



London Borough of Hammersmith & Fulham

Cabinet

Agenda

MONDAY
12 NOVEMBER 2012
7.00 pm

COURTYARD ROOM
HAMMERSMITH
TOWN HALL
KING STREET
LONDON W6 9JU

Membership

Councillor Nicholas Botterill, Leader (+ Regeneration, Asset Management and IT)

Councillor Greg Smith, Deputy Leader (+ Residents Services)

Councillor Helen Binmore, Cabinet Member for Children's Services

Councillor Mark Loveday, Cabinet Member for Communications (+ Chief Whip)

Councillor Marcus Ginn, Cabinet Member for Community Care

Councillor Andrew Johnson, Cabinet Member for Housing

Councillor Victoria Brocklebank-Fowler, Cabinet Member for Transport and Technical Services

Date Issued
01 November 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

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (14-21) which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

The Cabinet has received no representations as to why the relevant part of the meeting should not be held in private.

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

DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-11** 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 7 November 2012.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 14 November 2012**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 19 November 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 19 November 2012**.

Cabinet Agenda

12 November 2012

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1.	MINUTES OF THE CABINET MEETING HELD ON 15 OCTOBER 2012	1 - 12
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	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that 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 disclosable pecuniary interest or other significant 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.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
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13.	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.

14.	EXEMPT MINUTES OF THE CABINET MEETING HELD ON 15 OCTOBER 2012 (E)	
15.	NEW COMMUNITY TOILET PROVISION : EXEMPT ASPECTS (E)	
16.	NEW VEHICLES FOR ADULT SOCIAL CARE PASSENGER TRANSPORT HOME TO DAY CARE CENTRE SERVICES : EXEMPT ASPECTS (E)	
17.	MINIMISING THE COST OF TEMPORARY ACCOMMODATION : EXEMPT ASPECTS (E)	
18.	ESTABLISHMENT OF A HOUSING AND REGENERATION JOINT VENTURE VEHICLE : EXEMPT ASPECTS (E)	
19.	DISPOSAL OF 282-288 GOLDHAWK ROAD AND ELIZABETH FINN HOUSE : EXEMPT ASPECTS (E)	
20.	SUMMARY OF EXEMPT DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION (E)	

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

Agenda Item 1

London Borough of Hammersmith & Fulham



Cabinet

Minutes

Monday 15 October 2012

PRESENT

Councillor Nicholas Botterill, Leader (+ Regeneration, Asset Management and IT)
Councillor Greg Smith, Deputy Leader (+ Residents Services)
Councillor Helen Binmore, Cabinet Member for Children's Services
Councillor Mark Loveday, Cabinet Member for Communications (+ Chief Whip)
Councillor Marcus Ginn, Cabinet Member for Community Care
Councillor Andrew Johnson, Cabinet Member for Housing
Councillor Victoria Brocklebank-Fowler, Cabinet Member for Transport and Technical Services

ALSO PRESENT

Councillor Stephen Cowan
Councillor Andrew Jones
Councillor PJ Murphy

62. MINUTES OF THE CABINET MEETING HELD ON 3 SEPTEMBER 2012

RESOLVED:

That the minutes of the meeting of the Cabinet held on 3 September 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

63. APOLOGIES FOR ABSENCE

There were no apologies for absence.

64. DECLARATION OF INTERESTS

There were no declarations of interest.

65. THE GENERAL FUND REVENUE BUDGET 2012/2013 - MONTH 4 AMENDMENTS

RESOLVED:

That the changes to the General Fund revenue budgets as set out in Appendix 1 to the report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

66. THE GENERAL FUND CAPITAL PROGRAMME - QUARTER 1 (MONTH 3 AMENDMENTS)

RESOLVED:

That the changes to the capital programme as summarised in 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.

67. ECONOMIC DEVELOPMENT S106 EXPENDITURE

RESOLVED:

1. That the use of Section 106 funds for economic development purposes as set out in Section 3 and Appendix 1 of the report be approved.
2. That the update on the development of new priorities be noted and a report on progress made be submitted to Cabinet in September 2013.

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.

68. FUNDING REQUEST FOR 2012/13 TRI-BOROUGH COSTS

RESOLVED:

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

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.

69. SHEPHERDS BUSH MARKET REGENERATION - COMPULSORY PURCHASE ORDER

Cabinet considered a report setting out progress to date on land assembly to facilitate a comprehensive Shepherds Bush Market regeneration scheme. The report also outlined grounds for approval to seek Compulsory Purchase Powers for the acquisition of all relevant interests required to support the implementation of the scheme.

In response to a question regarding why the Council had decided to use Compulsory Purchase Powers (CPP), the Leader said that the powers will be exercised if it is the only way to achieve the objective to assemble the parcels of land not owned by the developer and to support the regeneration of the market. The Compulsory Purchase Powers show all parties the ability to acquire all the land required for the development to progress, and will only be used if necessary and not otherwise.

Councillor Cowan was of the view that if the project proceeded on a negotiated basis it would obtain the best price without disadvantaging the market trader or seller. He felt the Council had strengthened the hands of the developer by agreeing a Compulsory Purchase Order (CPO). In his view, the developers should be able to negotiate with the small traders and businesses to obtain a satisfactory outcome without the threat of a CPO. The Leader said that the development was in the best interests of the residents and the businesses in the area. Where there are fragmented interested parties, the best way to obtain best value for all parties concerned is through a CPO which is rarely carried through. The Council was not taking lightly the use of such powers.

Councillor Jones asked for more detail on the design of suitable accommodation for existing Goldhawk Road traders and businesses. He commented that the design of some of the new premises would not be suitable for some businesses such as the Pie and Marsh shop. He was informed by officers that traders will be assisted into alternative or temporary accommodation by the developer. Thereafter, as part of the section 106 agreement, the businesses and traders will have first refusal of returning to their existing parade. The developer would further assist them to move to a new location if required. The Leader agreed that the concerns regarding design will be relayed to the developer and officers will ensure that a dialogue commences on such issues. In response to a question, the meeting was informed that it would take between 2 to 3 years for the construction programme to be completed.

During the debate, the Members of the Opposition requested additional information on the scheme in the following areas:-

- Judicial Review - The legal spend to date and future provision including internal legal costs and officers' time spent.
- Professional fees – The extent to which professional fees would be covered.

RESOLVED:

1. That Cabinet agrees that the four conditions set out in the report considered by Cabinet on 14 October 2010 have now been met.
2. That Cabinet agrees that the proposed scheme for the regeneration of the Shepherds Bush Market area will contribute to the achievement of the economic, social and environmental wellbeing of the area.
3. That a compulsory purchase order be made and thereafter that confirmation be sought from the Secretary of State for the use of compulsory purchase powers for the acquisition of all relevant property interests (as set out in Section 2 of this report) required to facilitate the implementation of the proposed scheme of development and regeneration at Shepherds Bush Market.

4. That the Council enter into a CPO Indemnity Agreement with Orion Shepherds Bush group of companies generally in the terms set out in this report and Appendix B.
5. That the Orion Shepherds Bush group of companies continuing to negotiate to acquire all necessary land and rights by agreement pending the formal confirmation of compulsory purchase powers be noted.
6. That the Leader, in conjunction with the Executive Director of Housing and Regeneration, the Executive Director of Finance and Corporate Governance and the Director of Law, finalises the Statement of Reasons and settles the final form of the indemnity agreement, and takes all necessary and procedural steps to seek confirmation and implementation of the CPO and to negotiate implementation arrangements to mitigate effects on persons affected by the CPO and makes a General Vesting Declaration to implement the CPO if confirmed by the Secretary of State.

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.

70. EXECUTIVE RESPONSE TO THE FLOODING SCRUTINY REPORT

RESOLVED:

That the Executive Response to the Flooding Scrutiny report, as set out at Appendix 1, 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.

71. **ANNUAL CHILD PROTECTION REPORT 1 APRIL 2011 TO 31 MARCH 2012**

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.

72. **HAMMERSMITH AND FULHAM LOCAL SAFEGUARDING CHILDREN'S BOARD (LSCB) ANNUAL REPORT 2011-12**

RESOLVED:

That the Local Safeguarding Children's Board Annual Report be noted as a briefing on local multi agency safeguarding activity and for feedback to the Tri Borough LSCB.

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.

73. **TROUBLED FAMILIES - DEVELOPING AND IMPLEMENTING A TRI-BOROUGH APPROACH**

RESOLVED:

That the proposals for delivering the service as set out in 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.

74. TRANSFER OF PUBLIC HEALTH FUNCTIONS TO LONDON BOROUGH OF HAMMERSMITH AND FULHAM

RESOLVED:

1. That the statutory transfer of public health functions to local authorities from 1 April 2013 be noted, and that the establishment of a single tri-borough Public Health service with Westminster City Council as lead authority be agreed.
2. That, subject to the PCT engagement process, the organisational structure for the tri-borough Public Health Service be agreed.
3. That officers be authorised to continue discussions with NHS bodies on the details of transition arrangements, particularly with respect to finance, staffing and contracts, and to report back to Cabinet later this year after the formal notification of funding allocation from the Department of Health.
4. That officers be authorised to begin discussions on the terms of a Section 113 Agreement between the three authorities relating to the new tri-borough service.
5. That the planned overspend on transitional costs is met from the Corporate Contingency in 2012/13 in H&F's accounts, to be returned in 2013/14.

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.

75. ACTON CARE CENTRE CONTRACT EXTENSION

RESOLVED:

1. That the contract between London Borough of Hammersmith and Fulham and Catalyst Housing Association, for the provision of Nursing Care Beds, be extended for a one year period from 1 March 2013 to 28 February 2014 be approved.
2. That the Cabinet Member for Community Care, in consultation with the Tri Borough Executive Director of Adult Social Care, be authorised to negotiate any variations to the contract price that become necessary as a result of changes to the service levels that are required, but not exceeding a total of more than 10% of the contract sum subject to the necessary budget approvals.

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.

76. STRATEGIC REVIEW OF SHELTERED HOUSING STOCK AND THE PROVISION OF EXTRA CARE UNITS IN HAMMERSMITH AND FULHAM - PHASE 1 CLOSURE REPORT

RESOLVED:

1. That the content of the CBRE Executive Summary Report and its conclusion that conversion of existing stock to the specified level of Extra Care is not a practical possibility, be noted.
2. That recommendations 1-14 set out in this report and their implementation be agreed.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

77. **BUILDING A HOUSING LADDER OF OPPORTUNITY, INCORPORATING HOUSING STRATEGY, HOUSING ALLOCATION SCHEME, TENANCY STRATEGY, HOMELESSNESS STRATEGY**

Cabinet received a report seeking approval and endorsement of the Housing Strategy, Housing Allocation Scheme, Tenancy Strategy, and Homelessness Strategy following public consultation with interested parties and the Mayor of London who is a statutory consultee. It was noted that the proposed changes will yield significant General Fund savings from 2014/15.

Michelle Bosc on behalf of the Housing Sub Group provided comments on the provision of housing for people with learning disabilities. She reported that the Sub Group had produced a paper as a response to the consultation suggesting a way forward and action plan for meeting the needs of people with learning disabilities in Hammersmith and Fulham. She implored the Council to follow the example of other local authorities that had addressed the specific needs of people with learning disabilities.

The Cabinet Member for Housing, Councillor Andrew Johnson, welcomed the group's work and noted that some of their suggestions and concerns had been addressed in the documents. He gave reassurance that Ms Bosc's comments would be considered during the implementation process which will involve ongoing discussions with interested parties such as Mencap.

RESOLVED:

1. That the Housing Strategy, Tenancy Strategy, Housing Allocation Scheme and Homelessness Strategy documents annexed to the report be approved.
2. That delegated Authority be given to the Cabinet Member for Housing in conjunction with the Executive Director of Housing and Regeneration to consider an updated Equality Impact Assessment and to make such minor changes to the documents annexed to this report as they consider necessary.

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.

78. **MEASURED TERM CONTRACT FOR BOROUGHWIDE CYCLICAL PLANNED MAINTENANCE TO COUNCIL-OWNED HOUSING PROPERTIES 2012 – 2015**

RESOLVED:

1. To note that the new contract is expected to start on 29 October 2012 for a period of three years, with no option to extend.
2. To note that the actual value of the contract will vary depending on available budgets and contractor's performance be noted.
3. That approval be given to issue orders for the 2012/13 programme of work to be carried out under the contract, up to the maximum value of £4.690m, as detailed in this report, and to agree programmes for each package of works with the contractor, with regular progress updates presented to the Cabinet Member for Housing, with whom any amendments to the programme shall be agreed.
4. To note that further reports will be submitted to Cabinet requesting approval to proceed with the future years' programmed schemes to be instructed under the contract.

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.

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

The summary was noted.

80. **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.]

81. **EXEMPT MINUTES OF THE CABINET MEETING HELD ON 3RD SEPTEMBER 2012 (E)**

RESOLVED:

That the minutes of the meeting of the Cabinet held on 3rd September 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

82. **SHEPHERDS BUSH MARKET REGENERATION - COMPULSORY PURCHASE ORDER: 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.

83. **ACTON CARE CENTRE CONTRACT EXTENSION : 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.

84. MEASURED TERM CONTRACT FOR BOROUGHWIDE CYCLICAL PLANNED MAINTENANCE TO COUNCIL-OWNED HOUSING PROPERTIES 2012-2015 : 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.

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

The summary was noted.

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

The summary was noted.

Meeting started: 7.00 pm
Meeting ended: 7.50 pm

Chairman

Cabinet

12 NOVEMBER 2012

LEADER

*Councillor Nicholas
Botterill*

**THE GENERAL FUND REVENUE BUDGET Wards
2012/2013 – MONTH 5 AMENDMENTS.**

All

The purpose of this report is to seek approval for changes to the 2012/13 Revenue Budget.

CONTRIBUTORS

All Departments

Recommendation:

That the changes to the General Fund revenue budgets as set out in Appendix 1 to this report be approved.

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

1. EXECUTIVE SUMMARY

- 1.1 This report sets out proposed amendments to the 2012-13 Revenue Budgets as at month 5.
- 1.2 General Fund virements totalling £0.869m are proposed. All the proposed virements are for the drawdown of earmarked reserves created from budgets carried forward from 2011/12 by the Adult Social Care Department.
- 1.3 No HRA virements have been requested.
- 1.4 It is not considered that the adjustments to the revenue budget would have any impact on one or more protected group(s). Consequently an EIA is not required.

2. REVENUE BUDGET ADJUSTMENTS

- 2.1 The total adjustments to revenue budgets are £0.869m (Appendix 1).
- 2.2 There are virements totalling £0.869m to general fund budgets. All the proposed virements are for the drawdown of earmarked reserves created from budgets carried forward from 2011/12 by the Adult Social Care Department.
- 2.3 There are no virements required for the HRA.

3. EQUALITY IMPLICATIONS

- 3.1 The Revenue Budget was set on 29 February 2012 at a meeting of Full Council and was informed by an Equality Impact Assessment ('EIA'), which assessed the reduction in Council Tax on the relevant protected groups.
- 3.2 The report of 29 February and the accompanying EIA noted that where particular policy proposals would have an impact on protected groups, further work would be undertaken.
- 3.3 It is not considered that the adjustments to the revenue budget would have any impact on one or more protected group(s). Consequently an EIA is not required.

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

No.	Brief Description of Background Papers	Name/Ext. of holder of file/copy	Department
1.	Revenue Monitoring Documents	Gary Ironmonger Ext. 2109	Corporate Finance Room 38 , Town Hall
	RESPONSIBLE OFFICER:		Gary Ironmonger 020 8753 2109

APPENDIX 1 - VIREMENT REQUEST FORM

BUDGET REVENUE MONITORING – PERIOD 5

Details of Virement	Amount (£000)	Department
£400,000 - Maximising revenue from Careline – Adult Social Care (ASC) has been working closely with Housing & Regeneration Department (HRD) because Careline is an important part of sheltered housing. The intention is to review sheltered housing but the implication is that the Careline MTFS project will be delayed. The sheltered housing review could take a year to complete and therefore put the period of consultation into the early part of 2013. The virement funded from carry forward under spend in 2011-12 reflects the mitigation in cost reduction.	400/(400)	ASC/Earmarked Reserves
£138,000 London Boroughs Grant Levy - An efficiency of £305,000 was achieved in 2011/12 through a London Council led consultation and review, this despite a successful legal challenge by an affected group. The LBHF savings programme for 2012/13 anticipated that a reduction in spend of £195,000 would be achieved. The notification from London Councils that LBHF's contribution will be £249,000 means that the saving will be only £57,000 leaving a net shortfall of £138,000	138(138)	ASC/Earmarked Reserves
- £100,000 - 3rd Sector Investment Fund - The investment budget is awarded to 3 rd sector organisations over a 2 year period and as a result of an underspend in 2011-12 of £100,000, the commitments are in 2012/13 in line with the Cabinet award report.	100/(100)	ASC/Earmarked Reserves
£231,000 Drawdown from the reserve. – Funding required for commitment in the Social Care Reform Programme	231/(231)	ASC/Earmarked Reserves
Total of Requested Virements (Debits)	869	



Cabinet

12 NOVEMBER 2012

LEADER

Councillor Nicholas Botterill

RATIONALISATION OF MICROSOFT ACADEMIC LICENCES

Wards: All

Recommending that the Council enters into an agreement with H&F Bridge Partnership to migrate the current academic licences to the existing Microsoft Enterprise Agreement Subscription contract from October 2012 for an additional annual cost of £44,702, to be permanently funded from the IT infrastructure fund.

CONTRIBUTORS

EDFCG
DoL

Recommendation:

That approval be given to migrate the current academic licences to the existing Microsoft Enterprise Agreement at a total cost of £44,702 p.a. as set out in para. 3.2 of the report.

HAS AN EIA BEEN COMPLETED?
N/A

HAS THE REPORT CONTENT BEEN RISK ASSESSED?
YES

1. BACKGROUND

- 1.1 A significant proportion of the H&F desktop estate utilises reduced price 'academic' Microsoft licences, because they are considered part of an educational institution. These licences are point licences for Windows XP and Microsoft Office 2003 and, unlike the Enterprise Agreement (EA) in operation for rest of the Council's desktops, these academic licences do not include the right to upgrade to Windows 7 and Microsoft Office 2010.
- 1.2 With the introduction of the virtual desktop and the associated upgrade to Windows 7 and Microsoft Office 2010, the Council now has to decide how to licence these machines. As at December 2011, there were 709 academic licences out of a total estate of 3,300.

2. OPTIONS

- 2.1 HFBP have considered four options:
 - 2.1.1 Leave the academic licensed desktop estate as is, with Windows XP and Microsoft Office 2003. This will put at risk the savings in support costs anticipated as a result of the workplace strategy but, more critically, leave around a quarter of the Council estate operating different versions of Microsoft Office. This is particularly important for Children's Services wishing to operate on a Tri-borough basis as there will be continued incompatibility with Tri-borough colleagues. Moreover, this approach would only delay the inevitable, as Microsoft intends to withdraw support for Windows XP in 2014.
 - 2.1.2 Purchase a new perpetual academic licence agreement for all 709 machines. The estimated cost of this is £121,000 per year for the first 3 years and then £56,000 thereafter for Software Assurance.
 - 2.1.3 Purchase a new subscription academic licence agreement for all 709 machines, the estimated annual cost of this it to be determined but will be in excess of the current EA terms agreed with Microsoft.
 - 2.1.4 Migrate the current academic licence estate to H&F's EA agreement. This has an estimated cost of £44,702 per annum.
- 2.2 The recommendation is to adopt option four for the following reasons:
 - 2.2.1 The current EA agreement is the most cost effective way of licensing, partly because the EA agreement can flex on an annual basis to accommodate fluctuations in staff numbers;

2.2.2 The EA Licence agreement allows devices to be upgraded to the latest versions when necessary;

2.2.3 The academic classification that Microsoft use is stringent and is inherently difficult to audit and apply i.e. any corporate staff using the system will deem the device to require a corporate licence;

3. COSTS

3.1 There is a range of costs involved in full migration to EA for the Council's academic licensed estate:

3.1.1 All machines will require full EA licences for Microsoft Office and the client access licence for access to server software;

3.1.2 For Power PCs, all that is required is an upgrade to Windows 7;

3.1.3 For Standard PCs, a virtual desktop access (VDA) licence is required for Windows.

For 2012/13, these costs are estimated as follows:

Item	Required Quantity	Annual Unit Cost £	Increase £
Windows upgrade	200	11.55	2,310
VDA Licence	500	20.16	10,080
Microsoft Office	700	34.06	23,842
Client access licence	700	12.10	8,470
Total			44,702

4. BENEFITS

4.1 Migrating the Council's academic licensed estate to EA offers a range of benefits:

4.4.1 The Council will be able to fully realise the benefits of the workplace strategy for these machines, enabling 80% of staff to work anywhere without local configuration of the desktop, and thereby:

- Further optimise use of accommodation across H&F and Tri-borough
- Enable staff to be more efficient
- Enhance mobility and personalisation
- Give performance and availability guarantees increasing productivity
- Give all staff access to the latest technology.

4.4.2 The academic licences are limited to Microsoft Office 2003, whereas its Tri-borough partners are both using Office 2007. Using Office 2003 wastes time in opening and saving Office 2007 documents as these have to be converted between the different file formats. It causes particular problems for complex spreadsheets used by Finance staff, as key formatting elements are not retained.

