact normally require it to re-charge unless the expenditure cannot be considered as having been reasonably incurred in the context of the lessor/lessee relationship.
- 13.7 In relation to secure tenants, Section 105 Housing Act 1985 requires that the Council maintains such consultation arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to be informed of the authority's proposals and to make their views known within a specified period. **Any representations received must be considered before any decision is taken on the matter.** S.105 covers matters of management, maintenance, improvement or demolition or the provision of services or amenities *if they represent a new programme or a change in the practice or policy of the Council and are likely substantially to affect secure tenants as a whole or a distinct social group, or a particular estate or larger area.* Disposals on the asset-based policy should not trigger a need to consult. The proposed area-based policy, however, not only requires borough wide pre-adoption consultation in accordance with the recommendations in this report, but later consultation (limited to the candidate estates) as to which estate is to be selected and a final consultation on the measures to be adopted to improve the selected estate (confined just to that estate and any adjacent estate which would also be substantially affected). The Council's normal consultation

arrangements will need to be followed in all cases, unless (on reasonable grounds) those arrangements are modified in this context.

- 13.8 With respect to Local Letting Plans, Local authorities are required by the Housing Act 1996 (“The Act”) to have an Allocation Scheme for determining priorities and the procedure to be followed in allocating housing accommodation. The Council’s Allocation Scheme was approved by Cabinet on 13 July 2009.
- 13.9 The Act also requires the Council to ensure that the Allocation Scheme gives reasonable preference to the categories of people set out in the Act including the homeless and those living in unsatisfactory housing conditions. The term “reasonable preference” is not defined in the Act but case law defines this as a ‘reasonable head start’. It is accepted that this does not guarantee a person an allocation.
- 13.10 Paragraph 4.1(ii) of the report refers to the introduction of Local Lettings Plan as a tool for improvement. Section 167(2E) of the Act gives the Council the power to introduce local letting schemes.
- 13.11 The Allocation Scheme includes a general statement about the Council’s intention to implement local letting policies within the Borough and gives authority for local lettings plans for certain areas, within the borough in order to achieve and maintain sustainable communities and to address social and economic polarisation in the borough. Before any such local lettings policy is introduced the council may consult with existing residents in that locality and will produce an explanation/justification of the plan should there be a wish to view this.
- 13.12 Once a local letting plan has been agreed it is important that it is then monitored to determine the impact on the Council’s duty to give reasonable preference to those in the greatest housing need and that there is no discrimination directly or indirectly on racial or other equality grounds.

14. OVERALL COMMENT FROM DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 14.1 The Director of Finance and Corporate Services notes the financial implications set out in the report. The report assumes that there is no amendment to the regulations governing capital receipts and allowances under HRA reform. The limited HRA voids disposals will enable the Council to finance area based improvements and other investment requirements. This will therefore ensure that Council properties remain fit for purpose. Detailed financial appraisal of specific proposals will be

necessary as they are brought forward as part of the overall portfolio of activities set out in the report.

15. EQUALITY IMPLICATIONS

- 15.1 Consultation on the area-based improvement framework will be designed to ensure tenants with protected characteristics are able to participate fully and have the opportunity to learn of the proposals and air their views.
- 15.2 A provisional equality assessment of the policy has been carried out. It has found that there are positive impacts in relation to age, race, sex, and disability. Provisional investigation suggests how some adverse impacts in relation to disability and access to low-cost home ownership, and ethnicity and increased disposals, may be mitigated. The final Equality Impact Assessment as it relates to asset-based limited voids disposal will be available at the time of the respective Cabinet meeting receiving the policy for adoption. The final Equality Impact Assessment on the area-based improvement framework will be published following statutory consultation so the assessment can take into account feedback from tenants and any changes to the proposed framework.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department/ Location
1	Hammersmith and Fulham Ward profiles	Riad Akbur, Policy Development Manager, x4043	Housing Options Division
2	Geoff Fordham et al, <i>The New Deal for Communities National Evaluation: Final report – Volumes 1 to 7</i> , (CLG, 2010) as well as specialist reports on health, housing, education, tenure diversity and mixed communities based on the NDC data and produced by the same	as above	as above

	research consortium (CLG, 2009, 2010)		
3	Rebecca Tunstall and Alex Fenton, <i>In The Mix: A Review of Mixed Income, Mixed Tenure and Mixed Communities</i> , (JRF et al, 2006),	as above	as above
4	Joe Doherty, <i>Mixing Housing Tenures: is it good for social well-being?</i> , (JRF, 2006),	as above	as above
5.	Graham Martin and Judi Watkinson, <i>Rebalancing Communities by Mixing Tenure</i> , (JRF, 2003)	as above	as above
6.	John Hills, <i>Ends and Means: The Future Roles of Social Housing in England</i> , (CASE, 2007)	as above	as above

Housing Estates Investment Plan

Selecting Neighbourhoods for Improvement

1. The Council is committed to ensuring that the methods for neighbourhood improvement set out in section 4 of the report are targetted at neighbourhoods needing them most and where the application of these methods will be most effective. This document sets out in more detail the assessment process and criteria that will be applied to select neighbourhoods.

Overarching criteria

2. Neighbourhoods that may be potentially suitable for comprehensive regeneration do not fall within the purview of this policy and are therefore outside the scope of selection.

3. Neighbourhoods may be brought forward for improvement and have their priority increased where they attract resources and a programme of activities outside the frame of this policy, providing there are sound business reasons (of a predominantly housing nature given sources of funding) and the evidence shows Community Strategy goals would be furthered by designating the neighbourhood as an Action Area for Improvement.

4. At the outset officers will not look to initiate an improvement programme on the Council's largest estates (save in wholly exceptional circumstances), given this is a new approach and the Council will seek to move by degrees.

5. In deciding which neighbourhoods to bring forward officers will be mindful of the findings of independent research, insofar as they indicate that proven methods of improvement are contingent on (1) area size and (2) the geographic boundaries of improvement areas equating with the spatial brief of the main delivery agents.

Defining a neighbourhood

6. Neighbourhood boundaries will in all cases encompass Council housing estates and in most cases will be delineated by estate boundaries. There are several reasons for this:

- working at an area level on housing and the physical environment is known to bring a wide range of benefits
- deprivation data disproportionately maps onto the borough's social housing estates
- the main delivery partner for housing and the physical environment is Housing Services whose operational brief, where it is spatial, is in relation to housing estates

7. In relation to size, neighbourhoods will be defined as areas made up of 100 or more dwellings with 100 or more social rent tenants in keeping with the improvement methods which so far have been mainly tested on larger populations.

8. Where a number of small estates are in the selection pool and are in close geographical proximity and all evidence high levels of need, the viability of them

being treated as a single neighbourhood for improvement purposes may be considered.

9. Where high deprivation is mapped onto an estate below 100 units, and that estate is in close geographical proximity to an estate identified for improvement, officers will consider the viability of the former constituting part of the neighbourhood for improvement.

10. As expertise is gathered in the use of estate improvement methods, future reviews will consider the feasibility of extending this policy (1) to estates below 100 units and (2) to neighbourhoods not dominated by Council Estates and Council-owned housing and (3) to the largest estates.

