



London Borough of Hammersmith & Fulham

# Cabinet

## Agenda

**MONDAY**  
**5 SEPTEMBER 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 Andrew Johnson, Cabinet Member for Housing  
Councillor Greg Smith, Cabinet Member for Residents Services

**Date Issued**  
**23 August 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](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 **4-13** 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: Wednesday 31 August 2011.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 7 September 2011**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 12 September 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 **Monday 12 September 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

5 September 2011

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<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>	
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	<p>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.</p>	
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- 22. PROJECT: 1-67 JEPSON HOUSE, 2-38 & 40-54 PEARSCROFT ROAD, LONDON SW6. WORKS: INTERNAL & EXTERNAL REFURBISHMENT INCLUDING WORKS TO SATISFY FIRE RISK ASSESSMENT REQUIREMENTS : EXEMPT ASPECTS(E)**
- 23. APPOINTMENT OF DEVELOPMENT AGENT TO SUPPORT THE DELIVERY OF NEW AFFORDABLE HOMES : EXEMPT ASPECTS (E)**
- 24. SUMMARY OF EXEMPT URGENT DECISION TAKEN BY THE LEADER, AND REPORTED TO THE CABINET FOR INFORMATION**

London Borough of Hammersmith & Fulham



# Cabinet

## Minutes

Monday 18 July 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 Andrew Johnson, Cabinet Member for Housing  
Councillor Greg Smith, Cabinet Member for Residents Services

### **ALSO PRESENT**

Councillor Colin Aherne  
Councillor Michael Cartwright  
Councillor Stephen Cowan  
Councillor PJ Murphy

### **19. MINUTES OF THE CABINET MEETING HELD ON 20 JUNE 2011**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 20 June 2011 be confirmed and signed as an accurate record of the proceedings subject to the following amendment:- delete the second sentence in paragraph 1 and replace with "Councillor Cowan agreed that the Council should not have engaged consultants to develop the proposals but was concerned at the lack of independent advice sought either from a senior academic or central government"; and that the outstanding actions be noted.

### **20. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Harry Phibbs.

### **21. DECLARATION OF INTERESTS**

Councillor Stephen Cowan declared a prejudicial interest in item 6 (3<sup>rd</sup> Sector Investment Fund Allocation) as a director of Lyric Theatre.

Councillor Greg Smith declared a prejudicial interest in item 6 (3<sup>rd</sup> Sector Investment Fund Allocation) as a director of Lyric Theatre and Riverside Studios.

**22. PETITION : DIVERT TRAFFIC FROM TOWNMEAD ROAD TO WILLIAM MORRIS WAY**

In order to ensure the smooth running of the meeting, the Leader announced that Members would first hear the Petition related to the ongoing consultation on the South Fulham Riverside SPD which contains a proposal to divert traffic from Townmead Road to William Morris Way. Then the deputation request related to item 7 - Earls Court Redevelopment. All other reports would be considered in the order on the agenda.

Cabinet received a petition organised by Ms Jo Wright objecting to the proposed plan to divert traffic from Townmead Road to William Morris Way as part of the South Fulham SPD consultation.

Ms Wright stated that the proposal would cause distress to local residents particularly young children and the elderly who lived in the residential area. There were also safety and security concerns resulting from the significant increase in traffic volume. The diversion of buses into this residential area would increase the levels of noise and pollution making it an unpleasant environment to live in. The displacement of parking spaces would also cause great inconvenience to residents and visitors. If the proposal went ahead, the heavily used road by the Harbour Club members and Chelsea football club supporters could not sustain the proposed increased traffic. She was of the opinion that the method of gathering evidence via video and static cameras was flawed. The Council should not use its scarce resources to solve a problem that did not exist. She finally requested Cabinet to scrap the scheme which will cause danger, pollution and inconvenience for residents who live in an already congested and noisy area.

In response, the Deputy Leader noted that the proposal was not a scheme proposed by the Council. It was an idea within a consultation document drafted by a consultant. The Council had loudly and clearly heard the residents' views expressed tonight and at a widely attended public consultation meeting.

The Leader thanked Ms Jo Wright for attending the meeting.

**RESOLVED:**

That Cabinet note the views of the residents opposing the option to divert traffic from Townmead Road to William Morris Way.

**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. EARLS COURT REDEVELOPMENT**

Cabinet received a deputation organised by Shirley Wiggins opposing the redevelopment proposals. She stated that the residents were proud of the estates and their community. They are steadfastly determined to stop the Council and the developers from wrecking their estates, destroying their community and separating neighbour from neighbour. She felt Capco's plans for Earls Court would be a disaster for the whole of Earls Court, West Kensington and North Fulham. The redevelopment would overwhelm the transport networks.

She noted that despite the Council's claims to residents that no decision had been made to include the estates in the scheme, letters have been received reporting that the Council's developer associates, EC Properties Limited, had applied to demolish their homes. Residents were unable to access the planning applications on either the Council's or the developer's websites. She felt the Council's handling of the planning applications paid no regard to due process and law.

She further stated that the overwhelming majority of residents opposed the demolition plans and wanted community ownership. 80% of the residents have signed a petition opposing the proposal and two thirds of households intend to join the new association to take over their homes. She was of the view that the Council should organise a properly supervised ballot on the estates with an independent scrutineer - the residents will abide by its outcome. She stated that the Council had set itself against the whole thrust of Government policy which encouraged decisions affecting people's lives to be devolved to local communities so they can decide their future for themselves.

She was of the opinion that the Council's decision to take £15 million from the developer would be a conflict of interest with its role as a public and planning authority. The approval of an "exclusivity deal" will amount to a breach of Article 8 of the Human Rights Act 1998 which states that everyone has the right to respect for his/her home. She concluded that the deal was not lawful, democratic or necessary. She requested Cabinet to act responsibly and say no to £15 million for demolition, give the residents the power to determine their own future in line with Government policy; and co-operate with them to take community control of their neighbourhood.

Maureen Way, a resident who had lived on the estate for 40 years, supported the redevelopment proposals. She observed that the area had been in decline over the past couple of years. The neighbourhood did not have any adult leisure facilities such as a cinema. Young children also did not have a decent open play area like their counterparts in other parts of the borough. There were

no decent shopping facilities in the area resulting in the residents travelling long distances for good shops. She objected to the idea of non residents running the estate via a community association. She pleaded for the proposal to go ahead so that decent homes, modern leisure and health facilities, and good play areas were made available to the residents and their children who would benefit from any new provision.

The Leader informed the meeting that the substantial redevelopment spanning across Hammersmith and Fulham and the Royal Borough of Kensington and Chelsea will take place. The important question was whether or not the West Kensington and Gibbs Green housing estates should be included as part of this development. The comprehensive regeneration of the area will offer the opportunity for the Council to secure major estate renewal across the West Kensington and Gibbs Green estates as well as the opportunity to deliver substantial benefits for local residents and the wider community. It is the duty of the Council to explore the potential benefits and improvement proposals offered to the Council.

He noted that a significant amount of consultation was ongoing with EC Properties Ltd and Capco over the inclusion of the West Kensington and Gibbs Green estates in a comprehensive regeneration scheme. The decision before Cabinet was not to sell the land nor consider a planning application. Disposal of any housing land will require the approval of the Secretary of State under section 32 of the Housing Act 1985. The decision taken by the Cabinet does not bind the Council to proceed to sale of the land. That decision, if required, falls within the powers of full Council.

In response to a request from the Opposition to address Cabinet, the Leader requested their contributions in writing in order for their views to be considered as part of the consultation process.

The Leader thanked Ms Wiggins, Ms Way and their supporters for attending the meeting.

**RESOLVED:**

That approval be given to enter into an Exclusivity Agreement with Capital and Counties Properties plc (Capco) to grant an exclusive right for Capco to continue negotiations with the Council around a possible Conditional Land sale Agreement for inclusion of the West Kensington and Gibbs Green Estates in a comprehensive redevelopment scheme.

**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. AWARD OF A FRAMEWORK AGREEMENT FOR AGENCY WORKER SERVICES**

**RESOLVED:**

1. That approval be given to the award of the (Pan-London) Framework for Agency Worker Services, on behalf of the Council, to Pertemps Recruitment Partnership Ltd, to commence on 1 October 2011 for a period of 4 years.
2. That authority be delegated to the Leader, in conjunction with the Director of Finance & Corporate Services and the Assistant Director (Legal & Democratic Services), to award a call-off contract for 4 years to the new provider.
3. That officers arrange contract mobilisation meetings with the successful tenderer to ensure a smooth implementation.

**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.

**25. 3RD SECTOR INVESTMENT FUND ALLOCATION**

**RESOLVED:**

1. That approval be given to the allocation of the 3<sup>rd</sup> Sector Investment Fund (as detailed in paragraphs 9 – 13 and appendix 2 a – e of the report) across the areas of:
  - Health & Wellbeing (adults)
  - Safer Communities
  - Arts, Culture & Sport
  - Homelessness Prevention & Home
  - Safety
  - Environment & Community Transport
2. That authority be delegated to the Cabinet Member for Community Care, in conjunction with the Director of Community Services, to allocate any balance of the grants budget.

Councillors Stephen Cowan and Greg Smith left the room during the discussions; Councillor Smith did not vote on the item.

**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.

**26. REQUEST FOR FUNDS FOR SMARTWORKING PROJECT IN FINANCE AND CORPORATE SERVICES**

**RESOLVED:**

1. That progress of the programme to date be noted.
2. That approval be given to draw down a sum of £103,000 from the Invest to Save fund, specifically to pay for the SmartWorking FCS project, including the required IT.

**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.

**27. TIED ACCOMMODATION AND DISPOSALS**

**RESOLVED:**

1. That officers be authorised to agree and pay compensation payments to the tenants occupying the tied properties and to schools based on the scheme detailed in the separate report on the exempt Cabinet agenda.

2. That in the circumstances where the compensation payment exceeds the budget for disposal (4% of the capital receipt), this will be met from a revenue budget.
3. That authority be delegated to the Cabinet Member for Children's Services, in consultation with the Director for Children's Services, the Assistant Director Building and Property Management and the Assistant Director (Legal and Democratic Services) to declare the school keepers' houses referred to in this report and additional school keepers' houses as surplus to requirements and available for sale (subject to any requisite Secretary of State consent) as and when these properties are identified.
4. That authority be delegated to the Cabinet Member for Residents Services, in consultation with the Director of Residents Services, the Assistant Director Building and Property Management and the Assistant Director (Legal and Democratic Services), to declare the tied properties referred to in this report and additional tied properties held by Residents Services as surplus to requirements and (subject to statutory public notice) available for sale as and when these properties are identified (authority to include consideration of any objections duly received in response to any such notice).
5. That the Assistant Director (Legal and Democratic Services) and the Assistant Director of Building and Property Management be authorised to dispose of the properties in the open market for the best price reasonably obtainable and otherwise on such terms and conditions as they consider appropriate.
6. To confirm the policy outlined in paragraph 13 of the report that sets out the process for communicating with occupants of tied accommodation liable to be displaced or re-housed.

**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.

**28. TRANSFER OF S106 FINANCE FOR THE GLA TO TENDER FOR A DIF STUDY**

**RESOLVED:**

That approval is given to the transfer of £120,000 from Hammersmith and Fulham to the Greater London Authority for the purposes of commissioning an

appointed consultant (subject to tender) to undertake a Development Infrastructure Funding Study (DIFS).

**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.

**29. PROJECT: MTC FOR RISK ASSESSMENT & REMEDIAL WORKS ON WATER SYSTEMS BOROUGH-WIDE IN NON-HOUSING PROPERTIES 2011-11 - 2015 - WORKS: RISK ASSESSMENT & REMEDIAL WORKS ON WATER SYSTEMS**

**RESOLVED:**

1. That the acceptance of a tender for Risk Assessment & Remedial Works on Water Systems Borough-Wide in Non-Housing Properties (2011-2015) on terms outlined in the exempt report be approved.
2. Noted that the contract is expected to commence from 1 October 2011 for a period of 4 years, with an optional extension of a further three years, as set out in 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.

**30. PILOT SCHEME FOR NEW WAYS OF WORKING**

**RESOLVED:**

1. To note the work undertaken to date to the Outline Business Case for an Education Support Services employee led mutual.

2. That the further development of a full business case be approved.
3. To approve the commencement of a wider consultation on the proposal to set up an Education Support Services employee led mutual
4. To note the procurement timetable to identify a potential private sector partner to assist in the establishment of the employee led mutual and to instruct officers to commence the procurement process for a partner for LBHF, RBKC and Westminster's School Support Services
5. To delegate to the Cabinet Member for Children's Services authority to approve the scope of the proposed contract and the Contract Notice to be published in the Official Journal of the European Union (OJEU).
6. To delegate the decision on the final partner to the Leader of the Council in consultation with the Cabinet Member for Children's Services and the Director of Finance and Corporate Services.
7. To approve the proposal to commission the Support Services from the mutual for a four year period.

**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.

**31. HAMMERSMITH PARK SPORTS FACILITY PROJECT - APPROVAL OF WORKS AND SERVICES CONTRACTOR TO APPOINTMENT AS PREFERRED BIDDER**

**RESOLVED:**

That approval be given to appoint Sport and Leisure Group Ltd trading as PlayFootball.net as the preferred bidder to undertake the works and services contract for the redevelopment of Hammersmith Park sports facilities selected and agreed by the Tender Appraisal Panel on 9 June 2011.

**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.

**32. REQUEST FOR DELEGATED AUTHORITY TO AWARD CONTRACT FOR DRUG INTERVENTION PROGRAMME (DIP) AND OPEN ACCESS SERVICE**

**RESOLVED:**

That authority be delegated to the Cabinet Member for Community Care, in conjunction with the Director of Community Services, to award the contract for the Drug Intervention Programme (DIP) and Open Access Service.

**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.

**33. REVIEW OF WALHAM GREEN COURT GARAGES**

**RESOLVED:**

1. That (in the particular circumstance of Walham Court, having excellent access to public transport and a high proportion of void spaces) authority is given (subject to any necessary Secretary of State consent under the Housing Act 1985) to commercially lease the currently surplus parking spaces at Walham Green Court, SW6 2DE, on such terms as outlined in this report and otherwise on terms the Director of Housing and Regeneration, Assistant Director (Legal and Democratic Services) and Head of Valuation and Property Services consider appropriate.
2. That the net revenue raised from the lease arrangements is used to recover the costs involved, and is set aside for Housing and Regeneration purposes and to contribute to delivering a balanced HRA as part of the HRA MTFS programme be approved.
3. That the consultation programme with tenants on the further commercialisation of garages on Council estates and ancillary land be approved.
4. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Director of Housing and Regeneration, to approve any

necessary procurement arrangements to engage a managing agent for the letting and management of parking facilities at Walham Green Court, on such terms as are indicated in this report and otherwise as the Director of Housing and Regeneration, Assistant Director (Legal and Democratic Services) and Head of Valuation and Property Services consider appropriate.

**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.

**34. TENDER ACCEPTANCE TO APPOINT A CONTRACTOR TO CARRY OUT RISK ASSESSMENTS AND ASSOCIATED REMEDIAL WORKS ON COMMUNAL HOT AND COLD WATER SYSTEMS IN HOUSING PROPERTIES**

**RESOLVED:**

1. That approval be given to the acceptance of the most economically advantageous tender submitted by Severn Trent Metering Services Ltd.
2. To note that the contract is expected to start on 1 September 2011 for a period of 4 years, with an optional extension of a further three years.

**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.

### **35. LEASEHOLDERS SERVICE CHARGE PAYMENT OPTIONS**

#### **RESOLVED:**

1. To approve the proposal to bill leaseholders for future major works schemes, not yet consulted on, on an estimated basis.
2. To note the various proposed full payment options and agree in addition to the currently approved options :
  - a. That leaseholders may be afforded a 2.5% reduction of their major works bill should payment be received within 30 days of the invoice date.
  - b. An interest free repayment period for all major works charges paid within 36 months of the bill be issued subject to a signed payment agreement.
  - c. A 5 year repayment period, the first 3 years being interest free and the remaining 2 years' instalments accruing compound interest at 5% above Bank of England base rate, subject to a signed payment agreement.

That options b and c will not be available to non-resident leaseholders subletting their property (save, at officers' discretion, in exceptional cases of under letting necessitated by mortgage arrears, secondment or hospitalisation, entry into a care home or circumstances of a similar nature). Nor will they be available to leaseholders who are resident but not occupying as their only or principal home, again save in such exceptional cases.

#### **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.

### **36. REVIEW OF SHOPS PORTFOLIO**

#### **RESOLVED:**

1. That authority be given to dispose of the twenty seven properties specified in the report (on such terms as are indicated in this report and otherwise as the Head of Asset Strategy and Portfolio Management and



Assistant Director (Legal and Democratic Services) consider appropriate).

2. That the net capital raised from these disposals be used to recover the costs involved, set aside for housing and regeneration purposes and in so far as is possible to repay debt.
3. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Director of Housing and Regeneration, the Director of Finance and Corporate Services, the Assistant Director Building Property Management and the Assistant Director (Legal and Democratic Services), to tender out to source the property management for the remaining properties in the portfolio (on such terms as are indicated in this report and otherwise as the Head of Asset Strategy and Portfolio Management and Assistant Director (Legal and Democratic Services) consider appropriate).

**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.

**37. FORWARD PLAN OF KEY DECISIONS**

**RESOLVED:**

The Forward Plan was noted.

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

**RESOLVED:**

The summary was noted.

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

**RESOLVED:**

The summary was noted.

**40. 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.]

**41. AWARD OF A FRAMEWORK AGREEMENT FOR AGENCY WORKER SERVICES : 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.

**42. TIED ACCOMMODATION AND DISPOSALS : 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.

**43. EARLS COURT REDEVELOPMENT : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the recommendations set out 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.

**44. PROJECT : MTC FOR RISK ASSESSMENT AND REMEDIAL WORKS ON WATER SYSTEMS BOROUGH-WIDE IN NON-HOUSING PROPERTIES 2011-2015 - WORKS : RISK ASSESSMENT AND REMEDIAL WORKS ON WATER SYSTEMS : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the recommendation set out 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.

**45. HAMMERSMITH PARK SPORTS FACILITY PROJECT - APPROVAL OF WORKS AND SERVICES CONTRACTOR TO APPOINT AS PREFERRED BIDDER : 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.

**46. REQUEST FOR DELEGATED AUTHORITY TO AWARD CONTRACT FOR DRUG INTERVENTION PROGRAMME (DIP) AND OPEN ACCESS SERVICE : 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.

**47. REVIEW OF WALHAM GREEN COURT GARAGES : 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.

48. **TENDER ACCEPTANCE TO APPOINT A CONTRACTOR TO CARRY OUT RISK ASSESSMENTS AND ASSOCIATED REMEDIAL WORKS ON COMMUNAL HOT AND COLD WATER SYSTEMS IN HOUSING PROPERTIES : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the recommendation set out 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.

49. **REVIEW OF SHOPS PORTFOLIO : 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.

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

**RESOLVED:**

The summary was noted.

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

**RESOLVED:**

The summary was noted.

Meeting started: 7.00 pm  
Meeting ended: 7.52 pm

Chairman .....



# Cabinet

5 SEPTEMBER 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**THE GENERAL FUND CAPITAL PROGRAMME, HOUSING REVENUE CAPITAL PROGRAMME AND REVENUE BUDGET 2011/2012 – MONTH 2 AMENDMENTS**      **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 approval be given to the changes to the General Fund and Housing Revenue Account revenue budgets as set out in Appendix 2

**HAS A PEIA BEEN COMPLETED?**  
**YES**

## 1 SUMMARY

1.1 This report sets out proposed amendments to both Capital and Revenue Estimates as at month 2.

## 2. GENERAL FUND CAPITAL PROGRAMME

2.1 Table 1 summarises the proposed amendments to the 2011/12 General Fund capital programme and is detailed in Appendix 1.

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

Service Area	Last Approved Budget at Budget Council Feb.2011	Additions/ (Reduction)	Slippage from 2010/11	Revised Budget at Month 2
	£'000	£'000	£'000	£'000
Children's Services	14,120	130	1,292	15,542
Community Services (Adult Social Care )	750	884	264	1,898
Environment Services	11,672	1,657	3,118	16,447
Finance and Corporate Services	750	0	750	1,500
Resident's Services	4,639	0	4,241	8,880
<b>Total</b>	<b>31,931</b>	<b>2,671</b>	<b>9,665</b>	<b>44,267</b>

### 2.2 Movement in Expenditure.

#### **Children's Services**

The reason for the slippage of £1.2m from 2010/11 is due mainly to Primary Capital Grant funding for the development of the School's Organisation Strategy 2011/12.