4.4.3 Accessing the benefits of the EA for the entire estate:

- It enables the costs to flex on an annual basis to accommodate fluctuations in staff numbers.
- Costs spread evenly over duration of agreement
- Prices fixed for duration of contract with a true-up or down annually to reflect current needs based on the staff numbers prevailing. Costs can therefore go down as staff numbers go down.
- Special government pricing – lowest commercial price guaranteed
- Lower Total Cost of Ownership (TCO) by being able to standardise upon Microsoft products across the estate rather than having to run multiple versions because of license and budget limitations
- New version upgrades
- Home Use Program providing Microsoft Office at negligible cost to staff. This in itself has the additional benefit of helping staff arrive at work ready to work, having used the latest version of the software
- 24/7 support
- Simplified license administration

5. RISK MANAGEMENT

- 5.1 Failure to ensure the estate is appropriately licensed could result in financial and reputational damage to the Council.
- 5.2 The proposed approach addresses the key risk identified above with Option 1, leaving the academic licensed desktop estate as is, with Windows XP and Microsoft Office 2003. This would put at risk the savings in support costs anticipated as a result of the workplace strategy.

6. EQUALITY IMPLICATIONS

- 6.2 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 The estimated cost of the proposal is £0.045m per annum. It is proposed that this be permanently funded from use of the IT infrastructure fund. The balance of the fund was £2.8m at the close of 2011/12 with annual budget provision of £0.8m.

8. COMMENTS OF THE DIRECTOR OF LAW

8.1 There are no direct legal implications for the purposes of this report.

9. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

9.1 There are no procurement related issues as the recommendations contained in this report relate to an order to be placed under the contract with the Council's strategic IT Partner.

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 (published)	Jackie Hudson ext 2946	FCS SmartSpace
2.	Workplace Strategy (published)	Jackie Hudson ext 2946	FCS SmartSpace
CONTACT OFFICER:		NAME: Jackie Hudson	EXT. 2946

Agenda Item 6



London Borough of Hammersmith & Fulham

Cabinet

12 NOVEMBER 2012

**DEPUTY LEADER (+
RESIDENTS
SERVICES)**
Councillor Greg Smith

NEW COMMUNITY TOILET PROVISION

Wards: All

Recommending removal of all 6 Automated Public Conveniences (APCs) in the borough with customers utilising alternative community toilets such as those in the Mayor for London's Toilet Scheme.

22 publicly accessible facilities will still remain within a 15 minute vicinity of the APC locations, of which 10 provide disabled access and 4 have baby changing facilities.

Under the London Mayor's Open Toilet Scheme, any new public convenience must include facilities for people with disabilities so this would have a positive equality impact. The scheme could also provide additional private facilities as further businesses sign up to the scheme, particularly with additional advertising and promotion.

A separate report regarding the termination of the existing contract is on the exempt Cabinet agenda.

CONTRIBUTORS

EDELRS
EDFCG
DoL

Recommendations:

- 1. That, given the high cost of renting and maintaining the Automatic Public Toilets (APCs) versus the low level of income generated, the Council ceases to operate APCs in the borough.**
- 2. That the current contract is terminated early at the end of Year 7 (March 2013) at a one off cost of £451k, saving the council £134k per annum from 2013/14 meaning an investment payback period of just over 3 years.**

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

**HAS AN EIA BEEN
COMPLETED?
YES**

- 3. That the Council promotes the London Mayor's OpenToilet Scheme operated at minimal cost to cover advertising by the authority**

1. BACKGROUND

- 1.1 Whilst the Council does not have a statutory duty to provide public conveniences, it does provide a number of toilets across the borough, including 6 Automated Public Conveniences (APCs). These are maintained under a contract with JCDecaux for a 15 year term, from 2006 to 2021 - the annual leasing charge being indexed each year in accordance with a contractual mechanism. For 2012/13, the APC service is budgeted at a net cost of £158k which includes a budget for urinals at Shepherds Bush Green.
- 1.2 This paper requests approval to terminate the existing contract on all 6 APCs in the borough, thereby saving £134k per annum as set out in the Council's MTFs from 2013/14. It should be noted that the toilet at Vanston Place is to be removed due to building works. This should be cost neutral as the building developer is required to cover any additional costs under the associated Section.106 agreement.
- 1.3 A map is provided at Appendix 1 showing the current locations of the APCs and the alternative provisions available to the public.

2. PROPOSED ACTION

- 2.1 That, given the high cost of renting and maintaining the APCs versus the low level of income generated, the Council ceases to operate APCs in the borough. 22 publicly accessible facilities will still remain within a 15 minute vicinity of the APC locations, of which 10 provide disabled access and 4 have baby changing facilities.
- 2.2 That the contract is terminated early at the end of Year 7 (March 2013) at a one off cost of £451k. However, this will save the Council £134k per annum from 2013/14 meaning an investment payback period of just over 3 years.
- 2.3 That the Council promote the London Mayor's Open Toilet Scheme operated at minimal cost to cover advertising by the authority. Any new public convenience is obliged to include facilities for people with disabilities so this would have a positive equality impact. The scheme could also provide additional private facilities as further businesses sign up to the scheme, particularly with additional advertising and promotion.

3. USAGE INCOME

- 3.1 As an alternative to removing the APCs, officers have examined whether the Council could offset the ongoing running costs by making a charge for the use of (some of) its facilities. All of the units with the exception of Shepherds Bush Green are currently free to use and are able to provide disabled access with the use of a RADAR

key. Income is generated from the unit at Shepherds Bush Green where a 10p charge is levied, generating approximately £200 income per year. There are currently no charges for the use of disabled facilities and there would continue to be no charge to disabled customers if a payment mechanism were introduced.

- 3.2 There is the opportunity to generate further income by charging for all APC's. Appendix 3 sets out usage over a 3 year period and potential income from charging. It can be seen that the chargeable unit is used less frequently than the other units: 2,199 visits annually to Shepherds Bush chargeable toilet versus 9,939 visits to the free APC on King Street and 11,762 visits to Talgarth Road. Therefore it could be expected that usage could reduce by up to 75% if charging were introduced.
- 3.3 Assuming that there will be a 50% reduction in usage across all 6 APCs, the forecast annual income is expected to be in the region of £2k - £7k. A one-off investment of £3k would also be required to convert the 5 units to paid entry, thereby reducing the opportunity for any net cost reduction in the first year. Additionally, given the small contribution this new income stream is expected to make to the overall cost of running the service (3% of net cost), this is not recommended as a viable option in the longer term.

4. OTHER BOROUGHGS

- 4.1 **The Royal Borough of Kensington and Chelsea (RBKC)** - RBKC have various APC contracts with JCDecaux, running to 17 April 2015, 16 June 2015, 31 December 2016, 27 June 2017 and 27 July 2019. Excluding facilities located within parks, they currently have 13 public conveniences of which 9 are APCs (one is located within Earl's Court London Underground station). APCs charge an entrance fee of 20p, except those at Lonsdale Road and Earl's Court London Underground station which are free.
- 4.2 **Westminster City Council (WCC)** - 21 staffed toilets are in operation with significant investment over the last 10 years. The Council has won numerous awards in the annual 'Loo of the Year' competition. In August 2012, operation of the staffed toilets was taken over by Carlisle Cleaning under the brand name Cityloos. All staffed toilets are now charged at 50p per visit. Clear Channel are contracted to operate a series of APCs in Westminster, use of which is charged at 50p per visit. This contract is due to expire in March 2013, and WCC are currently reviewing options for the future of APCs. WCC has an innovative service to locate the nearest toilet through a text message service called SAT LAV. Users can text 'TOILET' to a dedicated number and they will be sent a text by return with the location and opening hours of the nearest toilet. Text costs 25p plus the network standard rate. The overall cost of the WCC offer is being investigated.

- 4.3 **LB Wandsworth** - Wandsworth operates a local community toilet scheme whereby local businesses work with the Council to provide toilets accessible to the public. One hundred businesses are paid £900 per annum (total £90k pa), and there were set-up costs in the form of staff time, advertising, etc. Businesses often find that offering the community toilet facilities generates extra income. This is in addition to the Mayor of London's Open Toilet Scheme which applies to all boroughs (details relevant to LBHF given in Appendix II).

5. RISK MANAGEMENT

Risk	Mitigation Measure
Section 106 money is not received to offset cost.	<ul style="list-style-type: none"> • Only remove Vanston Place APC when S106 position agreed, and payment made
Adverse public reaction	<ul style="list-style-type: none"> • Alternative provision identified in table in Appendix 2 • Equalities Impact Assessment
Exit process from contract with JCDecaux needs to be managed correctly	<ul style="list-style-type: none"> • Flag to JCDecaux and include Legal in discussions

6. EQUALITY IMPLICATIONS

- 6.1 An EIA has been carried out and alternative provisions for customers are available in the local area. Details are included in Appendix 2. Whilst theoretically the withdrawal of service could have a negative impact on disabled users, it should in effect have no impact as there has been no use of RADAR keys at any of the APC's since the units were installed in 2005 and alternative provision of toilets with disabled access are available. If the service is withdrawn, there may be a negative impact on mothers with babies as although there are publicly accessible toilets with baby changing facilities, these are somewhat limited and the majority charge a fee. However, it is not possible to measure current mother and baby usage of APC's, but as with disabled users it is not anticipated to be high.

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

- 7.1 To continue the APC contract will cost significantly more than terminating it in March 2013. Charging for the use of the facilities has been explored but the costs of providing this service far exceed any income that could be expected.

7.2 If S.106 funds for the closure of the toilet at Vanston Place are not forthcoming then alternative options will need to be agreed to fund the removal and termination costs, which have been estimated at £113k and are not included in the figures set out in this report.

7.3 Despite this risk it is recommended that the contract is terminated in March 2013 in order to deliver the £134k saving set out in the Council's MTFs from 2013.

8. COMMENTS OF THE DIRECTOR OF LAW

8.1 The Council has a power, under section 87 of the Public Health Act 1936, to provide and maintain toilets in public places at its discretion as opposed to a duty to do so.

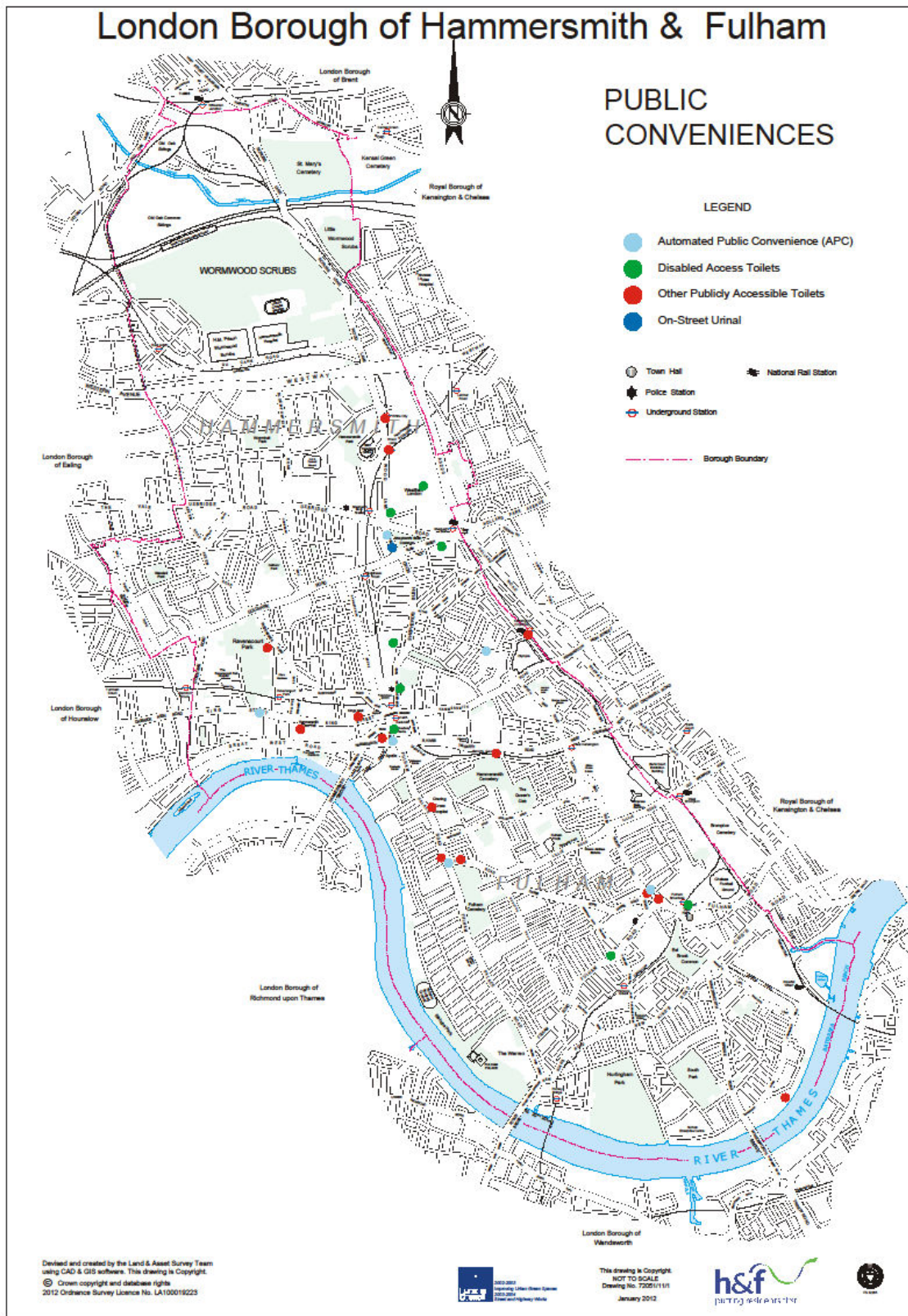
8.2 The Council also has powers under section 20 of the Local Government (Miscellaneous Provisions) Act 1976 to require toilets to be provided and maintained for public use in any place providing entertainment, exhibitions or sporting events, and places serving food and drink for consumption on the premises.

8.3 For the justifications mentioned in the body of this report, the Director of Law endorses the recommendation 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.	None		
CONTACT OFFICER:		NAME: Sue Harris EXT: 4295	

Appendix 1 - Map



Appendix 2 - EIA A.	Currently Accessible Toilets (alternative provision to APC's)	Walking time	Cost	Disabled Facilities	Baby Changing Facilities	Impact arising from removal
Vanston Place, SW6 Awaiting removal RADAR key for disabled access	Marks & Spencer, Jerdan Place, (Part of Mayor's Open London scheme) Fulham Broadway Shopping Centre Fulham Library, Fulham Road Sainsbury's Townmead Rd (Part of Mayor's Open London scheme) St John's Church	1min 2mins 8mins 21mins 1 min	Free 30p Free Free Free	Y Y Y Y N	Y Y Y Y N	none increase in cost for all users except disabled users with a RADAR key none none
	Tesco, Esso Express King's Road	15 mins	Free	Y	Y	none
	Tesco Express, Fulham Road	15mins	Free	Y	N	
Lillie Road / Fulham Palace Road, SW6 RADAR key for disabled access , baby changing facilities	Bishop Creighton House Shell Garage Charing Cross Hospital Hammersmith Broadway Fulham Palace Road Express	1 min 2 min 5 min 15mins 15mins	Free Free Free 50p Free	N N Y Y Y	N N N Y N	Facilities available for mothers with babies, however, at a cost of 50p
Shepherds Bush Green, W12 RADAR key, baby changing facilities 10p charge	On street urinal (1900-0700) Shepherds Bush Library Westfield Wood Lane Tube White City Tube West 12 Centre Wood Lane Tube Station	2mins 3mins 10mins 10mins 11 mins 12 mins 15 mins	Free Free Free Free Free 20p free	N Y Y N N Y Y	N Y Y N N Y Y	Restricted times and only suitable for males None none none none
King Street, W6 RADAR key, baby changing facilities	Hammersmith Town Hall Ravenscourt Park Kings Mall	4mins 6mins 10mins	Free Free Free	Y N N	Y N N	none

	Hammersmith Broadway	15mins	50p	Y	Y	none
	Stanford Brook	15mins	Free	N	N	none
	Hammersmith Library	15mins	Free	Y	Y	none
Talgarth Road, W6 RADAR key, baby changing facilities	Barons Court Tube	6mins	Free	N	N	none
	St Paul's Church	3 mins	Free	N	N	
	Hammersmith Broadway	3 mins	50p	Y	Y	
	Kings Mall	10mins	Free	N	N	none
	Tesco, Shepherd's Bush Road	10 mins	Free	Y	Y	
	BP, Talgarth Road	10 mins	Free	Y	Y	
	Hammersmith Library	16mins	Free	Y	Y	None
Blythe Road, W14	Tesco's Shepherds Bush Road (Part of Mayor's Open London scheme)	16mins	Free	Y	Y	None
RADAR key, baby changing facilities	Tesco's Talgarth Road	5mins	Free	Y	N	None
	Kensington Olympia Tube	6mins	Free	Y	Y	
	Hammersmith Library	11mins	Free	Y	Y	

Sources

<http://legacy.london.gov.uk/mayor/priorities/open-london/>

<http://www.tfl.gov.uk/assets/downloads/toilets-map.pdf>

Equality Impact Analysis Initial Screening Tool with Guidance

Overview

This Tool has been produced to help you analyse the likelihood of impacts on the protected characteristics – including where people are represented in more than one – with regard to your new or proposed policy, strategy, function, project or activity. It has been updated to reflect the new public sector equality duty and should be used for decisions from 5th April 2011 onwards. It is designed to help you determine whether you may need to do a Full EIA. If you already know that your decision is likely to be of high relevance to equality, and/or be of high public interest, you should contact the Opportunities Manager, as s/he may recommend moving directly to a Full EIA.

General points

1. 'Due regard' means the regard that is appropriate in all the circumstances. In the case of controversial matters such as service closures or reductions, considerable thought will need to be given the equalities aspects.
2. Wherever appropriate, and in all cases likely to be controversial, the outcome of the EIA needs to be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.

Timing, and sources of help

Case law has established that having due regard means analysing the impact, and using this to inform decisions, thus demonstrating a conscious approach and state of mind ([2008] EWHC 3158 (Admin), [here](#)). It has also established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, through to the recommendation for decision. It should demonstrably inform, and be made available when the decision that is recommended. This tool contains guidance, and you can also access guidance from the EHRC [here](#). If you are analysing the impact of a budgetary decision, you can find EHRC guidance [here](#). Advice and guidance can be accessed from the Opportunities Manager: PEIA@lbhf.gov.uk or ext 3430.

Initial Screening Equality Impact Analysis Tool

Section 01	Details of Initial Equality Impact Screening Analysis
Financial Year and Quarter	12/13 Q2
Name of policy, strategy, function, project, activity, or programme	Existing provision of Automatic Public Conveniences (APC).
<p>Q1 What are you looking to achieve?</p>	<p>To identify the impacts of the withdrawal of six APCs in the borough and how they can be mitigated against.</p> <p>There are currently there are 6 APC's across the borough. These are located in:</p> <ul style="list-style-type: none"> • Vanston Place, SW6 • Lillie Road junction Fulham Palace Road, SW6 • Hammersmith Broadway, W6 • Blythe Road, W6 • King Street (Ravenscourt), W6 • Shepherd's Bush Green, W12 <p>The contract with JCDecaux to provide the APCs commenced in April 2006 and was set for a period of 15 years, terminating in 2021. The length of the contract is to cover the contractor's asset costs over the life of the units. 8½ years remain on the contract and it is estimated as a net saving of £702k</p> <p>The aim is to remove all 6 APC's whilst ensuring that there is adequate provision of alternative toilets in the rest of the borough.</p>
<p>Q2 Who in the main will benefit?</p>	<p>Analyse the impact of the policy on the protected characteristics (including where people / groups may be in more than one protected characteristic). You should use this to determine whether the policy will have a positive/neutral/negative impact and whether it is of low/medium/high relevance to equality.</p> <p>You should also use this section when your policy may not be relevant to one or more protected characteristics. If this applies, case law has established that you must give your reasoning. It is not sufficient to state 'N/A' without saying why.</p>

Information: protected characteristics and PSED

The public sector equality duty (PSED) states that in the exercise of our functions, we must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited under the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

Having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics;
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people; and
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

The Act states that meeting different needs involves taking steps to take account of disabled people's disabilities. It describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. It states that compliance with the duty may involve treating some people more favourably than others.

Age	Older people and small children may have greater need for toilets when out and about. The impact on older people and small children (and their carers and parents) will be negative as five free APCs are to be removed under Option One. 22 alternative provisions, of which three charge a fee, has been identified in the table in Appendix 2. Each is within 5minutes walking distance of the APCs to be removed and so the journey time will be short but for three of those locations there will be a cost (20p to 50p).	H	negative
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	Disability	The impact on disability is likely to be minimal as alternative provision has been sourced which are within 5 minutes walking distance. The current APCs are accessible for disabled customers. The alternative provision sourced includes facilities that are accessible for disabled customers and these will remain free of charge to customers with RADAR keys. No RADAR keys have been used for any of the APC's since the start of the contract in 2005.	L	/
	Gender reassignment	The impact on people going through gender reassignment is has a low impact but is negative as the current APC's are unisex and therefore do not discriminate between genders whereas separate public male and female toilets may be uncomfortable for those undergoing gender reassignment. The alternative toilets make provision for both men and women with the exception of Shepherd's Bush where there is an additional urinal.	L	negative
	Marriage and Civil Partnership	Not relevant in this case	N/A	N/A
	Pregnancy and maternity	The impact on pregnancy and maternity is negative, however, alternative provision has been sourced which is within 5 minutes walking distance. Where baby changing facilities are required, three of the four alternative provision requirements cost between 20p and 50p, so there will be a negative impact on parents with babies as there are currently 10 baby changing locations available.	H	negative
	Race	There is no impact on race as alternative provision has been sourced which are within 5minutes walking distance.	L	/

	Religion/belief (including non-belief)	There is no impact on religion or beliefs as alternative provision has been sourced which are within 5minutes walking distance.	L	/
	Sex	The impact on people going through gender reassignment has a low impact but is negative at Shepherd's Bush Green. There is a street urinal which makes provision for males but not females, however, there are 4 other alternatives within 12 minutes walking distance, with the nearest being 3 mins away. The alternative toilets make provision for both men and women.	L	negative
	Sexual Orientation	There is no impact on sexual orientation as alternative provision has been sourced which are within 5minutes walking distance.	L	/
<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)? No</p>				
Q3 Does the policy, strategy, function, project, activity, or programme make a positive contribution to equalities?	No: the overall outcome will be neutral as there is alternative provision.			
Q4 Does the policy, strategy, function, project, activity, or programme actually or	No, as alternative provision has been sourced which are within 5 to 15 minutes walking distance.			

potentially contribute to or hinder equality of opportunity, and/or adversely impact human rights?

