



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
21 MAY 2012
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
08 May 2012

If you require further information relating to this agenda please contact:
David Viles, Committee Co-ordinator, Governance and Scrutiny, tel:
020 8753 2063 or email: David.Viles@lbhf.gov.uk

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-8** 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 16 May 2012.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 23 May 2012**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 28 May 2012 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 28 May 2012**.

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

21 May 2012

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 23 APRIL 2012	1 - 14
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<p>If a Councillor has any prejudicial or personal interest in a particular report he/she should declare the existence and nature of the interest at the commencement of the consideration of the item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a prejudicial interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken, unless a dispensation has been obtained from the Standards Committee.</p> <p>Where members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration, unless the disability has been removed by the Standards Committee.</p>	
4.	MULTIMEDIA ENABLING NETWORK TECHNOLOGY	15 - 19
5.	HAMMERSMITH BROADWAY ENVIRONMENT IMPROVEMENTS	20 - 25
6.	FLEXIBLE ENERGY CONTRACT 2012-2016	26 - 32
7.	HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL STRATEGY TRANSFORMATION PROGRAMME : HOUSING SERVICES MARKET TESTING AND REPAIRS AND MAINTENANCE RE-PROCUREMENT EXERCISE	33 - 123
8.	BUILDING A HOUSING LADDER OF OPPORTUNITY, INCORPORATING ; DRAFT HOUSING STRATEGY; DRAFT TENANCY STRATEGY; DRAFT SCHEME OF ALLOCATION AND DRAFT HOMELESSNESS STRATEGY	124 - 275

9.	FORWARD PLAN OF KEY DECISIONS	276 - 284
10.	SUMMARY OF OPEN DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION	285 - 287

11. EXCLUSION OF PRESS AND PUBLIC

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

12. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 23 APRIL 2012 (E)

13. MULTIMEDIA ENABLING NETWORK TECHNOLOGY : EXEMPT ASPECTS (E)

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

15. SUMMARY OF EXEMPT URGENT DECISIONS TAKEN BY THE LEADER, AND REPORTED TO THE CABINET FOR INFORMATION

Agenda Item 1

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 23 April 2012

PRESENT

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

ALSO PRESENT

Councillor Colin Aherne
Councillor Daryl Brown
Councillor Michael Cartwright
Councillor Iain Coleman

212. MINUTES OF THE CABINET MEETING HELD ON 5 MARCH 2012

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5 March 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

213. APOLOGIES FOR ABSENCE

RESOLVED:

There were no apologies for absence.

214. DECLARATION OF INTERESTS

RESOLVED:

There were no declarations of interest.

215. EARL'S COURT STATUTORY AND WIDER CONSULTATION

The Leader invited the Executive Director for Housing and Regeneration, Mel Barrett, to provide an update on the progress on the Conditional Land Sale Agreement (CLSA) and the outcome of the formal consultation with residents on the details of the proposals to include the estates within the comprehensive redevelopment scheme. Mel Barrett introduced the Council's three main advisers – Richard Budge (SNR Denton), Christopher Pratt (Jones Lang Lasalle) and Richard Parker (Price Waterhouse Coopers).

The Executive Director informed the meeting of the following key points:-

- The proposal is a major opportunity for growth and development of the borough.
- The proposed development will consist of four new villages linking Earls Court station to North End Road with a mixed use development to include 7,500 new homes, 2 million square feet of Commercial space, a new Lost River Park and playgrounds and facilities for children of all ages.
- 36,000 temporary construction jobs and 9,500 permanent jobs will be provided.
- Once completed, the development could bring an estimated £99million per annum of additional local expenditure into the economy.

The draft Conditional Land Sale Agreement (CLSA) is a draft agreement for the transfer of the Council's land in phases, with phases of land not being drawn down until replacement homes have been provided. The Council is under a duty to consider the views of its tenants, leaseholders and the wider population in the area. It must also obtain 'best consideration' for its interest.

The proposed guarantees for tenants and leaseholders include:-

- Brand new replacement homes, one move only within the local area,
- Tenants remain secure Council tenants and continue to pay Council rents – there is no stock transfer and therefore no requirement for a ballot,
- Phased approach allows communities to be moved together,
- The compensation package for tenants covering statutory home loss payment, disturbance payment to cover moving costs and additional new white goods, carpets and curtains is generous,
- Resident leaseholders/ freeholders receive Market Value plus 10% statutory disturbance plus a further 10% early purchase discount on replacement property, i.e. two payments, and
- Service charges capped for 5 years and agreed by the Council beyond that.

Benefits for the Council include:-

- Comprehensive redevelopment allows existing housing stock to be replaced on a "new for old" basis and 16% of existing tenants who are overcrowded can be re-housed in homes with enough bedrooms to meet their need.

- Replacement housing funded by private sector funding through the developer rather than scarce public sector resources.

Richard Budge (SNR Denton) provided advice on the legal agreement. He stated that Capco must serve a Notice to Trigger the CLSA within 9 months of the completion of 150 replacement social housing units at Seagrave Road, or within 5 years, whichever is the earlier, otherwise the Council can terminate the agreement. Consideration for the Council's land is 760 new replacement homes and £105 million. Capco must have delivered all replacement homes before any land can be transferred. This will require a significant amount of investment to carry through the scheme.

Christopher Pratt (Jones Lang LaSalle) noted that after considerable analysis the proposals present Best Consideration for the Council. Richard Parker (Price Waterhouse Coopers) reported that Capco, a FTSE 250 company, had over £1 billion worth of assets and the ability to raise funds from the market and guarantees from its parent company.

Ms Jo Rowlands reported on the findings of the formal consultation with residents on the details of the proposal to include the estates within the comprehensive redevelopment scheme. 30,000 information packs and feedback forms were distributed. 1,427 feedback forms were received and considered; 622 from the wider area and 805 from estates. It was noted that initial analysis showed a majority of those who are regarded as indicating support are from the wider area covered by the consultation and those who are regarded as indicating objection are from the two estates. Although consultation had closed, the Council will continue to listen to and work with residents on the estate.

Ms Shirley Wiggins on behalf of West Kensington and Gibbs Green Estate and West Kensington and Gibbs Green Community Homes Ltd and Ms Maureen Way of West Kensington and Gibbs Green Steering Group presented deputations to Cabinet. Ms Wiggins stated the Council's consultation showed that residents said "no" by three and a half to one to its proposed sale of their homes for demolition. This confirmed the result of the 2009 petition signed by residents from more than 80% of households, who demanded that their estates be saved and that the community should decide its own future. She was of the view that the West Ken & Gibbs Green Community Homes Limited (WK&GGCHL), a Company registered to take ownership of their estates, represented a majority of residents. Ms Wiggins was also of the view that the households which support the WK&GGCHL community ownership plan outnumber those residents who support the Council's redevelopment scheme by twelve to one. Ms Wiggins stated that the Council had persisted in ignoring the overwhelming majority view expressed by the residents and members of WK&GGCHL and their elected representatives.

She urged the Council to immediately fall in line with coalition Government policy by empowering residents to take ownership of their own homes so that they can all shape their own futures. She also asked the Cabinet to instruct the Leader of the Council to write to the Government explaining that because the residents are against demolition and in favour of community ownership, he will cancel the proposed sale of the houses to Capital &

Counties, co-operate with the transfer of the estates to West Ken & Gibbs Green Community Homes Limited, and commission an independently scrutinized ballot of residents.

Ms Maureen Way of West Kensington and Gibbs Green Steering Group spoke in favour of including the West Ken & Gibbs Green Estates in the redevelopment of Earl's Court land. She noted that the Steering Group which represented a majority of residents who are in support of the redevelopment proposals was not controlled by the Council. During the consultation, many tenants were confused when they signed the consultation letters. Residents deserve new homes, leisure facilities and better shopping areas. This large scale development would affect and benefit future generations and is an opportunity not to be missed. The offer by the Council is the best deal offered in any part of London to residents. She urged the Council to give the next generation of children a better future and a decent place to live.

The Committee went into a question and answer session. Councillor Binmore inquired whether the proposed development would tackle youth employment. Councillor Cartwright suggested that a proper consultation should be undertaken by the Electoral Reform Society. He noted the report did not give a comparison of the Parker Morris standards and the London Mayor's new design guidelines. He expressed concern that the size of the rooms built to the Mayor's standards would be smaller. He was of the view that for the purpose of the section 105 consultation the Council should distinguish between "legitimate" and "tolerated" tenants. Councillor Aherne also inquired why the Electoral Reform Society was not invited to undertake a formal ballot of residents as previously done when the Council set up the ALMO.

In response to the questions, Cabinet was informed that the redevelopment proposals will help raise aspirations for young people; job brokerage facilities will be established and outreach programmes introduced to help local young people to better compete for the opportunities that would become available. It was noted that none of the 17 Estate Regeneration Programmes across London had undertaken a formal ballot. The Council also had undertaken an open consultation and not a ballot. Members and residents were encouraged to review the responses received as all are available for inspection. It was noted that it would be possible for households which were currently overcrowded to benefit from additional bedrooms to meet their need. The compliance of the development with new standards would allow better use of space and land. The Council would note the concerns regarding the size of the dwellings. However, no decision would be taken today on the form of the development. In relation to "tolerated" tenants, the Council had secured Government funding to look at fraudulent tenancies and were carrying out Experian checks. Less than 4% fraudulent tenancies have been identified, which is below the London average, and these are being investigated. The affordable housing on offer would approximately double the existing number from 760 to 1,500 units.

Councillor Aherne noted that the number of construction jobs promised was undeliverable. He recalled the unfortunate experience of Westfield which did not deliver the promised number of jobs for local people. He was of the view that the consultation responses should be weighed in favour of the secured

tenants. Councillor Phibbs expressed grave concern at the inappropriate methods used by some people knocking on doors, intimidating and threatening residents on the estates. He noted that the Council's offer was better than any offer made by any Council involved in a regeneration project across London.

A resident was concerned that two of the Council's advisers - Price Waterhouse Coopers and Jones Lang Lasalle - were also employed by CapCo in other capacities. He believed that CapCo was not financially strong enough to fund the development. Finally, he urged the Council not to undertake business with a company that used hidden subsidiaries which do not publish their accounts. He advised that the Council should seek guarantees from its parent company before doing business with it.

In response, Cabinet was informed that both Price Waterhouse and John Lang Lassale take conflict of interest very seriously. Both have effective rules to ensure that there is no access to any information between the consultancy and audit arms of the organisations. There are real barriers in place. Independence and integrity was of utmost importance. If any issues arose, these would be reported back to the Council. The valuation of the Council's land was an objective valuation open to scrutiny. It was noted that sufficient guarantees were in place, with more work being undertaken to ensure that it covered all areas. The blight indemnity was secured by the parent company.

Cabinet acknowledged the concern of not being able to secure jobs for local people at Westfield and asked officers to take this up as part of the section 106 negotiations to ensure that jobs are offered to local people. It was noted that the consultation result had separated the responses from the Section 105 tenants and the wider area consultees. A fuller report would be circulated to Members at a later meeting. It was noted that of the total consideration that would be received by the Council, approximately two thirds would be received in the form of brand new replacement homes. The remaining £105 million cash consideration would be available for housing and regeneration purposes within the borough, including the redemption of housing debt. The redevelopment proposals would address overcrowding. In comparison to the offer from 17 other regeneration projects across London, this proposal offered one move only, security of tenure, and security of rental levels as Council tenants. None of the regeneration projects in London listed below had a ballot.

Estate Regeneration	Borough
Aylesbury	Southwark
Heygate (Elephant and Castle)	Southwark
Dickens (Bermondsey Spa)	Southwark
Elmington	Southwark
Peckham (5 estates)	Southwark
Barham Park Estate	Brent
Bourne Estate	Camden
Gospel Oak	Camden
Canning Town	Newham
South Acton	Ealing
Green Man Lane	Ealing
Rectory Park	Ealing

Woodberry Down	Hackney
Silwood	Lewisham
Sundermead	Lewisham
Connaught	Greenwich
Kidbrooke (Ferrier)	Greenwich

Finally, Councillor Loveday highlighted the key economic benefits expected from the redevelopment of the land as outlined in the Jones Lang LaSalle economic assessment report, to include:-

- Temporary construction employment created during the construction phase; providing 36,033 person years of construction employment. This is an opportunity for local people to take up local jobs.
- Permanent employment created through the provision of new employment floor space; creating around 9,528 new gross direct jobs from the office, retail, hospitality, hotel and leisure sectors.
- Additional local expenditure; over £99 million of additional expenditure would be generated through this proposal which would be a significant injection of expenditure to the local economy.

The Leader read out a statement attached as an appendix to the minutes. He set out the vision for the redevelopment of Earl's Court land which would be used for homes and businesses. He noted that the Council had long said that it was interested in seeing if residents, both current and future, could also benefit from this strategic redevelopment opportunity. The officers' report had outlined the provisional analysis of the consultation to date, including the proper statutory consultation with tenants. The report openly highlighted the terms of the possible land deal with CapCo.

The Council had consulted in various ways and over long periods of time, paying special attention to the statutory tenants. It was not the right decision to try to reduce the complex issues that these proposals raise to a simple ballot. Whilst it is right to note the strong support for comprehensive redevelopment by those in the wider area, the Council also needs to recognise the outcome of the statutory consultation with the tenants. Even though the statutory consultation had now finished, the Council will continue to listen to the views of its statutory tenants, leaseholders and residents in the wider area.

He was of the view that Cabinet should note the current state of play on the discussions on the CLSA; note that the Council had yet to consider the equalities impact implications, note the legal and financial advice and then instruct officers to carry on to conclude a report with final recommendations for consideration by the Council. He reiterated that only full Council could take the final decisions in the best interests of our statutory tenants, our leaseholders, the wider area and the borough as a whole.

RESOLVED:-

1. To note :

- a) The current progress in analysing the results of the consultation, and to ask officers to continue to complete this process so as to

present a final analysis of the consultation outcomes when Cabinet next discusses the overall proposals.

- b) The proposed terms of the Tenant and Freeholder guarantees.
 - c) That discussions with Capital and Counties Properties plc will continue to clarify remaining matters so that Cabinet is in a position to consider a final decision on the transfer of land as soon as possible.
2. That expenditure of up to £116,710 per annum to provide additional staff resources to manage the ongoing process be approved.
 3. That expenditure of up to £1,070,000 of fees to provide professional advice as set out in section 8 of this report be approved.
 4. That officers be instructed to continue negotiations with Capco; continue to ensure the Cabinet can take a future decision on the best possible advice and that, if the Council decide to proceed with the CLSA, it should do so on the understanding that it will offer further opportunities to affected tenants and other residents to better understand the possible ways in which the comprehensive redevelopment option might work out for them.
 5. That Cabinet notes that the current terms in the draft CLSA as suitable for recommendation to Council, subject to no new issues being raised, no changes in the major terms and no adverse advice from our advisers, or other compelling problems arising, and
 6. That Cabinet receives a further report at a future date that brings together current advice at that time; the completed analysis on the statutory consultation undertaken, and all other matters relevant for future decision, 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.

216. THE GENERAL FUND CAPITAL PROGRAMME, HOUSING REVENUE CAPITAL PROGRAMME AND REVENUE MONITORING 2011/12 - MONTH 10 AMENDMENTS

RESOLVED:

1. That the changes to the capital programme as set out in Appendix 1 of the report be approved.
2. That the changes to the General Fund revenue budget and Housing Revenue Account as set out in Appendix 2 of the report be approved.
3. That the debt write off of £0.254m as set out in section 4 of the report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

217. AWARD OF A CONTRACT AND FRAMEWORK AGREEMENT FOR THE PROVISION OF SERVICE FOR FACE TO FACE CUSTOMER TRANSACTIONS

RESOLVED:

1. That approval be given to award a contract and framework agreement for the Provision of Service for Face to Face Customer Transactions to Post Office Ltd to commence in mid May 2012 for a period of 4 years.
2. That the contract award for the services be as outlined in the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

218. CARE PROCEEDINGS PILOT

RESOLVED:

That approval be given to the care proceedings pilot at a total cost of £95,000 to Hammersmith and Fulham Council out of the total expenditure in the project of £220,000 as set out in paragraph 5.7 of the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

219. REVIEW OF THE H&F ARCHIVES SERVICE

RESOLVED:

1. That approval be given to proceed with option 2 for 2012/13 as outlined in paragraph 2.2 of the report, at a total maximum cost of £50,000 that will be met by carrying forward departmental underspends from 2011/12, and to waive the application of Contract Standing Orders to this award.
2. That authority be delegated to the Cabinet Member for Residents Services, in consultation with the Executive Director for Environment, Leisure and Residents Services, to consider, agree and implement what they decide is the most appropriate longer term solution.

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.

220. HAMMERSMITH LIBRARY REFURBISHMENT

RESOLVED:

1. That the sum of £200,000 received from the Section106 fund as set out in this report be used to enable consultation with customers and stakeholders to commence, to scope and determine the costs of the building works and to engage an architect for the design element of the project.
2. That the sum of £725,000 released from the Section 106 fund on the commencement of the construction of the South Building of Hammersmith Car Park be used to commence the build and refit of the library.
3. That £725,000 be released from the commencement of the construction of the North Building (timeframe to be advised by developers).

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.

221. HOUSING ESTATES INVESTMENT PLAN

RESOLVED:

1. That the evaluation of estates as set out in Section 2 of this report be endorsed.
2. That Fulham Court and Barclay Close be approved as the pilot HEIP scheme and that the framework of the Draft Investment Plan for Fulham Court and Barclay Close as set out in Section 4 and Appendix 3 of this report be agreed as the basis for developing the detail of the specific projects.
3. That approval be given to the proposed physical improvements components of the Draft Investment Plan for Fulham Court and Barclay Close as set out in Section 4 and Appendix 3 of this report, at an estimated cost of £0.750m to be funded from the existing budget for Fulham Court of £3.469m held within the Decent Neighbourhoods Pot.
4. That authority be delegated to the Cabinet Member for Housing, the Executive Director of Housing and Regeneration and the Executive Director of Finance and Corporate Governance to develop an initial pilot

project to oversee the disposal of up to 10 void properties to the Council's Local Housing Company as low cost home ownership units, following which a report will be brought to Cabinet.

5. That the receipts generated from the sale of void properties be earmarked for affordable housing and regeneration investment purposes at Fulham Court estate and Barclay Close (so far as possible and consistent with statutory pooling regulations), with the first call for reinvestment being the £3.469m.
6. That a Local Lettings Plan be drafted on the basis set out in Section 5 of this report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

222. TENDER ACCEPTANCE REPORT FOR A CONTRACT FOR SERVICING AND MAINTENANCE OF FIRE FIGHTING EQUIPMENT IN HOUSING PROPERTIES BOROUGHWIDE

RESOLVED:

1. To note that the average anticipated works spend for this contract is £44,500 per full financial year, including an annual indexed uplift, and contingencies of 5%.
2. To note that the new contract is expected to start on 1 July 2012 for a period of five years with optional annual extensions up to a maximum of 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.

223. INTRODUCTION OF A RECHARGES POLICY

A Member queried the level of charges outlined in the report. It was noted that there will be a minimum call out fee for repairs undertaken. The purpose of the report was to act as an incentive for people not to damage Council property and where damage had occurred the person who caused the damage was to be liable for the repair cost. It agreed that the communication must be clear and level of charges easily understood by tenants.

RESOLVED:

That approval is given to implement the Recharges Policy for Repairs as set out in the Appendix to the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

224. FORWARD PLAN OF KEY DECISIONS

RESOLVED:

The Forward Plan was noted.

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

RESOLVED:

The summary was noted.

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

RESOLVED:

The summary was noted.

227. 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.]

228. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 5 MARCH 2012 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 5th March 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

229. AWARD OF A CONTRACT AND FRAMEWORK AGREEMENT FOR THE PROVISION OF SERVICE FOR FACE TO FACE CUSTOMER TRANSACTIONS : 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.

230. **TENDER ACCEPTANCE REPORT FOR A CONTRACT FOR SERVICING AND MAINTENANCE OF FIRE FIGHTING EQUIPMENT TO HOUSING PROPERTIES BOROUGHWIDE : EXEMPT ASPECTS (E)**

RESOLVED:

That the recommendations contained within 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.

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

RESOLVED:

The summary was noted.

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

RESOLVED:

The Summary was noted.

Meeting started: 7.30 pm

Meeting ended: 9.13 pm

Chairman

Agenda Item 4



London Borough of Hammersmith & Fulham

Cabinet

21 MAY 2012

LEADER

Councillor Stephen Greenhalgh

MULTIMEDIA ENABLING NETWORK TECHNOLOGY

**Wards:
All**

The implementation of renewed network technology will maintain a secure IT environment; support tri-borough working and enable multimedia to the desktop.

A separate report on the exempt Cabinet agenda provides business-sensitive information regarding this project.

CONTRIBUTORS

DFCG
Director of
Procurement and IT
H&F Bridge
Partnership
ADLDS
EDFCG

Recommendation:

That approval be given to the proposal to renew data centre network equipment, at a total cost of up to £180,000 with on-going annual charges of approximately £35,000 for three years, with the overall and ongoing costs being negotiated dependant on the level of control required over content, to be funded from the IT infrastructure projects revenue budget.

HAS A EIA BEEN COMPLETED? N/A

HAS THE REPORT CONTENT BEEN RISK ASSESSED? YES
--

1. BACKGROUND

- 1.1 HFBP operates a voice and data network on behalf of H&F which provides the core infrastructure on top of which the Council operates the rest of its IT systems. This network extends from the East London Data Centre and HTH and radiates out to nearly 50 sites around the borough.
- 1.2 A Cabinet Key Decision entitled “Getting the Basics Right - IT infrastructure renewal” was previously approved in 2010. In it, costs for network renewal were highlighted, which included replacing the end of life hardware in the Data Centres to maintain the integrity of the underlying infrastructure.
- 1.3 When completed, this work will provide H&F with a modern network infrastructure with sufficient capacity to deal with reasonable levels of growth in demand and which is capable of supporting multimedia applications. Other infrastructure elements required to support multimedia are in the course of implementation:
 - Provision of sufficient bandwidth to major council sites, through the current network renewal project;
 - Replacement of the current Citrix thin client with virtual desktops – the Smart Desktop - that support playing sound and have the latest version of Flash, through the workplace strategy.

2. BENEFITS

- 2.1 The new solution is designed to help support the Council’s business requirements in a tri-borough context, by:
 - replacing the end-of-life network equipment in the data centres.
 - increasing the capacity of the network service in the data centres to handle additional Internet bandwidth to support multimedia applications and tri-borough working
 - providing controlled access to applications in a tri-borough environment
 - delivering an internet service capable of supporting a future-proofed service i.e. IPv4 and IPv6 addresses as and when required.
- 2.2 In the new design, access to internet video streams such as webinars can be enabled by default but still controlled in terms of overall usage and on an individual user basis.

2.3 The proposition in this paper will support:

- **tri-borough working** by enabling the additional network traffic generated by tri-borough working to be managed without impacting on internal work.
- **service to the public** through short videos shown in the H&F building reception areas highlighting key services and new council initiatives played on a looped basis, in a similar way to those displayed in Post Offices.
- a range of business needs for **multimedia access** by H&F staff:
 - Public facing content hosted on the H&F website, for example recordings of key council meetings or the video content available via a dedicated H&F YouTube site.
 - External content such as external newsfeeds
 - Internal and external eLearning training material via the intranet
 - Internal communications such as short videos from key events, for example the People's Award winners, or new initiatives. Other examples include communications from H&F's CEO or council members.
 - Internal communications when key messages need to be relayed to large numbers of people, for example at the start of a large change programme or new council initiative.

2.4 This work will enable basic, manual deployment of multimedia including embedding links to multimedia files in e-mails and from intranet pages. Full exploitation of some of these multimedia users will also require investment in multimedia hosting technology, for which separate authorisation will be sought when these needs are fully specified. For example, the Council's website content management tool is not able to publish some newer multimedia file types in intranet pages. SharePoint 2010, which is being considered as a potential content management system, is able to support a wider range of multimedia files, and publish these to intranet sites. In addition, a dedicated video server could be used to provide more sophisticated management of future multimedia content and control access to different content.

3. STRATEGIC OPTIONS – TRI-BOROUGH

3.1 H&F is engaged in a process of connecting its IT Services to those of the Royal Borough of Kensington and Chelsea and the City of Westminster under the Tri-borough Initiative. Consideration was given

as to whether the replacement of the services within the H&F Data Centres could be combined with any similar requirements in the other two boroughs. Whilst both other partners were prepared to consider such an arrangement neither had a particular need to do so at this point in time.

- 3.2 Any combined service to be economically viable would have to look to provide a shared environment from common data centres and the development of such a facility is not a current priority, though it is on the strategic roadmap. All three boroughs have pre-existing connections and service contracts and continue to run three separate domains at present so there are no obvious savings to be made in the short term.
- 3.3 Given H&F's particular requirements, the Tri-Borough option should be seen as a longer term goal but not one H&F can benefit from immediately and for this reason has been rejected.

4. TIMESCALE

- 4.1 The implementation is driven by the need to deliver tri-borough working in a very short timescale. The project, subject to approval, would be started in June 2012 and completed within five months.

5. PROPOSAL

- 5.1 The cost breakdown for this work is in the separate report on the exempt Cabinet agenda.

6. EQUALITY IMPLICATIONS

- 1.4 There is considered to be little or no impact on equality as a result of the issues in this report.

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

7.1 These are in the exempt report.

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

8.1 There are no direct legal implications. The works will be procured through the Council's existing arrangements with H&F Bridge Partnership.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	IT strategy - getting the basics right IT infrastructure renewal	Jackie Hudson ext 2946	FCS SmartSpace
CONTACT OFFICER:		NAME: Jackie Hudson EXT. 2946	



London Borough of Hammersmith & Fulham

Cabinet

21 MAY 2012

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

*Councillor Nicholas
Botterill*

**HAMMERSMITH BROADWAY ENVIRONMENT
IMPROVEMENTS**

This report summarises the S106 funded proposal to refurbish the footway of the Hammersmith Broadway in October 2012.

**Ward:
Hammersmith
Broadway**

The purpose of these works is to significantly enhance and improve the overall quality of the local environment and hence make the borough's busiest Town Centre a more desirable location to work and live in . Accessibility will also be improved as a result. These works have been anticipated for some time and funding has been earmarked specifically for the improvements through various S106 agreements. The works will be designed to give maximum value for money and reduce longer term maintenance costs to the council. There will be a full consultation on the details of the improvements with residents, businesses and footway user groups.

CONTRIBUTORS

EDTTS
ADLDS
EDFCG

Recommendation:

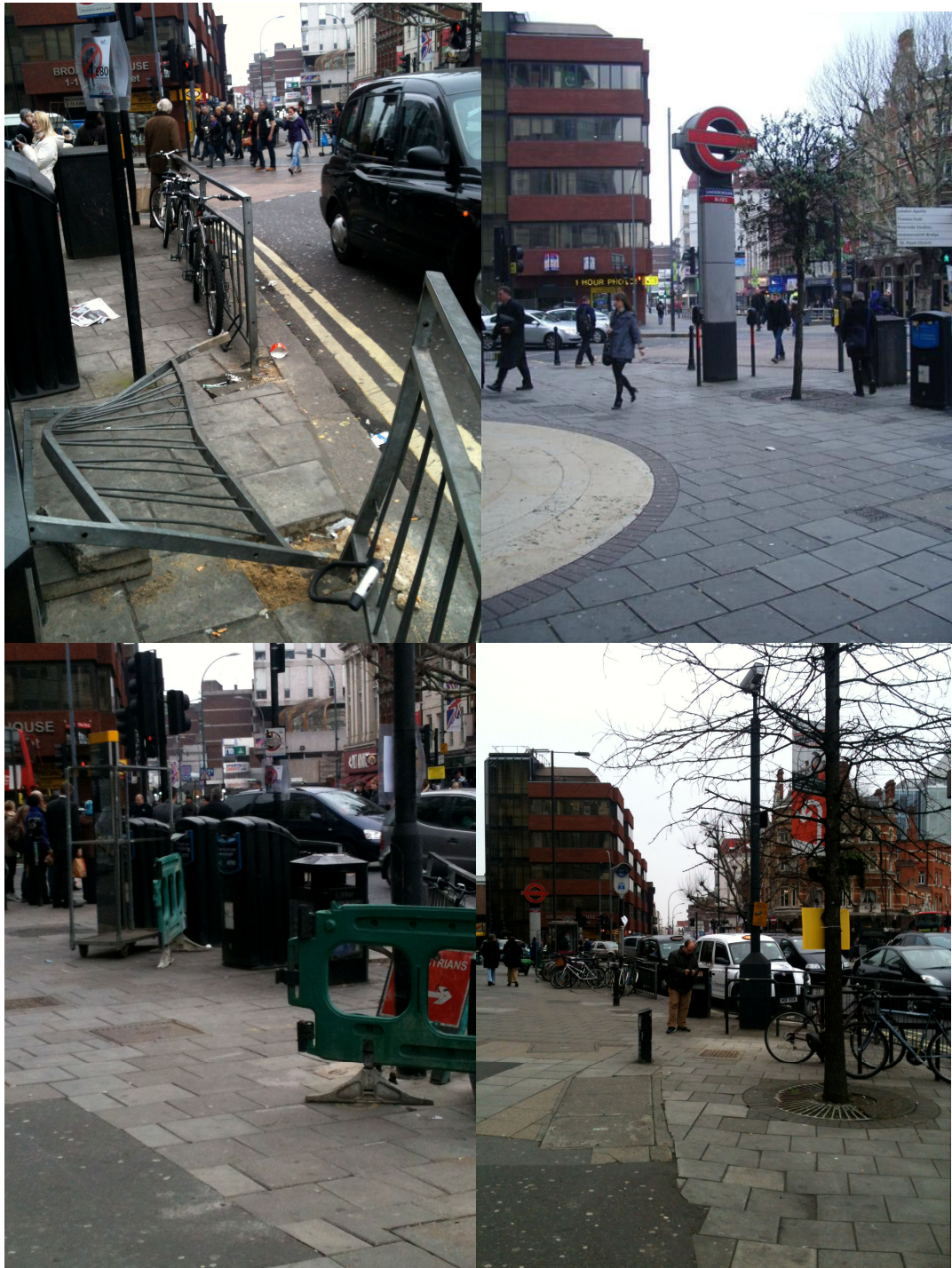
That approval be given to complete the Hammersmith Broadway footway Improvements at a total cost of £434,977 as set out in para. 6 of this report.

**HAS A EIA BEEN
COMPLETED?
N/A**

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

1. BACKGROUND

1.1 The section of footway being proposed for improvements is one of the busiest pedestrian thoroughfares in the borough. The proposals will effect the southern section of footway of the Hammersmith Broadway including the traffic island in the middle of the Broadway (Appendix 1).



1.2 In 2007, following the completion of streetscene improvements along King Street, the Hammersmith local business' resented the lack of

investment to the Broadway, the gateway to Hammersmith. This reaction came at the same time as construction of the Westfield Shopping centre resulting in a S106 agreement that set aside funding for improvements to the other competing town centres for a sum of £500K each. At this time the plans to construct the slip road at the northern junction of Fulham Palace Road and Talgarth Road became the priority and the Westfield S106 funding was withheld in the likelihood that additional funding would be required to complete the slip road works. The Hammersmith Broadway Improvements were therefore put on hold. When the necessary funding was made available for the slip road, the works commenced in August 2011. Therefore this paper seeks to obtain the support to undertake the works in accordance with the obligations as set out in the Westfield's S106.

- 1.3 In 2005, the Council began the first of three stages of the regeneration of the Hammersmith Town Centre paid for by TFL. This regeneration has since been completed apart from the Broadway, the gateway to the Hammersmith Town Centre from the Piccadilly Line station exit. A more robust streetscape design has been introduced to emphasise the sense of place and legibility across the town centre and to endure the increased footfall that the improvements have since precipitated.

2. TFL STUDY AND FINDINGS

- 2.1 In May 2011 TFL funded a study by Urban Initiatives which looked at a number of town centres across London to advise on the opportunities for streetscape improvements that should be made. Hammersmith was included among these and a report was generated (see Appendix 2) which has provided additional impetus to back the initial design proposed for this area of the Broadway. The findings from the report recommend decluttering and to move all necessary street furniture to a more appropriate place to create a visually strong first impression. It highlights the need to compensate for the increases in pedestrians. It also recommends improvements to the tree lined walk east of the space. It suggests the tree planting be extended towards the station and to add seating.

3. HAMMERSMITH BUSINESS IMPROVEMENT DISTRICT

- 3.1 The Hammersmith Business Improvement District has been extremely keen to see these works implemented since its inception in 2005. The draft designs provided as Appendix 2 have been seen and developed with input from the BID. When the initial design phase began these improvements were designed with the implementation of a wayfinding scheme in mind. This wayfinding scheme which is now completed was an idea that was first recommended by the BID to be rolled out alongside the Hammersmith Broadway improvements. These improvements form part of the wider plan to complete the revitalisation of the Hammersmith

Broadway in response to the increase in occupied office space within the core of the Broadway.

4. RISK MANAGEMENT

- 4.1 The proposed development plan and its potential risks will form part of the departmental risks registry.
- 4.2 The London 2012 Olympic Games will have an impact on what construction works can occur on the borough's road network. However these work are intended to proceed after September.

4.3

Risk	Mitigation measure(s)
Cost increase/ budget reduction	All designs developed to be flexible to allow amendments to reflect the budget while honouring the integrity of the design.
Delay to schemes	Funding to be allocated has been earmarked since 2007 and will remain available until the works are completed.
Lack of Stakeholder support	Designs have been developed along side the stakeholders using the council's Streetsmart Guide which was developed with local resident input.

5. EQUALITY IMPLICATIONS.

- 5.1 An EIA screening tool has been prepared in support of this report identifying no equality implications.

6. DETAIL OF RELEVANT S106 AGREEMENTS

<p>Bus Station, Island Site:</p> <p><i>[Reconstruction of the footway, crossovers, carriageways and associated works in Hammersmith and Butterwick Roads. The work involved in the construction of the improvements includes: landscaping including replacement trees as required and all other works indicated on the drawing']</i></p>	£34,977
<p>Westfield's S106 fund designated for Hammersmith Town Centre pedestrian improvements</p> <p><i>'Prior to the opening for trade of the shopping centre forming part of the White City Development a payment of £500,000 towards the cost of the Council carrying out improvements to pedestrian and cycling facilities and /or environmental improvements in Hammersmith town centre.'</i></p>	£400,000
Total:	£434,977

- 6.1 At present, the costs of the proposed works reflects the current price of materials, a 12% contingency is reflected in the costs to off set the potential fluctuation that may arise as the works are set to commence in the new financial year when contractor's period base line quotations will reflect annual inflation variations.

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

- 7.1 The report asks for £434,977 to be set aside from the S106 funds mentioned in paragraph 6.
- 7.2 At present, the costs are based on an estimate. This is subject to change once the detail of the scheme has been costed. The funding however is limited to the amount made available from S106 funds. Any variation in costs in excess of this cannot be assumed to be funded unless this is approved in advance. Alternatively, officers may need to manage the workload to ensure that expenditure is contained within the approved provision.

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

8.1 The proposal for the use of the monies is in accordance with the terms of the section 106 Agreements relating to the Westfield shopping centre

9. COMMENTS OF ASSISTANT DIRECTOR FOR PERFORMANCE & PROCUREMENT

9.1 Client officers should ensure that procurement of the improvement works described in this report is in accordance with EU procurement rules and the Council's contract standing orders.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Map of Hammersmith Broadway Proposed Design August 2008	Annelise Johns X 3005	5 th Floor HTHE
2.	Valuing the Urban Realm – Test Case Studies (Urban Initiatives)	Annelise Johns X 3005	5 th Floor HTHE
3.	Section 106 agreement reference number 2003/01801/S106 (545)	Saeed Oluwadipe S106 Officer	5 th Floor HTHE
4.	Section 106 agreement reference number 2005/00168/S106 (296)	Saeed Oluwadipe S106 Officer	5 th Floor HTHE
CONTACT OFFICER: Annelise Johns		EXT. 3005	



Cabinet

21 MAY 2012

**DEPUTY LEADER &
CABINET MEMBER
FOR ENVIRONMENT
& ASSET
MANAGEMENT)**

*Councillor Nicholas
Botterill*

FLEXIBLE ENERGY CONTRACT 2012-2016

This report details the Flexible Energy Contracts currently held by the Council and details procurement proposals for when they next become due for renewal.

**Wards:
All**

CONTRIBUTORS:

ENV(Carbon
Reduction/
BPM)
CHS
FCS
FCSLs
ADLDS
EDFCG

Recommendations:

- 1. To waive the provisions of Contract Standing Orders in relation to authority to award contracts.**
- 2. To delegate to the Executive Director of Finance and Corporate Governance and the Assistant Director for Building and Property Management the authority to enter into contracts with utility companies following competitive procurement exercises via a Central Purchasing Body (currently LASER operated by Kent County Council) to take effect in October 2012 for 4 years.**
- 2. That Members receive an annual report on the contracts let by officers and proposals concerning the procurement of energy by the Council for the following year.**

**HAS A PEIA
BEEN
COMPLETED?
YES**

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

1. BACKGROUND

- 1.1 Flexible Procurement managed by an approved Public Sector organisation is recommended for all public bodies by the PAN Government Energy Review Project (part of the Cabinet Office). The project has produced a number of reports supporting the adaptation. In addition the Green Report on public sector purchasing identified Energy as the only category where public sector achieved leverage through aggregations, achieving best value.
- 1.2 The procurement of Energy via Laser saves the Council money based upon the buying power of laser purchasing on behalf of over 120 Local Authorities and Universities and achieves efficiencies. Following an energy Strategy review for LBH&F in February 2012, LASER was evaluated as best in class, best practice public sector energy procurement Central Purchasing body and was recommended that LBH&F remains with LASER.
- 1.3 The current 4 year flexible contract agreement for LBH&F expires on the 30 of September 2012. The current agreement is with LASER Energy Buying Group.
- 1.4 LASER is a "not for profit" energy buying group operated by Kent County Council, using the 'flexible purchase in advance' arrangement with a twelve month fixed price period which, originally commenced on the 1 October 2008. Forward buying for a fixed twelve month period therefore requires a 'rolling' flexible procurement scheme based on an initial four year contract, with the buying agency, LASER and the alignment of expiry/commencement dates with other Councils (set at 1st October each year).
- 1.5 The Cabinet Office assessed LASER electricity purchasing performance for the period of April 2009 - February 2011 and LASER demonstrated an exceptional and consistent performance over this period. A similar report exists for gas purchasing.
- 1.6 Cabinet on 28 April 2008 approved the recommended route (reconfirmed at Cabinet on 27 April 2009) to procure the Council's gas and electricity supplies through LASER, a "Central Purchasing Body" (CPB) as defined in Regulation 2 of the Public Contract Regulations. A CPB is defined as a contracting authority which either acquires, awards contracts or sets up framework agreement for works, goods or services on behalf of one or more contracting authorities.
- 1.7 On 27 April 2009 Cabinet also reconfirmed delegated authority to the Assistant Director Building and Property Management and the Director of Finance & Corporate Services to enter into future contracts with utility companies in line with contractual arrangements tendered by LASER. Delegated authority to officers is necessary due to the fact that energy purchased in the commercial market is time limited by suppliers to very short acceptance periods (usually hours rather than days).

1.8 The use of CPBs provides OJEU compliant framework contacts for energy procurement as well as providing a number of other benefits including:

- Reduction in cost or energy procurement by negating need to manage individual OJEU processes
- Support for dispute resolution with suppliers
- Specialist energy procurement and management skills
- Continuity of skills
- Value added services (e.g. bureau services, energy demand reduction services, AMR installation services)
- Leverage with suppliers

1.9 Based on the Cabinet Key Decision of 27 April 2009, where authority was delegated to the Assistant Director of Building and Property Management to enter into contracts, the Council has committed to the new LASER framework October 2012 - September 2016.

2. THE COUNCIL'S CURRENT ENERGY CONTRACTS AND ESTIMATED ANNUAL EXPENDITURE

2.1 The contracts detailed below include energy procured not only for the Council's corporate buildings but also for Housing properties and schools (which have agreed to this). The estimated annual costs for each contract are shown below are based on estimated annual consumption for the current contracts.

2.2 **GAS** – Two contracts both PIA (Purchase within Period):

- Consumption over 500,000 kWh: 44 supplies (01/10/2011 to 30/09/2012) 'flexible in advance' from British Gas via LASER. Current estimated expenditure £1,395,119 per annum.
- Consumption under 500,000 kWh: 76 supplies (01/10/2011 to 30/09/2012) 'Flexible in advance' from British Gas via LASER. Current estimated expenditure £659,498 per annum.

2.3 **ELECTRICITY** – Two contracts:

- Half Hourly supplier: 21 supplies (01/10/2011 to 30/09/2012) 'Flexible in advance' from Npower via LASER. Current estimated expenditure £768,761 per annum.
- Non-Half Hourly Monthly Billed Maximum Demand: 91 supplies (01/10/2011 to 30/09/2012) 'Flexible in advance' from Npower via LASER. Current estimated expenditure £686,061 per annum

3. FLEXIBLE CONTRACTS

3.1 The public sector spends billions of pounds each year in a volatile market that is also set for price increase in energy costs. Energy is often a high profile spend category due to extreme price hikes; prices can fluctuate up to 5% on any given day and up to 100% in a year.

- 3.2 Wholesale energy processes are influenced by a range of factors including supply security, weather trends, exchange rates, European prices, geopolitical issues and so on. This can therefore result in fluctuation of prices over a few days and therefore purchasing fixed priced annual or longer term energy supplies on a single day is a high- risk strategy, with a 1 in 220 chance of getting the best price. Purchasing chunks of energy over multiple trades over longer periods of time and using a robust risk management or 'hedging' strategy; known as flexible procurement, mitigates the price risk and allows Councils to break free from traditional contract practice and the vagaries of the energy market. In 2009/10, 20 London boroughs used recommended flexible contracts for differing proportions of their energy requirements which delivered approximately £16m savings.
- 3.3 Flexible purchasing allows for the price of raw energy to be fixed over a number of trades on the wholesale market. There are a number of benefits to the use of flexible purchasing when compared with other methods of procurement and these are:
- Transparency over all costs that make up energy charges
 - Focus on controllable energy cost element
 - Purchasing conducted in real-time
 - No long-term price lock in
 - Reduced forward risk premium
 - Responsive to market trends
 - Managed supplier transfers

4. CONTRACT DETAILS AND DURATION

- 4.1 The process for the flexible procurement of energy via LASER requires a minimum agreement for a four year period to be viable. For the LBHF chosen basket (PIA-Purchase in Advance) which has so far been deemed suitable, prices are concluded for each supply year commencing 1 October to 30 September the following year and contracts are drawn for 4 years.
- 4.2 LASER are now requesting that the Council enters into the contracts to join the 2012-16 framework. The contracts are in a form of Tripartite agreements between the LBHF (customer), the supplier and Kent County Council (the Purchaser).
- 4.3 LASER have currently appointed the successful suppliers for the subsequent 4 year period (October 2012- September 2016) and the successful suppliers are Total Gas& Power for Gas and Npower for Electricity.
- 4.4 To date the buying and risk management of LASER has been good with LASER delivering achieved prices that were below market average. The London Energy Project has evaluated the aggregated flexible, risk managed contracts provided by LASER and recommends their use at contract renewal. In addition LBHF carried out an Energy Strategy Review and LASER was considered as best in class and best practise public sector CPB.

5. FUTURE ENERGY PROCUREMENT PROPOSALS 2012-16

- 5.1 It is recommended that the Council signs the tripartite agreements and commits to LASER –flexible contract framework for the framework period of October 2012- September 2016.
- 5.2 **GAS** –One Contract which include the following:
- Flexible ‘Overs’ 500,000 kWh.: 44 supplies. Continue to procure via LASER under flexible contract arrangement for the subsequent 4 years period from October 2012- September 2016.
 - Flexible ‘Unders’ 500,000 kWh: 76 supplies continue to procure via LASER as for Overs.
- 5.3 **ELECTRICITY** – One Contract which include the following:
- Half Hourly supplies: 21 supplies. Continue to procure via LASER under flexible contract arrangement for the subsequent 4 years period from October 2012- September 2016.
 - Non-Half Hourly Monthly Billed: 91 suppliers. Continue to procure via LASER as above for the HH supplies
- 5.4 The Council needs to agree and choose the PIA option as this was previously identified as the best solution for flexible procurement for LBHF needs. However a possible move of some sites into PWP (Purchase within Period Basket) should be considered at a later date. For PWP basket energy prices are concluded prior to and within the supply periods (October- March and April-September. 6 months notice should be given to LASER if LBHF wishes to move some sites from PIA to PWP basket.

6. ENERGY STRATEGY REVIEW

- 6.1 The Carbon Reduction Team worked closely with a consultant who carried out an Energy Strategy Review for LBHF and assessed the way that the Council has been procuring energy through LASER.
- 6.2 The main recommendation was to continue purchasing energy using a CPB such as LASER with a preferred option for Flexible procurement; in addition, to assess the possibility of using PWP basket in conjunction with PIA after careful consideration of risks and benefits involved.
- 6.3 Upon expiration of electricity fixed term fixed price contracts (FTFP - March 2013 and March 2014), the Carbon Reduction team will be looking to move sites (such as Housing and schools) into flexible purchasing upon agreement from schools.
- 6.4 Finally, a restructure of energy contracts has been deemed necessary which will provide a better management of contracts as well as energy management.

7. CARBON REDUCTION AND ENERGY CONSERVATION

- 7.1 The monitoring of energy consumption and payments for buildings covered by these contracts will be undertaken by the Carbon Reduction Team part of Smart FM utilising an external agency service provided by Team Bureau.
- 7.2 The Carbon Reduction team will be able to investigate any abnormal consumption against targeted consumption over the previous twelve months. Working closely with TEAM who validate bills prior to payment and using the now centralised finance system for dealing with utility bills should result in reducing energy usage and costs. This will also assist the Council to provide energy use data under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC EES) obligations as required from April 2010.
- 7.3 Whilst effective procurement is important to try and reduce energy costs the best way forward is of course to reduce consumption as this also not only reduces cost but has major benefits for the environment. Higher energy costs have reinforced the need to reduce energy consumption wherever possible.
- 7.4 Cabinet on the 26 April 2010 approved the Council's Carbon Management Plan. The plan outlines a programme of projects and initiatives to achieve a carbon reduction target of 40% in CO2 emissions by 2016. The Corporate Planned Maintenance Programme will continue to fund energy conservation projects, subject to individual scheme approval in order to improve the energy efficiency of our buildings. Capital Funding will also be used for energy efficiency projects and the carbon reduction team are currently putting together suggestions for projects to be approved by Cabinet.
- 7.5 TEAM Bureau, the Council's carbon management bureau, is working closely with the Carbon Reduction Team to monitor and manage the councils/s emission and energy use from owned buildings.
- 7.6 STARK has been chosen as a supplier for Automatic Meter Readers (AMR) and phase 1 of the AMR roll out is now complete. NPower one of the Council's electricity suppliers will also be carrying out AMR roll out for a number of Council sites to allow the Carbon Reduction Team to best monitor electricity use.

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

- 8.1 Section two of this report indicates that future annual expenditure across the General Fund, some Housing areas and some Schools on flexible contracts gas and electricity will be approximately £3.5m per year. In addition to this there are 'Fixed Term Fixed Price' contracts due for renewal in 2013 and 2014. These costs are accounted for in the utility budgets for 2012/13. Given the volatile nature of energy costs these budgets will be reviewed annually as part of the estimates process.

9. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY

- 9.1 The use of LASER as a Central Purchasing Body complies with the requirements of the Public Contract Regulations 2006. Given the expertise of the LASER organisation it is seen as the most effective, efficient and economic way for the Council to procure its energy requirements.
- 9.2 The Assistant Director for Procurement and IT Strategy has been consulted on these proposals and agrees with the recommendations.

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

- 10.1 It is noted that it is proposed to purchase gas and electricity through a framework set up by a central purchasing body. This procurement approach is in accordance with EU procurement rules and the Council's contract standing orders.
- 10.2 It is also noted that a request is made to waive standing orders and to delegate the award of individual contracts under the framework to the Director of Finance & Corporate Services and the Assistant Director for Building & Property Management. This is on the basis that the decision on this contact needs to be made within very short timescales which would not allow for the decisions to be made by Cabinet or a Cabinet Member.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Report Co-ordinator	Dr. V Paloumbi Ext 3912	BPM/ENV, 6 th Floor Town Hall Extension Hammersmith W6
2.	Previous Cabinet and Committee reports on energy procurement	Dr. V Paloumbi Ext 3912	BPM/ENV, 6 th Floor Town Hall Extension Hammersmith W6
3.	Details of current and past energy supply contracts held by the Council	Dr. V Paloumbi (current) Ext 3912	BPM/ENV, 6 th Floor Town Hall Extension Hammersmith W6



London Borough of Hammersmith & Fulham

Cabinet

21 MAY 2012

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

**HOUSING REVENUE ACCOUNT – MEDIUM TERM
FINANCIAL STRATEGY TRANSFORMATION
PROGRAMME: HOUSING SERVICES MARKET
TESTING AND REPAIRS AND MAINTENANCE
RE-PROCUREMENT EXERCISE**

**Wards:
All**

As part of the Housing Revenue Account (HRA) Financial Strategy and 30 year business plan approved by Cabinet on 30 January 2012, a HRA MTFS Transformation Programme is currently underway to both improve the quality of services received and to improve efficiency by realising an ongoing annual saving of £4m per annum from 2014/15 onwards.

The two principal components of this programme are to:

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

1. Market test a number of housing management services and repairs and maintenance activities. Market testing, with the potential to outsource significant elements of the service to best in class service providers, is designed to drive greater value for money and improve service standards.

**HAS AN EIA BEEN
COMPLETED?
YES**

2. Re-procure the repairs and maintenance contracts in a manner that will both deliver greater value for money and improved service delivery.

This report outlines service improvement and cost reductions sought, together with associated procurement timelines.

CONTRIBUTORS

EDHRD
DAMPS
DHS
DFR
ADLDS
EDFCG

Recommendations

- 1. That approval be given to proceeding with the re-procurement of housing repairs and maintenance contracts and market testing as outlined in section 5 of this report.**
- 2. That approval be given to proceeding with the proposed market testing of a number of housing management services as set out in section 5 of this report.**
- 3. That the provisions of Contract Standing Orders (Section 3, para 9.2) be waived and authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director for Housing and Regeneration, to progress the related procurement processes up to but not including Contract Award. Subsequent decisions relating to the entering into of contractual arrangements will be the subject of further reports back to Cabinet.**

1. SUMMARY

- 1.1 The HRA Budget, Financial Strategy and Rent Increase 2012/13 report was approved by Cabinet on 30 January 2012. The report noted that following £6 million savings in management costs between 2008 and 2010, a further HRA MTFS Transformation programme is underway to achieve ongoing revenue savings of £4m per annum from 2014/15 onwards. Delivery of the transformation savings programme is required to contain reliance on asset sales to fund ongoing repairs and maintenance activity, and to improve the financial position of the HRA overall, freeing up investment for innovation, regeneration and service improvement. This report provides further detail on the transformation programme and seeks authority to progress with a programme of market testing and outsourcing across both housing and property services and re-procurement of repairs and maintenance services.
- 1.2 In addition to achieving greater cost efficiency, there is also a need to improve the quality of services provided to tenants, leaseholders and residents. Notwithstanding some areas of strength, there is significant room for improvement, particularly in relation to repairs and maintenance and managing the customer interface.
- 1.3 At its meeting on 5 March 2012 Cabinet approved 'The Future of Resident Involvement and The Levy in LBHF'. This contained a proposal for a Residents Panel and a Repairs Working Group. These groups have been established and, together with other residents and stakeholders, will help the council to drive improved performance in these areas.
- 1.4 Services to be included in the market testing programme are:-
 - Housing Management
 - Estate Services
 - Repairs and planned maintenance
- 1.5 The housing service is currently responsible for the management of 17,500 properties with an existing use value of £900 million, producing income from rent and service charges of £71 million.
- 1.6 By 2014/15 we expect to see a leaner more challenging client team working in a mature partnership arrangement with our new contractor/service providers, supplying improved services which can be validated through independent surveys of customer satisfaction.

- 1.7 The table below shows key milestones for the re-procurement and market testing activities.

Milestone	Repairs & Maintenance	Housing Services
Issue Notice of Intention to Leaseholders & consult	02/03/12	Dec-11 to Apr-12
Issue Prior Information Notice to commence formal market consultation	27/03/12	Apr-12
Cabinet Report to Business Board	Apr-12	Apr-12
Host 'Meet the Buyer' event for potential contractors	Apr-12	Apr-12
Request key Cabinet decision to procure	May-12	May-12
Contract Notice & Pre-Qualification Questionnaires issued	Jun-12	Jun-12
Invitations to Tender issued	Oct-12	Sep-12
Preferred bidders identified	Feb-13	Nov-12
Prepare & Issue Notice of Proposal to Leaseholders & consult	Mar-13	Nov-12
Request key Cabinet decision to award	Apr to Jun-13	Nov-12 to Feb-13
Award contract	Jul-13	Feb-13
Mobilisation period	Jul to Oct-13	Feb to Mar-13
Go-live date	Oct-13	Apr-13

2. STRATEGIC CONTEXT

- 2.1 H&F has established a track record for delivering high quality, value for money public services. Despite some improvements in the provision of housing services in recent years there is a recognition based on benchmark performance data and consistent feedback from tenants and leaseholders that housing management services need to markedly improve and offer better value for money.
- 2.2 Following the re-integration of the ALMO, a Financial Strategy for the HRA has been agreed that includes a transformation programme to drive service improvement and deliver ongoing annual revenue savings of £4m per annum from 2014/15.
- 2.3 Repairs and maintenance along with estate services activities are significant drivers of customer satisfaction. Therefore the opportunity of a re-procurement exercise for repairs and maintenance and market testing for housing services will be used to drive greater scale economies and efficiencies whilst improving service outcomes through better KPIs and better performance management of contractual arrangements.