The assessment process

11. Housing estates falling under the scope of this policy will in the first instance be put through a needs analysis. Needs evidence will be compiled to compare and rank housing estates that fall under the scope of the policy.

12. A shortlist will be drawn up from this exercise of the 3 neediest estates.

13. This first stage analysis is conceived as a transparent and rudimentary means of sifting out the estates most obviously requiring support, however it will be rudimentary and by no means an exact science. There will be gaps in the statistical picture as data that is not available for all estates will be excluded. This is particularly the case with sub-ward data which is of limited use once catchments fall below a certain size. Estate-level statistics on the various Community Strategy priorities will also be uneven, with some priorities well-served by data and others less so. Universal indicators while ensuring all estates are judged on the same criteria are also unlikely to capture all the complex circumstances of an individual estate, however well devised. Resource constraints, in addition, will hinder sourcing data for all the estates from databases not configured to extract such reports.

14. The top 3 estates will therefore be subjected to a second-stage analysis, involving examining further data sets which may be easier to source for 3 estates, rather than 22. The size of the estate and its main needs will be considered at this point. This will be in terms of whether the improvement methods proposed are likely to have much purchase, and also, at the outset, whether the estate is of an appropriate size for conducting a trial, i.e. not one of the largest.

15. The selection process will be repeated as and when the Council is ready to bring forward the next neighbourhood for improvement, subject to review of the policy and any amendments arising from that review.

The Assessment Tool

16. The assessment tool to be used is set out below.

17. The estates will be accorded a rank for each of the evidence measures. The placings will be collated and averaged out, with weighting applied.

18. Levels of weighting reflect the differing quality and quantity of data for the various community strategy priorities: higher weighting for priorities well represented by data is to ensure the evidence is given due influence. Higher weighting has also been accorded to priorities that encompass the type of needs the improvement methods

are most likely to combat – e.g. poor area satisfaction, high crime and ASB, tenure imbalance, concentrations of unemployment and benefit dependency – bearing in mind the twin goal of targeting assistance where it is most needed and where the methods will have most effect. Low weighted priorities acknowledge the fact that the core improvement approach will not be a principally area-based one, though these will remain as priorities for the Council and its partners and the expectation will be that area-based support complements those core approaches.

19. The theme ‘Promote home ownership and housing opportunities’ will receive the highest weighting. This is for the reasons expressed in the paragraph above i.e. to ensure resources are channelled to neighbourhoods that would benefit most from the methods and to reflect the quality and quantity of the data. Additionally, it is because the biggest cost in any programme will be physical improvement which will be paid for from housing funds, and would, thus, require any Council estate receiving such funds to demonstrate that it is the neediest for housing investment, over and above what other non-housing needs the area or the residents may have.

Assessment Tool for Selecting Estates for Improvement

Community Strategy Priority	Reason to intervene at a neighbourhood-level	1 st stage analysis – Evidence Measure	2 nd stage analysis – Evidence Measure	Weighting in overall assessment
Provide a top quality education for all	Many children on the estate need support at school	% of pupils on the estate registered as having special educational needs	% of 7 year olds achieving Level 2 or above in reading, writing and maths in local primary schools % of 11 year olds achieving Level 4 or above in Key Stage 2 in English, maths and science in local primary schools	5%
Tackle crime and ASB	The estate has high levels of crime and ASB	Rate of ASB per 100 residents Average incident of crime (i.e ABH, criminal damage, residential burglary, drugs possession) per head of population		20%
	Graffiti is a problem on the estate	Incidence of graffiti per 100 dwellings		
Deliver a cleaner, greener borough	Graffiti is a problem on the estate	Incidence of graffiti per 100 dwellings	% of estate that is green space	15%
	Litter and caretaking are a problem	Caretaking performance on % of tasks raised and inspected		
	There is			

	insufficient green space			
Promote home ownership and housing opportunities	The estate is mainly monotenure social rented with few owner occupiers	% of properties that are leasehold on the estate Capacity to accommodate new infill housing for low cost home ownership	% of properties that are owner-occupied on the estate	25%
	There are high levels of housing need	% of tenants awaiting a transfer in Bands A-C (excluding under-occupiers and beneficial transfers) % of households in Bands A-C (excluding under-occupiers and beneficial transfers) % of residents applying as homeless as an annual average based on figures for last 3 years % of tenants served with a NOSP (Notice of Seeking Possession) % of new lettings annually to first-time tenants or those that have lost homes in the recent past, based on figures for the past 3 years.		
Setting the framework for a healthier borough	Residents suffer more with their health than elsewhere in the borough	% of residents engaged with children social care (per 100 dwellings) % of residents engaged with adult social care (per 100 dwellings)	Ambulance call outs per 100 dwellings as an annual average based on figures for last 3 years (where sub-ward data can be meaningfully applied)	5%

		Incidence of hospital admissions per 100 population as an annual average based on figures for the last 3 years (2006-2009)	Teenage pregnancy rate per estate % of adult working age population on JSA, Income Support, Incapacity Benefit or Employment and Support Allowance (where sub-ward data can be meaningfully applied)	
Delivering high quality, value for money public services	The area is unpopular	% of residents satisfied with the area* % of new lettings to existing tenants annually, based on figures for the past 3 years.	% of leasehold property that appears to be buy-to-let	15%
	Residents are dissatisfied with services	% of tenants satisfied with the general condition of their property* % of tenants satisfied with the estates management service*		
	Residents have a high take up of costly acute services	% of residents applying as homeless % of residents engaged with children social care (per 100 dwellings) % of residents engaged with adult social care (per 100 dwellings) Fire brigade call outs per 100 dwellings as over the last 5 years Incidence of hospital admissions per 100 residents as an annual average based on figures for the last 3 years	Ambulance call outs per 100 dwellings as an annual average based on figures for last 3 years (where sub-ward data can be meaningfully applied)	

Regenerating the most deprived parts of the borough	Many residents subsist on benefits, most people are on a low income, debt is a problem, and many working age residents are not in employment	% of Council tenants on Housing Benefit % of school age children receiving free school meals % of tenants in rent arrears of 4 weeks or more % of households with incomes of £20k or less	% of all tenants on Housing Benefit % of leaseholders in service charge arrears % of adult working age population on JSA, Income Support and Incapacity Benefit/ Employment and Support Allowance (where sub-ward data can be meaningfully applied)	15%
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The evidence indicators

19. The measures used to assess need are by and large self-explanatory. The notes below provide more detail on those statistical measures thought to need more explanation.

20. Population data from the 2001 census is the last complete account of the resident population available at a postcode level which is the closest for data coverage of an estate. This data has been used sparingly given its age. Specifically, it has been used as the head count element in proportioning ASB incidence and hospital admissions. Figures from the forthcoming 2011 census will not be available until 2012.

21. Evidence will have more than one use. For example, numbers approaching the Council as homeless have been counted as a measure of housing need as well as to measure levels of engagement with acute, crisis services.