Appendix 3 - Usage over the last 3 years and potential income from charging (Shepherds Bush already a chargeable unit)

2010/11	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Annual Totals
Vanston Place	388	707	1,100	Data Not Available	Data Not Available	Data Not Available	974	1,205	899	997	1,195	1,157	8,622
Lillie Road / FPR	716	713	703	Data Not Available	Data Not Available	Data Not Available	765	632	593	559	578	677	5,936
Shepherds Bush Grn	165	229	250	Data Not Available	Data Not Available	Data Not Available	335	298	254	178	194	296	2,199
King Street	738	1,261	1,539	Data Not Available	Data Not Available	Data Not Available	1,265	1,190	1,112	889	742	1,203	9,939
Talgarth Road	879	1,476	1,553	Data Not Available	Data Not Available	Data Not Available	1,722	1,295	1,180	1,191	1,241	1,225	11,762
Blythe Road	868	793	655	Data Not Available	Data Not Available	Data Not Available	936	1,142	893	906	983	1,032	8,208
Total Visits	3,754	5,179	5,800	0	0	0	5,997	5,762	4,931	4,720	4,933	5,590	46,666
Income @ 10 pence / use	£375	£518	£580	£0	£0	£0	£600	£576	£493	£472	£493	£559	£4,667
Income @ 20 pence / use	£751	£1,036	£1,160	£0	£0	£0	£1,199	£1,152	£986	£944	£987	£1,118	£9,333
Income @ 30 pence / use	£1,126	£1,554	£1,740	£0	£0	£0	£1,799	£1,729	£1,479	£1,416	£1,480	£1,677	£14,000

2009/10	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Annual Totals
Vanston Place	171	800	0	174	950	592	1106	729	920	400	741	101	6,684
Lillie Road / FPR	438	810	657	403	618	604	620	477	584	470	425	493	6,599
Shepherds Bush Grn	0	0	261	445	232	335	361	54	113	137	113	139	2,190
King Street	1198	1085	1180	1408	1300	902	1143	294	730	749	992	834	11,815
Talgarth Road	761	582	828	1552	1270	482	697	850	507	792	1012	806	10,139
Blythe Road	363	642	573	1229	383	498	836	941	510	434	741	907	8,057
Total Visits	2,931	3,919	3,499	5,211	4,753	3,413	4,763	3,345	3,364	2,982	4,024	3,280	45,484
Income @ 10 pence / use	£293	£392	£350	£521	£475	£341	£476	£335	£336	£298	£402	£328	£4,548
Income @ 20 pence / use	£586	£784	£700	£1,042	£951	£683	£953	£669	£673	£596	£805	£656	£9,097
Income @ 30 pence / use	£879	£1,176	£1,050	£1,563	£1,426	£1,024	£1,429	£1,004	£1,009	£895	£1,207	£984	£13,645

2008/09	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Annual Totals
Vanston Place	464	798	508	329	311	376	272	206	786	658	711	818	6,237
Lillie Road / FPR	358	727	492	806	556	619	401	50	468	304	180	378	5,339
Shepherds Bush Grn	66	0	0	0	238	252	364	250	0	0	0	0	1,170
King Street	608	607	560	1030	778	903	861	927	628	645	546	679	8,772

Talgarth Road	435	1062	1338	1291	1136	1335	1596	1476	860	1004	863	1083	13,479
Blythe Road	445	556	819	954	905	1187	1231	959	749	778	610	470	9,663
Total Visits	2,376	3,750	3,717	4,410	3,924	4,672	4,725	3,868	3,491	3,389	2,910	3,428	44,660
Income @ 10 pence / use	£238	£375	£372	£441	£392	£467	£473	£387	£349	£339	£291	£343	£4,466
Income @ 20 pence / use	£475	£750	£743	£882	£785	£934	£945	£774	£698	£678	£582	£686	£8,932
Income @ 30 pence / use	£713	£1,125	£1,115	£1,323	£1,177	£1,402	£1,418	£1,160	£1,047	£1,017	£873	£1,028	£13,398

Tri-Borough Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision: 12 November 2012	 h&f hammersmith & fulham
	Full Cabinet Date of decision: 15 November 2012 Forward Plan reference: 03828/12/K/A	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Full Cabinet Date of decision: 12 November 2012 Forward Plan reference: <i>[insert]</i>	 City of Westminster
Report title (decision subject)	ESTABLISHING TRI-BOROUGH INTEGRATED HEALTH AND SOCIAL CARE COMMUNITY SERVICES – UPDATE AND NEXT STEPS	
Reporting officer	Andrew Webster, Tri-Borough Executive Director, Adult Social Care and Zena Deayton, Tri-Borough Operations Director, Adult Social Care	
Key decision	Yes	
Access to information classification	Public	
Cabinet Member or senior officer sign-off details	The authority of the relevant Cabinet Member at each authority has been obtained to the publication of this report	

1. EXECUTIVE SUMMARY

- 1.1 Health and Social Care face the combined challenge of a sustained reduction in resources and, due to demographic change, a projected increase in demand for services, both in terms of the numbers of people seeking help and their level of need.
- 1.2 Recently, the government set out its vision for reformed health and social care in the White Paper, “Caring for our future: reforming care and support”, and demonstrated continued commitment to integrated health and social care – care that is co-ordinated, continuous and person-centred.
- 1.3 This is in accord with local ambitions, the vision of the Clinical Commissioning Groups, the Adult Social Care Mandates for the three boroughs, and the strategy for NHS services in North West London *Shaping a healthier future*, currently out for consultation. This realigns NHS resources, reducing hospital activity, and proposes that networks of GP practices will work with other health and social care providers to deliver co-ordinated services to the local community, improving care planning and local services and information and communication standards.
- 1.4 Adult Social Care in the three boroughs has a long-established track record of effective integrated care, out of hospitals, for people with learning disabilities and long-term mental health problems, as well as excellent projects to enable people to get home from acute hospitals when they are well enough. It is now proposed to integrate mainstream health and social care for those people who make greatest use of both systems and require continuing care and case management for complex needs.
- 1.5 To enable the design of a local system that is effective and sustainable and which commands support from all the contributing services – primary care, community health, secondary care, social care, patients and the public – four linked programmes of work are being pursued:
 - Each borough and Clinical Commissioning Group (CCG) is taking forward an ‘out of hospital strategy’ to deliver better support at home, at lower costs, and achieve a reduction in demand on hospitals;

- Adult Social Care is working with NW London NHS to look at how our existing successful approaches to integration through Integrated Care Pathways could be scaled up to a 'whole system' approach;
 - The 'Community Budget' project will bring together health and social care spending for people at risk of needing high levels of care, and develop new delivery models, governance and financial arrangements; and,
 - Adult Social Care plans to work with GPs and Central London Community Healthcare to build integrated local delivery of health and social care through GP networks working in partnership with assessment and care management and community health services.
- 1.6 In June 2011, Tri-Borough Cabinets agreed to take forward negotiations with Central London Community Healthcare, as an equal partner, to establish borough-specific, integrated health and social care services both for assessment and long term support for older people, people with physical disabilities and people with learning disabilities.
- 1.7 The desired outcomes are to benefit residents through a seamless service, and to achieve cost reductions through providing integrated points of access, through reducing service duplication and through reducing demand as well as the intensity and length of expensive care. Service users, particularly those with long-term conditions, will receive a single assessment and have all their health and social care co-ordinated by a single individual.
- 1.8 This is in accord with the key principles of the Councils' Mandates for Adult Social Care, which include to improve people's experience of health and social care, to promote recovery and enable independence, to maximise self-reliance and personal responsibility, and promote greater productivity and value for money.
- 1.9 Other objectives include improving the capacity of community services in order to prevent hospital admissions and reduce delayed discharges, and to keep people at home rather than in nursing or residential accommodation, releasing significant savings.
- 1.10 This report sets out the progress made to date with the planned transformation of health and social care community services across Tri-Borough and seeks approval to establish a joint Director who will lead an integrated senior

management team with Central London Community Healthcare and establish integrated locality services based around primary care services (GP networks).

2. RECOMMENDATIONS

- 2.1 That the Cabinets agree to establish a Director for Health and Social Care, Adults with CLCH, who would manage **both** community health and social care services, replacing the existing Director of Operations post in the Tri Borough Adult Social Care management team.
- 2.2 That the Cabinets delegate authority to the Tri-Borough Executive Director for Adult Social Care to draft and implement the further detailed management structure below the proposed Director for Health and Social Care, Adults.
- 2.3 That where this results in the displacement of staff, every effort will be made to assimilate, redeploy or find suitable alternative employment for the post holders affected by this reorganisation. Where it is not possible to redeploy individuals, that they will be declared redundant with effect from a date to be agreed between the Executive Director of Adults Social Care and the Director of Human Resources, and paid benefits in accordance with the relevant Council's Policy on Payment of Redundancy Compensation.

3. REASONS FOR DECISION

- 3.1 Establishing borough-specific, integrated, locality-based health and social care services will benefit residents through creating a seamless service that will provide them with care that is co-ordinated, continuous and person-centred while producing cost reductions through reducing service duplication and reducing demand as well as the intensity and length of expensive care. The first step to establish this service is to create the senior management structure that will take forward the tasks of building integrated front-line services around GP networks.

4. BACKGROUND, INCLUDING POLICY CONTEXT, AND ANALYSIS OF OPTIONS

National Imperatives

- 4.1 Greater integration of the delivery of social care and health services has for years been considered essential by patient groups, leaders and practitioners in both local government and the NHS.
- 4.2 The consequences of the fragmentation and inefficiency in service delivery include:
- Multiple and confusing points of access for individuals and their families
 - Demarcation lines between different professional groups and care organisations which lead to multiple care assessments and overlapping care plans
 - No single organisation responsible for care co-ordination, leading to fragmentation of care delivery, no single care plan and sometimes failure to deliver seamless care
 - Confusion about the relationship between social care and NHS funding arrangements and eligibility among individuals and their families
 - Increased costs for social care and/or health providers when individuals are unable to maintain their independence as they could have done with better coordinated care
- 4.3 However, while some councils and some health organisations have successfully created some joint teams, with few exceptions little real progress has been made to deliver properly co-ordinated social care and health services to vulnerable residents to give them the best possible chance of staying out of hospital, residential or nursing care altogether, of being discharged from hospital to continuing independence at home rather than to residential care or, where people wish to, of dying at home.
- 4.4 The **Health and Social Care Act 2012** set out clear obligations for the health system, and its relationship with care and support, to improve the quality of services and people's experience of them. Integration across the NHS, public health and social care is recognised as a key means to achieving this with integrated services person-centred, improving outcomes, and reducing health inequalities.

- 4.5 Under the Act, the NHS Commissioning Board, Clinical Commissioning Groups, Monitor, and Health and Wellbeing boards (which will be statutory from April 2013) all have duties to promote and enable integration. In addition, the changes made to public health will help to ensure a joined up approach to tackling health inequalities and improving the health and wellbeing of the whole population.
- 4.6 Recent reports by the **Future Forum, The King’s Fund and Nuffield Trust**, the Health Select Committee and a Joint Statement by the Association of the Directors of Social Services (ADSS) and the NHS Confederation¹ promote integration and the need to shift resources and focus towards prevention and early intervention and to enable better self management of care in order to improve reablement and recovery outcomes.
- 4.7 The **White Paper “Caring for our future: reforming care and support”**, for the first time sets out in one place this Government’s commitment to actively supporting better joint working and integrated care to improve outcomes, user experience and value for money.
- 4.8 The three rewards on offer, which closer integrated working and care can bring for commissioners and providers, individual users of health and social care and Government overall, are described as:
- better health outcomes and experiences for people, especially older people and those with long-term conditions
 - better care for patients, users, carers and families
 - better value for money, efficient use of resources and increased productivity, leading to delivery of NHS Quality, Innovation, Productivity and Prevention (QIPP) and local government finance pressures.
- 4.9 The draft **Care and Support Bill** sets the legal framework for care and support, to support the vision of the White Paper and will set a duty for local authorities to promote the integration of services and will provide for further duties of co-operation for local partners. Each local authority in England will be required to make sure its own adults, children and housing departments work together, and to integrate services with health and health-related services locally.
- 4.10 An extra £300m of transition funding will be distributed to Councils from the NHS budget via the NHS Commissioning Board. Health and Wellbeing Boards will

¹ Integrated care – making it happen: A Joint Statement between the Association of Directors of Adult Social Services and the NHS Confederation January 2012

determine how the investment is best used. The funding will also cover the costs to local authorities of the reforms in the White Paper. Further details about this funding are awaited.

- 4.11 Subject to the evaluation of personal health budgets, the government intends to make it straightforward for people to combine these with personal social care budgets.
- 4.12 The government wants to improve care coordination so that people are assisted to navigate the care system so this becomes standard practice across hospital, community health and social care with universal care plans and named coordinators.
- 4.13 Later this year the government will publish a framework to support removing barriers to integrated care, including proposals for measuring peoples' experience, sharing tools and innovation and developing coordinated care models for older people. There will be a focus on better integration at key transition points such as hospital discharge, in residential care and palliative care.

The local vision

- 4.14 Adult Social Care in the three boroughs has a long-established track record of effective integrated care, out of hospitals, for people with learning disabilities and long-term mental health problems, as well as excellent projects to enable people to get home from acute hospitals when they are well enough. The priority now is to integrate mainstream health and social care for those people who make greatest use of both systems and require continuing care and case management for complex needs.
- 4.15 Against the national background, and with consideration of the case for change and the benefits to be gained for residents, Tri-Borough Cabinets in summer 2011 agreed the following recommendations as part of the tri-borough proposals for Adult Social Care:
 - To agree to negotiations with Central London Community Healthcare to establish integrated health and social care services both for assessment and long term support. These services are to be borough specific where appropriate and tailored to local needs and include gate keeping mechanisms to ensure effective financial and quality control.

- To agree the development of a legal agreement with Central London Community Healthcare ensuring service standards and accountability are clear.
- To agree to the establishment of a single Operational Assistant Director across three boroughs reporting to the Chief Executive of Central London Community Healthcare and the Director of Adults Social Services.

4.16 Boroughs expected this transformation to deliver savings of £4m by 2014/15, while meeting residents' aspirations for quality seamless services. Savings were to be delivered by combining services to put in place a single integrated provider organisation combining adult social care and community health services, thus providing the opportunity to reduce management and staffing costs and reducing service duplication and reducing demand as well as the intensity and length of expensive care.

4.17 Designing and operationalising integrated out of hospital care is now a key priority in the Tri-Borough Adult Social Care Business Plan for 2012/13, and is in accord with the priorities of the three Adult Social Care mandates to improve people's experience of health and social care while achieving greater productivity and value for money.

Business Plan Priorities 2012/13

Our priorities for 2012/13			
	Personalised Services	Integrated Delivery	Better for Less
Information and Advice	Intuitive information Self service	111 service Care navigators	Self management
Personal care management	Outcomes based plans Direct payments	Shared assessment Single record	Right first time User feedback and review
Reablement and Recovery	Measure change 100% coverage	Combined risk management	Targeted outreach instead of hospital admissions
Care closer to home	Wide range and quality of services in your home	Health and social care co-ordinators and workers	Framework contracts for home based care
The right special care	Linked extra care housing, residential and nursing homes	Health and social care in one package	Shorter hospital stays and less residential care
Good end of life	Gold standard in all settings for all	Integrated health and care at home	Shared funding

	conditions		
	Single business plan	Shared leadership	Community budget

The integration programme

- 4.18 To enable us to design a local system that is effective and sustainable and which commands support from all the contributing services – primary care, community health, secondary care, social care, patients and the public – we are pursuing four linked programmes of work:
- 4.19 Firstly, each borough and Clinical Commissioning Group (CCG) is taking forward an ‘out of hospital strategy’. These have been reported to the new Health and Well Being Boards and signed off by the CCG boards, and are a critical part of delivering better support at home, at lower costs, to achieve the change in activity that underpins the hospital reconfiguration plan currently being consulted on by North West London NHS. Delivering out of hospital services is a foundation stone for the future and Adult Social Care will work closely with each CCG to implement their strategy.
- 4.20 NW London NHS and the three boroughs have commissioned work to look at how the existing successful approaches to integration could be scaled up to ‘whole system’ scale. The aim is to derive a clear understanding of how to deliver integrated health and social care across three boroughs, underpinned by data and analysis, and unique in England.
- 4.21 The ‘Community Budget’ project brings together all the budgets for health and social care across the three boroughs and looks to achieve better outcomes from operating more flexibly at a local level, free from existing national rules and constraints. The desired outcome is to develop a clear case for devolving more responsibility to local level and changing national rules such as the current tariff regime and information governance arrangements, with ministerial action to implement changes.
- 4.22 And lastly, Adult Social Care proposes to work with GPs and Central London Community Healthcare to develop local delivery of health and social care through GP networks working in partnership with assessment and care management and community health services.

- 4.23 While the timing of this proposal reflects in some part the financial pressures now facing the councils and the NHS, it reflects in much greater part the opportunity afforded us by the national changes in the healthcare landscape to determine with current and new partners (in particular our Clinical Commissioning Groups) the future shape and quality of the care delivered to some of our most vulnerable residents.
- 4.24 For the three Councils, working with our Clinical Commissioning Groups to commission together innovative, seamless services, easily accessed by those who need them, is absolutely critical. Each Council will need to engage with its respective Clinical Commissioning Group, to agree a joint approach to commissioning integrated out of hospital health and care services that reflects local needs and priorities.
- 4.25 Across the tri-borough, the three CCGs have developed Out of Hospital strategies which collectively aim to reduce unplanned hospital admissions by about 15,000 per year, with a consequent reduction of over 50,000 acute hospital bed days per year by 2014/15 (£60M gross saving pa to the NHS). Some of these acute hospital bed days will require replacement by social care funded services including domiciliary care.
- 4.26 The CCG strategies explicitly recognise that full integration of health and social care is fundamental to improving care in the community so that demand for hospital care is reduced. As about 60% of care home admissions directly follow emergency hospital admissions, there is an opportunity to reduce demand for expensive residential social care services through a joint approach to early intervention with “at risk” residents. Joined up, proactive health and care services are also preferred by our clients, and there is good evidence that they significantly improve health and well-being outcomes. We want to avoid people feeling bounced around the system, having to tell their story several different times and experiencing unnecessary delays.
- 4.27 As well as managing demand, savings opportunities also arise from integrating social care and health through the IT, back office, and out of hours functions associated with referrals, screening, triage, assessment and scheduling. Disparate IT solutions mean multiple entries of the same data and lack of information sharing between partners.
- 4.28 Integrated care therefore represents both an opportunity and a risk to Adult Social Care since it will change patterns of demand and the balance of spending

between NHS and Council services. Integrated out of hospital services will need to be carefully designed to drive out inefficiencies and lower costs, and the tri-borough partners will need to be active players in this transformation to ensure good outcomes and to achieve the savings targets. The successful joint integration work in learning disabilities and intermediate care offers important lessons for the future.

- 4.29 The four partners, Westminster City Council, London Borough of Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Central London Community Healthcare, are all taking this paper to their respective Cabinet/Board meetings in November 2012 with the intention that all four organisations can then engage our staff, key partners, patient groups, carers and others fully in the development of the new model. Key to this engagement will be a staff consultation on the refined structure needed to deliver the changes proposed.
- 4.30 The CCG Boards will also need to debate these proposals to ensure that they are in line with their local expectations and while they do not commission Adult Social Care, they are critical to the successful implementation of these plans.

Progress to date

- 4.31 Good progress has been made in two of the three recommendations agreed by Cabinets in June 2011.
- 4.32 Firstly, establishment of a single Operational Assistant Director across three boroughs reporting to the Chief Executive of Central London Community Healthcare and the Director of Adults Social Services. This post, designated as **Tri-Borough Operational Director, Adult Social Care**, was established and filled from April 2012.
- 4.33 The second recommendation agreed by Cabinets was to commence negotiations with Central London Community Healthcare to **establish integrated health and social care services both for assessment and long term support**. These services are to be borough specific where appropriate and tailored to local needs and include gate keeping mechanisms to ensure effective financial and quality control.
- 4.34 The Operational Director has been well-placed to take forward conversations with CLCH about the direction and model of the transformation required to integrate the service areas and to agree key milestones.