#### **Community Service**

New additions of £0.884m relates to grant allocations in respect of Adult Personal Social Care (£0.475m) and Disabled Facilities grant (£0.459m).

#### **Environment Services**

Net new additions of £1.657m is mainly due to increased grant allocations from Transport for London of £3.09m (mainly for Fulham Palace Road slip road £2.76m). This is offset mainly by a section 106 reduction of £1.009m in respect of works to 54-108 Uxbridge Road works to the shops.

#### **Finance and Corporate Services**

The slippage of £0.750m is in respect of contributions from the general fund receipts into the Invest to Save Fund.



## Residents Services

The slippage of £4.2m is mainly in respect of Bishops Park and Fulham Palace restoration programme (£2.2m) and Shepherds Bush Green Common Improvement works (£2.07m).

### 3. REVENUE BUDGET ADJUSTMENTS

- 3.1 The total adjustments to revenue budgets is £28.591m (Appendix 2).
- 3.2 There are virements totalling £22.133m required to realign the HRA budgets to account for the reintegration of H&F Homes into the Council. The net effect to the Housing Revenue Account from this adjustment is nil.
- 3.3 There are virements totalling £6.458m to general fund budgets to transfer budgets from service departments to Finance and Corporate Services to realign budgets to account for the changes under World Class Financial Management.

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

<b>No.</b>	<b>Brief Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department</b>
1.	Revenue Monitoring Documents	Gary Ironmonger Ext. 2109	Corporate Finance Room 38 , Town Hall
2.	Capital Monitoring Documents	Isaac Egberedu Ext. 2503	Corporate Finance Room 5, Town Hall

General Fund Capital Programme 2011/12 to 2015/16.				Appendix 1
<b>CHILDREN'S SERVICES CAPITAL PROGRAMME</b>				
Schemes	2011/12			
	Reported to Budget Council	Additions/Reductions	Slippage	Revised Budget at Month 2
	£000's	£000's	£000's	£000's
Targetted Capital				
Modern Lang Faculty	10		0	10
Performing Arts Block	46			46
Lyric Theatre Development	0	2,950	0	2,950
London Oratory Kitchen improvement		167	0	167
St Pauls -Kitchen Improvement		66	59	125
St Thomas - Kitchen Improvement			197	197
Bentworth Ref		30		30
Jack Tizzard -Hydro Pools	50			50
St Thomas Expansion	0	1,000		1,000
St Pauls		95		95
Miles Coverdale		27		27
Kenmont Roof	0	175		175
Primary Capital Programme		435		435
Devolved Capital	452			452
School Expansion Plan	970		(171)	799
Wendell Park Rem	20			20
Basic Needs	4,026	(4,026)		0
Maintenance	3,173	(3,173)	0	0
Cambridge School re-location		1,500		1,500
Old Oak Expansion		350	980	1,330
Unallocated Contingency		488		488
Holy Cross expansion and Bi-Lingual Project		3,000	0	3,000
Queensmill		2,000	0	2,000
Bulge Classes		419		419
Prudential Borrowing	5,373	-5,373	227	227
<b>Total Children's Services</b>	<b>14,120</b>	<b>130</b>	<b>1,292</b>	<b>15,542</b>

**COMMUNITY SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council.	Additions/Reductions	Slippage	Revised Budget at Month 2
	£000's	£000's	£000's	£000's
Adult Social Care Grant	250	0	16	266
Grants to Social Landlords to Improve Hostels	0	0	128	128
Social Care IT Infrastructure Capital Grant (DOH)	50	-50	0	0
Supporting Your Choice (Social Care Reform)(DoH)	0	0	120	120
Adults' Personal Social Services Grant	0	475	0	475
Renovation Grants	450	459	0	909
<b>Total Community Services</b>	<b>750</b>	<b>884</b>	<b>264</b>	<b>1,898</b>

**General Fund Capital Programme 2011/12 to 2015/16. Appendix 1**

**ENVIRONMENT SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council.	Additions //(Reductions)	Slippage from 2010/11	Revised Budget at Month 2
	£000's	£000's	£000's	£000's
Carriageways (Mainstream)	1,549			1,549
Footways (Mainstream)	750			750
Disabled Access to Office Buildings (Mainstream)			250	250
Smart Facilities Management		0	125	125
Planned Maintenance (Mainstream)	3,500		668	4,168
Repairs to Thames River Wall (Mainstream)			114	114
TFL				0
Principal Road Maintenance	0	80	264	344
Bridge Strengthening	14	206		220
Station Access Schemes		23		23
Local Transport Fund		100		100
Corridors	2,072	(1,109)		963
Neighbourhoods		712		712
Car Club Design and Installation		50		50
Olympic Cycle Road Race		268		268
Fulham Palace Road Slip Road		2,760		2,760
				0
Controlled Parking Zones	1,344	(344)		1,000
Cycling Non LCN	18	(18)		0
Neighbourhoods			72	72
Normand Park Improvements			26	26
54-108 Uxbridge Road shops	1,009	(1,009)		0
Imp Wharf-Traffic Calming	137	(21)		116
Corridors			7	7
S106 Quadrangle, Ducane Rd			15	15
S106 NCP Hammersmith Grove	3			3
S106 168-186 Fulham Palace Rd	85			85
S106 Prestolite- Highways			75	75
White City Highways CPZ	57		158	215
S106 - 90 Bagleys Lane			71	71
S106 White City Offsite Sign			3	3
Hammersmith Town Ctr Improve	477	(5)		472
Wandon Rd Fencing Replacement		0	120	120
Westfield Traffic Mgt Measures	486			486
Chelsea Football Club Trees			23	23
25 Cathnor Rd Highway Works		0	77	77
Fulham Road Footways Works		0	37	37
167-181 Askew Road - Highways			10	10
Wandsworth Bridge Road	29			29
280 - 284 Munster Road	10	(4)		6
Fulham Palace Road - Slip Road	100			100
Scrubs Lane\Hythe Road Jct	32	(32)		0
Developer Contribution Funded	2,443	(1,089)	694	2,048
Corporate Asset Mgmt System			198	198

**ENVIRONMENT SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council.	Additions /(Reductions)	Slippage from 2010/11	Revised Budget at Month 2
	£000's	£000's	£000's	£000's
Hand Held Computers & Printers			161	161
E-Payments Upgrade			77	77
West London Better Homes			146	146
West London Empty Properties			394	394
Air Pollution Dispersion Model			8	8
Air Pollution Action Plan			19	19
<b>Total Environment Services</b>	<b>11,672</b>	<b>1,657</b>	<b>3,118</b>	<b>16,447</b>

**FINANCE & CORPORATE SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council	Additions/ Reductions	Slippage	Revised Budget at Month 2
	£000's	£000's	£000's	£000's
Contribution to Invest to Save Fund	750	0	750	1,500
<b>Total Expenditure</b>	<b>750</b>	<b>0</b>	<b>750</b>	<b>1,500</b>

**General Fund Capital Programme 2011/12 to 2015/16. Appendix 1**

**RESIDENT'S SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council	Additions/ Reductions	Slippage	Revised Budget at Month 2
	£000's	£000,s	£000,s	£000's
Other Parks Expenditure	500	0	(56)	444
Bishops Park	2,104	0	2,226	4,330
Shepherds Bush Common Improvements.	2,035	0	2,071	4,106
<b>Total Residents Services</b>	<b>4,639</b>	<b>-</b>	<b>4,241</b>	<b>8,880</b>

**General Fund Capital Programme 2011/12 to 2015/16. Appendix 1**

**RESIDENT'S SERVICES CAPITAL PROGRAMME**

Schemes	2011/12			
	Reported to Budget Council	Additions/ Reductions	Slippage	Revised Budget at Month 2
	£000's	£000,s	£000,s	£000's



**APPENDIX 2 - VIREMENT REQUEST FORM****BUDGET REVENUE MONITORING REPORT – PERIOD 2**

<b>Details of Virement</b>	<b>Amount (£000)</b>	<b>Department</b>
<b>Reintegration of ALMO Budgets to Council</b>		
Housing Management Services	(22,133)	HRA
Housing & Regeneration Finance and Resources	5,498	HRA
Housing Management	14,975	HRA
Property Services	1,660	HRA
<b>WCFM Budget Consolidation</b>		
WCFM Finance Integration (CSD)	(1,442)	CSD
WCFM Finance Integration (RSD)	(546.3)	RSD
WCFM Finance Integration (FCS)	(2,106.2)	FCS
WCFM Finance Integration (CHS)	(1,196)	CHS
<b>WCFM Finance Integration (ENV)</b>	(914)	ENV
<b>WCFM Finance Integration (RHO)</b>	(252.9)	RHO
<b>WCFM Finance Integration (Consolidation)</b>	<b>(6,458.1)</b>	<b>FCS Consolidated</b>
<b>TOTAL of Requested Virements (Debits)</b>	<b>28,591</b>	

# Agenda Item 5



London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**TREASURY MANAGEMENT OUTTURN  
REPORT 2010/2011**

**Wards:  
All**

This report provides information on the Council's debt, borrowing and investment activity for the financial year ending 31<sup>st</sup> March 2011

**CONTRIBUTORS**

DFCS  
ADLDS

**Recommendations:**

- 1) To note that the Council has not undertaken any borrowing for the period 1 April 2010 to 31 March 2011.
- 2) To note the investment activity for the period 1 April 2010 to 31 March 2011.

HAS A EIA BEEN  
COMPLETED?  
N/A

HAS THE REPORT  
CONTENT BEEN  
RISK ASSESSED?  
N/A

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2010/11. This report meets the requirements of both CIPFA Code of Practice on Treasury Management (the Code).
- 1.2 During 2010/11 the minimum reporting requirements were that the full Council should receive the following reports:
  - An annual treasury strategy in advance of the year.
  - A mid year treasury update report.
  - An annual report following the year describing the activity compared to the strategy report.
- 1.3 Recent changes in regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.4 The Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit and Pensions Committee before they are reported to the full Council. Member training on treasury management issues was undertaken during the year on 8 February 2011 in order to support Members' scrutiny role.

## **2. THIS ANNUAL REPORT COVERS:**

- The Council's treasury position as at 31 March 2011 (Para. 3)
- Economic review (Para.4)
- Borrowing rates (Para. 5)
- Investment rates (Para.6)
- Investment outturn for 2010/11 (Para. 7)
- Compliance with treasury limits and Prudential Indicators (Para. 8)

## **3. TREASURY POSITION AS AT 31 MARCH 2011**

- 3.1 The Council's debt and investment position is organised in order to ensure adequate liquidity for revenue and capital activities, security for investments and management of risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2010/11 the Council's treasury position was as follows:

Table 1 – Outstanding Debt

	<b>31 March 2010</b>		<b>31 March 2011</b>	
	<b>Principal</b>	<b>Average Rate</b>	<b>Principal</b>	<b>Average Rate</b>
	<b>£000's</b>		<b>£000's</b>	
Fixed Rate - PWLB	475,520		475,520	
Variable Rate - PWLB	Nil		Nil	
Market & Temporary Loans	Nil		Nil	
<b>Total</b>	<b>475,520</b>	5.93%	<b>475,520</b>	5.75%
Total Investments	<b>137,000</b>	1.24%	<b>70,400</b>	1.05%

- 3.2 Debt Performance - As shown in Table 1 the average debt portfolio rate has reduced over the course of the year from 5.93 to 5.75%.
- 3.3 The General Fund Capital Finance Requirement (CFR) is £122 million as at 31/03/11 compared to £133 million as 31/03/10 a reduction of £11 million. The HRA CFR is £414 million as at 31/03/11 compared to £404 million as at 31/03/10 an increase of £10 million.
- 3.4 The reduction to the General Fund CFR has partly been achieved by using £5 million of the Decent Neighbourhood cash surplus of £8.7 million for 2010/11 towards the debt reduction programme. This is on the understanding that the decent neighbourhoods pot is reimbursed from general fund resources in future years. By applying the surplus cash in this way results in a saving to the General Fund.
- 3.5 The CFR represents the underlying borrowing need of the HRA and General Fund. The reason why actual borrowing is lower than the CFR is because the Council has effectively borrowed from its internal resources.

#### **4. ECONOMIC REVIEW AND INTEREST RATES**

- 4.1 2010/11 proved to be another watershed year for financial markets. Rather than a focus on individual institutions, market fears moved to sovereign debt issues, particularly in the peripheral Euro zone countries. Local authorities were also presented with changed circumstances following the unexpected change of policy on Public Works Loan Board (PWLB) lending arrangements in October 2010. This resulted in an increase in new borrowing rates of 0.75% - 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.
- 4.2 UK growth proved mixed over the year. The first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 due to inclement weather conditions. The

year finished with prospects for the UK economy being decidedly downbeat over the short to medium term while the Japanese disasters in March, and the Arab Spring, especially the crisis in Libya, caused an increase in world oil prices, which all combined to dampen international economic growth prospects.

- 4.3 Gilt yields fell for much of the first half of the year as financial markets drew considerable reassurance from the Government's debt reduction plans, especially in the light of Euro zone sovereign debt concerns. Expectations of further quantitative easing also helped to push yields to historic lows. However, this positive performance was mostly reversed in the closing months of 2010 as sentiment changed due to sharply rising inflation pressures. These were also expected (during February/March 2011) to cause the Monetary Policy Committee to start raising Bank Rates earlier than previously expected.
- 4.4 The developing Euro zone peripheral sovereign debt crisis caused considerable concerns in financial markets. First Greece (May), then Ireland (December), were forced to accept assistance from a combined EU/IMF rescue package. Subsequently, fears steadily grew about Portugal, although it managed to put off accepting assistance till after the year end. These worries caused international investors to seek safe havens in investing in non-Euro zone government bonds.
- 4.5 Deposit rates picked up modestly in the second half of the year as rising inflationary concerns, and strong first half growth, fed through to prospects of an earlier start to increases in Bank Rate. However, in March 2011, slowing actual growth, together with weak growth prospects, saw consensus expectations of the first UK rate rise move back from May to August 2011 despite high inflation. However, the disparity of expectations on domestic economic growth and inflation encouraged a wide range of views on the timing of the start of increases in Bank Rate in a band from May 2011 through to early 2013. This sharp disparity was also seen in MPC voting which, by year-end, had three members voting for a rise while others preferred to continue maintaining rates at ultra low levels.
- 4.6 Risk premiums were also a constant factor in raising money market deposit rates beyond 3 months. Although market sentiment has improved, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, mean that investors remain cautious of longer term commitment. The European Commission did try to address market concerns through a stress test of major financial institutions in July 2010. Although only a small minority of banks "failed" the test, investors were highly sceptical as to the robustness of the tests, as they also are over further tests now taking place with results due in mid 2011.

## **5. BORROWING RATES 2010/11**

- 5.1 PWLB borrowing rates – the table for PWLB maturity rates below shows a selection of maturity periods, the range (high and low points) in rates, the average and individual rates at the start and the end of the financial year.

5.2 Variations in most PWLB rates have been distorted by the October 2010 decision by the PWLB to raise its borrowing rates by about 0.75 -0.85% e.g. if it had not been for this change, the 25 year PWLB at 31<sup>st</sup> March 2011 (5.32%) would have been only marginally higher than the position at 1<sup>st</sup> April 2010.

### PWLB BORROWING RATES 2010/11 FOR 1 TO 50 YEARS

Years	1	1.5- 2	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1mth variable
<b>01/04/10</b>	0.81%	1.37%	1.91%	2.4%	2.84%	4.14%	4.62%	4.65%	0.65%
<b>31/03/11</b>	1.87%	2.34%	2.79%	3.21%	3.57%	4.71%	5.32%	5.25%	1.57%
<b>High</b>	1.99%	2.10%	3.00%	3.44%	3.83%	4.99%	5.55%	5.48%	1.57%
<b>Low</b>	0.60%	0.88%	1.18%	1.50%	1.82%	3.60%	3.93%	3.93%	0.65%
<b>Average</b>	1.77%	1.59%	2.009%	2.413%	2.788%	4.05%	4.771%	4.756%	1.052%
<b>Spread</b>	1.39%	1.63%	1.82%	1.94%	2.01%	1.93%	1.63%	1.55%	0.92%
<b>High Date</b>	07/02/11	07/02/11	07/02/11	01/02/11	09/02/11	09/02/11	09/02/11	09/02/11	07/03/11
<b>Low Date</b>	15/06/10	12/10/10	12/10/10	12/10/10	12/10/10	31/08/10	31/08/10	31/08/10	01/04/10

5.3 Debt Performance - As shown in Table 1 the average debt portfolio rate has reduced over the course of the year from 5.93 to 5.75%.

5.4 An analysis of the Council's long term (PWLB) borrowings by maturity (i.e. date of repayment) is as follows:

PWLB	31 March 2010 £000s	31 March 2011 £000s
Up to One year	0	16,000
One to two years	16,000	175
Between two and five years	25,533	52,881
Between five and ten years	77,923	70,400
More than ten years	<u>356,064</u>	<u>336,064</u>
<b>Total</b>	<b><u>475,520</u></b>	<b><u>475,520</u></b>

- 5.5 An analysis of movements on loans and investments during the period is shown below:

	Balance 31.03.10 £000s	Loans/Invs Raised £000s	Loans/Invs Repaid £000s	Balance 31.03.11 £000s
PWLB	475,520	0	0	475,520
Temporary loans	0	0	0	0
Total debt	<u>475,520</u>	<u>0</u>	<u>0</u>	<u>475,520</u>
Investments	<u>137,000</u>	<u>854,850</u>	<u>921,450</u>	<u>70,400</u>

## 6. INVESTMENT RATES IN 2010/11

- 6.1 The tight monetary conditions following the 2008 financial crisis continued through 2010/11 with little material movement in the shorter term deposit rates. Bank rate remained at its historical low of 0.5% throughout the year, although growing market expectations of the imminence of the start of monetary tightening saw 6 and 12 month rates picking up.
- 6.2 Overlaying the relatively poor investment returns was the continued counterparty concerns, most evident in the Euro zone sovereign debt crisis which resulted in rescue packages for Greece, Ireland and latterly Portugal. Concerns extended to the European banking industry with an initial stress testing of banks failing to calm counterparty fears, resulting in a second round of testing currently reviewed. This highlighted the ongoing need for caution in treasury investment activity.

### LIBID RATES 2010-11

	Overnight	7 day	1 month	3 months	6 months	1 year
<b>01/04/10</b>	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
<b>31/03/11</b>	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
<b>High</b>	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
<b>Low</b>	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
<b>Average</b>	0.43%	0.43%	0.45%	0.61%	0.90%	1.35%
<b>Spread</b>	0.03%	0.04%	0.07%	0.17%	0.24%	0.28%
<b>High Date</b>	31/12/10	30/03/11	31/03/11	31/03/11	31/03/11	31/03/11
<b>Low Date</b>	01/04/10	01/04/10	01/04/10	01/04/10	01/04/10	01/04/10

6.3 At the start of 2010/11, investment rates (LIBID) were at their lowest and gradually increased to finish at their highest levels at the end of the financial year. The longer the period of investment the greater the increase in rate.

- **Overnight rate:** this varied little during the year within a range of 0.41 – 0.44%.
- **1 month rate:** from a low point for the year of 0.52% on 01/4/10, the rate gradually reached a high of 0.69% at the end of the financial year 31/03/11.
- **12 month rate:** this started the year at 1.19% and finished the year with a high of 1.47% and a spread of 0.28%.

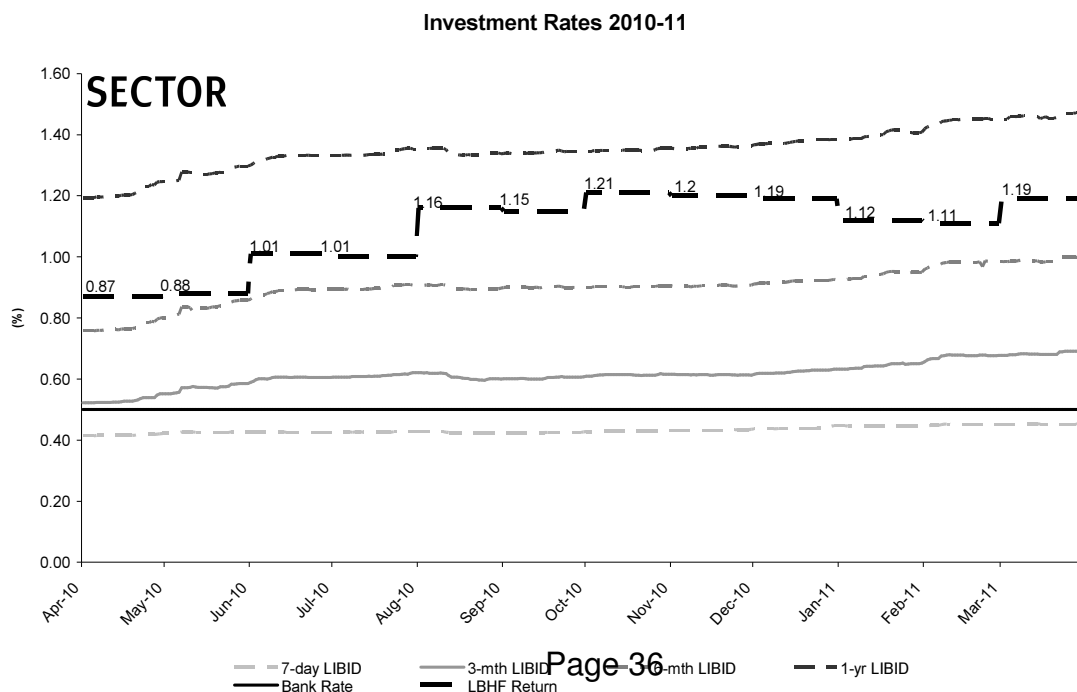
## 7. INVESTMENT OUTTURN FOR 2010/11

7.1 Investment Policy – the Council’s investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Council on 27<sup>th</sup> February 2010. The policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices).