A Top Quality Education

Primary school data is being relied on as most local children (78%) attend primary school in the borough whereas only a third of local secondary school age residents (34%) attend borough secondary schools. For key stage results performance is collected by school, rather than residential location. This will be a 2nd stage analysis given the resource intensity of identifying what the local primary schools are for each of the respective estates in the 1st stage pool.

Deliver a Cleaner, Greener Borough

Improvements to the physical environment has proven benefits, however, there is little overarching data available on which to consider the comparative merits of one estate's needs for physical improvements - for example, in relation to being cut off and unintegrated with the surrounding local area or to spatially design out crime – against another's. For resource reasons, consideration of these factors will be limited to the 2nd stage analysis.

Promoting home ownership and housing opportunities

The number of units owned on an estate are not necessarily identical with the number that are owner-occupied. The distinction is important as independent research indicates that estate improvements gained from more home owners is dependent on them buying-to-live, rather than buying to let. Figures on current owner-occupation levels are derived from leaseholder records and whether the owner's address for service charge correspondence is the same as the property address. Where the two do not match it can be assumed that the property is not owner-occupied. This is time consuming data to collect and therefore will be reserved for 2nd stage analysis.

The main source of data for determining levels of housing need in the borough is the Housing Register, a list recording all requests for housing received by the Council. Once received, applications to the Housing Register are assessed and accorded a band between A-D, defined as follows:

Band A = Emergency and very severe housing need

Band B = High priority or urgent need to move

Band C = Households with an identified housing need to whom the Council is required to give reasonable preference under s.167 Housing Act 1996

Band D = All other applicants

Households to whom the Council is required by law to give reasonable preference include the homeless, those who are overcrowded and those needing to move for health reasons. Given the above, the significant bands for enumeration and analysis of housing need are therefore bands A-C.

Delivering high quality value for money public services

*The results of the annual Tenants Satisfaction Survey on satisfaction with area, property condition, and estate management will be used, however in accordance with the fact that the respondent sample is small these indicators will be given half the weighting they would have ordinarily received were they equal to the other indicators in the group.

The Decent Homes survey which included a questionnaire on tenant satisfaction had a greater number of respondents. It was undertaken, estate by estate across the course of the last 4 years during a period that has seen significant improvement in HFHomes service standards. Therefore survey feedback would differ depending on when it was collected on the improvement curve. The presence of this variable makes the data set unreliable for purposes of comparison.

The proportion of lets to transfer tenants will be used as an indicator of area popularity. Transfer tenants, having the benefit of a high level of security of tenure, are in stable housing, which affords greater opportunity to accumulate favourable waiting time on the Housing Register and exercise options about when and where they move than those in the same Housing Register band who are homeless, or in short-term tenure in the private rented sector or households living with friends or family, whose more precarious circumstances are likely to result in them taking lettings on estates that are less desirable.

Figures for buy-to-let will be derived from comparing the property address with the owner's service charge address. Where the two do not match it will be assumed that the property address is rented. Housing Benefit data may be used to provide further verification.

Housing Estates Investment Plan

Asset-Based Limited HRA Voids Disposals Policy

1. Introduction

1.1 This policy note is to be applied in line with the asset-based approach to limited HRA void disposals set out in the policy report '[Housing Estates Investment Plan](#)' adopted by Cabinet In April 2011.

1.2 It is not an exhaustive description of the disposal process but sets out a number of operational requirements attendant to the execution of a disposal and the main factors to be weighed in the balance when considering whether or not to dispose of a property.

1.3 It can apply to single Council dwellings or a number of related dwellings.

2. Dwellings where disposal will be considered

2.1 Any vacant property will be considered for disposal where:

- (i) the likely capital receipt exceeds the following thresholds for its respective unit size

Bedroom size	Disposal Threshold
Studio	£170,000
1 bedroom	£220,000
2 bedrooms or more	£350,000

OR

- (ii) The potential cost to bring the void property into a lettable condition is likely to exceed £15k (excluding VAT)

OR

- (iii) The property's 30-year discounted cash-flow shows a negative net present value

OR

- (iv) The property is the last property in a block where all other properties are sold on long leases

OR

- (v) The sale of the property triggers the right of leaseholders in the block to apply for the purchase of the freehold of the block

OR

- (vi) The sale of the freehold in a block which is fully leasehold or where only one tenanted property remains, retaining a long leaseholder interest in the remaining property.

3. The Assessment stages

Preliminary Assessment

3.1 There will be a preliminary assessment made by officers including valuers and finance of the likely capital receipt and whether any part may have to be paid to the Secretary of State under then current capital finance regulations or is otherwise unavailable for the uses identified in the policy report.

Financial Appraisal

3.2 Each disposal will be subject to a financial appraisal that balances sale against retention considering our overall asset management requirements. This will balance the following elements:

- The net present value of the property
- Any net income after refurbishment versus the other investment requirements for the HRA including area based improvements, regeneration, building new properties and the extension of existing properties.
- Impact on the General Fund (i.e. through increased temporary accommodation costs).
- Capital cost of refurbishment versus benefits of realising the usable receipt

Additional benefits of sale

3.3 Further rationale will be considered before any sale is undertaken in relation to the additional benefits of the sale including:

- (i) Meeting identified priorities to either refurbish stock or estates. The sale of dwellings in this instance will be directly linked to investment priorities identified in the policy report
- (ii) Re-providing accommodation (e.g. 4 bed replacing sale of a 2 or 3 bed dwelling) to meet identified housing needs including the need for social rented or low cost homeownership accommodation
- (iii) Funding other initiatives which address overcrowding and housing need, e.g. tenant incentive schemes

Consideration of Housing Demand

3.4 Factors relating to housing demand in the borough will be taken into account, in particular:

- (i) Whether the Council is in a position, where it owes a duty to do so, to secure accommodation for homeless persons which is suitable having regard to their individual circumstances and to the length of time for which that accommodation is to be occupied;
- (ii) the arrangements for the re-housing of cases awarded urgent or high priority for rehousing, i.e. Band A or Band B cases on the Housing Register;
- (iii) Impact of sale on the general fund through increased temporary accommodation costs;
- (iv) consideration of the cost/ benefit of sale in respect of utilising the receipt to maximise accommodation options and better meet housing demand, for example as set out in 3.3. (iii) above, or, alternatively, retaining the unit where it is desirable to an under-occupying Council tenant who by moving into it would release a large family-sized unit, thus, achieving a similar end;
- (v) The requirements of the annual Allocation plan which sets out how the Council will balance and meet housing need;
- (vi) Whether that dwelling is required to meet an urgent or very severe housing need which cannot be met through existing stock or provision, unless the dwelling is structurally unsound and not reasonably capable of being made fit for habitation.

Results of the assessment

3.5 All disposals will (before commencement of marketing) be subject to a written report from the Director of Housing and Regeneration to the Cabinet Member for Housing evidencing consideration of all the relevant assessment factors and demonstrating that there are no exceptional needs for the dwelling either existing or anticipated within the next 3 months (6 months in the case of dwellings of 4 or more bedrooms).