- 2.4 A suite of KPIs focused on customer satisfaction will be designed to both penalise or incentivise partners. Currently, if a job is done poorly the customer is left dissatisfied – in future the supplier will suffer a financial penalty. If the supplier gets the service right first time and the customer is satisfied they will be paid in full.
- 2.5 Through a gain share mechanism¹, innovation leading to continued service improvements/cost savings may result in incentive payments. The KPI suite will address contractual outputs in terms of quality of completed work within specified time scales, work being completed right first time, and customer satisfaction. Additional KPIs will deal with specific high-risk areas such as gas compliance.
- 2.6 We will get closer to our customers through our new Resident Involvement Strategy. We will also explore the potential for greater tenant involvement and taking of responsibility through the White City Neighbourhood Community Budget pilot. In addition through greater financial transparency we want local managers and/or service providers to have a greater awareness of income and expenditure and through the use of 'local P&L accounts' will encourage greater local accountability and stimulus for innovation.
- 2.7 The table below is a high level illustrative benchmark against our local authority partners which indicates that there is potential to further improve cost efficiency.

Authority	Total no. of properties	2010/11 HRA expenditure ²	Expenditure per property
H&F	17,500	£85m ³	£4,857
Kensington & Chelsea	9,500	£85m ⁴	£8,947
City of Westminster	21,700	£116m ⁵	£5,446
Wandsworth	33,300	£115m ⁶	£3,453

¹ "gain share mechanism" means supplier and H&F may share cost savings

² HRA expenditure excludes capital expenditure, but includes HRA share of interest payable

³ Data source – Revenue estimates and capital programme 2011/12; Pg 106

⁴ Data source – Statement of accounts 2010/11; Pg 111

⁵ Data source – Final account 2010/11; Pg 4 & pg 77

⁶ Data source – Statement of accounts 2010/11; Pg 98-99

2.8 Resident satisfaction indicators across the same group are mixed as can be seen by the following indicative benchmarking table. The figures suggest that as well as improving cost efficiency there are also opportunities to improve service levels.

Measure 2010/11 (unless otherwise stated)	H&F	K&C⁷	City of West.⁸	Wandsworth⁹
Major works & cyclical maintenance Resident satisfaction with overall quality of their home	71%*	NA	79%	65%
Responsive repairs & void works Residents satisfied with repairs & maintenance	70%	66%	75%	65%
Housing Management Tenants satisfied with overall services provided	73%	79%	79%	70%
Estate Services Residents satisfied with their neighbourhood as a place to live	80%	85%	80%	79%

* 2009/10 figure

⁷ Data source – Figures supplied by K&C from "TMO in Touch"

⁸ Data source – Figures supplied by CityWest Homes

⁹ Data source – Housing Link Panel Recruitment & Housing Management Survey 2011 by bmg research for Wandsworth Council June 2011 (tenants only figs. used)

2.9 Through more detailed benchmarking, as indicated in the HouseMark¹⁰ table below, the existing performance is inconsistent across the service and judged against other boroughs is rated to be expensive.

Efficiency Summary for LB of Hammersmith & Fulham (Source: HouseMark Benchmarking results)				
Business Activity	Cost KPI	Cost KPI Ranking	Quality KPI	Quality KPI Ranking
Overheads	Overhead costs as % adjusted turnover	23 /30	Overhead costs as % direct revenue costs	19 /31
Major Works & Cyclical Maintenance	Total Cost Per Property (CPP) of Major Works & Cyclical Maintenance	27 /31	Percentage of tenants satisfied with overall quality of home (General Needs (GN) & Housing for Older People (HfOP))	7 /16 (2009-10) *
			Percentage of dwellings failing to meet the Decent Homes Standard	14 /30
Responsive Repairs & Void Works	Total CPP of Responsive Repairs & Void Works	26 /31	Percentage of tenants satisfied with the repairs and maintenance service (GN & HfOP)	17 /24
			Percentage of all repairs completed on time	23 /29
			Average time in days to re-let empty properties	6 /16 (2009/10)*
Housing Management	Total CPP of Housing Management	21 /31	Percentage of tenants satisfied with overall services provided (GN & HfOP)	17 /25
			Percentage of tenants satisfied that views are being taken into account (GN & HfOP)	3 /16 (2009-10) *
			Current tenant arrears net of unpaid Housing Benefit as % of rent due	21 /29
Estate Services	Total CPP of Estate Services	16 /31	Percentage of tenants satisfied with their neighbourhood as a place to live (GN & HfOP)	6 /31

* 2010/11 figures not available.

¹⁰ HouseMark is a nationally recognised benchmarking organisation that H&F subscribes to. Results are anonymised. See Appendix A for full details. Dataset 2010/11.

2.10 Following successful implementation of the transformation programme we expect to see:

- significant improvement in all of the Cost KPI's together with marked improvements in the Quality KPI's benchmark figures;
- a “leaner” department that is more effective at delivering good effective performance and contract management;
- several large partnering contracts in place that are aligned to deliver service improvement and increased value for money with appropriate risk/reward mechanisms in place;
- a fully integrated department that has access to good quality data with which to shape strategies for asset management and meeting the housing needs of residents;
- a flexibility within the service to continuously evolve to meet the needs of the Residents' Involvement Strategy; and
- to drive continuous improvement and seek opportunities to promote ongoing integration with other teams within the wider Council.

3. MEDIUM TERM FINANCIAL STRATEGY SAVINGS TARGET

3.1 In 2011 HRD commissioned a high level review of key service areas which identified that there is the potential to maintain and/or increase the level of service to residents whilst at the same time realising savings of approximately £5 million (before costs) over the period 2011/12 – 2014/15, with a full year effect savings of approximately £4 million from 2014/15 onwards.

3.2 This level of savings is required by HRD to meet its challenging MTFS. In order to achieve this level of saving, new approaches are required in the way in which services are delivered to ensure that both service improvement and the savings targets are achieved.

3.3 The saving's targets are:

Service	Full year effect savings from 2014/15
Estate Services	£670,000
Housing Management	£771,000
Property Services	£2,461,000
Total savings	£3,902,000

4. SCOPE OF PROJECT

4.1 This paper provides details of the approach currently being taken to procure and/or market test services, via two separate projects; one focusing on repairs and maintenance, managed by Property Services and the other on housing management and estate services, managed by Housing Services.

4.2 This twin project approach is being taken as there are strategic procurement differences between the contract packages in Property Services and the potential first time procurement of services in Housing Services following the market testing exercise. These procurement differences also drive different timelines for the projects.

4.3 Property Services

4.4 In the context of the HRA the Asset Management and Property Services Division is responsible for:

- Effective asset management planning for an estate of circa 17,500 homes and ancillary properties with existing use value of circa £900 million and an unrestricted open market value of circa £3 billion;
- Maintaining the Council's housing stock to an acceptable standard by providing sustainable, warm, safe, modern and secure properties;
- Ensuring that statutory inspections and maintenance obligations and activities are carried out on a range of items including; gas installations, lifts, water tanks and some electrical installations;
- Undertaking Fire Risk Assessments and carrying out any necessary maintenance, remedial or improvement works; and
- Refurbishment of void properties.

4.5 The current service delivers circa 50,000 responsive repairs each year including 7,500 repairs to communal areas to approximately 17,500 homes. The statutory obligation to annually check and service gas installations is completed to 11,000 of the tenanted homes.

4.6 The total expenditure on responsive and planned preventative maintenance is approximately £49 million per annum – this expenditure is currently spread over 27 separate contracts.

4.7 Repairs and maintenance activity is a significant driver of resident satisfaction but all too often feedback from residents and members is that service is poor, although the current performance measurements don't always reflect this.

4.8 Section 5 of this report outlines the proposal to re-procure the existing services in such a way as to transform the residents' experience of the repair service. The table below summarises the current service and our vision of the future.

4.9 **What's in it for Residents?**

4.10 **Current experience**

- If a job is done poorly the customer is dissatisfied and complains to the department and to members.
- Poor diagnosis of the fault at first call stage.
- Inconsistent interpretation of the repairs policy.
- Numerous chase up calls are needed to ensure that the repair gets done.
- Missed appointments.
- Hand-offs between different contractors.
- Failure to get repairs done right first time.
- Contractors getting paid before residents have signed off repairs as complete.
- Potential for payments to be made ahead of full customer satisfaction

4.11 **Future experience**

- Contractor incentivised to get the job done right first time - if a job is done poorly the supplier suffers financial penalty.
- No payment until jobs are completed.
- Call centre run and managed by the "repair experts" - the contractor.
- Contractor uses their own system to log and diagnose the repair.
- Contractor arranges appointments at first call stage using "real-time" scheduling software.

- Use of latest technology to log repairs including "apps." for mobile phones.
- Resident satisfaction recorded by a third party organisation.
- Fewer contractors leading to less hand-offs between suppliers.

4.12 As well as resident dissatisfaction, the cost for the responsive repairs service is very high compared with other local housing authorities and housing associations.

4.13 The following chart shows the total costs per property of responsive repairs and voids re-servicing compared with H&F's HouseMark benchmarking group. It includes both the 'client side' management and administration functions and the 'contractor side' direct:

Cost KPIs ¹¹	Upper	Median	Lower	LBHF Result	Ranking
Total Cost Per Property of Responsive Repairs Service Provision	£372	£484	£537	£559	27 /30
Total Cost Per Property of Responsive Repairs Management	£157	£187	£273	£267	22 /30
Total Cost Per Property of Void Works Service Provision	£87	£123	£157	£133	18 /30
Total Cost Per Property of Void Works Management	£26	£38	£51	£54	25 /30

4.14 Although some cost savings have been achieved over the last few years the total cost remains comparatively high and shown below are some of the reasons for this:

- The current pricing mechanisms do little to incentivise the contractors to get things right first time;
- Poor diagnosis of the fault at first call leads to wasted visits and extra costs; and
- There is insufficient client side focus on the commercial and financial management of the contracts to ensure that the best possible costs are achieved.

¹¹ HouseMark is a nationally recognised benchmarking organisation that H&F subscribes to. Results are anonymised. See Appendix A for full details. Dataset 2010/11.

- 4.15 Two separate reviews, undertaken in 2010/11 by Cyril Sweett and Northgate Public Services (NPS) each identified that in order to achieve further savings and maintain, and in some areas improve service, the optimal solution would be to reduce the existing number of contracts and engage a single service provider, borough wide, to undertake the majority of responsive repairs and maintenance works and potentially certain elements of planned maintenance work.
- 4.16 It is acknowledged that this is a significant divergence from the previous approach, even though it is supported by case study evidence to the effect that it can be an effective model of operation. Therefore, it has been considered prudent to test the market by including a separate tender option for a single contractor in each geographical area (north and south) of the borough. The procurement proposal, attached in Appendix A, identifies the various options that were considered and highlights the advantages and disadvantages of each and the principal risks considered to arrive at the proposed solution.
- 4.17 All of the 4 main contracts for repairs, voids and gas (approximately £15 million p.a.) have various extension clauses which have already been invoked and will expire by March 2014. This therefore provides a potential window of opportunity to re-package and re-procure various services through one or two larger contracts, which will deliver greater economy of scale savings.

4.18 **Housing Services**

- 4.19 Housing Services are responsible for:
- Maintaining estates in a clean, safe and tidy condition contributing to the health, wellbeing and quality of life for all Council residents;
 - Undertaking 'Landlord' activities to ensure tenancies are well managed, that income is collected, that statutory obligations are discharged, and that a meaningful point of contact for residents is maintained;
 - Contributing to the creation of safer neighbourhoods through acting to combat/eradicate low level anti social behaviour on estates; and
 - Improving levels of Resident Involvement.

4.20 The high level review conducted in 2011 recommended market testing a number of services currently delivered 'in-house' by Housing Management and Estate Services. The scope has been refined and now includes market testing the following areas of the service:

- Caretaking/General estate cleaning;
- Specialist cleaning services;
- Sheltered Housing cleaning;
- Tenancy Services; and
- Reception Services.

4.21 A number of services have been excluded from market testing at this time, as it is felt there are still internal efficiency opportunities that can be made prior to market testing. Alternative proposals have been formulated, which will retain these services within the council. These proposals offer benefits in terms of early cost savings (already included in the projected HRA MTFs) and service improvements. The services not being market tested at this time are detailed below:

- Concierge – an in-house proposal is being implemented which is designed to improve the efficiency of the service and widen its scope to cover a greater number of residents – savings will start to be realised in 2012/13, with full year effect savings of £307,000, projected in 2013/14;
- Income Management and Rents Accounting – are being merged with H&F Direct, part of Finance and Corporate Services, with the aim of providing a more customer focused and streamlined income and revenue team to fit in with the council wide debt management strategy - savings will start to be realised in 2012/13 with full year effect savings of £271,000 projected in 2013/14; and
- Sheltered Housing – this area is subject to a separate asset review in conjunction with colleagues within Adult Social Care considering the future requirements for sheltered accommodation and extra care units across the borough.

- 4.22 Internal restructuring reviews of all services are being carried out in parallel with external market testing. These reviews will inform the writing of specifications for preparation of formal tender documentation.
- 4.23 In-house restructuring and transformation proposals for services included in the market testing scope will be competitively evaluated against tenders received from external service providers.
- 4.24 The Estate Services staff considered but ultimately decided against submitting a formal in-house bid as a 'mutual' organisation. They have decided to work on an alternative restructure and reorganisation that will form the basis of an internal review proposal, the cost of which will be considered along with all bids received from external contractors as part of the procurement exercise. H&F has offered support for this approach and to make independent consultancy support available to the Estate Services review team to progress this. The review team comprises of the Estate Services management team, volunteer caretakers, and staff side representatives.
- 4.25 The following table shows comparative costs across the HouseMark benchmarking group. Again the results are indicative of current inconsistent performance.

Cost KPIs¹²	Upper Quartile	Median	Lower Quartile	H&F Result	Ranking
Total Cost Per Property of Housing Management	£355.43	£428.01	£509.89	£495.83	21 /31
Total Cost Per Property of Estate Services	£268.44	£338.75	£453.91	£342.83	16 /31
Direct Cost per Property of Housing Management	£234.32	£292.93	£358.97	£349	22 /30
Direct Cost per Property of Rent Arrears & Collection	£76.67	£85.49	£106.43	£142.94	28 /30
Direct Cost per Property of Anti-Social Behaviour	£29.57	£44.74	£59.46	£102.94	29 /30
Direct Cost per Property of Tenancy Management	£56.91	£80.64	£114.54	£63.05	11 /30
Direct Cost per Property of Lettings Management	£14.12	£26.61	£34.17	£25.86	14 /30

¹² HouseMark is a nationally recognised benchmarking organisation that H&F subscribes to. Results are anonymised. See Appendix A for full details. Dataset 2010/11.

4.26 H&F collect a number of key performance indicators for housing services which are shown in the table below.

Quality KPIs ¹³	Upper Quartile	Median	Lower Quartile	H&F Result	Ranking
% of tenants satisfied with overall services provided (GN & HfOP ¹⁴)	78.21	74.50	71.00	73.00	17 /25
Current rent arrears net of unpaid Housing Benefit as % of rent due	2.1	2.9	3.9	3.4	21 /29
% of tenants satisfied with their neighbourhood as a place to live (GN & HfOP)	78.62	74.65	71.60	80.00	6 /31
Direct number of housing management employees per 1,000 properties	5.08	6.20	8.18	7.57	22 /31

5. PROPOSED PROGRAMME

5.1 The service delivery of the contracts will be managed by a series of risk and reward measures. The KPIs which feed these measures will be determined during the preparation of the full specifications, based on best practice and in consultation with all stakeholders, including the new Local Residents' Panel and the Residents' Repairs Working Group, however at this stage, it can be confirmed that the KPIs will drive improvements in customer service and satisfaction through headline KPIs see Appendices for further details.

5.2 Property Services

5.3 The Repairs & Maintenance Re-Procurement Proposal is attached as Appendix B. The proposal shows all of the options that were considered and recommends a procurement route that is summarised below.

5.4 The recommended proposal is to;

- Package together all responsive repairs, gas, voids and as much of the planned maintenance work as possible into either a sole or dual supply contract(s) in such a way as to; maximise value for money, improve the efficiency and benefits of the service to residents and develop and improve the resilience of the overall service.

¹³ HouseMark is a nationally recognised benchmarking organisation that H&F subscribes to. Results are anonymised. See Appendix A for full details. Dataset 2010/11.

¹⁴ General Needs and Homes for Older People

- Market test a range of in-house services and include in the re-tendering if this offers better value for money. Services currently under review include:
 - Repairs call centre;
 - Gas teams (including communal gas);
 - Voids; and
 - Inspection services.
- Retender using either a single borough wide contractor or 2 contractors split north and south of the borough for all the above work and services
- Enter into a long term partnership - a minimum of 10 years with a possible 5 year extension, which will include regular service and delivery reviews.

5.5 At this stage the size of the potential single or dual supply contract(s) is not known, as further market testing and investigation is required, to establish the optimum mix of works and services to include. It is likely that the annual contract value will be between £15m-£25m p.a. which would give a contract value, over 10 years, of approximately £150m - £250m.

5.6 The indicative timelines below highlight key milestones across both the repairs and maintenance re-procurement and housing services market testing:-

Repairs & Maintenance re-procurement	
Issue Notice of Intention to Leaseholders & consult	02/03/12
Issue Prior Information Notice to commence formal market consultation	27/03/12
Cabinet Report to DMT	Mar-12
Cabinet Report to Business Board	Apr-12
Host 'Meet the Buyer' event for potential contractors	Apr-12
Request key Cabinet decision to procure	May-12
Contract Notice & Pre-Qualification Questionnaires issued	Jun-12
Pre-Qualification Questionnaires returned	Jul-12
Pre-Qualification Questionnaires evaluation and short-listing	Aug-12
Invitations to Tender issued	Oct-12
Invitations to Tender returned	Dec-12

Invitations to Tender evaluation	Dec-12
Preferred bidders identified	Feb-13
Prepare & Issue Notice of Proposal to Leaseholders & consult	Mar-13
Request key Cabinet decision to award	Apr to Jun-13
Award contract	Jul-13
Mobilisation period	Jul to Oct-13
Go-live date	Oct-13

- 5.7 This proposal, therefore, also seeks approval for delegated powers to be passed to the Lead Cabinet Member for Housing in conjunction with the Executive Director for HRD (acting on the advice of the Tender Appraisal Panel), to take and/or approve all decisions throughout the re-procurement exercise and market testing up to but not including Contract Award.
- 5.8 Alongside the re-procurement of repairs and maintenance contracts, a re-organisation of the property services function within HRD will take place. This will include the integration of the Building Property Management (BPM) team that work exclusively on HRA residential property and are due to transfer from the Environment Services Division in May 2012. The re-organisation will ensure that the new structure reflects the change in emphasis from day to day management to more planning, monitoring and contract management of fewer, but larger, contracts, whilst at the same time fulfilling all statutory obligations.
- 5.9 The re-procurement and re-organisation is expected to deliver the following benefits:
- Full year effect savings of £2.4m;
 - Improvement in service and quality of delivery, with a consequent rise in customer satisfaction and improved performance against a range of KPI's, including the HouseMark benchmark figures;
 - Clearer focus for the in-house teams on monitoring statutory compliance, developing a long term asset management strategy that includes planning effective maintenance work to reduce the level of responsive repairs;
 - Increased efficiency of operations through;
 - Reduced interface between different parties, (fewer 'hand-offs');
 - Improved technology, particularly mobile working, to improve response times, and customer service;

- Focused performance indicators based on best practice;
- Greater assurance of quality of work; and
- Improved speed and clarity of invoicing.

5.10 It is worth noting that the £2.4m savings figure is to be achieved through a combination of:

- Contractual savings based on a contract value of approximately £15m p.a. for core services i.e. Repairs, Gas & Voids, to be achieved through;
 - Savings on overheads;
 - Increased work density;
 - Increased buying powers;
 - More efficient work processes;
 - Improved repair diagnosis leading to more right first time repairs; and
 - A long term contract giving the opportunity to invest in better technologies and more long term savings initiatives.
- In addition we believe there are opportunities to realise savings through outsourcing some in-house services realising 25% - 30% efficiencies.
- Reorganising and realigning the Property Services department to reflect the change of focus from operational management to more monitoring, contract management and strategic planning.

5.11 In addition, the new contractual arrangements will seek to include alignment with the existing and new regulatory requirements, emerging in the form of the Localism Bill. This will include options to consider proposals to give residents more control over repair budgets such as the Government's 'tenant cash back scheme'.

5.12 By entering into a long term, partnering agreement the winning contractor(s) will have the flexibility to be able to contribute and actively participate in the Residents' Involvement Strategy, including engagement with the Repairs Working Group.

5.13 Housing Services

The Housing Services Market Testing Proposal is attached as Appendix C. The proposal shows the options that were considered and the proposals are summarised below.

5.14 It is proposed to market test aspects of services provided within Housing Services, comparing an in-house service with a potential long-term partnering contract (up to ten years in length). The final contract length will be agreed with H&F Procurement and Legal support, after benchmarking similar contracts and gaining feedback from potential service providers and other Social Housing providers who have adopted contracted-out service models.

5.15 It is intended that aspects of the service will be offered in three lots, details of the lots and the estimated 10 year contract value is shown below:

Lot	Description	Estimated 10 year value £ Million
1	Estate Services (cleaning & caretaking) Borough wide	25 – 35
2	Housing Management south half of Borough ¹⁵	20 - 40
3	Lots 1 & 2 combined	45 - 75

5.16 Included in the proposal for Housing Management there is provision to test an in-house service in the north of the borough against an externally provided service in the south. The rationale for market testing Housing Services in the south and retaining the north in house resulted from a detailed options appraisal which proposed that:

- **The north** will have an internal review and remain within the council for the time being, providing the necessary flexibility as options for a Housing Mutual as part of the White City Neighbourhood Community Budget are explored.
- **The south** will be fully market tested with the potential of appointing an external contractor to provide the service.

¹⁵ The rationale for offering Housing Management on a half Borough basis with the north half being retained in-house is detailed below.

- The reasons for dividing the service and market testing the south are;
 - The split will create competitive tension, encouraging services to improve
 - The split will allow us to compare in-house versus external provider
 - The size of the housing stock in the south is more likely to stay about the same over the next 10 years making it possible to market test more accurately.

5.17 The potential contract value is over the financial threshold for Services set out in the Public Contracts Regulations 2006 (as amended). Given the absence of any appropriate Framework Agreement, it is therefore necessary to undertake a full Official Journal European Union (OJEU) procurement exercise, using a traditional model contract.

5.18 It is proposed to go out with Pre-Qualification Questionnaire (PQQ) and contract notices in early July 2012, and to issue Invitations to Tender between September and October 2012, subject to approval of this Cabinet Paper.

5.19 It is planned to submit recommendations for preferred bidders to Cabinet for Approval and Contract award between December 2012 and February 2013.

Housing Services market testing	
Issue Notice of Intention to Leaseholders & consult	Mar to Apr-12
Issue Prior Information Notice to commence formal market consultation	Mar to Apr-12
Cabinet Report to DMT	Mar-12
Cabinet Report to Business Board	Apr-12
Host 'Meet the Buyer' event for potential contractors	Apr-12
Request key Cabinet decision to procure	May-12
Contract Notice & Pre-Qualification Questionnaires issued	Jun-12
Pre-Qualification Questionnaires returned	Jul-12
Pre-Qualification Questionnaires evaluation and short-listing	Sep-12
Invitations to Tender issued	Sep-12
Invitations to Tender returned	Oct-12

Invitations to Tender and In-house Solution evaluation	Nov-12
Preferred bidders identified	Nov-12
Prepare & Issue Notice of Proposal to Leaseholders & consult	Nov-12
Request Cabinet key decision to award	Nov-12 to Feb-13
Award contract	Feb-13
Mobilisation period	Feb to Mar-13
Go-live date	Apr-13

5.20 This proposal, therefore, also seeks approval for delegated powers to be passed to the Lead Cabinet Member for Housing in conjunction with the Executive Director for HRD (acting on the advice of the Tender Appraisal Panel), to take and/or approve all decisions throughout the market testing up to but not including Contract Award if applicable.

6. RESIDENT CONSULTATION

- 6.1 Our Resident Involvement approach starts from an acknowledgement that if we are to achieve successful neighbourhoods and communities particularly in the more deprived areas of the borough we need to be more responsive to the changing expectations and demands of all tenants and leaseholders. Only in this way do we believe we will meet their aspirations and increase levels of satisfaction across the borough.
- 6.2 The Programme Board are committed to close resident involvement in taking forward the HRA MTFs Transformation Programme. To this end the project teams responsible for the Housing Services & Property Services transformation have developed plans for close liaison with residents.
- 6.3 A Local Residents' Panel and the Residents' Repairs Working Group has recently been established and consultation meetings have already taken place, where outline plans have been shared, including the planned proposed approach to re-procurement and market testing. It is the intention that a number of volunteers, from the Resident Involvement Panel and the Repairs Working Group who have the relevant experience and knowledge, will be trained and asked to participate in the evaluation of tenders and in the future service reviews of the successful bidder(s).

- 6.4 The current repairs service delivers the minimum base line service required by statute law and the legal implications of the Tenancy Agreements and Leases. In this regard, it is not proposed to reduce the levels of service provided to residents, therefore a separate Section 105 consultation is not required.
- 6.5 A Notice of Intent (NOI) for Estate Services was sent out on 16th December 2011 and for Property Services on 2nd March 2012, giving Leaseholders a broad outline of the proposed plans. An NOI will be issued covering Housing Services in early April 2012. This was done in order that formal contact could be made with the market-place, to question and test the market. Failure to issue the NOI, ahead of contacting the market, could have led to potential legal challenges by leaseholders. Issuing the NOI also gives the opportunity to engage with leaseholders and take into account feedback ahead of any tender specification being finalised. Issuing the NOI does not, in itself, bind the Council to any decisions, but is a requirement of the Commonhold and Leasehold Reform Act 2002.

7. STAFF ENGAGEMENT

- 7.1 The MTFS Transformation Programme began in earnest in November 2011. At this time the Executive Director briefed all HRA funded staff outlining the key objectives, scope of the programme and commitments to staff engagement, throughout the period of change. Following this initial briefing key messages are being reinforced through regular up-date briefings from the Executive Director and Directors, team briefings from Heads of Service and monthly staff newsletters.
- 7.2 Throughout each of the projects various workshops have been held with staff, to provide input, help shape the services going forward and to fully understand what currently works well and what doesn't. In addition to these workshops a number of work streams have been formed encouraging staff to volunteer, get involved, share their expertise, provide feedback and challenge proposals. A dedicated Frequently Asked Questions, "Ask Mel", intranet link has been created to provide staff with the opportunity to pose questions directly to the Executive Director. In addition, suggestion boxes have been placed in all offices to encourage staff to put forward suggestions and raise any queries, anonymously.

- 7.3 These measures have been designed to engage and involve staff to ensure as smooth a transition as possible, whilst maintaining the current service. As the Transformation Programme progresses and detailed proposals are formulated, normal consultation processes with trade unions will be followed.

8. RISK MANAGEMENT

- 8.1 A Programme Board has been established to oversee the full HRD MTFS Transformation Programme. The Board is chaired by the Executive Director of HRD, supported by Directors, Northgate's Service Director and senior Project Managers and representatives from Procurement, Legal, Organisation Development & Transformation and Human Resources.
- 8.2 Project Teams have been established for Property Services and Housing Services, each headed by the appropriate Director, supported by all Service Heads and Northgate Project Managers. The Programme Board has delegated authority to the project teams to manage the day to day delivery of the individual project streams, with the project team reporting, monthly, to the Programme Board.
- 8.3 The principal risks of pursuing the proposed strategy have been considered (and where necessary are being monitored) as a part of developing the strategy. These risks, along with mitigating actions, are identified in Appendices B and C.
- 8.4 Project control documentation has been developed and implemented and is reviewed regularly by both the project teams and Programme Board. This includes the review of project level and programme level risk registers.

9. EQUALITY IMPLICATIONS

- 9.1 Initial EIA assessments have been prepared in consultation with the Equalities Manager (available upon request). The proposal to review the procurement strategy does not involve any changes to service delivery or operational policies.

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

- 10.1 Given the significant savings (at least £3.1m in 2013/14 and an ongoing annual saving of £4m per annum from 2014/15 onwards) expected to be achieved for the Housing Revenue Account from the transformational programme and the complexity associated with delivering these savings, finance officers have been assigned as key members of all transformation project groups.
- 10.2 Following a change in approach to the repairs re-procurement programme and the housing management services market testing, there is a risk of a delay in the delivery of the transformational savings targets in 2013/14. To mitigate, other actions are being taken to bring forward savings initiatives where appropriate.
- 10.3 Although the savings targets set out in the business plan include a provision for project costs and other support, there is also a risk that unidentified costs may arise during the process of formulating and implementing the delivery model. In this event, further savings and other initiatives to offset any adverse impact on the business plan will be identified.
- 10.4 Progress will be reported upon through the Council's budget monitoring regime, and a further report setting out detailed financial implications will be presented to Cabinet prior to award of contracts.

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

- 11.1 Legal Services will work with the client department to ensure that the procurement of the services outlined in this report is in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's contract standing orders.

12. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT AND IT STRATEGY

- 12.1 The AD for Procurement and IT Strategy will be represented on the Tender Appraisal Panel and will provide advice and guidance throughout the procurement process.
- 12.2 The AD agrees and supports the recommendations contained in this report.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cyril Sweett Procurement Report	I Watts Ext 1848	HRD
2.	Northgate Housing Services Strategy 2014 Proposal	K Corbett 3031	HRD
3.	HouseMark Annual Benchmarking Summary Report 2010-11	K Corbett 3031	HRD
4.	HouseMark Annual Benchmarking Summary Report 2009-2010	K Corbett 3031	HRD
5.	Resident Involvement Strategy	K Corbett 3031	HRD
6.	Latham 'Constructing the Team' Report	I Watts Ext 1848	HRD
7.	Egan 'Rethinking Construction' Report	I Watts Ext 1848	HRD
CONTACT OFFICER:		NAME: Ian Watts EXT: 1848	

Appendix A

HouseMark Benchmarking

HouseMark is jointly owned by the Chartered Institute of Housing and the National Housing Federation and provides benchmarking, good practice and information services to around 600 social landlords, throughout the UK. They allow members to benchmark their performance against a bespoke peer group, subject to availability of data.

Currently H&F's performance is benchmarked against the following organisations:

1. Ascham Homes
2. Barnet Homes
3. Brent Housing Partnership
4. CBHA
5. City of London
6. CityWest Homes
7. Enfield Homes
8. Gallions Housing Association
9. Hackney Homes
10. Homes for Haringey
11. Homes for Islington
12. Homes in Havering
13. Hounslow Homes
14. Hyde Northside Homes
15. Hyde Southbank Homes
16. Kensington & Chelsea TMO
17. LB of Barking & Dagenham
18. LB of Croydon
19. LB of Ealing
20. LB of Harrow
21. LB of Newham
22. LB of Southwark
23. Lewisham Homes
24. Merton Priory Homes
25. Old Ford Housing Association
26. Phoenix Community Housing
27. Poplar HARCA
28. Redbridge Homes
29. Sutton Housing Partnership
30. Tower Hamlets Community Housing

Appendix B

Proposal for Re-Procurement of the Repairs and Maintenance contracts for Housing & Regeneration Department Property Services

1. Introduction

The current service delivers circa 50,000 responsive repairs each year including 7,500 repairs to communal areas to approximately 17,500 homes. The statutory obligation to annually check and service gas installations is completed to 11,000 tenanted homes.

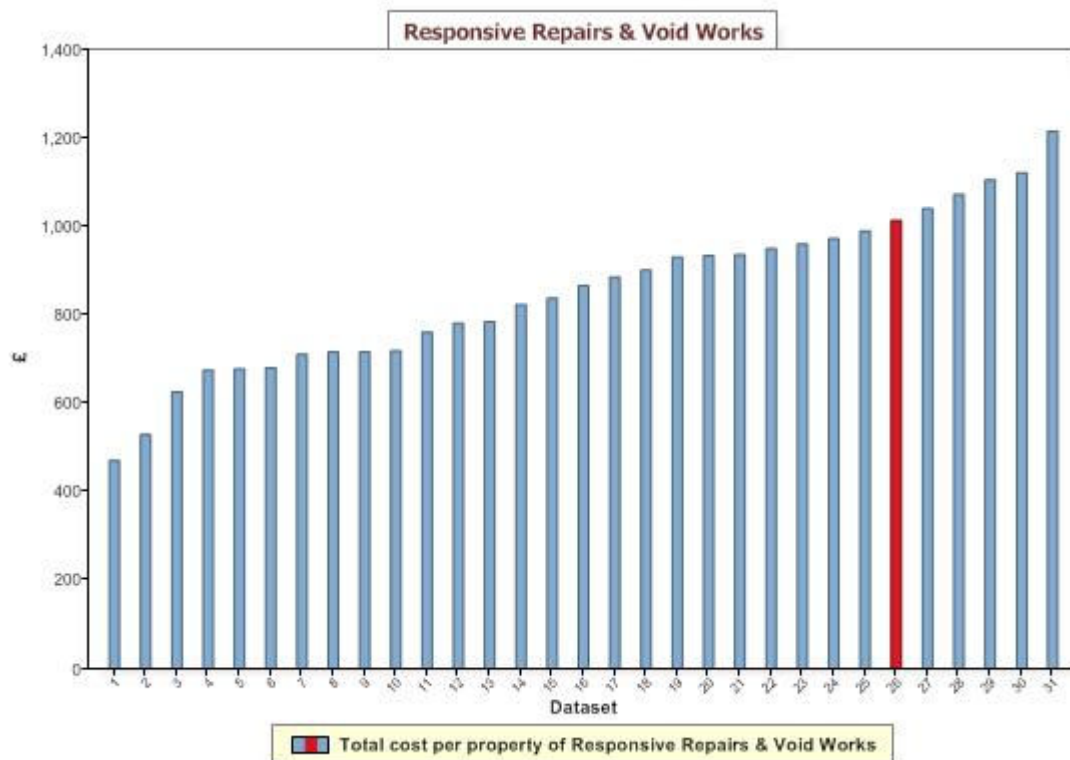
The total expenditure on responsive and planned preventative maintenance is approximately £49 million per annum – this expenditure is spread over 27 separate contracts.

A number of factors have influenced the need to re-procure the current contracts which exist within the department, and which provide for the repairs and routine planned maintenance of the department's housing stock. This paper outlines the strategic review and planning, the options considered, and makes a proposal for re-procurement.

It is generally considered that there is no perfect solution for the methods and arrangements for undertaking day-to-day housing repairs and associated services. Best practice advice is that the optimal solution is one, which will serve the needs of the organisation's customers, its business drivers, and its stakeholders' desires at any particular time.

Repairs and maintenance activity is a significant driver of customer satisfaction and therefore the opportunity of a re-procurement exercise will be used to drive greater scale economies and efficiencies whilst improving service outcomes through better KPIs. We will also get closer to our customers through our new Resident Involvement Strategy, which includes a Repairs Working Panel.

The chart below shows the total costs per property (including direct works costs, direct non-pay costs, direct employee costs and allocated overhead costs) of responsive repairs and voids re-servicing compared with LBHF's benchmarking peers based on data provided by the HouseMark 2010-11 dataset. It includes both the 'client side' management and administration functions and the 'contractor side' direct spend.



In the following table we have distinguished between the ‘client-side’ costs and the ‘contractor-side’ direct spend of responsive repairs and void works costs. However, it is not always easy to separate these costs, especially where partnering arrangements are in place or where client-side functions are outsourced, so these values should be treated as indicative only.

Cost KPIs	Upper	Median	Lower	LBHF Result	Ranking
Total Cost Per Property of Responsive Repairs Service Provision	£372	£484	£537	£559	27 /30
Total Cost Per Property of Responsive Repairs Management	£157	£187	£273	£267	22 /30
Total Cost Per Property of Void Works Service Provision	£87	£123	£157	£133	18 /30
Total Cost Per Property of Void Works Management	£26	£38	£51	£54	25 /30

Property Services Repairs & Maintenance Re-Procurement Proposal



LBHF collect a number of key performance indicators for responsive repairs and void works and our results compared with our HouseMark peer group are shown in the table below.

Quality KPIs	Upper	Median	Lower	LBHF Result	Ranking
% of respondents satisfied with repairs and maintenance (GN & HfOP)	73.46	71.00	68.00	70.00	17 /24
% of repairs completed on time	98.4	96.8	93.7	93.6	23 /29
Average time to complete a repair (in days)	5.40	6.80	8.35	6.79	13 /25
Average time in days to re-let empty properties	20.41	24.90	28.72	No Data	6 /16 (2009-10)
Repairs “right first time”	94.8	90.9	83.2	83.8	17 /23
P1 & P2 as a % of total repairs	38.8	46.5	59.5	64.2	25 /29

** Following the revision of HouseMark benchmarks in 2010-11, LBHF have been unable to agree outputs for one of the Voids KPIs; where this is the case a best estimate has been provided based on 2009-10 STATUS data and on the local definition for void turnaround time.*

Following successful implementation of the transformation programme we expect to see:

- significant improvement in all of the Cost KPI's together with marked improvements in the Quality KPI's benchmark figures;
- a “slimmer” department that is more effective and focused on meeting key objectives, through monitoring, planning and contract management, rather than handling day to day operational issues;
- several large partnering contracts in place that are aligned to deliver service improvement and increased value for money with appropriate risk/reward mechanisms in place;
- a fully integrated department that has access to good quality data in which to shape joined up strategies for asset management and meeting the housing needs of residents;
- re-organised departments with the right skills and experience to manage and deliver against SMART objectives that link in with the HRD vision.
- a flexibility in service to continuously evolve to meet the needs of the Residents' Involvement Strategy circumstances
- to drive continuous improvement and seek opportunities to promote ongoing integration with other teams within the wider Council.

Key themes are service improvement and increased efficiency – not just about taking the money out.

2. Summary

The conclusions reached from the thorough reviews of practice, strategy, and business drivers, are that:

- a. A single source supply contract across the borough is most likely to provide the optimal solution that will meet the business drivers and stakeholders' needs.
- b. A second option of single source supply contract in each half of the borough (one in the north, and one in the south) will also be tendered to test whether greater value for money can be achieved through competitive tension whilst at the same time creating resilience in the supply chain.

Currently, all responsive repairs, including gas servicing, electrical inspections and void refurbishments are planned to be included within the single source contract. Further areas of work are currently being considered and the precise details of the service delivery levels and method for risk and reward will form part of the re-procurement project currently being delivered as part of the department's MTFS Transformation Programme. The department is also redefining its approach to resident liaison, and the project team will consult at all suitable junctures, with the new Local Residents' Panel and the Residents' Repairs Working Group.

The details of the form of contract and contract payment mechanism will be subject of further advice from a Professional Quantity Surveyor. It is envisaged that the contract will be established upon a true partnering basis. This means working together to improve performance through agreeing mutual objectives, devising a way for resolving any disputes and committing to continuous improvement, measuring progress and sharing the gains.

*'An essential aspect of partnering is the opportunity for participants to share in the rewards of improved performance.'*¹

Some client functions - for instance the repairs call centre- could sit with the contractor. If the contractor is taking the orders it is crucial to accompany this with measures to remove incentives to increase the work, usually through paying at least the profit and overhead costs in a lump sum payment by ring-fencing.

If the contractor takes the order they are more likely to have ready access to technical staff to diagnose repairs accurately, and can more speedily feed back any inaccuracies in diagnosis so as to improve performance. Similarly with appointments: the contractor is in a better position to judge workload and manage appointments directly with residents.

¹ Egan Report – Rethinking Construction

3. Background

The existing repairs contracts (shown in Annex E) are a series of individual contracts, some reflecting an earlier fragmented approach to service delivery within the borough, and very few of them *co-terminus*. However, it was identified that a potential window of opportunity was available, with regard to the four major existing contracts (Repairs – Kier Services Southern and Willmott Dixon Partnerships; Gas Servicing – P H Jones Ltd and Robert Heath Ltd) whereby all of them would, at some point, be within their extension periods between 1st October 2012 and 31st March 2014.

In the first quarter of FY 2011/12, the department's MTFs savings were formalised, and a tender competition was undertaken through Buying Solutions to procure a consultant to work with HRD on its wider MTFs Transformation Programme. One element of the programme is to re-procure the repairs and maintenance contracts, and assist in the re-organisation of the Property Services department. The re-organisation includes the integration of the property services arm of BPM, who are due to transfer from Environment Services to HRD in April 2012.

The tender for project management of the HRD MTFs Transformation Programme was won by Amtec, with the work undertaken by Northgate Public Services (NPS). The NPS approach identified two principal overarching aims to be achieved (which incorporated the four imperatives above):

1. Reduce the annual repairs and maintenance budget by £2.4 million through more efficient procurement and improved business processes
2. Sustain and/or improve the service delivery levels

NPS also undertook an options appraisal, which identified that the optimal solution would be to re-procure the existing contracts under a sole supply arrangement.

However, NPS went further by proposing that in order to realise the full efficiency savings and improve service delivery, certain services such as the repairs call centre, currently run in-house, could be outsourced to a sole supply contractor. This would lead to improved fault diagnosis, leading to more right first time repairs and would enable the contractor to make effective use of the latest technology to schedule appointments and monitor workloads.

A suite of KPIs, focused on customer satisfaction, and incentivised through a pain/gain share mechanism, will drive service improvement. The KPI suite will address contractual outputs in terms of quality of completed work, completion within specified time scales, work being completed right first time and customer satisfaction. Additional KPIs will deal with specific high-risk areas such as gas compliance. The incentivisation will allow for deduction of monies where works are not completed in accordance with contract requirements.

The window of opportunity for timing of re-procurement commences in September 2012 and ends in March 2014, and applies to the four major repairs contracts. There are a number of additional repairs and maintenance contracts, largely of a mechanical and electrical nature, which were due to expire between 2009 and the end of the window of opportunity timeframe. On the basis that these services had to be supported, as it was not permitted to extend these contracts beyond their stated periods, it was decided to re-procure the contracts individually, but including a break clause such that, should the strategic review identify that an alternative strategy would be desirable, all options remained open. This break clause was inserted into the contracts to achieve the most economic solution for all eventualities.

4. Proposal

The Public Procurement Regulations stipulate much of the manner in which the Council can proceed to procure these works. Existing contracts, which are reaching the end of their prescribed terms, must be re-procured. Other contracts which have reached the end of their initial duration, and which contain options to extend, can be re-procured at any suitable point during that extension period.

The time period identified in the window of opportunity, allied to the business driver of MTFS savings, determine the fact that the re-procurement should be initiated now, with a programme driving towards contract commencement during late 2013.

The options appraisal has been wide ranging. Both have been undertaken without pre-conceived ideas, and have considered all available options.

The risks associated with the various options have been considered, and the risks associated with the optimal solution examined in greater detail.

Soft market testing has been undertaken on an informal basis to ascertain whether the proposed solutions are likely to be seen by the market as a workable arrangement. Any undue risk perceived by the market would result in higher levels of pricing.

It is acknowledged that there are a number of local and central government initiatives that are in development at the current time. The proposed solution is intended to retain some flexibility, in order that these changes can be reflected into the contractual arrangements without the need for wholesale re-negotiation.

The service delivery of the contract will be managed by a series of risk and reward measures. The KPIs which feed these measures will be determined during the preparation of the full specification, based on best practice and in consultation with all stakeholders, including the new residents' working group, however at this stage, it can be confirmed that the KPIs will drive improvements in customer service and satisfaction through headline KPIs covering:

- Satisfaction with Repairs & Maintenance
- Satisfaction with Cyclical Maintenance
- Satisfaction with Voids
- Quality Assurance Inspections
- Complaints
- Repairs completed on time
- Right First Time
- Appointments Kept
- Voids - Average time in works
- Gas Compliance
- Management Information

5. Procurement Review Process

The entire process that underpins this proposal is detailed in a series of appendices as follows:

Annex A – Options Appraisal

Annex B – Risk Management

Annex C – Procurement Route

Annex D – Procurement Programme

Annex E - Existing repairs and maintenance contracts

Annex A

1. Procurement Options Appraisal

1.1 Options considered

We have looked at a number of contracting options available to the Council. Eight options for the re-provisioning of repairs and maintenance were considered:

- **Option 1 - Extend the current contracts** – individual contracts for North and South of the borough as well as gas servicing are extended.
- **Option 2 - Re-tender the current arrangements** – individual contracts for North and South of the borough as well as gas servicing are re-tendered using existing or similar specifications.
- **Option 3 - Re-tender using a sole/prime contractor for the core work with separate work packages for very specialist services** – all responsive, planned and cyclical maintenance to be carried out by one firm including management of repairs ordering plus minor contracts for specialist services.
- **Option 4 – Re-tender using a dual contractor split-borough approach for the core work with a separate work package for very specialist services** – close to option 3 but core work of responsive, planned and cyclical maintenance is divided between separate contracts for the north and south of the borough. Bids would be invited for either of the North and South of the Borough and for all services cross the Borough as a whole.
- **Option 5 - Re-tender using smaller work packages with the aim of shortening the supply chain** – individual contracts are tendered for each trade.
- **Option 6 - Mutualise the repairs and maintenance service** – procure the current arrangements via a community cooperative.
- **Option 7 - Grow an in-house direct labour service provision** – procure the current arrangements via an in-house delivery option.
- **Option 8 - Collaboration with other Local Authorities or Housing Associations** – expand current arrangements by collaboration and carrying out a joint procurement exercise with other Councils.

Appraisals of these eight options were undertaken by NPS. Work had initially been carried out to identify the main requirements of the contract, and a stakeholder workshop was held to assist in the review.

It was established that whilst a number of the options are relatively balanced in respect of cost, value for money and quality, Option 3 (sole/prime contractor approach) is seen as the best match to the Council's overall objectives for this service but with Option 4 (dual contractor across the Borough) close behind.

1.2 Options appraisal

The options considered and their advantage/ disadvantages are summarised in the following pages.

The scoring system is based on a 1 – 5 score where 1 represents the worst outcome and 5 represents the best outcome for the Council.

Option 1 - Extend the current contracts (i.e. no requirement for a new tendering process)

Advantages	Disadvantages
<p>Various minor local cost model reductions have been initiated, and some savings achieved.</p> <p>Kier, Willmott Dixon, PH Jones & Robert Heath continue to manage the supply chain.</p> <p>Savings to the Council in avoiding cost and time of the re-tendering exercise.</p> <p>No hand-over to new contractors and consequently no handover disruption to residents/leaseholders.</p> <p>No immediate TUPE implications.</p>	<p>The current contractors' low satisfaction levels with tenants and leaseholders.</p> <p>No cost of tendering initially however there will be a cost once extensions have been used in 2014/15.</p> <p>There is no further provision in some of the contracts to extend beyond 2014 and this would effectively just postpone the need to re-procure.</p> <p>The Council will not benefit from current market conditions, which potentially offer opportunities for significant savings and alternative delivery models.</p> <p>Does not encourage investment and technological innovation from contractors.</p> <p>Current expenditure on repairs and maintenance viewed as expensive.</p>
Conclusion	
<p>Council officers have reviewed the possibility of extension but this does not offer savings to the required level. Existing KPIs do not facilitate service improvement. It is planned to extend the contracts to co-terminate in time for the new contract(s) but there is no long-term extension possible within the contract terms. This option is therefore not recommended.</p>	

Option 1 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	1
Fit with Service objectives	2
Securing continuous service improvement	2
Set-up costs and longer term resource cost implications	5
Potential to improve customer satisfaction	1
Potential to add value and facilitate innovation	2
Capability of delivering the service consistently well	1
Sector track record	3
Reducing risk exposure	3
Total	20

Option 2 - Re-tender the current arrangements

Advantages	Disadvantages
<p>Current market conditions may offer opportunities for savings from other contractors but these will not be of the level necessary for the MTFS.</p> <p>Re-procurement could be straightforward if similar scope, pricing and delivery approach taken.</p> <p>TUPE issues simpler – all staff taken on by new contractor(s).</p> <p>Overhead costs limited.</p>	<p>Relatively high cost of tendering given they are let on 4+3-year terms.</p> <p>Current model sees expenditure on repairs and maintenance significantly above market best.</p> <p>No guarantee of reduced price and very unlikely to deliver savings for MTFS.</p> <p>Council would continue to pay for duplication of overheads.</p> <p>Unlikely to encourage investment and technological innovation from contractors when based on existing specification.</p> <p>Less flexibility to adapt when there are likely to be significant policy changes in the form of the Localism Bill.</p> <p>Too many contractors involved in repair process produces less ownership of issues and causes inefficiencies.</p>
Conclusion	
<p>This is a low risk option but it will not deliver the level of savings that the Council require nor deliver any marked improvements in service to residents.</p> <p>The result of independent audit in 2009 indicated that the current cost was significantly above market best. Some savings have been introduced, but the current arrangements offer limited opportunities, and all possibilities have been explored. Re-procurement along these lines is therefore unlikely to deliver the required savings within the next 2-3 years. This option is therefore not recommended.</p>	

Option 2 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	1
Fit with Service objectives	2
Securing continuous service improvement	3
Set-up costs and longer term resource cost implications	5
Potential to improve customer satisfaction	1
Potential to add value and facilitate innovation	2
Capability of delivering the service consistently well	1
Sector track record	3
Reducing risk exposure	3
Total	21

Option 3 - Re-tender using a sole/prime contractor for the core work with separate work packages for very specialist services

Advantages	Disadvantages
<p>Benefits of scale offer opportunities for significant procurement and efficiency savings from a single contractor.</p> <p>Contract value will allow investment and technological innovation from contractor.</p> <p>Contract size will allow contractor to introduce best practice and operational efficiencies.</p> <p>Contract value will allow the contractor to invest in community engagement initiatives</p> <p>Contractor takes responsibility for delivery contract outcomes, which allows further reduction of client side costs.</p> <p>Greater focus on customer service offered by strategic partner to residents/leaseholders.</p> <p>Mobilisation costs reduced - fewer contractor meetings, fewer IT interfaces and technology changes, clearer customer service and more transparent costs for leaseholder communication.</p> <p>Innovation in service delivery is more likely when one 'vision' operates across the whole borough.</p> <p>A single contract will result in one interface between IT systems reducing costs and enhancing data accuracy</p> <p>A more intimate knowledge of one supplier is likely to improve understanding and foster close working which would provide improved clarity for</p>	<p>Medium cost of tendering due to time resources required;</p> <p>The model requires a more "intelligent" client side for on-going contract management with some associated training costs.</p> <p>Lack of competition once the contract is in place might lead to complacency from the contractor if contract management is poor.</p> <p>May preclude a contractor who does not wish to undertake specialist services (possibly planned maintenance elements).</p> <p>Risk of contractor remaining viable and financially stable for the duration of the contract</p>

<p>leaseholders and tenants</p> <p>Collaborating with a single contractor will provide for consistency at all levels across the repairs service.</p> <p>A single point of contact will allow for re-focused client functions</p>	
--	--

Conclusion

This option makes best use of market forces to achieve the two principle strategic drivers of:

- Reducing costs;
- Improving service delivery;

The option is recommended since the use of a sole/prime contractor offers the greater opportunity to redesign service delivery outcomes and therefore has a greater certainty of delivering the required savings within the next 2-3 years. **Similar benefits can be obtained in Option 4 (tenders for split borough) and whilst this option would otherwise be recommended, the conclusion of this analysis is that the procurement should embrace the approach of Options 3 and 4.**

Option 3 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	4
Fit with Service objectives	3
Securing continuous service improvement	5
Set-up costs and longer term revenue cost implications	4
Potential to improve customer satisfaction	4
Potential to add value and facilitate innovation	4
Capability of delivering the service consistently well	4
Sector track record	3
Reducing risk exposure	2
Total	33

Option 4 - Re-tender using a dual or split borough approach

Advantages	Disadvantages
<p>One contractor per area could be give residents a feel of greater ownership</p> <p>Benefits of scale offer opportunities for savings with two prime contractors.</p> <p>Contract values will allow for some investment and technological innovation from contractors.</p> <p>Contract size may allow contractors to introduce best practice and operational efficiencies in some areas.</p> <p>Contract value will allow the contractors to invest in some community engagement initiatives.</p> <p>The contractors take responsibility for delivery contract outcomes that allows some further reduction of client side costs.</p> <p>Two contracts will reduce the number of interfaces between IT systems offering some cost reduction.</p> <p>Two contractors could create an element of competition between each other.</p> <p>A single point of contact will allow for re-focused client functions.</p>	<p>Although costs will be reduced, there may not be sufficient savings to achieve MTFS targets.</p> <p>High cost of tendering due to time resources required;</p> <p>The model requires a larger and more “intelligent” client side for on-going contract management with associated training costs.</p> <p>May preclude a contractor who does not wish to undertake smaller value specialist services</p> <p>Risk of two contractors remaining viable and financially stable for the duration of the contract</p> <p>Duplications of IT systems and interfaces causes discrepancies and adds to cost.</p>
Conclusion	
<p>This option also makes good use of market forces to achieve</p> <ul style="list-style-type: none"> • Reduced costs; • Improving service delivery; <p>The use of dual contractors offers similar opportunities for service delivery improvements as the sole supplier route, but having duplicate systems and separate</p>	

contracts to manage will add to costs. The economies of scale are not as large as for sole supply but the state of the market is probably such that competition between just two contractors may deliver the target savings. The closeness of these two options suggests that the preferred procurement route should be to test both options at the same time. **This option is therefore suggested to be tendered as a procurement alternative with Option 3 – sole supply.**

Option 4 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	3
Fit with Service objectives	3
Securing continuous service improvement	4
Set-up costs and longer term revenue cost implications	4
Potential to improve customer satisfaction	4
Potential to add value and facilitate innovation	4
Capability of delivering the service consistently well	4
Sector track record	3
Reducing risk exposure	2
Total	31

Option 5 - Re-tender using smaller work packages with the aim of shortening the supply chain

Advantages	Disadvantages
<p>Potentially greater focus on customer service offered by local contractors</p> <p>If one contractor failed to perform then it may be possible to transfer their work to another contractor.</p> <p>Smaller contract size would be attractive to small and medium-sized contractors who also have experience of providing a responsive repairs service to smaller local authorities and housing associations throughout the country – supporting local SME’s.</p>	<p>High resource implications to configure client side capacity for contract management. More contract management with multiple contractors and contracts to manage – duplication of effort with more meetings & performance statistics to analyse. Would not offer a value for money repairs service.</p> <p>Increased cost of large client management team would not be recoverable from leaseholders placing an increased financial burden on the Council.</p> <p>Multiple contractors (rather than going through a large contractor) presents risk of disjointed customer services and call management.</p> <p>Smaller contract size may not be attractive to large-sized national contractors and thereby reduce the competitiveness of tender prices received.</p> <p>Economies of scale may not be achievable - discounts offered by merchants to contractors of smaller contracts are not the same as they offer to larger contracts.</p> <p>Small contractors may experience difficulties with cash flow and raising finance thereby increasing the risk of a contractor collapsing.</p> <p>TUPE implications to Council spread across multiple contractors could be</p>

	open to challenge.
Conclusion	
<p>The use of small contracts serves to provide a fragmented approach, which does not allow for consistent delivery of efficiencies across all areas. A large number of contractors is likely to create more contract management challenges and therefore unlikely to deliver the required overall savings achieved by service delivery and department re-structure required within the next 2-3 years. This option is therefore not recommended.</p>	

Option 5 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	3
Fit with Service objectives	2
Securing continuous service improvement	3
Set-up costs and longer term revenue cost implications	5
Potential to improve customer satisfaction	3
Potential to add value and facilitate innovation	2
Capability of delivering the service consistently well	3
Sector track record	3
Reducing risk exposure	4
Total	28

Option 6 – Mutualise the repairs and maintenance service

Advantages	Disadvantages
<p>Potentially greater focus on customer service offered by provider with a single client focus.</p> <p>Would create local employment opportunities.</p> <p>Meets government’s aspiration ‘Big Society’ agenda.</p> <p>Local authority forms a wholly owned company with which it contracts to provide a service.</p> <p>It is permissible that two or more local authorities could jointly establish the mutual.</p> <p>The Council(s) would be the sole customer of the contractor/mutual.</p>	<p>The Council, in the light of the MTF5 targets, would not wish to provide resource and support to establish such capability.</p> <p>The company has to be wholly owned by the local authority (without any third party ownership) to comply with EU Procurement law.</p> <p>The mutual would only benefit a comparatively small number of staff.</p> <p>Mutual would need to procure repairs etc through contractor(s) but would need to comply with Government Procurement Regulations.</p> <p>Higher risk of failure with additional on-costs.</p>
Conclusion	
<p>The conclusion of the Cyril Sweett review noted that this method was the preferred route to market. In outline detail, the Government as part of their Programme noted the concept of a mutual for Government, which promised to support the creation and expansion of mutuals, cooperatives, charities and social enterprises. The proposals were designed to enable community groups to have a much greater involvement in public services and to give public sector employees a new right to form employee owned co-operatives and bid to take over the services they deliver. In summary terms, a mutual can be described as commercialisation of an existing internal service.</p> <p>The option is not recommended because of the relatively high start-up costs, and the fact that this route is largely untried. Additionally there would be a need for on-going access to capital support in the early years, and therefore it is unlikely to deliver the required savings within the next 2-3 years. This option is therefore not recommended.</p>	

Option 6 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	4
Fit with Service objectives	4
Securing continuous service improvement	4
Set-up costs and longer term revenue cost implications	1
Potential to improve customer satisfaction	4
Potential to add value and facilitate innovation	4
Capability of delivering the service consistently well	4
Sector track record	1
Reducing risk exposure	3
Total	29

Option 7 – Growth of an in-house direct labour service provision

Advantages	Disadvantages
<p>Potentially greater focus on customer service offered by direct labour organisation contractors.</p> <p>Would create local employment opportunities.</p> <p>It is permissible that two or more local authorities could jointly establish a mutual.</p>	<p>The Council has no existing direct labour service for repairs and so there would be significant up-front costs in mobilising a new workforce while incurring additional on-costs.</p> <p>Funding need for on-going access to capital for plant and equipment for use by operatives in addition to investment in terms of innovation, training and management costs.</p> <p>Fixed level of on-costs regardless of work volumes going forward.</p> <p>Increased Supervision requirements with appropriate skill sets</p> <p>Increased pension and redundancy burden to the Council if volume of work means that staff are no longer required.</p> <p>Higher risk profile for the Council and there is an extremely well developed external market for the provision of repairs and maintenance services.</p> <p>Value for money will depend on high calibre management and a motivated workforce.</p>
Conclusion	
<p>Whereas several senior members of staff interviewed, expressed a desire to reintroduce an in-house capability and move away from contracted services, this route offers high risks in terms of the need to motivate and manage staff, IT requirements, HR resources, plant & equipment usage etc</p> <p>This would mean creating a Direct Labour Organisation to deliver the repairs and maintenance service. This approach would still need market testing to establish value for money. Historically the management performance of direct labour activity, in many local authorities, has not been good. In our view, with the significant costs</p>	

involved, this option is high risk and offers only a slender hope of an improved service at reduced cost.