- 4.35 The transformation of **Learning Disabilities Services** across Tri-Borough and CLCH is leading the way for service integration and is on target to achieve a single management line, a fully integrated service (health and social care), and a social model of support and intervention encompassing choice, control and personalisation by April 2013.
- 4.36 At the heart of this model is the case management approach across health and social care which focuses on assessment, planning, integrated advice and intervention, with an option of external or internal review and evaluation or a combination of both.
- 4.37 Professional lead roles across the tri borough service have been developed to support the management to drive and facilitate the change process over the period of transformation and beyond and to provide support for the professional groups in the new service.
- 4.38 A new post, **Service Manager – Tri-Borough Learning Disability Partnership** has already been created and filled on an interim basis to establish and lead the new service. Recruitment to the Professional Lead posts will be conducted in October. Where appropriate, resources will be shared across boroughs to maximise skills-mix and economies of scale, but the three boroughs will retain services and teams based in three localities to meet local needs. Next steps include plans for specialist services such as placements, autism and transition to be provided on a Tri-Borough basis.
- 4.39 For other adult social care services, a transformation programme has been established across the Tri-Borough authorities and CLCH to develop proposals for service integration. The Programme reports to a Board jointly chaired by the CLCH Chief Operating Officer and the Tri-Borough Operational Director, Adult Social Care.

Transformation programme

- 4.40 Full integration of social care with health services is envisaged over the next three years across the tri-borough authorities. The three key areas of service development and integration are:

- **Front door:** integrated points of access, referral management, screening, integrated triage and response dispatch/follow up systems, including out of hours coverage; ensuring that no door is the wrong door across health and social care, and a timely and proportionate response is made to presenting needs.
- **Short term interventions:** joint rapid response, intermediate care, supported early hospital discharge; integrated reablement, rehabilitation, and hospital at home provision; named health and care coordinators will ensure that services are seamless.
- **Long term interventions:** integrated assessment, care planning and case management; joint approaches to long term care at home which integrate health and social care delivery; integrated locality-based health and social care teams, aligned to CCGs and GP networks; better support for service users at key transitions.

4.42 The following principles for integrating health and social care across Tri-Borough have been agreed:

- Services will be jointly managed unless there is an overriding case otherwise
- Savings will be acknowledged and identified for all agencies:
 - 12/13 savings accrue to the relevant organisation
 - 13/14 savings from reduction in demand are the priority. There are already savings within the tri-borough plans and any further savings will be agreed through a formula for allocation
- The majority of services will be delivered within Boroughs or Localities
- Integrated Older People's Mental Health services will be retained with the mental health trusts
- Professional groupings are not to be a boundary while professional and clinical leadership will be acknowledged
- We need the Right People in the Right Place and will plan the workforce accordingly
- Children's services, Offender Health, and Barnet services provided by CLCH are out of scope

INTEGRATION WORKSTREAMS

Service Development	Corporate	Smarter Working
<ul style="list-style-type: none"> • Borough-based integrated Access Points • Integrated Referral Centre • Locality working • Integrated Complex Care Pathway • Pathways • Generic Health & Social Care Co-Ordinators • Skill Mix & Productivity 	<ul style="list-style-type: none"> • Engagement and Communications • Human Resources, Workforce and Organisation Development • Information Management & Technology • Business Intelligence • Information Governance 	<ul style="list-style-type: none"> • Mobile Working • Virtual Consultation & Meetings • Paperless/Paperlight • Options appraisal for an Integrated Care Record Tool • Estates Review/Redesign • Transformational Change Leadership

4.43 The Programme has three work streams defined, Service Development, Smarter Working, and Corporate. The key milestones are included in Appendix 4. Progress has been made in developing joint performance indicators across the partnership in order to track the effectiveness of the transformation in managing demand and improving patient experience. A shared quality assurance framework is being created to track the improved outcomes required.

4.44 The third recommendation agreed by Cabinets was to develop a **legal agreement** with Central London Community Healthcare ensuring service standards and accountability are clear.

4.45 This means in the first instance entering into a contractual partnership agreement with CLCH² around line management (but not employment) of borough assessment and care management staff³. As for all service delivery contracts, the partnership agreement would set out borough expectations around quantum, type and quality of services. This will be tailored to each boroughs priorities and budget envelope.

² For example, under s75 of the National Health Services Act 2006, as successfully used to deliver combined Mental Health services

³ Learning disabilities services are already jointly delivered with CLCH. The plan here is to bring together the three community teams across the three boroughs into a single management arrangement in CLCH

- 4.46 The Chief Executive of CLCH would be held jointly accountable for service delivery with the Tri-Borough Executive Director of Adult Social Care. One Director Health and Social Care, Adults (the proposed Job Description is included in Appendix 3) would manage all adult social care operational services and the relevant community health services (nurses, therapists, psychologists etc) across the three boroughs with three heads of service reporting to them responsible for individual borough services.
- 4.47 In addition to regular performance monitoring reports to the Tri-Borough Executive Director of Adult Social Care, there would be a Governance Board to oversee the performance of the partnership. This would consist of the three Cabinet Members together with non-executive directors of the health partner; the Tri-Borough Executive Director of Adult Social Care and the Chief Executive of the health partner. Boroughs hope to have this arrangement in place by April 2013. Members would sign off the draft partnership agreement to ensure it is sufficiently robust.
- 4.48 Safeguards to be built into the agreement would include the need for council agreement to be sought on significant changes to the services by the trust and the establishment of joint performance indicators to monitor the effectiveness of the arrangement.
- 4.49 The planned localities or GP networks will reflect local partnerships and geography. Appendix 5 shows the proposed localities mapped against GP practice locations and practice list size.

Proposals for next steps

- 4.50 The next steps proposed in this report are designed to benefit residents directly through seamless care that is co-ordinated, continuous and person-centred.
- 4.51 While the timetable to achieve the vision for complete integration is yet to be finalised, key milestones until April 2013 are set out in the Table below with further aspirations noted. These will lay the foundations for the future to realise the vision of complete integration described in 4.40 above.
- 4.52 A risk analysis (Appendix 7) will ensure that emerging risks are identified and mitigated.

- 4.53 The immediate steps required to integrate health and social care teams and align to them to CCGs in April 2013 are the creation of and recruitment to the joint Director of Health and Social Care Adults and the integrated senior management team so that they can create the new integrated service and the further detailed management structure.
- 4.54 The draft senior management structures have been developed to reflect the requirements of CLCH, Adult Social Care and locality working in the future. They maintain a borough basis to more easily accommodate borough sovereignty and Clinical Commissioning Groups' strategies. The draft structures to replace the current structures and the draft Job Description for the Director are included in Appendices 1 – 3 and will be finalised following further discussion with CLCH and consultation with staff and unions. These senior managers would manage **both** community health and social care services.
- 4.55 The Director would be a member level appointment by Adult Social Care and CLCH and would report to both the Tri-Borough Executive Director for Adult Social Care and the Deputy Chief Executive CLCH (the Chief Operating Officer for CLCH, as required for Foundation Trust status, and with responsibilities across all CLCH extending beyond the three boroughs and the adults remit).
- 4.56 The Director could be employed either by the lead local authority, London Borough of Hammersmith and Fulham, or by CLCH. The new post has been evaluated by LBHF at SMG2 (£85,748 - £104,803) and by CLCH at Agenda for Change Band 9 (£77,079 - £97,478). The dual reporting line would ensure that financial and statutory accountabilities are robustly met. The formal legal agreement will reinforce this dual accountability.
- 4.57 The Director would manage three Joint Operations Assistant Directors for Health and Adult Social Care, each responsible for community health and adult social services for older and physically disabled people in one of the three boroughs. The management of specialist services is yet to be decided.
- 4.58 The post of joint tri-borough Service Manager for Learning Disabilities created in 2011 will be renamed Joint Operations Assistant Director for Learning Disabilities Services and will be recruited to at the same time as the three new Assistant Director posts.
- 4.59 The three Joint Operations Assistant Directors for Health and Adult Social Care would each manage a team of Joint Locality Managers to reflect borough and CCG needs and to work with GPs at local levels as co-providers of health and

care services. These would be senior posts with wide-ranging responsibilities that would present opportunities for career development for ambitious individuals. Appointments to these senior posts would be conducted jointly to jointly agreed job descriptions.

- 4.60 Overall these proposals will lead to a reduction in the total number of senior managers in the four agencies but the exact number has yet to be determined, and, while savings to be released are also yet to be determined, they will contribute to existing business plan savings targets.
- 4.61 Once in post, these senior managers will further refine the plans for services currently being taken forward in the TAS programme and look to develop structures and systems that will improve resident's experience of health and social care through a seamless service.
- 4.62 What will remain the same in this arrangement are the lines of accountability within boroughs, the current Fair Access to Care Services eligibility criteria, the employment of staff by their host boroughs, and the current financial and statutory roles, responsibilities and accountabilities.

Next steps

Month	Milestone
October 2012:	<ul style="list-style-type: none"> Locality Working Phase 1 – align CLCH staff to networks defined by CCGs
November 2012:	<ul style="list-style-type: none"> Reports to Cabinets/Board
December 2012:	<ul style="list-style-type: none"> 12 week staff and union consultation on refined structure begins Recruitment to senior management structure
March 2013:	<ul style="list-style-type: none"> Business Case for transformation completed;
April 2013:	<ul style="list-style-type: none"> Governance structure in place
	<ul style="list-style-type: none"> Senior management structure in place
May 2013:	<ul style="list-style-type: none"> Locality Working Phase 2 - integrate health and social care teams and align to CCGs in April 2013 Line management of assessment and care management staff transferred to joint management with CLCH

Aspirations beyond May 2013	• Redesign work complete.
	• Boroughs enter into legal agreement with CLCH over the provision of future services and delivery of the savings.
	• Any agreed management savings / staff transfer arrangement implemented
	• Joint financial allocations
	• Joint IT platform across the agencies
	• Determine the arrangements for specialist services
	• Complete development of integrated access points
	• Refine the role of generic health and social care co-coordinator
	• Conduct skills mix review

5. EQUALITY IMPLICATIONS

5.1 As with all Council functions, Cabinet must have regard to the Public Sector Equality Duty (PSED, section 149 of the Equality Act 2010) which has three aims. It requires public bodies to have due regard to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
- **foster good relations** between people who share a protected characteristic and people who do not share it.

5.2 Having “due regard” for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

- 5.3 The Act also created a unified and extended public sector duty that protects people from discrimination by association with someone with one or more key protected characteristics. This could apply to carers because of their association with older or disabled people in particular.
- 5.4 Officers are of the view that the proposals will have no negative impact on protected groups at this stage and indeed the purpose of the proposals is to improve front line services. Officers are mindful however that the PSED is an on-going duty and due regard will continue to be given to the PSED as proposals are developed and implemented and appropriate action taken.
- 5.5 Where proposals to reduce expenditure may impact adversely on persons against whom it is unlawful to discriminate, (for example people with disabilities) those impacts need to be considered through Equality Impact Assessments and the Council's statutory obligations need to be taken into account.
- 5.6 The attached Equality Impact Assessment (Appendix 6) presents an analysis of the impact of the proposed changes for the Cabinets' attention. The Equality Impact Assessment identifies possible positive and negative impacts of the proposals on particular groups and suggests actions that could be taken to remedy negative impacts to mitigate any disproportionate effects on any group.
- 5.7 The proportions of the total populations affected, that is, people in receipt of a service from the Older People and People with Physical Disabilities teams is 1.8% (Westminster), 1.6% (RBKC) and 1.3% (LBHF). The proportions of the population aged over 65 in each borough in receipt of a service are 11% in Westminster, 8% in RBKC and 9% in LBHF. The concentration of service users across the boroughs (see maps in Appendix 5) does vary considerably within boroughs and this will need to be reflected in the service design and resource deployment.
- 5.8 Overall, the proposals for integration are considered to have a positive impact by moving to a fairer and more effective system of 'joined-up care' that will help reduce inequalities for individuals, families, carers and local communities.

6. LEGAL IMPLICATIONS

- 6.1 The proposals will, if adopted, be developed using s.113 of the Local Government Act 1972 (the power to place staff at the disposal of other authorities) or s.75 of the NHS Act 2006. The arrangements will be formalised by

an agreement between the Boroughs and the NHS Trust which will include detailed financial, HR and data sharing protocols and provisions in relation to the sharing of staff, assignment of liabilities, management arrangements, dispute resolution and termination. The sovereignty guarantee included in previous reports will also be enshrined in the agreement. Different agreements will be required for each service although they are expected to be broadly similar.

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1 The reductions in senior management posts and the redesign of services will contribute towards savings targets for 2013/14 and 2014/15. The exact savings to be released are yet to be calculated and are dependent on the conclusion of detailed work by the Human Resource services. This will also need to include the likely cost of redundancy which cannot be estimated at this stage.
- 7.2 Cost reductions are expected from the following sought outcomes, modelled in the June 2011 Cabinet Report:
- Reduced back office costs through shared services with health
 - Reduced care home placements through better managed demand
 - Better/more efficient provision of care in the home by shared approaches with health and use of technology such as telehealth/care where appropriate
 - Less duplication of effort through shared approaches to triage, assessment, and care response
 - Reduced demand for long term social care services through the maximisation of reablement, rehabilitation, and recovery from integrated short term services and the improved health, wellbeing and satisfaction of our residents through integrated care.

Source of Saving by Borough and Year - taken from June 2011 Cabinet reports and latest savings plans

	2012/13	2013/14	2014/15
LBHF			
Integration – Management	93	93	93
Integration – Impact on Demand	0	1450	2900
RBKC			
Integration – Management	51	51	51
Integration – Impact on Demand	0	250	250

WCC

Integration – Management	97	97	97
Integration – Impact on Demand	0	634	634

Total

Integration – Management	241	241	241
Integration – Impact on Demand	0	2334	3784

7.3 In addition, further savings will be produced by integrating throughout the structure and reviewing skills mix. These savings will be factored into savings plans. Current staffing budgets for the service area are set out below.

7.4 Investment will be required to implement an integrated service, which will need to be agreed and factored into financial plans:

- **Staff exits costs** – Actual costs depend on who exactly is made redundant and estimates will be based once detailed work around the proposed structure has been completed.
- **IT and Property costs** – co-locating services will require investment for the re-development of the existing estate and to ensure connectivity for the IT systems needed.
- **Project management costs:** Combining services will require support and some staff will need to be freed up to manage the change ahead.

Tri Borough Adult Social Care Operations Staffing Budgets 2012/13

Service	LBHF		RBKC		Westminster		Tri-Borough	
	Sum of Budgeted FTE 2012/13	Sum of Pay Budget Forecast 2012/13 £000s	Sum of Budgeted FTE 2012/13	Sum of Pay Budget Forecast 2012/13 £000s	Sum of Budgeted FTE 2012/13	Sum of Pay Budget Forecast 2012/13 £000s	Sum of Budgeted FTE 2012/13	Sum of Pay Budget Forecast 2012/13 £000s
Assessment & Care Management	97	3,081	120	4,200	96	4,316	312	11,597
HIV/AIDS			1	58			1	58
Home Care	2	60					2	60
Occupational Therapy	11	311	24	872			35	1,183
Other Services	28	1,105					28	1,105
Reablement	31	1,115			32	1,167	63	2,282

Senior Managers	1	142	1	26	3	222	5	390
Service Managers	3	268	1	85	1	138	5	491
Total	173	6,082	147	5,241	132	5,843	452	17,166

7.5 A financial protocol will be agreed between the Councils and CLCH and will be included within the legal agreement. This will set out requirements for budget monitoring and management, financial reporting, year end procedures, financial planning, risk management, auditing requirements and sharing of costs. Financial management is crucial and responsibilities will be enforced as now, regardless of who is in post. The financial protocol will need to be agreed by the Directors of Finance for the three Councils and CLCH. A finance sub-group has been established which will develop the protocol and calculate allocations of costs and savings. The intended move towards joint allocation of budgets in the future will need to be planned in detail, ensuring the sovereignty of all parties, whilst underlying this with financial rigour at all times.

8. CONSULTATION

8.1 All NHS organisations that are working to become an NHS Foundation Trust are required as part of their application to carry out a public consultation on their Foundation Trust plans. CLCH's consultation took place from 8 May 2012 to 31 July 2012 and asked 13 questions on the visionary and governance elements of their Foundation Trust plans. This included explicit reference to plans for integration with social care:

“Health and social care working together.

There are many different kinds of health and social care available from many organisations. But it can be frustrating and confusing dealing with the many different providers of these services. We believe that everyone responsible for your care should work closely together as one team to review your needs and provide you with the most appropriate care, support and help. So we are working closely with our local authorities to bring health and social care closer together. For example:

- We are supporting North West London's Integrated Care Pilot which is creating single teams made up of GPs, community health professionals and hospital doctors to work with individual patients to co-ordinate the right care for them.

- We are creating new health and social care co-ordinators who are working in hospitals to improve the way in which patients are discharged into the community.
- We are locating community health and social care teams alongside local GP practices to ensure everyone works better together.”

8.2 The table below sets out the responses to the consultation question about integration, indicating overwhelming public support for better co-ordination.

Responses by consultation question.

	1 - Do not support at all	2	3	4	5 – Fully in Support
Q1. On a scale of 1-5 to what extent do you agree with our plans to improve integration across health and social care?	3%	2%	13%	24%	58%

8.3 Further public consultation will be required if proposals are made to change the locations of NHS services.

8.4 Consultation with staff and stakeholders on the models for effective integration is essential to make this a success. Engagement events and activities for people delivering health and social care on the ground are planned for the autumn. Staff and stakeholders will be fully informed and engaged in taking forward changes and to be clear about the implications for current work and organisations in November.

9. STAFFING IMPLICATIONS

9.1 Effective engagement and communication with our staff will be essential to make these plans a success. Our staff are highly motivated and committed to delivering excellent services. Their professional views and their knowledge of their service users are very valuable to the Councils. They will be fully informed about these proposals and were they to be implemented how best that might be achieved.

They are well-placed to identify and manage any risks or unintended consequences that might arise.

- 9.2 Were the proposals relating to changes to senior management to be implemented, there would be implications for future staffing structures and numbers. The support of the Director of Human Resources would be sought so as to reorganise the service in line with Council policy.
- 9.3 A formal period of statutory consultation with affected Staff and Trades Union will be undertaken once the proposed structures have been drafted.

10. COMMENTS OF THE DIRECTOR OF PROCUREMENT AND IT STRATEGY

10. There are no specific procurement issues relating to this report

References

Cabinet Report 27th June, 2011 *Tri-Borough Implementation Plans, Appendix 2: Adult Social Care Tri-Borough Service Plans and Proposals*

Integrated care, Kings Fund 2011

Integrated care for patients and populations: Improving outcomes by working together A report from the NHS Future Forum Kings Fund and Nuffield Trust, January 2012

Integrated care – making it happen: A Joint Statement between the Association of Directors of Adult Social Services and the NHS Confederation January 2012

Shaping a healthier future North West London, 2 August 2012

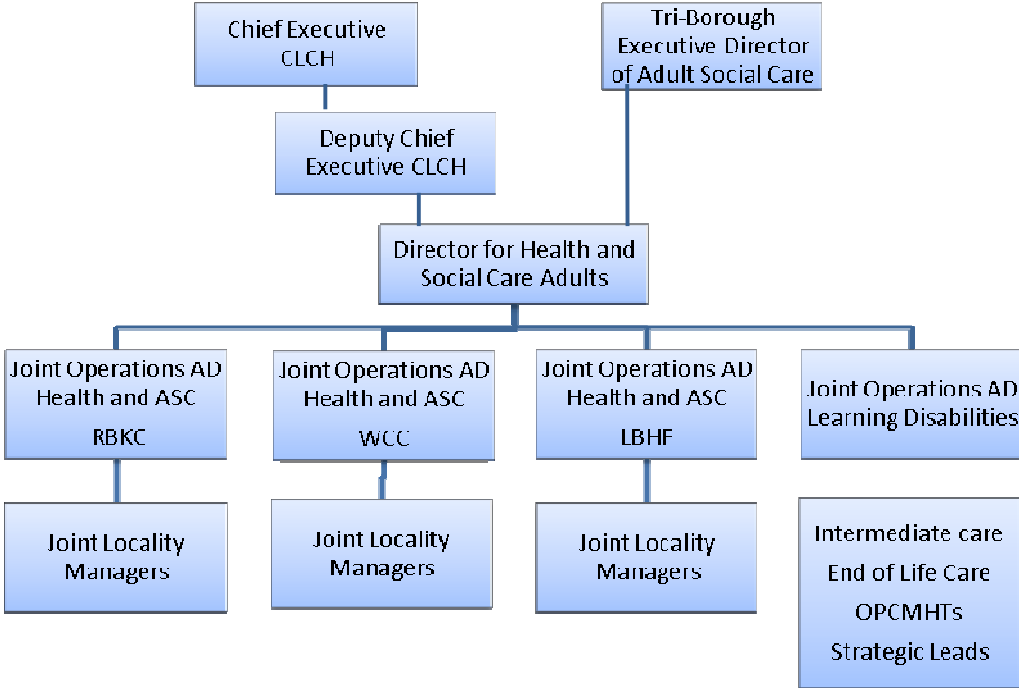
Report on Foundation Trust Consultation, CLCH, September 2012

Contact officer: Phillip Berechree, Programme Manager, Adults Services, City of Westminster, pberechree@westminster.gov.uk, 020 7641 2048.