4. Pre-sale works

4.1 Consideration will be given to undertaking works to maximise the sale receipt. Works will only be undertaken where there is a demonstrable cost benefit in increasing the sale price. The cost of works would be offset against the capital receipt from sale.

5. Consultation with Legal

5.1 Confirmation shall be got from Legal Services in relation to each disposal that it is authorised by a general consent issued by the Secretary of State for Communities and Local Government or is otherwise permitted.

6. Review

6.1 This policy note will be reviewed in the round with the accompanying policy the first year after its operation and annually thereafter. No such review shall prejudice any disposal previously authorised (whether or not contracts have been exchanged for the property in question or marketing commenced).

Housing Estates Investment Plan

Need and supply of social rented housing in Hammersmith and Fulham

1. Housing needs data

The main source of data for determining levels of housing need in the borough is the Housing Register, a list recording all requests for housing received by the Council. Once received, applications to the Housing Register are assessed and accorded a band between A-D, defined as follows:

Band A = Emergency and very severe housing need

Band B = High priority or urgent need to move

Band C = Households with an identified housing need to whom the Council is required to give reasonable preference under s.167 Housing Act 1996

Band D = All other applicants

Households to whom the Council is required by law to give reasonable preference include the homeless, those who are overcrowded and those needing to move for health reasons.

Given the above, the significant bands for enumeration and analysis of housing need are therefore bands A-C.

Data for historical comparison is available from January 2007 which is when the Council introduced its current database, though had there not been an IT change the perspective over time would not have been significantly longer, given the banding system was only introduced in 2005, when it replaced the old points-based system.

For data presentation purposes, applicants are grouped as

Housing Transfers existing Council tenants requesting to move

Homeless homeless households to whom the Council owes a statutory duty to house under the homeless legislation

Homeseekers all other households seeking a home

A factor for analysis is that the Housing Register has not been subject to a data cleanse and updating since its introduction in 2005. A recent sample survey indicates that the Housing Register could be reduced by just over 40% if subject to full validation. Processes are currently being developed by officers to improve the accuracy of the register. The Council is therefore aware that the levels of need particularly in the low Band C are likely to be significantly lower than demonstrated by the figures. Any analysis of and conclusions drawn from these figures should be mindful of this potential discrepancy.

2. Analysis of housing need

Numerically the highest volumes of demand when organised by banding are found in Band C, whether Housing Transfers, Homeless cases or Homeseekers (see fig. 1). Numbers waiting in Band A and Band B have decreased by 30% in the last 4 years from 551 to 387. Homeless cases have also seen a marked fall across the bands in the last 4 years (including in Band C) as a consequence of service strategies to meet the 2010 temporary accommodation target.

Figure 1 - Housing need 2007-10 by banding

Open Housing Transfers Cases Bands A-C

	A	B	C
3/07	272	167	614
3/08	223	156	914
3/09	197	147	874
3/10	179	158	836

Open Homeless cases Bands A-C

	A	B	C
3/07	134	86	1286
3/08	20	14	951
3/09	13	39	834
3/10	10	16	688

*includes 11 unbanded cases

Open Homeseeker cases Bands A-C

	A	B	C
3/07	60	298	3817
3/08	34	220	4039
3/09	31	260	4059
3/10	31	213	4461

Demand volumes organised by bedroom size are highest for 1 bed and 2 bedroom properties (see fig. 2). Band C Homeseekers will represent the majority of these households, a large proportion typically being single adults, or couples, or adults with a young child having no self-contained accommodation, living with friends or family. The sample survey suggests a little over 40% of these applicants could be removed from the register were it subject to a comprehensive validation exercise. Need levels for 3 bedroom properties or above are likely to be more reliable, since applicants in these groups contain significantly fewer Homeseekers.

Figure 2 - Bedroom need of all open Band A-C cases, 2007-10

	studio	1bd	2bd	3bd	4bd	5bd	6bd	7bd	8bd	9bd	10bd	N/K
3/07	92	2641	2096	1179	473	162	43	6	2	-	-	166
3/08	66	2587	2185	1146	455	154	27	8	-	-	-	-
3/09	80	2607	2047	1126	471	147	26	5	-	-	1	-
3/10	76	2579	2024	1186	487	138	49	5	2	-	1	102

Demand from applicants who require ground floor accommodation for health reasons and could not manage housing on another floor even were a lift exists has decreased over the last 4 years. It comprises a small proportion of overall demand:

Figure 3 - Open cases: demand for 'ground floor only' accommodation, 2007-10

	Transfer	Homeless	Homeseekers	Total
3/07	203	4	145	352
3/08	290	1	120	411
3/09	190	2	82	274
3/10	156	2	84	242

3. Housing supply data

Supply figures for the borough's social rented sector to meet housing need are based on the number of new lettings, rather than the number of properties becoming vacant since falling within the compass of the latter are properties held back from the supply pool, for example, for reasons of major works and so on. The supply sources are the Council's housing stock and units owned by Registered Social Landlords (RSLs) to which the Council has nomination rights, therefore units available for allocation to Housing Register applicants. Similarly, new tenancies arising out of the exercise of succession rights or tenancy re-assignment have been excluded since the units to which they pertain also do not enter the allocation pool.

4. Analysis of supply

Supply in the borough's social rented sector for the period 2007-10 equates on average to around 942 units each year (see fig. 4). A decline in the availability of RSL units in the period, particularly 2 beds, has been largely counter-balanced by a growth in supply from the Council's housing stock. Figures also show a drop in lettings to homeless applicants, mirroring reduced demand from that group for the reasons already mentioned, the slack being taken up by more Homeseekers being rehoused.

Figure 4 – Lettings 2007-10

2007/8

	LBHF property	RSL property	Total
LBHF Transfers	156	80	236
Homeless	247	186	433
Homeseekers	219	78	297
Total	622	344	966

2008/9

	LBHF property	RSL property	Total
LBHF Transfers	146	79	225
Homeless	138	134	272
Homeseekers	296	111	407
Total	580	324	904

2009/10

	LBHF property	RSL property	Total
LBHF Transfers	224	39	263
Homeless	145	110	255
Homeseekers	343	96	439
Total	712	245	957

In relation to bedsize (see fig. 5), there has been a year on year decline across the sector of supply of 3 bedroom units. 4 bedroom supply and above is extremely rare.

Figure 5 - Lettings by bedsize 2007-10**LBHF**

	Studio	1bd	2bd	3bd	4bd	5bd	6bd
2007/8	43	324	152	87	16	-	-
2008/9	42	292	164	66	16	-	-
2009/10	86	365	170	67	22	1	1

RSLs

	Studio	1bd	2bd	3bd	4bd	5bd	6bd
2007/8	15	101	140	74	10	4	-
2008/9	9	109	130	57	19	-	-
2009/10	14	111	71	45	4	-	-

Supply by floor level (figs. 6, 7) indicates around a quarter to a third of all supply is on the ground floor.