The services would also be constrained in terms of limited economies of scale when compared to that of large contractors and the ability for the direct labour force to achieve growth when limited by legislative trading company regulations would make the costs unsustainable and therefore unlikely to deliver the required savings within the next 2-3 years. **This option is therefore not recommended.**

Option 7 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	3
Fit with Service objectives	2
Securing continuous service improvement	2
Set-up costs and longer term revenue cost implications	3
Potential to improve customer satisfaction	3
Potential to add value and facilitate innovation	2
Capability of delivering the service consistently well	3
Sector track record	3
Reducing risk exposure	4
Total	25

Option 8 – Collaboration with other Local Authorities or Housing Associations

Advantages	Disadvantages
<p>Collaboration is one option of creating savings by achieving economies of scale, through for example, joint management structures, letting of joint procurement contracts delivering aggregation of spend etc.</p>	<p>Collaboration with tri-borough partners on Housing Services has already discounted in the tripartite agreement.</p> <p>Soft market testing was unable to identify any potential partners to collaborate with.</p> <p>Current timescales are not sufficient to progress a (longer) collaborative procurement exercise and there is a risk that a partner’s timescales are not in line with the Council’s current needs.</p> <p>Co-ordination between collaborative clients not straightforward possibly leading to a loss of local control and influence.</p> <p>Only the very largest of contractors could compete thereby significantly limiting competition in a complex co-ordinated procurement.</p> <p>Likely to see any contractor increase their level of sub-contracting with increased on-costs to deliver service to collaborative partners.</p>
Conclusion	
<p>Logical partners are Westminster and Kensington & Chelsea authorities, as part of the Tri-Borough agreement. However whilst collaboration is starting to happen in respect of Children and Environmental Services, Adult Social Care and Corporate Services, the current view by the tri-borough partners is that the same approach is not practicable in a social housing context given the varying organisational structures, legal remit for each authority, and existing contract timetable in the other boroughs.</p> <p>The current tri-borough agreement specifically excludes Housing & Regeneration as all three Councils have different organisational models for delivering housing services and it would be difficult to harmonise the services whilst at the same</p>	

time improving services to residents and saving costs, within a 2-3 year timeframe.

Having assessed the collaboration option, soft market testing was undertaken by the Council and Cyril Sweett in order to gauge the market appetite. This also included dialogue with other client organisations. Having concluded this phase, it was no longer possible to consider further joint procurement on the basis that there were no immediate neighbouring peer organisations looking to re-procure their repairs services in the near future.

This does not mean, however, that this option should be discounted in the longer term. As a minimum, any future contracts, where possible, should be let with the opportunity to allow other partnering authorities to utilise them, to facilitate greater economies of scale in the longer term subject to the disadvantages above being revisited.

The option is not recommended since no partners for collaboration were readily available and therefore unlikely to deliver the required savings within the next 2-3 years. **This option is therefore not recommended.**

Option 8 Scoring	
Factor	Score (out of 5)
Fit with Council's strategic and procurement objectives	3
Fit with Service objectives	2
Securing continuous service improvement	3
Set-up costs and longer term revenue cost implications	2
Potential to improve customer satisfaction	4
Potential to add value and facilitate innovation	4
Capability of delivering the service consistently well	4
Sector track record	3
Reducing risk exposure	3
Total	28

1.3 Recommended Options

The options appraisal has established that Option 3, sole supply, is the optimal solution and the one that is the most likely contract model to meet the two business drivers. It is therefore the recommended procurement route for this Strategy.

It is also acknowledged that this is a significant divergence from previous strategies, even though it is supported with case study evidence to the effect that it can be an effective model to operate. In these circumstances it is recommended that the procurement exercise should include an alternative tender price based on Option 4, dual or split borough approach.

Exercises have been undertaken to assess the approach to a split of the borough. One option would be a 'vertical' method, that is to say a replication of sole supply, but simply split into small packages by geographical areas north and south of the borough as currently defined. Another alternative would be a 'stratified' approach where various services were established across the borough, and the packages of work parcelled up into two separate contracts in varying methodologies. This latter option does not offer any significant advantages but could present a number of disadvantages e.g. one of the boroughs could have significantly more contract spend than the other so minimises the opportunities for savings. It is therefore recommended that the alternative tender using Option 4, should be based on a 'vertical' solution which replicates sole supply within each geographical half of the borough.

The contract duration should be one that affords the most economical option and that can promote the benefits of collaboration. The proposal is to engage in a contract term of 10 years (with a possible break clause after 5 years) with a possible further 5 year extension. This approach will be attractive to the market, but will also provide the council with the ability to undertake strategic reviews, and thus ensure that performance remains a key success factor for both parties. It will also retain the flexibility to accommodate future legislative or government policy change.

Property Services Repairs & Maintenance Re-Procurement Proposal



A summary of the option appraisal scoring is shown below.

Option	1	2	3	4	5	6	7	8
Factor	Score	Score	Score	Score	Score	Score	Score	Score
Fit with Council's strategic and procurement objectives	1	1	4	3	3	4	3	3
Fit with Service objectives	2	2	3	3	2	4	2	2
Securing continuous service improvement	2	3	5	4	3	4	2	3
Set-up costs and longer term revenue cost implications	5	5	4	4	5	1	3	2
Potential to improve customer satisfaction	1	1	4	4	3	4	3	4
Potential to add value and facilitate innovation	2	2	4	4	2	4	2	4
Capability of delivering the service consistently well	1	1	4	4	3	4	3	4
Sector track record	3	3	3	3	3	1	3	3
Reducing risk exposure	3	3	2	2	4	3	4	3
Total	20	21	33	31	28	29	25	28

Annex B

Risk Management

There are two distinct elements of risk to be managed. There are those risks associated with the re-procurement project (Project Risks), and those risks associated with the chosen outcome and the ongoing contracts management (Contract Risks).

NPS have compiled a risk register, which is routinely updated, and any highlighted issues are brought to the Project Team. The Project Team manages project Risks; Programme Risks are managed by the Programme Board. A copy of the Property Services Risk Register as it currently stands is attached.

The Contract Risks have been the subject of consideration within the Options Appraisal, and the specific risks identified with the recommended Options are detailed below, with their principal mitigations. The optimal model of a sole supplier requires an appropriate review of the risks involved, and proposals for mitigating those risks. The second highest scoring model of a split borough approach contains largely similar risks.

Risk		Mitigation
Supplier becomes insolvent	1	An appropriate degree of scrutiny of potential tenderers' financial standing at PQQ stage.
	2	A carefully developed process to ascertain that the price submitted as part of any bid is sustainable in terms of overhead and profit allowances. This will include cost benchmarking by a QS company (to be appointed), and involving the QS in the price evaluation.
	3	Parent Company Guarantee.
	4	Performance Bond.
	5	Step in clauses
Supplier does not meet performance standards	1	Carefully drafted technical questions in the quality section of the PQQ to ensure that contractor can demonstrate satisfactory past performance.
	2	Carefully drafted technical questions in the quality section of the ITT to ensure that the tender offer is technically adequate and directly related to the specific levels and types of service desired.

**Property Services
Repairs & Maintenance
Re-Procurement Proposal**



Supplier does not meet performance standards <i>(continued)</i>	3	A contractual mechanism of risk and reward linked to headline KPI performance.
	4	A contractual mechanism for escalation procedures, which would allow for eventual determination of the contract with award of costs.
	5	Consultation with Resident Working Group will clarify intended levels of performance
Management difficulties with supplier	1	Gap analysis of skills within the HRD staff to ascertain training needs before contract mobilisation.
	2	Implement a partnering approach that identifies common objectives, linked to the risk and reward model.
	3	A pricing model that leads towards the contractor being incentivised to reduce costs where appropriate (consider such things as ring-fenced overhead contribution).
	4	Involvement of Resident Working Group will bring added stakeholder emphasis to performance achievements.
Statutory Requirements are not being followed <i>1. Site Activities</i>	1	Ensure that PQQ and ITT procedures are adequate, and that Strategic review meetings routinely include Statutory compliance.
Statutory Requirements are not being followed <i>2. Landlord's Responsibilities</i>	1	Retain Landlord's statutory duties so that they are not included as part of the contract – only includes consequential works within the contract.
	2	Include appropriate KPIs to reflect the importance of any statutory activities.
	3	Continue with compliance audit to monitor activities with statutory implications.
For split borough solution, two suppliers	1	Retain a staff resource flexibility to re-procure.

**Property Services
Repairs & Maintenance
Re-Procurement Proposal**



offers greater risk of one of the above failures	2	Ensure that OJEU Notice includes the provision to step into the other geographical area if the need arises.
--	---	---

Annex C

Procurement Route

These contracts fall within the Public Procurement Regulations. The complexity of the sole supply contract initially suggested that the Competitive Dialogue route might be an effective way to ascertain the full benefits of efficiency that could be derived from technological advancement that tenderers could offer. Procurement advice arising from consultation with the Council's procurement team identified that this route would, in all likelihood, require more time than was allowed within the Medium Term Financial Strategy target, also that there would be no guarantee of better outcomes being achieved in the long term over and above those achieved through the Restricted Procedure.

It was therefore proposed to use the Restricted Procedure to tender the works. The requirement for improved service delivery will be carefully articulated within the tender documents, without outcome requirements, best practice, and KPIs all co-ordinated to drive the improvement.

Use of the restricted procedure is in line with normal practice for a contract of this type. Use of the Open Procedure has been ruled out as it is anticipated that a large number of contractors will respond; using the restricted procedure will be more efficient for both the Council and contractors.

Officers have elected to issue a Prior Information Notice (PIN), to allow an element of formal dialogue with the market before issue of the OJEU Notice. It is intended to provide some written questions with the PIN as a means of eliciting information from interested contractors about the current technology and consequent efficiencies that are in current use.

The OJEU Contract Notice will be issued following Cabinet approval of the Procurement proposal.

The PQQ will be drafted in consultation with stakeholders including the Residents' Working Group. The Tender Appraisal Panel as detailed below will evaluate the PQQ. Short listing will be submitted to the Lead Member for Housing for approval.

Service delivery, and other appropriate matters relating to the ITT will be drafted in consultation with stakeholders including the Residents' Working Group. The Tender Appraisal Panel will undertake ITT evaluation.

Evaluation

**Property Services
Repairs & Maintenance
Re-Procurement Proposal**



A Tender Appraisal Panel will be established in accordance with the Council’s Standing Orders and the guidelines issued by the central procurement team.

The Panel will include Council officers, consultants and resident representatives. The process for identifying resident representatives is currently under review and the Panel will take note of any changes in this process. Current proposals for the TAP are:

PQQ and marking	AD Asset Management & Property Services Head of Repairs Head of Planned Maintenance Head of BPM Managed Services Head of IT Commercial & Contracts Manager Northgate Project Manager - Procurement LBHF Central Procurement Team representative LBHF Legal Services representative AD Finance & Resources (HRD) AD Housing Services	Tender will be
-----------------	---	----------------

undertaken by:

- Head of Repairs
- Head of Planned Maintenance
- Head of BPM Managed Services
- Head of IT
- Commercial & Contracts Manager
- Northgate Project Manager - Procurement
- Resident – Tenant
- Resident – Tenant
- Resident - Leaseholder

PQQ Evaluation

PQQ Evaluation will be undertaken on the following basis:

1. Financial – 30%
2. Technical – 70%
 - a. Health & Safety
 - b. Quality Systems
 - c. Environmental Systems
 - d. Sub-contractor management
 - e. References
 - f. Case studies
 - i. Similar projects
 - ii. Innovations
 - iii. Service delivery improvements
 - iv. Community Engagement

ITT Evaluation

ITT Evaluation will be undertaken on the following basis:

1. Cost – 60%
2. Technical – 30%
 - a. Health & Safety
 - b. Service Delivery
 - i. Quality
 - ii. KPI performance
 - c. IT
 - d. Invoicing
 - i. Timeliness
 - ii. Accuracy
 - e. Record keeping
3. Community Engagement – 10%
 - a. Benefits for Business
 - b. Local skills opportunities
 - c. Resident/Estate support schemes

Subject to
final detail

Annex D

Procurement Programme

The main procurement milestones have been extracted and are shown below including an extract of the project's programme from issue of the OJEU Contract Notice, through to the appointment of the new contractor.

Activity	Date
Report on Housing Revenue Account Medium Term Financial Strategy (HRA MTFS) signed off by Executive Director for Housing and Regeneration Services	July 2011
Cabinet Member Key Decision to appoint additional capacity to HRA MTFS Programme	1 st August 2011
Preparation and Development of client-side Requirements	Sept 2011 – March 2012
Leaseholder Notice of Intention (NOI) issued and consultation period	March 2012
Official Journal of European Union (OJEU Prior Information Notice) published via e-sourcing portal	March 2012
Contractors' Briefing Day	April 2012
Full Cabinet Key Decision to consider recommendation to commence re-procurement and issue delegated authority for programme decisions to Cabinet Member for Housing up to award	May 2012
Official Journal of European Union (OJEU Contract Notice) & Pre-Qualification Questionnaire (PQQ) published via e-sourcing portal	June 2012
Deadline for PQQ return and evaluation begins	August 2012
Cabinet Member Decision to consider PQQ short-list	September 2012
Invitations to Tender published via e-sourcing portal	October 2012
Deadline for submission of tender clarification questions by contractors	November 2012

**Property Services
Repairs & Maintenance
Re-Procurement Proposal**



Tenders return	December 2012
Evaluation period	Late December 2012
Contractors clarification interviews	January 2013
Preferred contractor identified	February 2013
Leaseholder Notice of Proposal (NOP) issued and consultation period	March 2013
Full Cabinet Key Decision to consider recommendation of award	June 2013
'Alcatel' cooling-off period	June 2013
Contract award	July 2013
Mobilisation period & Start of TUPE transfers	July 2013
Contract go-live	October 2013
1 st contract audit	April 2014

Annex E

Existing repairs and maintenance contracts

The repairs and maintenance contracts are shown below:-

1. Reactive Repairs & Out of Hours - North
2. Reactive Repairs & Out of Hours - South
3. Voids
4. Voids EPC
5. Gas Servicing - North
6. Gas Servicing - South
7. Health & Safety Works - Fire Equipment Servicing
8. Fire Risk Assessments
9. Fire Safety Works
10. Asbestos Surveys & Co-ordination
11. Asbestos Works
12. Alarms & Emergency Lighting
13. Controlled Access
14. Lifts
15. Maintenance of Stair Lifts (installed by Occupational Health)
16. Maintenance of Bath Hoists (installed by Occupational Health)
17. Mechanical (Communal Gas, Ventilation etc)
18. Electrical Testing & Portable Appliance Testing
19. Wardens Call System
20. Door Operators/Barriers
21. Lightning Protection
22. Water Quality Management
23. TV Aerials
24. Sprinkler System
25. Cyclical Decorations (external)
26. Works to Water Tanks
27. Maintenance of white goods (sheltered)

Appendix C

Proposal for Market Testing Housing Services (including Housing Management and Estate Services)

1. Introduction

Housing Services currently provides housing management services across 17,500 properties, and additionally provides caretaking services to approximately 13,500 shared residency properties and concierge services to 1,700 properties through its directly employed staff. Housing Services also provides domestic cleaning services to 40 Sheltered Housing Schemes, consisting of approximately 1,000 properties. In addition it manages (and holds the budget for) external contracts for grounds maintenance, waste collection and recycling, H&S play site maintenance, and parking control on all Council owned estates.

The total expenditure on housing management and estate services is approximately £5.5 million and £5.7 million per annum respectively based on 2011/12 budget figures.

Following the re-integration of the ALMO (H&F Homes Ltd) back into the Hammersmith and Fulham Council (H&F) commissioned a high level review of these areas which revealed that there is potential to maintain and/or increase the level of service to residents whilst at the same time realising full year effect (FYE) revenue savings from Housing Services of approximately £1.44 million from 2014/2015 through the development of more efficient service delivery model (which may include contracting out some activities) and improved business processes. In order to achieve this, new approaches need to be considered in the way HRD provide their services to residents.

This level of saving is required from Housing Services as its contribution to HRD's overall Medium Term Financial Strategy which requires ongoing annual saving of approximately £4million per annum from 2014/15.

In line with this review the Housing and Regeneration Department (HRD) has embarked on a radical programme of transformational change to bring about a sustainable improvement in service while at the same time reducing costs.

Three areas in Housing & Regeneration Services are being reviewed:

- Repairs and Maintenance

Housing Services Market Testing Proposal

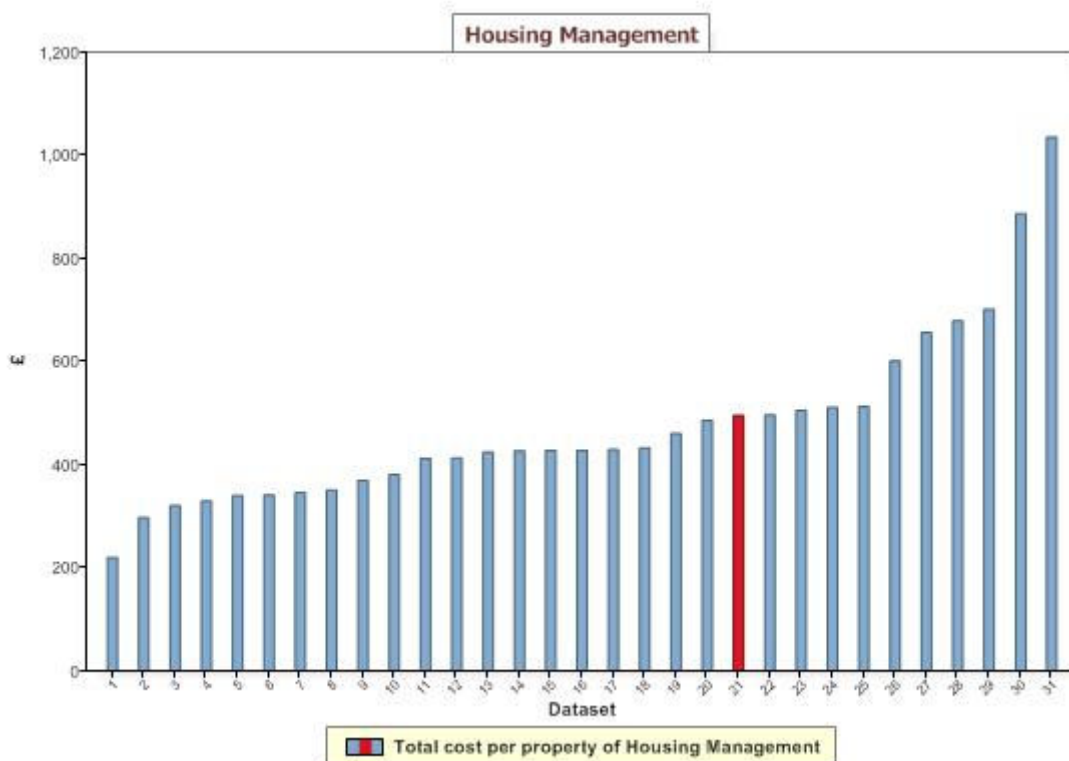


- Estate Services
- Housing Management (incorporating Tenancy Management)

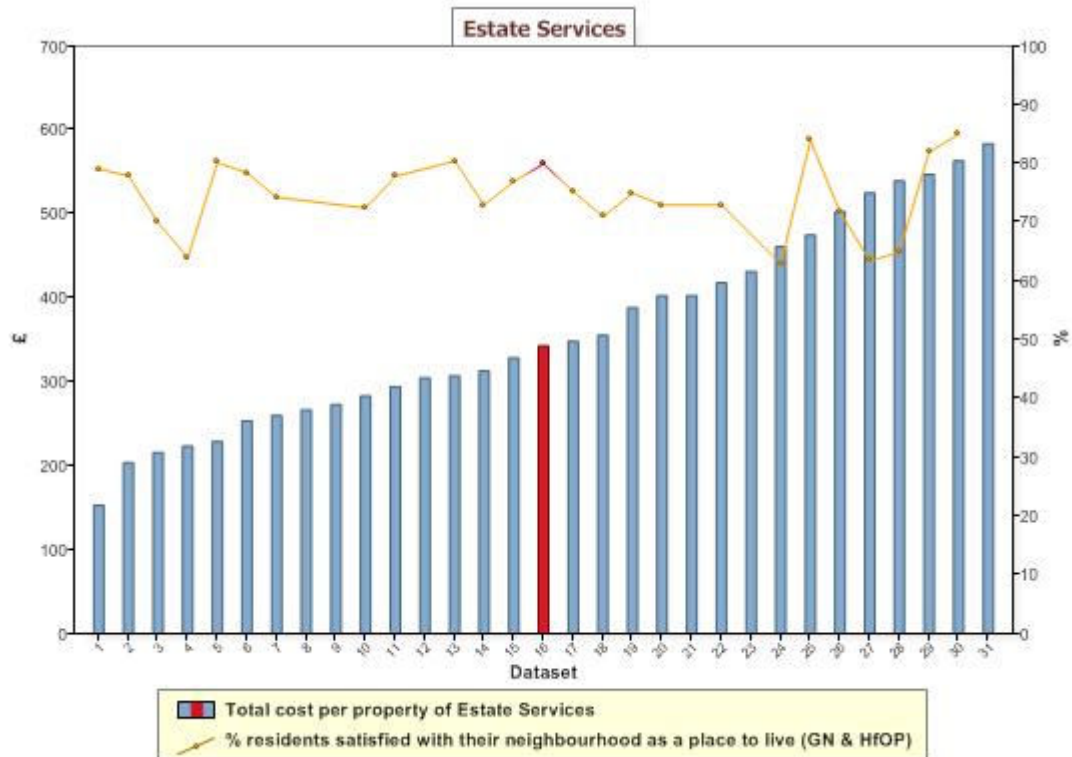
This Option Review excludes Repairs and Maintenance which have been covered in a separate paper.

Housing management and estate services activities are significant drivers of customer satisfaction and therefore the opportunity of market testing the service will be used to drive greater scale economies and efficiencies whilst improving service outcomes through better KPIs. We will also get closer to our customers through our new Resident Involvement Strategy, for which members of the Resident Involvement Panel are represented on this project group.

The chart below shows the total cost per property of the housing management function. The housing management function includes rent arrears and collection (which currently sits within HRD Finance), resident involvement and consultation, anti-social behaviour, tenancy management and lettings.



The following chart shows the total cost per property of estate services alongside satisfaction with the neighbourhood. The costs included in estate services are caretaking, grounds maintenance, concierge services, estate cleaning, estate lighting, CCTV monitoring and communal cleaning.



The following table shows comparative costs across the HouseMark benchmarking group of which H&F is a member. Although validated by HouseMark there is still likely to be some discrepancy in this information due to different measuring and recording of the base data across the group. The table is however indicative of current inconsistent performance.

Cost KPIs	Upper Quartile	Median	Lower Quartile	H&F Result	Ranking
Total Cost Per Property of Housing Management	£355.43	£428.01	£509.89	£495.83	21 /31
Total Cost Per Property of Estate Services	£268.44	£338.75	£453.91	£342.83	16 /31
Direct Cost per Property of Housing Management	£234.32	£292.93	£358.97	£349	22 /30
Direct Cost per Property of Rent Arrears & Collection	£76.67	£85.49	£106.43	£142.94	28 /30
Direct Cost per Property of Anti-Social Behaviour	£29.57	£44.74	£59.46	£102.94	29 /30
Direct Cost per Property of Tenancy Management	£56.91	£80.64	£114.54	£63.05	11 /30
Direct Cost per Property of Lettings Management	£14.12	£26.61	£34.17	£25.86	14 /30

Housing Services Market Testing Proposal



H&F collect a number of key performance indicators for housing services and our results compared with our HouseMark peer group are shown in the table below.

Quality KPIs	Upper Quartile	Median	Lower Quartile	H&F Result	Ranking
% of tenants satisfied with overall services provided (GN & HfOP ¹)	78.21	74.50	71.00	73.00	17 /25
Current rent arrears net of unpaid Housing Benefit as % of rent due	2.1	2.9	3.9	3.4	21 /29
% of tenants satisfied with their neighbourhood as a place to live (GN & HfOP)	78.62	74.65	71.60	80.00	6 /31
Direct number of housing management employees per 1,000 properties	5.08	6.20	8.18	7.57	22 /31

Key themes of the MTFs transformation programme are service improvement and increased efficiency, following successful implementation of the programme we expect to see:

- significant improvement in all of the Cost KPI's together with marked improvements in the Quality KPI's benchmark figures;
- a leaner department that is more effective and focused on meeting key objectives, through monitoring, planning and contract management, rather than handling day to day operational issues;
- several large partnering contracts in place that are aligned to deliver service improvement and increased value for money with appropriate risk/reward mechanisms in place;
- a fully integrated department that has access to good quality data in which to shape joined up strategies for asset management and meeting the housing needs of residents;
- re-organised departments with the right skills and experience to manage and deliver against SMART² objectives that link in with the HRD vision;
- a flexibility in service to continuously evolve to meet the needs of the Residents' Involvement Strategy circumstances; and

¹ General Needs and Homes for Older People

² SMART objectives: Specific, measurable, achievable, realistic, timely

- to drive continuous improvement and seek opportunities to promote ongoing integration with other teams within the wider Council.

2 Summary

The Housing and Regeneration Department (HRD) face very challenging times ahead, we must continue to strive to provide cost effective and efficient services for our residents. As a result the Executive Director for Housing & Regeneration and the Assistant Director team have developed departmental objectives under the “*H&F Housing Revenue Account – Medium Term Financial Strategy (HRA MTFS) Transformation Programme*”. The three primary objectives are as follows;

- To deliver improved services to residents
- To enable our people to deliver cost effective & efficient services
- To deliver full year effect savings of approximately £4m

It is generally considered that there is no ‘one size fits all’ solution to delivering the cost savings and desired service improvements across Housing Services. As part of the transformation programme designed to deliver these objectives the department has identified ways to improve the service by looking at different ways of delivering the service, these include;

- Moving services back into the wider H&F
- Restructuring existing in-house services to generate greater efficiencies
- Market testing of services; comparing internally provided services with the private sector

Following the formation of the HRA MTFS Transformation Programme a review was conducted of the services provided within Housing Services.

As a result of this review of Housing Services, proposals have been considered covering all three service delivery options detailed above.

- It is currently being considered to move Income Management, including Former Tenant Arrears, to H&F Direct. Discussions have taken place between HRD and H&F Direct and the proposal document is in the process of being formulated.
- Sheltered Housing which is currently going through a full asset review exercise will be considered for ‘mini’ restructure to bring

Housing Services Market Testing Proposal



Sheltered Housing Management more in line with the wider Housing Management structures

- Housing Management and Reception Services will undergo a combination of internal review and full market testing
- Concierge will be subject to an in-house proposal which is designed to improve the efficiency of the service and widen its scope to cover a greater number of residents.

This approach allows the internal proposals to be developed in parallel with procurement activities. All internal proposals will be competitively evaluated against tenders submitted by external service providers. We understand that the Council will endorse the most financially advantageous solution that also offers ongoing service improvement, greater resident involvement and minimises the level of ongoing delivery risk.

Initial review has confirmed the scope of the project and identified areas where it is thought that contracting out could present a strong challenge to the existing in house service provision model.

Areas in scope for full market testing include:

- Caretaking
- Sheltered housing cleaning
- Specialist cleaning services
- Housing management
- Reception services
- Anti-social behaviour management (inclusion is likely to be as an additional option)

Areas not in scope include:

- Concierge
- Income management
- Rent accounting
- Sheltered housing

Further details for the reasoning behind this split are given in section 5.

The precise details of the scope of works, the service delivery levels and method for risk and reward will form part of the market testing project currently being delivered as part of the department's MTFS Transformation Programme.

The department is also redefining its approach to resident involvement, and the project team will consult at all suitable junctures, with the new Resident Involvement Panel, established on 26th January 2012.

It is envisaged that any contract(s) will be established upon a true partnering basis. This means working together to improve performance through agreeing mutual objectives, devising a way for resolving any disputes and committing to continuous improvement, measuring progress and sharing the gains.

*'An essential aspect of partnering is the opportunity for participants to share in the rewards of improved performance.'*³

The precise details of the form of contract and contract payment mechanism will be agreed after discussion with key stakeholders and on finalisation of the ongoing benchmarking activities.

Once the decision to market test housing management was made, it was felt that offering a combined package could deliver a more financially advantageous contract, and there are a number of service providers who would be interested in tendering for both housing management and estate services work. Given that this number is limited it is proposed to publish an Invitation to Tender (ITT) in three lots:

- Estate Services
- Housing Management
- Estate Services & Housing Management combined.

3 Background

All of the work in Housing Services has traditionally been delivered 'in house'. Benchmarking has shown that this is still the preferred model in the majority of London Boroughs, however the trend towards contracting out is gathering momentum.

³ Egan Report – Rethinking Construction

Caretaking was partially market tested in 2007/08. The conclusion from the service review, put to the H&F Homes Board in February 2008 stated that –

‘The Market Testing & Service Review of Caretaking commenced on the 18th April 2007. The Service Review is complete, the outcome of which is the service as benchmarked does not clearly demonstrate competitiveness; there is an active marketplace in terms of quality and reliability of suppliers. These factors along with the result of the completion of a Strategic Options Analysis clearly support a decision to market-test the service’.

The Board decision, at that time however, was to retain the service in house, and to carry out an internal restructuring.

In 2009 a transformation project was implemented in estate services which realised saving of the order of £1.5m and is generally acknowledged to have delivered improvements in the quality of service to Residents.

In the first quarter of FY 2011/12, the department’s MTFs savings were formalised, and a tender competition was undertaken through Buying Solutions to procure a consultant to work with HRD on its wider MTFs Transformation Programme. One element of the programme is to market test a range of Housing Services activities.

The tender for project management of the HRD MTFs Transformation Programme was won by Amtec, with the work to be undertaken by Northgate Public Services (NPS). The NPS approach identified three principle overarching drivers to be achieved:

- Reduce the annual Housing Services Budget by £1,440,000 p.a.
- Maintain or improve the service delivery levels
- Improve Resident Involvement

4 Current Position

The broad scope of works to be included in market testing has been determined and early informal procurement activities are underway. Formal procurement activities are included in the detailed Project Plan but will not commence until appropriate sign off by Cabinet is obtained.

Soft market testing and benchmarking with other London Boroughs is ongoing and is giving rise to other options which are being reviewed but

are not yet being supported as proposals for inclusion in the project. These emerging options do not fundamentally alter the scope of the project.

Options currently under review include:

- Splitting the existing caretaking service into an external caretaking service, and an internal cleaning service. Benchmarking suggest that this approach would deliver additional benefits (ref. London Boroughs of Wandsworth, Hounslow and Camden).
- Attaching the external caretaking services to the existing contract for Waste Collection, Recycling and Street Cleansing Services currently out to Serco.
- Combining the Council's Anti Social Behaviour (ASB) activities into a single team and considering market testing. ASB activities are currently undertaken by two teams – one in HRD and one in Environment, Leisure and Resident Services Department (ELRSD).

All developing options are being reviewed in terms of their ability to deliver the most financially advantageous solution, ongoing service improvements and minimised risk to the Council.

5 Proposal

The key proposal is to market test the provision of:

- Caretaking
- Sheltered housing cleaning
- Specialist cleaning services
- Housing management
- Reception services
- Anti-social behaviour management.

'In house' solutions will be developed in parallel with the procurement activities to ensure a final in-house restructuring proposal is delivered in the same time frame.

Following the market testing process the solution which delivers the best value in terms of service quality to residents and the greatest value for money will be implemented. Solutions could see services contracted out or retained in house. The current time frame proposes that all housing services solutions are fully implemented by March 2013. All appropriate

H&F procedures will be meticulously followed during the implementation phase with significant focus on staff consultation procedures.

Services excluded from market testing will have 'in house' solutions agreed and implemented as soon as possible. The changes will be implemented in full accordance with H&F restructuring procedures. Excluded services include:

- Concierge Service – in house proposal being implemented
- Income Management – move to H&F Direct being progressed
- Rent Accounting – move to H&F Direct being progressed
- Sheltered Housing – subject to separate asset review

These services may be put into the market testing programme if, after further investigation, it seems that an external solution may be more competitive both in terms of value for money and service standards. This could take place up until issue of the Pre-Qualification Questionnaire which is proposed to take place in July 2012.

The options appraisals undertaken by NPS has been wide ranging, and has been undertaken without pre-conceived ideas, and has considered all available options. The risks associated with the various options have been considered.

Soft market testing has been undertaken on an informal basis to ascertain whether the proposed solutions are likely to be seen by the market as a workable arrangement. Any undue risk perceived by the market would result in higher levels of pricing.

The service delivery of any contracts ultimately let will be managed by a series of risk and reward measures. The KPIs which feed these measures will be determined during the preparation of the full specification, based on best practice and in consultation with all stakeholders, including the new Resident Involvement Panel.

6 Options Appraisal

This section covers the journey from the initial high level review conducted by Northgate Public Service in June 2011, through review challenge to the current proposals that have been committed to by the H&F Departmental Management Team.

6.1 Estate Services

Estate Services and Housing Management were initially appraised separately and the initial review (June 2011) considered a number of options for Estate Services, these are detailed below;

<p>Keep the current model</p>	<p>Maintaining the current service as is was discounted due to the constraints on public sector terms and conditions which preclude further step change in terms of any reduction of the cost base.</p> <p>Given that the recent estate caretaking value for money programme (in 2009) delivered significant improvements in terms of quality and cost reduction, the next steps could be to take the service beyond the constraints of being an in-house caretaking service to deliver greater value and choice.</p>
<p>Expand the service through providing services to others</p>	<p>The specialist team carries out tasks which are marketable and the service could therefore be grown. However, this is not felt to be a viable option at present because; returns would be minimal and administration costs high, the potential scale of operation would not represent competition in real terms for some of the bigger providers and this option is likely to prove a distraction from providing high quality services to the residents of H&F.</p>
<p>Collaboration with another ALMO, Council etc.</p>	<p>Collaboration is one option of leveraging savings by achieving economies of scale, through for example, joint management structures, letting of joint procurement contracts delivering aggregation of spend etc. This has been an option for most authorities for over a decade, however most attempts have failed. For collaboration to be a success it requires the will, commitment and application of any proposed vision. The key challenges for Estate Services to overcome would be:</p> <ul style="list-style-type: none"> • Equality – All Authorities must have an equal say; • Sovereignty – The organisational identity and front line delivery must remain. Stakeholders including members and senior officers of

	<p>organisations may feel a sense of a loss of control;</p> <ul style="list-style-type: none"> • Standardisation – Move to standardisation of working practices and policies would be required; • Exclusivity – Once arrangements are put in place, Authorities should not have the option to opt out or buy services elsewhere for a specified period; • Leadership – The change and transformation must be lead from the top of the organisations and this will include addressing cultural issues which may arise; and • Control – Any programme has to be within the direct sphere of influence of the Authorities. This then enables any challenges to be managed solely by those who understand and are accountable for the service. <p>Therefore we believe collaboration at this time is not a realistic option as it is felt that this would delay potential savings due to the complexity of setting up such agreements. However, this may become more attractive depending on what happens with regard to the ongoing tri-borough work between H&F, Kensington & Chelsea and Westminster Authorities.</p>
<p>Outsource the service</p>	<p>There is mature market for the provision of cleaning services and we feel that outsourcing of the cleaning aspects of caretaking, sheltered housing cleaning and the concierge service is the option that would deliver greatest cost savings for H&F at this time.</p>

6.1.1 Initial Review Recommendations (June 2011)

The recommendation reporting the original proposal was to outsource the caretaking and concierge services that currently operate within estate services at H&F, this includes the following service provision:

- General estates cleaning;
- Sheltered Housing (Domestic) cleaning; and

- The Concierge Service.

It was proposed that the existing specialist cleaning service would be split from the general caretaker function and retained in house. It was also proposed that a second specialist team be created to support the high quality work that the current SCS team provides, this would be particularly popular with tenants and leaseholders.

These proposals would require the development of an in-house contract management capability, smart contract specification and highly effective contract monitoring and management function.

6.1.2 Option Appraisal Challenge (November 2011)

The initial work has been subject to significant challenge and review. The initial option appraisal has been supplemented by information gained through soft market testing, benchmarking of other London Boroughs and a change in senior officers within HRD.

New intelligence has challenged:

- The proposition that the retention of an 'in house' service could not be a viable option.
- The need to retain Specialist Cleaning Services 'in house' as a residual service
- The value of outsourcing the Concierge service.

6.1.3 Current Recommendations (March 2012)

Whilst it remains likely that outsourcing could deliver the most advantageous price to the council, the opportunity to deliver a competitive 'in house' bid has not been excluded. It is now proposed that a full market testing exercise is undertaken to leave both options on the table.

In addition it is now proposed to include Specialist Cleaning Services in the market testing process. It is considered that this will be seen as a vital component of the service by the market place, and its inclusion will mitigate any service overlap.

It is also now proposed to retain the Concierge Service in house. A detailed proposal has already been submitted which could make a very significant contribution to the savings target and increase coverage provided to residents. The Concierge service is seen as a key part of the Councils efforts to reduce ASB on its estates.

6.2 Housing Management

The high level review carried out in June 2011 considered a number of options for Housing Management, these are detailed below:

<p>Continued incremental improvement</p>	<p>It is felt by H&F that the current structure and resource within Housing Services may offer the potential for further improvements that would generate costs savings. It would be beneficial to work together with NPS to continue the transformation process that has delivered substantial savings for the service so far, while at the same time working on the next cost saving opportunity.</p> <p>For the purposes of this report an estimate of 10% saving has been included in the absence of a full evaluation being conducted, this full evaluation should be conducted at the start of any future improvement process.</p>
<p>Collaboration with other Authorities</p>	<p>Collaboration is one option of leveraging savings by achieving economies of scale, through for example, joint management structures, letting of joint procurement contracts delivering aggregation of spend etc.</p> <p>This has been an option for most authorities for over a decade, however most attempts have failed. For collaboration to be a success it requires the will, commitment and application of any proposed vision. The key challenges for Housing Services to overcome would be:</p> <ul style="list-style-type: none"> • Equality – All Authorities must have an equal say; • Sovereignty – The organisational identity and front line delivery must remain. Stakeholders including members and senior officers of organisations may feel a sense of a loss of control; • Standardisation – Move to standardisation of working practices and policies would be required; • Exclusivity – Once arrangements are put in place, Authorities should not have the option to

Market making -
full outsourcing

opt out or buy services elsewhere for a specified period.

- **Leadership** – The change and transformation must be lead from the top of the organisations, this will include addressing cultural issues which may arise; and
- **Control** – Any programme has to be within the direct sphere of influence of the Authorities. This then enables any challenges to be managed solely by those who understand and are accountable for the service.

The above indicates a wide variation in the way each of these three organisations are managed and operated. In this context it is difficult to understand how such key building blocks such as common working practises will be achieved in a timescale which will meet current expectation. Furthermore given the different states of evolution of the three authorities there are varying immediate needs and priorities. Therefore we believe collaboration at this time is not a realistic option.

The existing service as a whole could be offered out to tender in a traditional way i.e. City West Homes. However, the market is not mature, with a limited number of providers active in the market and the size of housing stock they manage being varied.

We have conducted soft market testing with a range of suppliers who are currently providing services into the social housing market but not housing management services from an operational perspective. There was an appetite to develop the market and a desire to work in partnership with the public sector on innovative solutions. These discussions included what a potential service delivery model may contain based on the need for a step change in cost base.

However, given the current market and the level of risk that full outsourcing would bring we would not recommend this course of action at this time (June 2011).

**Partial
outsourcing –
transactional
services**

Transactional activities such as rent collection could be resourced outside of the borough but would require some presence in the borough. Salaries which are paid within the service are competitive for the local market place, however, compared to national rates they are significantly higher i.e. up to 30-40% higher. This does provide a viable option for H&F to deliver cost savings with no discernible changes to service provision to residents.

6.2.1 Initial Review Recommendations (June 2011)

In June 2011 it was felt by H&F that restructuring within Housing Services would offer the potential for further improvements to generate costs savings. It was felt to be beneficial for H&F to work together with NPS to continue the transformation process that had delivered substantial savings for the service in the past.

The recommendation of the initial report was therefore to continue to drive improvements within Housing Services whilst also performing a full review to identify the next efficiency opportunities that would deliver a step change in reduced costs.

At the same time as driving improved efficiencies the process of partial outsourcing of transactional activity would be progressed, this was due to include;

- Former tenant arrears; and
- Rent arrears and collections.
- All activity would be based outside of London to enable the establishment of an operational centre with a lower cost base. The provider would establish an operational “Hub” looking to leverage economies of scale.
- Housing Management would remain in house and home based working should be investigated as an option although not implemented at this time.
- Synergies would be sought between Housing Option and Allocations. Reception Services would remain in house and further location rationalisation investigated. The next change could see the existing locations rationalised to one permanent physical front desk located in King Street Hammersmith. Other services could be available by a scheduled appointment/open access days held at the

local community centres; no cost savings have been included for location rationalisation at this time.

- These proposals will require the development of an in-house contract management capability, smart contract specification and highly effective.

6.2.2 Option Appraisal Challenge (November 2011)

The initial work has been subject to significant challenge and review. The initial option appraisal has been supplemented by information gained through soft market testing, benchmarking of other London Boroughs and a change in senior officers within HRD. The transformation programme has been refined to recognise the need to;

- Introduce an element of competitive tension through a split borough approach to service provision;
- Embrace localism and bring services closer to people; and
- Take advantage of synergies available across Council departments.

6.2.3 Current Recommendations (March 2011)

Given the need to review a number of different approaches in a tight timescale (driven by the savings targets), it was decided to take a 'market testing' approach in many areas. This approach allows the internal proposals to be developed in parallel with procurement activities.

Following the formation of the HRA MTFS Transformation Programme a review was conducted of the services provided within Housing Services.

As a result of this review of Housing Services, proposals have been considered covering all three service delivery options detailed above.

- It is currently being considered to move Income Management, including Former Tenant Arrears, to H&F Direct. Discussions have taken place between HRD and H&F Direct and the proposal document is in the process of being formulated.
- Sheltered Housing which is currently going through a full asset review exercise will be considered for 'mini' restructure to bring Sheltered Housing Management more in line with the wider Housing Management structures
- Housing Management and Reception Services will undergo a combination of internal review and full market testing

Housing Services Market Testing Proposal



All internal restructuring proposals will be competitively evaluated against tenders submitted by external service providers. We understand that the Council will endorse the most financially advantageous solution that also offers ongoing service improvement, greater resident involvement and minimises the level of ongoing delivery risk.

The scope of the project and identified areas where it is thought that contracting out could present a strong challenge to the existing in house service provision model.

Areas in scope for full market testing include:

- Housing management
- Reception services
- Anti-social behaviour management

Currently the subject of a further options appraisal is to combine the Council's Anti Social Behaviour (ASB) activities into a single team and conduct market testing. ASB activities are currently undertaken by two teams – one in HRD and one in Environment, Leisure and Resident Services Department (ELRSD).

There are two options being considered as part of the analysis, these are as follows:

- Leave the two ASB teams as is, split across HRD & ELRSD; or
- Merge the ASB service into one team, subject to appropriate line management arrangements and accountability to tenants and leaseholders.

As a result of the work being conducted around the MTFS the ASB options appraisal will be conducted to evaluate the benefits and impacts associated with the options available.

All developing options are being reviewed in terms of their ability to deliver the most financially advantageous solution, ongoing service improvements and minimised risk to the Council.

Areas not in scope include:

- Concierge
- Income management
- Rent accounting
- Sheltered housing

Whilst it remains feasible that transforming an in-house housing management function could deliver significant service improvements and costs savings, the opportunity to market test the service should not be overlooked.

6.2.3.1 Rationale for a north/south split within Housing Services

The rationale for offering Housing Management on a half borough basis with the north half being retained in house is detailed below.

For the purpose of housing management we are proposing splitting the borough into north and south

- **The north** will have an internal review and remain within the council for the time being.
- **The south** will be fully market tested with the potential of appointing an external contractor to provide the service.

The reasons for dividing the service and market testing the south are;

- The split will create competition, encouraging services to improve
- The split will allow us to compare in-house versus external provider
- The size of the housing stock in the South is more likely stay about the same over the next 10 years making it possible to market test more accurately
- The north includes White City where the council is leading on an extensive redevelopment of the area over the next 10 years. By co-ordinating the full range of its services, including housing management, the council can ensure a comprehensive approach to the development of the area and assist residents to take advantage of the opportunities that ought to arise from it.

7 Housing Services Procurement Route

Caretaking/Cleaning is a well developed, competitive and mature market with a range of contracting organisations ranging from local organisations to major national players. It was felt that a significant number of organisations would be interested in bidding for the Estate Services contract.

Housing Services Market Testing Proposal



Conversely Housing Management is a less mature market, although one that was developing quite quickly. It was felt that a limited number of players might pursue the H&F contract.

Soft market testing has identified organisations that would be interested in bidding for a combined package. The larger value of a combined contract could deliver larger economies of scale. A SWOT analysis was conducted and it was agreed by the Programme Board that the two separate market testing exercises should be combined into one.

Given the decision to:

- Market test the South of the Borough only for Housing Services
- Combine the market testing exercise for Estate Services and Housing Management
- Offer Estate Services as a borough wide contract

It is proposed to offer three Lots as to the market:

- LOT 1 - Estate Services as a single Borough wide contract
- LOT 2 – Housing Management – south of Borough only
- LOT 3 – Combined package

Given the number of potential bidders for the Estate Services work it has been recommended that a 'Restricted Procurement' procedure is used. Further details are given in **Annex B – Procurement Route**

Annex A

Risk Management

There are two distinct elements of risk to be managed. There are those risks associated with the ‘market testing’ project (Project Risks), and those risks associated with the chosen outcome. The ongoing risks will be dependant on whether an outsourcing solution (Contract Risks) or an ‘in house’ restructuring solution (Performance Risks) is selected.

NPS have compiled a risk register, which is routinely updated, and any highlighted issues are brought to the Project Team. The Project Team manages project Risks; Programme Risks are managed by the Programme Board.

The contract risks have been the subject of consideration within the Options Appraisal, and the specific risks identified with the recommended Options are detailed below, with their principal mitigations. The optimal model of a sole supplier requires an appropriate review of the risks involved, and proposals for mitigating those risks. The second highest scoring model of a split borough approach contains largely similar risks.

Risk		Mitigation
Supplier becomes insolvent	1	An appropriate degree of scrutiny of potential tenderers’ financial standing at PQQ stage.
	2	A carefully developed process to ascertain that the price submitted as part of any bid is sustainable in terms of overhead and profit allowances. This will include cost benchmarking by a QS company (to be appointed), and involving the QS in the price evaluation.
	3	Parent Company Guarantee.
	4	Performance Bond.
	5	Step in clauses
Supplier does not meet performance standards	1	Carefully drafted technical questions in the quality section of the PQQ to ensure that contractor can demonstrate satisfactory past performance.