7.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

7.3 The table below shows Hammersmith & Council investment performance against 7 day, 3 months, 6 months and 1 year LIBID.

7.4 The table shows that the Council’s investments have out performed 7 day, 3 months and 6 months LIBID but not the 1 year LIBID rate. This is because the Council has take a very prudent approach to it’s investments both to the counterparties we use and the duration of the investments.





## **8. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS**

- 8.1 During the financial year the Council operated within its treasury limits and Prudential Indicators as set out in the Council's Treasury Strategy Report.

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

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

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

- 10.1 There are no direct legal implications for the purpose of this report.

## **11. EQUALITIES STATEMENT**

- 11.1 As per the Equality Act 2010, the Council must consider its obligations with regard to the Public Sector Equality Duty (PSED). It must carry out its functions (as defined by the Human Rights Act 1998) with due regard to the duty and its effect on the protected characteristics (below) in relevant and proportionate a way. The duty came into effect on 5<sup>th</sup> April 2011. The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion/belief (including non-belief)
- Sex
- Sexual orientation

In this case, none of the protected characteristics is relevant and none will be impacted by the proposals.

## **12. RECOMMENDATIONS**

To note the borrowing and investment activity for the period 1 April 2010 to 31 March 2011.

**LOCAL GOVERNMENT ACT 2000 - BACKGROUND PAPERS**

<b>No.</b>	<b>Brief Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department/Location</b>
1.	Loans and Investments Ledger	Rosie Watson Ext: 2563	Room 42, Ground Floor, Town Hall
2.	CIPFA Treasury Management Code of Practice	Rosie Watson Ext: 2563	Room 42, Ground Floor, Town Hall



London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

### CABINET MEMBER FOR COMMUNITY CARE

*Councillor Joe Carlebach*

### REQUEST FOR DELEGATED AUTHORITY TO AWARD CROSS AUTHORITY FRAMEWORK AGREEMENT FOR SELF DIRECTED SUPPORT SERVICES

**Wards:**  
All

Requesting delegated authority for the Cabinet Member for Community Care, in conjunction with the Director of Community Services and the Assistant Director (Legal and Democratic Services) to award a Cross-Authority Framework Agreement for the provision of Self Directed Support Services.

**HAS A EIA BEEN COMPLETED?**  
YES

Delegated authority is requested because both Hammersmith and Fulham and Hillingdon Councils need to call off services immediately following the award of the tender, which will not be known until the end of September, at which stage there will not be sufficient time to gain Cabinet approval.

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

H & F spend on Self Directed Support in 10/11 was £360.5K (£1.18 million across 4 boroughs)

A separate report on the exempt part of the agenda provides further information regarding this project.

### CONTRIBUTORS

DCS  
Benedict Hefford AD  
ADLDS  
DFCS

### Recommendation:

**That authority be delegated to the Cabinet Member for Community Care, in conjunction with the Acting Director of Community Services and the Assistant Director (Legal and Democratic Services), to award a Framework Agreement for the provision of Self Directed Support Services.**

## 1. BACKGROUND

- 1.1. The London Borough of Hammersmith and Fulham is working in partnership with London Boroughs of Brent, Hillingdon, and the Royal Borough of Kensington and Chelsea regarding procurement of a Framework Agreement for Self Directed Support Services for both Adults, Children and Young People.
- 1.2 The specifications for the Self Directed Support Services will respond to two significant developments in social care policy:
  - i) A shift in focus from service inputs *to the outcomes they achieve*
  - ii) The introduction of Self-Directed Support and personal budgets, with people having more *choice and control* over the support they receive.

## 2. COMMISSIONING OVERVIEW

- 2.1 The intention is to commission services that will build on the support provision already available in the borough by offering eligible service users the flexibility and choice they need to manage their direct payments and personal budget.
- 2.2 These are support services which will primarily be support to manage any direct payment element of a person's personal budget. The service specifications have laid out the range of service that the Council want to make available, and the outcomes it wants those service/s to achieve. Hammersmith and Fulham Council currently provides in-house support planning and will therefore make limited use of the Support Planning and Brokerage element of the framework in the short to medium term, although the position could change during the life of the framework agreement.
- 2.3 Initially these services will be for social care services but may extend in future to services funded by Health through Personal health budgets
- 2.4 The four Councils are collaborating to commission and procure services whilst recognising that each of the boroughs is very different. Providers will be given the opportunity to state which boroughs they wish to provide services in. Providers approved as part of the Framework will need to be aware of the unique features of the boroughs they will serve, their demographics, needs profile, structures, strategies and developments.
- 2.5 The successful providers, working in partnership with individuals and the Council, will ensure that individuals are given more flexibility, control and opportunities to live independent lifestyles within the community. All organisations will work to deliver the standards of services set out in the specifications and work together to ensure consistency of quality.
- 2.6 The types of services to be provided are as follows;
  - a) Support Service to Service Users and Carers to set up and manage their social care funding via Direct Payments , in accordance with current legislation and the Council's internal policies and procedures

- b) An on-going support service to Service Users to enable them manage their Direct Payments and achieve independence, choice and control over their own care
- c) Provision of targeted training to service users to manage their Direct Payments/ Personal Budgets
- d) To promote and raise the profile of Direct Payments and encourage take-up by new Service Users
- e) Provision of Support Planning and Brokerage Services including the planning, organising support and assisting individuals, their families and carers in arranging services to meet their assessed needs and outcomes.

### **3. PROCUREMENT**

- 3.1 The procurement and contract lead for the Cross Authority Framework agreement for provision of the Self Directed Support is London Borough of Hammersmith and Fulham. The intention of the Council is to procure a preferred provider list which all four boroughs will be able to use to call off services in the categories below. The duration of the framework agreement will be four years.
- 3.2 The authority will use a restricted procurement process. Given the nature of the services the Framework Agreement will be advertised as a Part B Service pursuant to the Public Contracts Regulations 2006. The prequalification stage will begin in July 2011 and the outcome of the tender should be known by the beginning of October 2011.
- 3.3 The four Lots below indicate the general range of services that the boroughs want to make available. Within this general range of services it is envisaged that providers will be able to opt to be on the preferred provider for each Lot to provide either generic services or specialist services to people with a particular need. Some examples are people with Learning Disabilities, people with Mental Health needs, people with physical or sensory disabilities.

**Lot 1: DIRECT PAYMENT SUPPORT SERVICE (ADULTS)**

**Lot 2: SUPPORT PLANNING AND BROKERAGE SERVICE (ADULTS)**

**Lot 3: DIRECT PAYMENT SUPPORT SERVICE (CHILDREN AND YOUNG PEOPLE)**

**Lot 4: SUPPORT PLANNING AND BROKERAGE SERVICE (CHILDREN AND YOUNG PEOPLE )**

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

- 4.1. The 10 -11 spend on direct payment support services for adult services is confirmed as £105,200. In addition the gross spend, (excluding overheads) for the Support

Planning Service was £239,116. The full financial implication of the proposal contained herein will be detailed in any approved delegated report that follows thereafter.

**5. EQUALITY IMPLICATIONS**

- 5.1 The services being procured using this framework are aimed at supporting service users to make informed choices about managing their own care. Service users will be more involved in planning and decision making about the direction of their support and in the design and delivery of the services they receive.
- 5.2 Transfer of Undertakings (TUPE) will apply to the Direct Payment Support Service being procured in Hammersmith and Fulham. The process could potentially delay the implementation of the new Direct Payment Support Service.

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

- 6.1 The Assistant Director of Legal and Democratic Services will be represented on the Tender Appraisal Panel.
- 6.2 In accordance with instructions from the Client Department Legal Services will provide advice in respect of commercial contracts and procurement matters.
- 6.3 The Assistant of Legal and Democratic Services agrees with the recommendation of this report.

**7. COMMENTS OF THE HEAD OF HUMAN RESOURCES**

- 7.1 Human Resources have noted the contents of this report and have no comments,

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.			
2.			
<b>CONTACT OFFICER:</b>		<b>NAME: Christine Baker</b> <b>EXT. 1447</b>	

# Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER  
FOR RESIDENTS  
SERVICES**

*Councillor Greg Smith*

**THE FUTURE OF THE LIFESTYLE PLUS CARD**

**Wards:  
All**

This report recommends that the Council ceases its operation of a leisure card, by decommissioning the existing Lifestyle Plus Scheme (LPS) and approving that GLL provide and manage a concessionary card operating under the terms of GLL's existing Pay and Play concessionary offer in conjunction with Virgin Active.

**CONTRIBUTORS**

AD Cleaner Greener  
and Cultural Services  
Acting Head of  
Libraries, Leisure and  
Fleet Transport  
DFCS  
ADLDS

**Recommendation**

**That authority be delegated to the Cabinet Member for Residents Services, in conjunction with the Director of Residents Services, to agree with the Council's providers GLL and Virgin Active the terms, including any profit share, on which they will implement a new leisure card based on existing concessionary offers already provided and manage this on the Council's behalf.**

**HAS A EIA BEEN  
COMPLETED?  
YES**

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

## 1. BACKGROUND

- 1.1 The Lifestyle Plus Scheme (LPS) is a concessionary scheme targeted mainly at access to leisure centres. Membership is open to people living in the borough that are in receipt of a range of benefits including unemployment benefits, state pension, income support, invalidity sickness benefit and housing benefit. It is also open to full time students.
- 1.2 The scheme started in the 1980's with the then Leisure & Recreation Department. When the LPS was handed over to Education in 1994, membership cost £ 2.00 per person, per year, which has now risen to £20.50 per year. Membership of the scheme reached a peak in 1996 with 6,500 card holders but has declined over time to its present level of approximately 1,800. As the steady decline in membership shows, it is not as popular as it once was. Based on feedback from customers, the main reasons for the decline are the cost of the card, its bias towards off-peak access and the stigma of an easily identifiable concessionary card.
- 1.3 Hammersmith & Fulham is fairly unique in its approach to the LPS concessionary card and most other boroughs have opted for a different model. Whilst no two concessionary card schemes are the same, there is general consensus around a low initial cost for the card and a higher cost entry fee than is the case with the current Hammersmith & Fulham scheme.
- 1.4 In the immediate area there are a number of different approaches to concessionary leisure card cards and Table 1 below compares Hammersmith & Fulham to its closest neighbouring authorities.

Table 1

	Annual Membership	Swimming		Gym	
		Average % discount	Average Entry Price	Average % discount	Average Entry Price
LBHF Current	<b>£20.50</b>	<b>72%</b>	<b>£0.50p</b>	<b>91%</b>	<b>£0.50p</b>
Kensington & Chelsea	<b>£11.75</b>	<b>66%</b>	<b>£1.20</b>	<b>50%</b>	<b>£2.85</b>
Wandsworth	<b>£6.00* *six months only</b>	<b>56%</b>	<b>£1.70</b>	<b>50%</b>	<b>£4.00</b>
Ealing	<b>£3.00</b>	<b>50%</b>	<b>£1.70</b>	<b>50%</b>	<b>£3.20</b>
Richmond	<b>£6.00</b>	<b>45%</b>	<b>£2.00</b>	<b>10%</b>	<b>£5.10</b>
Brent	<b>£5.00</b>	<b>46%</b>	<b>£1.40</b>	<b>57%</b>	<b>£2.00</b>
Hounslow	<b>£2.00</b>	<b>87%</b>	<b>£0.50p</b>	<b>74%</b>	<b>£1.50</b>



Table 2 below shows the discounts given off the usual entry fee in this Council and other neighbouring or West London boroughs for residents entitled to concessions.

Table 2

	Swimming				Gym			
	Peak % discount	Peak Price	Off Peak % discount	Lifestyle or off-peak price	Peak % discount	Peak Price	Off Peak % discount	Lifestyle or off-peak price
Hammersmith and Fulham	0%	£2.55 non-member £3.60	72%	50p	0%	£5.10	91%	50p
Kensington & Chelsea	none	none	none	none	none	none	none	none
Wandsworth	25%	£3.15	25%	£3.15	10%	£8.00	10%	£8.00
Ealing	none	none	none	none	none	none	none	none
Richmond	10%	£3.20	10%	£3.20	10%	£6.00	20%	£5.60
Brent	25%	£2.55	25%	£1.75	25%	£3.95	25%	£3.50

## 2. PROPOSAL

- 2.1 Following the modelling of various options, the following proposal provides what is considered to be the most cost effective means of delivering concessionary access to the borough's leisure centres.
- 2.2 It is proposed that the borough does not operate a leisure card and decommissions the existing LPS. Instead, GLL will provide and manage a concessionary card that operates under the terms of their existing Pay and Play concessionary offer. The Council's other private sector leisure provider, Virgin, have agreed to also offer the same terms.
- 2.3 Under the proposed arrangements, residents currently entitled to a LPS will pay GLL £3 per annum for the card (compared to £20.50 per annum for LPS) and will then be able to use the following facilities as below (Table 3).

Table 3

	Phoenix Leisure Centre	Fulham Pools	Hammersmith Broadway	Lillie Road
Swimming	£1.40	£1.40	n/a	n/a
Gym	£2.55	£2.55	£2.55	£2.55

Therefore a swim will cost £0.90p more per visit than is currently available to LPS members, but the annual fee is reduced by £17.50. On that basis, residents can swim on 19 occasions before it costs more. A gym visit will cost £1.65 more per visit but with a reduced annual fee residents can access the gym 9 times before it costs more.

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

- 3.1 GLL have agreed to pay £35,890 per year to the Council to mitigate for lost revenue through the removal of the LPS. Further income for the Council may be generated from profit share arrangements. Discussions around profit share arrangements are under way and GLL have indicated a willingness to enter into an 'open book' accounting arrangement. On this basis, it should be possible to agree a profit share arrangement. On a 50/50 share basis the Council would generate between £13,000 and £35,000 in additional income per annum on top of the £35,890, a potential total of at least £48,890 which is 36% greater than the current level of income.
- 3.2 GLL have however, confirmed that having already agreed to cover 100% of the Council's loss of income, taking the risk and the costs associated with the operation of the new membership scheme, including the costs of the IT, they would not be willing to accept or provide any further **guaranteed** payments to the Council and any additional income would be agreed using open book accounting to monitor the expected increased income levels.

Financial Year	Current income	Proposed Income	Profit Share (open book)	Net position
2011/12	£37,725 (1) and (2)	£35,890	£15,000 - £35,000	£13,165 - £33,165
2012/13	£37,725	£35,890	£15,000 - £35,000	£13,165 - £33,165
2013/14	£37,725	£35,890	£15,000 - £35,000	£13,165 - £33,165

(1) Investment costs to be made by GLL

(2) MTFS has already accounted for saving in administration of card.

### 4. SUMMARY

- 4.1 The Council currently has approximately 1,800 Lifestyle Card holders which generated income of £37,275 in 2010/11. The current cost of administering the Lifestyle Card is estimated to be £15,000 per annum. Therefore, the initial direct financial impact to the Council is £22,275 per annum. Should GLL administer the new concessionary access, GLL have agreed to pay LBHF the sum of £35,890 per annum.
- 4.2 It is recommended that the service providers deliver programmes and pricing structures to minimise the impact on existing concessionary users. Previous Lifestyle cardholders would be signposted to the leisure provider's concessionary offers and off-peak usage and off-peak rates. The borough's leisure providers would see an increase in income, so a profit share arrangement would be crucial in terms of mitigating any loss of income to LBHF.
- 4.3 Due to LBHF operating its leisure facilities under two operators, the delivery of this project has been more challenging. However, actions relating to the technology and relationships between the two systems are now progressing well with agreement from both providers to access a web portal system. It is currently estimated that this system will cost £3,360pa to maintain with a one-off cost of £7,500 to develop the system. As mentioned, GLL have agreed to take responsibility for these costs.

### 5 RISK MANAGEMENT

- 5.1 This project is included on the departmental project register. It has been assessed as a low risk project, as there is no financial contribution required from the Council.

## 6. EQUALITY IMPLICATIONS

- 6.1 The equality implications are considered medium in relation to disability issues and age. All other equality parameters are considered to be of low impact. The Council's leisure providers are able to reduce any adverse impacts through the increased communication and benefits of the new concessionary offers available to residents.

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

- 7.1 It is noted that it is proposed to enter into an arrangement whereby one of the Council's leisure providers (GLL) will operate and manage a concessionary card to replace the Council's existing Leisure Plus Scheme.
- 7.2 Upon instructions from the client department, Legal Services will assist with the drawing up of any necessary contracts setting out the terms of the arrangements agreed.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Sports and Physical Activity Strategy 2006-2012	Chris Bunting	RSD
<b>CONTACT OFFICER:</b>		<b>NAME: Chris Bunting EXT.2023 NAME: Sue Harris EXT.4295</b>	

# Agenda Item 8



London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER  
FOR HOUSING**

*Councillor Andrew  
Johnson*

**PROJECT: 302 FULHAM PALACE ROAD,  
LONDON SW6. WORKS: EXTERNAL AND  
COMMUNAL REPAIRS AND REDECORATIONS.**

**Ward:  
Palace  
Riverside**

It is proposed to carry out external and communal repairs & redecorations to 302 Fulham Palace Road SW6, including repair and replacement of windows, repairs to guttering and drainage, upgrading of entrance doors, providing a fire barrier in the loft space, and renewal of the communal electrical installation.

A separate report on the exempt part of the agenda provides confidential information regarding the financial aspects, tendering process and leaseholder service charging for this contract.

**CONTRIBUTORS:**

ENV(BPM)  
HRD  
FCS  
FCSLs

**Recommendations:**

- 1. That the lowest tender submitted by Bell Decorating & Building Limited be accepted.**
- 2. To note that the contract is expected to start on 10 October 2011 for a period of 14 weeks.**

**HAS A EIA BEEN  
COMPLETED?  
YES**

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

## **1. BACKGROUND**

- 1.1 The proposed works form part of the Housing & Regeneration 2010/11 – 2012/13 Capital Programmes for which the Cabinet Member for Housing has responsibility.
- 1.2 These works need to be undertaken to maintain a satisfactory standard to the external fabric and communal parts of the building and to ensure they remain in good decorative order.

## **2. BRIEF DETAILS OF THE WORKS**

- 2.1 The proposed works consist of external and communal repairs and redecorations, including repair and replacement of windows, repairs to guttering and drainage, upgrading of the doors in the entrance hall to comply with current regulations, providing access to and a fire barrier within the loft space, and renewal of the landlord's lighting and incoming lateral mains to each of the four flats.

## **3. COMMENTS OF THE DIRECTOR OF HOUSING & REGENERATION**

- 3.1 Consultation meetings have provided an opportunity for officers to explain the works, as well as the proposed location of the contractor's welfare and storage facilities and for residents to ask questions about the project. Further consultation to take place will include the issuing of statutory leaseholder notices (Section 20) on 8th July 2011, which will expire 8th August 2011. During that time, a residents' meeting will take place with all leaseholders to raise issues concerning the works and for all residents to have the opportunity to meet the contractor and ask questions about the works and the programme. During the progress of the contract on site there will be regular resident drop-in surgeries with the contractors to discuss any issues that may arise from the works.
- 3.2 Expenditure on this project will be charged to Cost Centre CYC001 and Project Code CHRA0041.