Figure 6 - Lettings supply by floor level – LBHF & RSL

	Ground fl unit	Non-ground floor	N/K
2007/8	266 (26%)	700 (72%)	-
2008/9	235 (26%)	652 (72%)	17 (0.1%)
2009/10	280 (29%)	656 (69%)	21 (0.2%)

Figure 7 - Ground floor lettings supply by bed size**LBHF**

	Studio	1bd	2bd	3bd	4bd	5bd	6bd
2007/8	12	96	25	28	12	-	-
2008/9	12	80	38	25	11	-	-
2009/10	31	95	41	23	14	1	1

RSLs

	Studio	1bd	2bd	3bd	4bd	5bd	6bd
2007/8	7	29	15	29	9	4	-
2008/9	2	22	19	12	14	-	-
2009/10	7	33	20	11	3	-	-

5. Supply v. demand

For households in Bands A-C requiring a 3 bedroom or more the rate of supply is particularly acute (see fig. 8). On the other hand, households needing a 1 bedroom or 2 bedroom home are more numerous, thus the rate of supply of this sized accommodation affects a greater number of people albeit is more abundant. However, as has been previously noted it is in the 1 bedroom and 2 bedroom category that the evidence of need is potentially least reliable.

Figure 8 – No. of applicants per available unit, 2009/10

Studio	1bd	2bd	3bd	4bd	5bd	6bd
0.76	5.4	5.9	10.5	19	138	49

With respect to supply and demand of large family-sized units, the Council is currently working with 16 under-occupiers in 4 and 5 bed units willing to transfer to 1 or 2 bedroom units. It is worth noting when considering supply needs in the 1 and 2 bedroom category that all with the exception of 3 express a preference for transfer to a street property, suggesting in these limited instances the extra value of these smaller street-based units .

6. Forecasting future housing need

Looking ahead, demand for social rented housing over the coming years will hinge on a number of factors which are outlined in more detail below:

- impact of benefit reforms on new and existing private rented tenancies
- statutory changes to the Council's rehousing obligations
- effectiveness of measures to acquire new social rented housing or make better use of the existing stock

Impact of benefit reforms

Housing need for family-sized accommodation is likely to grow as a consequence of caps on the rate of Local Housing Allowance of Housing Benefits (LHA) being introduced from April 2011 as well as the upper limits proposed for the new Universal Credit Allowance expected to be introduced from 2013 onwards.

Reductions in the LHA rate for all private rented family-sized accommodation is anticipated. Significant reductions are forecast in the rates paid for 3 bedrooms or more.

A recent survey by officers found that currently the cap would affect around 2400 households:

Figure 8 – No. of households affected by LHA caps, by bedsize

Single room	1 bed	2 bed	3 bed	4 bed+
636	684	697	324	121

The introduction of the caps for existing tenants will be delayed until January 2012 to allow them more time to source cheaper housing. However, the demand in local authority areas with surplus accommodation below the new caps is likely to be highly competitive.

Where homelessness prevention is unsuccessful and tenants are unable to source alternative housing, the Council is likely to owe these households a rehousing duty , in particular those with children or those deemed vulnerable in housing statute terms. These households are likely to fall into the Band C category, rather than the urgent Bands A and B. It should be noted that while not in the greatest housing need, the wait for social rented supply may have cost implications arising from lengthy stays in temporary accommodation provided under the homeless legislation by the Council.

A reduced LHA rate is also likely to lessen access to the private rented market that the Council has used for several years to direct ongoing homelessness demand and minimise use of temporary accommodation. Around 450 households per year in housing crisis approaching the Council’s Housing Options service are supported into new private rented tenancies and without this option more often than not would be owed a statutory rehousing duty. The manager running the scheme reports that supply to the sector has reduced by 50% in the current financial year. Supply is unlikely to improve when the caps come into force in 2011/12, adding potentially a further 225 households per year to the Housing Register, i.e. half of the previously rehoused demand. In general these households will be placed in Band C with attendant temporary accommodation costs to consider. The bedroom profile of the typical applicant is 2 bedroom. For 3 bedroom households and above, supply in the sector, where the LHA reductions are billed to be steep, is likely to be particularly scarce.

The Universal Credit Allowance due to be introduced in 2013 with its upper limit of £500 is likely to further bar access to the local private rented sector for benefit dependent 3 bedroom households and above.

Further pressures on demand for all family-sized social rented accommodation can therefore be expected as a consequence of benefit reforms, with increases in demand volumes particularly for 2 beds.

Studio and 1 bedroom demand due to the widening of the single room restriction is also likely to see some rises in Band C. Currently single people under 25 may only claim LHA at the rate of a single room. From April 2012, the age limit will be raised to apply to single people under 35. New demand sources in this age range are likely to be homeless applicants with a 'priority need' who the Council had previously supported into self-contained flats or into supported hostels. Move-on from supported hostels may also be affected by the new regulations. The numbers, based on current private rented tenancies brokered by the Council for this group, are not expected to be high, however, there are cost implications with respect to the use of temporary accommodation.

Legislative change

The government has been consulting on whether to give local authorities greater powers to discharge homeless households into the local private rented sector, thus relieving pressures on the social rented sector. These new powers are contained in the Localism Bill. A key challenge for the Council if the power is enacted would be the short supply locally of accommodation at the LHA rate.

Tenure reform and the introduction of fixed-term tenancies, also in the Localism Bill, have the potential to engender greater mobility in the social rented sector. The length of the new tenancies and the renewal conditions will determine the rate of turnover and volume of new lettings. In the medium term given limited access into private housing in the borough there remain some hurdles to overcome if fixed rate tenancies are to result in higher volumes of social rented supply in the borough.

Tenant mobility, releasing and acquiring supply, and reducing demand

In order to respond to housing demand in the borough and to support tenant mobility the Council administers several schemes operating at varying levels of success. The Council is looking to step up its efforts in this area. In particular, it looks to:

- Source new stock
- release mis-used and under-occupied stock
- release units by enhancing mobility from Council to private housing, both into owner occupation and renting
- reduce transfer demand, for example, by inter-sector mobility or enlarging homes or supporting adult children moves.

Through these measures the aim would be over a period to reduce the current wait for social rented accommodation, providing a timelier response to housing need and the aspiration for mobility.

7. Conclusions

The rate of provision, on average 942 units a year, is sufficient to cover the demand from those with greatest housing need, i.e. Band A and Band B applicants. Similarly the supply for those needing ground floor housing is sufficient. It is only when

applicants are differentiated by bedsize need that disparities of supply become apparent.

The evidence of housing need and the supply to meet it indicates that the acutest shortages are in the borough's supply of properties of 3 bedrooms or more. Forthcoming benefit reforms can be expected to widen the gap between demand and supply with fewer opportunities for large families dependent on benefits to enter private housing.

Supply of 1 bedroom and 2 bedrooms attract the highest demand in terms of sheer numbers. However this sized accommodation enjoys a relatively healthy rate of supply. Moreover the demand levels for this sized accommodation are believed to be significantly lower than the reported figures.

Given the demand pressures, it would be prudent where 1 bed and 2 bed street properties are considered for disposal that these are offered in the first instance to under-occupied households, to assist with the release of family-sized stock.