	2	Carefully drafted technical questions in the quality section of the ITT to ensure that the tender offer is technically adequate and directly related to the specific levels and types of service desired.
	3	A contractual mechanism of risk and reward linked to headline KPI performance.
	4	A contractual mechanism for escalation procedures which would allow for determination of the contract with award of costs.
	5	Consultation with Resident Working Group will clarify intended levels of performance
Management difficulties with supplier	1	Gap analysis of skills within the HRD staff to ascertain training needs before contract mobilisation.
	2	Implement a partnering approach that identifies common objectives, linked to the risk and reward model.
	3	A pricing model that leads towards the contractor being incentivised to reduce costs where appropriate (consider such things as ring-fenced overhead contribution).
	4	Involvement of Resident Working Group will bring added stakeholder emphasis to performance achievements.
Statutory Requirements are not being followed <i>1. Site Activities</i>	1	Ensure that PQQ and ITT procedures are adequate, and that Strategic review meetings routinely include Statutory compliance.
Statutory Requirements are not being followed <i>2. Landlord's Responsibilities</i>	1	Retain Landlord's statutory duties so that they are not included as part of the contract – only include consequential works within the contract.
	2	Include appropriate KPIs to reflect the importance of any statutory activities.
	3	Continue with compliance audit to monitor activities with statutory implications.

Annex B

Procurement Route

These contracts fall within the Public Procurement Regulations. The complexity of the sole supply contract initially suggested that the Competitive Dialogue route might be an effective way to ascertain the full benefits of efficiency that could be derived from technological advancement that tenderers could offer. Procurement advice arising from consultation with the Council's procurement team identified that this route would, in all likelihood, require more time than was allowed within the Medium Term Financial Strategy target, also that there would be no guarantee of better outcomes being achieved in the long term over and above those achieved through the Restricted Procedure.

It was therefore proposed to use the Restricted Procedure to tender the works. The requirement for improved service delivery will be carefully articulated within the tender documents, without outcome requirements, best practice and KPIs all co-ordinated to drive the improvement.

Use of the restricted procedure is in line with normal practice for a contract of this type. Use of the Open Procedure has been ruled out as it is anticipated that a large number of contractors will respond (particularly for the Estate Services Lot); using the restricted procedure will be more efficient for both the Council and contractors.

Officers have elected to issue a Prior Information Notice (PIN), to allow an element of formal dialogue with the market before issue of the OJEU Notice. It is intended to provide some written questions with the PIN as a means of eliciting information from interested contractors about the current technology and consequent efficiencies that are in current use.

The OJEU Contract Notice will be issued following Cabinet approval of the Procurement proposal.

The PQQ will be drafted in consultation with stakeholders including the Residents Involvement Panel. The PQQ will be evaluated by the Tender Appraisal Panel as detailed below. Shortlisting will be submitted to the Lead Member for Housing for approval.

Service delivery, and other appropriate matters relating to the ITT will be drafted in consultation with stakeholders including the Residents' Working Group. ITT evaluation will be undertaken by the Tender Appraisal Panel.

Evaluation

A Tender Appraisal Panel will be established in accordance with the Council’s Standing Orders and the guidelines issued by the central procurement team.

The Panel will include Council officers, consultants and resident representatives. The process for identifying resident representatives is currently under review and the Panel will take note of any changes in this process. Current proposals for the TAP are:

AD Housing Services
AD Finance & Resources (HRD)
Commercial & Contracts Manager
H&F Central Procurement Team representative
H&F Legal Services representative
Northgate Project Manager

PQQ and Tender marking will be undertaken by:

Head of Estate Services
Head of Neighbourhood Services
Head of Housing Management
Head of IT
Commercial & Contracts Manager
Northgate Project Manager - Procurement
Resident – Tenant
Resident – Tenant
Resident - Leaseholder

PQQ Evaluation

PQQ Evaluation will be undertaken on the following basis:

1. Financial – 30%
2. Technical –70%
 - a. Health & Safety
 - b. Quality Systems
 - c. Environmental Systems
 - d. Sub-contractor management
 - e. References
 - f. Case studies
 - i. Similar projects
 - ii. Innovations
 - iii. Service delivery improvements
 - iv. Community Engagement

ITT Evaluation

ITT Evaluation will be undertaken on the following basis:

1. Cost – 60%
2. Technical – 20%
 - a. Health & Safety
 - b. Service Delivery
 - i. Quality
 - ii. KPI performance
 - c. IT
 - d. Invoicing
 - i. Timeliness
 - ii. Accuracy
 - e. Record keeping
3. Community Engagement – 20%
 - a. Benefits for Business
 - b. Local skills opportunities
 - c. Resident/Estate support schemes

Subject to
final detail

Annex C

Procurement Programme

The main procurement milestones have been extracted and are shown below including an extract of the project's programme from issue of the OJEU Contract Notice, through to the appointment of the new contractor.

Activity	Date
Report on Housing Revenue Account Medium Term Financial Strategy (HRA MTFS) signed off by Executive Director for Housing and Regeneration Services	July 2011
Cabinet Member Key Decision to appoint additional capacity to HRA MTFS Programme	August 2011
Preparation and Development of client-side Requirements	September 2011 – April 2012
Leaseholder Notice of Intention (NOIs) issued and consultation period	December 2011 (Estate Services) April 2012 (Housing Services)
Official Journal of European Union (OJEU Prior Information Notice) published via e-sourcing portal	March 2012
Full Cabinet Key Decision to consider recommendation to commence market testing and issue delegated authority for programme decisions to Cabinet Member for Housing up to award	May 2012
Contractors' Briefing Day	April 2012
Official Journal of European Union (OJEU Contract Notice) & Pre-Qualification Questionnaire (PQQ) published via e-sourcing portal	June 2012
Deadline for PQQ return and evaluation begins	July 2012
Cabinet Member Decision to consider PQQ short-list	August 2012

Housing Services Market Testing Proposal



Invitations to Tender published via e-sourcing portal	September 2012
Tenders return	October 2012
Evaluation period	October to November 2012
Preferred contractor identified	November 2012
Leaseholder Notice of Proposals (NOPs) issued and consultation period	November 2012
Full Cabinet Key Decision to consider recommendation of award	January/February 2013
'Alcatel' cooling-off period	February 2013
Contract award	February 2013
Mobilisation period & Start of TUPE transfers	February to March 2013
Contract go-live	March 2013



London Borough of Hammersmith & Fulham

Cabinet

21 MAY 2012

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

**BUILDING A HOUSING LADDER OF
OPPORTUNITY INCORPORATING: DRAFT
HOUSING STRATEGY
DRAFT TENANCY STRATEGY
DRAFT SCHEME OF ALLOCATION
DRAFT HOMELESSNESS STRATEGY**

**Wards:
All**

The purpose of this report is to seek Cabinet's approval and endorsement of the documents listed above for public consultation including interested parties and the Mayor of London who is a statutory consultee.

The draft **Housing Strategy** provides an overarching framework for the other documents and for the Council's Housing activities as a whole. There are 3 key themes of *Delivering Major Economic and Housing Growth, Tackling Economic and Social Polarisation and Managing a better, streamlined council housing service. It sets out the Ladder of Housing Opportunity and the vision of social housing as a staging-point, not a final destination.*

The draft **Tenancy Strategy** proposes fixed-term tenancies for new social housing lettings, typically 5 years, but 2 years in cases such as special schemes for working households

The **Scheme of Allocation** will significantly increase the proportion of social housing lettings allocated to working households and those making other contributions to the community and promotes Local Lettings Plans to produce more balanced communities. It proposes changes to the inefficient Housing Register to clarify who qualifies for Housing and restricts access to the Register to those who have a reasonable chance of being housed. The report proposes ending the Choice-Based Lettings system which creates false hopes and expectations for

applicants.

The draft **Homelessness Strategy** sets out how the Council will meet its a statutory obligations but also proposes breaking the link between a homelessness application and a social housing tenancy through using new powers to discharge duty into the private sector.

The proposed changes will yield significant General Fund savings from 2014/15.

CONTRIBUTORS

EDHRD
DHOSED
ADLDS
EDFCG

**HAS A EIA BEEN
COMPLETED?
(initial screening)
YES**

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

Recommendation(s):

That the Draft Housing Strategy, Draft Tenancy Strategy , Draft Scheme of Allocation and Draft Homelessness Strategy documents for public consultation with the interested parties identified in section 9 of this report be approved.

1. INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1. The Housing environment is in a period of significant change both within the borough and externally. It is therefore a timely moment for the Council to set out its strategic position on a range of issues that now need to be addressed. The Localism Act 2011 has brought discretions and opportunities in the area of social housing, Right to Buy discounts have been increased bringing home ownership within the reach of many council tenants once again and clear progress is being made in the major Opportunity Areas for regeneration in the borough.
- 1.2. This report introduces four documents which provide a statement of the Council's intent in driving forward the housing agenda and Building a Housing Ladder of Opportunity. These are consultation drafts of the;
 - Housing Strategy
 - Tenancy Strategy
 - Scheme of Allocation
 - Homelessness Strategy.

The purpose of the different documents is summarised in Annex B.

- 1.3 The framework set by the Draft Housing Strategy is set out below in Section 2. Key points from the rest of the report are as follows;

Tenancies

- Currently most social housing tenancies are granted on a secure / assured tenancy basis. This takes no account of changes in household circumstances, can lead to a poor use of housing resources and provides little incentive for promoting personal aspiration, for example to move into home-ownership or the making of contributions to building successful communities;
- Existing tenants will be unaffected by the new proposals;;
- However, most new tenancies will be for a fixed term. Usually this will be for 5 years but with exceptions of 2 year tenancies in certain circumstances, for example where there are special schemes for working households within Local Lettings Plans.
- New tenancies in sheltered accommodation and for other older residents and for those with special housing or health needs would still be on a secure / assured basis.
- Many tenancies will be renewed but this will provide the Council with the opportunity to review how the tenancy has gone and whether the circumstances which led to its being granted still apply.

Priorities for Allocations

- The current system of allocating social housing has successfully provided for people who are vulnerable and who cannot house themselves. However, it has also created concentrations of people on

Housing and Welfare Benefits and some disadvantaged communities which are not sufficiently balanced or cohesive. The system has also disadvantaged households on low or modest incomes which are not in a position to buy or rent on the open market but whose need for housing may be as great as those who have been housed.

- The new Scheme of Allocation will give a greater priority to those who are working, those in training leading to employment and those making a significant contribution to the community and as a result a significantly higher proportion of lettings will go to such groups. Examples of a community contribution would be ex-service personnel and foster carers.
- A system of Local Lettings Plans would serve to deliver mixed, balanced and sustainable communities in particular areas; this would include giving access to households on the Home Buy register to short-term tenancies as a prelude to low-cost home-ownership options.

Housing Register

- The Housing Register is an inefficient mechanism for applying for Housing and creates false hopes and expectations for applicants. Most applicants have no chance of being housed and as many as 1 in 5 are from outside the Borough.
- It is proposed to introduce more rigorous qualification criteria such that only people with a reasonable prospect of being housed will be accepted on to the Register. A local connection of at least 5 years is proposed as a qualification criterion.

System for Allocating Social Housing

- The Choice-Based Lettings system attracts many bids for each letting, the great majority of which are futile and/or unrealistic. On the other hand, some applicants on the Housing Register rarely or never bid.;
- It is proposed to replace the CBL system with a system of "Assisted Choice". Applicants will be offered a number of options. This could include a social housing tenancy or private sector accommodation; declining an offer would be reflected in an applicant's status on the Housing Register;
- The aim would be to deal with cases quickly and provide high quality advice, particularly to those people who are vulnerable for health or other reasons.

Homelessness

- The homelessness system provides for people who are vulnerable but can also create perverse incentives to leave accommodation;
- Under these proposals the Council will continue to meet its statutory obligations, but there will no longer be an automatic link between a homelessness application and a social housing tenancy. It is proposed that the Council use its prospective powers to discharge its duty in the private housing sector.

1.4 Hammersmith & Fulham is amongst the first authorities formally to bring forward proposals arising from the Localism Act. Some of the proposals of other London Boroughs that have initiated consultation on their response to the Act reflect those in this report. For example,

- **LB Havering** is anticipating fixed-term tenancies with a norm of 5 years;
- **LB Brent** is exploring how flexible tenancies could help make best use of the housing stock, probably with a minimum 5 years as a norm. The Authority is also minded to exclude applications from anyone not resident in the Borough and those who have no prospect of being housed and to use the flexibility offered to extend the use of private rented households for homeless households;
- **Royal Borough of Kensington & Chelsea** proposes 5 year flexible tenancies as the norm with older tenants and those with a substantial disability or illness being granted secure or assured tenancies;
- **Westminster City Council** proposes 5 year flexible tenancies as the norm with a 2 year tenancy for specific groups, eg young people saving for a deposit. WCC also propose secure tenancies for older residents.

2. THE FRAMEWORK SET BY THE HOUSING STRATEGY

2.1 The Draft Housing Strategy is attached as Appendix A. A cross cutting theme of all the Council's future work on Housing will be our ambition to **Build a Housing Ladder of Opportunity**. The Council aims to achieve this in a range of direct ways, such as through the reinvigorated right to buy to council tenants; increasing discount market sale opportunities in new housing developments; delivering new housing through the Local Housing Company; promoting shared ownership and other 'First Steps' opportunities such as slivers of equity in Council homes. Our broader objective is to treat affordable housing as a valued, integrated and more accessible segment of the housing market, playing a greater part in regenerating local communities and local economies. To achieve this, the Council will:

- (a) **Deliver Major Economic and Housing Growth** – To be achieved using housing investment acting as a catalyst for wider socio economic change. Hammersmith & Fulham is uniquely positioned to continue that through delivery of its five regeneration opportunity areas, three of which are identified by the Mayor of London as strategic priorities and via its Local Housing Company.
- (b) **Tackle Economic and Social Polarisation** – To be achieved by promoting Right-to-Buy and creating low cost home ownership initiatives such as slivers of equity and part-rent and part-buy in Council housing using more imaginative and flexible approaches to estate regeneration; allocations policies prioritising working households; local lettings plans and flexible tenancies.

- (c) **Manage a better, streamlined council housing service** – To be achieved through more effective and efficient housing and leasehold management services with clear, realistic performance targets using other housing management service providers as required to increase resident satisfaction with repairs, resident involvement and dealing with Anti-social behaviour.

3. THE CURRENT SOCIAL HOUSING SYSTEM AND THE CASE FOR CHANGE

3.1 The current system in which people apply for social housing in Hammersmith & Fulham, are allocated a home and then occupy it can be summarised as follows;

- An “open” Housing Register, open to all applicants, whether within the borough or not, as long as they are not specifically rendered ineligible by statute; the total on the Register is 10,300 and 1 application in 5 is from outside the borough;
- Applicants are placed in one of 4 bands (A to D) on the register according to their assessed level of priority for Housing; 94% of applicants are in one of the two lowest bands;
- Applicants “bid” for specific properties on a “Choice-Based Lettings” (CBL) scheme called “Locata.” The properties are provided either by the local authority or by Registered Providers (Housing Associations.)
- Bids are made using the priority afforded by an applicant’s place in the banding system; a higher band will outbid a lower band and within the same band an applicant with an earlier application date will outbid one with a later date; a total of 131,000 were made in 2010/11.; the average number of bids for 3 bedroom properties was 157.
- Far fewer properties are available than there are applicants and as a result most bids and indeed most applications are unsuccessful; in 2011/12 and net of transfers fewer than 500 lettings were available;
- Special quotas are made available to ensure a minimum number of properties are allocated to specific groups, e.g. those in employment, people who are vulnerable or residents who are nominated by Adults or Children’s services;
- The Council has a statutory duty to give “reasonable preference” to particular groups set out in legislation, including homeless households;
- Homelessness legislation requires the authority to assess applications from those approaching it as homeless, to secure temporary accommodation while an application is being assessed and to provide accommodation on a permanent basis where a rehousing duty is accepted;
- Since the demand for permanent accommodation for homeless households cannot be met immediately, such households can spend a considerable period in temporary accommodation, usually accessed from private landlords. There are over 900 such households placed by

the Council and increasingly their accommodation is being provided outside the Borough;

- Where a permanent allocation is made to social housing in the Borough, this is almost always on a secure or assured tenancy basis.

3.2 The social housing system operated at present was originally built on the best of intentions. But in its effects it can be said to be unfair to certain groups, to give false hopes and expectations, to create perverse incentives to particular categories of applicant, to make inefficient use of resources both of assets and staff and not sufficiently to promote personal responsibility and economic growth which are amongst the key objectives of the Borough's Housing Strategy. This is set out in more detail below.

3.3 The Housing Register and the Bidding System:

Key Statistics;

The Housing Register;

- At the beginning of April there were 10,300 households on the Housing Register;
- Of these (49%) were within the lowest priority band (D) and 94% within the lowest 2 bands (C and D).
- In 2011/12, there were 619 lettings to social housing. When transfers are excluded, this figure drops to 470 lettings;
- 19.5% of applications were from outside the Borough;
- 2766 applicants had been on the Register for over 5 years and 478 for over 10 years;
- One applicant joined the register on 19 April 1976, almost 36 years ago;

Choice – Based Lettings;

- In 2010/11 a total of 131,343 bids were made for property;
- The average number of bids for 2 bedroom properties was 84 and for 3 bedrooms 157;
- The record number of bids for one property is 542;
- In 2010/11, 914 applicants on the Register made no bids for accommodation;
- 7100 applicants have only ever made 3 bids or less or have never bid;
- 363 homeless households have never made a bid for accommodation;
- In 2010/11, there were 92 instances where the successful bidder refused the offer of accommodation;
- The record number of refusals by any one household is 6.

Like most local authorities, LBHF uses a housing register to assess priority for social housing. There are 4 bands, A to D, in decreasing order of assessed housing need.

- Band A;** Emergency and very severe housing need;
- Band B;** High priority applicants with an urgent need to move;
- Band C;** Others with an identified housing need and within the Statutory “reasonable preference” categories;
- Band D;** All other registered applicants.

Most allocations are via a bidding system – Choice-Based Lettings (CBL). If applicants “bid” for a property, the bid from the highest band is successful and within each band the bids are assessed in date order from the original application.

Although this is a form of queue it has its own special rules, such that for many people the longer they wait, the further they get from the front. There are now a number of significant problems with this system;

- Anyone can apply to go on the register, unless they are ineligible for reasons such as their immigration status. Applications can be made from outside the borough and even outside the UK;
- As a result the register is very lengthy – 10,300 at the latest count. 1 in 5 applicants live outside the Borough;
- Against this, the resources available, in the form of lettings in social housing are very limited. Exclusive of transfers, the number in 2011/12 was 470;
- The large majority of people on the register therefore have no chance of ever being housed within this system. Many stay on the register a long time and more than 1 in 4 have been on the register for more than 5 years. The system could be said to lack fairness and transparency for residents and to create false hopes, false expectations and frustration amongst applicants;
- Most properties advertised within CBL receive large numbers of bids. Because of the number of applicants, most of these bids are futile. Many applicants are bidding many times without any prospect of being successful. A total of 131,000 bids were made in 2010/11 and on average each 3 bedroom property attracted 157 bids;
- On the other hand, some people on the Register do not bid at all or if they do, do so on a limited basis only once they realise the real prospect of being successful. In 2010/11, 914 applicants did not make a bid. In all, 7,100 households have made 3 bids or less or have never bid;
- There are 363 cases where homeless households have made no bids for accommodation;
- Sometimes the successful applicants refuse the property; this occurred on 92 occasions in 2010/11; although strenuous efforts are made to avoid this, this increases the risk of delays in letting the property and hence loss of rental income;

- All applications require some level of administration even if there is no prospect of it resulting in a successful allocation of property. Many applicants make enquiries about their position. As a result there is unnecessary cost in administering the system and a less than optimal balance between the resources available to deal with cases of vulnerability or severe housing need and those where there is little or no housing need.

3.4 The Homelessness Process

Key Statistics;

- **In 2010/11, 2521 approaches were made to the Council's Housing Options Service. 6. 5% of these cases resulted in a homeless application.**
- **In 2010/11, 345 formal homelessness applications were made; of these, the majority, 181, were not accepted;**
- **Of those cases not accepted, the reason in 27% of cases was that the applicant was found not to be homeless and in another 37% of cases not to be in priority need. Intentional homelessness was found in 17% of cases and 18% of cases were found not to be eligible for assistance;**
- **Where applications were accepted, over 1 case in 3 was where the household had been excluded by their family, relatives or friends. The next largest category (27%) was where the household had lost rented or tied accommodation.**

Homelessness legislation has provided an important safety net for people in the borough who through no fault of their own have housing that is insecure or, in a few cases, who literally have nowhere to stay. The system has been successful in helping people who are vulnerable. This will continue to be case. For many years the Council has recognised that the best approach is to intervene to prevent homelessness before it occurs and to obviate the need for a formal homelessness application. Substantial resources have been successfully deployed to achieve this and to assist residents to find accommodation in the private sector.

However; the current system has some unsatisfactory consequences and can create perverse incentives. For example:

- If a homelessness application is made and accepted the resident is almost always placed in temporary accommodation. However, they are awarded preferential status within the existing allocation system for permanent housing. This means that, at some point, however long they wait in temporary accommodation, they are effectively guaranteed a social housing tenancy. This is the case even if their objective level of housing need is less than other residents in the borough who have chosen, for whatever reason, not to make a homelessness application;
- The largest single category of homelessness applications is from households which have been excluded from their existing

accommodation by their own family, relatives or friends. While in many cases the home circumstances may be unsustainable, the system and the prospect of a social housing tenancy can act as a perverse incentive for applications to be made;

- As a result, a significant proportion of general needs social housing in the borough is allocated to households who have made and had accepted a homelessness application. This may be at the expense of other groups whose need for housing may have been as great or greater.
- In some cases the homelessness system creates false expectations of gaining a social housing tenancy quickly. In reality, the stay in temporary accommodation can be lengthy. Increasingly, given the price of private accommodation in Hammersmith & Fulham, it is outside the borough, causing potential disruption to family life, education and job prospects. Procuring and managing temporary accommodation is a major and costly exercise for the Council.
- The homelessness system has generated its own bureaucracy, much of the output of which is deciding not to accept a homelessness application. The majority of homelessness applications are refused, but not before an often complex investigation is carried out, often itself subject to legal challenge by the applicant. Applicants have the right of review of a negative decision, which again can involve a complex investigation, is usually also refused and again is subject to legal challenge.

3.5 The Allocations process

Key Statistics

- **Approximately 70% of social housing tenants in Hammersmith and Fulham are currently workless and dependent on benefits.**

The current system of deciding who lives in social housing has been relatively successful in providing for people who are vulnerable and cannot physically house themselves, for example due to their age or a disability. However, it has also;

- Produced a concentration in social housing of people on Housing and Welfare Benefits, with disproportionately high levels of unemployment, which was not the intention when the property was built;
- As a consequence created disadvantaged communities and places which are not sufficiently balanced, cohesive or economically vibrant;
- Disadvantaged other households on low or modest incomes who cannot meet market rents or afford to buy their own home but whose housing need may just as great as those who are housed. This includes working households and other people who may not be working but are training to work or people who are making a valuable contribution to the community in another way.

To this extent, some areas of the borough with large proportions of social housing are not making the contribution that could to help drive economic growth and community cohesion.

3.6 Tenancies

Key Statistics;

- **in 2010, 9% of council tenants on Housing Benefit were under-occupying their property by one bedroom or more, while 13% lacked one or more bedroom;**
- **In March 2012, 355 households on the housing register were severely overcrowded (lacking 2 bedrooms or more);**
- **In 2010/11, 34 council tenants were evicted for rent arrears and 11 for anti-social behaviour.**

The current system means that Council tenancies are granted on a permanent basis and tenants have the right to stay for life unless the tenancy is brought to an end because of a breach. While this has brought a high degree of security for individual tenants, it;

- Takes no account of the fact that a household's need for social housing may be temporary;
- Can lead to a poor use of resources in that the tenancy is for life even if household circumstances change. This can mean, for example, that one resident is under-occupying by 2 or more bedrooms while another family in the borough is grossly overcrowded. Again, tenants have the right to stay in the property on a permanent basis even if their household income rises to a level which means they could afford shared or full home-ownership;
- Effectively gives 2 rights of succession, for example to a partner and then, for example to a child, even if in the latter case the housing need of the individual is less than other potential applicants;
- Provides little incentive for making contributions to building successful communities or to promoting personal aspiration, for example to move into home-ownership.

4. **HOW THE CONSULTATION DOCUMENTS FIT TOGETHER**

The Draft Housing Strategy sets the overarching policy framework for taking forward the Council's policy objectives.

The Tenancy and Homelessness Strategies and Scheme of Allocation documents are crucial components within the overarching Housing Strategy through which the Council will ensure that it delivers on making flexible use of available, affordable housing stock.

The common thread running through these work streams is to ensure that outcomes are aligned to the Council's 'Borough of Opportunity' vision which seeks to foster more balanced, mixed-income

communities, increase and balance housing and home ownership options and to support hardworking households in affordable housing

- **Tenancy Strategy** – Sets out the Council's approach to introducing fixed term tenancies in certain circumstances.
- **Homelessness Strategy** – Review of the Council's current approach to homelessness and development of an effective prevention methodology that meets legislative requirements and aligns with the Housing Strategy, Scheme of Allocation, and the Council's working households' agenda.
- **Scheme of Allocation** – Comprehensive review of the allocations policy with the Council setting its own eligibility rules to support its objectives to build sustainable mixed communities, support people on a low income who work and those who contribute positively to the community.

5. SUMMARY OF PROPOSALS

5.1 Tenancies

The proposals on social housing tenancies are set out in the Draft Tenancy Strategy. It is important to stress that these proposals will not normally affect existing tenants. However, they will apply to new tenancies and will gradually change significantly the way social housing in the borough is occupied.

The Council intends to take full advantage of the opportunity to grant fixed-term tenancies and will expect Registered Providers (mainly Housing Associations) to do the same. This does not mean that at the end of the tenancy tenants will not have the opportunity for renewal. Nor will there be a presumption that a tenancy will not be renewed. However, it will give LBHF the opportunity periodically to review whether the rationale for granting the tenancy in the first place is still there and to review how the tenancy has gone. If an allocation has been prioritised for particular groups, fixed term tenancies will give the Council the ability to ensure this is still the case. This will also encourage good behaviour in tenancies and greater contributions to community life and the local economy. Existing tenancies will not be affected.

It is proposed that the standard tenancy term will be 5 years . Tenancies would be for 2 years in the following cases, where prospective tenants;

- are aged between 18 and 25;
- have a history of anti-social or criminal behaviour;
- are an economically active household of any age where the Allocations Scheme or a Local Lettings Plan had designated a special case for working households or people making a community contribution including where this is being provided as a launch-pad into home-ownership; or

- where the Registered Provider is seeking a market or intermediate rent.

Prior to considering renewal of the tenancy there would be a review of the reason for the original award of the tenancy and whether it still existed. Considerations would include;

- whether the accommodation was still suitable given the size of the household;
- any anti-social or criminal behaviour;
- the tenants' rent record and their general management of the property;
- whether the commitments of working households or to making a community contribution had been met;
- the income and wealth levels of the tenant and whether the tenant could be assisted into another form of tenure such as HomeBuy.

Shorter term lettings will also be required where the Council has embarked on regeneration schemes.

In some cases, secure / assured tenancies would still be offered. This will include tenancies in sheltered accommodation and for other older residents and for those with special housing / health needs.

The Council will support the statutory one right of succession and the approach on succession rights in fixed term tenancies will reflect the approach set out above. The detail of this will is set out in the Scheme of Allocation.

5.2 Housing Register

It is proposed that access to the Housing Register will be restricted to those people within the "reasonable preference" categories within the housing legislation. This will ensure that only those with a clear housing need will be admitted to the register.

Normally, access will also be restricted to applicants who can demonstrate that they have a local connection with Hammersmith & Fulham. This connection would be via residency, the current proposal is that the required length of local connection would be 5 years.

It is estimated that these changes will radically reduce the number on the register from the current level of around 10,000 and that this figure will be more than halved. This will allow for more efficient administration of the register and a higher-quality and effective advice and assistance service for those who qualify. Those who do not qualify will still be given a package of advice and assistance about their housing options.

5.3 The System for Allocating Social Housing

It is proposed to end the Choice-Based Lettings system. It will be replaced by a system of “Assisted Choice” where applicants will be offered a number of housing options. This may include a social housing tenancy, but could also feature accommodation in the private sector or the opportunity to buy a HomeBuy property. If an offer was declined, this would be reflected in an applicant’s status on the Housing Register.

The aim will be to deal with cases quickly and to provide high quality advice to residents about their options. In reducing both the time taken to deal with applications and the total number of applicants on the Housing Register, the aim would be to free-up time to deal with more complex cases and to provide a more comprehensive service for vulnerable clients, such as those with mental health difficulties or where there are people in the household with a physical disability.

5.3 Priorities for Allocations

The Draft Scheme of Allocation sets priorities for groups applying for Housing. The overall aim of the change will be to offer greater priority to working households, those in training leading to employment and those making a significant contribution to the community, while meeting statutory obligations to offer “reasonable preference” to certain types of applicant and as set out in Housing legislation.

The reduced numbers on the Housing Register will be placed in one of 4 bands, as follows

- Band 1;** Urgent need to move due to reasonable preference, local connection and an additional priority;
- Band 2;** Need to move; reasonable preference plus local Connection and Community Contribution;
- Band 3;** Need to move; reasonable preference, local connection but no Community Contribution;
- Band 4;** Reduced Priority; need to move; reasonable preference but with reduced priority.

The way in which different categories of applicant would be placed in each band is set out in detail in Annex 4 of the Draft Scheme of Allocation.

Examples of a Community Contribution would include working households; volunteering; people in training or education; ex armed services personnel; and registered foster carers. The list could be expanded subject to the “reasonable preference” criteria being met.

Each year an Allocations Plan would be drawn up setting out how the Scheme of Allocation was to be applied for that year. This would include special quotas to ensure a minimum provision is achieved within the “reasonable preference “ categories for specific groups. It is

proposed that this would include an employment quota and a quota for ex-service personnel and could include groups such as care leavers, and nominees from Adults and Children's social services.

The majority of allocations would be managed through this process and allow the Council to meet its statutory obligations towards the "reasonable preference" categories of applicant. A small percentage of lettings would be reserved for management cases including estate renewal decants and ex-staff commitments.

5.4 Local Lettings Plans

From time to time, the Council will adopt Local Lettings Plans for new schemes and/or areas of the borough where it wishes to deliver the broad objective of mixed, balanced sustainable communities. In addition to ensuring that successful applicants for accommodation are making a community contribution, the Council is also keen to ensure that higher income households from the Council's Home buy Register have access to rented housing on short-term fixed tenancies as a prelude to low cost home ownership options. This will give such households the experience of managing a household budget and also provide an opportunity for such households to save money towards a deposit for a low cost home ownership option. Providing this quota does not dominate the allocations based on need, such an approach is considered sustainable via the mechanism of local lettings plans.

5.5 Homelessness

The Council's proposed approach to meeting its homelessness obligations is set out in the draft Homelessness Strategy.

The Council will continue to meet its statutory obligations towards homeless households. It will also continue to prioritise the prevention of homelessness and providing high-quality advice and assistance to residents of the borough about their housing options. This will include continuing to seek and procure access to accommodation in the private sector. By preference this will be within the borough but as is the case now could equally be outside it.

However, a change in approach will be that the Council will use the new discretion in the Localism Act to discharge its homelessness duty to a household into suitable accommodation in the private sector. This will end the previously assumed link between a homelessness application and a social housing tenancy. This does not mean that the household concerned cannot gain access to a social housing tenancy; but it will mean that access cannot be guaranteed via the making of a homelessness application. Homeless households will sit within the "reasonable preference" categories within the Scheme of Allocation. However, as with other applicants, their priority for housing will be increased if they are working or making another form of Community Contribution as set out in that Scheme.

Households will be encouraged and assisted in considering a range of options other than a homelessness application. If the option of an application is chosen, the advice they receive will include the changed relationship with access to social housing and the likely location (including potentially outside the borough) of any temporary accommodation. The household will be fully advised of their options before deciding which route to take.

The household may still qualify for social housing through being in a “reasonable preference” category within the Allocations system, but there will be a more “level playing field” with other priority, reasonable preference groups.

6. WHAT WILL BE DIFFERENT IN THE FUTURE

Taken together, the proposals in this paper potentially add up to a significant cultural shift in the way social housing is accessed and occupied and in the contribution it makes to the economy and life of the borough. A social housing tenancy will need to be earned and its retention worked at. It will no longer necessarily be passed from one generation to the next.

Existing tenants of social housing will not immediately be affected by the proposals. Over time, however, they will be impacted by the changes, as empty homes in their area or on their estate are allocated through the new mechanisms described.

The proposals will bring a number of major advantages;

- Incentives will be built into the system to work, to train, to make a contribution to the community, to look after the property and to behave well and as a result a significantly greater proportion of lettings will be allocated to working households and those making a community contribution.;
- The emphasis on contribution to the community will foster community cohesion;
- Tenants will be encouraged to look at moving into full or partial home-ownership;
- There are mechanisms to create more balanced and successful communities; both as part of the general Scheme of Allocation and through Local Lettings Plans
- Social housing residents will make a greater contribution to the local economy;
- There will be more effective and efficient use of the housing stock on behalf of the whole community;
- It will still be a high priority to accommodate vulnerable people within the community and to contribute towards other Council priorities such as providing for those with a learning disability or for those with responsibilities as carers;

- The proposals will make more effective use of staffing resources, with a more comprehensive service for high priority clients and leading to savings in the cost of administering the service.

For some existing applicants for housing the proposals may at first sight be seen as a negative development. Most people currently on the Housing Register, for example, will no longer be and they will have access instead to a package of advice and assistance. In reality, however, this will not represent a material change in their circumstances, since their prospect of receiving an offer of a social housing tenancy is currently either minimal or nil. The new system will, however, reduce the number of people who have false hopes or expectations of being re-housed. Equally, those with a significant housing need will still be eligible for assistance and those whose position is an emergency or who have an urgent need to move, for example because of a serious medical condition, will still be afforded high priority.

Some applicants for housing will see their priority for housing increased; for others it will be reduced. In some instances, existing applicants will not be eligible to re-apply. This will principally be because of the increased emphasis on work and the making of a community contribution. This is one of the explicit objectives of the changes.

Some examples of how the changes may impact on some categories of applicant can be found in Annex A.

7. GOVERNMENT TIMESCALES AND CONSULTATIONS

- 7.1 Whilst the 2011 Localism Act has been enacted for some months, a number of the sections are not as yet in force. Specifically, Councils do not as yet have the power to discharge their homelessness duties into the private rented sector. The consultation on revising the Scheme of Allocation guidance which proposed giving additional preference to ex armed services personnel, only recently closed. Both these new provisions are expected to be in force later in the year. Legislation governing homelessness is broadly unchanged and therefore the council's ability to effect major changes to its approach to meeting such obligations is limited to the above mentioned 'discharge' powers when available.

8. INTERIM MEASURES

The Council is in a position to effect changes in the way that it operates its housing strategic role in advance of the set of housing strategy documents being adopted by Cabinet. Specifically:

- Local Lettings Plans can be adopted under the existing Scheme of Allocations to increase the numbers of eligible working households who are allocated accommodation for specific housing areas/schemes
- The 2012/13 Allocations Plan to be adopted can include higher quotas for categories such as ex armed services personnel; working households; and other groups providing they meet the reasonable preference criteria
- Officers are currently considering possible interim measures around the administration of the Housing Register prior to full implementation of the proposals in this report.

9. CONSULTATION PROCESS

9.1 This suite of documents has been developed in consultation with key staff members of the Housing and Regeneration Directorate (HRD) with input from Environment Services and Community Services staff. The development process has been undertaken over a relatively short timescale and has been overseen by the Lead Member for Housing; Executive Director for Housing and Regeneration; and Director (Housing Options). Two 'soft' consultation exercises have been held with outside housing agencies – registered providers and service providers/users of supported housing.

9.2 The documents will require a wider consultation process with three core audiences:

- Borough residents, including tenants and leaseholders of the Council; tenants, leaseholders and shared owners of Registered Providers (i.e., housing associations); and residents of other tenures in the borough
- Council staff both within the Housing and Regeneration Directorate and wider staff membership, particularly staff responsible children and the elderly agendas as well as staff responsible for vulnerable adults such as people with dependency issues, victims of domestic violence
- Key agencies responsible for approving and/or delivering the Housing Strategy document, e.g., Mayor of London (who will need to ensure that the local strategy is in broad compliance with his own regional document); private and affordable housing developers; private landlords; providers of supported housing services; voluntary sector agencies; local advisory agencies.

9.3 A detailed consultation plan will be developed and implemented.

10. TIMETABLE

10.1 The consultation strategy and communications plan will need to be developed accordingly. On the basis that these draft documents are

approved in May 2012 it is proposed that the public consultation process begin immediately after Cabinet approval in order to begin the circ. 8 week consultation period. Subsequent to the consultation and any resulting amendments, the policies will be submitted for Cabinet approval in Autumn 2012.

- 10.2 Implementation will be in phases; Both the Tenancy and Homelessness Strategies can be implemented on approval. It is proposed that the new system for allocating properties be ready for implementation in April 2013. Consideration is being given to the stages of implementing the new Scheme of Allocation following approval by Cabinet, with the intention of 'going live' in April 2013.

11. FINANCIAL IMPLICATIONS

- 11.1 Financial issues relating to the proposals are in four areas.

Homelessness and Temporary Accommodation

The Council has had considerable success in meeting and containing the costs of homelessness through its Housing Options and prevention operations and through matching the cost of temporary accommodation to rents payable and changing Housing Benefit and Local Housing Allowance arrangements. The HB Assist team has succeeded in negotiating rent reductions with private Landlords of homeless households in temporary accommodation.

The Housing Options service faces considerable challenges in addressing homelessness particularly in the light of recent and prospective changes to Housing and Welfare Benefit entitlement. These arise both from increasing difficulty for some households in sustaining a private sector tenancy and for the council itself in procuring access to private sector accommodation within the resources available to it. The proposals in this report may have some indirect impact on homeless households. In particular, the prospects of a homeless household receiving an offer of a social housing tenancy will be more dependent in the future on their being in work or making a community contribution within the terms of the Scheme of Allocation. To the extent that this results in fewer allocations being made to households applying down the homelessness route, this will increase the need to secure access to private sector accommodation.

Against this, the new system set out in this report may be perceived as affording less advantage to the making of a homelessness application and may start to exert downward pressure on the number of homelessness applications.

The impact on the general fund cost for temporary accommodation will require careful monitoring.

11.2 Income to the Housing Revenue Account and the Cost of Void Properties

A key proposal in this report is the introduction of flexible tenancies in Council property and the potential increase in the number of households in work living in the Council's social housing stock. The question therefore arises as to whether this may lead to more voids and bad debts as flexible tenancies come to an end, and hence additional financial pressure on the HRA due to:

- additional void rent loss
- increased maintenance void costs
- increased staff costs due to the volume of relets required
- a risk of additional bad debts due to the increased tenancy turnover and due to an increase in the number of tenants not on full housing benefit

On the other hand, there are a number of potentially countervailing factors;

- While there is no presumption that a tenancy will be renewed, equally there is no presumption that it will not. This will depend upon a case by case assessment. It is likely that a significant number of tenancies will be renewed and the issue of the majority of the additional void costs will not arise. There may still be a residual impact on staff costs.
- The proposals have a built-in incentive for tenants to look after their property;
- The proposals have a built-in incentive for tenants to keep a clear rent account.
- Proposed welfare reforms are likely to result in a cessation of direct Housing Benefit payments in all but vulnerable cases. This may in any case result in additional bad debt pressures potentially applying to all tenancies..

The effect of the proposals on income and void costs will require careful monitoring and revised assumptions are currently being fed into the business plan. Any significant impact will not arise until 2014/15 at the earliest as the first 2 year tenancies come up for renewal.

11.3 Staffing Costs

As noted above, there will be an increased cost for Housing Services in dealing with the renewal of flexible tenancies. This will be factored into the specification for the Medium Term Financial Strategy Transformation of Housing Services.

Within the Housing Options service there will be some additional general fund costs in administering a system of review and appeals and the assessment of applicants making a community contribution. Nevertheless, from 2014/15 this should be outweighed by significant

General Fund savings in dealing with a reduced number of housing applicants, albeit seeking to provide them with a more comprehensive service.

11.4 Transitional and Development Costs

Some general fund expenditure on transitional and development general fund cost will be required to implement the proposals. These costs will relate to programme and project management, resident communication and consultation, amendments to IT systems and staff training. Currently it is anticipated that these costs can be met from the proposed carry-forward of an under spend in Housing Options budgets from 2011/12 into 2012/13.

12. **RISK MANAGEMENT**

12.1 A separate Risk Log has been raised and will be incorporated into the departmental risk register once the final document contents have been agreed by the Lead Member for Housing and the Executive Director for Housing & Regeneration. Key risks identified include;

- A dependency on Government formally bringing into force certain provisions, particularly in the areas of Homelessness and the prioritisation of allocations to ex-service personnel;
- The need to secure access to additional private sector accommodation to deal with the local impact of changes in Local Housing Allowances and the introduction of Universal Credit in 2013.

12.2 The report incorporates and illustrates risks presented by the draft strategies and Scheme of Allocation documents and will be managed in accordance with the council's project management approach.

13. **EQUALITY IMPLICATIONS**

13.1 The initial screening assesses the Draft Housing Strategy as being broadly positive to most protected characteristics. There will be no direct impacts arising from the approval by Cabinet of the Draft Housing Strategy, but does give a greater likelihood (with the recent adoption of the Borough Investment Plan) of attracting affordable housing and wider regeneration funding in the future which will have the potential to deliver direct positive impacts for Hammersmith & Fulham's residents. Separate attention will need to be given to the proposed development of the Tenancy Strategy; revision of the Borough's Scheme of Allocation; revision of the homelessness strategy; and any change to the mechanism by which the Council allocates its homes (and those of its Registered Provider partners) where equalities impacts will need to be carefully considered.

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

- 14.1 The financial implications are detailed in Section 11 of this report. There are no additional comments at this stage.

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

- 15.1 The Localism Act 2011 has introduced changes to the way in which a Housing Authority can allocate social housing, the kinds of tenancies it can grant and to the ways it can discharge its homeless duty. But not all of the relevant provisions are in force. Taking each of these elements in turn:

15.2 Tenancy Strategy

Section 150 (1) of the Localism Act requires to the Council to prepare and publish a tenancy strategy setting out the matters to which the registered providers of housing in the borough are to take in account when formulating policies relating to the kinds of tenancies they will grant; circumstances in which they will grant a tenancy of a particular kind; the length of flexible or fixed term tenancies and the circumstances in which they will renew a tenancy. In addition the Council is required to publish its tenancy strategy by the 15 January 2013. In preparing the strategy the Council must have regard to its current allocation scheme; its current homelessness strategy and the London Housing strategy.

- 15.3 The Localism Act has amended the Housing Act 1985 to give the Council the right to grant flexible tenancies for a minimum term of 2 years. A tenant has the right of review a decision to grant flexible tenancy and of the decision to seek possession at the end of the term. At the end of the term a court can only refuse to grant possession if the review has not been carried out in accordance with the Act or if the review decision is wrong in law. A flexible tenant has the same rights as a secure tenant, for example the right to exchange, succession and take in lodgers.

15.4 Scheme of Allocation

Since the Housing Act 1996 came into force all local housing authorities have been required to publish an allocation scheme for determining priorities and the procedure to be followed in allocating housing accommodation. It is proposed to modify the existing allocation scheme and in doing so the Council must have regard to the tenancy strategy, the homelessness strategy and the London Housing strategy.

- 15.5 The Housing Act 1996 requires the Council to ensure that the Allocation scheme gives reasonable preference to the categories of

people set out in the Act this includes the homeless those who need to move on medical or welfare grounds. The term “reasonable preference” is not defined in the Act but case law defines this as a ‘reasonable head start’ it is accepted that this does not guarantee a person an allocation.

- 15.6 Sections 145 to 147 of the Localism Act make significant amendments to Housing Act 1996 relating to the allocation of social housing. But at present the provisions of the Act are only in force to the extent of enabling local housing authorities to draft and consult on allocation schemes and confer power on the Secretary of State to make regulations;
- 15.7 The amendments will give the Council power to determine which applicants do or do not qualify for an allocation of social housing in the borough. Social Housing may only be allocated to a “qualifying person”. As set out in 5.2 of the report it is proposed that only persons who fall within the reasonable preference categories will be admitted to the register.
- 15.8 Section 166A (5) of the Housing Act 1996 (as amended) provides that the council may frame the allocation scheme to take into account factors for determining priority of accommodation. The draft allocation scheme propose to take into account factors such as financial resources, behaviour and local connection. It is also proposed to give additional priority to working households, those in training leading to employment and those making a significant contribution to the community.
- 15.9 The secretary of states draft guidance states it is for housing authorities, after appropriate consultation to decide how to give effect the provisions of the Act. This view is reinforced by the case of *R (on the application of Ahmad) v Newham LBC (2009)*. The House of Lords held that it was undesirable for the courts to get involved in questions of how priorities are accorded by local authorities except in rare and extreme circumstances. It was also held that it was impossible to argue that a housing authorities allocation scheme was unlawful unless the basis on which it accorded priority between the reasonable preference groups was irrational. The court pointed out that housing allocation policy is a difficult exercise requiring not only social and political sensitivity and judgement but also local expertise and knowledge.
- 15.10 The Homeless strategy
The Homelessness Act 2002 imposed a duties on all local housing authorities to formulate and publish a homelessness strategy every 5 years. This means a strategy formulated for preventing homelessness; securing that sufficient accommodation is and will be available for the homeless and securing that there is satisfactory provision of support for the homeless. In formulating the strategy the council must have regard

to the allocation scheme, the tenancy strategy and the current London Housing strategy.

- 15.11 Section 148 of the Localism Act amends section 193 of the Housing Act 1996 to allow housing authorities to make “private rented sector offers” to end the homeless duty to a household. In section 5.5 of the report it is explained that the Council proposes to make use of this power and this is articulated in the draft strategy. However, it should be noted that Section 148 is not yet in force.

The Public Sector Equality Duty

- 15.12 The public sector equality duty provisions of the Equality Act 2010 came into force on 5th April 2011 and widened the general equalities duties with which a local authority has to comply. Amongst other things age is now included as one of the protected characteristics to which the general equality duties will apply and amends slightly the factors to which authorities will need to have due regard if they are to comply with those duties.

- 15.13 A full Equality Impact Assessment will be produced when the final strategies are presented to Cabinet, so that it can be taken into account by members before a final decision is taken. Members will have to weigh the potential adverse impacts on the protected groups as identified in the final EqIA, together with proposed mitigation measures; and will have to consider these and any countervailing factors before reaching their final decision.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	HM Government – Laying the Foundations: A Housing Strategy for England. (Nov. 2011)	Aaron Cahill x 1909	HRD / Housing Options
2.	Draft Borough Investment Plan	Aaron Cahill x 1909	HRD / Housing Options
3.	LDF Core Strategy	Aaron Cahill x1909	HRD / Housing Options
CONTACT OFFICER: Mike England		NAME: Mike England EXT. 5344	

***Building a Housing Ladder of
Opportunity***

Hammersmith & Fulham Council

Draft Housing Strategy

Consultation

This Draft Strategy sets out in broad terms the Council's approach to housing in Hammersmith & Fulham. Central to this housing approach is creating a housing ladder of opportunity. To make that theme a reality, three core objectives need to be achieved:

- Deliver Major Economic and Housing Growth
- Tackle Economic and Social Polarisation
- Manage a better, streamlined council housing service

Achieving these objectives will help deliver more low cost home ownership across the borough and also deliver a range of other housing and regeneration outcomes that will deliver the Council's Community Plan and Core Strategy objectives.

In tandem with this document, the Council is consulting on its Draft Tenancy Strategy; Draft Scheme of Allocation; and Draft Homelessness Strategy, part of its Building a Housing Ladder of Opportunity programme of work. This work is intended to convey the Council's intention to adopt a different housing approach, reflecting the new environment in which local housing authorities are now working. As well as reflecting the freedoms and flexibilities available to local housing authorities following the passing of the 2011 Localism Act, the new approach is intended to be more realistic, reflecting the difficult choices individual local housing authorities are having to make when seeking to meet its housing obligations and the impact this will have on housing register applicants' future expectations and choices.

The consultation period starts on **22 May 2012** and will end on **18 July 2012**.

To submit your response, email xx@lbhf.gov.uk

Contact xx@lbhf.gov.uk for further information on this process.

Note: This Housing Strategy will remain a draft document until the 2011 Census data has been published and analysed. For the present, the Council is inviting comment on the 'direction of travel' set out in this document.

The Council intends to adopt the final Housing Strategy in early 2013

Introduction

The over-arching vision of Hammersmith & Fulham's Community Strategy is *creating a borough of opportunity for all*, enabling all local people to have a real stake in the area and share in its growing prosperity. This Strategy centres on the real contribution that housing can make to deliver that vision, providing the catalyst for the borough's regeneration opportunities. Delivering these opportunities will create better places to live; more housing choice; more local employment and training opportunities; improved transport infrastructure; better education opportunities; and better housing and management services for residents.

The central theme of all our future work will be **Building a Housing Ladder of Opportunity**. The Council aims to achieve this in a range of direct ways, such as through the reinvigorated right to buy to council tenants; increasing discount market sale opportunities in new housing developments; promoting shared ownership and other 'First Steps' opportunities. Our broader objective is to treat affordable housing as a valued, integrated and more accessible segment of the housing market, playing a greater part in regenerating local communities and local economies. To achieve this, the Council will:

1. **Deliver Major Economic and Housing Growth** – To be achieved using housing investment acting as a catalyst for wider socio economic change. Hammersmith & Fulham is uniquely positioned to continue that through delivery of its five regeneration opportunity areas, three of which are identified by the Mayor of London as strategic priorities.
2. **Tackle Economic and Social Polarisation** – To be achieved using more imaginative and flexible approaches to estate regeneration; allocations policies prioritising working households; local lettings plans; flexible tenancies; and low cost home ownership initiatives.
3. **Manage a better, streamlined council housing service** – To be achieved through more effective and efficient housing and leasehold management services with clear, realistic performance targets using other housing management service providers as required.

Core to the success of these three objectives will be increasing the numbers of working households and others who are making a community contribution, such as ex armed services personnel, who can access affordable accommodation.

Much of the change that is being sought will be delivered through other new or revised documents such as the tenancy strategy; scheme of allocation; local lettings plans; or through day to day service and regeneration delivery. In view of the opportunities now at our disposal, this Strategy sets out what the Council is seeking to achieve in a clear and transparent way.

Cllr Andrew Johnson,
Cabinet Member for Housing

Contents Page

Section 1 – Building a Housing Ladder of Opportunity

Section 2 – Deliver Major Economic and Housing Growth

Section 3 – Tackle Economic and Social Polarisation

Section 4 – Manage a better, streamlined council housing service

Section 5 – Action Plan

Annexes

Annex 1 – Evidence Base

Annex 2 – Borough Investment Plan – Executive Summary (Dec 2011)

Annex 3 – Background Reference Documents

Annex 4 – Glossary

Section 1 – Building a Housing Ladder of Opportunity

- 1.1 With the publication of the Coalition Government's National Housing Strategy and the Mayor's London Plan and Revised Housing Strategy, the pan-regional planning, regeneration and investment setting is relatively certain and streamlined, leaving local authorities to take responsibility for their future. The Council has the advantage of a recently adopted Core Strategy providing a planning framework for the jobs and housing that Hammersmith & Fulham needs. To help deliver the Council's objectives, the enactment of the 2011 Localism Act has given freedoms and flexibilities to local authorities to calibrate their housing approach to suit the localities they are responsible for: the Council intends to take advantage of these new powers for maximum effect.

Increasing Home Ownership

- 1.2 Core to this Housing Strategy is increasing the levels of affordable home ownership in the borough. With house prices the fourth highest nationally, the challenge is great. Compounding that is the wide disparity of house prices and deprivation levels between the north and south of the borough. The Council will promote the Government's reinvigorated right to buy programme to ensure the tenants access the new discounts and will continue to deliver new discount market sale housing and other low cost home ownership housing through the planning system.

Objective 1 - Deliver Major Economic and Housing Growth within our Opportunity Areas

- 1.2 Growth is the engine of economic opportunity and the pathway to helping people out of poverty. Cities are built for people, but they are also built around their transportation systems. The stations are more important than the railway lines. That is why Hammersmith & Fulham is going for growth in Earl's Court, White City and Old Oak/Park Royal, three of West London's major transport nodes. In total we want to create 38,000 jobs and build 22,000 homes in these three Opportunity areas to provide the much-needed economic lung for London in the west. The Council's Local Housing Company will play an increasingly key role in creating affordable housing opportunities in areas of disadvantage. With the fourth highest property prices in Britain and unrivalled transport infrastructure, Hammersmith & Fulham is poised for major economic and housing growth.