## **4. PROGRAMME OF WORK**

- 4.1 The anticipated programme of work is as follows:

	Date:	
Cabinet	5 <sup>th</sup> September	2011
Issue Section 20 Notices:	8 <sup>th</sup> July	2011
Section 20 Notices Expire	8 <sup>th</sup> August	2011
Issue Letter of Acceptance:	12 <sup>th</sup> September	2011
Proposed Start on Site:	10 <sup>th</sup> October	2011
Anticipated Completion:	13 <sup>th</sup> January	2012

**5. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY.**

5.1 The AD supports the recommendation contained in the report. The tender list was generated by using the Constructionline database which is in accordance with the Council's Contract Standing Orders.

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

6.1 The AD (Legal and Democratic Services) supports the recommendation in this report

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

7.1 These are in the separate report on the exempt Cabinet agenda.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Procurement details, correspondence, Project file	Roberto H Rosales Ext. 4828	BPM/ENV, 6 <sup>th</sup> floor Hammersmith Town Hall Extension, Hammersmith W6 9JU
2.	Project development	Jodie Reddick Ext. 3830	Housing & Regeneration 3 <sup>rd</sup> Floor Hammersmith Town Hall Extension W6 9JU

FOR BTS USE ONLY:

Word/Business Support/Admin/Committee Reports/Original/Key Decisions

PROCON NUMBER: 591158

<b>CONTACT OFFICER:</b>	<b>NAME: Sally Williams</b> <b>EXT: 4865</b>
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London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER  
FOR HOUSING**

*Councillor Andrew  
Johnson*

**DISPOSAL OF EDITH SUMMERSKILL HOUSE  
CLEM ATLEE ESTATE**

**Wards:  
Fulham  
Broadway**

Recommending the disposal of a vacant Council owned tower block at Edith Summerskill House on the Clem Attlee estate, with the proceeds from the sale being utilised to fund future housing and regeneration activity in the borough.

A separate report on the exempt part of the Cabinet agenda provides exempt information on the options appraisals for Edith Summerskill House and decant costs.

**CONTRIBUTORS**

DFCS  
ADLDS  
HBPM

**HAS A EIA BEEN  
COMPLETED?  
YES**

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

**Recommendations:**

- 1. That Edith Summerskill House be declared surplus to Housing and Regeneration Department requirements (subject to consultation with secure tenants and leaseholders, to achieving vacant possession).**
- 2. That tenants (and any leaseholders the Council will have a duty to rehouse) of Edith Summerskill House be awarded decant status with immediate effect and that decant costs be paid**
- 3. That officers be authorised to serve (when they consider appropriate) interim and final demolition notices on secure tenants of Edith Summerskill House to inhibit any future Right to Buy applications.**
- 4. That at the appropriate time officers are authorised to seek Secretary of State approval for a redevelopment scheme in respect of Edith Summerskill House for the purposes of Ground 10A of Schedule 2 Housing Act 1985 and do all things incidental, in order to recover**

**possession; the Director of Housing and Regeneration to consider any representations received in any consultation connected with the approval of a redevelopment scheme for Ground 10A purposes or otherwise and to report back only if he considers it necessary**

- 5. To authorise the Director of Housing and Regeneration (with the approval of the Director of Finance and Corporate Services) and in conjunction with the Head of Valuation and Property Services to acquire or terminate by negotiation or otherwise all interests in Edith Summerskill House and to authorise the making and implementation of any requisite compulsory purchase order and to do all things consequential or incidental to any of the foregoing.**
- 6. That officers be authorised to procure from potential developers a bid or bids to purchase and refurbish or redevelop Edith Summerskill House (where appropriate) via any applicable EU procurement route; the development brief to be approved by the Cabinet Members for Housing and for Environment and Asset Management and the final selection of purchaser/developer to be made or approved by Cabinet.**
- 7. That 100% of the capital receipt ( after the deduction of appropriate costs) is used for future affordable housing and regeneration purposes.**



## **1. BACKGROUND**

### **Edith Summerskill House**

- 1.1 Edith Summerskill is situated on the Clem Attlee estate, North Fulham and is a 17 storey tower block containing 68 dwellings; 4x1 bedroom properties on the 17<sup>th</sup> floor, with the remaining floors containing 3x2 bedroom properties and 1x3 bedroom properties per floor. Floors 1 to 16 contain the same basic structural footprint with the 4 flats per floor based around the two lift and 1 stair cores and central communal areas. The structure alters on the 17<sup>th</sup> floor; there is no lift access to this floor and the flats are smaller in footprint than the floors below.

Number of dwellings	= 68
Number of tenants	= 62
Number of leaseholders	= 6
Number of 1 bed flats	= 4
Number of 2 bed flats	= 48
Number of 3 bed flats	= 16

- 1.2. The tower block was built in the late 1960's of reinforced concrete frame construction with Autoclaved Aerated Concrete (AAC) blockwork inner walls throughout and an asphalt covered flat roof. The floors of the balconies are an extension of the floor slab with reinforced concrete walls or glazed and non-glazed steel frames. The windows are single glazed metal frame units.

It is not possible to undertake decent homes works with the residents remaining in situ, due to the extensive scope of the works and health & safety precautions which includes asbestos removal.

- 1.3 The Tower block has been gradually decanted over the past few years in preparation for decent homes work and is now fully decanted. All the tenants, with one exception, have been decanted permanently on secure tenancies into alternative Council accommodation. One tenant has been decanted under licence to alternative Council accommodation. The six leaseholders have been decanted to alternative Council accommodation, currently on a temporary basis.

## **2. OPTIONS FOR THE FUTURE OF EDITH SUMMERSKILL HOUSE**

### **2.1 Decent Homes Works**

- 2.1.1 The estimated cost of the decent homes works is £6m equivalent to £88,235 per dwelling. This high cost is due to major structural deficiencies and dampness identified by specialist investigations. The floor slab of each floor extends beyond the internal AAC block work within the flats, with "no evidence of any joint detail and as such the floor slab connection could be considered a "cold bridge" connection

directly to the external wall". There is excessive dampness and moisture within the flats resulting from design issues and water ingress through the balcony detail, a lack of insulation, condensation and a lack of ventilation.

This compares to an average cost of decent homes works for a tower block of between £12,000 and £ 40,000 per dwelling. The costs to leaseholders are estimated to be between £ 87,000 and £ 96,000. There is no identified budget in the capital programme to undertake these works.

- 2.1.2 It is estimated that after the completion of decent homes works the major works capital costs over the subsequent 30 years would be £5.9m. Calculations show that the retention of the property in the Housing Revenue Account (HRA) would result in a net loss before interest over a 30 year period.
- 2.1.3 Due to the high cost associated with completing decent homes works at Edith Summerskill House and the long term loss incurred by the HRA, officers determined that further options appraisal should be carried out prior to initiating the works. Options explored were:
- Disposal to a developer for redevelopment or refurbishment
  - Redevelopment by the Council via a Local Housing Company (LHC)
  - Refurbishment by the Council via a LHC

## 2.2 Option Appraisal

- 2.2.1 These are in a separate report on the exempt part of the Cabinet agenda.

## 3. PREFERRED OPTION

- 3.1 It is officers' view that it is not in the economic or financial interests of the Council, in either the short or long term, to undertake decent home works to the tower block given the very high costs of the project and the significant costs to leaseholders that would be generated.
- 3.2 Whilst the transfer of the asset to a Local Housing Company could derive additional profit to the Council in the long term, officers do not consider the value of the notional additional profit justifies the risk to which the Council would be exposed, given that the Local Housing Company is in its emerging stage of development.
- 3.3 The disposal of the site will give the opportunity to create high quality 21<sup>st</sup> century living accommodation that will provide a mixed tenure scheme delivering a range of accommodation types that will provide

much needed opportunities for residents of the borough to access a range of housing opportunities. It will create funds that can be reinvested in Housing and Regeneration in the Borough.

- 3.4 It is therefore recommended that the Council should dispose of Edith Summerskill through a straight land disposal on the open market and the decanted leaseholders either bought out by the Council or offered the opportunity to buy or part buy their temporary decant dwelling.

#### **4. IMPLEMENTATION**

- 4.1 These aspects are in a separate report on the exempt part of the Cabinet agenda.

#### **5. RISK MANAGEMENT**

- 5.1. The property disposal is on the Housing and Regeneration department's risk register. There is a risk that the Secretary of State, should such powers be required, does not confirm compulsory purchase orders. To mitigate this risk officers will explore every opportunity to find a negotiated settlement with the leaseholders, but in the event CPO powers were required will ensure all procedures and necessary justification to the Secretary of State is robust and appropriately evidenced.

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

- 6.1 The financial argument is set out in the report above.
- 6.2 The block, which current projections show makes a net loss over the next 30 years in the HRA, can be sold to create a large capital receipt.
- 6.3 The capital receipt is caught by the pooling regulations but as, after the deduction of appropriate costs, it is going to be fully invested in Housing and Regeneration purposes via the Decent neighbourhoods fund it is possible to retain the receipt. Appropriate costs, including the cost of decanting the residents, will also be charged to the Decent neighbourhood's fund, offsetting the receipt.
- 6.4 The property is currently empty, the residents having been decanted by H&F homes as the intention at the time of decant was to undertake decent home works. All the tenants have already received a home loss payment there should be no further payment to tenants.

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

- 7.1 Currently, the Council holds Edith Summerskill House under part 11 of the Housing Act 1985. It has the power to dispose of such land under section 32 of the Act with the consent of the Secretary of State. Under consent E of the General Housing Consents 2005, the Secretary of State allows disposal for the best consideration reasonably obtainable provided the houses or flats concerned are vacant and will be demolished without being used again as housing accommodation.
- 7.2 The report envisages any tenants who have been temporarily moved be offered secure tenancies at their new accommodation. However, any occupiers who are secure tenants cannot be decanted against their will without a court order made under the Housing Act 1985. The most relevant ground for obtaining such an order is Ground 10A in schedule 2 of the Act which requires that the Council must first consult with the tenants, then consider any representations made and then apply to the Secretary of State for approval of the redevelopment scheme pursuant to which the Council intends to dispose within a reasonable time of obtaining possession. Where such approval is given, a court will make an order for possession subject to the Council offering suitable alternative accommodation.
- 7.3 The interests of the six remaining leaseholders will need to be acquired. This can be done under section 17, Housing Act 1985 by virtue of a compulsory purchase order which would need to be confirmed by the Secretary of State. The leaseholders would be entitled to the market value of their flat together possibly with a home loss payment if the leaseholder has occupied the flat as their main residence for at least a year (up to a maximum of £47,000 currently) plus compensation for disturbance plus legal fees.
- 7.4 It is essential that the Council receives the best consideration reasonably obtainable for its land in accordance with the Consent E of the General Housing Consents 2005. The sale by open market tender would ensure this.

## **8. EQUALITY IMPLICATIONS**

- 8.1 There remains one tenant and six leaseholders to work with, in order to find permanent solutions to their rehousing, and officers will work with them to find solutions, as stated. Officers will be working within Council policy and legal boundaries to do this but cannot detail individual cases as this would not be appropriate or respectful of those individuals' rights to privacy.
- 8.2 There are impacts arising from the development of affordable housing with the capital receipt, and overall the EIA shows that these would be

positive. Some aspects are positive for disabled people, and some not and men appear to be more likely to benefit from proposals than women, as examples. These issues are set out in the accompanying EIA

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Edith Summerskill Property File	Ian Ruegg/Ext 1722	Housing Strategy & Regeneration Unit/ 3 <sup>rd</sup> Floor, Hammersmith Town Hall Extension
2	Edith Summerskill Equality Impact Assessment	Ian Ruegg/Ext 1722	Housing Strategy & Regeneration Unit/ 3 <sup>rd</sup> Floor, Hammersmith Town Hall Extension
<b>CONTACT OFFICER: Ian Ruegg</b>		<b>NAME: Ian Ruegg EXT. 1722</b>	

# Agenda Item 10



London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

### CABINET MEMBER FOR HOUSING

*Councillor Andrew Johnson*

### SERVICE CHARGES FOR TENANTS

Seeking approval to implement fixed service charges calculated at block level for Council tenants. The report sets out the reason for moving initially to fixed service charges and a timetable for implementation and communication.

**WardS:**  
**All**

### CONTRIBUTORS

AD Finance &  
Resources (Housing &  
Regeneration)  
AD Housing Services  
DFCS  
ADLDS

### Recommendations:

1. **That authority be delegated to the Cabinet Member for Housing, in conjunction with the Director of Housing and Regeneration, to implement fixed service charges for all Council Tenants from 1 April 2012 for:**

**HAS A EIA BEEN COMPLETED?**  
**YES**

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

- caretaking
- CCTV
- communal lighting
- concierge
- door entry
- cleaning
- grounds maintenance
- heating
- TV aerials
- Fire alarms
- lift maintenance
- window cleaning

2. **That approval be given for funding of £50k to implement Fixed Service Charges.**

## **1. BACKGROUND**

- 1.1 Under the rent restructuring mechanism, local authorities were urged by government to separate the elements of the rent relating to the provision of communal services such as grounds maintenance, caretaking, door entry systems, concierge service etc. to make it more transparent to tenants which services they pay for. This process is known as depooling or unpooling.
- 1.2 Separate service charges mean that the charge paid by a tenant is more closely matched to the service received, similar to that already provided to lessees. It gives some scope for tenants to be able to choose to pay for enhanced services. It also ensures that the charges are more comparable with those made by Registered Providers (Housing Associations), encouraging equity in the charges paid by different groups of tenants.
- 1.3 The rents charged under current regulations only allow for charges relating to the occupation of the dwelling such as the maintenance of the building and general housing management services. They take no account of additional communal services such as caretaking, with a resultant impact on the Housing Revenue Account.
- 1.4 The main guidance issued in 2002 expects Local Authorities to use their discretion and judgement on charging for services in situations in which anomalies are created; the example given in the guidance is that of lifts in high rise flats which could result in a significantly more expensive service charge for this type of property. It should however be noted that some London boroughs and Registered Providers (Housing Associations) do charge for lifts.
- 1.4 Currently, only ourselves and Greenwich out of the 33 London Boroughs do not have unpooled service charges (London Councils 2009/10 Rent Survey). Currently only heating and water rates are charged separately by ourselves.

## **2.0 APPROACH TAKEN BY OTHER LONDON BOROUGHS**

- 2.1 The common services for which service charges have been introduced by the London boroughs are:
  - caretaking
  - CCTV
  - communal lighting
  - concierge

- door entry
- estate cleaning
- grounds maintenance
- heating
- TV aerials
- lift maintenance
- window cleaning.

2.2 In addition, individual boroughs have also specified a weekly charge for a number of other services ranging from mobile security, block cleaning and de-infestation to bulk refuse collection.

1.3 The method of service charge calculation depends on individual borough preference and varies between a charge based on:

- The gross property value
- A fixed rate for different property types
- A flat rate for each service
- A flat rate for each estate
- A fixed amount to all tenants
- Another method

### **3. OPTIONS AVAILABLE**

3.1 Officers believe that unpooling service charges is essential as it:

- Makes it transparent to tenants what services they should be receiving
- Allows tenants to input into the level of service they receive
- Enables the Council to maintain a viable Housing Revenue Account , safeguarding future investment in homes owned by the Council. It does this by ensuring that the rent only pays for the provision of accommodation rather than ancillary charges.

3.2 There are a number of choices regarding the calculation methodology, these are set out below:

#### **3.3 Apportioning Service Charges**

3.3.1 As noted above, there is a number of different ways to apportion service charges. The most widely used method is a flat rate for each service, i.e. a standard charge for each service charged to each tenant who receives that service. Other methods include a fixed amount to all tenants, a flat rate for each estate or block and a flat rate for each property type. Some Councils have used more than one method to apportion their service charge costs. Our Leaseholder Service Charges are currently apportioned at block level.



3.2.2 Any apportionment method used to calculate the service charges must balance:

- The fairness of the charge allocated
- The cost of the additional administration required for a more complex system
- How easy it is to understand the calculation

### 3.4 **Fixed or Variable**

3.4.1 Authorities also have to choose between fixed and variable service charges. Both of these options have advantages and disadvantages.

### 3.5 **Fixed Service Charges**

3.5.1 A fixed service charge is to cover the cost of the service or contribute to the cost of the service at the point of introduction of the service charge.

3.5.2 This charge can be inflated at the time of the annual rent-setting decision. Inflation is not restricted to RPI although the guidance issued in 2002 is to restrict increases to RPI + ½% except on the rare occasions when costs increase due to factors outside the Council's control, e.g. fuel prices. The only exception would be when new charges are introduced; these would have to be consulted on before introduction.

3.5.3 No adjustments can be made to the charge after it has been set for the year if it turns out to have been insufficient to cover service costs. Similarly, the charge cannot be reduced retrospectively if service costs turn out to have been lower than the total service charge. Ongoing efficiency savings can still be passed on to the tenants by applying a lower or negative inflation rate.

3.5.4 Fixed service charges are relatively cheap to administer and implement, are easily explained to all stakeholders involved and generate fewer ongoing enquiries than variable service charges. Additionally, as fixed service charges do not result in any additional bills they make it easier for tenants to budget.

### 3.6 **Variable service charge**

3.6.1 A variable service charge ensures that all costs incurred by the landlord are recovered; costs are estimated at the beginning of the financial year and the tenant billed on this basis.

3.6.2 If the actual charge for the year is higher than the estimate an additional invoice is raised; if it is lower a credit is given,. However the guidance noted in paragraph 3.5.2 restricting increases would still apply.

3.6.3 Variable service charges are more expensive to administer as two sets of invoices are required - estimated and actual, which together with the associated queries results in increased non recoverable administrative costs. They also make it harder for tenants to budget as they may receive an additional bill. Variable service charges only slightly increase accountability.

#### **4. PROPOSAL**

4.1 Officers propose that fixed service charges are implemented from 1 April 2012. This has the advantage of giving tenants a high level of transparency regarding the service they can expect whilst minimising the administrative burden and resultant costs that would be generated by moving directly to a variable service charge. The adoption of fixed service charges rather than variable will also ensure the tenants will not receive any unexpected bills, making it easier for them to budget. It utilises our ability to calculate charges at this level whilst recognising that further work needs to be done to improve our ability to efficiently invoice and easily answer queries. It also enables us to pass on efficiencies made on service costs to the tenants on an annual basis.

4.2 Officers propose to apportion costs at a block level for the following items:

- caretaking
- CCTV
- communal lighting
- concierge
- door entry
- estate cleaning
- grounds maintenance
- heating<sup>1</sup>
- TV aerials
- lift maintenance
- window cleaning
- fire alarms

4.3 Three examples of indicative weekly service charges for example properties calculated on this basis are given below:

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<sup>1</sup> Charges for communal heating are already currently made to some tenants

	<b>Poynter House</b>	<b>Pelham House</b>	<b>Netherwood Road</b>
Assumed size <sup>2</sup>	2 Beds	2 Beds	2 Beds
Type of accommodation	High Rise (22 floors) flat	Medium Rise (5 floors)	Street property (3 floors)
Service charge per week <sup>3</sup>	£20.09	£12.98	£4.88

4.4 Appendix 1 sets out the range of service charges at 2009/10 rates across the London Councils by type of service. The actual total service charge varies widely depending on the types of services Councils have chosen to include. Kensington & Chelsea's average service charge for 2011/12 is £9.69 per property per week and Wandsworth's is £9 per property per week.

4.6 We will do further work to reduce the administrative cost of variable service charges and review if a move to variable service charges would be appropriate in three years time.

## **5. IMPLEMENTATION**

5.1 Service charges will be depooled from 1 April 2012 in accordance with the guidance issued by the relevant government departments between 2001 and 2003:

- The total amount payable per week by the tenants for 2012/13 will be calculated using the formula under the rent restructuring regime (X), i.e the rent they would have paid without service charge unpooling.
- Service charges will be calculated based on the cost of services supplied to each block (Y)
- The service charge (Y) will then be deducted from the total amount payable (X) to give the new rent for the property (Z)
- In 2013/14 the new rent (Z) will increase in line with the rent restructuring formula and the service charge will be increased to allow for predicted inflation at a rate reflecting the services provided to be agreed as part of the 2013/14 budget setting process.

5.2 The existing tenancy agreement does allow for a service charge. As the services charge shall simply itemise those charges for services and

<sup>2</sup> Note the service charge will vary depending on the size of the property, an £8 per week average service charge has been used for modelling as over half of the Council's flats are in blocks of 3 storeys or less.

<sup>3</sup> Service charge excludes any existing heating charge and water rates which would continue in addition to the service charge and rent

facilities provided by the authority, there is no statutory requirement for formal consultation. It is therefore proposed to run an intensive communications exercise in parallel with implementation

- 5.3 The timetable for communication and implementation is set out in Appendix 2. The results of this will be fed into the service charges implemented in consultation with the Cabinet Member for Housing and this will be reported to Cabinet as part of the budget report in February 2012. This will include full financial details of the extent and value of the charges
- 5.4 Only those services to which Housing Benefit will contribute in addition to rent will be levied The Housing benefits department will review all our proposed charges and confirm their eligibility before implementation
- 5.5 In order to ensure this project is adequately resourced we propose to employ temporary resource for 6 months at an estimated cost of £50k to identify and calculate the initial service charges.