Regarding supply generally, notwithstanding the Council's best efforts, the borough is entering a period of forecasted growth in homelessness demand. This may not translate into more urgent cases of housing need, but true demand in Band C may potentially increase.

Where supply fails to keep pace with demand, or indeed decreases, the Council's temporary accommodation costs will increase.

It will therefore be important that the Council's stock management strategy is implemented in conjunction with a strategy that maximises supply in terms of tenant mobility and releasing misused or under-occupied stock, or operates measures to reduce demand without recourse to social rented supply, for example, more effective housing options for overcrowded tenants' adult children.

Agenda Item 15



FORWARD PLAN OF KEY DECISIONS

Proposed to be made in the period April 2011 to July 2011

The following is a list of Key Decisions, as far as is known at this stage, which the Authority proposes to take in the period from April 2011 to July 2011.

KEY DECISIONS are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant, regarding the Council's budget for the service function to which the decision relates in excess of £100,000;
- Anything affecting communities living or working in an area comprising of two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Forward Plan will be updated and published on the Council's website on a monthly basis. (New entries are highlighted in yellow).

NB: Key Decisions will generally be taken by the Executive at the Cabinet. The items on this Forward Plan are listed according to the date of the relevant decision-making meeting.

*If you have any queries on this Forward Plan, please contact
Katia Richardson on 020 8753 2368 or by e-mail to katia.richardson@lbhf.gov.uk*

Consultation

Each report carries a brief summary explaining its purpose, shows when the decision is expected to be made, background documents used to prepare the report, and the member of the executive responsible. Every effort has been made to identify target groups for consultation in each case. Any person/organisation not listed who would like to be consulted, or who would like more information on the proposed decision, is encouraged to get in touch with the relevant Councillor and contact details are provided at the end of this document.

Reports

Reports will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the relevant meeting.

Decisions

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this Forward Plan by contacting the officer shown in column 6. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) are on the front sheet of each Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2010/11

Leader:	Councillor Stephen Greenhalgh
Deputy Leader (+Environment and Asset Management):	Councillor Nicholas Botterill
Cabinet Member for Children's Services:	Councillor Helen Binmore
Cabinet Member for Community Care:	Councillor Joe Carlebach
Cabinet Member for Community Engagement:	Councillor Harry Phibbs
Cabinet Member for Housing:	Councillor Lucy Ivimy
Cabinet Member for Residents Services:	Councillor Greg Smith
Cabinet Member for Strategy:	Councillor Mark Loveday

Forward Plan No 107 (published 15 March 2011)

LIST OF KEY DECISIONS PROPOSED APRIL 2011 TO JULY 2011

Where the title bears the suffix (Exempt), the report for this proposed decision is likely to be exempt and full details cannot be published.

New entries are highlighted in yellow.

* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
April			
Cabinet	18 Apr 2011	The General Fund Capital Programme, Housing Revenue Capital Programme and Revenue Budget 2010/11 - Month 10 Amendments Report seeks approval to changes to the Capital Programme and Revenue Budget.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	18 Apr 2011	Award of Term Contract for Tree Maintenance 2011-2014 Key Decision required to award this contract to the tenderer deemed to have submitted the most economically advantageous tender.	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	18 Apr 2011	Housing Development Company Consideration to establish organisational structures for a Local Housing Company.	Cabinet Member for Housing
	Reason: Affects more than 1 ward		Ward(s): All Wards
Cabinet	18 Apr 2011	Children's Centres Seeking a decision on the proposed reconfiguration model of children's centres taking into consideration the views expressed in the public consultation.	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward		Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	18 Apr 2011	Housing Capital Programme 2011/12	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Setting out the proposed Housing Capital Programme 2011/12 and seeking authority to initiate projects and incur expenditure subject to relevant further approvals.	Ward(s): All Wards
Cabinet	18 Apr 2011	Award of Recruitment Advertising and Executive Search & Selection Contract	Leader of the Council
	Reason: Expenditure more than £100,000	- Recruitment advertising, standard transactional and creative - Strategic HR support such as job fairs, materials, branding -Additional services such as response handling, public notices and outplacement.	Ward(s): All Wards
Cabinet	18 Apr 2011	Advertising and communication tender	Leader of the Council
	Reason: Affects more than 1 ward	Results and decision on market testing of an advertising contract following closure of H&F News. This will be a Leader's Urgency Paper to allow the contract to be awarded in April following the paper's closure.	Ward(s): All Wards
Cabinet	18 Apr 2011	Lyric Theatre Redevelopment	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000	Paper addressing the education offer from The Lyric Hammersmith to schools in the local authority and how this might be further developed through the proposed capital investment programme.	Ward(s): All Wards
Cabinet	18 Apr 2011	Property Disposals Programme Providing details of the current property disposal programme. Authority is sought to dispose	Deputy Leader (+Environment and Asset Management), Leader of the Council, Cabinet Member for Children's Services, Cabinet Member for Residents Services, Cabinet Member for Community Care