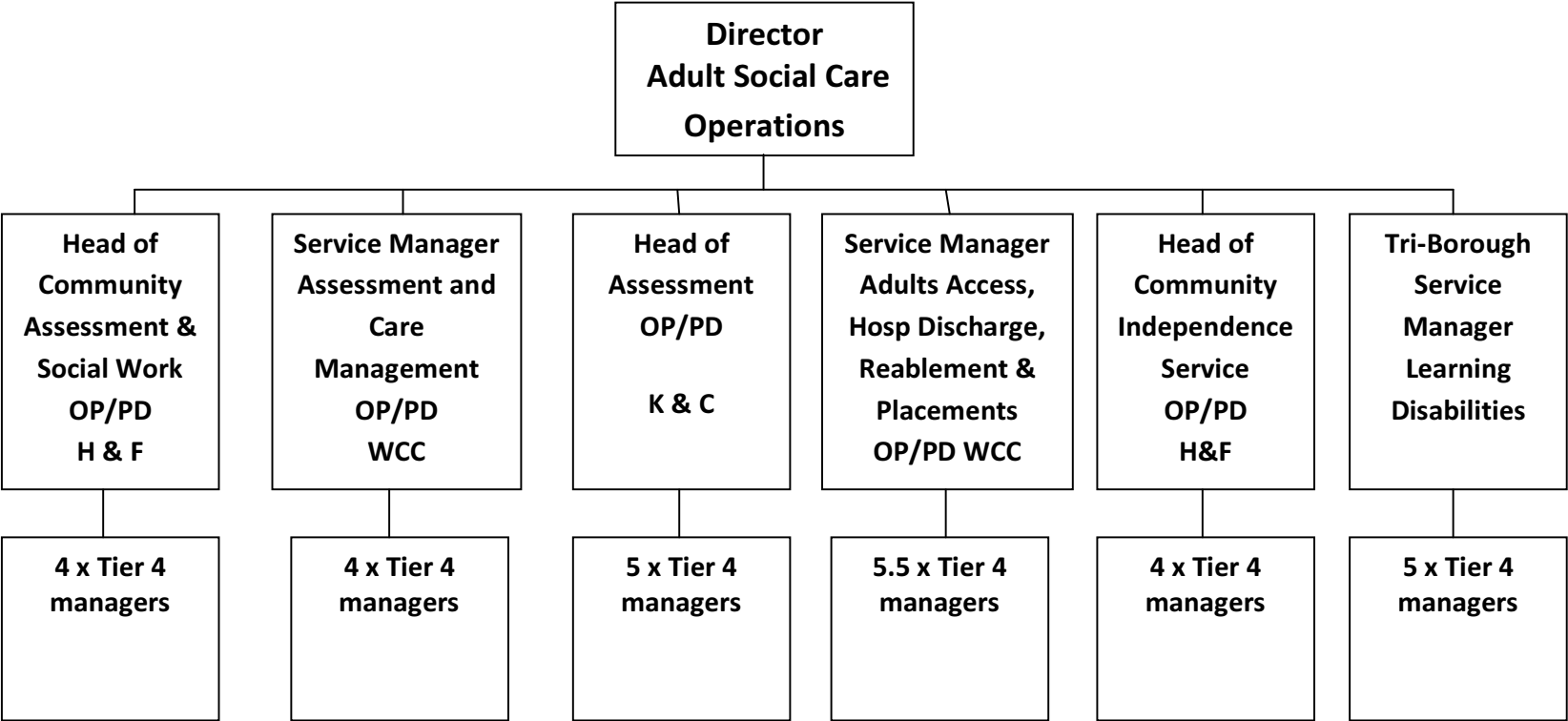
Appendices

1. DRAFT senior management structure for integrated Health and Social Care, Adults
2. Current structures for Adult Social Care Operations senior management
3. DRAFT Job description for proposed Director for Health and Social Care, Adults
4. Key Transforming Adult Services milestones
5. Maps of proposed localities mapped against GP practice locations and practice list size and current Service Users open to Older People/People with Disabilities Services supported in the community.
6. Equality Impact Assessment
7. Risk Analysis

Draft Senior Management Structure – Integrated Health and Adult Social Care Community Services



Current Structure, Tri-Borough Adult Social Care Operations



DRAFT JOB DESCRIPTION

Job Title: Director for Health and Social Care, Adults

Department: Tri Borough Adult Social Care

Responsible to: Tri Borough Executive Director of Adult Social Care and the Deputy Chief Executive of Central London Community Healthcare Trust

Responsible for:

Tri Borough	
Gross Revenue Expenditure:	£325m
Net Revenue Expenditure:	£245m
Capital Expenditure:	£6.5m
Full Time Equivalent Posts:	452

CLCH
To follow

1.0 Purpose of the role:

- 1.1 To lead and be responsible for the provision of locality and specialist community services for health and social care across the Tri Borough authorities. This will include community nursing, therapies, assessment, care management, social work, reablement and rehabilitation services for adults, delivering on and influencing the requirement of Clinical Commissioning Groups, joint local authority/NHS commissioning bodies, NHS acute and mental health trusts, housing departments, voluntary organisations and private sector providers.
- 1.2 To be accountable across the various provider organisations that services to adults are provided seamlessly and that emergency response arrangements take care of this.
- 1.3 To lead and support the development of integrated provision for adult social care and community health services in networks, localities & hubs.
- 1.4 To pursue, promote and influence best practice Equal Opportunities and Equalities policies in relation to the duties of the post in respect of service provision, people management and personal role modelling.

Main Responsibilities

2.0 Departmental Role

- 2.1 To report jointly to the Tri Borough Executive Director of Adult Social Care and the Deputy Chief Executive of Central London Community Healthcare Trust and to deputise for them as necessary.
- 2.2 To be a member of the relevant senior management teams. Lead development of strategic plans and policies for own services and contribute to the development of service-wide strategic plans and policies for other services, seeking opportunities to enhance adult health and social care service provision.
- 2.3 To undertake or lead on a range of corporate initiatives and projects as necessary to take the service forward and to further the integration of services across the three boroughs and health and to contribute to achievement of the strategic objectives of each health and social care organisation.
- 2.4 To represent the department in joint working with other departments across the councils and Central London Community Healthcare Trust and other organisations.
- 2.5 To participate in and support relevant management teams, Members, Health and Well-Being Boards and other Council and NHS fora as necessary on matters within the officer's sphere of responsibility, seeking opportunities to influence decisions, policy and practice to the benefit of adult health and social care service users.
- 2.6 To take the strategic lead for Tri Borough Adult Social Care Department in Emergency Planning and Business Continuity for Adult Social Care and Health in liaison with CLCH resilience function as required, ensuring that local responses to emergencies are effective.

3.0 Functional Role

- 3.1 To be responsible for the availability, effectiveness and value for money of adult social care and health services delivered within the remit of this post, including joint services with the NHS.
- 3.2 To take a lead role in the policy development, evaluation and implementation of care management, assessment and reablement systems in the department in accordance with statutory requirements, Government guidance and best practice. To be responsible for instigating and reviewing remedial action to address service performance issues.

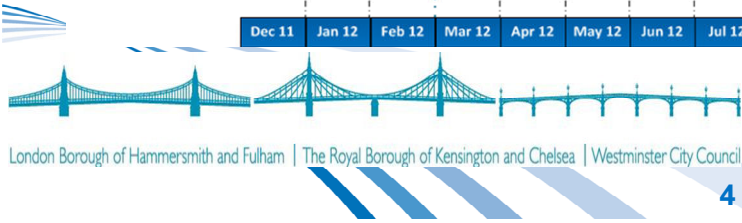
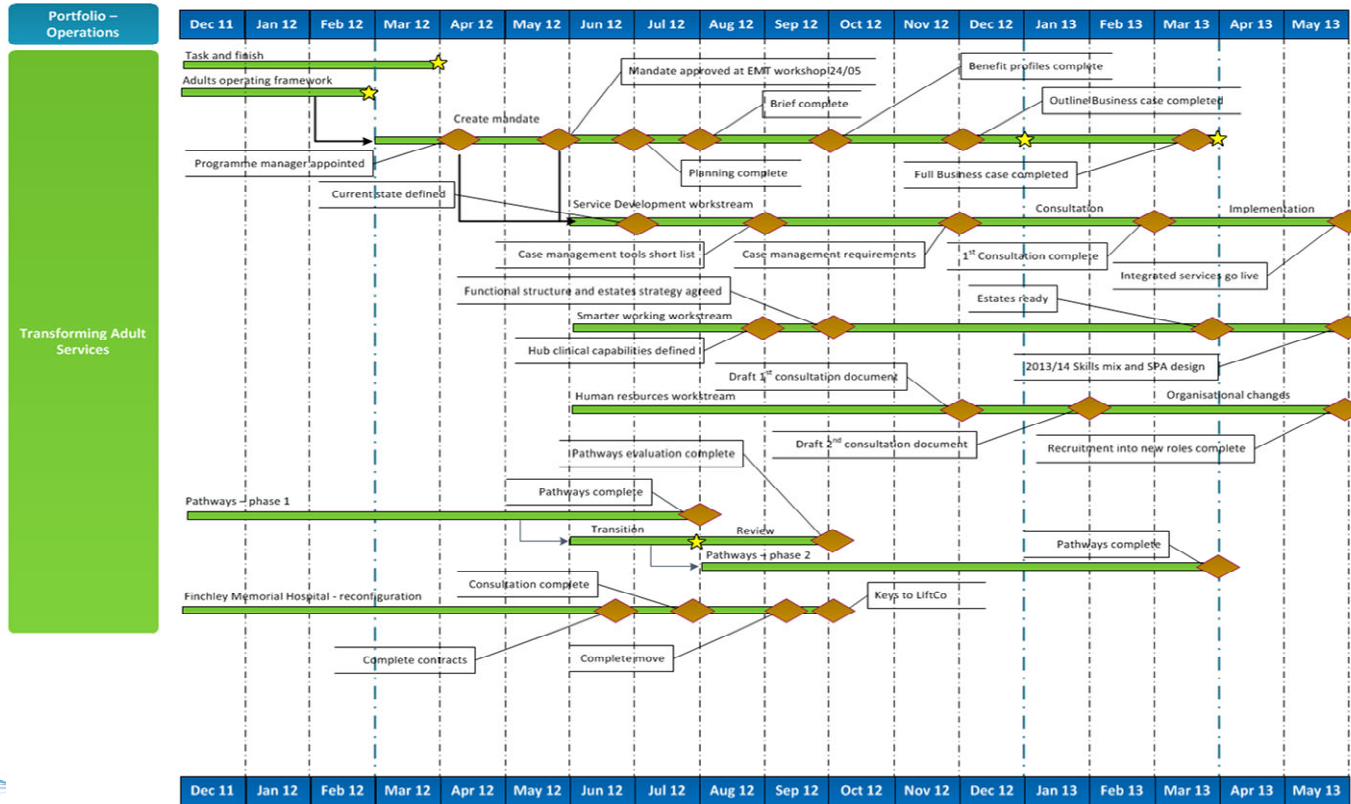
- 3.3 To take a lead role in the development of integrated services between adult social care and community health, developing and building on the partnership existing with Central London Community Healthcare Trust.
- 3.4 To secure and sustain the necessary changes to culture and practice so that services continue to improve outcomes for all and are organised around needs.
- 3.5 To take a lead role in delivering adult social care services that maximise personal choice, promote the well-being of individuals, are person-centred, protect the vulnerable and support independent living and social inclusion.
- 3.6 To be responsible for safeguarding practice in adult health and social care and that governance arrangements are in place so that referrals are managed appropriately and in a timely way according to policy and procedures.
- 3.7 To ensure that service users, their families, carers and the wider community are involved in the planning, design and provision of adult social care and community health services.
- 3.8 To ensure that there are clear and effective arrangements in place to support the joint planning, monitoring and delivery of services between different service providers in the health and social care sectors and other local partner organisations in the wider community.
- 3.9 To support the procurement process and with strategy and business development teams, contribute to the development of contracts and specifications with service providers to ensure cost effective, high quality services are procured and delivered and to ensure contracts are regularly monitored and contract service improvements are implemented as required.
- 3.10 To closely monitor and be accountable to the Councils and Central London Community Healthcare Trust for the financial and quality performance achieving agreed targets in terms of delivering efficiency and effectiveness.

4.0 Departmental Role

- 4.1 To be responsible for ensuring that services within Tri Borough Adult Social Care Operations and CLCH Community Services are delivered within budget, and that overall budgetary management is maintained, ensuring through the relevant management teams that budgets are prepared, controlled and monitored effectively.
- 4.2 To be responsible for the deployment and development of staff resources, ensuring best practice in equal opportunities and the human resources policies and procedures of the three councils and Central London Community Healthcare Trust, including performance appraisal schemes.

- 4.3 To have responsibility for contributing to Business Plans and the specification of service objectives and performance indicators (as designed locally and by central government), promoting the drive for good performance against these benchmarks.
- 4.4 To have lead responsibility within CLCH Community Services for developing bids & tenders for future integrated services for adults within the tri-borough area.
- 4.5 To prepare and deliver annual savings plans and continuous service improvements as required.
- 4.6 To lead on the development of quality assurance and performance review systems and to monitor and review the quality of all services provided by Tri Borough Adult Social Care Operations and Central London Community Healthcare Trust.
- 4.7 To take lead responsibility for the development and implementation of new IT systems and databases within the assessment and care management services and to support the development of shared information systems between social care and the health agencies wherever possible.

Key TAS milestones

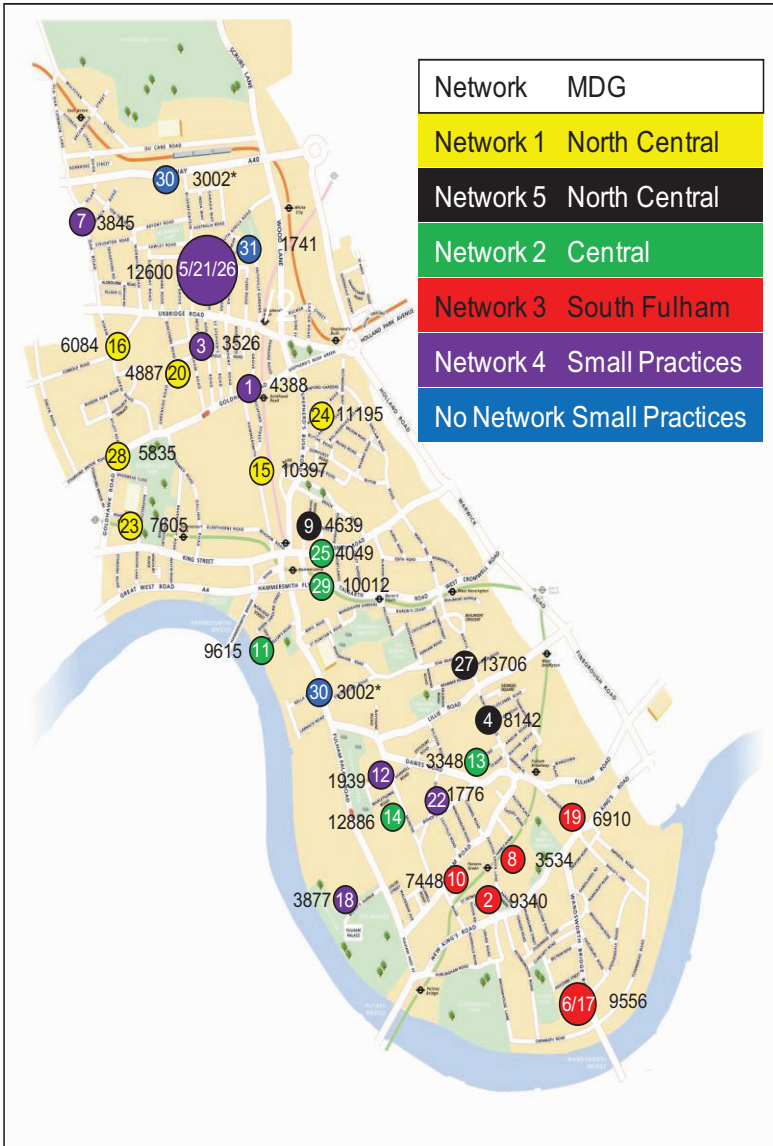


Central London Community Healthcare **NHS**
NHS Trust

Barnet ■ Hammersmith and Fulham ■ Kensington and Chelsea ■ Westminster

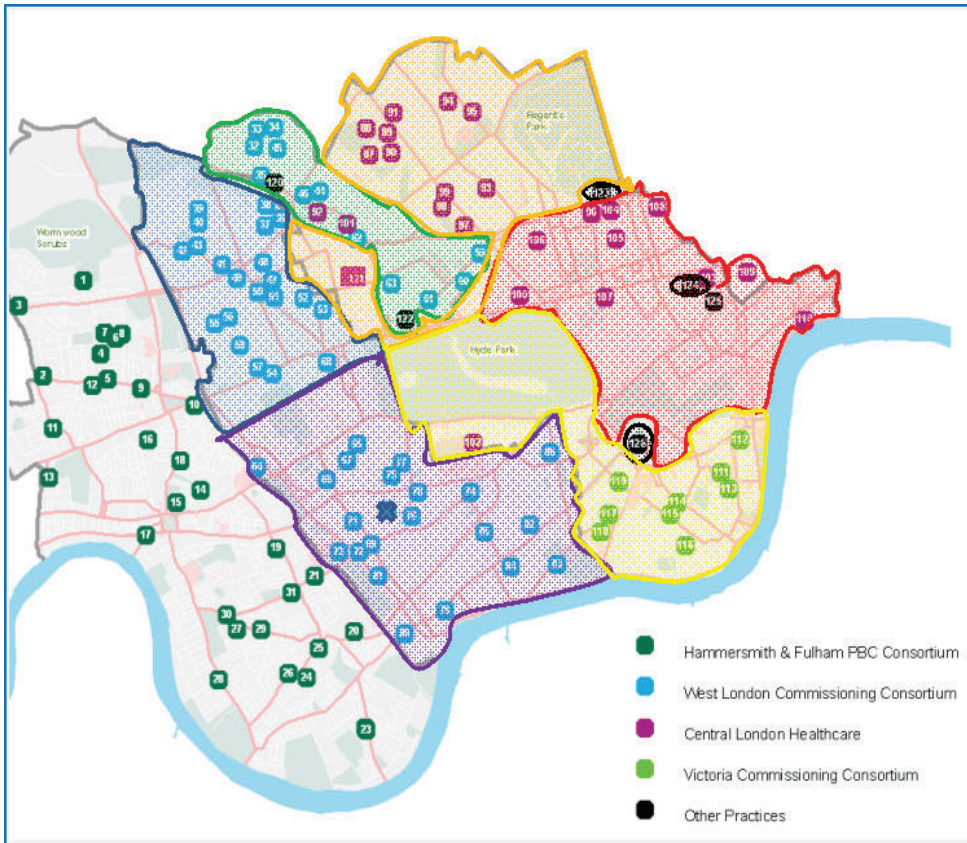
Appendix 5 – Proposed Localities

Hammersmith & Fulham Cluster map agreed with CCG's



(15) RICHFORD GATE (10397)
(16) MEDICAL CENTRE, DR KUKAR (6084)
(20) NEW SURGERY, UXBRIDGE RD (4887)
(23) PARK MC (7605)
(24) BUSH DOCTORS (11195)
(28) ASHCHURCH SURGERY (5835)
(4) 82 LILLIE ROAD, DR HARROP-GRIFFITH (8142)
(9) STERNDALE SURGERY (4639)
(27) NORTH END MC (13706)
(11) HAMMERSMITH BRIDGE RD (9615)
(13) JEFFERIES 139 LILLIE RD (3348)
(14) JEFFERIES 292 MUNSTER RD (12886)
(25) BROOK GREEN SURGERY (4049)
(29) BROOK GREEN MC (10012)
(2) ASHVILLE SURGERY (9340)
(6) BRIDGE HOUSE CENTRE (DAS & PARTNERS) (2295)
(8) CASSIDY ROAD MC (3534)
(10) LILYVILLE SURGERY (7448)
(17) BRIDGE HOUSE CENTRE (SANDS END CLINIC) (7261)
(19) FULHAM MC (6910)
(1) OLD OAK (4388)
(3) SHEPHERDS BUSH MC (3526)
(5) WHITE CITY HC (DANDAPAT) (3568)
(7) THE SURGERY, DR DASGUPTA & PARTNERS (3845)
(12) FULHAM CROSS MC (1939)
(18) PALACE SURGERY (3877)
(21) WHITE CITY HC (MIRZA) (1831)
(22) SALISBURY SURGERY (1776)
(26) WHITE CITY MC (UPPAL) (7201) (two sites Southall (4500) and White City (2700))
(30) HAMMERSMITH CfH (3002)* split over 2 sites
(31) CANBERRA MC (1741)

Proposed Kensington & Chelsea and Westminster Locality Model

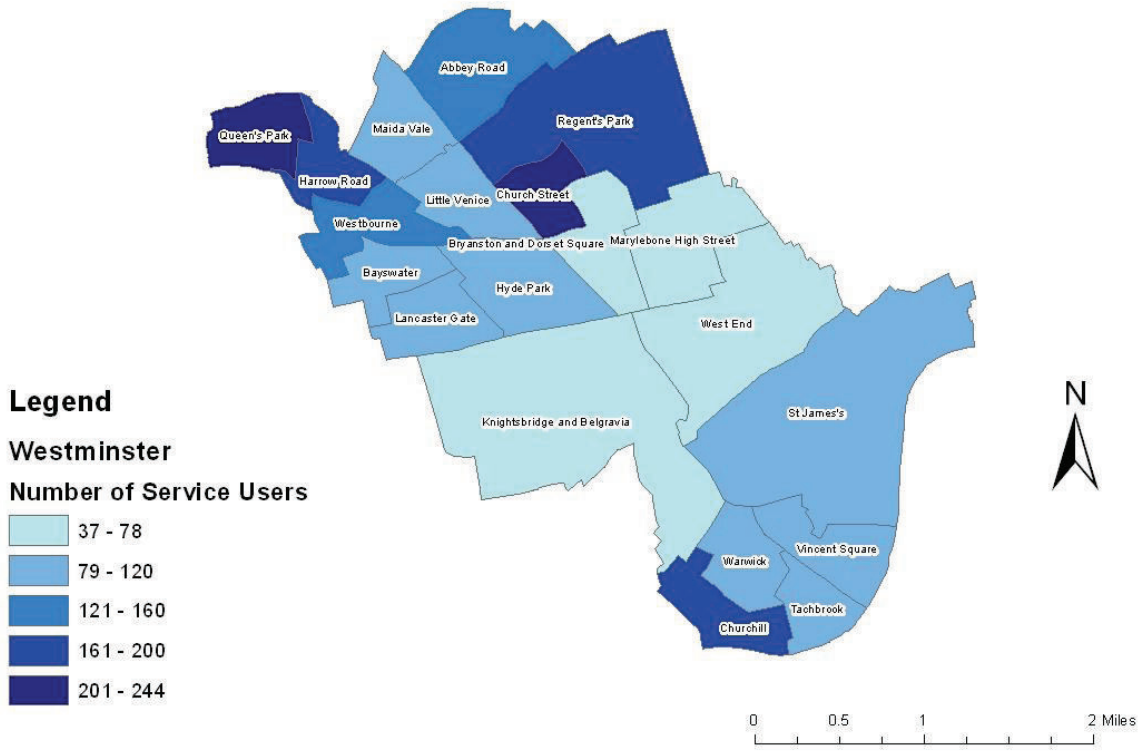


- Hammersmith & Fulham FBC Consortium
- West London Commissioning Consortium
- Central London Healthcare
- Victoria Commissioning Consortium
- Other Practices