## **6. FINANCIAL BENEFIT**

- 6.1 An average service charge of £8 per week has been used for the modelling as over half of the Council's flats are in blocks of 3 storeys or less. It should however be noted that as per the example above if we choose to charge for all elements some properties will have considerably higher charges.
- 6.2 The potential impact on the Housing Revenue Account, assuming an average £8 per week service charge per flat service for all tenanted flats, assuming RPI at 4.6%, is additional net income of:

2012/13	£Nil
2013/14	£116k
2014/15	£436k
2015/16	£748k

- 6.2 Tenants receive no increase in their charge in 2012/13, hence there is no additional income in the HRA in that year. In future years tenants slowly move to paying formula rent plus service charge as rent restructuring occurs. Not all tenants reach formula rent at the same time, hence the benefit to the HRA occurs over a number of years.

## **7. RISK MANAGEMENT**

- 7.1. Although this proposal is not included in the risk registers, income recovery from tenants is. This proposal will in the longer term mean that the total charge to tenants increases to a higher rate than it would without the implementation of service charges, i.e. it will ultimately be formula rent plus service charge instead of just formula rent.
- 9.2 This may increase the likelihood of low income recovery. This will be minimised by continuing the measures we currently have in place to mitigate this risk, including using our in house Welfare Benefits Advisor who provides advice to tenants struggling to pay their rent. The Welfare Benefits Advisor provides a joined up service acting as a bridge to other departments to enable tenants to claim their benefit entitlements.
- 9.3 Additionally, the adoption of fixed service charges rather than variable will ensure the tenants will not receive any unexpected bills, making it easier for them to budget.

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

- 8.1. Tenants receive no increase in their charge in 2012/13 as the rent element of the charge is adjusted down to ensure the overall total payment made by each tenant remains the same in 2012/13 as it would have been without implementing service charges. Therefore there is no additional income in the HRA in that year. Ultimately under rent restructuring, instead of paying formula rent tenants move to paying formula rent plus service charge. This results in a net benefit to the HRA which increases over a number of years as not all tenants move to formula rent at the same time.
- 6.2 The potential additional net income in the Housing Revenue Account assuming an average £8 per flat service charge for all tenanted flats on estates, assuming RPI at 4.6%, is:

2012/13	£Nil
2013/14	£116k
2014/15	£436k
2015/16	£748k
2016/17	£1,052k

- 6.3 The ongoing financial benefit is significant and will help the Council maintain a viable HRA.

- 6.4 Under self financing, the modelling used to calculate the debt settlement received by the Council assumes that rental income only covers costs relating to the occupation of the dwelling such as the maintenance of the building and general housing management services. It makes no allowance for service costs; supporting these from rental income would make it difficult to support the level of debt being allocated to the Council.

## **9. EQUALITY IMPLICATIONS**

- 9.1 The implementation of tenant service charges will impact on all Council tenants. It will in the longer term mean that the total charge to tenants increases to a higher rate than it would without the implementation of service charges, i.e. it will ultimately be formula rent plus service charge instead of just formula rent.
- 9.2 This may impact disproportionately on groups who have a lower income level, especially those who may be disproportionately represented in Council stock. This disadvantage will be minimised by using our in house Welfare Benefits Advisor who provides advice to tenants struggling to pay their rent. The Welfare Benefits Advisor provides a joined up service acting as a bridge to other departments to enable tenants to claim their benefit entitlements. Implementing fixed service charges rather than variable will also help tenants to budget as they will know what they need to pay and will not receive any unexpected bills.
- 9.3 Additionally, separate service charges will mean that the charge paid by a tenant is more closely matched to the service received, similar to that already provided for lessees. It increases transparency as tenants know what services they should receive. It also gives some scope for tenants to be able to choose to pay for enhanced services.
- 9.4 The additional income generated within the Housing Revenue Account also ultimately enables more investment in Housing and Regeneration which will benefit tenants.
- 9.5 Residents in sheltered housing already receive an enhanced housing management charge covering the extract costs of scheme managers etc and so will not be adversely impacted in this respect.
- 9.6 Implementing service charges also ensures that the charges for properties are more comparable with those made by Registered Providers (Housing Associations), encouraging equity in the charges paid by different groups of tenants.

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

- 10.1 The principal statutory provision governing the fixing of rent for Council property is contained in Section 24 of the Housing Act 1985.
- 10.2 Sub-section (1) provides that authorities may “...make such reasonable charges.... as they may determine”. However, this section has to be considered in the light of Section 76 of the Local Government and Housing Act 1989 which imposed a duty on local housing authorities to prevent a debit balance arising in their Housing Revenue Account (“HRA”) and which also imposes “ring-fencing” arrangements in respect of such account. It is now no longer possible for a local housing authority to subsidise rents from its General Fund.
- 10.3 However, the Council still has discretion to determine its rents within the Government's standard methodology and in doing so it should consider all relevant matters and exclude irrelevant ones.
- 10.4 Relevant considerations include:
- the cost to the Council of providing accommodation and the cost of its management;
  - the effect of inflation;
  - any subsidy the Council will receive; and
  - the extent and numbers of tenants qualifying for Housing Benefit.
- 10.5 Having taken all the relevant considerations into account, the Council must ensure that the relevant income generated will be sufficient, when taken together with other income and items which may be credited to the HRA, to meet the expenditure for the year in respect of the repair, maintenance, supervision, management and other items which may be debited to that account.
- 10.6 Further to the aforementioned, the Council may depool a separate service charge to identify those services which it provides to its tenants further to guidance provided by, at the time, the Department for Environment, Transport and the Regions, “Quality and Choice: A Decent Home for All – The Housing Green Paper”
- 10.7 Clause 2.1 of the Council's current tenancy agreement, in use since 6 December 2004, states the tenant :

*“To pay the weekly rent and other charges as heating, water rates and so forth the by way of additional rent ...”*

10.8 In addition, Clause 1.3 deals with variations in rent:

*“The council shall give the tenant four weeks notice in writing of any change in weekly rent. Other charges may be increased from time to time.”*

10.9 It is therefore the Council’s view that unpooling those services provided to its secure tenants in the manner set out in this report is consistent with its current tenancy conditions. This is believed to be a reasonable position to take.

10.10 Section 105 of the Housing Act 1985 deals with Consultation on matters of housing management. Subsection 2 defines matters of housing management

*For the purposes of this section, a matter is one of housing management if, in the opinion of the landlord authority it relates to*

*(a) the management, maintenance, improvement or demolition of the dwelling-house let by the authority under secure tenancies, or*

*(b) the provision of services or amenities in connection with such dwellings- houses;*

*but not so far as it relates to the rent payable under a secure tenancy or to charges for services or facilities provided by the authority.*

10.11 The Council has expressed in this report that it takes the view that the unpooling of services into an itemised service charge for secure tenants does not fall within any of the defined scenario where the Council would have a statutory obligation to consult on the proposed change.

10.12 Other than the issues raised above, there are no further legal implications beyond those raised in the body of the report.

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

No.	1.1.1 Description of 1.1.2 Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Social rent reforms in the Local Authority Sector	Kathleen Corbett x3031	Housing and Regeneration
2.			
<b>CONTACT OFFICER:</b>		<b>NAME:</b> <b>EXT.</b>	



Appendix 1

**Service charges made for type of services by other London Boroughs compared to our three indicative examples**

	Lowest charge per London Councils 2009/10 Rent Survey	Highest charge per London Councils 2009/10 Rent Survey	<b>Poynter House: 2 bed</b>	<b>Pelham House: 2 bed</b>	<b>Netherwood Road: 2 bed</b>
Caretaking	£0.92	£7.45	£4.91	£5.66	£4.44
CCTV	£0.83	£4.2	£0.21		
Communal Lighting	£0.4	£3.63	£1.96	£0.53	
Concierge	£0.47	£22.69	£9.51		
Door Entry Systems	£0.2	£6.65	£1.42	£0.32	£0.36
Estate Cleaning	£0.66	£7.88			
Grounds Maintenance	£0.3	£3.62	£0.47	£2.05	£0.08
TV Aerials	£0.2	£0.87		£0.24	
Lift Maintenance	£0.39	£0.39	£1.61	£4.18	
Window Cleaning	£0.09	£0.14			

Note examples exclude any existing heating charges, these would remain in force.

Note that in some cases Councils are likely not to be fully recovering their costs, it appears as if only one London Council is charging for lifts

## Appendix 2

### **Example of explanatory letter to tenants:**

Dear

#### **Important information about the way your rent is charged.**

I am writing to let you know that we are proposing to change the way your rent will be charged from April 2012.

All local authorities are encouraged to separate the rent charged from the charges for services such as gardening or cleaning. We want tenants, just like leaseholders, to know what services they receive and how much the service costs.

Most local authorities have already introduced service charges for tenants.

Among the 33 London Councils, only two including Hammersmith and Fulham have not done so, although some tenants already pay a service charge for heating and hot water.

We are proposing that from April 2012, the costs for the following services will be separated out from the rent and shown as a separate service charge.

- caretaking
- CCTV
- communal lighting
- concierge
- door entry
- estate cleaning
- grounds maintenance
- heating
- TV aerials
- lift maintenance
- window cleaning
- fire alarms

Please note that you will only be charged for the services you receive where you live. If you do not have a caretaking service you will not pay for that service. Your rent will still be calculated in the same way but the service charge will be calculated separately based on the costs of the service you receive.

To help you get used to these changes, there will be no extra charge for services in April 2012, even though the charges will be shown as a separate item on your rent letter.

We will deduct the service charge from your rent once the rent for 2012/12 has been calculated. There may be a total increase, because your rent has to be calculated every year, based on the government formula.

The enclosed leaflet explains the rent restructuring formula and how rents are calculated. If you are currently eligible for housing benefit for your rent, you will be entitled to housing benefit for your service charge as well.

In future, we hope you will find this new way of separating out service charges helpful. From April 2012, like leaseholders you will know exactly your share of the costs of services to run your building or estate.

If anything is not clear or you would like further information on the proposed separating of rents and service charges, please do not hesitate to use the telephone freephone which has been set up on 0800 xxx xxx that will be operational from Monday xxxxx to Friday xxxxx

Our intention is always to provide the best service we can.

Appendix 3  
Indicative Project Plan

Action	Date
1. Internal Stakeholder workshop	Early September 2012
2. Prepare i world for tenants service charges	September 2012 to December 2012
3. Calculate tenants service charges	September 2012 to December 2012
4. HRA budget report to Cabinet including tenant service charges	30 <sup>th</sup> Jan 2012
5. Rent increase letters sent including service charges	Late Feb 2012
6. Tenant communication re service charge implementation starts	September 2012
7. Information to HAFFTRA Executive and Workers	September 2012
8. Presentation to Equality Champions Group	October 2012
9. Information leaflet / FAQ's etc.	September 2012, update FAQ's monthly on internet and as leaflet at area offices
10. Letter to all T&RA's	September 2012
11. Establish a telephone Enquiry Line	12 <sup>th</sup> September 2012
12. Presentation at Area Forums and Borough Forum	September 2012 – December 2012
13. Press release / Magazine	September 2012
14. Focus groups / community information workshops	September 2012 – December 2012



London Borough of Hammersmith & Fulham

# Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER FOR HOUSING**

*Councillor Andrew Johnson*

**PROJECT: 1-67 JEPSON HOUSE, 2-38 & 40-54 PEARSCROFT ROAD, LONDON SW6.**

**Ward: Sands End**

**WORKS: INTERNAL AND EXTERNAL REFURBISHMENT INCLUDING WORKS TO SATISFY FIRE RISK ASSESSMENT REQUIREMENTS.**

Seeking approval to let a contract under the Decent Homes Partnering Framework Agreement Area 6 with Breyer Group PLC. The works include fire safety upgrades; refurbishment of communal areas and upgrade of landlords electrics; renewal and repairs to flat roofs; renewal of windows; upgrading of IRS systems and lightning protection; renewal of kitchens and bathrooms to tenanted flats; replacement of water and drainage systems; air circulation and extract systems, and works to service risers.

A separate report on the exempt part of the agenda provides confidential information regarding the financial aspects, tendering process and leaseholder service charging for this contract.

**CONTRIBUTORS:**

ENV(BPM)  
H&R  
DFCS  
FCSL  
ADLDS

**Recommendations:**

1. That approval be given to the letting of a contract under the Decent Homes Partnering Framework Agreement Area 6 with Breyer Group PLC.
2. To note that the contract is expected to start on 10 October 2011 for a period of 52 weeks.

**HAS A PEIA BEEN COMPLETED?  
YES**

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

## **1. BACKGROUND**

- 1.1 This report seeks approval for the letting of a contract under the Decent Homes Partnering Framework Agreement Area 6 with Breyer Group PLC. It is proposed that the contract will commence in October 2011.
- 1.2 The proposed works form part of the 2010 - 2014 Housing Capital Programmes, for which the Cabinet Member for Housing has responsibility.
- 1.3 These works need to be undertaken in order to ensure that the buildings meet the Decent Homes Standard and are maintained in a reasonable state of repair. During the scheme's development, various options were considered for the redevelopment of the site; however ultimately these were not deemed to be viable for the Council or in the best interests of residents. The preferred option is to proceed with the refurbishment of the existing stock.
- 1.4 The Fire Risk Assessment for Jepson House has highlighted various requirements that must be satisfied to ensure the safe ongoing habitation of the building. These works have been recommended by both LBHF Fire Officer and specialist consultants surveys.
- 1.5 The kitchens and bathrooms to tenanted dwellings in Jepson House and 40-54 Pearscroft Road require upgrading to meet Decent Homes guidance recommendations, and will be renewed. Kitchens and bathrooms at 2-38 Pearscroft Road were renewed during 2009.
- 1.6 The existing windows are the original first-generation double glazed units, which offer poor performance and are becoming increasingly difficult to maintain. It is proposed to install new double-glazed windows, which conform to current Building Regulations and will give increased thermal insulation and security together with improved sound insulation. The new windows will be much more efficient in the conservation of energy. The roof coverings have been identified as being beyond economical repair and are therefore in need of renewal. Furthermore, the air extract system from the dwellings has been surveyed and has been identified as being beyond economical repair. Additionally there are no safe means of access through the two service risers that run the full-height of the building, for ongoing maintenance purposes. Both risers have also been identified as being contaminated with asbestos.

## **2. BRIEF DETAILS OF THE WORKS**

- 2.1 The works comprise the following:-

1-67 Jepson House – seventeen storey tower block of purpose-built flats;

- Works in order to comply with the requirements of the Fire Risk Assessment, including; renewal of front entrance doors with fire-rated doors; compartmentation of communal areas and service risers; removal or encapsulation of asbestos; installation of hard-wired fire alarm and detection system;
- Replacement of the existing first-generation double-glazed windows with noise-attenuating double-glazed windows;

- external fabric repairs and roof renewal including upgrade of insulation, external redecorations;
- kitchen and bathroom renewals, including disability adaptations where necessary;
- the installation of new boilers to both tenanted and leaseholder properties;
- the installation of an upgraded Integrated Television Reception System;
- the installation of humidity-controlled extract fans to replace the existing communal extract system;
- domestic and landlords electrical upgrades;
- upgrades of cold water storage and water supplies to dwellings.

2-38 Pearscroft Road – two storey houses arranged in three short terraces:

- replacement of the existing windows and associated panels with noise-attenuating double-glazed windows, and fully insulated non-structural panels;
- external fabric repairs and external redecorations and roof renewal including upgrade of insulation;
- replacement of front entrance doors to tenanted dwellings;
- asbestos removal or encapsulation.

40-54 Pearscroft Road – two-storey block of purpose-built flats:

- replacement of the existing first-generation double-glazed windows with noise-attenuating double-glazed windows;
- external fabric repairs and redecorations and roof renewal including upgrade of insulation;
- installation of an Integrated Television Reception System (IRS);
- kitchen and bathroom renewals including new electrical storage heaters and water heaters and humidity-controlled extract fans; and including disability adaptations where necessary;
- replacement of front entrance doors to tenanted dwellings;
- asbestos removal or encapsulation;
- domestic and landlords electrical upgrades;
- upgrades of cold water storage and water supplies to dwellings.

- 2.2 No works are to be carried out to Nos 6, 8, 10, 18, 20, 34 and 36 Pearscroft Road, where the freehold interests have been sold, with the exception of the renewal of the roof coverings over these properties. The roof covering over the entire block of townhouses at 2-38 Pearscroft Road is seamless, and in order to properly renew the coverings and obtain the available warranties it is necessary to renew the coverings for the entire block.

### **3. TENDER DETAILS AND BASIS FOR APPOINTMENT OF SPECIFIC FRAMEWORK CONTRACTOR**

- 3.1 H & F Homes Decent Homes Committee held on 24 May 2005 approved the appointment of five contractors to seven area-based Partnering Framework Agreements to undertake Decent Homes projects.

- 3.2 The appointed contractors to each Framework Area are as follows:-

Framework Area 1 (Hammersmith North)	The Breyer Group PLC
Framework Area 2 (Shepherds Bush Green)	Connaught Partnerships Ltd *
Framework Area 3 (Hammersmith Central)	Lovell Partnerships Ltd
Framework Area 4 (Fulham North)	Lovell Partnerships Ltd
Framework Area 5 (Fulham Central)	Balfour Beatty
Framework Area 6 (Sands End)	The Breyer Group PLC
Framework Area 7 (Borough-wide Sheltered Housing)	Diamond Build PLC

- 3.3 The Partnering Framework Agreements are legal arrangements under which individual contracts are let for each project within the Decent Homes programme. The arrangements allow projects to be processed quickly without recourse to separate tenders but at the same time maintaining value for money as the completed works are paid for at competitively tendered rates. All rates upon which the contract sum for this contract are based have been established from either rates contained in the contractor's original tender or by means of subsequent competitive quotations obtained in accordance with agreed procedures and consequently officers consider that best value has been achieved.

Under the Agreements, there is no obligation on the Council to provide minimum workloads to the appointed contractors, and future contracts are let depending upon satisfactory performance, which are monitored by means of Key Performance Indicators established by the partnering Strategic Core Group.

- 3.4 The proposed works are within Framework Area 6 and consequently it is recommended that this contract be let to Breyer Group PLC.

### **4. COMMENTS OF THE DIRECTOR OF HOUSING AND REGENERATION**

- 4.1 Consultation meetings provide an opportunity for officers to explain the works, as well as the proposed location of the contractor's welfare and storage facilities and for residents to ask questions about the project.



4.2 Further consultation to take place will include the issuing of statutory leaseholder notices (Section 20) towards the end of July 2011, which will expire in late August 2011. During that time a residents' meeting will take place for both leaseholders to raise issues concerning the works and for all residents to have the opportunity to meet the contractor and ask questions about the works and the programme. During the progress of the contract on site there will be regular resident drop-in surgeries with the contractors to discuss any issues that may arise from the works.

## **5.0 STATUTORY LEASEHOLDER CONSULTATION - SECTION 20 OF THE LANDLORD AND TENANT ACT 1985 (AS AMENDED BY SECTION 151 OF THE COMMONHOLD AND LEASEHOLD REFORM ACT 2002)**

5.1 The works have been priced in accordance with the procedures under the Decent Homes Framework Agreement, which eliminates the requirement to issue a Notice of Intent.

5.2 The contract will not be issued until expiry of Section 20 Notices.

5.3 Officers understand that the Council does not have any legal right to recover from the freehold owners any proportion of the cost to renew the roof coverings at 2-38 Pearscroft Road, from which they will benefit. Officers will pursue this further, although ultimately if no costs are recovered, the benefit gained by undertaking the works are considered to outweigh the un-recovered costs.

## **6. PROGRAMME OF WORK**

6.1 The anticipated programme of work is as follows:

	Date:	Year:
Issue Section 20 Notices:	23 <sup>rd</sup> July	2011
Section 20 Notices Expire:	24 <sup>th</sup> August	2011
Approval (Cabinet):	5 <sup>th</sup> September	2011
Issue Letter of Acceptance:	11 <sup>th</sup> September	2011
Proposed Start on Site:	10 <sup>th</sup> October	2011
Anticipated Completion:	10 <sup>th</sup> October	2012

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

7.1 The comments of the Director of Finance and Corporate Services are contained within the separate report on the exempt part of the agenda.