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
	Reason: Expenditure more than £100,000	of the properties identified in the report.	Ward(s): Avonmore and Brook Green; Fulham Reach; Hammersmith Broadway; Munster; Outside the Borough; Palace Riverside; Shepherds Bush Green; Town
Cabinet	18 Apr 2011	Measured Term Contract for Risk Assessment Surveys and Associated Remedial Works on Communal Hot and Cold Water System in Housing Properties - Boroughwide Tender acceptance report seeking approval to the letting of the contract.	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	18 Apr 2011	Short Breaks Funding For Disabled Children Stress on families with disabled children can be reduced by the provision of Short Breaks services. This report explains the funding gap which needs to be bridged in order to maintain to the current level of support services to families with disabled children. And seeks agreement to additional funding.	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	18 Apr 2011	Reforming Public Services through Lean Systems Thinking Approval for delegated authority to appoint and award a contract for consultancy support to reform public services through Lean Systems Thinking.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	18 Apr 2011	Improving Council Estates in Hammersmith and Fulham with limited disposals - the borough framework A policy framework to establish improvement and investment strategies for	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
		housing estates in the borough and the Council's housing stock in general.	
Cabinet	18 Apr 2011	Family Support Programme	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000	To ensure continuation of front line services we are seeking approval to fund current Children's Centres services and associated staff reorganisations until 30 June 2011. 1) To extend the contractual arrangements with Children's Centre until 30th June 2011. 2) To approve the use of the EIG funded contingency of £1.1m to fund Children's Centres and associated staffing reorganisations.	Ward(s): All Wards
Cabinet	18 Apr 2011	Serco Contract Review	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	Following a review of the financial and service performance of the Serco Waste and Cleansing contract, a clearer performance regime is proposed that provides greater value for money, improves service quality and is based on the principles of risk and reward. <i>Published on 16 March 2011</i>	Ward(s): All Wards
May			
Cabinet	9 May 2011	A transport plan for Hammersmith & Fulham 2011 - 2031	Deputy Leader (+Environment and Asset Management)
	Reason: Budg/pol framework	The Local Transport Plan for Hammersmith & Fulham is a statutory document required by all London Boroughs to show how they intend to implement the Mayor's Transport Strategy.	Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	9 May 2011	Sex and Relationships and Substance Misuse Education Tender	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000	For Cabinet to approve the contract award in June 2011. This will be a 1 year contract with option to renew on a yearly basis with an approximate value of £125k in the first year (including £20k start up costs) The tender will seek a single provider to re-develop, manage and deliver the highly regarded sex and relationships and substance misuse programme currently delivered in LBHF schools, colleges and youth settings.	Ward(s): All Wards
Cabinet	9 May 2011	Hammersmith Park Sports Facility project - appointment of works & services contractor	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	To approve the appointment of the contractor to undertake the works and services contract for the redevelopment of Hammersmith Park All Weather Pitch as selected and agreed by the project's Tender Appraisal Panel and approved by the Project Board.	Ward(s): Wormholt and White City
Cabinet	9 May 2011	Decision to Award Term Contracts for Road2010 Condition Surveys	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	Road2010 Road Condition Surveys 2011-2013	Ward(s): All Wards
Cabinet	9 May 2011	Tri-Borough Working Update	Leader of the Council
	Reason: Affects more than 1 ward	The Council has been in discussion with neighbouring boroughs, Royal Borough of Kensington & Chelsea and City of Westminster, about the potential for shared services.	Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
		This report will update the proposals that will then go out for comment	
June (provisional date)			
Cabinet	20 Jun 2011	Disposal of Air Rights at Planetree Court	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	This report recommends the disposal of air rights above the vehicular entrance of Council owned accommodation at Planetree Court to the adjacent Jacques Prevert school to facilitate classroom and playground expansion for the school.	Ward(s): Avonmore and Brook Green
Cabinet	20 Jun 2011	Shepherds Bush Common Improvement Project	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	Approval to appoint works contractors to undertake restoration works on Shepherds Bush Common.	Ward(s): Shepherds Bush Green
Cabinet	20 Jun 2011	Rationalisation of Leisure Facilities	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	Existing Leisure Management Contract for Phoenix Leisure Centre and Janet Adegoke Swimming Pool has not represented value for money.	Ward(s): Wormholt and White City
Cabinet	20 Jun 2011	Possible changes to Taxicard Scheme	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000	In a context of reducing funding from Transport for London and increasing demand for the Taxicard scheme, a public consultation was carried out to seek views on future options. This report will summarise the public consultation responses and will put forward recommendations for the Taxicard scheme going forward.	Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	20 Jun 2011	Pension Administration Services: Setting up a Framework Agreement - Award Report To approve the award of a Framework Agreement on behalf of the Council and other London Councils for Pension Administration Services to the contractor in Appendix to commence on 1st October 2011 for a period of four years.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	20 Jun 2011	Travel Assistance Policies SEN Travel Assistance Policy and Post 16 Transport Policy	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward		Ward(s): All Wards
July (provisional date)			
Cabinet	18 Jul 2011	Economic Development Update This report updates Members on work to maximise jobs and employment opportunities for residents and to support business growth and retention.	Leader of the Council
	Reason: Affects more than 1 ward		Ward(s): All Wards



Cabinet

18 APRIL 2011

SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS REPORTED TO CABINET FOR INFORMATION

CABINET MEMBER

CABINET MEMBER FOR CHILDREN'S SERVICES

Councillor Helen Binmore

16.1 EXTENSION TO CHILDREN'S CENTRES SERVICE LEVEL AGREEMENTS

This report seeks the approval to award grant funding for the extension of current children's centres service level agreements for April 2011

The children's centres revenue funding was agreed at Cabinet for Phase 2 children's centres in February 2007 and Phase 3 children's centres in July 2008.

Decision made by Cabinet Member on: 23 February 2011

That approval is given to award grant funding for an extension of 1 month commencing on 1 April 2011 to Urban Partnership Group, Old Oak Housing Association, Shepherds Bush Families Project and the Pre-school Learning Alliance at a total cost of £79,667.00 to continue to operate children's centres provision.

Wards: Old Oak and College Park, Shepherds Bush Green, Addison, Town, Palace Riverside, Fulham Broadway

DEPUTY LEADER (+ ENVIRONMENT AND ASSET MANAGEMENT)

Councillor Nicholas Botterill

16.2 CHANGES TO PRE-PLANNING APPLICATION CHARGES

This report summarises the proposed changes to the Planning Division's pre-planning application advice charges for large and complex schemes. The aim is to more realistically capture the costs of officer time that is dedicated to processing these schemes.

Decision made by Cabinet Member on: 21 March 2011

- 1. That approval is given to revise the pre application charges as set out in this report.**
- 2. That the new pre-application charges be adjusted for inflation at the start of each financial year.**

Ward: All

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**
*Councillor Nicholas
Botterill*

16.3 FULHAM PALACE ROAD, PROPOSED SLIP ROAD SCHEME - ADDITIONAL FUNDING

This report relates to the flagship highway improvement project at the junction of Fulham Palace Road and Talgarth Road.

£2.76 million has been secured from Transport for London for construction of this project and this report seeks to release £97,500 from an existing Section 106 agreement to fund detailed design, consultation and pre-construction activity.

Detailed design is underway with consultation programmed for April 2011 followed by construction starting in July 2011 for approximately 8 months.

Decision made by Cabinet Member on: 21 March 2011.

That approval is given to carry out detailed design, consultation and pre-construction at a total cost of £97,500 as set out in para. 3 of the report.

Ward: Hammersmith Broadway

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**
*Councillor Nicholas
Botterill*

16.4 RESULTS OF CONSULTATION PROPOSING A 2 HOUR PAY & DISPLAY MAXIMUM STAY RESTRICTION IN ZONE G

This report summarises the results of the public consultation carried out in February 2011 in Controlled Parking Zone (CPZ) G, which offered an extension of the one hour maximum pay & display period to two hours.

Decision made by Cabinet Member on: 21 March 2011.

- 1. To extend the one hour maximum pay & display period to two hour maximum stay for pay and display parking in all shared use parking bays in Zone G;**
- 2. To revert the recently installed pay and display bay at the north-west side of Pennard Rd back to a standard Zone G shared use bay with a 2 hours maximum stay for pay and display parking;**
- 3. To maintain the permit holders only system in Macfarlane Road, and;**
- 4. To extend the maximum stay period in the reduced rate 'pay and display' only bays on Goldhawk Road to 2 hours maximum stay.**

Wards: Shepherd's Bush Green

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**
*Councillor Nicholas
Botterill*

16.5 WORKS TO ENABLE THE ADAPTATION OF FLOOR LAYOUTS TO SMART WORKING STANDARD TO SUPPORT ACCOMMODATION OPTIMISATION AND THE RELEASE OF BARCLAY HOUSE WITH ASSOCIATED COST SAVINGS

145 KING STREET – RECONFIGURATION OF FLOOR LAYOUTS TO FLOORS 1,2,3 AND 4

This report seeks the approval to place an order under the Councils Measured Term Contract for Non Housing Projects 2011/2015. The works are construction related to enable the building to be adapted to support our Smart Working environment and thereby providing the opportunity of increasing the occupancy levels by up to 50%. The staff from Barclay House will be relocated to 145 King Street and 77 Glenthorne Road. These works form part of a package of works to facilitate this outcome, details of which are contained within the main body of the report.