Objective 2 - Tackle Economic and Social Polarisation through the creation of more mixed and balanced communities where no one tenure predominates

- 1.3 Hammersmith & Fulham is a polarised borough has some of the most deprived neighbourhoods in the country and is ranked the 13th most deprived borough in London. In 2010, the GLA published the Children in Poverty report which shows the proportion of children living in families in receipt of out of work benefits or of tax credits where their reported income is less than 60% of median income. According to that measure, 35% of children in the borough were in poverty in 2008; this is the 10th highest in London. The Joseph Rowntree Foundation 2006 report Local Affordability Issues for Working Households Buying their First Home showed that 75% of households with occupants aged under 40 who would not normally be able to access social housing, could not afford to buy properties in the lower quarter of house prices in the borough. Through its Building a Housing Ladder of Opportunity work programme, the Council intends to give greater housing priority to this cohort of housing need, who up until now have had minimal access to the housing ladder.
- 1.4 The Council is committed to ensuring that the borough's residents have maximum opportunities to access home ownership opportunities as a means to alleviating economic and social polarisation. Continuing to facilitate the delivery of low cost home ownership products, such as discount market sale and shared ownership/equity will continue to be part of the council's strategic housing approach. Maximising opportunities from the Government's reinvigorated right to buy programme will be a simple and effective way of tackling economic and social polarisation in disadvantaged areas. The Council intends to develop and implement a 'slivers of equity' approach whereby tenants who wish to exercise their right to buy gain an additional discount through meeting their tenancy obligations in an exemplary way as well as making community contributions as set out in the Draft Housing Allocation scheme. In tandem, the Council intends to pursue 'part' right to buy / part ownership approaches to council housing to help deliver wider social and economic objectives.
- 1.5 The Council through its new Housing Allocation Scheme intends that households who are working or otherwise making a community contribution and those who can demonstrate a local connection with the borough should get greater priority in the housing register. The community contribution will include ex-services personnel who meet the reasonable preference criteria. The Council also intends to adopt a more flexible approach to tenure, with the adoption of fixed term tenancies to ensure available affordable rented housing is used to its maximum value.

Objective 3 – Manage a better, streamlined housing service, with a focus on local decision making, delivering outcomes that improve resident satisfaction

- 1.6 Council tenant and particularly leaseholder satisfaction with housing services is far too low. The Council has the challenge of improving efficiency and service quality, whilst at the same time reducing the level of debt and ensuring that an effective long term asset management strategy is put in place and applied. The Council's housing stock should be viewed in the context of assets to be managed as well as providing a housing service to tenants and leaseholders.
- 1.7 The Council intends to give consideration to the localisation of housing management services. This will follow market testing which may necessitate eventual contracting out of some housing management services. There will need to be a clear link between resident satisfaction and performance on issues such as anti-social behaviour, repairs and resident involvement, with an incentive to increase service level satisfaction within the contract.

Conclusion

- 1.8 Successfully delivering the three objectives set out above, will decide the success of the vision of creating a housing ladder of opportunity.

Section 2 - Deliver Major Economic and Housing Growth

Key Facts - Hammersmith & Fulham:

- Has capacity to deliver a minimum of 14,400 additional homes and 25,000 jobs in the next twenty years, with potentially more that can be delivered in the 3 Mayor of London Opportunity Areas
- Has the fourth most expensive market sale housing in England with an average price of £646,257
- Has private rents ranging from £215 per week for a one bedroom home up to £700 per week for a four bedroom home
- Has 4,143 households on the Council's Home buy Register

See Annex 1 for more information

Planning for Regeneration and Growth

- 2.1 The Council's Core Strategy is the key document that governs the planning framework for regeneration and growth in Hammersmith & Fulham. The following abstract from the Core Strategy sets out in clear terms the Council's approach to the borough's spatial development:

The council will focus and encourage major regeneration and growth in the five key regeneration areas shown below and on the Proposals Map. All development must respect its context and setting. Elsewhere in the borough, development of smaller sites will be more constrained by the local context and character of neighbourhoods.*

The regeneration areas could provide at least 13,200 additional dwellings and 25,000 jobs during the period 2012-2031 as indicated in the table below. The extent to which these figures can be met or could be exceeded will depend on acceptable development proposals coming forward.

The acceptability of any development in the borough will be dependent on a number of factors including:

- *the appropriate response to the local context and setting;*
- *the creation of inclusive and accessible places that provide acceptable living environments with a suitable mix of housing types, sizes and affordability;*
- *there being satisfactory public transport and highway accessibility and capacity, and measures to produce acceptable trip generation;*
- *environmental impact assessment; and*
- *the provision of services, facilities and infrastructure to support new development.*

*The indicative quantities of new housing and indicative new jobs for each area are set out below. Further detail on the basis for these figures, is provided in specific area and site policies elsewhere in this document** and in supporting planning frameworks.*

* summarised in Table 1 below

** LBHF Core Strategy (October 2011)

Regeneration Opportunity Areas

2.2 The Council's Core Strategy (Oct 2011) sets out in clear terms the development and wider regeneration potential that Hammersmith & Fulham has. Despite being one of the smallest boroughs in London it represents a considerable and attractive regeneration proposition. The large majority of that capacity is located in the five regeneration opportunity areas identified in the Core Strategy. Of these five, three are endorsed by the Mayor of London as Opportunity Areas in his London Plan.

Table 1 – Regeneration Opportunity Area – Core Strategy Indicative Additional Homes and New Jobs

	Indicative Additional Homes	Indicative New Jobs
White City Opportunity Area*	5,000 (of which 4,500 in White City East)	10,000
Hammersmith Town Centre and Riverside	1,000	5,000
Fulham Regeneration Area (including Earl's Court and West Kensington Opportunity Area) *	3,400 (excluding any increase in estate lands)	5,000 – 6,000
Park Royal *	1,600	5,000
South Fulham Riverside	2,200	300-500

Note: * Mayor of London Opportunity Areas

Source: Abstract from Hammersmith & Fulham Core Strategy (October 2011)

2.3 Since the Core Strategy was adopted, the potential jobs and housing opportunities identified above has increased significantly. With the Government's commitment to build a High Speed 2 interchange station at Park Royal City International, the potential housing capacity is likely to be significantly greater than that set out above.

2.4 In terms of the numbers of homes that will be developed, the Core Strategy **Policy H1 on Housing supply** states that the council will work with partner organisations and landowners to exceed the proposed London Plan target of 615 additional dwellings a year up to

2021 and to continue to seek at least 615 additional dwellings a year in the period up to 2032. The Council believes that Hammersmith & Fulham can exceed that target and deliver 720 homes per annum, but that delivery will be less in the early years of our programme and greater in the later years due to the long lead in times associated with major project delivery.

- 2.5 One of the major strengths of Hammersmith & Fulham is its transport infrastructure. The Council intends to see improved north-south connectivity facilitated by its growth strategy, as well as capitalising on the potential of existing and new transport nodes. Four of the five regeneration areas (i.e., excluding Fulham Riverside) have the benefit of significant existing transport infrastructure that can be used and developed to achieve this objective.
- 2.6 The most obvious example of this is realising the Council's vision for Park Royal City International. With the Government's January 2012 statement supporting the development of High Speed 2 including a transport hub with Crossrail and other elements of the railway network, the Council estimates that up to 10,000 homes could be developed in the wider area. This will be subject to an Opportunity Area Planning Framework being developed by the Mayor of London in conjunction with the four boroughs who are impacted by the vision for Park Royal.
- 2.7 Other housing policies relating to issues such as design, special needs accommodation can be found in the Core Strategy document. In line with Policy A3 of the Council's Proposed Submission Development Management Document (DPD) (Nov 2011), all new housing development should include provision for between 15% and 35% affordable three bedroom family housing.
- 2.8 The Council's Borough Investment Plan (BIP) adopted by the Mayor of London in December 2011 sets out in strategic terms the investment needed to deliver the homes and jobs identified above. The BIP also details the community infrastructure, e.g., schools; health facilities; affordable housing necessary to ensure that the housing development sought is sustainable.

Local Housing Company

- 2.9 In order to both give leadership and take responsibility for affordable housing delivery in the borough, the Council has established a Local Housing Company (LHC) to deliver an element of future new housing supply. Hammersmith & Fulham is one of the few councils in the country to adopt this radical approach to remedying the shortage of housing it is experiencing. The Council has initiated the first phase of conversion/infill sites, exclusively funded from the Decent Neighbourhoods Fund. The pilot programme of 25 discount market sale homes are in development, heralding a significantly larger rolling programme of new housing development activity.

Rest of Borough Sites

2.10 Additional capacity for 1,200 homes has been identified on 'Rest of Borough' sites. This will be an important source of new housing in the short to medium term, as the housing delivery trajectory is generally long for major regeneration projects. Much planning work, time and expenditure is often undertaken acquiring, remediating and preparing such sites for new housing and accompanying infrastructure. Therefore, short to medium term delivery of both market and affordable housing will be critical to maintaining levels of housing delivery. It is important that the Council and Registered Providers work closely together to ensure that short to medium delivery is increased and sustained to meet short term needs and targets.

Quality housing

2.11 The Mayor of London's Housing Design Guide Interim Edition (August 2010) sets out design requirements for new housing which the Council wishes to see applied in future developments. The scope of the document is as follows: Shaping Good Places; Housing for a Diverse City; From Street to Front Door; Dwelling Space Standards; Home as a Place of Retreat; Climate Change Mitigation and Adaptation; and Managing the Design Process. The Design Guide also makes reference to delivering accessible housing and the sixteen Lifetime Homes Standards.

To achieve the Economic and Housing Growth objectives, the Council will:

- Seek to deliver the regeneration potential in each of its five opportunity areas, maximising housing capacity from new and existing transport infrastructure
- Roll out a wider programme of Local Housing Company-led housing delivery
- Work with Private Registered Providers to deliver new housing in the rest of the borough
- Deliver high quality housing in line the standards set out in the Mayor of London's Housing Design Guide

Section 3 - Tackle Economic and Social Polarisation

Key Facts - Hammersmith & Fulham:

- Has an average of 36% social housing compared to a London average of 24%
- Has 10, 238 households on the Council's Housing Needs Register
- Is a polarised borough with some of the wealthiest and disadvantaged wards in London

See Annex 1 for more information

Tackling Economic and Social Polarisation

- 3.1 Hammersmith & Fulham is one of the most prosperous boroughs in the country, but paradoxically suffers greatly from social and economic deprivation. Concentrations of poverty exist on our council estates. Causes of this poverty include embedded economic and social under-achievement in areas where the inter-related challenges of unemployment; low educational attainment; and benefit dependency has caused social and economic exclusion to become a norm.
- 3.2 Through a range of interventions, the Council intends to change this situation. This will partly be achieved through regeneration and development interventions described in Section 2, where more working households will be able to access new low cost home ownership housing. The Council also intends to promote a reinvigorated right to buy scheme. But in terms of who is allocated to affordable housing in the future, the Council intends to give greater priority to working households; ex armed services personnel; and other households who are making a community contribution.

Increasing Affordable Home Ownership: A Reinvigorated Right to Buy

- 3.3 Delivering the reinvigorated right to buy will be central to tackling social and economic polarisation on the Council's housing estates. Exercising the right to buy is a simple and effective means to realising tenants' aspirations; increasing wealth; and encouraging ambition. The Government's maximum discounts of £75,000 for eligible households is expected to lead to increased interest in the right to buy locally which the Council plans to both meet and encourage.
- 3.4 In tandem, the Council will continue to work with partner organisations to develop innovative approaches whereby tenants through community contributions can build up additional equity that can be used at some point to increase the discount on homes sold under the right to buy.

Housing Allocation Scheme

3.5 The Council intends to radically change the way it prioritises and allocates accommodation to applicants on its housing register. Specific objectives the Council wants to achieve following the adoption of this document and its broader approach are as follows:

- Gives additional preference to working households and applicants such as former Armed Forces Personnel who are making a community contribution
- Adopting a Housing Allocation Scheme that realistically reflects housing options available to applicants
- Introduces a 'Assisted Choice' approach, modifying a system which has allowed the registration of applicants who have no realistic prospect of successfully bidding for affordable rented housing
- Increases the use of the private rented sector both in the borough and outside its boundaries in order for the Council to meet its housing obligations
- Meets its statutory homelessness obligations
- Introduces a more rigorous approach to registrations, ensuring that the Housing Register is up to date; that registration information is verified at the earliest stage ensuring all applications are *bona fide*; and, applicants being required to personally update their applications on an annual basis

3.6 Two of the direct consequences of this approach will include the discharging of homelessness duties into the private rented sectors, and giving greater priority to those currently in work. More detail on how the Council intends to adopt and implement this approach is set out in its Draft Housing Allocation Scheme document.

Tenancy Strategy

3.7 In tandem with the new Scheme of Allocation, the Council intends to adopt flexible tenancies for its own rented housing and recommend to other Registered Providers (normally housing associations) that they should adopt such an approach also. Over time, this will help increase number of homes that the Council is able to let. In the shorter term this will place greater obligations on new tenants to pay their rent on time; refrain from engaging in anti-social behaviour; and avoid attempts at tenancy fraud, as engaging in such behaviour may lead to their tenancy not being renewed. The approach is also designed to facilitate interim rented housing options for working households who aspire to low cost home ownership.

3.8 More detail on how the Council intends to adopt and implement this approach is set out in its Draft Tenancy Strategy.

Local Lettings Plans that Deliver Mixed and Balanced Communities

- 3.9 The Council intends to adopt a number of Local Lettings Plans for specific schemes and areas in the borough so that no one single tenure dominates. In line with the broader approach set out in the Draft Scheme of Allocation to diversify the income and wealth levels of households receiving affordable accommodation in the borough, Local Lettings Plans offer an opportunity to deliver area-specific outcomes. This will include allocating affordable rented homes to working households who wish to rent who are registered on the Council's Home buy Register.
- 3.10 More detail on how the Council intends to adopt and implement different Local Lettings Plans and approaches to them will be consulted on as and when appropriate.

Homelessness Strategy: Tackling the worst impacts of economic and social polarisation

- 3.11 The Council has a statutory obligation to produce and implement a homelessness strategy. Just as the Council is keen to create incentives for people on low to medium incomes, it is also keen to ensure that there is a safety net for those who are unable to fend for themselves. Such people may include victims of domestic violence; people with mental health or dependency issues; people with major health issues; and, households with vulnerable children. In addressing the needs of the homeless and those threatened by homelessness, the Council will need to continue effective cross-departmental working, particularly those responsible for supporting people funding, to ensure a holistic and effective strategy is in place to prevent homelessness where possible.
- 3.12 More detail on how the Council intends to adopt and implement this approach is set out in its Draft Homelessness Strategy document.

Asset Management and Estate Regeneration

- 3.13 In recent years, the Council's housing stock has benefited from circa £200m of decent homes resources, it nonetheless requires significant ongoing investment. The Council estimates that this could entail an annual average of c £30m expenditure over the next five years alone. The programme of work that the Council has in place seeks to build on the achievement of the decent homes programme, maintaining the standard whilst addressing the backlog of works that were not covered by that programme.
- 3.14 The Council intends to adopt a forward looking, funded and deliverable asset management strategy and has already begun the process with a review of its sheltered housing stock. In the absence of any significant public capital funding, the Council intends to be innovative and radical in its approach to regenerating its estates. When considering individual

sites – whether vacant/poorly used sites, individual blocks or whole estates, the Council will take into account the following factors:

- Asset Management Appraisal
- Redevelopment opportunities with adjacent land owners and/or development agencies, helping to ensure that new investment benefits local residents
- Unpopularity of housing with residents (e.g., high levels of transfer requests)
- Opportunities to deliver a wider mix of tenures to increase community sustainability in line with Core Strategy and London Plan policies.

3.15 The over-arching objective of the Council's asset management approach will be to reduce social and economic polarisation by diversifying tenures on Council estates; raising the quality of housing either through comprehensive refurbishment or redevelopment; maximising urban densities particularly where there is developed transport infrastructure; and creating local employment opportunities. Whether through a development partner or the Council's Local Housing Company, creating more low cost home ownership choice through its asset management approach will be a key driver for change.

To tackle economic and social polarisation, the Council will:

- Encourage council tenants to take up their right to buy and develop alternative approaches such as 'slivers of equity' that enable tenants to earn additional equity from meeting tenancy obligations and making community contributions
- Implement a Housing Allocation Scheme that will give greater priority to people with a local connection who can make a community contribution, including working households and ex-armed service personnel
- Implement a Tenancy Strategy that introduces flexible tenancies, helping to improve mobility in the affordable rented sector
- Implement Local Lettings Plans where needed to encourage more balanced, sustainable communities
- Implement a Homelessness Strategy which supports preventative approaches to homelessness
- Develop and implement a council housing stock asset management strategy

Section 4 - Better, streamlined council housing services

Key Facts - Hammersmith & Fulham:

- Has approximately 82,000 homes in the borough, of which nearly a third are owned by the Council or other social landlords (26,000 homes) with the remaining two thirds (56,000 homes) in private ownership.
- Provides direct services to residents living in 17,500 homes managed by the Council. 13,000 homes are for rented by tenants with the remaining 4,500 owned by leaseholders

See Annex 1 for more information

Improve resident involvement and satisfaction in housing and wider management services

- 4.1 Responsibility for the management of the council housing returned to the borough from Hammersmith & Fulham Homes Ltd. (the arms length management organisation) in April 2011. Now managed by the Council's Housing and Regeneration Directorate, the Council directly provides housing management services to over 17,500 tenanted homes and leasehold homes.
- 4.2 The Council is determined to increase the quality of housing management services and will need greater resident involvement to make that happen.
- 4.3 In March 2012, the Council adopted a Resident Involvement Strategy and Action Plan designed to promote the Council's accountability as a housing service provider to its residents, whilst providing a means for residents to feedback and improve those same services. In terms of the principles to the approach, the Council will increase the number and diversity of residents involved; widen the ways in which residents can be involved; ensure resident involvement delivers continuous improvement, value for money and services shaped by residents; ensure that residents have the information needed to monitor and make accountable housing service provision.
- 4.4 The Council also intends to introduce greater transparency on the costs of housing management provision. An initial means to achieving this will be through the introduction of tenant service charges, providing clearer information on the cost of various estate management services. As importantly, there is the broader objective of increasing awareness to tenants and other interested parties the levels of expenditure and income from rent and the public purse required to support the services provided.

- 4.5 The Council intends to give consideration to the localisation of housing management services. This will follow market testing which may necessitate eventual contracting out of some housing management services. The Council believes a 'mixed economy' approach where new agencies have the opportunity to provide services in a cost-efficient, innovative way can form the basis for both increased resident satisfaction and service improvement.
- 4.6 In addition to improving housing management services, the Council will continue to deliver a range of community safety initiatives on and around its estates. It will continue to adopt a zero-tolerance approach to anti-social behaviour and where possible extend CCTV to improve in personal and community security.

Maximises opportunities for more effective, integrated service delivery

- 4.7 The Government has backed the council's proposal for a White City Neighbourhood Community Budget where improvements in the quality of public sector services in the area are being sought, working collaboratively with local residents and other local partners.
- 4.8 The Council intends to work with Government and local partners on reviewing local procedures and national rules governing the delivery of local services and entitlements, and to explore some 're-design' of local service delivery and associated governance at the local level to provide integrated service delivery. To allow a genuinely flexible local system to take root in White City, the Council wishes to work with the local community, partners and Government to develop new local procedures and identify (and seek derogations from) national rules that impose barriers to joined-up delivery.
- 4.9 Housing is a significant component to this radical approach. The White City housing estate has over 2,000 homes of which three quarters are council tenancies. There are significant opportunities for local residents in the redevelopment of the land in the east of the area, where 4,500 new homes are being built. 25% of these are intended to be reserved for existing White City tenants, creating space in the current housing stock which can be used to create a more diverse social mix in the community. Through this approach, there is scope to establish a special purpose vehicle, capturing the asset values and income streams that are currently in the area. Freedoms and flexibilities following HRA reform and other powers following the passing of the 2011 Localism Act will play a key role in realising the vision for White City.

Lobby Government for increased ‘freedom to manage’ their housing revenue accounts in order to create and sustain strong and balanced neighbourhoods in deprived areas

- 4.10 The Council welcomes the reform of the Housing Revenue Account (HRA) system, but is concerned that the opportunity to maximise the use of councils’ assets is being un-necessarily limited, particularly where there is the paradox of high value assets and significant socio-economic deprivation.
- 4.11 Specifically, the Council wishes to use its housing property assets to deliver new jobs, additional housing, economic growth and to deliver the local regeneration necessary to arrest and reverse local deprivation without increasing debt levels, the Council needs the freedom to:
- Mix tenures and therefore rents within the HRA (not just affordable rent but also market rent and low cost home ownership) to deliver mixed and balanced communities.
 - Retain all receipts from disposals and Right to Buy provided they are reinvested in council housing, regeneration, reduction of HRA debt and other priorities
 - Council housing debt should be accounted as trading debt rather than national debt whilst accepting fully all proposed constraints on council borrowing including the borrowing limit that will apply under HRA reform.
- 4.12 The Council will continue to dispose of high value housing assets that are in a poor state of repair to reduce the council’s housing debt as well as to fund major initiatives such as the local housing company ‘hidden homes’ schemes.
- 4.13 The Council will continue lobbying Government for the “freedom to manage” its housing revenue account so that the council can create strong and balanced neighbourhoods in areas that where there are concentrations of deprivation.

To deliver better, streamlined housing services, the Council will:

- Improve resident involvement and satisfaction in housing management services which will include market testing and contracting out alternative approaches
- Maximise opportunities for more effective, integrated service delivery
- Lobby Government for increased ‘freedom to manage’ their housing revenue accounts in order to create and sustain strong and balanced neighbourhoods in deprived areas

Section 5 – Action Plan Summary

From 2012, to achieve the Economic and Housing Growth objectives, the Council will:

What	By When
Seek to deliver the regeneration potential in each of its five opportunity areas, maximising housing capacity from new and existing transport infrastructure	2012 -
Roll out a wider programme of Local Housing Company-led housing delivery	2012 -
Work with Private Registered Providers to deliver new housing in the rest of the borough	2012 -
Deliver high quality housing in line the standards set out in the Mayor of London's Housing Design guide	2012 -

To tackle economic and social polarisation, the Council will:

What	By When
Encourage council tenants to take up their right to buy and develop alternative approaches such as 'slivers of equity' that enable tenants to earn additional equity from meeting tenancy obligations and making community contributions	2012 -
- Implement a Housing Allocation Scheme that will give greater priority to people with a local connection who can make a community contribution, including working households and ex-armed service personnel	2012 -
Implement a Tenancy Strategy that introduces flexible tenancies, helping to improve mobility in the affordable rented sector	2012 -
Implement Local Lettings Plans where needed to encourage more balanced, sustainable communities	2012 -
Implement a Homelessness Strategy which supports preventative approaches to homelessness	2012 -
Develop and implement a council housing stock asset management strategy	2013 -

To deliver better, streamlined housing services, the Council will:

What	By When
Improve resident involvement and satisfaction in housing management services which will include market testing and contracting out alternative approaches	2012 -
Maximise opportunities for more effective, integrated service delivery	2012 -
Lobby Government for increased 'freedom to manage' their housing revenue accounts in order to create and sustain strong and balanced neighbourhoods in deprived areas	2012 -

Building a Housing Ladder of Opportunity

Hammersmith & Fulham Council

Draft Tenancy Strategy

Why the Council is issuing this document for consultation

The 2011 Localism Act places a statutory duty on local authorities to produce a Tenancy Strategy, which should set out the local housing authority's approach to tenure reform in the social housing sector. This document is Hammersmith & Fulham's Draft Tenancy Strategy, setting out its approach to:

- Fixed term tenancies to be adopted by the authority in its landlord role
- Fixed term tenancies to be adopted by private registered providers
- Circumstances in which tenancies will be renewed

The Act requires the local housing authority to consult on its draft tenancy strategy with all registered providers of social housing in its district and the Mayor of London. In addition, the authority will be consulting with tenants and residents of the borough; private landlords and other individuals/groups who will/may have an interest in the outcome and implementation of the Tenancy Strategy. The authority will seek to ensure that the views of all groups identified are heard, and where possible incorporated, when formulating the final document.

This document also sets out the authority's position on the maximum rents to be charged for new Affordable Rent housing which may be developed by private registered providers as well as up to 50% of housing which is 're-let' by private registered providers in the future. This draft strategy is being issued in the Council's strategic role as the local housing authority. The Council in its landlord role is impacted by this document and is described as a 'registered provider' of affordable housing in this document. Housing associations are also impacted and are described in this document as 'private registered providers'. The Council has established a local housing development company which is a private registered provider which will also be affected by the Tenancy Strategy.

In tandem with this document, the Council is consulting on its Draft Housing Strategy, Draft Homelessness Strategy and Draft Scheme of Allocation, part of its Building a Housing Ladder of Opportunity programme of work. The Council's intention is to adopt a different housing approach, reflecting the new environment in which local housing authorities are now working. As well as reflecting the freedoms and flexibilities available to local housing authorities following the passing of the 2011 Localism Act, the new approach is intended to be more realistic, reflecting the difficult choices individual local housing authorities are having to make when seeking to meet its housing obligations and the impact this will have on housing register applicants' future expectations and choices.

The consultation period starts on **22 May 2012** and will end on **18 July 2012**. To submit your response, email xx@lbhf.gov.uk Contact xx@lbhf.gov.uk for more information on this process. The Council intends to adopt the final Tenancy Strategy in the Autumn of 2012

Section	Contents
1.	Summary
2.	Hammersmith & Fulham’s Housing Market
3.	What the Council is Seeking to Achieve
4.	Affordable Housing and the Ladder of Opportunity
5.	Flexible Tenancies - Our Proposed Approach
6.	Tenancy Renewal – Our Proposed Approach
7.	Working with Private Registered Partners
8.	Other Strategy Documents
9.	Affordable Rent Model
10.	Wider Housing Options
Annex A – 2011 Localism Act – Tenancy Strategy Abstracts	
Annex B – Tenancy and Ownership Descriptions	
Annex C – Glossary	
Annex D – Reference Documents	

1. Summary

- 1.1 The 2011 Localism Act places a statutory duty on local authorities to produce a Tenancy Strategy, which should set out the local housing authority's approach to tenure reform in the social housing sector.
 - Fixed term tenancies to be adopted by the authority in its landlord role
 - Fixed term tenancies to be adopted by private registered providers
 - Circumstances in which tenancies will be renewed
- 1.2 The Council intends to take full advantage of the opportunity to grant fixed term tenancies and expects private registered providers (mainly housing associations) to do the same. However, there may be a few exceptions where secure/assured tenancies will still be granted.
- 1.3 Private Registered Providers (known as housing associations to most people) are required to have 'due regard' to the authority's Tenancy Strategy and the authority expects such landlords to alter their policies over a reasonable timeframe to reflect the Council's position and priorities.
- 1.4 This document is focused on tenancies that are granted by registered providers – both the council in its landlord role and housing associations as private registered providers - which operate in Hammersmith & Fulham. It is not focused on who will be prioritised for the allocation of affordable homes and other accommodation: this is currently set out in the authority's Housing Allocation Scheme (July 2009) which is the subject of review in tandem with this document. The authority intends that the Tenancy Strategy will help deliver any revised objectives set out in the new Allocations Scheme.
- 1.5 It should be noted that the implementation of the Tenancy Strategy will not affect existing tenants housed by all registered providers, i.e., the Council in its landlord role and housing associations.
- 1.6 On adoption of this Tenancy Strategy, in line with s 150 of the Localism Act, the local housing authority must keep its tenancy strategy under review and may modify or replace it from time to time. In order to ensure the document is up to date and reflects changes in statutory and non-statutory strategy and policy, the Executive Director of Housing and Regeneration in consultation with the Lead Member for Housing will have the authority to review and amend the Tenancy Strategy. The local housing authority will publish the modifications as amended as appropriate, e.g., the Council's website and other means of communication.

2. Hammersmith & Fulham’s Housing

- 2.1 Hammersmith & Fulham is the second smallest (excluding the City of London) in the capital but has one of the highest population densities in the country. The borough is also one of significant economic and social contrasts. There are approximately 82,000 homes in the borough, nearly a third of which are owned by the Council or other social landlords (c 26,000 homes) with the remaining two thirds (56,000 homes) being in private ownership. House prices as a whole in the borough are the fourth highest in the UK, but only between 1% and 2% of the stock is low cost home ownership housing which the Council is committed to increasing.

3. What the Council is seeking to achieve

- 3.1 Hammersmith & Fulham is a very desirable location, hosting a range of major employers, leisure and retail facilities, underpinned by its growth and wider regeneration agenda. Households may wish to leave the borough for particular reasons. But it is important that the Hammersmith & Fulham housing market is as vibrant, accessible and affordable as possible, offering a range of housing choices, complemented by a wider borough ‘offer’ featuring schools of choice; quality parks; accessible health facilities and other community infrastructure that make places attractive to live.
- 3.2 The 2007/14 Community Plan sets out in clear terms the Council’s and its partners’ social, economic and environmental objectives. Who is able to access affordable rented housing has an important bearing on the chances of successfully delivering those objectives. The Housing Allocation Scheme (and associated documents such as Local Lettings Plans) defines the Council’s criteria for allocating affordable rented homes in the borough. This document centres on the kinds of tenancies that households who are allocated homes will receive in the future. One of the outcomes sought from the Tenancy Strategy is giving the council in its landlord role the power to grant fixed term tenancies, whilst also giving guidance to Private Registered Providers on what length and on what terms the Council would like them to grant tenancies.
- 3.3 Put simply, the authority believes that registered providers should have the opportunity to periodically review the housing needs of tenants who are granted tenancies. This does not automatically mean that tenants at the end of their fixed term tenancies will not be able to have their tenancies renewed. The rationale for granting fixed term tenancies issued by all registered providers are important for the following reasons:
- 3.4 **Secure Tenancies and Assured Tenancies** - At present, registered providers issue which are either local authority ‘secure tenancies’ or private registered providers ‘assured tenancies’. These are in effect self renewing ‘periodic tenancies’ where if the rent and service charges

are paid and there are no breaches of tenancy conditions, then tenants are likely to have the use of their homes for the rest of their lives.

- 3.5 In each instance household members, e.g., spouses, partners, children, can have succession rights which can mean the tenancies lasting for many decades, even if the household's needs change over that time. The commonly quoted example is the elderly person/couple in a three bedroom property whose children have left home, living in close proximity to a household which is overcrowded. Allowing for financial incentives, there are no sanctions available to the Council to address this situation.
- 3.6 By granting fixed term tenancies, registered providers will be able to regularly review household needs and ensure that the affordable homes that are available are allocated to those households who most need them, making best use of the homes available, meeting the criteria set out in the Draft Housing Allocation Scheme.
- 3.7 **Granting Tenancies to Working Households and those making a community contribution** – The Council intends to give greater priority to working households and other people making community contributions, such as ex armed services personnel in the future. More detail on how this work in practice is set out in the Council's revised Housing Allocation Scheme.
- 3.8 By granting fixed term tenancies, registered providers would be able to regularly review the status of such households, ensuring that the basis on which the accommodation was allocated still applies, e.g., because the applicant(s) was in training and employment. The Council intends to ensure that tenants who are allocated homes on this (or other community contribution basis) meet any agreed continuing contribution following the grant of a tenancy.
- 3.9 **Granting Tenancies to Households who have made / are making a Community Contribution** – The Council intends to give higher priority to households making a community contribution, such as former armed services personnel and working households. More detail on how this work in practice is set out in the Council's Draft Housing Allocation Scheme.
- 3.10 By granting fixed term tenancies, registered providers will have greater flexibility to accommodate different kinds of households on shorter terms to meet local needs and aspirations.
- 3.11 **Creating a Ladder of Opportunity: Connecting Social Housing to the Wider Housing Market** – Social housing has become increasingly 'residualised' due to people in the greatest need having the highest priority for available affordable housing, principally social housing. The authority already makes considerable use of private sector housing both within the borough and outside and envisages this to continue.

However, the Council wishes to see the social housing sector to be one of ‘choice’ for a wider section of the community rather than ‘need’. The Council also want the sector to be perceived as an important segment of the local housing market, which is a platform for progress to other housing options, i.e., a starting point, not a destination, as part of the housing ladder of opportunity approach. More detail on this approach is set out in Section 4 of this document. The Council also wishes future tenants to be making a greater contribution to the community and the economy and fixed term tenancies are potentially an effective means to structuring that arrangement.

- 3.12 By granting fixed term tenancies, registered providers will be able to enable a wider section of the community to occupy social housing to improve its accessibility and its perception to the wider community.
- 3.13 **Income and Wealth Levels** – In the past 30 years, social housing has been increasingly granted on the basis of need rather than aspiration. Before then, social housing was allocated to a wider range of people on low to medium incomes. The Council wishes to return to a scenario where income-earning households with a local connection are able to access affordable rented housing, but not those on high incomes or with significant wealth. The Council does not expect many tenants who are allocated affordable housing to benefit from a sharp increase in incomes and/or wealth. However, where this does occur, the Council will be unlikely to renew a tenancy, encouraging the occupant to consider options such as the right to buy, discount market sale or other housing options. Consequently, the newly vacant home in question could be used for an applicant in greater housing need.
- 3.14 By granting fixed term tenancies, registered providers will be able to review the tenants’ income and wealth position when considering a tenancy renewal. Where incomes and/or wealth are sufficiently high, such tenants will be encouraged to take up accommodation in other sectors of the housing market. This should be seen as an integral part of the Council’s ladder of opportunity approach.
- 3.15 **Anti Social and Criminal Behaviour** - In a small number of instances, some tenants and members of the household are committing anti social and/or criminal behaviour. The Council believes that such behaviour is unacceptable and considers that sanctions should be in place,,with the ultimate sanction of eviction if the case demands it. .
- 3.16 By granting fixed term tenancies, all registered providers can review in consultation with housing management and agencies such as the police and anti social behaviour teams whether there is a case for not renewing the tenancy. The Council sees this as an incentive for occupants to be ‘good tenants’, as criminal and anti-social behaviour spoils the quiet enjoyment of other tenants’ lives. Fixed term tenancies should also be seen as an opportunity for tenants and/or household members who have a history of anti social and/or criminal behaviour to

rehabilitate themselves. In extreme cases, the Council will seek to exclude such tenants from accessing affordable housing altogether.

- 3.17 **Reducing Fraud** – The Audit Commission in its *Protecting the Public Purse 2009 Report* estimated that social housing tenancy fraud could be as high as 5% in London. The Commission defined tenancy fraud as:
- when people submit false housing applications
 - tenancy succession fraud, where the property is no longer occupied by the original tenant; and
 - the illegal sub-letting of a property for profit
- 3.18 Registered Providers will be given new powers to reduce such incidences, complemented by the Government's stated intention to make tenancy fraud a criminal, rather than civil, offence. The Council fully supports this change and will exercise their new powers where appropriate.
- 3.19 By granting fixed term tenancies, registered providers will be able to regularly review how the properties are being used, ensuring that the tenants who were granted the properties are the ones occupying them.
- 3.20 In **summary**, the authority considers there to be a compelling case for all registered providers to introduce flexible tenancies which in turn has influenced the approach that is set out in the Draft Housing Allocation Scheme. The social housing sector has for many years been seen as a stand-alone part of the housing market with very little relationship to the experience of other residents of housing, particularly working households, who live in the private rented sector. The Council is seeking to redress this position and integrate social housing within the housing market via plans outlined in this Strategy and other documents published in due course.
- 3.21 There is a broader issue of how the passing of the 2011 Localism Act can facilitate a major shift towards ensuring all affordable housing makes a greater contribution to accommodating the needs and aspirations of the borough's current and future residents. The key document to achieve that objective is the Housing Allocation Scheme which is the subject of a separate consultation exercise.

4. Affordable Housing and the Ladder of Opportunity

- 4.1 A central theme to the Council's approach to affordable rented housing is to consider it as an important and flexible segment of the local housing market which provides a platform to other types of accommodation. Social housing for rent historically has been allocated to households in acute housing need and in some instances housing crisis where their personal circumstances require Council support. Affordable housing for rent offers support and shelter for people who

are experiencing such housing need or crisis. However, the Council would expect over time many, but not all, such tenants' needs to stabilise and that they will be able to move on to other housing options. This will enable homes that they vacate to be used for new households that require accommodation.

- 4.2 The Council wishes to change this approach. As part of its ladder of opportunity approach, the Council wishes a wider section of the community to be able to access affordable rented housing. Specifically, the Council intends to give greater priority to future applicants who are making a community contribution, such as ex armed services personnel and working households. The Council also wishes households whose incomes rise above a certain threshold, to access housing options in the private sector (e.g., private rented housing, discount market sale housing); other intermediate housing options run by private registered providers; or, where eligible, exercise their right to buy.
- 4.3 The Ladder of Opportunity set out below, illustrates affordable rented housing as one of a number of 'rungs' on a ladder. To emphasise the point, the Council sees affordable rented housing as a staging point for households' housing aspirations not a destination point. Annex B describes the characteristics of individual tenancy / ownership types.

Ladder of Opportunity

Freehold home ownership	Higher levels of income and wealth	Leasehold home ownership
Low Cost Home Ownership / inc Shared Ownership & Shared Equity		Private Rented Assured Shorthold Tenancy
Assured Tenancy / Assured Shorthold Tenancy		Secure Tenancy / Flexible Tenancy
Starter Tenancy		Introductory Tenancy
Non Secure Tenancy		
Living in Shared Accommodation		Living at Home
Homeless	Lower levels of income and wealth	Refuge / Hostel / Supported Accommodation

Note:

for more detailed housing tenancy and ownership descriptions, see Annex B.

- 4.4 Due to the high cost and restricted access to the home ownership market, it may not be possible for residents to reach the top of the ladder. It may also be the case that residents do not wish to reach the top of the ladder for personal reasons or simply move further afield to fulfil their aspirations, e.g., to live in a suburban location or move to new employment. Whilst the Council respects the right of residents to exercise choice, there will be limits as to what choices they can exercise at the expense of the public purse. Whether through the need to repay debt associated with historic capital expenditure on affordable housing or through financial limits imposed by the housing benefits regime, the Council has to ensure that available public and social sector housing assets and resources are used to maximum effect.
- 4.5 In that vein, the Council's approach to flexible tenancies is about ensuring that there is more movement between the affordable rented sector and other tenures, providing the necessary level of support where it is needed.

5. Flexible Tenancies - Our Proposed Approach

- 5.1 In simple terms, the Council in its local housing authority role is recommending to all Registered Providers (i.e., the Council in its landlord role and housing associations) that fixed term tenancies are issued for the large majority of future affordable housing lettings. . All fixed term tenancies should be preceded by a one year introductory or probationary tenancy. This will not apply to transfer cases (including 'decant' cases) eligible for secure or assured tenancies. The fixed terms recommended are as follows:
- Five Year fixed term tenancies for proposed tenants who are nominated from the Council's Housing Register including those who meet the 'reasonable preference' criteria set out in current, relevant legislation
 - Two Year fixed term tenancies where the proposed tenant(s) is aged between 18-25 years old *
 - Two year fixed term tenancies where the proposed tenant has a history of anti social behaviour or has been convicted, or pleaded guilty, to any offence of violence against person or against property.
 - Two Year fixed term tenancies for economically active households of any age where the Council in its Housing Allocation Scheme and/or a Local Lettings Plan has designated a special case for working households. It is intended the tenancy be a platform for stepping up to low cost home ownership.

- Two Year fixed term tenancies where the Registered Provider is seeking an intermediate or market rent
- Two Year fixed term tenancies where the Registered Provider has a regeneration proposal for the property concerned which may require vacant possession in the short term

All fixed term tenancies should be preceded by a one year introductory tenancy in the case of a secure flexible tenancy, or starter tenancy in the case of a housing association assured flexible tenancy (i.e., an assured shorthold tenancy).

* In some instances, the Council will issue longer fixed terms, i.e., five years (see below for more information). The reason for setting shorter fixed terms for younger people is to help ensure they are able to take on the responsibilities associated with sustaining a tenancy. Future renewals following a satisfactory tenancy record may be for longer timeframes, e.g., five years.

5.2 In the case of tenants transferring from other affordable rented housing, tenants should be entitled to the granting of a similar tenancy. This will mean an existing secure or assured tenant should be offered a similar periodic tenancy by the recipient landlord. Put simply, a secure or assured tenancy should be offered a secure or assured tenancy. This does not preclude the council making an offer of a property on a flexible tenancy which meets the needs of the household.

5.3 Exceptions or variations to the fixed term tenancies identified above are as follows:

- Proposed tenants who are over 65 years old and/or wish to access sheltered housing should be granted secure or assured tenancies
- Proposed tenants who have special housing and/or health needs should be granted secure or assured tenancies*
- Proposed tenants who are aged 18-25 who were previously in the care of the local authority and entitled to receive services under the Leaving Care Act should be granted five year fixed term tenancies (i.e. one year introductory tenancies and five year fixed term tenancies)

* The Council will convene a Panel of senior housing officers who will have responsibility for designing and implementing the published criteria which will be applied and will consider any appeals that follow.

An applicant may seek a review of the offer of a flexible tenancy. He/she has 21 days from receipt of the notice stating the length of the tenancy to request a review. The review will consider whether the

decision on the proposed length of tenancy is in accordance with the Council's policy (as set out in the Tenancy Strategy and the Housing Allocations Scheme).

5.4 Housing for Disabled Persons

5.5 The Council is committed to retaining where possible housing that has been built and/or adapted for use by disabled tenants. Where a tenancy has been granted for a fixed term and a tenancy renewal is being considered, the Council would wish to ensure that there is a continuing disabled person's (or persons') need for the property. Where the current disabled tenant is no longer resident at that property for whatever reason, and there is a remaining joint tenant and/or household member(s) who are not disabled (and therefore do not need the adapted property), the Council (and its Private Registered Partners) will reserve the right to offer alternative (non-adapted) accommodation elsewhere in the borough. Any new tenancy will be granted on similar terms to their original tenancy (i.e., fixed term) and will reflect their housing needs. For example, where the original household need was three bedrooms and the changed housing need is two bedrooms, then the household will be offered a two bedroom property. Any such decision can be the subject of appeal to a panel of senior housing managers.

5.6 The Council's Housing Options team and the Council in its registered provider landlord role will be able to advise tenants on any general or specific tenancy issues (See Section 10 for more information).

5.7 Council Tenants Affected by Regeneration Schemes

5.8 The Council Tenant Guarantee set out in the Core Strategy (Oct 2011) states the following:

The Council has given assurance to tenants and leaseholder who might be affected by the regeneration of council housing estates in a statement included in the H&F Homes Magazine of autumn 2009. The assurances are repeated here so they can be read with the Core Strategy proposals and policies:

If regeneration proposals come forward on your estate in the next 20 years H&F Council and H&F Homes guarantee:

- *We would offer a permanent home in the area*
- *Rent levels will continue to be set by Government at a rate which is affordable*
- *The chance to buy a home in any future development at low cost*
- *Full involvement in any future plans or proposals*

Source: LBHF Core Strategy (Oct 2011) - Sections 6.6-6.7

- 5.9 In interpreting a ‘permanent home’, this would construe a secure or assured tenancy rather than a fixed term tenancy as described in Annex B of this document. Local authority rent levels are likely to change following the implementation of the Housing Revenue Account self financing regime.
- 5.10 This Draft Tenancy Strategy and its successor document do not change the commitments to Council tenants affected by regeneration schemes set out in the Council’s Core Strategy (Oct 2011).

6. Tenancy Renewal – Our Proposed Approach

6.1 The Council is required by the Localism Act legislation (see s150 in Annex A) to set out the circumstances in which tenancies will be renewed. This section sets out the Council’s proposed approach to tenancy renewal. This will apply to accommodation owned and managed by the Council in its landlord role. In addition, the Council in its local housing authority role expects Private Registered Providers (PRPs), principally housing associations, to align their own approaches to that set out in this Tenancy Strategy as soon as reasonably practicable. The Council’s proposed approach is straightforward and will take the following sequence.

6.2 Put simply, **the Council expects a large proportion of tenancies to be renewed where tenancy conditions have been met and the tenant’s (or tenants’) circumstances have not substantially changed.** However, there should not be a presumption that a tenancy will be renewed. The Council wishes to create incentives for tenants and household members to keep their homes in good condition; pay rent on time; avoid anti-social behaviour and so on. Circumstances where a tenancy might not be renewed could include under-occupation of the home; persistent late and/or non-payment of rent and service charges; anti-social behaviour including causing loss of other tenants’ quiet enjoyment of their home.

6.3 The Council will adopt the following approach to tenancy renewals:

Stage 1 - Nine months before the tenancy is due to expire, write to the tenant(s) concerned asking them to submit a new Housing Register application to continue remaining in the property they occupy.

Stage 2 - During the six and nine months period before the tenancy is due to expire, the Council will review the tenant(s) housing needs and state before the six months date of expiry whether it is minded to renew the tenancy or not and give appropriate reasons for the latter. Where the tenant does not submit an application form within seven months of the expiry date, the Council will take the view that the tenant(s) does not wish to continue occupying the home.

Stage 3 – The tenant(s) will have the opportunity to ask the Council to review a decision (as set out in the Government Regulations) where a notice of non renewal has been issued. This must be requested by the tenant(s) within 21 days of the notice. The review will consider whether the decision not to renew is in accordance with the Council's policy (as set out in the Tenancy Strategy and the Housing Allocations Scheme).

Stage 4 - In the event that the review process has been unsuccessful for the tenant, a notice will be issued to the tenant(s) giving at least two months notice stating that the Council requires possession. This notice must be issued on or before the fixed term expires.

6.4 As set out in Stage 1, where tenants wish to have their tenancy renewed, they will be invited to submit a fresh housing register application. This will in effect be a consideration of the original application with any updated information (e.g., contact details; ages of children; place of work; disability issues; special considerations, etc). The onus will be on the tenant to ensure that the housing registration form is fully completed and submitted in good time for consideration. Housing Options staff can assist with this process. The Council would expect to consider the application during the fourth and fifth month before the tenancy is due to expire. At the three month point before the tenancy is due to expire (if not before), the Council will inform the applicant of the renewal decision, subject to the milestones set out in the relevant stages above being adhered to.

6.5 Tenancy Succession

6.6 With flexible tenancies (i.e., local authority and private registered providers) there will be no right of succession, apart from the statutory rights of a spouse, civil partners or partner which will not entail the creation of a new tenancy. On the death of a joint tenant, the surviving joint tenant will become the sole tenant and is the successor for the purposes of legislation. Where there is no tenancy succession, the Council will seek possession of the home within a reasonable timeframe, not more than six months. More detail on tenancy succession can be found in section 3.35 – 3.41 of the Draft Housing Allocation Scheme.

6.7 Multiple Needs

6.8 The Council will have due regard to the multiple needs of applicants and will liaise with other departments of the council, principally Children's and Adults' Services. The onus will be on the applicant to inform Housing Options of any needs and existing contact they have with other council officers to ensure the respective needs can be taken into account. The Council understands the scale and scope of some vulnerable households needs. The Council will seek to ensure that necessary advice and support is made available

6.9 Length of Tenancy Renewals

6.10 Where the Council renews tenancies, these will generally be for the same period that they were originally granted, except in the case of 18-25 year old groups who will move from two year tenancies to five year tenancies, i.e., one year introductory tenancy and four year fixed term (subject to the tenant's/tenants' wishing to renew their tenancy) if the Housing Registration criteria identified above have been met. In exceptional circumstances, a 2 year tenancy may be granted following a 5 year term if there has been a breach of one or more of the conditions of tenancy. There will be no introductory (or probationary) tenancy for renewals unless there are exceptional circumstances which will be considered and approved by the panel of senior housing officers. Such circumstances could include persistent late and/or non-payment of rent and/or service charges; anti-social behaviour including causing loss of other tenants' quiet enjoyment of their home.

6.11 Tenancy Renewal Appeals

6.12 The Council's panel of senior housing officers will consider any appeals relating to decisions arising from the adoption of this strategy. This will principally apply to decisions on length of tenancies and renewals thereof and will consider any related Scheme of Allocation issues. Any further appeal will be considered by the Director Housing Options whose decision will be final. This does not preclude the appellant who considers the Council to be in breach of the tenant's statutory rights from legally challenging at their own risk any decision the Council makes.

6.13 Where Tenancies are not Renewed

6.14 Where tenancies are not renewed for whatever reason, e.g., income and wealth levels above a certain threshold (as set out in the Housing Allocations Scheme) or the household is under-occupying, the Council will offer advice and support on future housing options.

6.15 Equalities

6.16 Historically, affordable accommodation has been sought and secured by equality groups members, e.g., the elderly; the disabled; lone parents; applicants from black, Asian and minority ethnic backgrounds. The Council expects this trend to continue, notwithstanding its commitment to broadening access to affordable accommodation. The Council in all its work will seek to ensure that the specific needs and aspirations of equality groups relating to tenancy and tenancy renewal matters are in line with its statutory obligations. The Council will also seek to ensure that appropriate reasonable attention is given to specific requirements and needs of specific equality groups as they arise.

7. Working with Private Registered Providers

- 7.1 Section 6 of this document sets out the Council's proposed approach to flexible tenancies, i.e., for future council tenancies. This section focuses on Private Registered Providers (normally housing associations). They are required to have 'due regard' to the Council's proposed approach and consider how they intend to take it into account in the operation of their own tenancy regime.
- 7.2 The Council needs to work closely with Private Registered Providers to:
- help the Council develop its overall approach
 - take account of the final policies set out in the adopted document, and
 - assist the Council in delivering the new approach
- 7.3 In regard to a flexible approach to tenancies, Private Registered Providers have had the freedoms and flexibilities for many years that the Council has not had access to. For example, Private Registered Providers have been able to issue Assured Shorthold Tenancies (ASTs) since the 1988 Housing Act which have been particularly useful for their intermediate housing sub-market rented products.
- 7.4 Private Registered Providers own and manage approximately 13,000 homes in the borough, roughly equivalent to that owned and managed by the Council. They are therefore an important partner with the Council in meeting its affordable housing objectives. They have a strong record of delivering a wide range of products ranging from delivering supported housing for vulnerable groups; social housing at target and convergent rents; affordable low cost home ownership and sub-market intermediate rents. In the near future, the Council expects Private Registered Providers to be delivering a new kind of affordable housing – Affordable Rent – which will be let at rents (including service charges) at up to 80% of market levels. This will include up to 50% of Private Registered Providers' re-let homes, e.g., existing homes that become empty and available to let for new households. In effect, the rents charged would convert from 'target' social rents to 'Affordable Rents'
- 7.5 There is strong evidence already that Private Registered Providers are adopting fixed term tenancies for new Affordable Rent products. This is in response to the low level of grant available for the new product; the greater risk associated with collecting a higher rental charge; and, to anticipate the Tenancy Strategies that will be adopted by local housing authorities.
- 7.6 The Council expects Private Registered Providers to change their tenancy policies to reflect the objectives set out in the final Tenancy

Strategy, as set out in Section 6.1 of this document. Many Private Registered Providers operate in a number of boroughs and may be under some pressure to adopt different approaches, to reflect differing policy positions. However, notwithstanding the administrative issues, the Council believes that Private Registered Providers can adopt a flexible approach which accommodates the local priorities set out in this Tenancy Strategy.

8. Other Strategy Documents

- 8.1 In preparing this Draft Tenancy Strategy, the local authority is required under Section 151 (3) of the 2011 Localism Act 'to have regard' to its:-
- current scheme of allocation
 - homelessness strategy; and,
 - the Mayor's London Housing Strategy (currently revised edition Dec 2011).
- 8.2 The information set out below, sets out how the Council has had regard to the documents identified and also referenced its approach to the 2010 Equalities Act.
- 8.3 In preparing this Tenancy Strategy, the Council has had regard to the Hammersmith & Fulham Allocation Scheme (July 2009) Second Edition (also known as the Council's Scheme of Allocation) and the Mayor of London's Revised London Housing Strategy (Dec 2011).
- 8.4 In tandem with this Tenancy Strategy, the Council has prepared draft documents setting out its approach to its housing strategy; housing allocations scheme; and homelessness.
- 8.5 **2010 Equalities Act** – The Council will need to ensure that the Tenancy Strategy meets equality requirements set out in the Act, ensuring that the nine protected characteristics which cannot be used as a reason to discriminate against people unfairly. The nine characteristics are as follows: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; or sexual orientation. The Council will seek to ensure that this Tenancy Strategy meets the 2010 Act requirements and will publish an equalities impact assessment to set out how it has achieved this objective.

9. Affordable Rent Model

- 9.1 The Council recognises that the Coalition Government has introduced a new Affordable Rent model for some new homes provided by Registered Providers and for up to 50% of re-lets by some providers in the borough. The Council will wish to discuss proactively with providers how these opportunities can be used to meet its key objective of increasing full or part home ownership in the borough, and how

resulting proceeds can be both retained locally and recycled for further housing investment in Hammersmith & Fulham.

- 9.2 The Council in September 2011 adopted an interim policy on the Coalition Government's new Affordable Rent model. The maximum weekly Affordable Rent that the Council at present expects Registered Providers to charge for new homes and conversions (up to 50% of re-lets) are as follows:

1 bed rent of no more than £250
2 bed rent of no more than £290
3 bed rent of no more than £340
4 bed rent of no more than £400

Note: Interim policy rents will be revised on an annual basis and advertised on the Council's website.