**8. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY.**

- 8.1 There are no procurement related issues, as the proposed works relate to a call off from an existing framework agreement which was let to undertake the Decent Homes programme of the Council's housing stock (see legal comments below).

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

- 9.1 The Decent Homes Framework has a duration of 5 years. The OJEU notice provided for the possibility of extension up to a maximum of 6 years although this was not specifically included with the contract documentation.
- 9.2 Although the original award of the contract was made in September 2005 there was a significant delay in the execution of the Framework Agreement - which was not executed until 21 September 2006. No work on site was carried out until after execution of the Framework Agreement although it is believed that some off-site pre-construction work (e.g. design) was carried out by the contractors between award and execution.
- 9.3 The Framework Agreement does not specify a commencement date, and the commencement date would therefore be deemed to be the date on which work actually commenced under the Framework.
- 9.4 Given the ambiguity over dates it is not possible to give definitive dates for the commencement or expiry of the Framework. There is therefore a risk of challenge under EU procurement rules if the Council were to call off from the Framework when it has actually expired.
- 9.5 It is noted from the client department that the Council and those in the industry (including those not on the framework) have been working on the basis that the Decent Homes Framework expires in September 2011.
- 9.6 This Framework was originally entered into by H&F Homes. Before calling-off any contracts under this Framework, the Council should ensure that the contractor has duly executed the novation agreement to novate the Framework across to the Council.

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Tender preparation details, Bills of Quantities/Specification ( <i>delete as appropriate</i> ), correspondence, project file, Quality Assurance Plan	Liam Thorpe, Robbie Bilton, Senior Consultants	John Rowan & Partners CP House, 97-107 Uxbridge Road, London, W5 5TL
2.	Tender returns, tender evaluation details	Liam Thorpe, Robbie Bilton	John Rowan & Partners
3.	Project development	Jodie Reddick Ext. 3830	HRD, 3 <sup>rd</sup> floor Hammersmith Town Hall Extension, Hammersmith W6 9JU

FOR BTS USE ONLY:

Word/Business Support/Admin/Committee Reports/Original/Key Decisions

PROCON NUMBER: \_\_\_\_\_

MDF : REP10/rev01/14.10.2010

<b>CONTACT OFFICER:</b>	<b>NAME: Sally Williams</b> <b>EXT: 4865</b>
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## Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER  
FOR HOUSING**

*Councillor Andrew  
Johnson*

**INTRODUCTION OF INTERIM GUIDANCE TO  
SOCIAL LANDLORDS ON THE AFFORDABLE  
RENT TENURE IN LB HAMMERSMITH &  
FULHAM**      **Wards  
All**

This report details the options available to the Council in introducing guidance to social landlords in the borough on rent setting for the new affordable rent tenure on both new build and conversions.

**CONTRIBUTORS**

DFCS  
ADLDS

**HAS A EIA BEEN  
COMPLETED?  
YES**

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

**Recommendations:**

- 1. That Cabinet notes the contents of this report and approves the guidance to be provided to registered providers in the borough in determining their rent setting regime for the new affordable rent tenure for both new build and up to 50% of existing social rented dwellings converting to affordable rent as follows:**  
  
1 bed rent of no more than £ 250 pw  
2 bed rent of no more than £ 290 pw  
3 bed rent of no more than £ 340 pw  
4 bed rent of no more than £ 400 pw  
  
(rents to include service charges)
- 2. That the Director of Housing and Regeneration, in consultation with the Cabinet Member of Housing, reviews this guidance on an annual basis.**
- 3. Where Registered Providers have nomination rights they should promote working households who can afford affordable rent. Registered Providers should have regard to existing levels of benefit dependency in an area and seek to achieve mixed and balanced communities.**

## 1. BACKGROUND

- 1.2 In the past 6 months there have been several Central Government announcements changing the way housing will be delivered and managed in the future together with new affordable funding guidelines from the Homes and Communities Agency on how affordable housing will be funded from 2011 – 2015.
- 1.3 Some of these proposals are currently out for consultation and others are adopted policy. Most significant areas of policy change are contained within the following papers:
- Local Decisions : A Fairer Future for Social Housing – November 2010
  - Localism Bill - December 2010
  - Homes and Communities Agency – 2011 -2015 Affordable Homes Programme – February 2011
  - DCLG Planning Policy Statement 3 : Planning for Housing Technical Change to Annex B ( includes affordable rent in the definition of affordable housing for planning purposes) – February 2011
- 1.4 Over the coming year the way the Council interprets these policy changes will need to be reflected in the following key policy documents:
- The revised Housing Strategy which will set out the Council's key housing issues and priorities
  - The proposed Tenancy Strategy Plan under the Localism Bill which provides our guidance to Registered Providers
  - The Allocations Plan which rations the scarce social housing supply available for letting
  - Local Lettings Plans which provide flexibility to tailor our overarching policies to suit local situations
- 1.5 Two of the most significant proposals are:
- The introduction of a new affordable housing product, affordable rent, which will allow landlords of new properties for rent and some social rent relets, to charge rents of up to 80% of open market rents less service charges. This new tenure has been available to Registered Providers since 1st April 2011. Currently registered providers and Councils let properties on assured or secure tenancies at target rents which are approximately between 20% and 33% of open market rents.

- Social landlords will be permitted, once the Localism Bill becomes law, to offer a minimum of two year fixed term tenancies.
- 1.6 As part of these proposals the Council has to issue guidance to Registered Providers (formerly known as Registered Social Landlords) in the borough on the level of rent they should charge tenants in both new build accommodation and re-lets
- 1.7 The Council is supportive of the new proposed rent and tenure regime given the flexibility it provides in the allocation and management of social housing, together with the additional funding created by the new rent regime to support affordable housing development at a time of restricted public funding. The new proposals offer the Council an opportunity to further diversify the tenure mix and income range of those allocated social rented housing, providing a new form of intermediate housing for low to middle income earners. The Council will expect Registered Providers, where they have nomination rights, to promote the new tenure to working households who can afford affordable rent. Registered Providers will need have regard to existing levels of benefit dependency in an area and seek to achieve mixed and balanced communities.
- 1.8 However there are implications for the Council in moving to an 80% of Open Market Value (OMV) rent regime at this time. If the maximum rent increase permissible under the new proposals is applied some larger family sized accommodation would be unaffordable to both non working and working households. There is a risk this would increase the number of households presenting to the Council as homeless, potentially increasing demand for temporary accommodation (including Bed & Breakfast), with a resultant cost impact. There would also be a risk of more larger sized households being housed outside the borough where rents are more affordable. Therefore there is a need to limit the rent increase on dwellings of this size.
- 1.9 It should be noted that the new tenure and rent regime for Registered Providers (RPs) has been available from 1st April 2011 as it is being enacted through regulation from their regulator the Tenants Services Authority; it will not be available to Local Authorities until primary legislation is brought forward.

## **2. THE NEW RENT REGIME FOR AFFORDABLE RENTS**

- 2.1 From 1<sup>st</sup> April 2011 RPs are permitted to charge up to 80% of Open Market Rents on all new build rented accommodation funded from April 2011 by the Housing and Communities Agency (HCA) and also on relets as they occur. The HCA have indicated to RPs that they expect 50% of relets to be converted to the 80% of open market rents

threshold to subsidise development. The calculation of the market rent will be based on a residential lettings estimate for a property of the appropriate size, condition and area.

The new rent regime will only be available to RPs who have entered into a contractual arrangement with the HCA to deliver affordable homes, which are expected to be in place by September 2011. It is anticipated most of the major Registered Providers will be in a contractual relationships with the HCA by September. The affordable rent tenure will reform the financing of new affordable housing by reducing capital subsidy and moving to greater reliance on revenue funding for new provision.

- 2.2 The HCA Affordable Homes Programme states that in limited or exceptional circumstances, less than 80% of OMV may be appropriate when rents are close to or exceed Local Housing Allowance caps or for regeneration schemes where prior commitments have been made and for some specialist housing.
- 2.3 RPs not prepared to adopt the new affordable rent regime on new lets and re-provision will not be able to enter into contractual agreements with the HCA to secure grants and will therefore either become non grant funded developers or non developing associations.
- 2.4 Of concern to local authorities is that there are no mechanisms to ring fence the surplus derived from substantial rent increases in high value areas such as LBH&F, and therefore there is likely to be leakage that will subsidise development in other areas.
- 2.5 Registered Providers have bid for 83 new affordable dwellings on specific sites in the borough for the 2011 – 2015 HCA affordable housing programme. Of these, 42 are for affordable rent and 41 for intermediate sale. All of the 42 affordable rent properties are either 1 or 2 bed properties.
- 2.6 The Government's proposed revision to notional planning guidance (PPS3) clarifies that Affordable Rent is considered to fall within the definition of affordable housing for planning purposes. The Council's draft Local Development Framework Core Strategy proposes that 40% of new housing is affordable, being provided as intermediate housing and/or affordable rent.

### **3. WELFARE REFORM**

- 3.1 From April 2011 proposed housing benefit caps are as follows :
  - £ 250 for a 1 bed property
  - £ 290 for a 2 bed property
  - £ 340 for a 3 bed property

- £ 400 for a 4 bed property

- 3.2 The Government is also proposing that from 2013 the Universal Credit will bring together all the working and housing benefits for working age people into a single benefit stream. There will be a maximum entitlement to benefit of £ 500 pw for a couple/lone parent and £ 350 pw for a single person household.
- 3.3 London Councils have undertaken work that indicates, for different sized households, the amount available for housing rent after all other allowable benefits have been deducted from the indicative universal credit caps :

Household Type	Bedroom Requirement	Amount Left from Universal Credit for rent support
Single person over 25	1 bed	£ 282 pw
Single parent with child	2 bed	£ 352 pw
Couple with Child	2 bed	£ 314 pw
Single parent with 2 children	2/3 bed	£ 290 pw
Couple with 2 children	2/ 3 bed	£ 252 pw
Single parent with 3 children	3/4 bed	£ 228 pw
Couple with 3 children	3/4bed	£ 190 pw
Single parent with 4 children	4 bed	£ 166 pw
Couple with 4 children	4 bed	£ 127 pw

It can be concluded from the above analysis that 1 and 2 bed accommodation remains affordable under the new regime but 3 bed accommodation and above becomes increasingly unaffordable.

#### **4. OPTIONS FOR THE SETTING OF AFFORDABLE RENTS**

4.1 There are four main options:

- 1) Setting all rents at 80% of Open Market Value
- 2) Capping rents at Housing Benefit Levels
- 3) 80 % of OMV or a cap of no more than £ 250 pw rent across all bedsizes, whichever is lower
- 4) A Rent setting policy that addresses all levels of affordability

4.2 Full details of the options together with the issues are set out in Appendix 1 of this report.



## **5. PREFERRED OPTION**

- 5.1 It is officers' view that affordable rent offers a viable tenure that can not only meet housing need but also offer a tenure of opportunity to low and middle income earners in the borough. In many ways it can be seen in part as a transitional tenure between social rented and home ownership as opposed to social rented which has over the years become a marginalised and residualised tenure.
- 5.2 The Council needs to both ensure there is a continued supply of affordable rented accommodation to meet demand and ensure sufficient resources are raised to deliver new homes in the borough.
- 5.3 To achieve this, it is recommended that the guidance given to Registered Providers is that the Council would accept 50% of their relets converting to affordable rents but only on the basis of the rent levels (including service charges) being set at a level within Housing Benefit caps as at April 2011 ( see Option 2 in Appendix 1). This would equate to approximately 90 relets pa converting from social rented housing to affordable rents per annum based on 2009/10 allocations. This will allow RPs to significantly increase their rental income, but at the same time offering protection to the Council's ability to nominate welfare dependent households to which the Council has a statutory duty to rehouse.
- 5.4 It is further known in discussions between the Council and Registered Providers owning stock in the borough that they are being extremely cautious in adopting the 80% OMV rent position, particularly in relation to 3 and 4 bed properties. The Council are therefore reassured that even though Registered Providers have the flexibility to not operate within the guidance provided by local authorities in relation to rent setting of affordable rent tenures, all are expected to operate rent levels within or below the guidance set out in the recommendations of this report.
- 5.5 Clearly the housing landscape is changing significantly and in particular the outcome of the ongoing considerations regarding the level and composition of universal credit will need to be considered when these are concluded.
- 5.6 This policy position is therefore intended to be an interim position whilst further modelling is undertaken in preparation for the Council's Tenancy Strategy Plan and the impact of the proposed welfare reforms becomes clearer. It is further recommended that the Director of Housing and Regeneration, in discussion with the Cabinet Member for Housing, reviews the affordable rent policy on an annual basis.

## 6. OTHER BOROUGH AND REGISTERED PROVIDERS' POSITION

6.1 Most local authorities are in a similar position to LB H&F, seeking an interim policy position subject to further modelling.

- City of Westminster officers are looking at a percentage 65/70% of Local Housing Allowance caps for one and two bed properties which reflects incomes of households on the intermediate register but no increase for 3 and 4 bed dwellings due to the welfare benefit cap.
- LB Wandsworth officers are looking at setting income caps for different sized properties as follows : 1 bed properties let to those on annual gross incomes of up to £ 27,600, 2 bed up to £ 29,700, 3 beds up to £ 33,000 and 4 beds up to £ 35,000.

6.2 Officers have also contacted local Register providers on how they intend to implement the new affordable rent regime across their stock holdings and this is detailed in Table 5.

**Table 5**

Registered Provider	Position on New Build	Position on Relets
Affinity Sutton	80% of market rents on 1 and 2 bed and 65% of open market rents on 3 and 4 bed	Intend to convert 500 units pa to 80% of open market rent for 1 and 2 bed units. In addition will convert 1000 units pa to target rents + £ 5 pw.
L&Q Group	Will set rents at between 40% and 80% of Local Housing Allowances with an average of 60% of LHAs	Will only convert 1 and 2 bed properties to affordable rent in discussion with each local authority
Network HA	Will set rents at either 80% of market rents or the LHA whichever is the lower for 1 and 2 bed units and target rents for 3 bed and larger	44% of all relets will be converted to affordable rent
Notting Hill HG	Rents will be capped at £ 240 pw for a 1 bed, £ 245 pw for a 2 bed and £ 250 pw for a 3 bed	Convert 50% of existing social rent to affordable rents on 1 and 2 bed dwellings leaving 3 and 4 bed properties at target rents

Shepherds Bush HG	Rents will be capped at £ 175 pw for 1 bed and £ 239 pw for 2 bed	Convert 25% of existing social rent stock to affordable rent on 1 and 2 bed units only
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## **7. RISK MANAGEMENT**

7.1 This report is not on the Council's risk register.

## **8. EQUALITY IMPLICATIONS**

8.1 The initial screening assesses the interim guidance as being broadly of neutral relevance to most protected characteristics, albeit this is more complex for Age, Race and Sex, where different aspects of the policy will be more relevant to different groups within these protected characteristics than to others. In some cases, as given above, this will have a positive impact, and in other cases it will be neutral.

8.2 Breaking this down further, for some age and race groups, there could be some slightly positive impacts as the new affordable rent product will give them potentially greater opportunity to access intermediate housing.

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

9.1 Setting rent levels (including service charges) at a level within Housing Benefit caps as at April 2011 would ensure that the Council can nominate welfare dependent households that the Council has a statutory duty to re-house to affordable rent properties under the present Housing Benefit regime.

9.2 However if universal credits are implemented as currently proposed there is a risk that welfare dependant households who have already been nominated into affordable rent properties may receive benefits which are insufficient to cover their rent. These households may then need to be re-housed or subsidised by the Council depending on their circumstances. This would be a cost to the general fund.

9.3 As part of the MTFS an element of growth has been included as a corporate risk to allow for the future likely changes to housing benefit. This will require careful monitoring to ensure it is sufficient to cover any additional costs.

9.4 It is therefore also critical that this policy is reviewed on an annual basis in the light of Housing Benefit changes to ensure that the Council

retains the ability to nominate to affordable rent properties without increasing costs in the general fund.

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

10.1. There are no legal issues arising at the present time from these proposals.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Affordable Rent File	Ian Ruegg/Ext 1722	Housing and Regeneration, 3 <sup>rd</sup> Floor, Hammersmith Town Hall Extension
2	Affordable Rent – Equality Impact analysis Initial Screening	Ian Ruegg/Ext 1722	Housing and Regeneration, 3 <sup>rd</sup> Floor, Hammersmith Town Hall Extension
<b>CONTACT OFFICER: Ian Ruegg</b>		<b>NAME: Ian Ruegg EXT. 1722</b>	

## Appendix 1

### Options for Rent Setting

#### 1) Setting all rents at 80% of Open Market Value

This is summarised in the following table:

Bedsizes	Current Average Social Rents	Rent to be Charged 80% of Average OMV rents	Housing Benefit Caps	Income pa required to afford 80% OMV rents*
1 bed	£ 83	£ 200	£ 250	£ 37,142
2 bed	£ 92	£ 264	£ 290	£ 49,028
3 bed	£ 105	£ 340	£ 340	£ 63,142
4 bed	£ 119	£ 520	£ 400	£ 96,571

\* Assumes 40% of net income is spent on housing costs with net income assumed to be 70% of gross annual household income.

For one and two bed size properties 80% of OMV rents are within housing benefit levels, for 3 bed size properties there is parity and for 4 bed size properties 80% of OMV is significantly above housing benefit levels under current regulations.

Working households would need a minimum income of over £ 37,000 for non family sized dwellings or incomes of between £ 49,000 and £ 96,000 for the larger family sized accommodation for these rates to be affordable.

However, this proposal does not deal with the impact of the proposed new housing benefit regime, and larger family sized household would have insufficient resources to pay their rent under this regime and there would be a risk that the Council would have to make discretionary housing benefit payments or that the number of large households presenting as homeless would increase with an associated increase on the demand for temporary accommodation.

## 2) Capping rents at Housing Benefit Levels

This is summarised in the following table:

Bedsize	Current Average Social Rents	Housing Benefit Caps	Rent to be charged	Income pa required to afford 80% OMV rents or capped rent*
1 bed	£ 83	£ 250	<b>£ 250</b>	£ 46,428
2 bed	£ 92	£ 290	<b>£ 290</b>	£ 53,857
3 bed	£ 105	£ 340	<b>£ 340</b>	£ 63,142
4 bed	£ 119	£ 400	<b>£ 400</b>	£ 74,285

\* Assumes 40% of net income is spent on housing costs with net income assumed to be 70% of gross annual household income.

This option would ensure that all rents are within current housing benefit caps.

Affordability for 4 bed properties would be improved, they would be close to the London Mayor's proposed new affordability intermediate income threshold for 3 bed + dwellings of £ 74,000.

When proposals for universal credit are implemented officers will need to consider these rent levels and whether they would still be appropriate under the universal credit regime.

### 3) 80 % of OMV or a cap of no more than £ 250 pw rent across all bedsizes, whichever is lower

This is summarised in the following table:

Bedsize	Current Average Social Rents	80% of OMV Rent	Rent to be Charged	Percentage of OMV rents	Income pa required to afford 80% OMV rents*
1 bed	£ 83	£ 200	£ 200	80%	£ 37,142
2 bed	£ 92	£ 264	£ 250	76%	£ 46,428
3 bed	£ 105	£ 340	£ 250	59%	£ 46,428
4 bed	£ 119	£ 520	£ 250	39%	£ 46,428

For all household types, the rents would be well within housing benefit levels and apart from larger households would also be affordable within universal benefit caps.

For those larger households that could not sustain rents within universal credit thresholds, it would still be possible to provide them housing within the existing housing stock as and when it became available that was not converting from social rents to affordable rents.

One way to enable this and ensure a reasonable supply of larger properties let at a social rent, would be for the Council to say in the guidance that it did not agree to the conversion of 3 and 4 bed properties on relet to affordable rent to protect the supply of affordable social rented larger family sized accommodation, but agree to affordable rents being charged on new build.

In this option the same rent would be charged across 2, 3 and 4 bed properties which potentially could dissuade people from down sizing. It would also deliver a situation where a working household would be paying exactly the same rent for occupying a 2 bed property as a 4 bed property or larger.

#### **4) A Rent setting policy that meets all levels of affordability**

This is:

Bedsize	Current Average Social Rents	Rent to be Charged	Percentage of OMV rents	Income pa required to afford 80% OMV rents*
1 bed	£ 83	£ 200	80%	£ 37,142
2 bed	£ 92	£ 250	76%	£ 46,428
3 bed	£ 105	£ 190	45%	£ 35,285
4 bed	£ 119	£ 127	20%	£ 23,585

If the above rent regime was implemented then all rents should be affordable to all household types whether housing benefit caps or universal credit were applied and they would make the larger sized accommodation considerably more affordable to those in work.