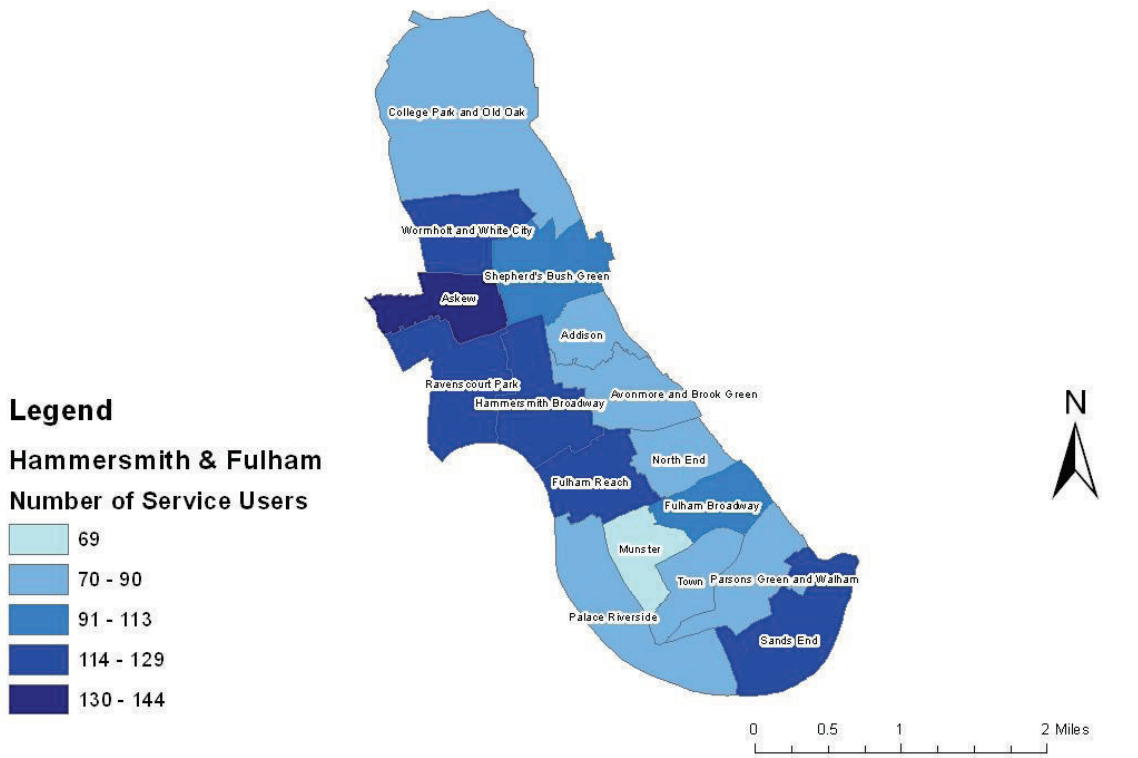
Localities Map Proposal for Kensington & Chelsea and Westminster Boroughs
Date: 19/03/2012

KC Borough		WMR Borough	
36	THE MEANWHILE GARDEN MEDICAL CENTRE	87	THE MAIDA VALE MEDICAL CENTRE
37	THE GOLBORNE MEDICAL CENTRE	88	THE RANDOLPH SURGERY
38	DRS RAMASAMY ABBAS & NANNI THAMBY	89	DR ABOUZEKRY
39	EXMOOR SURGERY	90	LANARK MEDICAL CENTRE
40	A T MEDICS	91	NORTH WEST MEDICAL CENTRE
41	DR O'RAWE (MGD)	93	USSON GROVE HEALTH CENTRE
42	NORTH KENSINGTON MEDICAL CENTRE	94	ST JOHN'S WOOD MEDICAL PRACTICE
43	ST QUINTIN HEALTH CENTRE	95	THE WELLINGTON HEALTH CENTRE
47	COLVILLE HEALTH CENTRE	97	PADDINGTON GREEN HEALTH CENTRE
48	DR MARGARET CHUNG MEDICAL PRACTICE	98	LITTLE VENICE MEDICAL CENTRE
49	THE PRACTICE BEACON	99	DR AHMED(G)
50	NOTTING HILL MEDICAL CENTRE	121	The Newton Medical Centre
51	PORTOBELLO MEDICAL CENTRE	96	MARYLEBONE HEALTH CENTRE
52	WESTBOURNE GROVE MEDICAL CENTRE	100	THE CONNAUGHT SQUARE PRACTICE
53	THE SURGERY	103	SOHO SQUARE SURGERY
54	HOLLAND PARK SURGERY	104	THE SURGERY
55	DR WIJAYASINGHE(D)	105	CAVENDISH HEALTH CENTRE
56	FORELAND MEDICAL CENTRE	106	DRS ANAKYE & WONG
57	THE PORTLAND ROAD PRACTICE	107	THE MAYFAIR MEDICAL CENTRE
58	DR DIAS (VO)	108	FITZROVIA MEDICAL CENTRE
63	DR BRONSDON	109	COVENT GARDEN MEDICAL CENTRE
64	KENSINGTON PARK MEDICAL CENTRE	110	KING'S COLLEGE HEALTH CENTRE
65	SCARSDALE MEDICAL CENTRE	125	SOHO SQUARE GENERAL PRACTICE
66	ABINGDON HEALTH CENTRE	102	IMPERIAL COLLEGE HEALTH CENTRE
67	DRS MALHAS & MALHAS	111	THE DOCTOR HICKEY SURGERY
69	BROMPTON MEDICAL CENTRE	112	DR WISEMAN (P)
71	OM SAI CLINIC	113	MILLBANK MEDICAL CENTRE
72	DR PARAMESHWARAN(S)	114	VICTORIA MEDICAL CENTRE
73	DRS EL-BORAI AND ALI ADIB	115	WESTMINSTER AND PIMLICO HEALTH CENTRE
74	DRS BOREHAM & ROWLEY	116	THE MARVEN MEDICAL CENTRE
75	EMPEROR'S GATE CENTRE FOR HEALTH	117	DR VICTORIA MUIR'S PRACTICE
76	DR JOSHI(AK)	118	DR MAHER SHAKARCHI'S PRACTICE
77	DR MCKEOWN (MD)	119	THE BELGRAVIA SURGERY
78	DRS GILLIES HUSSEIN & STEEDEN		
79	THE GOOD PRACTICE		
80	KINGS ROAD MEDICAL CENTRE		
81	THE REDCLIFFE SURGERY		
82	DR ROSE (AJ)		
83	ROYAL HOSPITAL CHELSEA		
84	THE CHELSEA PRACTICE		
85	DR MAINI (A)		
86	KNIGHTSBRIDGE MEDICAL CENTRE		
32	DR NAGARAJAN (RK)		
33	DR LAI CHUNG FONG (P)		
34	DR AHMED (N)		
35	THE HEALTH CENTRE		
44	THE NEW ELGIN PRACTICE		
45	DRS GARFIELD & SARNICKI		
46	THE ELGIN CLINIC		
59	WEST TWO HEALTH		
60	MILNE HOUSE MEDICAL CENTRE		
61	BAYSWATER MEDICAL CENTRE		
62	HARROW ROAD HEALTH CENTRE		
63	THE GARWAY MEDICAL PRACTICE		
92	THE MEDICAL CENTRE		
101	THE WESTBOURNE GREEN SURGERY		
120	HALF PENNY STEPS HEALTH CENTRE		
122	LANCASTER GATE MEDICAL CENTRE		
KC North (Tot. Raw Practices list size 84403)		KC South (Tot. Raw Practices list size 95278)	
Victoria (Tot. Raw Practices list size 58537)		Victoria (Tot. Raw Practices list size 50820)	
Locality 1: North Central (Tot. Raw Practices list size 54073)		Locality 2: East (Tot. Raw Practices list size 49989)	
Not Assigned		Not Assigned	
		123 ROWBOTHAM	
		124 GREAT CHAPEL STREET MC	
		126 DR EVANS(TIMOTHY)	

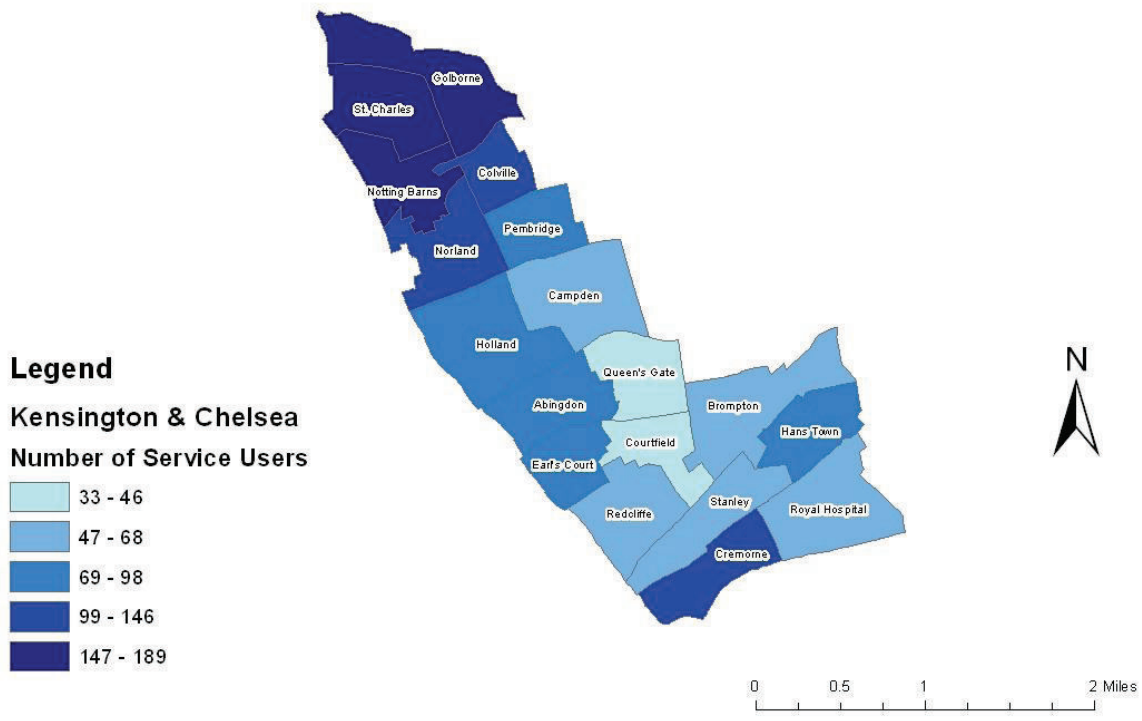
Services Users open to Older Persons / Physical Disability Services supported in the Community. Westminster (as of 31st August 2012)



Services Users open to Older Persons / Physical Disability Services supported in the Community. Hammersmith & Fulham (as of September 2012)



Services Users open to Older Persons / Physical Disability Services supported in the Community. Kensington & Chelsea (as of September 2012)



Strategic Risk Analysis

Risk	Implication	Mitigation
Unintended cost and demand shunting between Health and ASC	<ul style="list-style-type: none"> • Savings plans compromised 	<ul style="list-style-type: none"> • Clear financial and legal agreement
Health and Local Authority partners fail to agree a common vision and priorities, approach, timescales and commitment of resources to deliver the adult health and social care integration agenda	<ul style="list-style-type: none"> • Organisational barriers not removed • Timescales will slip • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Engagement with senior leaders • Robust governance and implementation structure
Failure to reach agreement on staff and service hosting arrangements	<ul style="list-style-type: none"> • Delay in co-location 	<ul style="list-style-type: none"> • Early engagement and planning with responsible managers • Work arounds factored into plans
Borough governance requirements impact the amount of lead time available to implement integration plans	<ul style="list-style-type: none"> • Delays in delivery • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Robust project management arrangements
Members do not support the plans for health and social care integration	<ul style="list-style-type: none"> • Integration cannot proceed • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Robust business case with full senior management engagement
Boroughs and/or CLCH are unable to agree the legal framework to support the re-alignment of staff or the funding and risk and reward model	<ul style="list-style-type: none"> • Delays or failure in delivery • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Engagement with senior leaders • Clear financial agreement
Insufficient lead time to engage and consult with staff	<ul style="list-style-type: none"> • Staff not supportive • Staff morale poor • Unions resistant 	<ul style="list-style-type: none"> • Robust project management arrangements • Engagement and communication strategy • Cascade system of information sharing

Delays in fulfilling Information Governance requirements to enable patient and client data sharing – N3 connection requirements	<ul style="list-style-type: none"> • Delays in realising benefits • Poor staff morale 	<ul style="list-style-type: none"> • Robust project management arrangements • Risk analysis in meeting N3 compliance completed and managed
Professional and clinical representative bodies restrict scope for integration	<ul style="list-style-type: none"> • Delegated responsibilities across disciplines and to non-qualified staff not possible or subject to legal challenge 	<ul style="list-style-type: none"> • Lobbying with national sector skills bodies
Key elements of the National and Local health system not sufficiently defined (e.g. NHS Commissioning Board, Commissioning Support Units, HealthWatch, Public Health England)	<ul style="list-style-type: none"> • Delays or failure in delivery • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Stakeholder Engagement strategy • Work arounds planned
CCGs not mature as organisations to lead out of hospital reconfiguration and to get buy in from GPs	<ul style="list-style-type: none"> • Out of hospital strategy not delivered 	<ul style="list-style-type: none"> • CCGs engaged in planning integration and governance arrangements and sign off • GP localities and networks at heart of design
10 GP localities in current plans	<ul style="list-style-type: none"> • Staff resources stretched • Variations across the service 	<ul style="list-style-type: none"> • CCGs engaged in planning integration and governance arrangements and sign off
Savings assumptions and service reconfiguration not reflected in commissioning intentions and procurement plans	<ul style="list-style-type: none"> • Double counting of savings • Benefits not realised for health and social care economy 	<ul style="list-style-type: none"> • Financial strategy and plans challenged and monitored
Lack of sufficient social care or health knowledge and representation in future senior arrangements	<ul style="list-style-type: none"> • Quality of service reduces 	<ul style="list-style-type: none"> • Robust management and governance structures designed to ensure appropriate health and Council engagement in service aims and delivery

<p>Corporate support services have conflicting priorities</p>	<ul style="list-style-type: none">• Delays in delivery	<ul style="list-style-type: none">• Project management structure• Corporate ownership of the programme through the governance structure
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Cabinet

12 NOVEMBER 2012

**CABINET MEMBER
FOR COMMUNITY
CARE**

Councillor Marcus Ginn

**NEW VEHICLES FOR ADULT SOCIAL CARE
PASSENGER TRANSPORT HOME TO DAY CARE
CENTRE SERVICES**

**Wards:
All**

The Council transports a daily average of 80 vulnerable adults from home to Day Care Centre up to 7 days a week. The previous fleet of 7 lease/hired vehicles was becoming increasingly unreliable and there was a risk of their becoming un-roadworthy while in operation. Escalating vehicle down time for repair and maintenance was leading to increasing concern that there could be a serious service failure because of insufficient vehicles to meet essential front-line service needs. Adult home to day care centre transport is, along with Children's SEN home to school transport, currently within scope of a tri-borough procurement being led by WCC. However, due to unexpected delay in tendering this wider contract, H&F urgently needed an interim arrangement for 6 new vehicles to ensure service continuity until the wider tri-borough contract is in place.

A separate report on the exempt Cabinet agenda provides exempt information about the market testing exercise and its outcome and recommends the approval of a contract for leasing new vehicles.

CONTRIBUTORS

EDASC
EDFCG
DoL

Recommendation:

That the Council's Contract Standing Orders in relation to tendering requirements for contracts valued at over £100K be waived in respect of this procurement.

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

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

1. BACKGROUND

- 1.1. A daily average of 80 vulnerable adults who have an Assessed Need are transported, up to 7 days a week, from home to day care centres, where they receive a range of adult social care services. There is a high level of dependency on the day care centre services – and on there being a safe efficient transport service to and from home and the centres - among service users, and their carers and families.
- 1.2. Along with Children’s Special Educational Needs home to school transport, the adults transport service is part of a tri-borough special needs passenger transport procurement being led by Westminster City Council. Due to the level of detailed information required the imperative of accurately mapping future need, and the complexities of getting a tri-borough pricing and payments mechanism right for all concerned, unexpected delay has occurred in this procurement.
- 1.3. The vehicles supplied by London Hire Ltd for the Children’s SEN service are relatively new and provided under a separate contractual arrangement; these are not compatible with adult passenger transport requirements. The 7 vehicles supplied by London Hire Ltd. for the adult’s service, however, were old and reaching a critical condition in respect of reliability and roadworthiness. The original contract period for the adults’ vehicles has ended and the Council has rolled forward the existing arrangement on a temporary basis in order to maintain service continuity until the new tri-borough contract is in place.
- 1.4. However, now that the original timescale for the tri-borough review has slipped, this - coupled with the fact that the adults’ fleet became increasingly unreliable in terms of roadworthiness – led to a growing concern that the Council might not have sufficient vehicles to meet service needs on certain days.
- 1.5. Given the urgency in preventing a serious service failure that would adversely affect vulnerable residents, and the reputational risk to the Council in the event of such a failure, officers undertook a market testing exercise to establish the costs of obtaining new vehicles as an interim measure, and to ensure a transparent competition in support of the process.
- 1.6. This report describes the outcome of the market testing, including the savings and enhanced service delivered as a result.

2. PROPOSED ACTION (RECOMMENDATIONS)

- 2.1. That the Council’s Contract Standing Orders in relation to tendering requirements for contracts valued at over £100K be waived
- 2.2. That retrospective approval is given to negotiate and enter into a contract as set out in the exempt Cabinet report.

3. PREVIOUS VEHICLE PROVISION

- 3.1 The previous vehicles providing the adults' service were between 5 and 7 years old; 3 of these vehicles had over 90,000 miles on the clock and most were frequently in need of running repairs to keep them on the road and, in turn, the required services in place.
- 3.2 The previous cost of leasing the 7 hire vehicles from London Hire was:
- £98,632.80 per annum;
 - £8,219.40 per month;
 - £1,174.20 per vehicle per month.
- 3.3 In addition, annual insurance costs of £2,000 per vehicle, and maintenance management charges paid to ELRS by ASC of £11,826.45, brought the total service provision cost for the 7 specially adapted mini-buses to £124,459 per annum.
- 3.4 In addition to the 80 or so daily passengers transported by the 7 specially adapted mini-buses supplied by London Hire, there is a further cost of £21,384 pa incurred by transporting one further service user who requires a larger than normal wheelchair. Unfortunately, the wheelchair lifts fitted to the previous 7 minibuses did not have sufficient width or payload to be able to safely accommodate this service user, for whom additional specialist transport from home to the day care centre and back is supplied by a different provider.
- 3.5 When the cost of the additional specialist vehicle is added to the cost of the 7 vehicles previously supplied by London Hire, the overall adults' transport cost is £145,843.
- 3.6 As part of the market testing described in the following section, officers were able to procure new vehicles that would enable the service user with the larger and heavier wheelchair to be safely transported along with the other service users, thereby saving spend on the additional specialist transport.

4. MARKET TESTING

- 4.1 An urgent market testing exercise, with the aim of securing a new fleet of good value for money vehicles for the adults' service, was carried out and led by the Council's Depot Transport Manager, in consultation with the Operations Manager for Adult Social Care Provided Services.
- 4.2 A technical specification stating vehicle requirements was produced (attached as Appendix 1 to this report) against which four suppliers were invited to provide prices and proposals. The specification made clear that the vehicles to be supplied needed to be new, not second-use. The suppliers contacted and invited to submit prices and

proposals, and the results of the market testing, are set out in the exempt report:

5. RISK MANAGEMENT

- 5.1. This requirement is to be included on the ASC Department Contracts, Projects, Risk Register.
- 5.2 A risk log is prepared which identifies and categorises risks associated with this requirement and proposes actions to mitigate any identified risks. Identified risks are managed by the Service Managers in accordance with agreed actions.