- 9.3 These rental costs are to include service charges and these costs will be reviewed on an annual basis.
- 9.4 The rents described above are higher than 'target rents' which are charged for mainstream social housing. With the advent of the Government's wider welfare reforms, particularly the Universal Credit caps identified above, both housing applicants, the Council in its advisory role and registered providers will need to take greater care in understanding whether a proposed tenant(s) is able to sustain the tenancy granted. By this is meant the tenant being able to afford to pay rent and all other associated property costs for the home, with the additional consideration of tenants receiving their universal credit direct and paying their housing costs to the landlord concerned. Prospective tenants may require their own advice to consider affordability issues.
- 9.5 From April 2013, the Council is adopting the following approach to Affordable Rents in the borough: Private Registered Providers (PRPs) will be expected to maximise the rent that can be charged for new affordable rent schemes and for up to 50% of homes that are re-let. In line with the draft Housing Allocation Scheme, the Council intends to give greater housing priority to working households whilst also encouraging entry to home ownership.
- 9.6 The Council recognises that Affordable Rents for new individual property types are likely to involve a degree of scheme-level cross-subsidy, i.e., higher rents on smaller properties supporting lower rents on larger properties. This will provide the basis for Registered Providers to deliver large family accommodation (i.e., three bedrooms or more) with rental and service charge costs that stay within the housing benefit caps and the Universal Credit caps due to be implemented in 2013. At a strategic level, where additional revenues are accrued from the Affordable Rent scheme, the Council would want

to see such revenues used for more, innovative low cost home ownership schemes in the borough.

- 9.7 The Council's approach to Affordable Rent levels is straightforward. When setting rents, Private Registered Providers will be expected to review the private sector rents for the relevant Broad Rental Market Area (BRMA); reduce the rent charged at the 30th percentile by 20% for the relevant bedroom sizes; ensure that service charges are included within the proposed rent charged; propose a inflation increase based on Retail Price Inflation (RPI) to tie in when the respective homes will be available for letting. In the case of Supported Housing schemes, taking account of increased management costs, the approach to rents will be discussed on a scheme by scheme basis.

10. Wider Housing Options

- 10.1 The Council's Housing Options Team offers a wide range of advice for people seeking homes in the borough. Annex B of this document are descriptions of the various housing options that individuals/householders in Hammersmith & Fulham have access to.
- 10.2 For the future, the Council intends to deliver the regeneration of five key opportunity areas in the borough, which can deliver 20,000 additional homes and associated economic and community infrastructure. The Core Strategy target of 40% of additional housing being affordable – principally low cost home ownership and affordable rent housing – will mean more affordable housing to access, but over a twenty year timeframe.

Housing Options Advice can also be downloaded from:
http://www.lbhf.gov.uk/Directory/Housing/Housing_advice/

End

Annex A: 2011 Localism Act – Tenancy Strategy Abstracts

Chapter 2 Social Housing: Tenure Reform

Tenancy Strategies

S 150 Tenancy Strategies

(1) A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to –

- (a) the kinds of tenancies they grant,
- (b) the circumstances in which they will grant a tenancy of a certain kind,
- (c) where they grant tenancies for a term certain, the lengths of the terms, and
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

(2) The tenancy strategy must summarise those policies or explain where they may be found.

(3) A local housing authority must have regard to its tenancy strategy in exercising its housing management functions.

(4) A local housing authority must have regard to its tenancy strategy before the end of the period of 12 months beginning with the day on which this section comes into force.

(5) A local housing authority must keep its tenancy strategy under review, and may modify or replace it from time to time.

(6) If a local housing authority modifies its tenancy strategy, it must publish the modifications or the strategy as modified (as it considers appropriate).

(7) A local housing authority must –

- (a) make a copy of the everything published under this section available at its principal office for inspection at all reasonable hours, without charge, by members of the public, and

- (b) provide (on payment if required by the authority of a reasonable charge) a copy of anything so published to any member of the public who asks for one.

(8) In this section and section 151 (preparation of tenancy strategy) –

- (a) references to a registered provider of social housing for a district are to a registered provider who grants tenancies of dwelling-houses in that district, and

(b) “district”, “dwelling-house” and “local housing authority” have the same meaning as in the Housing Act 1985

S 151 Preparation of a Tenancy Strategy

(1) Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must –

(a) send a copy of the draft strategy, or proposed modification, to every private registered provider or social housing for its district, and

(b) give the private registered provider a reasonable opportunity to comment on those proposals.

(2) Before adopting a tenancy strategy, or making a modification to it reflecting a major of policy, the authority must also –

(a) consult such other persons as the Secretary of State may by regulations prescribe, and

(b) in the case of an authority that is a London borough council, consult the Mayor of London

(3) The authority must, on preparing or modifying a tenancy strategy, have regard to –

(a) its current allocation scheme under section 166A of the Housing Act 1996

(b) its current homelessness strategy under section 1 of the Homelessness Act 2002, and

(c) in the case of an authority that is a London borough council, the London housing strategy

End

Annex B – Housing Tenancy and Ownership Descriptions

This section briefly describes the different types of home ownership and tenancy types that exist and the new ones that are being created. It also helps illustrate the Council’s ‘ladder of opportunity’ approach to housing described above.

Tenure	Key Features
Freehold Home Ownership	The occupier owns the deeds to both the home and the land on which the home is built. Where the occupier has a mortgage with a financial institution, the institution owns the deeds until the mortgage is paid off. Service charges do not generally apply to freehold owners as they are responsible for the upkeep of their own home and the land on which it is built.
Leasehold Home Ownership	The occupier owns a lease of a flat or maisonette for a fixed term with the freehold owned by another party. The same mortgage principles described above apply to lessees. The fixed terms for a lease granted by a local authority in a right to buy context is normally 125 years. In this instance, the tenant effectively buys the use of the property concerned with associated access rights to and from the property through the freeholder’s common and environmental areas, for which will be expected to pay a service charge for. In addition, contributions will be expected from time to time for works required to elements of the building such as the roof, windows, communal heating, lift systems, etc. These same rules generally apply to home owners who purchase leasehold homes in the market sector.
Shared Ownership & Shared Equity	Created as a response to a gap in the market where potential purchasers were unable to afford a home to buy on the open market, but were not eligible for social housing. Purchasers in tandem pay both a mortgage to a financial institution and a below market rent and service charge to a private registered provider. This will be based on the ‘tranche’ that the purchaser has bought which will normally start at 25%-40%. Purchasers generally have the opportunity to ‘staircase up’ which enables them to purchase the property outright on a leasehold ownership basis as described above. Shared Equity is where another party, usually through a Government sponsored scheme, offers a discounted interest loan to buy part of the property in addition to that finance raised by the purchaser.
Secure Tenancy	These are tenancies granted by local authority registered providers. Created under the 1985 Housing Act, consolidating previous legislation on public sector tenancies these are ‘periodic tenancies’ by which is meant they are self renewing provided that the rent and

	service charges are paid and no conditions of tenancy are breached. Eligible tenants have the right buy.
Flexible Tenancy	The new flexible tenancies for local authorities will be to all intents and purposes the same as secure tenancies as described above, but will have fixed terms. Eligible tenants have the right to buy.
Assured Tenancy	Similar to secure tenancies, these are also periodic tenancies granted by housing association private registered providers. Created under the 1988 Housing Act, consolidating legislation on (what were then) generally called housing associations, but for the purposes of the legislation called registered social landlords. Eligible tenants often have the right to acquire, but the charitable status of some private registered providers does not allow for this right.
Probationary Tenancy	In Hammersmith & Fulham, these are granted by the council to new tenants for one year before a 'secure tenancy' is granted.
Assured Shorthold Tenancy	Created under the 1989 Housing Act, to all intents and purposes these tenancies are similar to Assured Tenancies, but are for fixed terms of a minimum of six months but are often granted for one year; rents are not controlled by government regulations; and there are no rights to buy or tenancy succession. These are used by Private Registered Providers for intermediate housing purposes (e.g., sub market rented housing) and extensively by private landlords.
Licensee	Licences have been used for 'short life' housing purposes. This is where homes that are planned for demolition or major refurbishment but the timeframes are either long or uncertain. There can be a case using a 'short life' approach to such homes although this approach is less used presently. A licence gives very few rights to licensees which can be summarised as a 'bare permission to occupy'.

Other forms of occupation arrangements include sharing arrangements where groups of adults will jointly take up a tenancy (usually on an Assured Shorthold Tenancy basis).

For Private Registered Providers, flexible tenancies will be Assured Shorthold Tenancies instead of Assured Tenancies.

Annex C – Glossary

Affordable Rent – “Rented housing provided by registered providers of social housing, that has the same characteristics as social rented housing except that it is outside the national rent regime, but is subject to other rent controls that require it to be offered to eligible households at a rent of up to 80% of local market rents.” Source: CLG. Planning Policy 3: Planning for Housing – Technical change to Annex B, Affordable Housing Definition. CLG, 2011.

Intermediate Housing – Affordable housing for rent and/or ownership for working households on low to medium incomes who are ineligible for social housing and unable to afford market housing

Market Housing – Housing for sale or for private rent.

Mayor of London – The strategic authority for planning and housing in London.

Private Registered Providers – For the purposes of this document, the title of Private Registered Providers is used to describe housing associations, also known as Registered Social Landlords.

Registered Providers – Generic title given to organizations formerly known as Registered Social Landlords (also known as housing associations) and local authorities who own and manage council housing. In some instances, managers of council housing are arms length management organisations, who are also Registered Providers.

Social Housing – Affordable housing provided by local authority landlords (on secure tenancies) or housing associations (on assured tenancies) charged at ‘target’ rent.

Annex D – Reference Documents

1. Audit Commission - Protecting the public purse 2009
2. LBHF Housing Allocation Scheme (July 2009) Second Edition
3. Mayor of London's A Revised London Housing Strategy (Dec 2011)
4. LBHF Core Strategy (October 2011)
5. Hammersmith and Fulham Community Strategy 2007/14 (September 2007)
6. HMG Laying the Foundations: A Housing Strategy for England (Nov 2011)
7. Tenant Services Authority - The regulatory framework for social housing in England from April 2012
8. Statutory Instruments - 2012 No 695 Housing England – The Flexible Tenancies (Review Procedures) Regulations 2012

***Building a Housing Ladder of
Opportunity***

Hammersmith & Fulham Council

**Draft Housing Allocation
Scheme**

Why the Council is consulting on this document

This consultation document is the Council's proposed Housing Allocation Scheme, replacing the current *Housing Allocation Scheme (July 2009) Second Edition*.

Every local housing authority is required to have a Housing Allocation Scheme (a 'scheme'), which is also known as the authority's Allocations Policy. This document is a statutory requirement as set out in s 167 of the 1996 Housing Act.

This is an important document. The Council is proposing to radically change the way it prioritises applicants for accommodation, whether in affordable accommodation, or in the private rented sector. All eligible applicants will need to qualify against one of the 'reasonable preference' housing need criteria. The Council intends to give greater priority to applicants who make a community contribution, e.g., working households, ex armed services personnel. The Council also intends to give greater priority to applicants who have a local connection. In administering these changes, the Council intends to adopt an 'Assisted Choice' allocations approach, modifying the current choice based lettings approach.

The Council also intends to adopt a more flexible approach to local lettings, particularly where 'red tape' has obstructed imaginative lettings approaches with other landlords to enable local people to move home, freeing up large accommodation, but staying in their neighbourhood. The Council also intends to adopt Local Lettings Plans to achieve more mixed, balanced, sustainable communities.

This document is one of four Building a Housing Ladder of Opportunity documents and should be read in conjunction with the other three: the draft housing strategy; the draft tenancy strategy; and, the draft homelessness strategy.

The consultation period starts on **22 May 2012** and will end on **18 July 2012**.

To submit your response, email xx@lbhf.gov.uk
Contact xx@lbhf.gov.uk for further information on this process.

The Council intends to adopt the final Housing Allocation Scheme in the Autumn of 2012 with full implementation beginning in April 2013.

Note: The draft scheme has been drafted on the basis that sections 145 to 147 of the Localism Act will be in force when the scheme is adopted by Members. At present the provisions are only in force to the extent of enabling local housing authorities to draft and consult on allocation schemes and to confer power on the Secretary of State to make regulations.

Acknowledgement – The Council is pleased to acknowledge the advice, support and work of the London Borough of Barnet in informing the development of this Draft Housing Allocation Scheme. Responsibility for the contents of this document rests with the London Borough of Hammersmith & Fulham.

Index

- 1. Introduction**
- 2. Priorities for the Allocation of Accommodation**
- 3. Who will Receive Allocated Accommodation**
- 4. How the Council Allocates Accommodation**
- 5. Procedures for Appeals and Reviews**
- 6. General Rules and Conditions**

Annexes

Annex 1 - Legal Abstracts

Annex 2 - Sizes of Homes

Annex 3 – Community Contribution: How Priority is Awarded

Annex 4 – Hammersmith & Fulham’s Housing Bands

1. INTRODUCTION

- 1.1 Affordable housing is a valuable but limited resource in Hammersmith & Fulham. The Council's new approach to allocating affordable housing will be fairer, simpler and more realistic. In its strategic role as the local housing authority for the borough (i.e., not in its landlord role), the Council intends to ensure that meeting housing need and aspiration correlates more closely with current and future availability of affordable housing. The Council also intends to ensure that future occupants of affordable housing make a greater contribution to the community and the economy. The 2011 Localism Act and associated guidance gives greater flexibility to local housing authorities to frame their Housing Allocation Scheme to meet its homelessness obligations and meet Hammersmith & Fulham's 'borough of opportunity' objectives.
- 1.2 As part of its wider approach to affordable housing, this Housing Allocation Scheme should be read in conjunction with other housing documents, specifically the Council's Homelessness Strategy; Housing Strategy; and Tenancy Strategy. Each of these documents reflect the themes of a housing approach based on personal responsibility that is fair, realistic and affordable as does this document. By personal responsibility is meant that housing applicants take greater responsibility for their own actions and their future. By fair, is meant an accessible approach that does not discriminate against particular need or equality group; by realistic, an approach that is based on the 'real world' housing choices that are available to people; and, by affordable, a housing approach that is both affordable for the Council to provide and for customers to pay for.
- 1.3 Specific objectives the Council wants to achieve following the adoption of this document and its broader approach are as follows:
- Meets its statutory homelessness obligations
 - Adopting a Housing Allocation Scheme that realistically reflects housing options available to applicants
 - Introduces a 'Assisted Choice', modifying a system which has allowed the registration of applicants who have no realistic prospect of successfully bidding for affordable rented housing
 - Increases the use of the private rented sector both in the borough and outside its boundaries in order for the Council to meet its housing obligations
 - Gives additional preference to former Armed Forces Personnel
 - Introduces a more rigorous approach to registrations, ensuring that the Housing Register is up to date; that registration information is verified at the earliest stage ensuring all applications are *bona fide*; and, applicants being required to personally update their applications on an annual basis

- 1.4 The Council also needs to take account of the Government's welfare reform proposals which will place a ceiling on the amount of cash benefits a single household will be able to receive. The Council will need to take account of a household's current and future ability to meet the rent and associated costs of running a home in Hammersmith & Fulham when allocating a home.
- 1.5 The Council only intends to register eligible applicants who qualify for the reasonable preference criteria. In addition, the Council intends to ensure that greater priority through 'additional preference' is given to applicants who are making a 'community contribution' such as working households and ex armed service personnel who may not be in 'urgent' need of housing, but nonetheless meet one or more of the 'reasonable preference' criteria. A fuller list of those meeting the community contribution category is set out in Annex 3.
- 1.6 In addition, the Council will continue to use the private rented sector both within the borough and outside it to meet its statutory housing obligations. The large majority of Council offers of accommodation will be on fixed term tenancies (See the Council's Tenancy Strategy) to both of the above sectors. It will also use the private rented sector to discharge its homelessness duty, ending any expectation that a long stay in temporary accommodation is a prelude to a social housing lifetime (or fixed term) tenancy.
- 1.7 Where the Council believes that potential applicants are able to access market housing, i.e., private rented or low cost or market home ownership, then the Council will provide advice as necessary.
- 1.8 The Council in its Homelessness Strategy sets out its preventative approach to alleviating the causes of homelessness, which is intended to reduce the pressure on applications to join the Council's Housing Register.

2. PRIORITIES FOR THE ALLOCATION OF ACCOMMODATION

- 2.1 The key documents that govern local authorities' Housing Allocation Scheme approaches are as follows:-
 - 1996 Housing Act (as amended by the 2002 Homelessness Act); 2004 Housing Act; and 2011 Localism Act (Parts 6 and 7)
 - Allocation of accommodation: (CLG) guidance for local housing authorities in England – Consultation (Dec 2011)
 - 2004 Housing Act - s223 Allocation of housing accommodation by local authorities
- 2.2 The Council in assembling the Housing Allocation Scheme intends to only register 'reasonable preference' groups. However, the Council intends to give 'additional preference' to those households who have made/are making a community contribution and have a local connection. This will include giving

additional preference to former Armed Services personnel and working households.

2.3 Central to any Housing Allocation Scheme is ensuring that ‘reasonable preference’ is given to people with high levels of assessed housing need. These groups are defined as follows:

- All homeless people as defined in Part VII of the 1996 Housing Act including people who are intentionally homeless and those who are not in priority need
- People who are owed a duty by an housing authority under section 190(2), 193(2) or 195(2) of the 1996 Act (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under s192(3)
- People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
- People who need to move on medical or welfare grounds, including grounds relating to disability
- People who need to move to a particular locality in the housing authority area, whose failure to meet that need would cause hardship (to themselves or others)

2.4 In framing this Housing Allocation Scheme the Council intends to give effect to s.166A(3) of the 1996 Housing Act (as amended), housing authorities should have regard to the following considerations:

- The scheme must be framed so as to give reasonable preference to applicants who fall within the categories set out in s.166A(3), over those who do not
- Although there is no requirement to give equal weight to each of the reasonable preference categories, housing authorities will need to demonstrate that, overall reasonable preference has been given to all the reasonable preference categories
- There is no requirement for housing authorities to frame their scheme to afford greater priority to applicants who fall within more than one reasonable preference category (cumulative preference) over those who have reasonable preference on a single non-urgent basis

2.5 In respect of Hammersmith & Fulham’s new Housing Allocation Scheme, the Council intends to ensure that all successful applicants have reasonable preference. But it will give ‘additional preference’ to applicants who are making a community contribution and have a local connection.

2.6 These are the only categories of people that the Council will consider for housing, except where the Council adopts a Local Lettings Plan (See Sections

4.18 – 4.21) for an individual scheme and/or area where special circumstances apply. For example, these may include new and existing accommodation in its five regeneration opportunity areas where specific outcomes are sought, such as mixed, balanced sustainable communities. Local Lettings Plans will be adopted to achieve this specific objective which may include offering accommodation to working households on the Council's HomeBuy Register on short fixed term tenancies (e.g., two years) who may be waiting for a home ownership option that is right for them, but are content to live in an alternative interim rented housing option.

Sustaining a Tenancy

2.7 The Council intends to scrutinise more closely the ability of applicants to sustain the tenancy that is being sought for two reasons. There needs to be some certainty that the applicant is able to take on the responsibilities associated with a new tenancy and that there is no history of anti-social and/or criminal behaviour associated with a previous tenancy. In tandem, the Council also needs to be mindful of the Government's welfare reform proposals, specifically in respect to the Universal Credit reforms which will 'cap' the amount of benefits a single household can receive. This is likely to be particularly relevant to households in large family accommodation (three bedrooms or more) where a significant proportion of this house type is both expensive and in short supply.

Accessing Affordable Market Housing

2.8 The Council will continue to promote affordable home ownership and private rented options to those who are able to afford it. Where household income is over the level which the Council considers eligible for registration on the HomeBuy Register, the Council will not be minded to consider applications to the housing register for affordable rent purposes, unless there are exceptional circumstances which will be considered by a Panel of Senior Housing Officers. However, the Council will consider such households for affordable home ownership or direct them to private rented housing options. More information on income and savings thresholds is set out in section 6.7 – 6.9 of this Housing Allocations Scheme.

Flexible Tenancies

2.9 The Council intends to take full advantage of the freedoms and flexibilities afforded by the 2011 Localism Act. In tandem with this document, the Council is publishing for consultation a Draft Tenancy Strategy which sets out the Council's approach to flexible tenancies. In summary, the Council intends to issue five year fixed term tenancies (and in some instances, two year tenancies) in the future, although with some exceptions where secure and assured tenancies will still be

granted. Fuller reference to the Localism Act and existing Homelessness legislation is made in Annex 1.

Investigation of Fraud: Offences related to information given or withheld by applicants

- 2.10 The Council recognises its duty to protect the public resources it administers. Detailed enquiries about applications will therefore be made in order to guard against misrepresentation and fraud. Such enquiries will be made in all cases where applicants appear to have sufficient priority for an offer for re-housing, and in other cases as resources allow and may be made at any time either at the time of application or subsequently including after any grant of tenancy. Applications will be suspended if there is evidence of misrepresentation or fraud until enquiries are completed.
- 2.11 Any applicant seeking to obtain accommodation by making a false or misleading statement or by withholding relevant information or by failing to inform the Council of any material change in circumstances is liable to have his/her application cancelled. Prosecution will be considered where it appears to the Council that a criminal offence has been committed. Proceedings for possession will be taken to recover any tenancy granted in consequence of a fraudulent application for housing.
- 2.12 For the reasons set above, the Council is keen to ensure that information submitted to support a housing registration application is truthful and accurate.

Section 171 makes it an offence for anyone seeking assistance from a housing authority under Part 6 of the 1996 Act to:

- Knowingly or recklessly give false information, or
- Knowingly withhold information which the housing authority has reasonably required the applicant to give

It is for individual housing authorities to determine when these provisions apply and when to institute criminal proceedings. However, the circumstances in which an offence is committed could include:

- Any false information given on an application form for social housing
- Any false information given in response to subsequent review letters
- Any false information given or submitted by applicants during the proceedings of a review

Ground 5 in Schedule 23 of the Housing Act 1985 (as amended by s 146 of the 1996 Act) enables a housing authority to seek possession of a tenancy granted as a result of a false statement by the tenants or a person acting as the tenant's instigation.

- 2.13 Hammersmith & Fulham Council will use all civil and criminal sanctions at its disposal to encourage applicants not to give false information or withhold information when seeking support from the Council at any point in the application process.
- 2.14 Any tenancy fraud that may occur after the grant of a tenancy (e.g., tenancy passed on to a third party such as subletting of a tenancy) will be approached in a similar fashion. New powers to be granted to local authorities to pursue such cases through the criminal rather than the civil courts will be used by Hammersmith & Fulham.
- 2.15 In both instances - at application stage and tenancy stage – the Council will support and work with all Registered Providers to reduce and eliminate tenancy fraud.

3. WHO WILL RECEIVE ALLOCATED ACCOMMODATION

Eligibility and Qualification

- 3.1 Any person can approach the Council's Housing Options Division for housing advice and assistance. However, the amount of accommodation in Hammersmith & Fulham is very limited, and the Council will not maintain an 'open' system that any person can be registered with. Instead, the Council will operate a 'managed register' with standard checks for eligibility undertaken, but with a tighter approach as to who will qualify to be on the managed register, i.e., registering only those who meet the reasonable preference criteria. Where the Council is unable to give support to applicants through registration, it will be able to provide housing options advice and support.
- 3.2 In considering applications, the local housing authority needs to consider two issues:
- the applicant's eligibility for an allocation of accommodation
 - Whether the applicant qualifies for an allocation of accommodation
- 3.3 In terms of **eligibility**, any person who does not fall into one of the categories below will be a person subject to immigration control and will be ineligible for an allocation of accommodation.
- (i) British citizens
 - (ii) certain Commonwealth citizens with a right of abode in the UK

- (iii) citizens of an European Economic Area (EEA) country ('EEA nationals'¹) and their family members who have a right to reside in the UK that derives from EU law. The question of whether an EEA national (or family member) has a particular right to reside in the UK (or in another Member State) will depend on the circumstances, particularly the economic status of the EEA national (e.g., whether he or she is a worker, self-employed, a student, or economically inactive)
 - (iv) persons who are exempt from immigration control under the Immigration Acts, including diplomats and their family members based in the UK and some military personnel.
- 3.4 This means that people subject to immigration control and certain other people from abroad (outside the categories identified above) will not usually be eligible for accommodation arranged by the Council.
- 3.5 More generally, the council will decide in each case as to whether the people included in the application by the applicant will be considered as a part of the household if allocated accommodation. The council will generally not consider the following as members of a household: people who are subject to immigration control (as set out above), non-dependent adult children, other adult relatives, non-relatives, lodgers, live in help. Furthermore due to a shortage of properties with 4 bedrooms or more the council will discuss with large households whether they can be divided into two or more smaller households.
- 3.6 The statutory provisions regarding eligibility and qualification are set out in s 160ZA of the 1996 Housing Act as amended by the 2011 Localism Act (See Annex 1).
- 3.7 In terms of **qualification**, the Council in this Housing Allocation Scheme is adopting an approach whereby the applicant must meet at least one of the statutory 'reasonable preference' criteria. Where an applicant meets the 'reasonable preference' criteria but does not have a local connection with the borough, it is highly unlikely that that applicant will be allocated an affordable rented home. Where an applicant(s) income (or combined income) are greater than £40,200 and may have assets and/or savings that are sufficient to access low cost home ownership or other intermediate housing options, then an applicant(s) will generally not be eligible to access the Housing Register and will be offered advice on other housing options including joining the Council's HomeBuy Register. See Sections 6.7 – 6.9 for more information.

Classes of Person that do not Qualify

¹ EEA nationals are nationals of any EU member state (except the UK) and nationals of Iceland, Norway, Liechtenstein and Switzerland)

- 3.8 The Council will only register eligible applicants who qualify to meet at least one of the reasonable preference criteria set out in Section 2.3 of this document. The guiding principles to this Housing Allocation Scheme is that it is fair, realistic and affordable and that applicants take greater personal responsibility for their own actions and their future. Whilst the Council is giving clear preference to applicants with a local connection and making a community contribution, it is also keen to have qualifying criteria which better fits the supply of accommodation that the Council can reasonably have access to.
- 3.9 Having considered the changes to made to the Housing Act Part VI in the Localism Act, the following classes of person will not normally qualify for registration. There is discretion to waive these classes in exceptional circumstances as approved by the Director Housing Options, Skills and Economic Development or delegated officer who shall be a Head of Service:
- a. Applicants who are overcrowded by only 1 bedroom and this is their only housing need
 - b. Applicants who have been convicted of housing or welfare benefits related fraud where that conviction is unspent under the Rehabilitation Offenders Act 1974. Any person caught by this may re-apply once this conviction is spent
 - c. Homeless applicants to whom the main homelessness duty has been ended due to refusal of a suitable offer
 - d. Homeless applicants placed in long term suitable temporary accommodation under the main homelessness duty (unless the property does not meet the needs of the household or is about to be ended through no fault of the applicant)
 - e. Applicants with lawfully recoverable significant arrears or other housing related debt which have been unreasonably incurred by the applicant
 - f. Applicants whose income, savings and assets exceeds the limits set by the Council
(as these limits will change the Officers will use guidance to apply this test)
 - g. Applicants who owe arrears of rent or other accommodation charges to the Council in respect of the current tenancy or former accommodation, unless an appropriate agreement has been reached and sustained for a reasonable period. In assessing the application for registration, the Council will take into account the size of the debt, the means to pay and the degree of the household's need
 - h. Applicants in breach of another condition of their Tenancy Agreement and this is accepted by both parties.
 - j. Applicants who have been guilty of unacceptable behaviour which makes them unsuitable to be a tenant. Examples of such unacceptable behaviour include: persistent failure to pay rent and/or service charges; anti social behaviour which has caused a nuisance by the applicant or a member of his or her household; illegal or immoral behaviour; threats of and/or actual violence; racial harassment; obtaining a tenancy by deception and/or an attempt at tenancy fraud

3.10 The Council recognises that there may be exceptional circumstances where the only way an exceptional housing need can be resolved is through the use of discretion. In the interests of fairness to all these applicants these circumstances are kept to a minimum. Examples of exceptional circumstances include, but are not limited to:

- Threat to life in the area in which they are residing
- Emergency cases whose homes are damaged by fire, flood or other disaster may be provided with other accommodation if it is not possible to repair the existing home, or if any work to repair is to take such a long period of time that there will be serious disruption to family life.
- Households who, on police advice, must be moved immediately due to serious threats to a one or more members of the household, or whose continuing occupation would pose a threat to the community.
- Cases nominated under the Police Witness Protection Scheme or other similar schemes that the council has agreed to be part of.
- An applicant who has an exceptional need that is not covered in the Allocations Scheme. For example, where child or public protection issues require re-housing or for severe domestic abuse where all other options to remain in the home have been considered.

3.11 Other exceptional circumstances, including management transfers, authorised by the Director Housing Options, Skills and Economic Development.

Assessment of Need

3.12 The council has developed a housing banding system to determine who will be prioritised for housing in the borough. The housing bands are summarised below and full details of what the characteristics of individual cases will be are set out in Annex 4:

Band 1: Urgent Need to Move due to Reasonable Preference PLUS additional priority AND a local connection

Band 2 Need to move – Reasonable Preference AND a Local Connection AND a Community Contribution

Band 3 : Need to move – Reasonable Preference AND a Local Connection BUT No Community Contribution

Band 4: Reduced Priority: Need to Move - Reasonable Preference but with Reduced Priority

Local Connection Definition

- 3.13 Demonstrating a local connection is a central tenet of this Housing Allocation Scheme. **Local connection** within the terms of this scheme will normally mean that an applicant has lived in this borough, through their own choice, for a **minimum of 5 years** up to and including the date of their application, or the date on which a decision is made on their application, whichever is later. Accepted homeless households placed by this authority in accommodation outside Hammersmith & Fulham will also have a local connection as long as they fulfil the five year residential qualification (i.e., time spent placed by Hammersmith & Fulham in temporary accommodation outside the borough will count towards time spent in Hammersmith & Fulham). A local connection may also be awarded to people who need to move to a particular locality in the borough, where failure to meet that need would cause exceptional hardship to themselves or to others. Those without a local connection will not be eligible to be placed in bands 1,2 or 3 until this condition is satisfied. Where households are allocated Band 4 status, the Council is only likely to be offered private rented options which may be outside Hammersmith & Fulham.
- 3.14 People in the following categories will **not** normally be considered as having a local connection:
- Those placed in the borough of Hammersmith & Fulham in temporary accommodation by another local housing authority
 - Those placed in the borough of Hammersmith & Fulham in residential or supported housing by another borough
 - Secure or flexible tenants of other boroughs
- 3.15 Applicants who have been placed in long term temporary accommodation by the Council will not be placed in a housing needs band and they will be removed from the Housing Register. This will be reviewed if the arrangement is due to expire within the next 3 months or there is a change in circumstances that may increase their priority under this scheme. Long term temporary accommodation can include private sector homes let via the council or a housing association under a leasing arrangement, and non-secure tenancies on regeneration estates.
- 3.16 Applications for housing will be assessed by Housing Options Officers using information supplied by the applicant and as a result of further necessary enquiries. The Housing Options Officer will decide whether the applicant falls within the Council's housing banding system and if so, which band will apply.
- 3.17 Applicants who are assessed as not qualifying for one of the Council's Housing Bands will be offered housing advice and assistance as necessary.

- 3.18 Medical priority will be awarded according to the extent to which the health or welfare of one or more members of the applicant's household is affected by their housing conditions and the expected benefits of providing suitable alternative settled housing. Applicants who are assessed as having an overriding medical or welfare housing need will be placed in Band 1; the circumstances that justify this are detailed in Annex 4. Such priority will be approved by a panel of senior housing officers.
- 3.19 Housing Options Officers will work together with social services and other agencies looking at supply and demand to identify clients currently in supported housing who are ready for independent living. Subject to these discussions and agreement that the client's housing needs cannot be met outside of social housing. In consultation with other officers of the Council, these clients will be placed in Band 2, unless there is an urgent need to move in line with the Band 1 criteria.
- 3.20 Where a young person is identified by Children's Services as ready to relocate in to 'move on' accommodation, the young person will be placed in Band 2 or 3, subject to a community contribution award. The Housing Options Officer concerned may in consultation with the Director Housing Options, Skills and Economic Development waive this requirement in exceptional circumstances.

Condition and Size of Accommodation

- 3.21 All accommodation offered will be habitable, in reasonable repair and fit for letting.
- 3.22 The size of accommodation for which each applicant will be considered will depend upon the size and composition of the applicant's household. The requirements for each size of household are set out at Annex 2
- 3.23 Larger accommodation than specified in Annex 2 may be considered in exceptional circumstances on the recommendation of the Housing Options Officer and approved by a Panel of Senior Housing Officers. The Council may draw on specialist advice, for example the Council's Medical Adviser, Occupational Therapy Service, or senior social worker.
- 3.24 In calculating the number of bedrooms available within properties the Council will treat every habitable room as a bedroom except kitchens, bathrooms and kitchen/dining rooms. The Council will normally consider additional rooms in homes for use as bedrooms in accordance with Housing Benefit regulations.
- 3.25 Cases of existing secure Council tenants agreed as Management Transfers will be offered homes on a 'case by case' basis.

Council Tenants

- 3.26 Council tenants wishing to move from their existing home will be assessed in the same way as other applicants applying for housing advice and assistance under this scheme and will need to meet the qualifying criteria set out in this Housing Allocations Scheme.
- 3.27 Applications for transfer may be made jointly by separate tenants of the Council who wish to apply for housing together, on the condition that both tenancies will be relinquished if the Council makes an acceptable offer of a transfer to a third property.
- 3.28 On occasion it may be necessary for a council tenant to move out of their existing home to allow major works to be carried out or because their home is due to be demolished. In these circumstances, the Council will use its discretion to prioritise a move to a suitable alternative home by placing the tenant in Band 1 at an appropriate time.
- 3.29 Council tenants who have to move because major works are required to their home will have the option of moving back to their original home once the works have been completed,
- 3.30 The Council is undertaking a number of regeneration schemes. Under these schemes a large number of existing council homes may be demolished and replaced with new homes owned and managed by the council or housing associations. Under this allocations policy, existing secure tenants whose homes are due to be demolished will have priority for the new replacement homes being provided on their estate in accordance with the provisions agreed for each estate, before they are made available to any other applicants. Existing re-housing commitments to residents are set out in the Council's Core Strategy and Tenancy Strategy.
- 3.31 Where a council tenant is imprisoned for a period of more than 12 months, they will be expected to voluntarily give up their tenancy. On release from prison, they will be entitled to apply to the Council for accommodation based on the policies set out in this Housing Allocation Scheme.
- 3.32 Council tenants will be able to access affordable housing elsewhere in London through the Pan London Mobility Scheme. More information on this scheme is set out in section 4.28 of this document.

Private Registered Provider (PRP) Tenants

- 3.33 PRP (principally housing association) tenants will be assessed in the same way as other applicants applying for housing advice and assistance under this scheme.

Mutual Exchanges

- 3.34 Secure tenants have certain rights in relation to exchanging their tenancies with other secure tenants and in relation to the circumstances in which a member of their household can succeed to their tenancy. These do not fall within the scope of this allocations scheme, and full details for how these schemes operate can be obtained from Hammersmith & Fulham Council or their Landlord in the case of Private Registered Provider tenants.

Tenancy Succession

- 3.35 The law on council tenancy succession has changed for secure tenants (and household members) where a tenancy was created before 1 April 2012 and those created after this date. The scenarios below are based on where a tenant or joint tenant dies and the remaining joint tenant (if applicable) and/or household members wish to remain in the property.
- 3.36 Where a **tenancy was created before 1 April 2012**, family members will retain their existing rights to succeed to the tenancy. This may be the tenant's spouse or registered civil partner or could be a co-habiting partner or another family member(s). Family members seeking to succeed the tenancy will need to have lived at the property for at least twelve months before the succession is sought. Where a joint tenant dies, the other joint tenant becomes the sole tenant ..
- 3.37 Where a **tenancy was created on or after 1 April 2012**, only a spouse, civil partner or a person who lives with the tenant as if they were a spouse or civil partner will have a statutory right to succession.

The statutory right only applies to the first time that a succession occurs, but beyond this, the council will use its discretion to allow a new flexible tenancy to be granted in the following circumstances:

- The person applying for succession has lived continuously in the property as their principal home for twelve months before the death of the tenant **and**
 - They are the spouse, civil partner, a close relative of the tenant, or someone who had to live with the tenant in order to provide them with care, without which the tenant could not have maintained their tenancy **and**
 - They would qualify for the property they have applied to succeed to under the council's allocations policy (i.e., this Housing Allocation Scheme) including being both an eligible and qualifying person(s).
- 3.38 This process will be triggered by a Housing Register Application which will be considered by Housing Options Officers in consultation with Housing

Management Officers responsible for the property and associated tenancy concerned.

- 3.39 Where a property is not suitable for the person applying to succeed, for example because it is too large, the council will assist them to find alternative accommodation if they qualify for help under this Housing Allocation Scheme, which could include an offer of accommodation in the private rented sector.
- 3.40 Where a new tenancy is granted as a result of a discretionary succession, the tenancy will be treated as a new tenancy under the Council's Tenancy Strategy. This means that in most cases a flexible tenancy, normally two or five years, will be granted. Failure to accept a suitable property offered or made available under this Housing Allocations Scheme will result in proceedings for possession of the home currently occupied. Each situation will be considered on its merits and tenancies will be granted at the discretion of the Council.
- 3.41 Tenancy succession rules for Private Registered Providers (normally housing associations) are governed by different legislation. Current and future housing association tenants should check with individual landlords what the rules are for succession for their respective tenancies.

Service Tenancies

- 3.42 Employees of the Council who have a service tenancy associated with their employment may be re-housed by the council in pursuance of a contractual agreement that may be in place. This may be achieved outside of assisted choice through a direct nomination.

4. HOW THE COUNCIL ALLOCATES PROPERTIES

THE PROPERTY POOL AND ASSISTED CHOICE

- 4.1 Hammersmith & Fulham Council will operate a 'property pool' and assisted choice lettings system. In essence, this means that the council will maintain a list of properties that are available to let to housing applicants who fall into one of the housing bands described in section 3.12 and detailed with examples in Annex 4. Successful applicants will need to annually update their registration. This comprises properties available from the council (a registered provider); housing associations (private registered providers); landlords from the private rented sector; and other agencies. Properties available from the property pool will be matched to applicants' preferences and offers made by housing options officers. In effect the officers concerned undertake the bidding process based on the applicants' expressed preferences. All applicants, whether homeless, transfer cases, sheltered housing applicants will be treated the same way under this system. **The Council will seek to make at least two offers to applicants, with discretion to make a third offer. In the event that homeless applicants turn**

down the offers made by the Council, they will be removed from the register. Where other applicants turn down offers made by the Council, they will be demoted a band for twelve months.

How will it work in practice?

4.2 In sequence, the key characteristics of this service will be as follows:

1. Applicants will discuss with the Housing Options Officer eligibility and qualification criteria to enter the Council's Housing Register. This will include a discussion on all housing options, including obtaining accommodation outside the housing registration route (e.g., private rented sector, low cost home ownership, etc)
2. If the Housing Options Officer considers that a Housing Register Application is likely to be successful, applicants will be assessed for their eligibility and qualification to register with the Council for accommodation. If registered, allocated a Band from 1 (the highest priority) to 4 (the lowest priority). It will be explained at this stage that allocation to Band 4 status is highly unlikely to lead to the allocation of an affordable home for rent let by a Registered Provider (i.e. principally the Council in its landlord role and housing association landlords). In the case of a homeless applicant who successfully registers, the Council is likely to discharge its duty into the private rented sector.
3. Over time, Housing Options Officers will assess available homes from the 'property pool' as they become available and match them with applicants' accommodation needs and invite them to consider offers as and when they arise. Clearly, where there is a more affordable housing in that area of the borough, such housing choices are more likely to be met. Similarly, where there is more private market housing in that area of the borough, such housing choices are less likely to be met.
4. The urgency with which offers are made to housing applicants will depend on the supply of available accommodation in the property pool and their Band status, with Band 1 having the greatest urgency. The Council will expect applicants in urgent housing need to take up reasonable housing offers quickly. In the event that housing offers to Band 1 applicants have been exhausted, housing offers will be made to Band 2, and then Band 3. The approach will vary where Local Lettings Plans are in place (See Section 4.19 – 4.24).
5. The property pool will comprise homes from the Council in its Registered Provider landlord role; Private Registered Providers (principally housing associations); and the private rented sector. This will include accommodation for Supported Housing purposes and the elderly. Some homes in the property pool will be located outside the borough due to the shortage of affordable

- accommodation, particularly large family accommodation, in Hammersmith & Fulham.
6. The large majority of housing allocated will be available on fixed term tenancies (also called flexible tenancies). More detail on this can be found in the Council's Tenancy Strategy.
 7. Where applicants are made a second final offer that may be in the private rented sector which will meet the applicant's need and that offer is turned down, then that applicant will be demoted a band for a year. Where the Council owes a homelessness duty and a second offer has been turned down, then the Council will have met its duty towards that applicants. The Council reserves the right to make a third offer if special circumstances apply.
 8. On making that final offer, the Council will have met its duty towards homeless applicants, which will meet the applicant's requirements and/or the Council's homelessness duty towards that household. At this point, the applicant will be removed from the register. In respect of other housing applicants (e.g., transfer cases), where a second offer has been turned down, the applicant will be moved down a band for twelve months.
- 4.3 Priority for accommodation will be determined by housing band, with those applicants in Band 1 having a greater priority than those in bands 2-4, and those in band 2 having a greater priority than those in bands 3-4, and so on. Within bands, priority will be determined by date order (Note: Date order means that date that an applicant was placed in the housing band)
 - 4.4 In considering priority for re-housing between applicants with a similar priority under the banding scheme, the Council will also take account of the immediacy of need of each applicant. This means, for example, that where two applicants in the same band are interested in the same property, preference may be given where one of the applicants is facing a more immediate loss of their existing home than the other.
 - 4.5 To avoid the loss of properties available to the Council, properties in the private rented sector will normally be made available on a first come first served basis to applicants across bands 1-4. Where more than one applicant is being considered for a private sector property, priority will be determined by band and date in band.
 - 4.6 Applicants will be asked to choose a property or properties to view from a selection of those that are available and meet their needs, and will be asked to accept one of these as their offer of re-housing.

- 4.7 If no suitable properties are available, the applicant's case will remain open until a property becomes available and their Housing Options Officer will be proactive in working with them to secure a suitable offer of accommodation.

EXCEPTIONS TO ASSISTED CHOICE

- 4.8 Available properties which are adapted or which are suitable for adaptation and Extra Care and Sheltered Housing or which are otherwise potentially suitable for applicants with a substantial disability or other special or support needs may be allocated outside strict banding and date order priority.
- 4.9 An allocation may also be made outside banding priority in the case of a Council tenant who is willing to transfer from a property which s/he does not require, i.e., under-occupiers, and which is particularly suitable for an applicant with special or support needs.
- 4.10 Applicants who have a special need for adapted property or other particular type of accommodation which is in very short supply may be invited to consider suitable property which becomes available outside of the areas preferred by the applicants concerned.
- 4.11 The Council reserves the right to restrict the operation of the property pool to certain groups of applicants or to make direct offers of accommodation to households waiting for re-housing in order to fulfil its housing management and financial duties and responsibilities, including achieving a balance of lettings as set out in the Council's Annual Lettings Plan and delivering value for money.
- 4.12 In addition to the Annual Lettings Plan, special allocation arrangements, i.e., through Local Lettings Plans, may apply in respect of properties available for letting on new-build developments and/or areas that the Council considers necessary for an alternative approach to deliver its 'borough of opportunity' agenda. Local Lettings Plans will be subject to consultation by residents and agencies likely to be affected by the proposed changes (See Section 4.19 - 4.24).
- 4.13 Decisions to allocate properties outside of the property pool and assisted choice will be authorised by the Director Housing Options, Skills and Economic Development, or delegated officer who shall be a Head of Service.
- 4.14 The Council is keen to facilitate 'chain lettings' approaches with other local housing authorities and private registered providers (principally housing associations) in order to maximise the use of affordable housing accommodation both locally and in other areas. A 'chain letting' is similar to a chain of prospective

house purchasers who are dependent on others in order to move home. This approach is an ideal way of helping to ensure that people who wish to stay in their localities can do so, moving to homes that reflect their housing needs. Where the Council is able to ensure that there is a sufficiently positive impact for one or more of its residents by making a direct nomination (or through influencing other allocations of other Registered Providers), then the Director of Housing Options, Skills and Economic Development shall have discretion to make any necessary decision to achieve a chain letting.

- 4.15 This flexible approach will help facilitate greater choice for applicants who wish to move in their immediate locality, remaining close to family and friend networks. The Director Housing Options, Skills and Economic Development or delegated officer, will have the authority to allocate accommodation through either the Assisted Choice process or through a direct nomination to facilitate a successful chain letting.

TYPES OF PROPERTY

- 4.16 Some properties or blocks of properties are designated for allocation only to applicants sharing a common characteristic or need, for example:
- Properties in sheltered housing developments for people over a specified age,
 - Properties in supported housing schemes offering special services,
 - Individual properties which are adapted or otherwise particularly suitable for applicants who use a wheelchair

SELECTION OF PROPERTIES

- 4.17 In selecting properties from the property pool for applicants to consider, the Council will normally take into account the following factors:
- The number of bedrooms required (see Annex 2)
 - Any essential requirement concerning the type or location of re-housing
 - The housing band into which the applicant's case falls
- 4.18 The Council will not normally take into account:
- Non-essential preferences concerning the location or type of re-housing requested by the applicant.
 - An applicant's preference as between an allocation of a Council property **or** a nomination to a Private Registered Provider (normally a housing association) **or** an allocation to the private rented sector.
 - The standard, type or location of the applicant's current accommodation (except where this is related to the assessment of their need)

Local Lettings Plans

- 4.19 From time to time, the Council will adopt Local Lettings Plans for new schemes and/or areas of the borough where it wishes to deliver the broad objective of mixed, balanced sustainable communities. The Council is unconvinced that allocating all affordable housing to applicants from reasonable preference categories is conducive to the broader objective of mixed, balanced sustainable communities. By allocating homes to low to medium income households on short fixed term tenancies who are not necessarily from reasonable preference groups will help deliver that objective.
- 4.20 Section 167(2E) of the Housing Act 1996 enables local housing authorities to allocate particular accommodation to people of a particular description whether or not they fall within the reasonable preference categories. This section enables the Council to set aside homes on a particular estate, or certain types of properties across the stock, for applicants who meet a certain criteria.
- 4.21 The simplest approach to delivering this objective would be through using the Council's HomeBuy Register, which includes applicants who wish to rent at sub market levels. Some of these households may be seeking to save money for a deposit to enter low cost home ownership which the Council is keen to encourage. This will give such households the experience of managing a household budget and also provide an opportunity for such households to save money towards a deposit for a low cost home ownership option.
- 4.22 The Council's broad approach will be to prioritise households from the HomeBuy Register for Affordable Rent accommodation available from Private Registered providers (principally housing associations). Where the Council wishes to prioritise applicants who meet criteria associated with a Council-approved scheme which helps deliver housing options for one or more of the community contribution groups identified in Annex 3, these applicants may be prioritised for Council rented accommodation.
- 4.23 The Council will monitor the impacts of this approach on both its Housing Register and Homebuy Register. It will need to ensure that any the number of households drawn from the Homebuy Register do not exceed the number drawn from the Housing Register. It will also seek to ensure that the rules governing each of the approaches are broadly aligned.
- 4.24 Before introducing a local lettings plan, the Council will consult with those who are likely to be affected, which shall include the residents of the scheme/area impacted by the plan and local social landlords. A copy of the final policy will be published on the Council's website.

Transfers

- 4.24 All transfer applicants will be considered in the same way as set out in Section 4.2 of this document. The Council expects existing tenants to maintain their homes in a reasonable condition and similarly expect tenants of other Registered Providers to do the same. If the existing home has been either significantly damaged and/or kept in a poor condition by the sitting tenant, the Council will not be minded to permit a transfer. The Council will expect other Registered Providers (normally housing associations) to adopt the same approach.

Homeswap

- 4.25 Homeswap enables existing tenants, principally in the registered provider affordable rented sector (i.e., tenants of councils and housing associations) the opportunity to swap their home with another, often called ‘mutual exchanges’. Such schemes help tenants to be closer to new places of work and/or friends and family. The Council supports the Government’s ‘Homes Swap Direct’ initiative, bringing together the range of mutual exchange regimes that exist. The Council will make available facilities at its principal office to enable applicants wishing to review housing options using the ‘homeswap’ mechanism as well as promoting the initiative more widely.

Sub Regional Nominations

- 4.26 As part of the West London Housing Partnership, the Council participates in a sub regional nomination arrangement which accesses the Council to sub regional lettings as well as enabling its West London partners to nomination opportunities in the borough. The Council intends to continue this arrangement as it enables some flexibility to facilitate sub regional moves for the same reason described in the Homeswap section above.

Accessible Housing Register

- 4.27 The Council will seek to ensure accommodation opportunities for housing register applicants who require accessible housing are maximised. Where Housing Options Officers are fully appraised of applicants’ housing needs, all reasonable efforts will be used to ensure that offers are made to applicants in line with the Banding priority using the Assisted Choice approach.

Pan London Mobility

- 4.28 Hammersmith & Fulham currently participates with the Mayor of London’s pan-London Mobility scheme, also known as *London Moves*. Details of the Mayor’s scheme can be found at www.london.gov.uk . Tenants wishing to move using the Pan London Mobility scheme can apply direct. Housing Options Officers can provide assistance to tenants wishing to move home using the Pan London Mobility Scheme.

Suitability of Housing Offers

- 4.29 Where accommodation is offered through the assisted choice process described above, an applicant will normally be expected to accept an offer of a property that meets their specified needs. Suitable offers are those that are deemed as suitable and appropriate to meet the housing and medical needs of the household concerned.
- 4.30 The Council will seek to take into account applicants' particular or special needs but it will not always be possible to ensure that these needs are met. In considering what is reasonable, the Council will have regard to the overall supply of Council accommodation and the demands placed upon it by all priority groups.
- 4.31 As a guideline and subject to the individual circumstances of each application, the Council will normally consider that a property is suitable if:
- It is located close to an area which the applicant has selected or an area that the Council considers to be reasonable.
 - It is sized in accordance with the criteria in Annex 2.
 - It complies with any recommendation made by a Medical or other relevant advisor.
- 4.32 An offer of accommodation which is arranged by way of a nomination to a private registered provider will be considered to be as reasonable as an offer of a council tenancy.
- 4.33 If a housing applicant refuses two reasonable offers of accommodation through the assisted choice scheme or a direct allocation, their priority under this allocation scheme will be reduced by a Band for twelve months. This will not necessarily mean no further offers will be made, but will reduce their priority.
- 4.34 An applicant whose housing priority has been reduced to Band 4 under 4.33 will not be entitled to be placed in a higher band under this housing allocations scheme again for a period of 12 months from the date that the Council notified them of its decision, except where there has been a material change in circumstances such that the offer of re-housing would no longer be suitable, for example because of an enlargement in the applicant's household or a deterioration in ill health. In the event that the applicant is not eligible to be moved up to Band 3, then they will be removed from the Housing Register altogether.

Annual Lettings Plan

- 4.35 The Council will adopt an Annual Lettings Plan for the April – March year which will forecast the number of affordable lettings the Council expects for the relevant year and estimate the proportions of lettings that will be allocated to certain need groups. This will include adopting quotas for specific priority groups, e.g., those requiring supported housing; care home leavers; working households; ex armed services personnel, etc.

5. PROCEDURE FOR APPEALS AND REVIEWS

- 5.1 All applicants have the right to request general information about their application, including whether they are entitled to any preference for housing and whether and when suitable accommodation will be offered to them.
- 5.2 An unsuccessful applicant(s) to the Housing Register will be informed in writing of any decision regarding their eligibility and/or qualifying status. The notification will give clear grounds for the decision which will be firmly based on the relevant facts of the case. The applicant(s) will be informed of their right to request a review of the decision.
- 5.3 Applicants who are unhappy with a decision made under this policy should in the first instance contact the housing officer who has dealt with their case and explain why they think that the decision is not reasonable. The applicant will be notified whether the decision still stands and the reasons for this usually within 48 hours
- 5.4 If an applicant wishes to take the matter further, they can make a request for a formal review of the decision within 21 days. In these cases the applicant will be invited to make a written submission stating the reasons for their request for a review and the Council will seek any further information it requires, including advice from medical and other specialist advisors. Formal reviews will be conducted by a team leader or manager within the Council's Housing Service with no previous involvement in the case who will notify the applicant of the outcome of the review including the reasons for their decision within 56 working days.
- 5.5 Where an applicant wishes to appeal the suitability of an offer of accommodation under 5.1 of this policy, the property will be held available whilst the appeal is considered where this is not likely to lead to an unreasonable delay in letting the property.
- 5.6 Where an applicant requests a formal review concerning the suitability of accommodation under 5.3 of this policy, the property will not normally be held available whilst the appeal is considered. This formal review will be considered by the Review & Complaints Officer.

Right of Review – Homeless Applicants

- 5.7 A homeless applicant has the right to a S202 (of the 1996 Housing Act) review of the suitability of an offer of accommodation. In addition they have a s204 (of the 2002 Act) right of appeal to the County Court. Whilst seeking a review and appeal, the applicant may still move into the property in question, without prejudicing the outcome of a review and appeal case, if either is sought.

6. GENERAL RULES AND CONDITIONS

Decisions

- 6.1 All decisions taken under this policy will be by fully trained officers in the Housing Options Division of the Council's Housing and Regeneration Directorate unless otherwise specified. Housing Options Officers are supported by Team leaders and receive ad hoc advice from other officers of the Council as required. Where the applicant (and any eligible household members/dependents) have specific needs which have been reported to, or recorded by, other departments of the Council, the applicant should highlight any such reports to the Housing Options Officer concerned.

Requests for Assistance

- 6.2 Requests for housing assistance must be made to the Housing Options Service. The Council aims to notify applicants of the result of the assessment of their priority under the Housing Banding System within 14 days. However, in cases where a medical assessment or other special assessment is required, it may take longer to notify the result.