The lease at Barclay House ends in September 2011 and the lease will not be renewed. This will result in a saving to the council of £717,000 per annum.

Decision taken by Cabinet Member on: 21 March 2011

That approval be given for an order to be placed under the Measured Term Contract for Non-Housing Projects 2011/2015. This procurement route is based on a framework agreement with three contractors. It is recommended that the contract be awarded to Mulalley & Company Limited for the reasons set out in paragraph 3.3 of the report.

The cost of the works will be £328,000 (inc contingency of £30,000) to which fees of £49,200 will be added, making a total cost of £377,200 as set out in paragraph 5.4 of the report.

The funding for this project will be met from the Corporate Planned Maintenance Programme 2010/2011 as approved by Cabinet on 8th February 2010 and the Corporate Planned Maintenance Programme 2011/2012 as approved by Cabinet on 7th February 2011.

Wards: Hammersmith Broadway

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**

*Councillor Nicholas
Botterill*

**16.6 HAMMERSMITH TOWN HALL EXTENSION
INSTALLATION OF LED LIGHTING**

This report seeks approval to place an order with Energy Saving Lighting Ltd for the replacement of the existing fluorescent tubes with energy saving LED tubes within the 2nd, 3rd, 4th and 5th floors of Hammersmith Town Hall Extension. The sixth floor having already been replaced as part of a pilot scheme at the end of 2010. The proposed lamp replacement works will result in approximately 80% reduction in electricity consumption due to much improved tube efficiency. This represents a year on year cost saving of approximately £24,400 per year and a carbon reduction of 131 tonnes of CO² per year. This also represents approx 0.55% of LBHF's carbon emission reduction target (40% by 2016). The projected pay back period is approx 2.4 years with an ongoing carbon saving of £1,500 per year. It should also be noted that the life span of LED tubes, whilst more expensive to buy, will last more than three times longer than traditional tubes, hence there is also a reduction in responsive repairs and the cost of same.

Decision taken by Cabinet Member on: 21 March 2011

That approval is given to Energy Saving Lighting Ltd at a total cost of £49,573. plus fees in the sum of £7,436 a total cost £57,009 as set out in paragraph 4.1 of the report.

Cabinet approved expenditure on this scheme within the 2010/11 Corporate Planned Maintenance Programme on 18th February 2010.

Wards: Hammersmith Broadway

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**

*Councillor Nicholas
Botterill*

16.7 QPR FOOTBALL CLUB EVENT TRAFFIC MANAGEMENT

The report details a proposal for the responsibility of traffic management on event days, that is currently shared between the Council and the Metropolitan Police, to be transferred to QPR Football Club.

Decision made by Cabinet Member on: 21 March 2011

- 1. That approval is given to officers to provide QPR Football Club a Traffic Management Order to enable them to take charge of traffic management on event days as detailed in the report.**
- 2. That approval is given to officers to complete a consultation on the proposed traffic management arrangements.**

**Wards: Shepherd's Bush Green; Wormholt And White City;
College Park And Old Oak; Addison; Askew**

**DEPUTY LEADER
(+ ENVIRONMENT
AND ASSET
MANAGEMENT)**
*Councillor Nicholas
Botterill*

16.8 FULHAM FOOTBALL CLUB EVENT TRAFFIC MANAGEMENT

The report details a proposal for the responsibility of traffic management on event days, that is currently shared between the Council and the Metropolitan Police, to be transferred to Fulham Football Club.

Decision made by Cabinet Member on: 21 March 2011

- 1. That approval is given to officers to provide Fulham Football Club a Traffic Management Order to enable them to take charge of traffic management on event days as detailed in the report**
- 2. That approval is given to officers to complete a consultation on the proposed traffic management arrangements**

Wards: Palace Riverside; Munster; Fulham Reach; Town

Agenda Item 17

SUMMARY OF URGENT DECISIONS TAKEN BY THE LEADER REPORTED TO CABINET FOR INFORMATION

The following reports were considered in accordance with paragraph 1.21 of the Leader's Portfolio.

ITEM

17.1 MATCH DAY PARKING SCHEME PROPOSALS FOR ZONES SOUTH OF THE TALGARTH ROAD FOLLOWING CONSULTATION

This report details the parking consultation results which related to a general parking review as well as match day parking scheme proposals in 12 Controlled Parking Zones south of the Talgarth Road (Zones D, H, F, T, Q, R, S, T, U, X, Y and Z).

Reasons for Urgency:

This report requires an urgent decision to report the results of the consultation and avoid unacceptable delays which would result in adverse community relations.

Decision taken by the Leader on: 18 March 2011

- 1. To retain the current parking controls in their present form in all 12 Controlled Parking Zones (CPZs) south of the Talgarth Road;**
- 2. That the match day only parking scheme in Zones X & Y should not be extended to other Zones at the present time;**
- 3. To introduce the SMART Visitor Permit scheme borough-wide during the 2011-12 financial year;**
- 4. To introduce a 2 hour maximum pay & display limit during controlled times in Barclay Road;**
- 5. That parking is maximised where feasible and that single yellow lines are upgraded to double yellow lines at informal crossings around dropped kerbs in order to enable pedestrians to cross;**
- 6. Council officers to secure additional traffic management measures on match days from Fulham FC in the western part of Zone W in order to minimise adverse impact on residents in the area.**

Wards: Fulham Reach; North End; Munster; Fulham Broadway; Town; Parsons Green & Walham; and Sands End.

17.2 AWARD OF RECRUITMENT ADVERTISING AND EXECUTIVE SEARCH & SELECTION CONTRACT

This report describes the recent tender process for Lots 1 and 2 of the London Boroughs' Recruitment Partners Partnership (a partnership of London boroughs led by Sutton to achieve efficiency gains) contract and seeks approval to award the contract with effect from 1st April 2011 for: Lot 1 R Lot 1 Recruitment Advertising and Strategic HR Services Lot 2 Executive Search & Selection.

Reasons for Urgency:

The contract is due to start on 1st April 2011 and the lead Council Sutton have only just agreed the contract, Service Level Agreement and Framework Agreement with the successful companies.

Decision taken by the Leader on: 29 March 2011

- 1. That approval be given for the Council to access the Framework Agreement procured by Sutton Council as part of a London wide contract in respect of :**
 - (i) Lot 1: Recruitment Advertising (awarded to Penna PLC (previously known as Penna Barkers); and**
 - (ii) Lot 2: Executive Search & Selection (awarded to 5 companies: Penna PLC, Hays Executive, Gatenby Sanderson, Odgers Berndtson and Tribal Resourcing).**
- 2. To note that the cost of the contracts is subject to the volume of vacancies being advertised and the number of senior jobs being recruited to. Recruitment is generally funded from the vacancy savings for the post which recruitment is taking place.**

Wards: All