6. EQUALITY IMPLICATIONS

- 6.1 An assessment of impact on equality groups for inclusion in respect of the recommendations outlined in this report is not required as there will be no impact on service users as a result of this report.
- 6.2 In order for the majority of service users (older persons with disabilities e.g. learning difficulties, dementia etc.) with an assessed need to attend the Centres, a transport service to and from home to the Day Centre is required.
- 6.3 Without the availability of a reliable, roadworthy fleet of vehicles, there would not be the required continuity of service which would then lead to potential social isolation and/or an increase of services within the service users' home to enable them to remain in the Community.
- 6.4 The required lease/hire of a new fleet of vehicles will provide the service with the necessary reliable, roadworthy vehicles to offset any potential social isolation and/or increases in alternative service provision in the user's home.
- 6.5 The new vehicles will enable the service areas to accommodate users with an assessed need as a result of the tail lift width and payload of same being wider and stronger than on the current vehicles as well as affording service users more space and comfort on board the intended vehicles.

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

- 7.1. The budget available for this contract for the 15 month period (1 June 2012 to 31 August 2013) is £182,304, which is held within the ASC Operations and Providers Services transport budgets. The contract costs are £159,700, which results in a saving of £22,604.
- 7.2 The budgets and costs for the 2012/13 and 2013/14 financial years are apportioned between the years in the table below. Note that the full year effect figures are for illustrative purposes only as there will be no full year costs during the lifetime of this contract.

7.3 Further comments are in the exempt report.

8. COMMENTS OF THE DIRECTOR OF LAW

8.1 It is noted that, following the market testing described in paragraph 3 of this report, the Council has negotiated a spot hire contract with London Hire for the hire of 7 vehicles.

8.2 The value of the contract over a 15 month period is £139,500 which is under the threshold requiring full compliance with the Public Contract Regulations 2006.

8.3 However, contracts should still be procured in accordance with general EU treaty principles, including transparency, non discrimination and equal treatment and the Council's Contract Standing Orders. This generally requires an open, competitive process be undertaken, and the contract standing orders require that a minimum of 5 tenders or quotes are sought. As these requirements were not fully met a waiver of standing orders is requested under this report. The Transport of vulnerable adults and SEN children is a key service for the Council. Given the circumstances described in the report, and the need for continuity of service, it is in the Council's overall interest for a waiver to be granted and the hire of the vehicles from London Hire approved.

8.4 Under the terms of the contract with London Hire, the Council may Terminate the contract (and end the hire) at any time without financial Penalty. Legal services will work with the client department to draw up a formal contract incorporating the commercial terms agreed with London Hire.

9. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

9.1 The Director for Procurement and IT Strategy has contributed to this report and supports the report's recommendations.

9.2 Whilst it is open to the Council to advertise the opportunity in accordance with Contract Standing Orders, it is unlikely to generate a lot of interest from the market given the limited contract period available and this has been borne out by the market testing exercise already undertaken. The Director supports the course of action to negotiate a 15 month contract with the current providers and notes this will result in overall improved value for money to the Council, taking into account cost and quality, and also provides helpful flexibility should the Council wish to terminate the arrangement early without incurring financial penalties. It is also worth noting that the Council's strategic procurement partner, Agilisys, will be undertaking a review of all the Council's transport fleet under the Council's Transforming Procurement Programme to identify further savings and ensure procurement practices reflect best practice.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	All vehicle and market testing related documents and papers (exempt)	Roy Finan, ext. 3225	ELRS, Transport Office, Bagley's Lane Depot
2.	All adult social day centre service related documents and papers (exempt)	Les Rhodes, ext. 3207	ASC Provided Services Bagley's Lane Depot
CONTACT OFFICER:		NAME: Stella Baillie EXT. 020 7361 2398	

Appendix 1: TECHNICAL SPECIFICATION

Requirements / Specification:

- 1) Mercedes LWB 513cdi Automatic Transmission Coach Built 16 seat Bus (New with full type approval)
- 2) 10 track floor to accommodate single seating on NMI quick release fixings
- 3) 4 x NMI Rear Impact Protection Seats
- 4) Full Climate Control
- 5) Underfloor Tail Lift with minimum dimensions; 925mm x 1510mm (400kg)
- 6) Full maintenance including 6 week inspections and road side assist within 1 hour and 2 hour repair or replace with Like for Like vehicle
- 7) On site "Like for Like" replacement vehicle
- 8) Anticipated hire period of 15 months providing flexibility to opt in to Tri Borough fleet options if desired without any early termination charges.



Cabinet

12 NOVEMBER 2012

CABINET MEMBER FOR HOUSING

Councillor Andrew Johnson

ESTABLISHMENT OF A HOUSING AND REGENERATION JOINT VENTURE VEHICLE

Wards: All

CONTRIBUTORS

EDHR
EDFCG
DoL
EDELRS
DPIS

This report outlines proposals for the Council to derive greater value from the disposal of surplus HRA land through the sharing in development profits, in addition to extracting land value, by establishing a housing and regeneration Joint Venture Vehicle (JVV). The JVV will take forward delivery of selected Council owned development sites to increase housing supply, particularly low cost home ownership, in conjunction with a Private Sector Partner (PSP) who would bring finance and development expertise to the partnership. This initiative is a major component of the Council's (draft) Housing Strategy, "Building a Borough of Opportunity".

HAS AN EIA BEEN COMPLETED?
YES

A separate report on the exempt Cabinet agenda provides exempt financial information regarding the JVV approach.

HAS THE REPORT CONTENT BEEN RISK ASSESSED?
YES

Recommendations

- 1. That approval be given to undertake an OJEU compliant procurement exercise using the negotiated procedure to select a Private Sector Partner (PSP) to establish a housing and regeneration Joint Venture Vehicle (JVV), and that a further report be submitted to Cabinet with a recommendation regarding the preferred partner including details of the JVV structure, financial implications and governance arrangements.**
- 2. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration and the Executive Director of Finance and**

Corporate Governance to make decisions during the procurement process in order to identify a preferred PSP and to negotiate the terms for establishing a JVV.

3. That Cabinet notes that Watermeadow Court and Edith Summerskill House are proposed to be transferred to the JVV (once established) to be redeveloped for housing, following the satisfaction of certain pre-conditions, including:

- obtaining satisfactory planning consents for those sites**
- securing best consideration; and**
- where relevant, disposal being subject to the Secretary of State's approval.**
- finalisation of the other financial and tax arrangements**

4. That Cabinet notes:

- its previous approval of the appointment of Lambert Smith Hampton (LSH) as the property and commercial advisors at the cost of £94,600 funded from S106 balances.**
- that the Director of Law has agreed the appointment of Eversheds LLP via delegated authority as the legal advisors in relation to this project.**

5. That approval is given to incur expenditure of up to:

- an additional £40,000 for property and commercial advice from LSH**
- £162,385 for property and procurement related legal work to be undertaken by Eversheds**
- £35,000 to appoint WYG Management Services Ltd to undertake technical surveys on the selected sites**
- £75,000 to appoint accountants to provide tax and financial advice on the structure of the JVV**

- £50,000 to undertake financial due diligence at the final stages of the partner selection
- together with a contingency of circa £43,015, providing an overall budget for the Professional Team of £500,000,

And to note the use of staff resources as specified in section 3 of the report. All expenditure to be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or where possible held as a deferred cost of disposal; and from previously approved Section 106 balances in the case of revenue expenditure save for the potential net revenue risk of £128k which would be funded by the Housing Revenue Account as an additional charge to the 2013/14 budget.

- 6. That approval be given to draw down £350k from the Westfield Section 106 pot and £57k from the BBC Key Worker Section 106 pot to fund the costs of external expertise including legal, finance and feasibility work to advance the Council's programme of regeneration**
- 7. That approval be given to appropriate Watermeadow Court, which is currently held as Housing Revenue Account land, as land held for planning purposes under Section 122 of the Local Government Act 1972, thereby transferring it to the General Fund at £7.5m; including necessary approval to seek consent from the Secretary of State for Communities and Local Government to appropriate the land as required by the Housing Act 1985.**
- 8. That, subject to planning permission, approval is given to demolish Watermeadow Court, on a block by block basis, as vacant possession is achieved.**
- 9. That approval be given for expenditure of up to £700,000 (to be funded from the Decent Neighbourhoods Fund) for**

planning and demolition costs relating to Watermeadow Court; and that authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to appoint, through appropriate procurement routes, a design team (to secure necessary planning consents) and a demolition contractor.

1. BACKGROUND

1.1 In April 2011, Cabinet approved the establishment of a local housing development company structure to allow the Council to generate and retain development profits through the development of new housing on Council land. This has created a major opportunity for the Council to deliver housing and regeneration outcomes using its own land, under its own leadership. There are three main strands of work which are currently being considered through this structure:

- (A) Hidden homes programme for small sites – generally less than 5 units per site
- (B) Innovative housing built using modern methods of construction for intermediate sites – generally between 5 – 20 units per site
- (C) Joint Venture Vehicle (JVV) to deliver on selected larger Council owned development sites – between 50 – 200 units per site

1.2 Notwithstanding that this report focuses on the JVV workstream, a brief summary of the other two workstreams is shown below for information.

(A) Hidden Homes Programme

1.3 A pilot programme of seven small housing development schemes was approved by Cabinet in January 2012, to create 25 new affordable units over two years.

1.4 Cabinet approved expenditure of £2.7 million, from the decent neighbourhoods fund, for this pilot programme. This will be drawn down on a site by site basis. Where appropriate and viable, it is expected that a small proportion of the surplus generated through the developments can be reinvested on associated minor improvement works to the blocks and amenity areas of the relevant estates.

1.5 The first development was recently completed at Becklow Gardens, where two new units were built and sale agreed to applicants on the Council's HomeBuy register. The next phase includes developments at Verulam House, Sulgrave Gardens and The Grange (Lytton Estate), with additional schemes in the pipeline being actively worked up. These offer the potential for 7 new properties with a range of bedroom sizes. Residents at each of the estates have been consulted regarding the proposals and have inputted into the design process. Expected start on site is winter 2012/spring 2013.

(B) Innovative Housing Built Using Modern Methods of Construction

1.6 In 2007 the Council appointed CB Richard Ellis, property consultants, to complete a review of all HRA land to assess the potential for new housing development, which provided a long list of development sites. Officers have reviewed this list and identified a package of infill development sites that are

suitable for development for between 10 - 20 new homes. These are relatively constrained sites and therefore would benefit from innovative solutions in terms of design and construction. These schemes will be larger than the hidden homes sites but still of a scale where there is sufficient expertise within the Council to manage the full development risk and benefit from all of the development upside.

1.7 In June 2012 the Council initiated a procurement exercise to identify a provider of new housing using modern methods of construction. The Council is seeking innovative housing products which have been proven through design and implementation and are capable of providing:

- high density, low rise communities in a variety of tenure blind sustainable housing forms
- which have a close relationship with the existing streetscape
- provide adequate private amenity spaces
- are adaptable for other uses

1.8 It is expected that the chosen housing product will be able to be erected quickly and meet London Housing Design Guide, Code for Sustainable Homes Level 4 (or higher) and Lifetime Homes standards. It will be built using a modular and/or off site construction methods suitable for constrained urban environment.

1.9 Further details of this scheme will be presented to Cabinet in a separate report in December.

(C) Joint Venture Vehicle

1.10 In addition to the above two strands of direct delivery, in order for the Council to deliver at scale on selected larger Council owned development sites it is considered appropriate for the Council to partner with a credible Private Sector Partner (PSP), experienced in effectively managing large scale developments and delivering high quality residential accommodation fit for purpose for the intended end user market. Adopting a joint venture approach affords the following benefits:

- De-risks projects by partnering with experienced and credible PSP experienced in successfully delivering in the medium to high end residential market
- Enables the Council to access the skills, resources and capacity of the private sector in bringing the selected sites forward for development
- Provides the Council with a structure within which it can retain control and influence in the delivery of the selected sites
- Enables the Council to access funding from the private sector to bring the selected sites forward for development
- Maximises financial return to the Council for reinvestment in further housing and regeneration projects or repaying debt, as appropriate

- 1.11 Initial financial modelling has been undertaken on the proposed sites to demonstrate the financial benefits of the JVV approach which is set out in section 2 below and in the exempt Cabinet report.
- 1.12 In preparing to undertake soft market testing for a potential JVV, Lambert Smith Hampton (LSH) have confirmed that the context in Hammersmith and Fulham is positive, namely:
- Development in the borough remains viable, due to high land value and demand
 - Good quality development opportunities have been identified that are of an appropriate scale/quantum
 - H&F is seen as a borough with a clear development vision and an area of growth and opportunity that is open for business
 - Institutional investors are seeking exposure to high quality residential investment and private sector appetite to form public/private partnerships
- 1.13 LSH have undertaken soft market testing and have advised that a JVV opportunity offered by the Council would be of substantial interest to a range of organisations in the following categories:
- House builders
 - Institutional Investors
 - Construction Groups
 - Housing Associations
- 1.14 Whilst LSH have not formally marketed a package of sites, they have undertaken some high level conversations to understand market appetite with a number of high profile developments and finance organisations. All of these parties have confirmed that they would be keen to consider the opportunity in greater detail.
- 1.15 Appendix 1 provides details of a number of other similar public private joint ventures which have been established on similar principles and that have been researched to identify best practises and learn lessons from.
- 1.16 The Council has obtained legal advice from lawyers Eversheds in relation to how a JVV may be structured. Further details of the proposal are set out in section 4 of the report and in Appendix 2.

2 DEVELOPMENT SITES

- 2.1 A number of key criteria have been identified which need to be satisfied in order to attract the interest of the best potential PSP:
- The development programme must be of a sufficient scale in terms of value to attract companies who have the financial wherewithal to take schemes forward and have a reputation for delivery.

- The development programme should offer certainty of delivering a first phase of housing units within 2-3 years and therefore an early programme with minimal planning and vacant possession risks.
- PSP may want a development pipeline into future years to justify their relatively high initial procurement costs in forming the JVV.

Site Descriptions

2.2 LSH have appraised several Council owned development sites to identify a programme of opportunity that can be offered which provides the required development volume and value. Two sites have been identified which are detailed below:

Watermeadow Court, SW6

2.3 A prime site located in South Fulham in close proximity to the river Thames. The site measures 0.48 hectares (1.20 Acres) and currently comprises 80 not-fit-for-purpose residential units in a 1980s complex of predominantly 3/4 storey blocks (see Appendix 3 for site detail). The site has potential for redevelopment into residential units with a mix of tenures. This is supported by a Planning Brief that encourages new development with an increased residential density of 100 -120 units rising from 3 storeys to 5.

2.4 The site is currently being decanted and was declared surplus to requirements through a decision of the Cabinet on 3 November 2008. One leaseholder and a tenant remain to be decanted. Discussions are ongoing with the leaseholder to agree terms to relocate and acquire the remaining interest. It is anticipated that vacant possession of Watermeadow Court may be achieved by March 2013. The Council may need to consider CPO procedures in order to secure vacant possession if agreement is not possible.

2.5 The estate was built on contaminated land at nil cost to the Council by Bovis Homes under a planning gain agreement. A full study was carried out in 2002 which explored the benefits of conversion compared with demolition and new build. The study found that the poor space standards included inadequate food preparation areas, very inadequate circulation space and lack of storage. Room sizes compared significantly poorly to the UDP and housing association accommodation (the table below shows this in more detail).

Unit size	WATERMEADOW COURT (sq.m.)	UDP (sq.m.)	Peabody Trust (sq.m.)	NHHT (sq.m.)
4b -5/6p	82.68	92.50	92-97	92-97
3b/5p	56.74	70.00	85	105
3b/4p	56.84	-	73	-
2b/3p	41.34	57.00	62	72
1b/2p	41.34	44.00	48	66

2.6 There is a restrictive covenant registered on the title to Watermeadow Court that, for the period of 40 years after 14 November 1989, the land will not be

used for any purpose other than “local authority community housing”. However, the costs associated with demolishing existing buildings and remediating the land together with the lack of grant subsidy funding mean that a wholly affordable housing solution on this site is not viable. Establishment of a JVV creates the opportunity to redevelop the site for a range of housing tenures which will enable the Council to better meet the needs and aspirations of its residents. It is anticipated that the redevelopment will include a number of discount market sale homes which will enable local residents to access home ownership. Whilst it is expected that an element of any proposed development on the site will comprise affordable housing, the intention is that any eventual scheme will comprise predominantly private housing to ensure viability.

- 2.7 The Council has therefore obtained advice in relation to potential options to enable the land to be released from the burden of the restrictive covenant. Cabinet approval is being sought to appropriate Watermeadow Court, which is currently held as housing land, as land held for planning purposes under Section 122 of the Local Government Act 1972.
- 2.8 Cabinet previously resolved in 2008 to appropriate Watermeadow Court for planning purposes in order to override the restrictive covenant. An attempt was also made to negotiate away the restrictive covenant with the beneficiaries of the covenant but this was to no avail. Therefore, officers consider that without an appropriation the site is not viable to bring forward for development. This view is underlined by a number of unsolicited offers for the site which have been conditional on the restrictive covenant being removed or cleansed by appropriation.
- 2.9 A valuation of the land has been completed by LSH for appropriation purposes of £7.5m. Therefore in due course, the land is to be appropriated at £7.5m value from HRA to General Fund. It means that the General Fund effectively has to “reimburse” the HRA the certified market value for the property via an increase in the General Fund’s Capital Financing Requirement which the Council uses as its preferred measure of debt. There will be a corresponding decrease in the Capital Financing Requirement of the HRA.
- 2.10 Eversheds have prepared advice in relation to the likely beneficiaries of the covenant and LSH have provided an estimate of the likely compensation should development proceed. Their view is that development of Watermeadow Court as a mixed use scheme would in fact not trigger compensation as the effect on value to the surrounding land is likely to be positive.

Edith Summerskill House, SW6

- 2.11 The 0.066 hectares (0.16 Acres) site comprises an 18 storey tower block located within the Clem Attlee Estate with neighbouring properties of 2 to 5 storeys (see appendix 4 for site detail). The property has inherent defects which has caused damp ingress and is uninhabitable. Accordingly, all of the occupiers have been decanted and the property secured. There are five leaseholders with whom compensation has not yet been agreed but this

process is ongoing and terms are expected to be finalised by December 2012. The Council may need to consider Compulsory Purchase Order procedures in order to secure vacant possession. The Cabinet agreed on 5 September 2011 to dispose of the site.

- 2.12 It is expect that redevelopment of the site would involve either a redevelopment retaining the existing concrete frame or complete demolition and rebuild. There might be potential to include some surrounding amenity land which may allow for reorientation of the entrance and consequently a significant rise in land value. There is a potential to re-provide approximately 70 new units in an 18-storey tower. A draft Planning Brief has been prepared for this site.

Options Appraisal

- 2.13 In relation to Watermeadow Court and Edith Summerskill House sites three delivery options were identified and a financial and regenerative output assessment was undertaken by LSH as set out in the exempt Cabinet report:
- (A) Land sale disposal to open market
 - (B) Joint venture with a PSP
 - (C) Direct delivery by the Council's development company
- 2.14 The Table in the exempt report summarises the financial returns from each of the options above. It should be noted that in terms of the land sale disposal option neither of the sites is straightforward and disposal to the open market is likely to result in conditional bids - subject to planning, vacant possession, covenant and contamination assessment – which is reflected in the timing of receipts, resulting in the Council not realising capital receipts fully until 2015. In the case of Watermeadow Court the land sale disposal option would still require the appropriation of the land for planning purposes and therefore still require the associated transfer of the land to the General Fund at value with a corresponding impact of the General Fund Capital Financing Requirement which the Council uses as its preferred measure of debt.
- 2.15 In comparison with the straight disposal route, the direct Council delivery option would provide a greater financial return. However, this option is being discounted on the basis that this would require the Council to be exposed to excessive risks given the Council's lack of experience in undertaking large scale development of high quality private housing for market sale. The Council would be required to raise and service development finance (including build costs), the return on which would be at risk of the local property and financial markets.
- 2.16 LSH's option appraisal demonstrated that the JVV option provides the greatest financial return and regeneration outcomes for the Council.
- 2.17 The key advantage of the JVV route, in comparison with disposal or development agreement, is that the Council would be sharing the development profits on an equal basis with the PSP (in addition to the land receipts). The PSP would also bring experience which would significantly reduce the development risk when compared to the direct development

option. The Council would not have to raise additional finance and would simply put the land into the JVV. In comparison, under the disposal or development agreement routes the developer would take all the development profits, with the Council only having the option of a share of any potential overage (if the developer is able to achieve a higher than projected level of return) and the land receipts.

- 2.18 A detailed business plan has been developed by LSH for the purposes of financial modelling, which will be tested with the bidders through the JVV procurement process in order to agree the financial position. Once established further sites can be placed in the JVV.

3. DELIVERY - PROFESSIONAL TEAM

- 3.1 The procurement process and establishing the JVV will require the following professional services:

- Property & commercial
- Legal
- Tax and financial advice
- Due diligence and technical surveys

Property & commercial

- 3.2 On 19 September 2011, the Cabinet Member for Housing approved the appointment of LSH as the property and commercial advisors in relation to following areas of work:

- Evaluation of potential development sites
- Establishment of an appropriate delivery vehicle
- Management of an OJEU procurement process to select a PSP
- Advise and support the Council during the negotiation around issues pertaining to property and valuation
- Business planning

- 3.3 The approved fee for this appointment was £94,600. Since appointment, officers have identified additional services that would be required from LSH which are anticipated to cost up to an additional £40,000. Therefore, Cabinet approval is being sought for additional £40,000 expenditure. All expenditure is to be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or offset as costs of disposal, and from previously approved Section 106 balances in the case of revenue expenditure.

Legal

- 3.4 The Council has sought to appoint a 'best in class' legal advisor in connection with the creation of the JVV. The Council administered a tender exercise in February 2012, inviting all twenty-one law firms from the Office of Government Commerce legal panel and London Borough's Legal Alliance panel to partake.