Persons Eligible for Assistance

- 6.3 Persons entitled to assistance must be members of the applicant's immediate family who normally reside with the applicant. Any other person or persons will only be considered as entitled if the Council is satisfied that it is reasonable for that person to reside with the applicant. This will normally exclude lodgers or anyone sub letting from the applicant.
- 6.4 The Council will also refuse to consider an application for assistance or someone's inclusion on an application if the person concerned (i.e. other than the applicant) has made a separate housing application.

Evidence of Identity and Housing Circumstances

- 6.5 All applicants must provide satisfactory evidence of identity and past and current residences for themselves and all household members. The Council will request documentary evidence from each applicant and will conduct such further enquiries as are reasonable in the circumstances. An application will be cancelled if the applicant has failed to provide documentary evidence or other information reasonably required by the Council in order to validate the application.
- 6.6 The Council will normally carry out a visit to each applicant's residence if their priority is sufficient for an allocation of housing under this scheme. Visits conducted will include an inspection of the accommodation and facilities and are normally but not necessarily arranged by appointment.

Income and Savings

- 6.7 All prospective new tenants will be required to supply evidence of their financial income and resources. Where applicants are not able to show current entitlement to Income Support, Housing Benefit, Council Tax Benefit (and successor Universal Credit), verification of income and savings will be required prior to applicants being offered accommodation. Where applicants have resources considered sufficient to provide a deposit to access low cost home ownership, the applicant will normally only be offered advice or assistance, or placed in Band 4, as they are considered to have the income (see below) and/or wealth to meet their own housing requirements. Advice on home ownership; sub market renting; and private sector renting options will also be offered including opportunities to join the Council's HomeBuy Register.
- 6.8 Based on the Council's current Homebuy Register income range of £19,000 to £61,400 is required for low cost home ownership, the Council will discuss with the applicant (or joint applicants where applicable) market housing options. Where an applicant(s) income (or combined income) are greater than £40,200 and may have assets and/or savings that are sufficient to access low cost home ownership or other intermediate housing options, then an applicant(s) will generally not be eligible to access the Housing Register and will offered advice on other housing options including joining the Council's HomeBuy Register. These income ranges will be reviewed annually and will be adjusted to reflect the size of household. Such households will be provided with advice and assistance which is likely to include private sector renting and low cost home ownership opportunities. Where applicants successfully access the HomeBuy Register, they may succeed in qualifying for an affordable rented opportunity under a Local Lettings Plan.
- 6.9 When considering the allocation of accommodation, Housing Options Officers will review applicants' income and expenditure in order to assess their ability to sustain a proposed tenancy. The implementation of the Universal Credit regime

will cash limit eligible annual household benefits. If housing costs are considered to be a disproportionate amount of eligible benefits, then the Housing Options Officer will consider appropriate options for the household concerned. In all instances, the Council will not be minded to allocate accommodation that is too small for applicants' needs (as set out in Annex 2)

Changes of Circumstances

6.10 Once placed in a priority band, applicants should notify the Council in writing of any material change in their circumstances that will affect their priority for housing , for example:

- a change of address, for themselves or any other person on the application.
- any additions to the family or any other person joining the application
- any member of the family or any other person on the application who has left the accommodation.
- any change in income and/or savings.
- Any medical or mobility need which will affect the type of accommodation being offered deemed suitable

6.11 Applications may be temporarily suspended while the Council assesses the information provided by the applicant and completes further enquiries that may be necessary. The Council will carry out an assessment of each applicant's entitlement to and priority for re-housing on the basis of information which has been provided by the applicant or otherwise received in connection with the applicant. Where the Council believes that information about the applicant's personal circumstances have been deliberately withheld or misleadingly presented, then the Council will reserve the right to withdraw any offer of accommodation or not renew a tenancy where one has been granted.

Members of the Council, Staff Members and their Relations

6.12 In order to ensure that the Council is seen to be treating all applicants fairly, any application for housing or re-housing from members of the Council, employees of the Council or associated persons must be disclosed. These applications will be assessed in the normal way but any allocation of housing will require specific approval by the Director Housing Options, Skills and Economic Development.

Equal Opportunities and Monitoring

6.13 The Council is committed to the principle of equal opportunities in the delivery of all its services. Applicants will be invited to indicate if they wish to make use of the Council's translation and interpretation services, or if they require other

special services as a result of visual impairment, hearing difficulties or other disability.

- 6.14 Confidential interview facilities are provided at all housing offices. There is full access to the Housing Options Office for people who use a wheelchair. Home interview services are available for applicants who are elderly or who experience mobility difficulties.
- 6.15 The Council will seek to ensure that its allocation policies are being operated in a manner that is fair to all sections of the community regardless of nationality, ethnic origin, marital status, age, gender, sexual orientation or disability. The information provided will be kept confidential and treated with respect. The council believes it is important to understand the different communities who apply for housing and it is only by asking these questions can the Council check that it is operating a fair system.
- 6.16 All applicants for housing or re-housing will be asked to provide details of ethnic origin, sexuality, disability and other equalities information. Provision of this information will not be obligatory and not a requirement for acceptance of an application. However, such information will help monitor the number and types of equality groups seeking support and therefore applicants will be strongly advised to complete the relevant information. Equalities records will be kept and monitored on a regular and systematic basis to ensure properties are being offered and allocated fairly.
- 6.17 Allocation policies and any changes to them will be reviewed regularly to ensure they do not operate in ways that discriminate against or disadvantage any particular group.

Confidentiality

- 6.18 The Council will take disciplinary action against any employee who makes use of any information obtained in the course of their employment for personal gain or benefit, or who passes it to others who might use it in such a way. A report to the police will be made if it appears that a criminal offence has been committed.
- 6.19 The disclosure of information about any housing application to a third party is prohibited except on a “need to know” basis in the following circumstances:
- to plan and provide assistance jointly with health and social services agencies in appropriate cases.
 - for the purpose of fraud detection, the prevention of crime, and the promotion of community safety.
 - to enable efficient administration of offers of re-housing, lettings, housing association nominations, and rent and benefit accountancy etc.
 - where disclosure is a legal requirement.

Access to Personal Files

- 6.20 Housing applicants' rights to see what information is held on them on non computerised records is governed by the Data Protection Act 1998.
- 6.21 Under the Freedom of Information Act 2000 such requests must be made in writing, must state the applicants name and address for a response, and must describe the information requested.
- 6.22 Requests for access to records must be made in writing to the Director Housing Options, Skills and Economic Development. Subject to the above exceptions, applicants will be informed if any information is held and given the option to either view the records or have a copy provided within 40 days of the application. Photocopying costs will be charged at the Council's discretion.
- 6.23 Applicants have the right to challenge the information held on them and may request the correction of records which they believe to be inaccurate. If the Director Housing Options, Skills and Economic Development does not agree that the information is inaccurate or refuses access to the information, the applicant may request the matter to be reviewed by the Council. The request must be made within 28 days. The decision of the Council is final.

Data Protection

- 6.24 Computer records are covered by the Data Protection Act 1998. This controls the use of computers in the collection, storage, processing and distribution of personal data.
- 6.25 The Act also gives rights to all individuals about whom information is recorded. These rights include the rights of access to the information and the right to challenge the accuracy of that information. The provisions and exceptions are similar to those for access to information held on personal files as set out above.
- 6.26 Requests for access to data must be made in writing to the Director Housing Options, Skills and Economic Development. Information will be provided within 40 days of the application. No fee is charged for this service.

Annexes 1 – Legal Framework

1. 2011 Localism Act (Parts 6 and 7) s 145 Allocation of Accommodation

<http://www.legislation.gov.uk/ukpga/2011/20/part/7/chapter/1/enacted>

s 146 Allocation only to eligible and qualifying persons: England

(1) In the Housing Act 1996 before section 160A insert—

“160ZA Allocation only to eligible and qualifying persons: England

(1) A local housing authority in England shall not allocate housing accommodation—

(a) to a person from abroad who is ineligible for an allocation of housing accommodation by virtue of subsection (2) or (4), or

(b) to two or more persons jointly if any of them is a person mentioned in paragraph (a).

(2) A person subject to immigration control within the meaning of the Asylum and Immigration Act 1996 is ineligible for an allocation of housing accommodation by a local housing authority in England unless he is of a class prescribed by regulations made by the Secretary of State.

(3) No person who is excluded from entitlement to housing benefit by section 115 of the Immigration and Asylum Act 1999 (exclusion from benefits) shall be included in any class prescribed under subsection (2).

(4) The Secretary of State may by regulations prescribe other classes of persons from abroad who are ineligible to be allocated housing accommodation by local housing authorities in England.

(5) Nothing in subsection (2) or (4) affects the eligibility of a person who falls within section 159(4B).

(6) Except as provided by subsection (1), a person may be allocated housing accommodation by a local housing authority in England (whether on his application or otherwise) if that person—

(a) is a qualifying person within the meaning of subsection (7), or

(b) is one of two or more persons who apply for accommodation jointly, and one or more of the other persons is a qualifying person within the meaning of subsection (7).

(7) Subject to subsections (2) and (4) and any regulations under subsection (8), a local housing authority may decide what classes of persons are, or are not, qualifying persons.

(8) The Secretary of State may by regulations—

(a) prescribe classes of persons who are, or are not, to be treated as qualifying persons by local housing authorities in England, and

(b) prescribe criteria that may not be used by local housing authorities in England in deciding what classes of persons are not qualifying persons.

(9) If a local housing authority in England decide that an applicant for housing accommodation—

(a) is ineligible for an allocation by them by virtue of subsection (2) or (4), or

(b) is not a qualifying person,

they shall notify the applicant of their decision and the grounds for it.

(10) That notice shall be given in writing and, if not received by the applicant, shall be treated as having been given if it is made available at the authority's office for a reasonable period for collection by him or on his behalf.

(11) A person who is not being treated as a qualifying person may (if he considers that he should be treated as a qualifying person) make a fresh application to the authority for an allocation of housing accommodation by them."

2. 1996 Housing Act (as amended by the 2002 Homelessness Act)

1996 Housing Act <http://www.legislation.gov.uk/ukpga/1996/52/contents>

2002 Homelessness Act <http://www.legislation.gov.uk/ukpga/2002/7/contents>

3. Allocation of accommodation: (CLG) guidance for local housing authorities in England – Consultation (Dec 2011)

<http://www.communities.gov.uk/publications/housing/allocationofaccommodation>

See Chapter 3 on Eligibility and Qualification.

4. 2004 Housing Act - s223 Allocation of housing accommodation by local authorities

In section 167(2)(d) of the Housing Act 1996 (c. 52) (people to whom preference is to be given in allocating housing accommodation) after “medical or welfare grounds” insert “(including grounds relating to a disability)”.

R v Newham LBC 2009

<http://www.publications.parliament.uk/pa/ld200809/ldjudgmt/jd090304/newh-1.htm>

Annex 2 - Sizes of Homes

This annex sets out the size of a property a household successfully applying for home can expect. The Council will not offer a home that is larger or smaller than the identified need. In detail:

- The number of bedrooms you need depends upon the size of your family
- The chart shows the size of home that we consider you need
- A single parent is counted as a couple and an unborn baby beyond the first trimester is counted as a child
- Single people without children will usually be offered a studio/bedsit
- Two children of the opposite sex under ten will be expected to share a bedroom
- Council or Private Registered Provider (PRP) tenants 'trading down' from properties with three or more bedrooms may choose a property with one bedroom more than they need
- Some PRPs may have policies that vary from the bedroom requirements set out below.

Size Category	Size of Household	Size of Property
1	Single Person	Studio / Bedsit
2	A couple without children	1 Bedroom
3	Two adults of the same sex and generation* for example, flat sharers, or two siblings	2 Bedrooms
4	A couple expecting a child or with a child, including an adult son or daughter	2 Bedrooms
5	A couple with two children of the same sex	2 Bedrooms
6	Two adults of opposite sex who do not live as a couple, for example, brother and sister	2 Bedrooms
7	A couple with two children of opposite sex and both under ten	2 Bedrooms
8	A couple with two children of opposite sex one of whom is over ten	3 Bedrooms
9	A couple with three children	3 Bedrooms
10	A couple with four children (all of the same sex or two of each sex)	3 Bedrooms
11	A couple with two children of the opposite sex under ten and one dependent relative (for example, widowed mother)	3 Bedrooms
12	A couple with four children (three of one sex and one of the opposite sex)	4 Bedrooms
13	A couple with more than four children **	4 Bedrooms
14	A couple with three children and one dependent relative	4 Bedrooms

* Less than 20 years apart but does not apply to parents/children

** Accommodation needs greater than 4 bedrooms will be considered by the Housing Options Officer concerned and options considered and offered to the household. The officer concerned may suggest that the household size is reduced through adult children and/or non dependents household members being required to make their housing arrangements elsewhere. This may enable the officer concerned to make an offer (or offers) that can help meet the household's needs. Such a decision would need to be endorsed by a panel of senior housing managers

Annex 3 – COMMUNITY CONTRIBUTION: HOW PRIORITY IS AWARDED

Community Contribution

The Council believes that people who make a community contribution should have greater priority for accommodation allocated by the Council than those who do not.

The Community Contribution priority scheme is a Hammersmith & Fulham Council policy which gives an applicant increased priority for housing. Increased priority will be awarded to applicants who qualify under the community contribution criteria who also have reasonable preference and they will be placed in Band 2 by virtue of this award.

Community Contribution Awards – How they work in practice

Applicants must meet at least one of the reasonable preference criteria in order to be considered for a community contribution award. They will also need to demonstrate a local connection.

1. No on-going culpable involvement in anti-social behaviour or criminal activities
2. No breaches of tenancy within the last 3 years
3. No outstanding lawfully recoverable housing-related debt over £100
4. Not have an outstanding unspent conviction

Increased priority for housing is given to those applicants who demonstrate a commitment to contribute to the Borough's economic growth as working households or who make a contribution by their contribution within communities. Applicants can access increased priority for housing in eight ways:

1. Working Households

This policy aims to support the economic growth of Hammersmith & Fulham.

We want to encourage people who can, to work and want to raise levels of aspiration and ambition. We will offer increased priority to applicants who are working but are on a low income and will therefore find difficulty in accessing outright home ownership or low cost home ownership. Applicants who have reasonable preference can receive increased priority to Band 2 by virtue of their "working" status.

Definition of Working Households

Households where at least one adult household member is in employment. For the purposes of this Allocations Policy employment is described as having a permanent contract, working as a temporary member of staff or being self-employed. Applicants will only qualify if the worker has been employed for 9 out of the last 12 months. Verification will be sought at point of application as well as point of offer under the same terms. Applicants must provide payslips, P60, bank statements or a verifying letter on headed paper in order to qualify.

2. Volunteering

Volunteers must have been volunteering for a continuous period of at least 6 months up to the point of application and the same at point of offer. Volunteering must be for a not-for profit organisation that is recognised by the Council, or a charity that is registered with the Charity Commission or is funded by the Council or another local authority. Tenants and Residents Associations which are constituted are classified as not-for-profit organisations. They must be registered with Hammersmith & Fulham Council or a Private Registered Provider to qualify. Volunteering must be for a minimum of 20 hours per month. This will link to the Council's broader 'slivers of time' approach whereby residents build up equity through volunteering.

Evidence Required for voluntary work

A letter on the organisation's headed paper from the manager responsible for volunteers confirming the applicant's involvement in a minimum of 20 hours per month of voluntary work for at least 6 months. This person must not be related to the applicant in any way.

3. Training or Education

We want to encourage people to move closer to gaining paid employment by gaining employability skills and becoming job ready. This may be achieved by attending higher or further education or by accessing a longer vocational course of study or engaging in a programme of work-related training courses. In all cases the course of study must lead to achieving accredited qualifications and / or certification by a registered awarding body.

Study or training may be undertaken at a range of recognised institutions and organisations such as: Further Education College; registered Private Training Provider; registered Voluntary Sector Organisation or University.

To be eligible for the vocational training award a person must initially access a recognised Information, Advice and Guidance (IAG) service, such as *Next Steps* for Adults or *Connexions* for young people up to age 19 years to develop an agreed employment action plan and to be signposted to relevant training providers. Candidates must be working towards gaining employment in a vocational occupation.

A person must have been studying or training against the eligible criteria and definition outlined, for a continuous period of at least 6 months up to the point of application and the same at point of offer. Applicants eligible for out-of-work related benefits must also be registered with Job Centre Plus and accessing mainstream job brokerage provision, thus actively seeking work (this may not apply to full time students dependent on the hours they are studying). Training must be in addition to, or supplementary to any mandatory training required and may be undertaken in conjunction with volunteering to gain further knowledge and experience. Training must be a minimum of 10 hours a month.

Some people undertaking training are not actively seeking work. Where the benefits Agency can confirm that the applicant is not required to actively seek work because of their circumstances, for example they have caring responsibilities, their training can be recognised in this policy.

Evidence required for Training element

Further/higher education candidates must supply evidence of:

- letter from college or university confirming participation in course of study for period of 6 months

For vocational training award the following evidence must be provided:

- an agreed employment action plan developed through a recognised IAG service plus verification of steps taken towards achievement of action plan targets
- certificate or letter from a registered awarding body for the course or by a recognised training provider as evidence of gaining a recognised vocational qualification or successfully completing accredited work-related training (over a continuous period of at least 6 months)

4. Ex Armed Service Personnel

Applicants who have served in the British Armed Forces and lived in Hammersmith & Fulham for at least 6 months immediately prior to enlisting, will qualify for a community contribution award automatically, with the exception of those who have been dishonourably discharged. This includes people who have served in the Royal Navy, Royal Air Force and British Army.

Service with the armed forces will be confirmed with the Royal British Legion.

The Council intends to work with one or more housing organisations with experience of ex-service personnel issues in order to develop criteria and maximise housing options opportunities for ex service personnel.

5. Registered Foster Carers and Adopters

We recognise the contribution that Hammersmith & Fulham foster carers and adopters make towards ensuring that children in Hammersmith & Fulham's care receive a good service. In order to qualify for a community contribution award under this policy, applicants will require a letter from the council's Children's Service confirming that they have been approved as a Hammersmith & Fulham foster carer and/or adopter and that they are in a position to take one or more placements. Any re-housing requirements will be dealt with on a case by case basis.

6. Carers

Applicants who undertake formal care of dependents are in receipt of Disability Living Allowance (DLA) higher rate or carers allowance or care element DLA will qualify for the community contribution award under this policy.

7. People with disabilities and older residents

Whilst many older people and those with disabilities work or volunteer, there may be circumstances in which frailty or a disability prevents this, or means that the full eligibility criteria set out above can not be met. Housing Officers will consider such cases on an individual basis and use their discretion to award a community contribution where they consider this is appropriate.

8. Young People

Generally young people (applicants aged 25 and under) will be required to meet the full community contribution criteria outlined above. However housing needs officers will have discretion with regard to the length of time a young person has been in employment. In addition where a young person is able to participate in volunteering and is not in employment or training the number of hours per month required is 20 hours.

Young people referred by Children's Services

In some circumstances a young person in supported housing may not have a full current positive residence history. Where the scheme manager is satisfied that the young person is not in breach of their tenancy agreement or licence and is complying with the conditions of the tenancy, Housing Officers will consider such cases on an individual basis and use their discretion to award a community contribution where they consider this is appropriate.

Where a young person has been referred by Children's Services the following will qualify for community contribution award:

- Firm offer and proof of acceptance onto formal study or training as set out in paragraph 3 above
- In employment
- Volunteering for 20 hours per month. Volunteering defined in paragraph 2 above

ANNEX 4 – HAMMERSMITH & FULHAM HOUSING BANDS Band 1: Urgent Need to Move due to Reasonable Preference PLUS additional priority AND a local connection	
Summary Guide of Criteria *	
<p>Emergency medical or disability Reasonable preference category S.167(2)(d)</p>	<ul style="list-style-type: none"> • Where an applicant’s condition is expected to be terminal within a period of twelve months and re-housing is required to provide a basis for the provision of suitable care. • The condition is life threatening and the applicant’s existing accommodation is a major contributory factor. • The applicant’s health is so severely affected by the accommodation that it is likely to become life threatening. • The applicant is unable to mobilise adequately in their accommodation and requires re-housing into accommodation suitable for their use. • The applicant’s accommodation is directly contributing to the deterioration of the applicant’s health such as severe chest condition requiring intermittent hospitalisation as a result of chronic dampness in the accommodation and the condition of the property cannot be resolved within a reasonable period of time – usually 6 months. • Where overcrowding in the property leaves the applicant at risk of life threatening infection.
<p>Exceptional Circumstances Welfare and Hardship Criteria Reasonable preference category S.167(2)(e)</p>	<ul style="list-style-type: none"> • Emergency need to move determined by the Council and authorised by the Director Housing Options, Skills and Economic Development or equivalent.
<p>Exceptional need to move Reasonable preference category S.167(2)(e)</p>	<ul style="list-style-type: none"> • Applicants who need to move due to domestic abuse, extreme violence or extreme harassment. • Extreme violence or harassment will be verified by the Police and/or other agencies as necessary. This may include where a move is necessary to protect a witness to criminal acts. • Agreed in exceptional circumstances due to significant problems associated with the tenant’s occupation of a dwelling in the social or private rented sector and there is a high risk to the tenant or their family’s safety if they remain in the dwelling/area. For social housing tenants transfers will be to properties of the same size or smaller if they are under-occupying and type where required, but locations or areas are likely to change.
<p>Disability need to move on hardship grounds Reasonable preference category S.167(2)(d)</p>	<ul style="list-style-type: none"> • This is any applicant who needs to move to suitable adapted accommodation because of a serious injury, medical condition or disability which he or she, or a member of their household, has sustained as a result of service in the Armed Forces

<p>Release of adapted property Reasonable preference category S.167(2)(e)</p>	<ul style="list-style-type: none"> • Where a tenant is willing to transfer to a suitable non adapted property and is releasing an adapted house or designated older persons property.
<p>Statutory Overcrowded Reasonable preference category S.167(2)(c)</p>	<ul style="list-style-type: none"> • Tenants who are statutorily overcrowded and who require at least two additional bedrooms.
<p>Acute Overcrowding Reasonable preference category S.167(2)(c)</p>	<ul style="list-style-type: none"> • Where a household is 3 bedrooms short of the bedroom standard outlined in Annex 3.
<p>Private sector properties unsanitary or unfit. Those living in unsanitary conditions where the conditions pose an ongoing and serious threat to health; Reasonable preference category S.167(2)(c)</p>	<ul style="list-style-type: none"> • Private sector tenants and residents of dwellings that the Council's Private Sector Housing Team has determined that the property poses a category 1 hazard under the Health and Safety fitness rating and the Council are satisfied that the problem cannot be resolved by the landlord within 6 months and as a result continuing to occupy the accommodation will pose a considerable risk to the applicant's health. This includes a property that has severe damp, major structural defects including subsidence, flooding, collapse of roof, or have living conditions which are a statutory nuisance, and there is no prospect of the problems being remedied within a 6 month time period. • A private sector property either owned or rented where a statutory notice has been issued by the environmental health department that an unfit property is to be demolished under the Housing Act 2004.
<p>Under-occupation Reasonable preference category S.167(2)(e)</p>	<ul style="list-style-type: none"> • Where a Council tenant will release a home with two or more bedrooms by moving to a property with fewer bedrooms than they currently have. Where a Private Registered Provider (normally a housing association) tenant who will release a home with two or more bedrooms are eligible if their landlord agrees that the vacated property can be used for a nomination by the Council
<p>Major works or demolition Reasonable preference category S.167(2)(c)</p>	<ul style="list-style-type: none"> • Where a council tenant has to move either temporarily or permanently whilst major works are undertaken or where their home is due to be demolished
<p>Foster carers referred by the Council's Children's Service Reasonable preference category 167(2) (d) or (e)</p>	<ul style="list-style-type: none"> • Foster carers approved by the Council whose housing prevents them from being able to start, or continue, to provide foster care.

Band 2 Need to move – Reasonable Preference AND a Local Connection AND a Community Contribution	
Summary of Criteria *	
<p>Homeless Households owed a full homeless duty under section 193(2) or 195(2). Reasonable Preference categories s167(2) (b)</p>	<ul style="list-style-type: none"> • People who are owed a duty under section 193 (2) Or 195 (2) of the 1996 Act (or under section 65 (2) or 68(2) of the Housing Act 1985) - This means households who are homeless or threatened with homelessness, eligible and in priority need • Note for cases owed a full homeless duty by any other Council they will receive a reduced preference for not having a local connection to Hammersmith & Fulham Council (until they acquire a local connection with the borough).
<p>Overcrowded by the Bedroom standard. Reasonable Preference category s167(2)(c)</p>	<p>Where a household is 2 bedrooms short of the bedroom standard outlined in Annex 2.</p>
<p>Applicants living in unsatisfactory housing lacking basic facilities. Reasonable Preference category s167(2)(c)</p>	<p>Applicants without access at all to any of the following facilities. No access to:</p> <ul style="list-style-type: none"> • a bathroom or kitchen • an inside WC • hot or cold water supplies, electricity, gas or adequate heating <p>Applicants who occupy a private property which is in disrepair or is unfit for occupation and is subject to a Prohibition Order and recovery of the premises is required in order to comply with the Order as defined by Section 33 of the Housing Act 2004.</p> <p>Applicants who only have access to shared facilities in shared accommodation will not qualify under these criteria.</p>
<p>Medical grounds Reasonable Preference category s167(2)(d)</p>	<p>Where an applicant's housing is unsuitable for severe medical reasons or due to their disability, but who are not housebound or whose life is not at risk due to their current housing, but whose housing conditions directly contribute to causing serious ill-health.</p>

Hardship or welfare need to move for care or support Reasonable Preference category s167(2) (c) and (d)	Those who need to move to give or receive care that is substantial and ongoing. Those who need to access social services facilities, and are unable to travel across the Borough.
Those who need to take up (or continue) employment, education or a training opportunity that is not available elsewhere and who do not live within reasonable commuting distance.	
Housing need due to age Reasonable Preference category s167(2)(d)	Older or disabled applicants seeking Retirement or Extra Care or Sheltered housing
Ready to move on from Council accredited supported care schemes Reasonable Preference category s167(2)(c)	An applicant is ready to move to independent settled housing on the recommendation of the support worker or equivalent. The applicant is in need of medium to long term rather than short term ongoing tenancy support. That support package has been assessed and is in place.
Move on from Care Reasonable Preference category s167(2)(c)	A care leaver is ready to move to independent settled housing and is genuinely prepared for a move to independent living. They possess the life skills to manage a tenancy including managing a rent account. The care leaver is in need of either a long term or medium term tenancy support. That support package has been assessed and is in place.
Discretionary Succession	Where the Council has agreed to grant a tenancy under clause 3.24 of this policy.
Existing Foster carers approved by the Council willing to provide care for an additional child Reasonable preference category 167(2) (d) or (e)	Where a Foster carer already providing a home for at least one foster child offers to provide care for an additional foster child

Band 3 : Need to move – Reasonable Preference AND a Local Connection BUT no Community Contribution

Summary of Criteria *

Applicants in this Band will have the same element of housing need / Reasonable Preference as those applicants in Band 2 BUT will not have the Community Contribution Award given, enabling the applicant to be moved into Band 2.

* This summary guide of criteria does not represent an exhaustive list of all applicants entitled to reasonable preference

Band 4: Reduced Priority : Need to Move - Reasonable Preference but with Reduced Priority	
Summary of Criteria *	
<p>Applicants owed Reasonable Preference but who have been given reduced priority as they do not have a local connection but are owed, or are likely to be owed, the main homelessness duty under Housing Act 1996 Part VII 193(2)</p>	<p>Customers in this band have reduced preference and are extremely unlikely to be offered social housing but may be offered assistance to find a home in the private rented sector.</p>

* This summary guide of criteria does not represent an exhaustive list of all applicants entitled to reasonable preference

***Building a Housing Ladder of
Opportunity***

Hammersmith & Fulham Council

**Draft Homelessness
Strategy**

Why the council is publishing this document for consultation

The 2002 Homelessness Act places a duty on local housing authorities to undertake a review of Homelessness for their district and formulate and publish a strategy based on the results of that review.

In tandem with this document, the Council is consulting on its Draft Housing Strategy, Draft Tenancy Strategy and Draft Housing Allocation Scheme, part of its broader Building a Housing Ladder of Opportunity programme of work. It is intended to convey the Council's intention to adopt a different housing approach, reflecting the new environment in which local housing authorities are now working. As well as reflecting the freedoms and flexibilities available to local housing authorities following the passing of the 2011 Localism Act, the new approach is intended to be more realistic, reflecting the difficult choices individual local housing authorities are having to make when seeking to meet its housing obligations and the impact this will have on housing register applicants' future expectations and choices.

This document should be read in conjunction with the draft housing strategy; draft tenancy strategy; and, draft Housing Allocation Scheme.

The consultation period starts on **22 May 2012** and will end on **18 July 2012**.

To submit your response, email xx@lbhf.gov.uk

Contact **XX** for further information on this process.

The Council intends to adopt the final Homelessness Strategy in the Autumn of 2012

Note: Section 148 of the Localism Act amends section 193 of the Housing Act 1996 to allow housing authorities to make "private rented sector offers" to end the homeless duty to a household. This provision is not yet in force but this strategy assumes that section 193 will be amended when it is adopted by Members.

Contents

1. Summary

2. Reviewing the Council and its Partners' Approach to Homelessness Prevention

Evidence Base Headline Findings

Reviewing Joint Working

Hammersmith & Fulham's Housing Options Service

Future 'direction of travel'

3. 2012 – Year of Housing Change

2011 Localism Act

Mayor of London's Revised London Housing Strategy

Building a Housing Ladder of Opportunity Work Programme

4. Future Priorities

Theme 1 – Preventative Action – Identifying and Helping Need Groups

Theme 2 – Housing Allocation Scheme and Flexible Tenancies

Theme 3 – New Housing Supply

Theme 4 – Future Service Delivery

Annex 1 – References

Annex 2 – Evidence Base

Annex 3 – Mayor of London's Revised Housing Strategy Policy Abstracts

1. Summary

- 1.1 Reducing homelessness and its causes are the two core objectives of this document. This Homelessness Strategy begins with a brief analysis of homelessness trends based on evidence set out in Annex 2; a brief review of the Council's recent homelessness work to date; and based on the review and current housing policy trends, what the future direction of travel for this area of work might take; and finally, identifying future areas of homelessness work for future action.
- 1.2 The impact of the Government's housing benefit caps and, in the future, Universal Credit caps, is considered likely to have an impact on households who have been living in relatively expensive private rented accommodation, particularly for large families.
- 1.3 The reduction of the most obvious form of homelessness, rough sleeping, will remain a high priority for the Council and will support the regional and national initiatives designed to meet that shared priority. The Council is also keen to reduce the potential for ex-Armed Services Personnel finding themselves on a fast, downward spiral from a structured, disciplined environment to living on the street.
- 1.4 There will be short to medium term management, partnership and financial interventions that can help ameliorate the negative impacts that people threatened with homelessness are experiencing, and ideally prevent homelessness itself.
- 1.5 However, the key to reducing long term homelessness is dependent on increasing supply from all segments of the housing market, using all the resources and expertise that is available. This will include drawing on accommodation in the private rented sector both in the borough and outside it. It will also involve the Council and its Private Registered Partners issuing fixed term tenancies – between two and five years - which offer the opportunity for the Council to periodically review households' needs in a way that secure and assured tenancies do not allow for.
- 1.6 In conclusion, the Council anticipates homeless approaches to the Council will remain at significant levels and it is important that the work of the Council's Housing Options teams continues to be efficient and effective, working closely with its private partners in the process. This Homelessness Strategy sets out how that approach will be achieved in practice.

2. Reviewing the Council and its Partners' Approach to Homelessness Prevention

Evidence Base Headline Findings

- 2.1 Drawing on the information set out in Annex 2, the following headline findings can be highlighted:

- The number of homelessness approaches reached a peak of 2,891 in 2008/09 reducing to 2,521 in 2010/11.
- The majority of homelessness approaches since 2007/08 have been from non-white ethnic backgrounds
- Approaches from the 16-24 year old age cohort has slightly risen from 668 in 2007/08 to 730 in 2010/11, reaching a peak of 1,001 approaches in 2008/09. Approaches from the 25-44 year old cohort in 2007/08 totalled 1,136 increasing to 1,281 in 2010/11 which included a peak of 1,371 approaches in 2008/09
- The number of approaches from pensioner age (65+ year old) is a relatively small cohort of 60 (2.7% of total) in 2007/08 up to 67 in 2010/11 (2.7% of total)
- Of 2,225 approaches in 2007/08, 252 (11.3%) were accepted as homeless. Of 2,521 approaches in 2010/11, 164 (6.5%) were accepted as homeless
- The large majority of reasons for accepted homelessness were exclusions from the parental/relative's home; loss of rented accommodation; and violence related relationship breakdown
- The largest cohort of homelessness acceptances were female lone parents
- The priority need for those accepted as homeless were 126 (50% of accepted total) for a dependent child (or children) in 2007/08 and 91 (55% of accepted total) in 2010/11. Other acceptances included applicant or partner pregnant; applicant aged 16/17 years old; and, other vulnerable categories.
- The number of households in temporary accommodation had fallen from 1,200 households in 2007/08 to 888 in 2010/11. However, by December 2011 (i.e., end of 2011/12 Q3), the number had risen to 968 households
- Within the temporary accommodation total figure, use of private sector and housing association sector housing was in decline with a relatively minor increase in bed & breakfast accommodation
- The number of homelessness preventions was 554 in 2007/08 and 546 in 2010/11

2.2 In conclusion, the above information indicates that the Council has been relatively effective in addressing homelessness approaches, using a range of sources of temporary accommodation to house those in need. The cohorts of homelessness approaches tended to be from the younger age groups; from ethnic minority backgrounds; acceptances skewed towards those approaches featuring a child's or children's needs; applicant or partner pregnant; applicant in the 16/17 age group cohort; with a minority of applicants from 'Other' vulnerable groups. Despite there being some variations, it is worth noting that homeless approaches to the Council peaked in 2008/09 when the 'credit crunch' impact was at its peak. Given the continuing economic uncertainty, homeless approaches and associated interventions can be expected to at least remain at current levels and may increase.

Reviewing Joint Working

- 2.3 The Council has longstanding working relationships with private registered providers (i.e., housing associations) in the borough. Since the beginning of 2008, over twenty private registered providers have provided over 850 social rented homes, a large proportion of which have been used to meet homeless need. These same organisations provide a range of supported housing services which play a vital role in both preventing and reducing homelessness.
- 2.4 In meeting temporary accommodation need, private registered providers have worked closely with the Council to generate leasing solutions which have assisted in providing support where social housing nominations are unavailable to meet need. Such joint working has involved procuring housing from the private rented sector both in and outside the borough's boundaries. With housing benefit caps being fully implemented from January 2012 and the expected implementation of the Universal Credit caps from 2013 onwards, it is expected that these kinds of innovative working relationships will be delivered in increasingly challenging circumstances. In 2011, where the potential impact of the Housing Benefit caps was expected to have a negative impact on leasing schemes, the Council assembled the HB Assist Team drawing on funding from (the Department of) Communities and Local Government (CLG) to provide the following for affected residents:
- Dedicated Housing Options and Housing Benefit advice
 - Dedicated property procurement assistance
 - Floating Support for residents who require it
 - Resettlement support for residents moving to alternative properties
 - Removals assistance where necessary
 - Other support and assistance, as determined on a household-by-household basis.
- 2.5 The effectiveness and efficiency of the Housing Options Service's work will continue to be heavily dependent on continuing and building on joint working with Adult Social Care and Children's Services borough staff and other agencies. With the advent of tri-borough working, the opportunities for sharing good practice and improving performance are that much greater.

Good Practice in Meeting Homelessness Demand

- 2.6 Set out below are a number of approaches that the Council has adopted to meet homelessness in the borough. Where possible, the Council will seek to mainstream recent years' good practice described below to ensure that future homelessness applicants gain from the broader Building a Housing Ladder of Opportunity approach.

Placement and Assessment Team for Homeless Singles (PATHS)

- 2.7 PATHS was created in 2007 to improve prevention of homelessness and offer tangible housing options to the borough's single homeless population. Single homeless people often have multiple support needs in addition to a housing

need such as substance misuse, mental health and offending. The team acts as a central gateway into all supporting people funded accommodation based and floating support in the borough.

- 2.8 Through access to supported housing and floating support, PATHS has made a very real contribution to the reduction in numbers of single homeless people in temporary accommodation. However, this does not just deliver on reducing these numbers. By offering tangible supported housing options alongside any statutory assessment as appropriate, PATHS gets vulnerable people into services that should stop them revolving through repeated cycles of homelessness, with all the social and economic benefits that this brings both to the individual and the wider community. It is clear from experience that people would often become homeless repeatedly because they had not addressed their support needs and were not equipped to manage a tenancy.

Homeless 16 & 17 year olds

- 2.9 In May 2009 the Supreme Court ruled that the housing and welfare needs of homeless 16 and 17 year olds should be met through s20 of the Children's Act 1989 and not through the Part VII of the Housing Act 1996, as was common practice. In response to this ruling Housing Options and Children's Services worked very closely to develop a joint working protocol to support 16 and 17 year olds to return or remain at home if it is safe and appropriate to do so. PATHS has two Children's Services social workers based in the team who carry out initial assessments jointly with housing and ensure that the young person experiences a 'seamless' assessment service between the departments. When a young person does need to be accommodated, we have developed a clear supported housing pathway to ensure that they are given focussed support to develop their independent living skills and their wider needs such as access to employment, education and training. This model has been very successful in returning young people home and we are now considering ways in which this approach can be widened on a tri-borough basis.

Offenders

- 2.10 Probation and Drug & Alcohol services jointly fund a post in PATHS who assesses the housing needs of the borough's offenders and substance misusing offenders. The borough's approach to Integrated Offender Management (IOM) recognises that accommodation is key to reducing offending and substance misuse rates. Access to defined supported housing pathways for key cohorts of offenders assists partner agencies to address these behaviours with individuals.

Annual Lettings Plan

- 2.11 The 2010/11 Annual Lettings Plan to date set aside a quota of homes for need groups such as children leaving care; people with supported housing needs who require accommodation in order to leave temporary supported accommodation; and the homeless themselves. In certain situations, the

Council will make 'direct' offers to applicants, where they are unable or unwilling to 'bid' for homes using the Council's choice based lettings scheme, *Locata*.

Spring Cottage Teenage Pregnancy Unit

- 2.12 After working closely with the Council's Teenage Pregnancy Unit a decision was made in 2007/08 that safe and secure housing for a number of homeless teenage pregnant women and young mothers was required. Discussions were held with Supporting People who agreed to set up a contract with a support provider and one of our hostels, Spring Cottage, was converted to set up the unit.
- 2.13 Since its inception Spring Cottage has had almost 100% occupancy. Referrals are made from Housing Options Families team and the support provider ensures move-on when tenants are able to live independently. All homeless pregnant teenagers are housed into Spring Cottage and none are left to fend for themselves in an unsupported environment. There is 24 hour support provided and help is provided with welfare benefits, parenting skills, budgeting skills and independent living.

Housing and Employment Project

- 2.14 The Housing and Employment Project aimed to provide a housing and employment function and tackle worklessness in the borough. This scheme derived from the Council's involvement with the West London Housing and Employment link Project which received funding from the Government to promote employment across the 7 West London boroughs. The project comprised of two complementary service offers: the Job Brokerage Service and the Lone Parent Housing and Employment Initiative (LPHE):
- The Job Brokerage Service provided employment-focused advice, guidance and practical support to workless residents in temporary accommodation. The project ran from October 2008 through to March 2011
 - The LPHE initiative was set up to provide tailored support to the significant numbers of unemployed lone parents living in temporary accommodation who wanted to move into permanent housing and escape the poverty trap of long-term benefits. The scheme helped these clients find and sustain employment from August 2008 to March 2011
- 2.15 Together the services - branded as the Housing and Employment Project - aimed to link employment and housing support for clients with multiple and complex support needs. The close proximity of both housing and employment support enabled clients to receive a unique, seamless service where staff were able to assist with benefit issues, housing problems and childcare needs.
- 2.16 The project focused on supporting workless residents living in temporary accommodation helping them to find work. Typically the client group had multiple and complex support needs and required tailored and intensive

support to help them compete in the labour market. At the time of introducing the Job Brokerage element of the project and delivering this in-house, the recession took hold. Competition for all jobs in London was very high, requiring project staff to work intensively and creatively with their clients.

- 2.17 The LPHE initiative built up strong relationships with a wide range of organisations in order to effectively refer clients onto skills and employment provision, volunteering opportunities and work placements. With the introduction of the Job Brokerage element of the service to the project clients were referred to external skills and employment providers between April 2008 and March 2011 were 2008/09 – 323; 2009/10 – 106; 2010/11 – 117.
- 2.18 The Housing and Employment project provided a service that worked with 461 workless residents who were in housing need and successfully placed 98 into employment. As a result 48 eligible lone parents were re-housed. LBH&F piloted this unique service in a difficult economic period where competition for jobs was high.
- 2.19 H&F were instrumental in setting up the scheme, writing the bid and were the highest achievers throughout the project. The final evaluation of the WL HELP scheme stated that:

'The London Borough of Hammersmith and Fulham has the best conversion rate of project starts into jobs, with 38% of starts moving into work and on effectiveness of referrals and outreach activities'

Hammersmith & Fulham's Housing Options Service

- 2.20 The Council's homelessness prevention work is managed by the Housing Options and Advice Service, part of the authority's Housing and Regeneration Directorate. Established in 2004, the service is currently based in a central and accessible location on King St W6, providing a comprehensive range of advice and support for any person experiencing a difficulty with their housing as well as offering advice on low cost home ownership.
- 2.21 The service includes advice for 16 and 17 year olds; family support for expectant mothers and lone parents; 'floating' support and home visits for vulnerable people; survivors of domestic violence; support for tenants in the private rented sector; and asylum seekers.
- 2.22 Additional services include employment support for jobseekers; advice on reducing under occupation and overcrowding; home visits and outreach work where necessary; advice on mortgage rescue.
- 2.23 Other Council teams play a crucial role in both preventing homelessness but also ensuring that specific needs are taken account of when a household's circumstances are being considered. For example, the Environmental Health team is responsible for licensing houses in multiple occupation, ensuring that they are safe and fit to occupy. The Housing Benefit team ensure that eligible benefits are paid to tenants or landlords to help with residents' housing costs.

The Supporting People service provide a wide range of services to vulnerable people, helping them access housing related support.

- 2.24 The Council's Children's Services and Adults' Services teams have responsibilities towards their respective client groups which often have a housing dimension, particularly where people's quality of life is impacted by issues such as overcrowding; problems with wheelchair access; and, adapting homes for older people's use. Consequently, there is considerable joint working between the Council teams to help ensure effective and efficient outcomes for both the Council and the residents themselves.
- 2.25 The Council also enjoys a close working relationship with its not for profit Private Registered Partners (previously known as Registered Social Landlords and also as housing associations) who provide a range of general needs housing services for people requiring affordable housing for rent. In addition, they provide a range of services, often funded by the Council's Supporting People programme, for people with particular housing needs requiring additional 'support' services.

Future 'direction of travel'

- 2.26 To understand the full breadth of the Council's proposed approach, this Homelessness Strategy should be read in the context of other Housing Change documents, specifically the Council's Housing Strategy; Housing Allocation Scheme; and Tenancy Strategy. With the new freedoms and flexibilities available to local housing authorities, the Council intends to change its approach to its housing options services to deliver its housing responsibilities in a way that reflects the three strands below. As part of the wider Building a Housing Ladder of Opportunity approach, the Council is seeking to achieve a change in expectation in what the Council will and won't do for customers in a transparent fashion.
- 2.27 Each of the Building a Housing Ladder of Opportunity documents reflect the themes of a housing approach based on personal responsibility that is fair, realistic and affordable as does this document. By personal responsibility is meant that housing applicants take greater responsibility for their own actions and their future. By fair, is meant an accessible approach that does not discriminate against particular need or equality group; by realistic, an approach that is based on the 'real world' housing choices that are available to people; and, by affordable, a housing approach that is both affordable for the Council to provide and for customers to pay for.
- 2.28 Reflecting on the information set out in the evidence base described above (and the Housing Strategy Evidence base) and the likely 'direction of travel' for future affordable housing, the following points can be made:
- Affordable housing for rent will primarily come from registered providers' (i.e., local authority and housing association) existing homes that become available for letting. By this is meant where existing accommodation

becoming available for re-let due the death of the former tenant, abandonment, eviction or the voluntary relinquishing of the tenancy

- The large majority of newly built housing for rent will be on 'Affordable Rents' which will be charged at up to 80% of market levels. Up to 50% of the above mentioned housing for rent that is re-let will be on Affordable Rents
- Most new tenancies granted by registered providers (i.e., local authority and housing association) will be for fixed terms (See Tenancy Strategy for more detail).
- There is expected to be a reduction in the amount of locally available temporary accommodation, particularly large family accommodation, where leases are not renewed
- Due to rising local private rents and the change in the Local Housing Allowance methodology, the private rented sector outside the borough will be increasingly used both to meet the Council's statutory homelessness duties and other housing obligations
- The Housing Benefit and Universal Credit caps are likely to present difficulties for larger families to locate or stay in the borough where the head of household is not in work
- Uncertainties over how the Universal Credit system will be implemented, particularly direct payments to tenants, may prove to be a disincentive to landlords to house homeless households in the future
- Where homelessness prevention work reduces in its effectiveness then the possibility of increased homelessness approaches should be expected

2.29 In that context, the Council will be adopting a Homelessness Strategy approach based on personal responsibility that is fair, realistic and affordable. This will translate into an approach that sets out clearly what the Council is able to do, without unrealistically raising applicants' expectations. For example, where an accepted homeless household's need is for a four bedroom home, this housing need is more than likely to be 'discharged' into the private rented sector, possibly outside the borough. In tandem, the Council will not be maintaining a Housing Register application for such a household because it would have met its homelessness duty through use of the private rented sector property, providing the tenancy is reasonably secure.

2.30 The Council will be working with private rented sector agencies to procure the necessary housing to meet its future housing requirements. The Council expects temporary accommodation that historically it has accessed, particularly housing association and private sector leased stock to reduce in the short, medium and long term. One of the key drivers for this expected decline is the anticipated impact of the Housing Benefit Caps from January

2012 and the wider impact of the imposition of the Universal Credit caps from October 2013.

3. 2012 – Year of Housing Change

2011 Localism Act

- 3.1 The Act provides the basis for councils to use a range of freedoms and flexibilities previously not available to help deliver its strategic housing objectives. Specific actions the Council intends to undertake include the adoption of flexible tenancies; allowing only applicants who meet the 'reasonable preference' to be registered with the Council; from the reasonable preference groups, giving greater priority to applicants who have a local connection and are making a community contribution; adopting a more managed approach to lettings, dispensing the current choice based lettings approach. The proposed changes are set out in the Tenancy Strategy; Housing Allocation Scheme; and Housing Strategy draft documents.
- 3.2 The potential advantage of the new approach being adopted by the Council is to enable applicants who are homeless (or threatened with homelessness) to receive a more flexible, responsive and efficient service. One specific change that the Council is introducing is the ending of any requirement by the Council to accommodate homeless applicants into social housing. Where applicants have a local connection and are making a community contribution, then it will be possible that affordable accommodation for rent on a flexible tenancy will be allocated.

The Mayor of London's Revised London Housing Strategy

- 3.3 The Council expects the Mayor to publish his final statutory Housing Strategy in 2012 which broadly reflect the policies set out in his December 2011 revised document. The London mayor's strategic document highlights a number of policies designed to ensure the homeless receive adequate access to accommodation. Policies 1.2A - 1.2L set out in the *Access to Rented Housing* sections (See Annex 3 for detail). The policies include:
- 1.2A Within the overall objective of meeting housing need, boroughs are encouraged to make use of their new flexibilities to ensure that local priority groups have access to social housing, in particular to incentivise work and volunteering and to promote mixed and balanced communities while continuing to meet the needs of people in reasonable preference categories.
 - 1.2B The presumption is that boroughs will seek to discharge their homelessness duty within their local area, always considering the specific needs of households to remain in the locality
 - 1.2C Boroughs should ensure that an appropriate balance is maintained between offers of accommodation for homeless households in the private rented and social rented sectors

- 1.2D Where the homelessness duty is discharged into the private rented sector, landlords are encouraged to offer tenancies that are for a longer period than the statutory minimum where appropriate, and boroughs are encouraged to use only those landlords with a recognised accreditation
 - 1.2E All boroughs should make full use of existing and future systems that monitor cross-borough temporary accommodation placements, urgent moves and discharge of homelessness duty, and that help to ensure that all households housed out of borough have access to services
- 3.4 The final document will be a statutory document which the Council's Housing Strategy will need to be in general conformity with. By default, this Homelessness Strategy will similarly need to be in general conformity with the Mayor's document.
- 3.5 In terms of the key sections identified above, the Council expects its own approach to broadly conform with policy objectives set out above and those more fully set out in Annex 3. The Council is committed to giving greater access to social housing for local priority groups in order to incentivise work and volunteering and promote wider mixed balanced sustainable communities objectives, as per Policy 1.2A of the Mayor's Revised Housing Strategy. Additional policies referred to above make extensive reference to ensuring that households are, where possible, able to remain in the locality. Regarding Policy 1.2C, striking a reasonable balance between homelessness applicants receiving private rented housing and social housing, the Council will seek to achieve that objective but will seek to give greater priority to those homeless applicants who are making a community contribution.
- 3.6 The Council will be limited in its ability to let large family accommodation to homeless households who have high bedroom requirements, i.e., three bedrooms or more, as these housing types are limited in supply in the affordable housing sector and increasingly unaffordable (in terms of benefit entitlement) in the private rented sector.

Building a Housing Ladder of Opportunity Work Programme

- 3.7 This Homelessness Strategy is one of a number of documents that make up the Council's Building a Housing Ladder of Opportunity work programme. Taken together, these documents – the Housing Strategy; Housing Allocation Scheme; and Tenancy Strategy - represent the Council's wider policy approach designed to take full advantage of the freedoms and flexibilities granted to local housing authorities following the passing of the 2011 Localism Act.

4. Future Work Priorities

Theme 1 – Preventative Action – Identifying and Helping Need Groups

- 4.1 The Council will continue to provide a comprehensive housing options service focusing on its preventative role as well as meeting its statutory homelessness obligations.

- 4.2 The Council will seek to ensure that each homeless approach it receives is dealt with in a consistent, fair and inclusive manner, taking account of any factors such as disability, race, ethnicity, gender, sexuality, and other equality groups. Where homelessness is accepted, the Council will continue to work closely with its Registered Provider partners - both the Council in its landlord role and housing associations – to develop and implement housing solutions. Where possible, approaches will be tailored to meet the specific needs of groups that have suffered from homelessness in the past, but it will not always be possible to meet all applicants' aspirations.
- 4.3 The Council is obliged to give 'reasonable preference' to eligible and qualifying homeless households. This cohort of reasonable preference is the first one of five set out below which feature in the Council's Housing Allocation Scheme:
- All homeless people as defined in Part VII of the 1996 Housing Act including people who are intentionally homeless and those who are not in priority need
 - People who are owed a duty by an housing authority under section 190(2), 193(2) or 195(2) of the 1996 Act (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under s192(3)
 - People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
 - People who need to move on medical or welfare grounds, including grounds relating to disability
 - People who need to move to a particular locality in the district of the housing authority, whose failure to meet that need would cause hardship (to themselves or others)
- 4.4 More detail on how the Council manages its Housing Register and prioritises applicants for accommodation can be found in the Housing Allocation Scheme.
- 4.5 Based on the evidence base and the Council's experience, homelessness approaches can continue to be expected in the future from the following need groups: family exclusions (including young pregnant women/lone parents); young people (including care leavers); people with dependency issues; rough sleepers including ex-armed services personnel; victims of domestic violence; asylum seekers and people with no recourse to public funds; residents with mobility issues; ex offenders; elderly people including those suffering from dementia; and, managing the impacts of Assured Shorthold Tenancies and leasing schemes that are ending. Whilst approaches can be expected to increase, this does not necessarily mean any commensurate increase in homelessness acceptances.

Action: Hammersmith & Fulham Council will continue to provide an accessible, fair and inclusive Housing Options Service to the homeless and those threatened with homelessness. The initial focus on will be on

preventative action whilst ensuring that the Council meets its statutory obligations to consider homelessness approaches.

Theme 2 – Housing Allocation Scheme and Flexible Tenancies

- 4.6 The Council's approach to managing housing need and aspiration are set out in the Housing Allocation Scheme. The Tenancy Strategy sets out the Council's proposed approach to flexible tenancies and the affordable rent regime.
- 4.7 Both of these documents set out in tangible terms the change the Council intends to make in its housing approach. One particular change that homeless applicants can anticipate is the ending of an obligation on the Council to provide a social housing offer. The Council will seek to discharge its homelessness obligations to an applicant whether through a private rented tenancy or other form of accommodation, although this will not preclude consideration of affordable housing available from registered providers. The above mentioned Housing Allocation Scheme sets out how households making a community contribution will be awarded additional preference for accommodation.
- 4.8 The Council will make clear at all points of the process that in the event of a homeless acceptance, this will not lead to an automatic grant of a tenancy from a registered provider (i.e., either the Council or a housing association), even after temporary accommodation has been granted. Where a tenancy is granted by a Registered Provider this is very likely to be on a fixed term basis.