Given one of the purposes of moving to an affordable rent model is to maximise the rental income to support new affordable housing, these rent levels would not achieve this and may be opposed by developing RPs who require the higher rent levels to support their development programme.

In addition, adopting this rent regime would create a position where a household occupying a 4 bed property would be paying less than half the rent of a household occupying a 2 bed property.

## Appendix 2

### LBH&F Housing Profile

- 1.0 LBH&F has a relatively high existing stock of social rented housing, making up 32% of the housing stock in the borough, compared to 24% for Greater London as a whole. Therefore, the Council is in an advantageous position whereby it is anticipated that most of housing need, both current and projected future demand, can be met over the next 10 years from existing supply.

In contrast there is only a small amount ( less than 2%), of intermediate housing ( which may now include the new affordable rent tenure) meaning low to middle incomes who can not afford to purchase market housing due to high values in the borough, have to move away.

- 1.1 The Council's Strategic Housing Market Assessment (2010) estimated that there would be a housing need of 2,358 households requiring housing not including those on band D on Locata. Band D are those on the housing register that are adequately household and have no statutory priority.
- 1.2 Over the last three years (2007/08 –2009/2010, the borough has rehoused an average of 663 households per year (excluding transfers and sheltered housing). In 2009/10 181 social rented relets and 45 social rented new lets were provided by Registered Providers.
- 1.3 Table 1 below shows the ratio between the average number of bedrooms of those properties used in rehousing and the number of bedrooms required by the housing register. The ratio compares the demand for units by bedroom size against the number of units available of that size. For all households in housing need and just those in urgent housing need, the ratio increases with the number of bedrooms required.
- 1.4 For example for every one three bed unit that becomes available there are almost five households requiring that size unit and almost two will be in urgent housing need. For those households in urgent housing need, there are fewer people seeking one bed or bedsit units than stock available.



**Table 1 – Housing need by bedroom size compared to availability of bedrooms**

	<b>Number of bedrooms required/available</b>							
	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	8 bed
No. of Households in need	927	825	385	144	51	23	2	1
No. in urgent housing need	147	70	119	46	10	8	1	0
No. rehoused	318	211	82	14	1	0	0	0
Ratio of demand to supply								
All households to supply	2.91	3.92	4.71	10.29	38.25			
Urgent housing need to supply	0.46	0.33	1.46	3.29	7.50			

- 1.5 Hammersmith and Fulham has a comparatively high average income compared to the rest of London. However there is a large scale of economic polarisation with 21% having incomes of less than £ 20,000 pa and 19% having incomes of more than £ 60,000 pa. The boroughs average income is £ 34,821 pa.
- 1.6 Of those on the housing register it is estimated that 26% have an annual income of more than £ 19,000 pa and 7% have an income of more than £ 30,000 pa.
- 1.7 The Council low cost home ownership team, H&F Home Buy also maintain a register of those living or working in the borough interested in purchasing intermediate housing i.e. shared ownership, shared equity or intermediate rent. The current list stands at 3,548 households with 1521 households earning up to £ 30,000 pa, 1580 households earning between £ 30,000 and £ 50,000 and 447 earning above £ 50,000 pa.
- 1.8 Clearly there are a number of borough residents on either the housing register or H&F homebuy list who could afford to pay higher rents than existing social housing rents who have little opportunity to access any form of affordable housing. This leads to social housing being allocated to those on low incomes maintaining the poor income levels for those in social housing, fails to deliver mixed and balanced households in social housing and means that for those in work wishing to move into intermediate housing, there is little opportunity for them to access housing in the borough.

# Agenda Item 13



London Borough of Hammersmith & Fulham

## Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER  
FOR HOUSING**  
*Councillor Andrew  
Johnson*

**APPOINTMENT OF DEVELOPMENT AGENT  
TO SUPPORT THE DELIVERY OF NEW  
AFFORDABLE HOMES**

**Wards:  
All**

This report provides information on the tendering process undertaken by officers to select a Development Agent to appoint the preferred bidder to provide services to develop new affordable homes on Council owned sites through the Council's Housing Development Company.

A separate report on the exempt part of the Cabinet agenda provides exempt information on the tendering process undertaken by officers to select a Development Agent and seeks approval to appoint the preferred bidder .

### CONTRIBUTORS

HRD  
DFCS  
ADLDS

**HAS AN EIA BEEN  
COMPLETED?  
YES**

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

### Recommendation:

**That the fee cost of a Development Agent to support the delivery of new affordable homes be funded from the Decent Neighbourhoods Fund as capitalised expenditure, and from previously approved Section 106 balances in the case of revenue expenditure.**

## **1. BACKGROUND**

- 1.1. The Council has identified, and is in the process of evaluating a number of Council owned sites in the borough on which it would be possible to provide new affordable housing.
- 1.2. These sites within Council estates, include undercrofts, bin stores, pramsheds, etc that can be converted to new affordable homes. Initial preliminary investigations have identified six potential sites that, subject to detailed investigation and resident consultation, could deliver approximately 14 new affordable homes. The developments would also support improvements to residential amenities within the estates.
- 1.3. In April 2011 the Cabinet approved the establishment of the Council's Housing Development Company, which will be the vehicle through which development of any new affordable homes will be undertaken. In order to undertake detailed assessments of the potential sites, consult with local residents and develop scheme proposals it is necessary to appoint a Development Agent to lead on this work.

## **2. DEVELOPMENT AGENT SERVICES**

- 2.1. The Development Agent services, that the Council proposes to procure, will include in particular the following activities:
  - Preparing the business case
  - Site design
  - Procurement of required professional services
  - Contract management
  - Customer services and handover
  - Communication and stakeholder engagement.

## **3. TENDER PROCESS**

- 3.1. The Council completed an open tender process, conducted through the London Tender Portal, to advertise and select a preferred Development Agent. The process was completed through a single application process. The invitation to tender was advertised on 16 June 2011 and applicants were required to submit a formal response by 7 July 2011.
- 3.2. In order to demonstrate an open and transparent procurement process, the Tender Appraisal Panel adopted and followed the principles set out in the Public Contracts Regulations 2006.
- 3.3. The assessment process comprised two separate stages:
  - Qualification Stage
  - Award Stage (50 per cent quality and 50 per cent price)

- 3.4. Tenderers were required to achieve a minimum level of acceptability at the selection stage to test that they were technically competent to be awarded the contract. Those that met these criteria progressed to the tender evaluation stage. At the evaluation stage the remaining bidders were assessed on a combination of price and quality to identify the most economically advantageous tender to the Council. The Council also reserved the right to hold clarification interviews on 10 August 2011. The qualification and award stage final scores were presented to the Tender Appraisal Panel on 11 August 2011.
- 3.5 All the legal documentation was prepared by external lawyers on behalf of the Council.

#### **4. SELECTION OF PREFERRED BIDDER**

- 4.1. Over 50 enquires were received to the Council's advert and 12 organisations submitted tenders. Further information is in the separate report on the exempt part of the Cabinet agenda.

#### **5. RISK MANAGEMENT**

- 5.1. The report reflects risks currently recorded on the Council's Corporate Risk & Assurance Register and positively contributes to managing risk number 10 Managing the Business Objectives (publics needs and expectations).

#### **6. EQUALITY IMPLICATIONS**

- 6.1 As per the Equality Act 2010, the Council must consider its obligations with regard to the Public Sector Equality Duty (PSED). It must carry out its functions (as defined by the Human Rights Act 1998) with due regard to the duty and its effect on the protected characteristics (below) in a relevant and proportionate way. The duty came into effect on 5th April 2011. The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion/belief (including non-belief)
- Sex
- Sexual orientation

- 6.2 At a later date, the Council will need to have due regard for the potential implications that any proposals for individual developments

sites would have. The duty to have "due regard" to the various identified "needs" in the relevant sections of the Equality Act 2010 does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

- 6.3 Should firm proposal come forward for any of the individual sites it will be necessary to assess these against the various protected characteristics and groups and to what extent they will be affected as a result of such proposals. The implications of any proposals would be demonstrated as part of the Cabinet Report and Equality Impact Assessment (EIA).
- 6.4 Notwithstanding the content of the EIA – which would be prepared for each individual site should any proposal come forward; the Council needs to be satisfied that the consultants (subject to appointment) have demonstrated that their research and findings take account of all protected characteristics in their recommendations back to the Council. The Council ultimately remains responsible for inquiring into any gaps, and using the findings to inform the EIA.

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

- 7.1. An assessment of the tender specification has determined that the costs of the development agent services contract are likely to be a mix of revenue and capital expenditure. This is due both to the range of activities outlined in the specification and to the prognosis for the schemes following initial feasibility work.
- 7.2. Therefore, it is proposed to make provision for the cost from both capital and revenue resources.
- 7.3. The cost of the initial appraisals of each site will be revenue expenditure as this will happen before the development of the site has been approved by Cabinet. Section 106 revenue funds have been earmarked for Strategic Regeneration purposes and the development agent services costs of £130k will be identified as a potential call on these funds. Given that the above Section 106 revenue funds are expected to become available later in the financial year, it is proposed to avert any short term cash-flow difficulties by utilising the Council's Housing Revenue Account working balances (which are currently projected to stand at £3.5m by the year end) before reimbursement at a later date.
- 7.4. Following the initial development appraisal of the sites, the treatment of further fees as capital or revenue expenditure will be resolved for those schemes that are to be progressed. Cabinet will then be asked to approve each scheme and once approved for development,

subsequent expenditure will be funded from the Decent Neighbourhoods pot and from Section 106 as appropriate.

- 7.5. The Decent Neighbourhoods pot is currently forecast to remain in a significant surplus position for each of the next four years, and therefore the full contract value of £130,000 could potentially be fully funded from this source.

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

- 8.1. The tender process has been carried in accordance with the Council's contract standing orders and EU procurement rules.

**9. COMMENTS OF THE ASSISTANT DIRECTOR (PROCUREMENT AND IT STRATEGY)**

- 9.1 The AD has been represented on the Tender Appraisal Panel and supports the recommendations contained in the report.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Housing Development Company (Cabinet Report, April 2011)	Matin Miah	HRD
<b>CONTACT OFFICER:</b>		<b>NAME: Matin Miah</b> <b>EXT. 3480</b>	



## **FORWARD PLAN OF KEY DECISIONS**

*Proposed to be made in the period September 2011 to December 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 September 2011 to December 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](mailto: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](http://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**

<b>Leader:</b>	<b>Councillor Stephen Greenhalgh</b>
<b>Deputy Leader (+Environment and Asset Management):</b>	<b>Councillor Nicholas Botterill</b>
<b>Cabinet Member for Children's Services:</b>	<b>Councillor Helen Binmore</b>
<b>Cabinet Member for Community Care:</b>	<b>Councillor Joe Carlebach</b>
<b>Cabinet Member for Community Engagement:</b>	<b>Councillor Harry Phibbs</b>
<b>Cabinet Member for Housing:</b>	<b>Councillor Andrew Johnson</b>
<b>Cabinet Member for Residents Services:</b>	<b>Councillor Greg Smith</b>
<b>Cabinet Member for Strategy:</b>	<b>Councillor Mark Loveday</b>

*Forward Plan No 112 (published 15 August 2011)*



## LIST OF KEY DECISIONS PROPOSED SEPTEMBER 2011 TO DECEMBER 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.

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
<b>September</b>			
Cabinet  Full Council	5 Sep 2011	<b>Treasury Management Outturn Report 10-11</b>  This report provides information on the Council's debt, borrowing and investment activity for the financial year ending 31st March 2011.	Leader of the Council
	19 Oct 2011 Reason: Budg/pol framework		Ward(s): All Wards
Cabinet	5 Sep 2011	<b>The Future of the Lifestyle Plus Card</b>  This report recommends that the Council ceases its operation of a leisure card, by decommission the existing Lifestyle Plus Scheme (LPS) and approving that GLL provide and manage a concessionary card that operates under the terms of GLL's existing Pay and Play concessionary offer in conjunction with Virgin Active.	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000		Ward(s): Wormholt and White City
Cabinet	5 Sep 2011	<b>Serco Contract Review</b>  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.	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000		Ward(s): All Wards

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	5 Sep 2011	<p><b>Request for delegated authority to award cross-authority framework agreement for self-directed support services</b></p> <p>London Boroughs of Hammersmith and Fulham, Hillingdon, Brent and Royal Borough of Kensington and Chelsea are seeking to procure a cross borough Framework Agreement to deliver Self Directed Support Services (as part of the personalisation agenda). Hammersmith and Fulham are leading the procurement process. The Director of Community Services requests delegated authority to award Framework Agreement contracts for Self Directed Support Services from October 2011.</p>	Cabinet Member for Community Care
	Reason: Affects more than 1 ward		Ward(s): All Wards
Cabinet	5 Sep 2011	<p><b>Project : 302 Fulham Palace Road, London SW6 - Works: external and communal repairs and redecoration</b></p> <p>Tender Acceptance Report to appoint contractor to carry out general building works at 302 Fulham Palace Road, London, SW6.</p>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): Palace Riverside
Cabinet	5 Sep 2011	<p><b>Project : 1-67 Jepson House, 2-38 &amp; 40-54 Pearscroft Road, London SW6. Works: internal and external refurbishment including works to satisfy fire risk assessment requirements</b></p> <p>Full refurbishment works, window and roof renewals, and works to meet Fire Risk Assessment requirements.</p>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): Sands End

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	5 Sep 2011	<b>Appointment of Development Agent Services</b>	Cabinet Member for Housing
	Reason: Affects more than 1 ward	Appointment of Development Agent Services contractor for the Housing Development Company.	Ward(s): All Wards
Cabinet	5 Sep 2011	<b>Nos 5 and 17-31 Carnwath Road, London, SW6</b>	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	Sale of Council's Freehold Interest in Collaboration with Current Tenants.	Ward(s): Sands End
Cabinet	5 Sep 2011	<b>Service Charges for Tenants</b>	Cabinet Member for Housing
	Reason: Affects more than 1 ward	This paper seeks approval to implement fixed service charges calculated at block level for Council tenants. It sets out the reason for moving initially to fixed service charges and sets out a timetable for implementation and consultation.	Ward(s): All Wards
Cabinet	5 Sep 2011	<b>General Fund Capital Programme, HRA Capital Programme &amp; Revenue Budget 2011/12 - Month 2</b>	Leader of the Council
	Reason: Expenditure more than £100,000	Report seeks approval to adjust Capital Programme & Revenue Budgets.	Ward(s): All Wards
Cabinet	5 Sep 2011	<b>The contract for the management, maintenance and development of the Bishops Park Tennis Centre - Approval of appointment of preferred bidder</b>	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	This report seeks approval for the appointment of a contractor to undertake the service contract for the management of the tennis facilities at Bishops Park.	Ward(s): Palace Riverside

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	5 Sep 2011	<p><b>Introduction of Interim Guidance to Social Landlords on the affordable Rent Tenure in LB Hammersmith and Fulham</b></p> <p>This report details the options available to the Council in introducing guidance to social landlords in the borough on rent setting for the new affordable rent tenure on both new build and conversions.</p>	Cabinet Member for Housing
	Reason: Affects more than 1 ward		Ward(s): All Wards
Cabinet	5 Sep 2011	<p><b>Disposal of Edith Summerskill House, Clem Attlee Estate</b></p> <p>This report recommends the disposal of a vacant Council owned tower block at Edith Summerskill House on the Clem Attlee estate with the proceeds from the sale being utilised to fund future housing and regeneration activity in the borough.</p>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): Fulham Broadway
Cabinet	5 Sep 2011	<p><b>West London Joint Framework Agreement for the Provision of Privately Managed Accommodation</b></p> <p>The PMA Scheme comprises furnished accommodation, both houses and flats, procured and managed by managing agents (the service provider) on behalf of the Council. The properties are used as temporary accommodation for homeless households who have applied to the Council under the provisions of Part VII of the Housing Act 1996. The properties can also be used for the prevention of homelessness.</p>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): All Wards

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
<b>October</b>			
Cabinet	10 Oct 2011	<b>Possible changes to Taxicard Scheme</b>	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
Cabinet	10 Oct 2011	<b>Award to the Lowest Tenderer for the Removal of Asbestos: At Riverside Gardens Blocks A-Q (1-171) and S-T (180-199)</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out the removal of asbestos in the tank room at Riverside Gardens, Hammersmith, W6.	Ward(s): Hammersmith Broadway
Cabinet	10 Oct 2011	<b>DCLG Funding to Combat Social Housing Fraud</b>	Leader of the Council
	Reason: Expenditure more than £100,000	Paper to outline the strategy to ensure social housing properties are used for those in need and to identify where this funding fits into that strategy, asking for approval for the funds.	Ward(s): All Wards
Cabinet	10 Oct 2011	<b>Use of 2011/12 HFBP profit share</b>	Leader of the Council
	Reason: Expenditure more than £100,000	This report requests approval to use the HFBP profit share to pursue further e-services as part of a wider self serve strategy.	Ward(s): All Wards

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	10 Oct 2011	<b>General Fund Capital Programme, Housing Capital Programme and Revenue Monitoring Report 2011/12 - Month 3</b>  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	10 Oct 2011	<b>Fire Alarm System Upgrade to Various Sheltered Housing Accommodations</b>  Tender Acceptance Report to appoint contractor to carry out Fire Alarm Upgrade to various Sheltered Housing Accommodations within the Borough.	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	10 Oct 2011	<b>Installation of IRS Systems at White City Estate, Clem Attlee and Sheltered Housing Properties</b>  Tender Acceptance Report to appoint contractor to carry out installation of IRS Systems at White City Estate, Clem Attlee and various Sheltered Housing Accommodations.	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): Fulham Broadway; Wormholt and White City
Cabinet	10 Oct 2011	<b>Warden Call System Upgrade Phase 1</b>  Upgrade of Warden Call System to various properties within North of the Borough (Hammersmith).	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): Askew; Avonmore and Brook Green; College Park and Old Oak; Hammersmith Broadway; Ravenscourt Park; Shepherds Bush Green; Town; Wormholt and White City

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	10 Oct 2011	<b>Warden Call System Upgrade Phase 2</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Upgrade of Warden Call System to various properties within South of the Borough (Fulham).	Ward(s): Fulham Broadway; Fulham Reach; Munster; North End; Parsons Green and Walham; Sands End
Cabinet	10 Oct 2011	<b>1 – 76 Barton House, Townmead Road - Lift Upgrade</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out Part Upgrade of the Two Existing Passenger Lifts.	Ward(s): Sands End
Cabinet	10 Oct 2011	<b>Replacement of Communal Water Storage Tanks - South</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out Replacement of Communal Water Storage Tanks – South.	Ward(s): Addison; Sands End; Shepherds Bush Green; Town
Cabinet	10 Oct 2011	<b>Replacement of Communal Water Storage Tank - North</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out Replacement of Communal Water Storage Tanks – North.	Ward(s): Hammersmith Broadway; Shepherds Bush Green; Wormholt and White City
Cabinet	10 Oct 2011	<b>Old Oak Primary School</b>	Cabinet Member for Children's Services
	Reason: Expenditure more than £100,000	Tender Acceptance to appoint contractor to provide a large nursery and additional teaching areas with remodelling and alterations to the existing school building.	Ward(s): College Park and Old Oak

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  Full Council	10 Oct 2011	<p><b>Local Development Framework. Managing Change of Use in Local Shopping Centres Supplementary Planning Document</b></p> <p>The SPD will support the new shopping hierarchy outlined in the Core Strategy 2011 in advance of the adoption of the Development Management Development Plan Document (DM DPD). Its purpose is to provide supplementary guidance on the policies the council will apply when considering planning applications for changes of use of shop units in the borough's local shopping centres. The SPD identifies quotas that will be applied to frontages in the local shopping centres to manage the mix of uses in these centres.</p>	Councillor Nicholas Botterill
	Reason: Affects more than 1 ward		Ward(s): All Wards
Cabinet	10 Oct 2011	<p><b>Local Development Framework: Proposed Submission Development Management Development Plan Document</b></p> <p>This report seeks approval of the proposed submission Local Development Framework Development Management DPD and associated documents for public consultation. The consultation will be for a six week period commencing in November 2011.</p> <p>The report notes that after consideration of representations received during public consultation, the Development Management DPD will be submitted to the Secretary of State along with a number of other submission documents identified in the Regulations for independent examination, expected in</p>	
	Reason: Affects more than 1 ward		Ward(s): All Wards



<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
		Spring 2012.	
Cabinet	10 Oct 2011	<b>Barons Court Community Library</b>	Cabinet Member for Residents Services
	Reason: Significant in 1 ward	On 10th January 2011 Cabinet agreed to end the council-run service at Barons Court Library from 31st March 2011 and to transfer the library provision to a community-run service. Due to timing issues, on 18th April 2011 Cabinet agreed to additional one-off funding. This was to ensure a continuous provision of service from the site, pending implementation of the new arrangements which are currently being progressed with.	Ward(s): Avonmore and Brook Green
Cabinet	10 Oct 2011	<b>Joint LBHF and RBKC response to the Government's revised Prevent Strategy</b>	Cabinet Member for Residents Services
	Reason: Expenditure more than £100,000	The report sets out a joint response by LBHF and RBKC to the Government's revised Prevent Strategy, which is part of the wider national Counter Terrorism Strategy. This report seeks approval to apply for Prevent funding in order to carry out necessary work to reduce the adverse risk outlined in the Prevent Strategy document.	Ward(s): All Wards
Cabinet	10 Oct 2011	<b>Earl's Court Redevelopment Project</b>	Leader of the Council
	Reason: Expenditure more than £100,000	The Council has been exploring the benefits of including the West Kensington and Gibbs Green estates within the proposed comprehensive redevelopment of Earl's Court and Lillie Bridge depot.	Ward(s): North End

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
<b>November</b>			
Cabinet	7 Nov 2011	<b>Shepherds Bush Common Improvement Project</b>	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	7 Nov 2011	<b>Parking Projects Programme 2011/12</b>	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	This report outlines the key parking priorities of the Council and presents a parking projects programme for 2011/12.	Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Measured Term Contract for Day-to-Day Breakdown Repair and Maintenance to Lift Plan and Associated Equipment to Housing Properties</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out day to day breakdown repair and maintenance to lift plant and associated equipment in Housing Properties.	Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Measured Term Contract for Day-to-Day Breakdown Repair and Maintenance to Lift Plant and Associated Equipment to Non-Housing Buildings</b>	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	Tender Acceptance Report to appoint contractor to carry out Day-to-Day Breakdown Repair and Maintenance to Lift Plant and Association Equipment in Non-Housing Properties.	Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Measured Term Contract for Planned Preventative Mechanical Maintenance for Boroughwide Housing Properties 2011-2015</b>	Cabinet Member for Housing
	Reason: Expenditure more than £100,000	Tender Acceptance to appoint contractor to carry out	Ward(s): All Wards

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
		servicing of mechanical plant, day-to-day repairs, inspection and planned maintenance repairs to Housing Properties.	
Cabinet	7 Nov 2011	<b>Measured Term Contract for Planned Preventative Mechanical Maintenance for Boroughwide Non-Housing Properties 2011 - 2015</b>  Tender Acceptance to appoint contractor to carry out servicing of mechanical plant, day-to-day repairs, inspection and planned maintenance repairs to Non-Housing Properties.	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Measured Term Contract for Planned Preventative Maintenance to Mechanical Plant - Specialist Works 2011 - 2015</b>  Tender Acceptance to appoint contractor to carry out servicing of mechanical plant, day-to-day repairs, inspection and planned maintenance repairs – Specialist Works.	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Measured Term Contract for Door Entry System – Boroughwide Housing Properties 2011 - 2015</b>  Tender Acceptance to appoint contractor to carry out day to day reactive breakdown callout repairs together with a small element of routine servicing to door entry systems and automatic doors and barriers to the Council's Housing Properties.	Cabinet Member for Housing
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	7 Nov 2011	<b>Travel Assistance Policies</b>  Travel Assistance Policy – Special education needs (SEN)	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward		Ward(s): All Wards

<b>Decision to be Made by:</b> (ie Council or Cabinet)	<b>Date of Decision-Making Meeting and Reason</b>	<b>Proposed Key Decision</b>	<b>Lead Executive Councillor(s) and Wards Affected</b>
Cabinet	7 Nov 2011	<b>Contracts for the Management, Maintenance and Development of Satellite Tennis Centres</b>  To outsource tennis courts maintenance and tennis development at Eel Brook Common, Hurlingham Park, and Ravenscourt Park under a 21 year lease arrangement.	Cabinet Member for Residents Services
	Reason: Affects more than 1 ward		Ward(s): Palace Riverside; Parsons Green and Walham; Ravenscourt Park
<b>December</b>			
Cabinet	5 Dec 2011	<b>The Archives Service Review</b>  This report will outline the current position and recommend options for the future delivery of the Council's archives service.	Cabinet Member for Residents Services
	Reason: Affects more than 1 ward		Ward(s): All Wards
Cabinet	5 Dec 2011	<b>Highways Planned Maintenance Programme 2012/13</b>  The purpose of the report is to seek approval for the projects listed within the Carriageway and Footway Planned Maintenance programme and to establish a degree of flexibility in the management of the budgets and programme during the year.	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000		Ward(s): All Wards
<b>January</b>			
Cabinet	30 Jan 2012	<b>Award of Term Contract for Public Lighting and Ancillary Works 2012-2015</b>  Decision to award the new Public Lighting and Ancillary Works contract to the most economically advantageous tender.	Deputy Leader (+Environment and Asset Management)
	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
Cabinet	30 Jan 2012	<b>West London Housing Related Support Joint Framework Agreement</b>  Approval of the new framework agreement for housing related support services across eight West London boroughs. LBHF is the lead procurement borough for the new framework.	Cabinet Member for Community Care
	Reason: Affects more than 1 ward		Ward(s): All Wards

# Cabinet

5 SEPTEMBER 2011

## SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS REPORTED TO CABINET FOR INFORMATION

### CABINET MEMBER

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

#### **15.1 PRELIMINARY FLOOD RISK ASSESSMENT**

This report seeks approval of H&F's Preliminary Flood Risk Assessment (PFRA) required under the EU directive and implemented in the UK by the Flood Risk Regulations 2009. The PFRA has been prepared and funded through the GLA/London Council's Drain London programme. It is an overview document to demonstrate that the local authority has preliminary information on flood risk issues. The PFRA had to be submitted to the Environment Agency on 22 June but councils have been given until 19 August to enable approval processes to be completed.

#### **Decision taken by Cabinet Member on: 18 July 2011**

**To approve the Preliminary Flood Risk Assessment (PFRA) for Hammersmith and Fulham for submission to the Environment Agency.**

**Wards: All**

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

#### **15.2 PROCUREMENT OF TERM CONTRACT FOR PUBLIC LIGHTING AND ANCILLARY WORKS 2012 - 2015**

This report seeks to:

1. Confirm that in-house Borough Lighting service will not tender for the above term contract for Public Lighting and Ancillary Works and will therefore be dissolved at the end of the current term (shortly after the end of the current financial year).
2. Approve the recommended procurement strategy for tendering the term contract for Public Lighting and Ancillary Works.

#### **Decision made by Cabinet Member on: 18 July 2011**

1. **To note that the current in-house street lighting service is not in a position to bid for future tenders and will be dissolved shortly after the end of the current financial year.**

2. That approval be given to the procurement strategy for tendering the “Term Contract for Public Lighting and Ancillary Works 2012-2015” as detailed in this report.
3. To note the proposal to advertise for Expressions of Interest for the above contract.

**Wards: All**

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

### **15.3 DAWES ROAD NEIGHBOURHOOD –IMPROVEMENTS**

The report details a package of measures for the Dawes Road Neighbourhood Area for this financial year. The improvements are part of the 2011/12 neighbourhood programme.

Funding has been provided specifically for this project by Transport for London and it has been designed on the basis of maximising value for money, reducing the costs to the council of maintenance and repairs, and de-cluttering the street environment.

#### **Decision made by Cabinet Member(s) on: 18 July 2011**

**That approval be given to carry out improvements as proposed in section 3 of this report at a total cost of £158,000; Cabinet approved expenditure on this scheme within the 2011/12 programme/budget on 21 March 2011.**

**Wards: Fulham Broadway, Munster & Town**

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

### **15.4 GLIDDON ROAD LOCAL SAFETY SCHEME**

This report outlines the proposal to make the experimental traffic order banning u-turns on parts of Gliddon Road and Edith Road permanent.

#### **Decision taken by Cabinet Member on: 18 July 2011**

**That approval be given to officers to begin the process to make the experimental traffic regulation order permanent, at a total cost of £2,000, as set out in paragraphs 6.1 - 6.3 of the report.**

**Wards: Avonmore & Brook Green**

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

### **15.5 IMPLEMENTATION OF HIGHWAYS FPN SCHEME**

The report details the proposal for the Council to implement the scheme which enables officers to give Fixed Penalty Notice fines for infringements against the Highways Act 1980. In essence the main focus is around skips, materials, scaffolding and obstructions on the highway offences. However there are a number of other offences.

The aim of the scheme is to achieve the following:

- Ensure public safety
- To achieve an equitable balance of road and footway space between competing needs.
- To support the cleaner greener agenda
- To improve the efficiency of our road network as well as the quality of life for our residents.

**Decision made by Cabinet Member on: 18 July 2011**

**That approval be given to officers to implement the scheme which will see offences dealt with immediately rather than go through lengthy legal process.**

**Wards: All**

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

**15.6 MOORE PARK NEIGHBOURHOOD –IMPROVEMENTS**

The report details a packet of measures for the Moore Park Neighbourhood Area for this financial year. The improvements are part of the 2011/12 neighbourhood programme.

Funding has been provided specifically for this project by Transport for London and it has been designed on the basis of maximising value for money and reducing the costs to the council of maintenance and repairs.

**Decision made by Cabinet Member on: 18 July 2011**

**That approval is given to carry out improvements as proposed in section 3 of this report at a total cost of £96,000. Cabinet approved expenditure on this scheme within the 2011/12 programme/budget on 26 April 2011.**

**Wards: Parson's Green & Walham**

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

**15.7 PROCUREMENT OF A COMMUNITY INFRASTRUCTURE LEVY (CIL) VIABILITY ASSESSMENT**

This report seeks in-principle approval for the award of a contract for a Community Infrastructure Levy (CIL) Viability Assessment.

**Decision made by Cabinet Member on: 18 July 2011**

- 1. That in-principle approval is given to award a 6-month contract from August 2011 worth up to an expected maximum cost of £40,000 for a Community Infrastructure Levy (CIL) Viability Assessment to be undertaken by consultants who are to be selected through the Homes and Communities Agency (HCA)'s Multidisciplinary Panel**



## Framework Process.

2. That the final appointment of successful consultants, once evaluated, is delegated to the Director of Environment, in consultation with the Deputy Leader (+Environment and Asset Management).

Wards: All

**DEPUTY LEADER  
(+ ENVIRONMENT  
AND ASSET  
MANAGEMENT)**

*Councillor Nicholas  
Botterill*

**15.8 THAMES PATH – DOVE PASSAGE TO QUEEN CAROLINE STREET**

This report details one of the schemes proposed to be funded under the 2011/12 Transport for London (TfL) funded Corridors and Neighbourhoods programme. This comprises a cycling/pedestrian strategy between Dove Passage and Queen Caroline Street.

Funding has been provided specifically for this project by TfL and it has been designed on the basis of maximising value for money and reducing the costs to the council of maintenance and repairs.

**Decision made by Cabinet Member on: 18 July 2011**

**That approval is given to carry out improvements as proposed in section 4 of this report at a total cost of £6,000. Cabinet approved expenditure on this scheme within the 2011/12 programme/budget on 26 April 2011.**

Ward: Hammersmith Broadway

**CABINET MEMBER  
FOR CHILDREN'S  
SERVICES**

*Councillor Helen  
Binmore*

**15.9 THE PROPOSED USE OF 'FACEBOOK' FOR YOUTH ENGAGEMENT IN HAMMERSMITH AND FULHAM**

Proposal to set up Facebook pages, to enable members of the youth involvement forums, including the Borough Youth Forum and Youth Commissioners, to communicate with each other about the work they are involved in and engage with other young people who would be unlikely to partake in traditional opportunities. The pages will also be used by professionals to engage with young people.

**Decision made by Cabinet Member on: 18 July 2011**

**To approve the use of Facebook in Hammersmith and Fulham as part of the overall youth involvement strategy to engage with young people and Looked After Children.**

Wards: All

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

## **15.10 CONTROLLED PARKING ZONE V REVIEW**

This report seeks approval for the parking controls in Zone V to be reviewed in a public consultation. The results of the consultation will be reported back to Elected Members.

To carry out a cost effective parking review, works and other costs will be shared with TfL funded Wormholt Park Neighbourhood scheme.

Also, funding to be sought from Queens Park Rangers Football club to carry out parking stress surveys before and after the start of the Barclay's Premiership.

To continue to maximise parking and protect all pedestrian dropped kerbs with double yellow lines as standard practice when reviewing Controlled Parking Zones.

### **Decision taken by Cabinet Member on: 18 July 2011**

- 1. That the parking consultation for Zone V is approved;**
- 2. That the design and installation of bay extensions where appropriate and pedestrian accessibility improvements by protecting dropped kerb areas with double yellow lines is continued in CPZ V.**

**Wards: Askew Wormholt and White City**

**LEADER**  
*Councillor Stephen  
Greehalgh*

## **15.11 ESTABLISHING A THAMES TUNNEL COMMISSION**

To agree to establish and part-fund a Thames Tunnel Commission, the aim of which is to provide scrutiny and accountability around plans for the £4bn-plus Thames Tunnel. Part of the costs will be off-set by contributions from neighbouring boroughs and Southwark.

### **Decision taken by Cabinet Member on: 18 July 2011**

- 1. To establish a Thames Tunnel Commission, to be chaired by Lord Selborne and to include waste water and engineering expertise from around the world.**
- 2. To agree to fund the Commission, up to £28,000, with costs to be off-set by contributions from other London boroughs.**

**Wards: All**

**CABINET MEMBER  
FOR COMMUNITY  
CARE**

*Councillor Joe  
Carlebach*

**15.12 APPOINTMENT OF COUNCIL REPRESENTATIVE TO THE  
HAMMERSMITH AND FULHAM VOLUNTEER CENTRE**

This report records the Leader's decision to appoint a Council representative to the Hammersmith and Fulham Volunteer Centre, which falls within the scope of his executive portfolio.

**Decision taken by the Cabinet Member on: 4 July 2011**

**To appoint Councillor Matt Thorley as representative to the Hammersmith and Fulham Volunteer Centre for a period of one year from date of signature**

**Wards: All**

**CABINET MEMBER  
FOR RESIDENTS  
SERVICES**

*Councillor Greg  
Smith*

**15.13 APPOINTMENT OF COUNCIL REPRESENTATIVES TO  
RIVERSIDE TRUST LTD**

This report records the Cabinet Member for Residents Services' decision to appoint a Council representative to Riverside Trust Limited, which falls within the scope of his executive portfolio.

**Decision taken by the Cabinet Member on: 6 July 2011**

- 1. To reappoint Mr Dan Large and Councillor Peter Graham to Riverside Trust Limited for a period of one year from 6<sup>th</sup> July 2011;**
- 2. To appoint Councillor Robert Iggulden to Riverside Trust Limited for a period of one year from 7<sup>th</sup> July 2011.**

**Wards: All**

# Agenda Item 16

## **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**

#### **16.1 WEST LONDON JOINT FRAMEWORK AGREEMENT FOR THE PROVISION OF PRIVATELY MANAGED ACCOMMODATION**

The report seeks authority for the Council to join a West London framework agreement with providers for the supply of private sector accommodation.

The accommodation will be used to assist with the council's legal duties to house clients as well as a tool to prevent homelessness.

The scheme is referred to as Private Managed Accommodation and will involve a framework of providers procuring and managing accommodation directly from the private sector.

#### **Reasons for Urgency:**

Due to the current shortage of properties and increasing numbers of families in Bed and Breakfast accommodation, a Leader's Urgent Decision is being sought in order to enable the Council to access the framework agreement at the earliest opportunity.

#### **Decision taken by the Leader on: 21 July 2011**

#### **Recommendations:**

- 1. That the Council participate in (including the calling off of services) in the West London joint framework agreement led by Brent Council for the provision of the Privately Managed Accommodation (PMA) scheme.**
- 2. That officers in consultation with the Cabinet Member for Housing be authorised to enter into agreements with any of the seventeen successful suppliers within the framework.**

**Wards: All**

## **16.2 HOUSING SERVICES IMPROVEMENT AND SAVINGS PROGRAMME, 2011 TO 2015**

In order to achieve the Housing Revenue Account MTFs savings a transformation consultant is required to work alongside the Housing and Regeneration department. This report sets out the reasons for initiating this procurement process.

### **Reasons for Urgency:**

In order to achieve the Housing Revenue Account MTFs savings a transformation consultant is required to work along side the Housing and Regeneration department. To deliver the savings on time this consultant needs to have been procured by September 2011 following the receipt of the high level review. This report sets out the reasons for initiating this procurement process and summarises the work arising from the review. The next cabinet meeting is not due until 5<sup>th</sup> September 2011. In order to realise the savings in full as required by the Housing Revenue Account MTFs the decision must be taken before that date.

### **Decision taken by the Leader on: 1 August 2011**

### **Recommendations:**

- 1. That approval is given to tender for a transformation consultant via the Buying Solutions Framework to work alongside the Housing and Regeneration department to deliver the Housing Services Improvement and Savings programme, 2011 to 2015. This programme will include the delivery of an ongoing annual saving of £4m per annum in the Housing Revenue Account from 2014/15 onwards. The estimated cost of the consultancy is £1.3m which will be funded by savings made in 2011-2015.**
- 2. That the Cabinet Member for Housing in consultation with the Director of Housing and Regeneration be authorised to enter into agreements with any of the successful suppliers.**

**Wards: All**

## **16.3 SUPPORT FOR DEPARTMENT OF WORK & PENSIONS INNOVATION FUND BID AND INVESTMENT IN NEW SOCIAL INVESTMENT PARTNERSHIP**

Resurgo is a successful Hammersmith & Fulham based charity which brings together a number of synergised projects targeted at disaffected and disadvantaged young people. It is currently bidding to the Department for Work & Pensions Innovation Fund for funding which is payable upon achievement of key results.

The Council is keen to support the development of Resurgo's emerging social investment partnership and to offer loans to the partnership to stabilise cash flow needs as DWP funding will be awarded on a payments by results basis.

### **Reasons for Urgency:**

Resurgo, a HF based charity, invited senior officers and the Leader to a meeting with the

Department of Work & Pensions (DWP) to discuss Resurgo's bid for DWP Innovation funding on 21<sup>st</sup> July 2011. At the meeting the DWP expressed support for a bid.

Resurgo's bid seeks to address the disaffection and disadvantage of young people in the borough.

The Council is keen to support the development of Resurgo's emerging social investment partnership and to offer loans to the partnership to stabilise cash flow needs as DWP funding will be awarded on a payments by results basis.

The deadline for bids is 5<sup>th</sup> August 2011.

This report seeks in principle support for this venture and requests a further more detailed report to Cabinet.

### **Decision taken by the Leader on: 5 August 2011**

#### **Recommendations:**

- 1. That the Leader agrees in principle support for the establishment of the Resurgo led social investment partnership and the application for DWP funding.**
- 2. That the Leader pledges a loan of up to £350,000 per year from the Council's General Reserves in order that this sum serves as a significant investment in order to attract other investors and alleviate early cash flow requirements.**
- 3. That Cabinet receives a report detailing the financial commitment sought, performance management and terms and conditions of loan repayment.**

**Wards: All**

## **16.4 TENDER FOR THE DELIVERY OF THE STEP UP TO SOCIAL WORK DEGREE PROGRAMME COHORT 2**

Hammersmith and Fulham is the lead authority of a regional partnership formed to deliver an innovative programme, funded by the Children's Workforce Development Council (CWDC), to attract and train new applicants to a social work career. This report seeks approval from the Leader to award the contract to the University of Hertfordshire for delivery of a Masters in Social Work within very tight time-scales.

#### **Reasons for Urgency:**

The timetable for the procurement is driven by the CWDC and it is not possible to comply with this timetable and the Council's Contract Standing Orders. The CWDC timetable requires the Programme to be developed by the university for validation by the General Social Care Council (GSCC) in order for the programme to start on the 20<sup>th</sup> February 2012. Also, the timetable does not allow submission to the Cabinet meeting, after the last possible date for evaluation of tenders on the 21<sup>st</sup> July and before the awarding of the contract in August, prior to the 5<sup>th</sup> September which is the next Cabinet meeting after the 18<sup>th</sup> July.

Key dates for a contract commencing in September are:

Invitation of tenders: 20 June

Evaluation of tenders: 21 July

Contract award: 25<sup>th</sup> August

**Decision taken by the Leader on: 11 August 2011**

**Recommendations:**

**That approval is given to award the contract to deliver the Step Up to Social Work programme for the West London Regional Partnership to the University of Hertfordshire. The Contract will have a value of £379257 and will commence on the 31st August for a period of 24 months as set out in paragraph 1.6 of the report.**

**Wards: All**