Action: Hammersmith & Fulham Council will proactively publicise its new Housing Allocation Scheme and flexible tenancy regime to all applicants seeking accommodation through a homeless approach.

Theme 3 - New Housing Supply

- 4.9 The Council's Local Development Framework Core Strategy – its key local planning document – adopted in October 2011 makes reference in Policy H4 to housing needs that should be protected and new supply provided when seeking to meet residents' needs and aspirations. Whilst the Council's affordable housing preference is for low cost home ownership, there will be some instances where affordable rent housing will be required for people with care and support needs (see last bullet point below).
- 4.10 Core Strategy **Policy H4: Meeting Housing needs** states that the council will work with house builders to increase the supply and choice of high quality residential accommodation that meets the local residents' needs and aspirations. In order to deliver this:
- There should be a mix of housing types and sizes in development schemes, especially increasing the proportion of family accommodation. The precise mix in any development will be subject to the suitability of the site for family

housing in terms of site characteristics, the local environment and access to services.

- All new build dwellings should be built to “Lifetime Homes” standards with 10% to be wheelchair accessible, or easily adaptable for residents who are wheelchair users.
- Applications for HMOs and hostels will be considered in the light of their contribution to the range of housing in the borough and their impact on the locality and its character; and
- Housing for people who need care and support must be protected, and, subject to continuing need, applications for new developments

4.11 In addition, mindful of the accepted trend of people living longer, more work will be required to develop and manage housing options for older people. Bespoke housing products and housing schemes are potential options. A pressing, identified strategic need is the provision of more accommodation for older people with dementia (including early onset of). This will involve the development of more local ‘Extra Care’ with nursing options that will enable older people to live in secure, safe and warm environments in reasonably close proximity to friends, family and community networks. In some instances, given the shortage of land for development, this may include the redevelopment of existing elderly housing to deliver that objective.

4.12 In tandem with the above requirement, the Council is undertaking a review of its own sheltered housing stock with a view to potentially increasing the supply of Extra Care accommodation with nursing options.

Action: The Council will monitor on an ongoing basis the provision of housing for people who need care and support and consider where new service provision and housing products are needed and similarly where such existing provision and products should be discontinued.

Theme 4 - Future Service Delivery

4.13 As part of the Council’s medium term financial strategy, it is seeking to ensure that all services provided by the Council provide value for money. This will include:

- **Streamlining the Housing Options Service** – this will including re-orientating service provision to homeless applicants and other customers seeking housing advice to reflect the changes proposed in this Homelessness Strategy and other *Housing Change* documents, specifically the Housing Allocation Scheme. It will also reflect the streamlined service that the Council intends to provide in the future, with clear guidelines setting out what the Council will and will not do.
- **New ways of working** – building on existing cross division and directorate joint working, the Housing Options division will draw on experience and expertise from tri-borough arrangements. There will be homeless applicants with both acute housing need but also other un-related needs, e.g., where a child or children are involved; where an

applicant has one or more dependency issues; where homes may require particular specific adaptations for accommodation. The Housing Options Division will continue to develop its joint working approach to ensure outcome are maximised for both customers and the Council and its partner agencies.

- **Working with Private Registered Providers** – The Council intends to work more closely with Private Registered Providers (principally housing associations) in seeking to ensure that housing options are maximised. This will include tracking outcomes from nomination agreements; exploring ‘chain lettings’ opportunities to maximise use of available accommodation; making sure current housing services for particular need groups (as identified in Annex 2) are receiving effective and efficient services.
- **New Temporary Accommodation Procurement Strategy** – The cost of affordable private rented accommodation in the borough is increasing and with the full implementation of the housing benefit caps and the Universal Credit regime that will follow in 2013, it is likely that some accommodation currently used by some homeless households will cease to be available for temporary purposes. The Council will be procuring accommodation outside the borough (including outside London) in order to meet its future housing obligations. Whilst there is some use of bed and breakfast accommodation, the Council intends to limit its use. As referenced elsewhere, the Council intends to ensure that a homeless approach is not considered a direct route to affordable rented accommodation and that private rented housing will be used to discharge its homelessness duties.

Action: The Council will develop a workplan which will be published setting out how and over what timeline it intends to deliver the objectives set out above.

Annex 1 – References

1. Webpage describing the Council's homelessness prevention guidance:

http://www.lbhf.gov.uk/Directory/Housing/Housing_advice/Homelessness/21900_Homelessness_prevention.asp

2. LBHF Housing Allocation Scheme (July 2009) Second Edition
3. Mayor of London's A Revised London Housing Strategy – Initial Proposals (Aug 2011)

Annex 2 – Homelessness Strategy - Evidence Base

Homelessness Strategy

Name	2003/ 04	2004/ 05	2005/ 06	2006/ 07	2007/ 8	2008/9	2009/ 10	2010/ 11	2011/12 (up to Dec11)
Approaches	2264	2208	2059	2454	2225	2891	2612	2521	1718
Approaches by Ethnicity									
White Total					835	1077	992	1031	720
Black Total					743	1014	933	897	592
Asian Total					187	205	203	212	141
Mixed Total					106	165	215	170	113
Other Total					153	193	205	167	122
Not Stated					201	237	64	44	30
Total					2225	2891	2612	2521	1718
Approaches by Age									
0-15					4	3	1	6	1
16-24					668	1001	876	730	455
25-44					1136	1371	1239	1281	903
45-59					308	404	373	375	273
60-64					49	49	62	64	35
65-74					46	49	47	46	33
75 & Over					14	14	12	17	9
Unknown					0	0	2	2	9
Total					2225	2891	2612	2521	1718
Acceptances	644	653	430	443	252	172	156	164	132
Acceptance by ethnicity:									
White Total	189	223	152	176	80	62	50	66	51
Black Total	254	237	151	150	102	65	60	62	61
Asian Total	31	39	35	29	23	13	14	12	9
Mixed Total	0	0	0	19	14	9	24	10	4
Other Total	69	73	54	42	22	10	8	14	7
Not Stated	101	81	38	27	11	13	0	0	0
Total	644	653	430	443	252	172	156	164	132
Acceptance by Age:									
16-24			170	176	114	71	59	42	38
25-44			219	216	106	81	77	92	65
45-59			35	42	20	16	11	23	20
60-64			3	2	3	2	2	1	1
65-74			3	6	9	2	7	3	5
75 & Over			0	1	0	0	0	3	3
Total			430	443	252	172	156	164	132
Acceptance by Household Type:									
Couple with children			89	61	30	21	22	23	18
Male Lone Parents			8	11	13	4	4	3	3
Female Lone Parents			196	203	104	85	85	70	63

Male Lone Person			69	77	59	33	26	32	35
Female Lone Person			60	80	41	28	16	34	13
Other inc couples			8	11	5	1	3	2	0
Total			430	443	252	172	156	164	132
Homeless Reason Breakdown:									
Excluded Parents/Relative	313	315	226	233	135	89	78	60	61
Loss of Rented Accommodation	124	125	92	89	42	34	30	44	37
Relationship Breakdown - Violence related	57	91	46	53	23	23	33	20	12
Relationship Breakdown - Non Violence related	11	10	5	7	11	6	2	4	2
Rent/Mortgage Arrears	10	7	3	10	5	5	1	2	3
Ex-Institution of Care	28	16	13	5	2	5	2	9	2
Consolidated Other Reasons	101	89	45	46	34	10	10	25	15
Total	644	653	430	443	252	172	156	164	132
Priority Need Breakdown:									
Dependent child(ren) in household	351	372	247	256	126	97	94	91	79
Applicant or partner pregnant (no children)	52	90	50	45	22	13	17	5	5
Applicant aged 16/17	108	68	69	65	57	27	23	9	3
Vulnerable (Other)	133	123	64	77	47	35	22	59	45
Total	644	653	430	443	252	172	156	164	132
Households in TA by Accommodation Type (as at 31st March - apart from 2011/12 where as at 31st Dec)									
Bed & Breakfast	214	139	70	64	51	39	26	51	71
Daily Annexe	0	0	0	1	5	0	0	0	0
Housing Association Leased	651	644	517	423	333	300	303	263	239
Private Sector Leased	480	595	672	652	558	494	411	409	458
LBHF Stock	436	421	361	309	205	161	135	150	189
Assured Shorthold Letting	0	0	0	0	0	0	0	9	9
Voluntary Sector Hostels	0	26	47	60	48	30	2	6	2
Total	1781	1825	1667	1509	1200	1024	877	888	968
Preventions			450	530	554	609	721	546	365
Homeless Permanent Rehoused (HLP Rehoused)					435	281	255	201	128
Approach Reasons (went live May09)									
Disrepair								18	8
Domestic violence								232	151
Ex offender								165	143
Excluded Parents, Family or Friends								751	474
Illegal eviction								6	8
Landlord and tenant dispute								13	4
Landlord harassment								1	0
Left institutional accommodation								15	20
Medical unsuitable								46	25
Mortgage arrears								7	9
Neighbour dispute								9	1
Notice to vacate premises								610	464
Other harassment								62	40
Other reason for approach								293	188

Overcrowding								87	34
Pest infestation								4	0
Possession order/bailiffs warrant								61	43
Racial harassment								3	0
Relationship breakdown - spouse/partner								52	35
Rent arrears/ affordability								86	72
Total								2521	1719
Current Accommodation on Approach (went live May09)									
Assured shorthold RSL tenancy								18	47
Assured tenancy PRS								85	35
ASTPRS - assured shorthold tenancy PRS								533	444
Bare license host is LA tenant								598	312
Bare license host is owner occupier								73	43
Bare license host is private tenant								177	108
Bare license host is RSL tenant								141	78
Bare license host other accom type								146	206
Contractual licensee								62	34
Freehold owner occupier								13	3
Hospital patient								40	42
LBHF probationary tenancy								1	0
LBHF secure tenancy								47	24
Leasehold owner occupier								13	13
NASS provided accommodation								11	1
Other accommodation type								188	84
Other local authority tenancy								33	15
Prison inmate								33	72
Resident landlord								2	1
Secure or assured RSL tenancy								48	24
Street homeless								259	133
Total								2521	1719

Annex 3 – Mayor of London – Revised London Housing Strategy Consultation Draft (Dec 2011)

Renting a home: policies

Access to rented housing

- 1.2A Within the overall objective of meeting housing need, boroughs are encouraged to make use of their new flexibilities to ensure that local priority groups have access to social housing, in particular to incentivise work and volunteering and to promote mixed and balanced communities while continuing to meet the needs of people in reasonable preference categories.
- 1.2B The presumption is that boroughs will seek to discharge their homelessness duty within their local area, always considering the specific needs of households to remain in the locality.
- 1.2C Boroughs should ensure that an appropriate balance is maintained between offers of accommodation for homeless households in the private rented and social rented sectors.
- 1.2D Where the homelessness duty is discharged into the private rented sector, landlords are encouraged to offer tenancies that are for a longer period than the statutory minimum where appropriate, and boroughs are encouraged to use only those landlords with a recognised accreditation.
- 1.2E All boroughs should make full use of existing and future systems that monitor cross-borough temporary accommodation placements, urgent moves and discharge of homelessness duty, and that help to ensure that all households housed out of borough have access to services.
- 1.2F The Mayor will set up a joint monitoring committee with boroughs, to monitor discharge of homelessness duty.
- 1.2G Housing associations should have full regard to borough tenancy strategies, where these are in conformity with the London Housing Strategy.
- 1.2H Social landlords should continue to abide by the principles set out in 'Partners in Meeting Housing Need', the protocol for determining the proportions of housing association lettings available to local authority nominees¹.
- 1.2I Unauthorised occupancy in the social rented sector should be addressed.
- 1.2J Social landlords are encouraged to promote employment and training opportunities to applicants and people wishing to transfer.
- 1.2K The Mayor will work with the boroughs and the Department for Work and Pensions to monitor the government's Housing Benefit reforms.

1.2L The Mayor's London Rents Map will be enhanced and promoted, so that better information on rent levels is available to those seeking a home in the private rented sector.

Housing Change Programme

Case Studies

Annex A

Client Group	Household Composition	Reasonable Preference? Current Scheme Yes/No	Current Scheme of Allocation outcome	Change of Status in New Scheme Yes/No	Post New Scheme of Allocation Outcome	Comments
Home Buy Register (Not homeless)	Working household - Man+Woman+2 children aged 3(f), 4(m)	No	No Priority for social housing allocation	Yes	Flexible tenancy in affordable rented accommodation. 2 bedrooms. PRS/Social Housing. 2 year tenancy within Local Lettings Plan– provision for renewal for a further 2 years – maximum 4 years.	Must meet Home Buy income bands. Enables household to save for future purchase
Working Household (Housing Register/PRS homeless)	Man+woman+3 children aged 9(m),16(f),24(m)	Yes – if housing need or homelessness accepted	Secure/Assured Social tenancy. Option of PRS accommodation – cannot be enforced. 4 bedrooms. All children, inc. non-dependant are included as part of household for bedroom allocation.	Yes	Additional preference, flexible tenancy. PRS (enforceable)/Social housing. 5 year tenancy, application can be made for renewal. 3 bedrooms – oldest child, non-dependant, not part of the household for bedroom allocation.	Could be affordable rented accommodation. 2 year fixed term tenancy if on home buy register.
Parental exclusion (Homeless application, TA provided, non-working)	Man+woman+3 children aged 2(m), 10(f), 15(f)	Yes	Secure/Assured Social tenancy. Option of PRS accommodation – cannot be enforced. 3 bedrooms. Children over 10 considered for additional bedroom.	No	Flexible tenancy- PRS (enforceable)/Social housing. 5 year tenancy, application can be made for renewal. 3 bedrooms	Band 3
Parental exclusion (Self Placement, non-working)	Man+woman+3 children aged 2(m), 10(f), 15(f)	Yes	Secure/Assured Social tenancy. Option of PRS accommodation – cannot be enforced. 3 bedrooms. Children over 10	No	Flexible tenancy- PRS (enforceable)/Social housing. 5 year tenancy, application can be made for renewal. 3 bedrooms	Band 3

			considered for additional bedroom.			
Young Person (Homeless – no priority need)	Single Aged 18 – 25	No	Advice and assistance to source accommodation in the private sector. Room in shared accommodation	No	Advice and assistance to source accommodation in the private sector. Room in shared accommodation	
Young Person (Homeless, priority need) No Community Contribution	Single Aged 18 - 25	Yes	Secure/Assured Social tenancy. Option of PRS accommodation – cannot be enforced. Studio/1 bedroom.	No	Flexible tenancy- PRS (enforceable)/Social housing. 2 year tenancy, application can be made for renewal. Studio/1 bedroom	1 bedroom rate for housing benefit purposes (leaving care or supported accommodation). If not leaving care – only single room rate
Young Person (Homeless, Care Leaver) Community Contribution	Single Aged 18-25	Yes	Placement & Assessment Team for Homeless Singles (PATHS) assessment. Care Leavers Pathway with a view to finding suitable accommodation in the PRS dependant on vulnerability. Secure social housing if homeless. Option of PRS offered but not enforceable.	Yes	Additional preference. Flexible tenancy- PRS (enforceable)/Social housing. 5 year tenancy, application can be made for renewal. Studio/1 bedroom	
Vulnerable Adult (Mental Health) Homeless Community Contribution	Single Aged 25+	Yes	PATHS assessment. Supported accommodation. “Move on” accommodation in the private sector – dependant on vulnerability (not enforceable). Room/1 bedroom. Secure/Assured Social tenancy if homeless.	Yes	Additional preference. PATHS assessment. “Move on” accommodation in the private sector dependant on vulnerability (enforceable). Flexible social tenancy. Studio/1 bedroom. 5 year tenancy	

Ex-Service Personnel (where meeting the reasonable preference criteria)	Single Aged 25+	Yes	Advice & Assistance to source accommodation in the private sector. Room in shared house until age 35. 1 bedroom 35+	Yes	Additional preference as they meet reasonable preference criteria – Community Contribution Award. Flexible tenancy- PRS (enforceable)/Social housing. Studio/1 bedroom. 5 year tenancy, application can be made for renewal.	Band 2
Existing tenant (transfers) Need to move – overcrowding (in 2 bedroom accommodation)	Man+woman+3 children aged 7(m), 8(m), 13(f)	Yes	Eligible to request a transfer to 3 bedroom accommodation. Secure/Assured tenancy on transfer. PRS option can be offered but not enforceable	No	Not eligible to request a transfer to 3 bed property	Must be 2 bedroom shortage (management discretion)
Existing tenant (transfers) Need to move – overcrowding (in 1 bedroom accommodation)	Man+woman+3 children aged 7(m), 8(m), 13(f)	Yes	Eligible to request a transfer to 3 bedroom accommodation. Secure/Assured tenancy on transfer. PRS option can be offered but not enforceable	Yes	Additional preference. Eligible to request a transfer to 3 bedroom accommodation. Secure tenancy on transfer. PRS option can be offered but not enforceable. 2 offers. If refused, will be demoted to lower band for 1 year	
Existing Homeless clients in temporary accommodation (Duty owed) No community contribution	Man+woman+3 children aged 7(m), 8(m), 13(f)	Yes	Secure/Assured social tenancy. 3 bedrooms. PRS option can be offered but not enforceable.	No	Flexible tenancy. 3 bedrooms. PRS (not enforceable)/social tenancy. 5 year tenancy. If refused, duty discharged potentially intentionally homeless.	Band 3
Existing tenant – discretionary succession. No priority need but satisfies residency criteria	Single	No	Will succeed current accommodation and secure/assured tenancy, regardless of property size and household need	No	Social housing tenancy only. Studio/1 bedroom only. PRS can be offered but not enforceable	
Existing tenant –	Man+woman+3	Yes	Accommodation provided	No	Suitable accommodation to be	

management transfer	children aged 7(m), 8(m), 13(f)		on "like for like" basis. If suitable offer refused, management transfer status removed.		provided.2 offers, with discretion for one more offer - one of which must be secure/assured. If refused, management transfer status removed and demoted to lower band	
Existing tenant – decant	Man+woman+3 children aged 7(m), 8(m), 13(f)	Yes	Suitable temporary accommodation provided while works being carried out – Client returns to existing property – secure/assured tenancy	No	Suitable temporary accommodation provided while works being carried out – Client returns to existing property – secure/assured tenancy	If not returning to current accommodation, "like for like" tenancy to be offered
Applicant in housing need – no local connection	Man+woman+3 children aged 3(f), 5(m), 7(f)	Yes	Can join housing register. If applies as homeless, s198 referral to authority where local connection applies.	No	Can join housing register but advised to seek PRS accommodation with support.	

* **PRS** – Private Rented Sector

* **TA** – Temporary Accommodation

Additional priority = greater priority under the new scheme of allocation

Additional preference = preference in addition to reasonable preference e.g. community contribution

Housing Change

Annex B

Housing Change

The purpose of the Housing Change Project is to achieve a fundamental shift in the way that affordable housing is allocated in Hammersmith & Fulham. The objectives for the approach will be to:

- Give greater priority to households who make a community, economic and/or societal contribution
- Create a fair, transparent and rational housing allocations system that provides for both needs and aspiration
- Make greater and more flexible use of all sectors of the housing market both in the borough and outside to meet all its housing obligations
- Increase choice and access to affordable home ownership

To deliver the change needed, new and revised statutory housing documents will need to be prepared to

1. Scheme of Allocation – Statutory Document that sets out the Council’s approach and mechanisms to prioritising and allocating affordable housing for people in need (and Annual Allocations Plan and Local Lettings Plans)

2. Tenancy Strategy – Statutory document that sets out the Council’s approach to flexible tenure amongst all registered providers including reference to Affordable Rents

3. Homelessness Strategy – Statutory document that sets out the Council’s approach to meeting homeless households needs and preventing future homelessness

4. Delivering a Housing Change Service Model – Establishing, fully road-testing and implementing a mechanism which ensures that all housing options applicants are treated fairly, transparently and rationally. This will feature and implement all aspects of the three (and associated) documents identified above, reflecting the housing change objectives. This element of the change programme will include appraising the Council’s approach to choice based lettings (CBL) and, if necessary, adopting an alternative approach that will effectively deliver the housing change objectives.

Timelines

Agreed Approach
- Feb 2012

Drafting of Documents
- By end of March 2012

Consultation
- May/June 2012

Cabinet Sign Off
– Sept 2012

Road Test and Implement Change – Oct 2012 – Mar 2013

‘Go Live’ – Apr 2013

Initial Screening Equality Impact Analysis Tool

Section 01	Details of Initial Equality Impact Screening Analysis
Financial Year and Quarter	2012/13 / Q1
Name of policy, strategy, function, project, activity, or programme	<p>Building a Housing Ladder of Opportunity</p> <p>The purpose of the Building a Housing Ladder of Opportunity work programme is to set out to interested parties in draft terms the change that the Council is seeking to achieve in its housing approach across a number of work areas. The work programme presently comprises four draft documents: the housing strategy; scheme of allocation; tenancy strategy; and homelessness strategy. Over time, additional documents will be adopted reflecting the broad approach set out in the above mentioned documents. By making the changes sought, the Council believes it is repositioning the local housing authority to effectively take advantage of the freedoms and flexibilities granted under the 2011 Localism Act and a corporate requirement to ensure housing services provided by the council are as efficient and effective as possible. Key audiences for these documents include tenants and residents of the borough; affordable and private housing developers; sub regional partners; the Mayor of London who will be responsible for ensuring the document is in broad conformity with his current (and draft) housing strategic priorities.</p>
Q1 What are you looking to achieve?	<p>There are three primary objectives that the Council is seeking to achieve.</p> <p>Firstly, to put the council's 'borough of opportunity' agenda at the centre of its housing approach, highlighting the Council's housing growth and jobs agenda. Secondly, to take advantage of the freedoms and flexibilities presented by the passing of the 2011 Localism Act. Thirdly, to introduce a housing approach which is more realistic, fair and affordable, reflecting more closely what the Council, as a local housing authority, is able to do in order to meet both housing need and aspiration.</p> <p>The Draft Housing Strategy sets out the overall 'direction of travel' for the housing approach. With creating a ladder of opportunity at its core, the three objectives are to:</p> <ol style="list-style-type: none"> 1. Deliver major economic and housing growth within our opportunity areas 2. Tackle economic and social polarisation through the creation of more mixed and balanced communities where no one tenure dominates 3. Manage a better, streamlined housing service, with a focus on local decision making, delivering outcomes that improve resident satisfaction

The **Draft Scheme of Allocation** sets out the Council's approach to prioritising housing applicants for accommodation. Whilst continuing to meet its statutory homelessness obligations, the Council intends to give greater priority to applicants who are making a community contribution, such as working households and ex armed service personnel.

The **Draft Tenancy Strategy** sets out the Council's approach to flexible tenancies. This document highlights a range of fixed terms – from one to five years – which the Council intends to grant in its role as a registered provider of affordable housing. It also provides guidance to other registered providers, principally housing associations, on fixed term lengths and levels of affordable rent that should be charged in the borough. Some tenancies will still be granted on a secure or assured basis.

Finally, the **Draft Homelessness Strategy** sets out how the Council intends to meet its homelessness obligations (including preventative work) in the new operational environment.

It should be noted that there will be no direct impacts arising from the approval by Cabinet (or Cabinet Briefing) of the work programme documents. These are consultation documents which are intended to receive comment and contributions from interested parties in Hammersmith & Fulham and other parties such as the Mayor of London who will decide whether the documents are in broad conformity with his Revised London Housing Strategy.

It is the Council's intention to seek approval from Cabinet in September/October 2012 when a full equalities impact assessment (if required) will be submitted.

Of particular importance is the need to impress upon interested parties the intention of the Council to develop and implement a community contribution orientated scheme of allocation which includes objectives such as giving greater housing priority to working households; ex-service personnel; foster carers; police community support officers; and other workers who make a contribution to the local economy and community); progressing its growth ambitions in the five regeneration opportunity areas and on other 'Rest of Borough' sites; to reinforce its low cost home ownership agenda for hard-working households; ensuring that the Council meets its statutory homelessness obligations.

The development and implementation of a successful Building a Housing Ladder of Opportunity approach will be critical to the Council realising its broader regeneration objectives which are intended to have medium to long term direct and indirect positive impacts for Hammersmith & Fulham's residents.

**Q2
Who in the main will
benefit?**

In terms of identifying beneficiaries to the overall approach, the structure below follows the Draft Housing Strategy strands with commentary on how the other three documents (and related documents such as the Council's Core Strategy and Borough Investment Plan) sit within the overall approach identified.

Guiding and prefacing the Council's proposed housing strategy approach is **Building a Housing Ladder of Opportunity**. By this is meant affordable rented housing being considered a stage rather than a destination point for current and future housing applicants. The Council's ambition is that residents have as many opportunities as possible to access affordable home ownership. In tandem, the Council wishes affordable housing to be seen as part of the wider Hammersmith & Fulham housing market and that a wider number of people from different backgrounds gaining access to it. In tandem, the Council also wishes to ensure that those who are prioritised for affordable housing meet requirements to make a community contribution. The Council intends to continue meeting its statutory homelessness obligations but intends also to use the private rented sector to a greater degree to discharge its homelessness duty when it is legally able to.

1. Deliver major economic and housing growth within our opportunity areas

Key to the Draft Housing Strategy is its contribution to the Core Strategy (Oct 2011) objectives of delivering 14,400 additional homes and 25,000 new jobs, principally in the five regeneration opportunity areas and via its Local Housing Company. This objective is also detailed in the Borough Investment Plan (Dec 2011). It is a strategic priority for the Council to ensure that more local people gain advantage from new job opportunities that are created over the 2012/32 Core Strategy period. The Council's Scheme of Allocation is proposing to give greater priority to working households and officers will be seeking to ensure there is a connection between the Council's growth agenda and the ability of local people in affordable housing being able to access available opportunities.

2. Tackle economic and social polarisation through the creation of more mixed and balanced communities where no one tenure predominates

Over the next twenty years, the Council is aiming to deliver 60% market housing (8,640 homes) which may include some student accommodation with the remaining 40% of that total (5,760 homes) provided as affordable housing. The market housing will be either for market ownership or rent. The large majority of the new housing (13,200 homes) will be delivered in the five regeneration opportunity areas identified in the Council's Core Strategy. In addition, the Council in its Draft Housing Strategy seeks new housing to meet the standards set out in the Mayor of London's Interim Housing Design Guide and also more affordable family accommodation. The Council will also seek the delivery of the Lifetime Homes Standards and 10% wheelchair accessible homes.

In terms of the kind of affordable housing that will be developed, the Council's aspiration is to maximise low cost home ownership opportunities for working households who live and work in the borough. As part of its Draft Scheme of Allocation, the Council intends to give greater priority to a wider range of housing needs who historically have not sufficiently high enough priority to access affordable rented housing. The Council will continue to meet its statutory homeless obligations and give priority to reasonable preference groups. As a result of the aforementioned intention to give greater priority to working households and those making other community contributions, it is expected that this will reduce economic and social polarisation and will help deliver more mixed, balanced sustainable communities. In tandem, the Draft Tenancy Strategy introduction of flexible tenancies is intended to ensure that housing is allocated and retained by those who are in greatest need. The Draft Homelessness Strategy is intended to ensure that homelessness needs are met in an efficient and effective fashion, underpinned by the Council's continuing statutory obligations towards vulnerable individuals who are accepted as homeless.

3. Manage a better, streamlined housing service, with a focus on local decision making, delivering outcomes that improve resident satisfaction

This element of the housing approach emphasises is highlighted the comprehensive range of housing services that the Council provides, setting out particular initiatives such as the Council's intention to develop and implement an asset management strategy. This will help ensure the stock is effectively and efficiently managed to ensure residents live in homes that meet modern day living standards; are fit for purpose; attractive to live in; and, are cost effective to maintain. A key aim is to increase resident satisfaction with repairs; resident involvement; and, improving the effectiveness of dealing with anti-social behaviour.

In summary, there are a wide range of benefits to the Council's proposed approach. In terms of over-arching themes, the Council wishes to increase the amount of affordable housing – for rent and ownership - being delivered and improving the quality of the product itself. It also wishes to see more unemployed people, particularly those in social housing enter (or re-enter) the world of work in order to reduce the wider associated disadvantages, e.g., poor health, lower educational attainment, etc. The Council also wishes to deliver major interventions in the five identified opportunity areas to help deliver regeneration to the places and communities which need them. As stated in the EqlA relating to the Borough Investment Plan (Cabinet 5 December 2011): “the wider impact of delivering these regeneration projects will be significant. Three of the five areas – White City; Earl's Court; and Park Royal – host some of the most disadvantaged communities in the borough and a key objective is to ensure that wider regeneration benefits – improved transport infrastructure; over 25,000 new jobs; improved physical environments; new retail and office space; replaced and/or improved affordable housing - improve the life chances of disadvantaged people.”

Historically, affordable rented housing has been allocated on the basis of need in the last 30 or so years, and

inevitably disadvantaged groups have been disproportionately over-represented in this sector. These include individuals/households such as the elderly; Black, Asian and minority ethnic (BAME) groups; single parent households; people with dependency issues (e.g., drugs, alcohol). Therefore, where new affordable rented housing is developed, being able to allocate new homes to disadvantaged groups will have a positive equalities impact. Included under the affordable rented housing category is supported housing (where there are services provided to 'support' vulnerable households live in the community) and also older people's sheltered housing (which may or may not include onsite warden support). The Council expects that such housing will be provided in the new regeneration opportunity areas. The Council's is at the early stages of reviewing the provision of its current sheltered housing portfolio and other forms of housing for particular needs groups under the supported housing heading. It should be noted that the Government's Affordable Rent housing model (effectively a replacement for the social rent model) will involve charging rents at closer to market rent levels. There is a risk that 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. An additional consideration will need to be given to the implementation of the Government's Universal Credit proposals which are due to be implemented from October 2013 onwards. Intermediate affordable housing is that which is allocated to households on low to medium incomes is promoted in the Draft Housing Strategy. It can take the form of shared ownership; shared equity; discount market sale; sub market rent housing. This is an effective housing product which enables people working in public sector and for other essential service providers to gain stable and long term housing accommodation. This will have positive equality impacts on the basis that minority groups are actively sought to take advantage of new intermediate housing products and the impacts monitored and mitigating action undertaken. Given households from disadvantaged groups are generally on lower than average incomes (and often benefit dependent), such households are less likely to take advantage of such products.

For the purposes of consultation, we have produced an Initial EIA (this document) of what we think the impacts will be on various groups. We welcome comments from the public and interested parties on this initial analysis during consultation. The results of those comments will be used revisit this analysis and to conduct a more in-depth EIA.

Age	The development of new housing – market and affordable – that meets modern day standards will improve the choice of housing that households will be able to access. Where large family affordable accommodation is provided, this is considered to improve the educational attainment for children 4-18 years olds wishing to study. As people under the age of 18 are not presently covered under Age as a protected characteristic in the Equality Act 2010, this is also given under Children's Rights (below).	H	+
-----	--	---	---

	<p>Where better quality older people's affordable housing is provided this will create improved opportunities and lifestyle for 65+ year old households. Where improved choices can be made for older people, this can have the effect of freeing up larger, under-occupied housing where older people's children have left home, meaning that younger families can benefit from leaving over-crowded accommodation. Older people would not be required to leave their current accommodation under current secure and assured tenancies. There is also reference in the Draft Scheme of Allocation regarding connecting job offers with housing offers. This will require further development but has the potential to help younger people enter and stay in the 'world of work' which will have positive impacts. Tenancies are proposed to be granted on a fixed term basis and therefore there will be greater flexibility to assess people's needs on a periodic basis. Applicants seeking council sheltered housing will be granted secure tenancies and the council will expect private registered providers to grant assured tenancies in the same situation.</p>		
<i>Disability</i>	<p>The development of new housing – market and affordable – which delivers 10% wheelchair accessible housing and delivers the “Lifetime Homes Standards” will have direct and positive impacts on disabled people's quality of life, regardless of age. Implementing these design standards will also have the impact of ‘future proofing’ homes, allowing people as they get older and/or become disabled to able to stay in their own homes with relatively minor adjustments being required. The Lifetime Homes requirement as per planning requirements will also benefit people who are not disabled at present but who become disabled, for example, those who acquire age-related mobility impairment(s).</p>	<i>H</i>	<i>+</i>
<i>Gender reassignment</i>	<p>No impacts, negative or positive, are expected to be experienced by individuals who are in the process of transitioning from one gender to another.</p>	<i>L</i>	<i>Neutral</i>
<i>Marriage and Civil Partnership</i>	<p>No impacts, negative or positive, are expected to be experienced by people who are married or in a civil partnership.</p>	<i>L</i>	<i>Neutral</i>

	<p><i>Pregnancy and maternity</i></p>	<p>Where pregnant women are living in good quality, secure, warm and weathertight accommodation, it can be expected that this will have a positive impact on their social and health well-being. The measures for protecting victims of domestic violence may have more of an impact on pregnant women and those who have just given birth, as it is well documented that women are at increased risk of domestic violence during pregnancy and that this can lead to miscarriage, low birth weight, and death of a mother or her (unborn) baby. As the Council will provide also service to women who have already had children, it is of high relevance to this protected characteristic. Some key statistics include:</p> <ul style="list-style-type: none"> ▪ More than 30% of [domestic violence] cases start during pregnancy ▪ 40-60% of women experiencing domestic abuse are abused during pregnancy ▪ More than 14% of maternal deaths occur in women who have told their health professional they are in an abusive relationship ▪ In over 50% of known domestic abuse cases, children were also directly abused <p>[CEMACH, p174: 2007, and DoH, p9: 2005]</p> <p>Domestic violence and pregnancy</p> <ul style="list-style-type: none"> ▪ Confidential Enquiry into Maternal and Child Health (CEMACH), <i>Saving Mothers' Lives: Reviewing maternal deaths to make motherhood safer – 2003-2005</i>, http://www.cemach.org.uk/getattachment/26dae364-1fc9-4a29-a6cb-afb3f251f8f7/Saving-Mothers'-Lives-2003-2005-(Full-report).aspx, (December 2007) ▪ Department of Health (DoH), <i>Responding to Domestic Abuse: A handbook for health professionals</i>, http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@d h/@en/documents/digitalasset/dh_4126619.pdf, (December 2005) 	H	+
--	---------------------------------------	---	---	---

	<i>Race</i>	<p>The provision of new affordable rent housing is expected to have a positive impact on the quality of life for groups from Black, Asian and minority ethnic backgrounds. Historically, such housing has been allocated on the basis of need and therefore the positive impacts associated with high quality, well designed, spacious housing which reduces fuel poverty will have a beneficial impact on this group. It should be noted that under the Localism Act proposals, greater flexibility is to be granted to local authorities to allocate new affordable rent housing (and the re-letting of existing housing). In the event that affordable rent housing is allocated to (say) economically active households as opposed to benefit-dependent housing, then the positive impacts described above will be diluted.</p> <p>Under the Council's adopted Core Strategy, Policy H5 provides for working with the Royal Borough of Kensington and Chelsea with regard to the gypsy and traveller site, and gypsy and traveller accommodation needs. Building a Housing Ladder of Opportunity does not propose to amend this policy and it is considered that the overarching policy and its supporting documents are in compliance with the Core Strategy in this regard. Further, the Council notes the most recent DCLG progress report and commitments 12 and 13, which it considers to be in line with Core Strategy Policy H5. As such, there is no discernible impact on this group arising from Building a Housing Ladder of Opportunity and supporting documents.</p> <p>Race, and gypsy and traveller needs</p> <ul style="list-style-type: none"> ▪ DCLG: <i>Progress report on the ministerial working group tackling inequalities experienced by Gypsies and Travellers</i>, http://www.communities.gov.uk/documents/planningandbuilding/pdf/2124046.pdf, (April 2012) 	<i>H</i>	<i>+</i>
	<i>Religion/belief (including non-belief)</i>	No impacts on the basis of gender, negative or positive, are expected to be experienced by these groups.	<i>L</i>	<i>Neutral</i>
	<i>Sex</i>	<p>Where overcrowding is reduced, positive equality impacts can be expected to be experienced by adult household members</p> <p>The measures contained within the Draft Housing Scheme of Allocation to provide for victims of domestic violence are of high relevance to women</p>	<i>M</i>	<i>+</i>

		(as it is usually women and children who are victims) and will have a positive impact where those measures are required. Men are not excluded from these measures where they are victims but the relevance is proportionately less. Those who perpetrate violence against their partners may be evicted and lose their tenancies, and this will be negative for those people but positive for the victims who will be more safe. This will have more of a relevance to men as they are usually the perpetrators of violence against women and children, but this would apply to any perpetrator of domestic violence. This is considered to be a proportionate means of achieving a legitimate aim of reducing crime, which is a Council priority.	<i>H</i>	<i>+</i>
	<i>Sexual Orientation</i>	No impacts on the basis of sexual orientation, negative or positive, are expected to be experienced by these groups.	<i>L</i>	<i>Neutral</i>
<p>Human Rights and Children's Rights</p> <p>Will it affect Human Rights, as defined by the Human Rights Act 1998? No</p> <p>Will it affect Children's Rights, as defined by the UNCRC (1992)? Yes: the right to (life, survival, and) development, as well as those rights for disabled children. The development of new housing – market and affordable – that meets modern day standards will improve the choice of housing that households will be able to access. Where large family affordable accommodation is provided, this is considered to improve the educational attainment for children 4-18 years olds wishing to study. The improvements to housing stock brought about by the lifetime homes requirement (as above) will also benefit disabled children. Where children are kept safe from harm (domestic violence), this will also help to uphold their rights to life, survival and development.</p>				
Q3 Does the policy, strategy, function, project, activity, or programme make a positive contribution to equalities?	<p>Yes</p> <p>The development and implementation of the housing strategy; scheme of allocation; tenancy strategy and homelessness strategy draft documents will help provide the basis for making positive contribution to equalities. The over-arching objective of the draft housing strategy is to increase the amount, quality, and accessibility of affordable housing in the borough (as well as improvements in housing management services.</p>			

This will help improve equality outcomes for the majority of the groups identified above. These documents should be seen as companion documents to the Local Development Framework Core Strategy and the Borough Investment Plan, providing the basis for making a positive contribution to equalities. The development of new affordable housing and a changed approach to who occupies the housing over the medium to long term will help meet affordable housing need; provide a platform for individual and community well-being and sustainability; and, introduce greater aspiration into the affordable housing sector. There will be no direct impacts arising from the publication of these documents for consultation. However, it is likely that further impact assessment work will need to be undertaken on the Housing Strategy; Scheme of Allocation, Tenancy Strategy, Homelessness Strategy draft proposals, to more fully understand what impacts may arise.

**Q4
Does the policy, strategy, function, project, activity, or programme actually or potentially contribute to or hinder equality of opportunity, and/or adversely impact human rights?**

No



FORWARD PLAN OF KEY DECISIONS

Proposed to be made in the period May 2012 to August 2012

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 May 2012 to August 2012.

KEY DECISIONS are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant, regarding the Council's budget for the service function to which the decision relates in excess of £100,000;
- Anything affecting communities living or working in an area comprising of two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Forward Plan will be updated and published on the Council's website on a monthly basis. (New entries are highlighted in yellow).

NB: Key Decisions will generally be taken by the Executive at the Cabinet. The items on this Forward Plan are listed according to the date of the relevant decision-making meeting.

*If you have any queries on this Forward Plan, please contact
Katia Richardson on 020 8753 2368 or by e-mail to katia.richardson@lbhf.gov.uk*

Consultation

Each report carries a brief summary explaining its purpose, shows when the decision is expected to be made, background documents used to prepare the report, and the member of the executive responsible. Every effort has been made to identify target groups for consultation in each case. Any person/organisation not listed who would like to be consulted, or who would like more information on the proposed decision, is encouraged to get in touch with the relevant Councillor and contact details are provided at the end of this document.

Reports

Reports will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the relevant meeting.

Decisions

All decisions taken by Cabinet may be implemented 5 working days after the relevant Cabinet meeting, unless called in by Councillors.

Making your Views Heard

You can comment on any of the items in this Forward Plan by contacting the officer shown in column 6. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) are on the front sheet of each Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2010/11

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

Original Forward Plan No 120 (published 16 April 2012)

Revised Forward Plan No 120 (published 8 May 2012)

LIST OF KEY DECISIONS PROPOSED MAY 2012 TO AUGUST 2012

Where the title bears the suffix (Exempt), the report for this proposed decision is likely to be exempt and full details cannot be published.

New entries are highlighted in yellow.

* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
May - provisional date			
Cabinet	21 May 2012	Multimedia enabling Network technology Work is required to implement network technology enabling multimedia use. This will enable (for example) access to e-meetings, streaming from websites such as news or webinars, training materials or staff briefings from the Leader or Chief Executive. This will offer cost-effective just-in-time and personalised training courses, resulting in lower training costs and a higher-skilled workforce. There are also potential benefits from improved communication, e.g. videos of Leadership forum events.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	21 May 2012	Housing Revenue Account - Medium Term Financial Strategy Transformation Programme: Housing Services Market Testing & Repairs & Maintenance Re-Procurement Exercise HRD Property Services proposal for re-procurement of repairs and maintenance contracts; market test a number of housing management services and repairs and maintenance activities.	Cabinet Member for Housing
	Reason: Affects more than 1 ward		Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	21 May 2012	Tri Borough Insurance Contract To approve the award of a contract for insurance cover as tendered under the Tri-Borough Arrangements.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	21 May 2012	Hammersmith Broadway Environment Improvements This report summarises the S106 funded proposal to refurbish the footway of the Hammersmith Broadway in October 2012. The purpose of these works is to improve access and the overall quality of the environment in the heart of one of the borough's busiest town centres. Funding has been earmarked specifically for these improvements through various S106 agreements and will be designed to give maximum value for money and reduce longer term maintenance costs to the Council. There will be a full consultation on the details of the improvements with residents, businesses and footways user groups.	Leader of the Council
	Reason: Expenditure more than £100,000		Ward(s): Hammersmith Broadway
Cabinet	21 May 2012	Procurement of Flexible Energy 2012-2016 Contracts for the provision of gas and electricity within Hammersmith & Fulham – procurement proposals.	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000		Ward(s): All Wards
Cabinet	21 May 2012	Agreement for the provision of the IT infrastructure to operate contact centres from home in time for Olympics	Leader of the Council
	Reason: Affects more than 1 ward		Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
		This paper identifies the opportunity to create the IT infrastructure that will allow Council staff (outside of the contact centre located in Rochdale) who deal with telephone calls in localised call centres (eg. H&F Direct, Smart HR, Parking and H&F Advice) to take these call from remote locations (including their homes) rather than Council buildings.	
Cabinet	21 May 2012	Building a Housing Ladder of Opportunity, Incorporating: Draft Housing Strategy; Draft Tenancy Strategy; Draft Scheme of Allocation and Draft Homelessness Strategy The purpose of this report is to seek Cabinet's approval and endorsement of the documents listed above for public consultation including interested parties and the Mayor of London who is a statutory consultee.	Cabinet Member for Housing
	Reason: Affects more than 1 ward		Ward(s): All Wards
June - provisional date			
Cabinet	23 Jul 2012	Hammersmith Town Hall - Smart Accommodation Programme - Phase 1	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	Tender acceptance report to appoint contractor to carry out remodelling works on 1st and 2nd floor offices at Hammersmith Town Hall to provide smart working, open plan accommodation to maximise occupancy.	Ward(s): Hammersmith Broadway
Cabinet	18 Jun 2012	Riverside Studios, Crisp Road, London, W6	Deputy Leader (+Environment and Asset Management)
	Reason: Expenditure more than £100,000	Re-development of Riverside Studios Site.	Ward(s): Hammersmith Broadway

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	18 Jun 2012	Tri-Borough Integration of Health and Social Care Services - Update and Proposals for Next Steps	Cabinet Member for Community Care
	Reason: Affects more than 1 ward	Tri-Borough Integration of Health and Social Care Services - Update and Proposals for Next Steps.	Ward(s): All Wards
Cabinet	18 Jun 2012	Youth Provision Commissioning	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Proposals for the commissioning of Youth Provision from 2013-2015	Ward(s): All Wards
Cabinet	23 Jul 2012	Tri-borough ICT strategy 2012-2015	Leader of the Council
	Reason: Affects more than 1 ward	The Vision for Tri-borough ICT - A Tri-borough ICT Strategy for 2012-2015.	Ward(s): All Wards
Cabinet	18 Jun 2012	Meals Service Contract	Cabinet Member for Community Care
	Reason: Expenditure more than £100,000	To request authority for the outsourcing of the Meals Service to a "cook on route" model. To notify of multi borough tendering arrangements. To request that authority to award the contract be delegated to Cabinet Member for Community Care in conjunction with the Executive Director of Adult Social Care.	Ward(s): All Wards
Cabinet	18 Jun 2012	Looked After Children Social Care Report	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Looked After Children Social Care report.	Ward(s): All Wards
Cabinet	18 Jun 2012	Child Protection Social Care Report	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Child Protection Social Care report.	Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
Cabinet	18 Jun 2012	Local Safeguarding Children's Board (LSCB) Social Care Report	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Local Safeguarding Children's Board (LSCB) Social Care report.	Ward(s): All Wards
Cabinet	18 Jun 2012	Replacement for Frameworki CHS Report	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Replacement for Frameworki CHS report.	Ward(s): All Wards
Cabinet	18 Jun 2012	Secure e-mail with external partners	Leader of the Council
	Reason: Expenditure more than £100,000	Implementation of an IT solution to allow sensitive data to be sent via outlook over the public internet to external organisations.	Ward(s): All Wards
Cabinet	3 Sep 2012	Measured Term Contract for Boroughwide Cyclical Planned Maintenance to Council-owned Housing Properties 2012 – 2015	Cabinet Member for Housing
	Reason: Affects more than 1 ward	The term contract will include external and communal repairs and redecorations, plus works to communal services installations, to the borough's housing portfolio.	Ward(s): All Wards
Cabinet	23 Jul 2012	Economic development Priorities	Leader of the Council
	Reason: Affects more than 1 ward	This report sets out the economic development goals as detailed in the draft Economic Development Strategic Priorities 2012-2017 in order to facilitate long term planning, partnership work and initiatives aimed at increasing local economic growth. The report seeks endorsement for key	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
		<p>background documents; Local Economic Assessment (draft), Procurement Code, Business Investment Code and Job & Employment Code.</p> <p>In addition the report details related expenditure requirements.</p>	
Cabinet	18 Jun 2012	<p>SharePoint Implementation for Localities Service in Children's Services</p> <p>Implement an 'off the shelf' Collaborative Tool, SharePoint, for the Localities Services within Children's Services to introduce collaborative working across 3 multi-disciplinary teams situated across Hammersmith and Fulham, as well as their partner agencies, with the specific aims of:</p> <ol style="list-style-type: none"> 1. Enabling collaborative working within the service. 2. To improve document management and storage. 3. To reduce security risks to client information. 4. Reduce the proliferation of out of date and inaccurate data. 	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward		Ward(s): Hammersmith Broadway
July - provisional date			
Cabinet	23 Jul 2012	<p>Proposal for the introduction of graduated parking suspension charges boroughwide</p> <p>Residents often complain about the number of suspensions of parking suspensions, especially long-term suspensions, as it reduces the available parking spaces, thereby increasing parking stress, and arguably adding to congestion and pollution. As a result, officers</p>	Deputy Leader (+Environment and Asset Management)
	Reason: Affects more than 1 ward		Ward(s): All Wards

Decision to be Made by: (ie Council or Cabinet)	Date of Decision-Making Meeting and Reason	Proposed Key Decision	Lead Executive Councillor(s) and Wards Affected
		propose introducing a graduated structure for suspensions fees to the following: <ul style="list-style-type: none"> • £40 per space per day for suspensions lasting between one and five days; • £60 per space per day for suspensions lasting between six and 42 days; • £80 per space per day for suspensions lasting for 43 days or more. 	
Cabinet	23 Jul 2012	Tri-Borough Corporate Services Programme: Funding request for "Develop" phase	Leader of the Council
	Reason: Affects more than 1 ward	Request for funding for resources required to deliver the "Develop" phase of the Tri-Borough Corporate Services programme.	Ward(s): All Wards
September - provisional date			
Cabinet	3 Sep 2012	SmartWorking Stage D : Paperless Office Business Case	Leader of the Council
	Reason: Expenditure more than £100,000	A detailed Business Case for SmartWorking Stage D : Phase B "Paperless Office"	Ward(s): All Wards
October - provisional date			
Cabinet	15 Oct 2012	Travel Assistance Policies	Cabinet Member for Children's Services
	Reason: Affects more than 1 ward	Travel Assistance Policy – Special education needs (SEN)	Ward(s): All Wards
Cabinet	15 Oct 2012	Building a Housing Ladder of Opportunity	Cabinet Member for Housing
	Reason: Affects more than 1 ward	Seeks adoption as housing policy following public consultation for four housing documents: housing strategy; housing allocation scheme; tenancy strategy; and homelessness strategy	Ward(s): All Wards

Agenda Item 10



London Borough of Hammersmith & Fulham

Cabinet

21 MAY 2012

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

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

*Councillor Nicholas
Botterill*

**10.1 CONTRACT FOR THE PROVISION OF A VEHICLE
REMOVAL SERVICE AND OPERATION OF A CAR POUND**

This report seeks approval to extend the contract for a vehicle removal service and the provision and operation a car pound with On Time Parking Solutions Ltd for 1 year from 31 May 2012.

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

Decision taken by Cabinet Members on 23 April 2012:

That approval be given to extend the existing contract for a vehicle removal service and the provision and operation a car pound with on Time Parking Solutions Ltd for the period of 1 year from 31 May 2012 at an estimated value of £905,743 in accordance with the contractual terms.

Ward: All

**CABINET MEMBER
FOR RESIDENTS
SERVICES**

*Councillor Greg
Smith*

**10.2 CONTRIBUTION TO FULHAM PALACE TRUST FOR
2012/13**

In April 2010 Cabinet agreed to transfer the management of Fulham Palace from the Council to the Fulham Palace Trust (FPT). The Cabinet committed to ensuring the success of the Trust and to support its objective of becoming financially self sustaining, recognising that it may have to support the FPT in its early years. For 2012/13 FPT have estimated a net £50k deficit on their operations, which they have requested from the Council in the form of a one off contribution. This £50k will be funded by a carry forward from the 2011/12 ELRS departmental underspend, as approved in the month 10 corporate revenue monitoring report. From 2013/14 it is expected that FPT will be financially self sustaining, meaning that no further Council contribution is expected beyond 2012/13.

Decision taken by the Cabinet Member on 23 April 2012:

That a £50,000 one-off contribution is made by the Council towards the running costs of Fulham Palace for 2012/13, payable to the Fulham Palace Trust.

Ward: Palace Riverside

LEADER
Councillor Stephen Greenhalgh

10.3 APPOINTMENT OF COUNCIL REPRESENTATIVE TO OUTSIDE ORGANISATION – FULHAM COMMUNITY PARTNERSHIP TRUST

This report records the Cabinet Member's decision to appoint a Council representative to, which falls within the scope of their executive portfolio.

Decision taken by the Cabinet Member taken on: 26 April 2012

To appoint Councillor Rachel Ford as the Local Authority Director of for a term of 3 years from 26 April 2012.

Ward: Fulham Broadway

CABINET MEMBER FOR CHILDREN'S SERVICES
Councillor Helen Binmore

10.4 APPOINTMENT OF LOCAL AUTHORITY SCHOOL GOVERNORS- FEDERATION OF HURLINGHAM AND CHELSEA AND LANGFORD SCHOOLS

This report records the Cabinet Member's decision to appoint LA Governors, which falls within the scope of her executive portfolio.

Decision made by Cabinet Member on: 22 February 2012

To appoint Councillor Stephen Greenhalgh and Priscilla Ladha to the Federation of Hurlingham and Chelsea and Langford Schools for a four-year term with effect from 27 February 2012.

Wards: Sands End

CABINET MEMBER FOR CHILDREN'S SERVICES
Councillor Helen Binmore

10.5 APPOINTMENT OF LOCAL AUTHORITY SCHOOL GOVERNORS- NEW KINGS PRIMARY SCHOOL

This report records the Cabinet Member's decision to appoint a LA Governor, which falls within the scope of her executive portfolio.

Decision made by Cabinet Member on: 13 March 2012

To appoint Sam Merullo to New Kings Primary School for a four-year term with effect from 13 March 2012.

Ward: Town

CABINET MEMBER FOR CHILDREN'S SERVICES
Councillor Helen Binmore

10.6 APPOINTMENT OF LOCAL AUTHORITY SCHOOL GOVERNORS- POPE JOHN PRIMARY SCHOOL

This report records the Cabinet Member's decision to appoint a LA Governor, which falls within the scope of her executive portfolio.

Decision made by Cabinet Member on: 27 February 2012

To reappoint Charlie Grant to Pope John Primary School for a four-year term with effect from 1 September 2011.

Ward: Wormholt and White City

**CABINET MEMBER
FOR CHILDREN'S
SERVICES**

*Councillor Helen
Binmore*

**10.7 APPOINTMENT OF LOCAL AUTHORITY SCHOOL
GOVERNORS- SIR JOHN LILLIE PRIMARY SCHOOL**

This report records the Cabinet Member's decision to appoint a LA Governor, which falls within the scope of her executive portfolio.

Decision made by Cabinet Member on: 3 May 2012

To reappoint Councillor Alex Karmel to Pope John Primary School for a four-year term with effect from 12 June 2012.

Ward: Fulham Broadway