3.5 The legal advisory service is a Part B service and the appointment of the successful firm is delegated to the Director of Law. Following a detailed tender assessment process, Eversheds LLP was selected as the winning bidder. The total cost for this contract was £132,385; however officers have identified additional £30,000 of property/procurement related legal work (beyond the scope of the original tender) that would be required from Eversheds. Therefore, Cabinet approval is being sought for a total expenditure of £162,385. The legal fees are to be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or offset as costs of disposal, and from previously approved Section 106 balances in the case of revenue expenditure. Eversheds have successfully advised on a number of Local Asset Backed Vehicles, including London Borough of Croydon, Oxford City Council, Bournemouth and Slough.

3.6 Eversheds will undertake the following key programme of works to support the project team in the successful engagement of a PSP to establish a JVV:

- Advise on the preferred delivery vehicle structure
- Advise on the procurement route/ process
- Draft all required legal documentation
- Advising the Council on property related matters

Tax & financial advice

3.7 It will be necessary to appoint accountants to provide taxation and financial advice on the most efficient structure in relation to establishment of the JVV. The fee estimate for this work is £75,000, which will be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or offset as costs of disposal, and from previously approved Section 106 balances in the case of revenue expenditure.

Due diligence and technical surveys

3.8 The Council will need to undertake a number of technical surveys and assessments on the two selected sites identified in section 2 of the report. The following technical surveys and assessments are required for each of the sites:

- Flood risk assessments
- Utilities and services capacity surveys
- Visual survey report
- Topographical and levels surveys
- Rights of light envelope study
- Ecology assessments
- Transport impact assessments
- Daylight and sunlight study
- Arboriculture statements
- Ground conditions/ geo-environmental surveys

3.9 To appoint the specialist consultant the Council administered a mini-competition using the Homes and Communities Agency (HCA) Multi-

Disciplinary Services Panel in November 2011. All panel members were invited to bid and seven firms submitted a tender.

- 3.10 WYG Management Services Ltd's tender was assessed as the most economically advantageous to the Council. WYG Management Services Ltd provides a diverse range of services to clients across a number of sectors worldwide, offering creative and effective solutions to projects. They have recently completed a range of surveys and assessments, to facilitate a major regeneration scheme for the London Borough of Hounslow.
- 3.11 The total fee for this work for these two sites is £35,000, which is to be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or offset as costs of disposal, and from previously approved Section 106 balances in the case of revenue expenditure.
- 3.12 In addition to the initial technical surveys and assessments required for each of the sites, the Council will also be required to undertake more detailed intrusive survey work at Watermeadow Court. Fuel pollution is thought to have affected the underlying estate, which was investigated in 2001. The investigations found no significant risk related to contamination for residents or vegetation at Watermeadow Court. However, if the site were to be redeveloped then the risk would most likely significantly increase for site workers. Further investigation can only be undertaken once the buildings have been demolished and the site cleared.
- 3.13 The Council will also need to undertake financial due diligence at the final stages of the partner selection. This is estimated to cost £50,000, which is to be funded from the Decent Neighbourhoods Fund where it is possible to be capitalised or offset as costs of disposal, and from previously approved Section 106 balances in the case of revenue expenditure.
- 3.14 Summarised in Table A below is the total projected professional fees in relation to establishment of the JVV and site preparation, which will need to be met by the Council but could in due course be recovered from the appointed PSP.

Table A: Summary of Professional Fees

Services	Provider	Fees
Property and Commercial	Lambert Smith Hampton	£134,600
Legal	Eversheds	£162,385
Tax & financial structure	To be appointed	£75,000
Technical surveys	WYG Management Services Ltd	£35,000
Financial due diligence	To be appointed	£50,000
Sub Total		£456,985

Contingency		£43,015
Professional Team Total		£500,000

3.15 In addition to the external Professional Team, successful delivery of this project will require adequate dedicated project staff resourcing from HRD and considerable corporate / departmental involvement in terms of Finance, Legal, Procurement, and Planning in particular. It is expected that the JVV would be invoiced for planning purposes in the same way as any other large developer and where appropriate other resources would be charged to the JVV. Dedicated project staffing resource will include a Project Manager as well as 30-40% of the Head of Area Regeneration Programme's time being dedicated to this project. Staffing and corporate involvement will vary at different stages of procurement, which is likely to peak during the negotiation stages and formation of the JVV.

3.16 It is anticipated that the Council will play an active role in the management and operation of the JVV once established as well as an equal role in relation to development management activities to secure planning and develop out the initial two sites. Therefore, as part of the procurement process options for future operational arrangements and resourcing will be tested with bidders and agreed prior to the establishment of the JVV. It is expected that the PSP will provide the working capital for the JVV once established.

Watermeadow Court Demolition - Costs

3.17 Watermeadow Court was poorly built in the 1980s and experienced a high level of tenant dissatisfaction and is now largely vacant. The current physical appearance comprising door and window openings sealed up with breeze blocks in an attempt to deter squatting and frequent fly tipping does not reflect well on the Council. The Council has the option to demolish the building in phases as vacant possession is obtained and to secure the site with a hoarding. This would have the effect of reducing management and security costs and provide a sense of momentum. LSH advise that the financial implications to the Council should be broadly neutral as demolition costs would otherwise be factored into the development appraisal and if they are not undertaken they will be reflected in the land value. Officers recommend that Watermeadow Court is demolished, on a block by block basis, as vacant possession is achieved. This will:

- Stop repeated incidents of squatting
- Allow for more detailed intrusive site contamination surveys to be undertaken thereby further de-risking the project
- Accelerate development programme following establishment of the JVV

- 3.18 It has been established in discussion with the Local Planning Authority that in order to proceed with site demolition there is a requirement to submit the following consecutively:
- an application for conservation area consent to demolish the building
 - detailed application to landscape and hoard the site
- 3.19 Officers have been advised that these are required due to the conservation area status. Therefore, there will be a need to commission planning & design consultancy advice and appointment of demolition contractor, in advance of the JVV being established.
- 3.20 The estimated cost for planning and demolition are set out below:
- Planning & design consultancy services - £50,000
 - Demolition (including project management) - £600,000
 - Contingency - £50,000
- 3.21 It is proposed that approval be given for expenditure of up to £700,000 (to be funded from the Decent Neighbourhoods Fund) for planning and demolition costs relating to Watermeadow Court; and that authority be delegated to the Cabinet Member for Housing in conjunction with Executive Director for Housing and Regeneration to appoint, through appropriate procurement routes, a planning/design team and a demolition contractor.

4. JVV STRUCTURE & GOVERNANCE

- 4.1 It is proposed that the JVV would be a newly formed entity structured as a 50/50 joint venture between the Council and the procured PSP against a Business Plan based on the Council's objectives agreed between the parties. The exact financing structure, including payment of the Council's land receipt and share of profits, will be subject to detailed discussion with bidders during the procurement process.
- 4.2 Under the proposed model the Council would commit its identified sites at Watermeadow Court and Edith Summerskill House (either on a freehold or long-leasehold basis) to the JVV for development. It is anticipated that the Council would enter into a conditional sale agreement or option with the JVV under which it would agree to transfer these properties on the satisfaction of certain conditions. Such conditions may include:
- Obtaining a suitable planning permission;
 - Having a development appraisal (approved by the Council) in place;
- and
- Securing funding in order to take forward the scheme
 - Secretary of State's consent
- 4.3 Upon the transfer by the Council of its sites to the JVV, the vehicle will owe the Council its land consideration. This may be settled by consideration being paid on transfer or by deferred payment at a later date out of receipts into the JVV

and the structure will ensure that any deferred payment structure is compliant from a State Aid perspective. Furthermore, any land transfer by the Council into the JVV vehicle must satisfy the Council's best consideration requirements and will require Secretary of State's consent in relation to the disposal of HRA land. In the case of Watermeadow Court the land will be transferred to the JVV from the General Fund (following appropriation from HRA) and therefore land consideration would be accrued to the General Fund, currently anticipated to be in 2015. The timing of the capital receipt will be part of the stage 2 negotiation during the procurement exercise.

- 4.4 It is expected that the PSP would fund the working capital of the JVV – e.g. to get the JVV to a point where it has a development proposal on a site such that the site can be drawn down into the JVV. Bidders will be asked to present their funding proposals to the Council both in respect of the terms attaching to such working capital funding but also in terms of scheme finance and delivery post land draw down. Necessary due diligence will be undertaken to establish the PSPs ability to raise the required funding in the current market.
- 4.5 The advice from Eversheds is that the Council should not specify the exact legal structure when approaching the market but set out clearly the Council's non negotiable Heads of Terms and governance requirements (which can be accommodated in the final structure). The rationale is that certain investors may wish to participate in a certain structure and, therefore, the Council should leave it open to attract a broad range of investors. However, it is anticipated that the JVV will either be structured as a partnership (i.e. limited partnership or limited liability partnership) or a company. The final choice of structure will be driven by the Council's objectives, taxation and vires considerations.
- 4.6 The governance of the JVV will be designed to provide the Council control at four principal levels:
- Shareholder/partner level control (to include adoption of the JVV business plan(s), material changes to the business plan(s) and change in remit of the JVV)
 - Board level control (delegated authority for such matters as approval of development appraisals, planning, design quality, etc) – membership to be determined but could include combination of officers and members
 - Executive committee level control (being the interface between the board and the project teams and established with Council officer involvement)
 - Project team level controls (being dedicated project specific development management teams established with Council officer involvement)
- 4.7 See Appendix 2 for further details of the proposed JVV structure and governance.

5. PROCUREMENT OF PRIVATE SECTOR PARTNER

- 5.1 It is intended that the PSP will provide development management services and procure contractor/building services to the JVV once established. Therefore, the PSP procurement includes public works with a financial value above the EU threshold, thereby requiring an OJEU compliant competitive procurement process to be undertaken. Detailed comments on procurement are set out in Section 9 of this report.
- 5.2 In order to maximise bidder interest in the proposed JVV it is advisable to adopt the most robust and efficient procurement route. Based on advice of Eversheds and LSH it is considered that Negotiated procedure be adopted to procure a PSP.
- 5.3 A Prior Information Notice (PIN), inviting organisations that may have an interest in the establishment of the JVV, was published on 22 October 2012 in the Official Journal of the European Union (OJEU). The marketing opportunity was also published in the Estates Gazette. A market briefing event will be held on 15 November 2012 which will focus on raising market awareness of and interest in the opportunity.
- 5.4 A Contract Notice will be published in the OJEU after the Cabinet approval setting out the scope of the project. Similar information will be published on the Council's website in accordance with Contracts Standing Orders and on the London Tenders Portal that will be used for managing the procurement process.
- 5.5 Indicative programme for procurement of PSP and establishment of JVV is set out below:

Tasks	Timetable
Publish Prior Information Notice (PIN)	22 Oct 2012
Cabinet	12 Nov 2012
Market Briefing Event	15 Nov 2012
Publish OJEU notice	19 Nov 2012
Pre-Qualification Questionnaire (PQQ) return	11 Jan 2013
PQQ evaluation completed	1 Feb 2013
Invitation to Negotiate	15 Feb 2013
Stage 1 negotiation	15 Feb – 30 April 2013
Stage 2 negotiation	1 May – 12 July 2013

Tasks	Timetable
Final Submissions	1 Aug 2013
Evaluation	Aug 2013
Selection of Preferred Bidder	Sep 2013
Negotiate (contract)	Sep 2013 – Oct 2013
Cabinet process	Nov – Dec 2013
Contract award (establishment of JVV)	Jan 2014
Submission of planning application	June 2014
Planning determination	Sept 2014
Expected start on site	Dec 2014

6. RISK MANAGEMENT

- 6.1 It should be noted that the appropriation for planning purposes of Watermeadow Court means that the risks and rewards of the JVV will be shared by both the HRA and the General Fund. The summary of the key risks are as follows:

Procurement risks

- 6.2 Effectively managing some of the potential downside exposures at the outset will ensure that there is a greater probability of success in achieving the overall objectives. The risks centre around the ability to meet the procurement timetable, the level of response from the market and changes in the financial position or strategic direction of the Council. These risks if they occurred would impact through delaying the procurement programme and loss of confidence in the Council. Although these risks are significant, they are mitigated by the creation of a well-resourced project team experienced in similar projects, the positive response from soft market testing that has been carried out and ongoing financial monitoring that will take place.

JV set up risks

- 6.3 Naturally there are some initial set-up risks and these risks centre on the provision of the sites into the JVV and the ability of the Council to deliver these sites for redevelopment. These risks if they occurred would result in delays to sites coming forward for development and delays in achieving financial returns. Proactive risk management has resulted in the sites being already identified and being decanted, the risks can be mitigated through the

actions proposed in this report around land appropriation, due diligence and planning advice.

Information data quality and marketing risks

- 6.4 These risks centre around the objective to positively manage the risk around quality of the procurement information and process. These risks if they occurred would lead to disputes, delays and potential legal action. As set out in this report, the Council is drawing upon the experience of advisors who have been through similar procurement exercises. The lessons learnt from these exercises should mitigate these risks. Emerging risks will continue to be tracked and escalated in order to maximise the potential rewards the JVV may bring.

Partner selection risks

- 6.5 The risk management objective here is to select the most suitable partner to ensure the Council's objectives, and that of the JVV is delivered and is sustainable. These risks centre on the quality of the bidders identified in the procurement exercise. These risks if they occurred would lead to reputational damage to the Council. These would be mitigated through the marketing and evaluation processes set out in this report which are designed to attract high quality bidders.

Development risks

- 6.6 These risks centre on the ability of the JVV to deliver both the expected financial return to the Council and the housing outputs. By managing the potential negative exposures such as delays which could lead to either delays in achievement of benefits or a reduction in capital receipts to the Council, these will be minimised through due diligence at the bidder selection stage.

Market risks

- 6.7 These risks centre around price fluctuation in the local property market which could effect scheme viability and result in reduced capital receipts, reduce revenue and increased costs. Professional property advice has been sought which confirmed that values and demand remain strong in West London and that the JVV proposals is at the correct point in the property cycle.

7. EQUALITY IMPLICATIONS

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

- Age
- Disability

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

7.2 At a later date, the Council will need to have due regard for the potential implications that any proposals for individual developments sites would have. The duty to have "due regard" to the various identified "needs" in the relevant sections of the Equality Act 2010 does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

7.3 Should firm proposals come forward for any of the individual sites it will be necessary to assess these against the various protected characteristics and groups and to what extent they will be affected as a result of such proposals. The implications of any proposals would be demonstrated as part of the Cabinet Report and Equality Impact Assessment (EIA).

7.4 Notwithstanding the content of the EIA – which would be prepared for each individual site should any proposal come forward; the Council needs to be satisfied that the consultants (subject to appointment) have demonstrated that their research and findings take account of all protected characteristics in their recommendations back to the Council. The Council ultimately remains responsible for inquiring into any gaps, and using the findings to inform the EIA.

7.5 The procurement of the PSP for the JVV will be through a compliant procurement process. As part of the procurement exercise, a clear evaluation framework will be set out. In order to qualify for consideration, all bidders will be required to set out their Equal Opportunities policy statement. In addition, all bidders will be asked to confirm that they comply with race relation legislation and will be asked to set out their track record on addressing racial discrimination in the employment field.

7.6 The role and governance of the JVV will be subject to the general and specific equality duties introduced by the Equalities Act 2010. It will be embedded into the corporate strategy and policies of the JVV. The JVV will have to have regard to the need to eliminate discrimination, advance equalities of opportunity and foster good relations when undertaking any functions

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

8.1 It is noted that the initial advice received from the Council's advisors indicates that the JVV is likely to be the most favourable option financially. However, prior to the recommendation to Cabinet to appoint the preferred partner, expected in December 2013, officers will have considered in detail the financial implications associated with entering into a JVV to provide the

Council with the necessary assurances regarding risk, best consideration, timing of capital receipts from the JVV, company structure, tax and accounting¹ matters. This will include the consideration of an option to tax the land sale to the JVV for VAT purposes.

- 8.2 In the interim period, expenditure will be incurred on a mix of professional services. These costs, which total £500k, are likely to be a mix of deferred disposal costs, revenue and capital expenditure due to a number of factors, including the likelihood that expenditure will be incurred prior to approval to develop specific sites, and the nature of the activities being undertaken. Of the expenditure on professional services outlined above, all have been previously approved, with the exception of a further £40k for property consultancy, £162,385 for legal, £125k for tax and financial due diligence and £35k for technical surveys.
- 8.3 Provision for these costs will be made from both revenue and capital resources including where possible attributing costs to the disposal of the land and subject to negotiation passing costs onto the JVV.
- 8.4 The Council has considerable balances held under Section 106 agreements which are ringfenced for use for affordable housing and regeneration purposes. A previous report to Cabinet on 29 March 2010 approved the use of Section 106 funds of £1.665m and £0.245m of LABGI (Local Authority Business Growth Incentive) funds to advance the Council's strategic regeneration programme. It is recommended that this balance of £384k as at 1 April 2012 is now added to by approving the use of two further Section 106 agreements which have been allocated for regeneration purposes - £350k from the Westfield Section 106 and £57k from the BBC Key Worker Section 106 pots.
- 8.5 Following approval of the above, this leaves available a balance of Section 106 revenue funds of £791k in total earmarked for Strategic Regeneration purposes, and the costs associated with the joint venture vehicle will be identified as a potential call on these funds² This brings the total potential call on these funds to £919k. Should costs charged against this pot all crystallise and not prove to be rechargeable then there would be a net charge to the HRA of £128k in 2013/14 and a recommendation is included to this effect.
- 8.6 Additionally, a further £700,000 is requested to fund the costs of planning & demolition works at Watermeadow Court. These costs are capitalisable on the basis that they are being incurred as a necessary and integral step in preparing the site for a new building. These costs will be coded against CCSD00205 and funded from the decent neighbourhoods pot. Demolition and planning is expected to occur whilst the property is held within the General Fund.
- 8.7 The appropriation of Watermeadow Court for planning purposes transfers the property from the HRA into the General Fund. It means that the General Fund effectively has to 'reimburse' the HRA the certified market value for the

¹ Including the inclusion/ disclosure/ consolidation required on the JVV in the Council's accounts

² To be coded against RHQ004

property. In accordance with guidance, this is achieved by making an adjustment between the outstanding debt of the General Fund (as measured by the Capital Finance Requirement (CFR)) and that of the HRA. This will result in a temporary increase in the level of debt in the General Fund until the land is disposed of and a capital receipt generated (which can be applied to reduce debt). Based on the timetable currently proposed this results in an additional revenue charge to the General Fund of approximately £720k spread across two financial years with an associated ongoing risk of circa £360k per annum if timescales slipped. Officers are currently taking advice on mitigating this impact.

8.8 Further comments are in the exempt Cabinet report.

9. COMMENTS OF THE DIRECTOR OF LAW

Legal powers

- 9.1 The Council needs to ensure that it has identified the right power pursuant to which it will enter into this transaction and that it has exercised that power correctly, having regard to all relevant considerations, at the date upon which the transaction is entered into. The powers identified will cover both the overall purpose of the scheme and the particular structure for the transaction. Regarding the first aspect the Council has powers to ensure housing development and provision of land for that purpose and to ensure the proper planning of its area under the Housing Act 1985 and the Town and Country Planning Act 1990. Additionally, or in the alternative, the Council may consider that the primary purpose for the creation of an investment partnership is investment for housing purposes pursuant to its investment functions under s.12 Local Government Act 2003. This power enables an authority to invest for any purpose relevant to its functions and/or for the prudent management of its financial affairs.
- 9.2 Regarding the structure proposed the powers available to local authorities for the formation of companies or other vehicles, such as Limited Partnerships or Limited Liability Partnerships are:
- the power of general competence contained in section 1 the Localism Act 2012; and/or
 - the power to do “anything which is calculated to facilitate or conducive or incidental” to the exercise of functions under Section 111 of the Local Government Act 1972.
- 9.3 The Council has the power to enter into the JVV by relying on the power of general competence and/or section 111 of the Local Government Act 1972. There are good and proper reasons for adopting this approach, as the creation of a JVV:
- De-risks projects by partnering with experienced and credible Private Sector Partner (PSP) and apply this knowledge to future opportunities

- Enables the Council to access the skills, resources and capacity of the private sector in bringing the selected sites forward for development
- Provides the Council with a structure within which it can retain control and influence in the delivery of the selected sites
- Enables the Council to take an active part in development; and access funding from the private sector to bring the selected sites forward for development
- Maximises financial return to the Council

Structure and governance

9.4 See Appendix 2 for Eversheds report on the proposed legal structure, governance and commercial matters (including State Aid, best consideration, and vires).

Procurement

9.5 The Regulations set out four different process routes by which contracts can be advertised and competitive processes run:

- Open
- Restricted
- Competitive Dialogue
- Negotiated

9.6 The open and restricted procedures are unsuitable for this procurement due to the complexity of the Council's requirements and because the Council is not in a position to specify the terms it requires for bidders to bid against. As a result the only alternative is to follow either the competitive dialogue or negotiated procedure.

9.7 In practice the two procedures in operation appear very similar. The real difference lies in the approach to the negotiation. In competitive dialogue at least 2 bidders should be kept in the process during full negotiation of contract terms to completion. In negotiated procedure this is not prescribed and therefore a single bidder could be selected earlier in the process, however the Council needs to balance this against the risk of challenge from a bidder removed earlier in the process that, had they been given the negotiation opportunity and having regard to where the final deal ends up, they could have won.

9.8 The competitive dialogue procedure is less favoured by the development market as it requires a greater level of financial commitment on the part of the bidders at an earlier stage in the procurement. In order to maximise bidder interest in the proposed JVV it is advisable for the Council to adopt the most robust and efficient procurement route.

9.9 There is anecdotal evidence to suggest that the use of competitive dialogue carries a greater risk of challenge at the end of the process than negotiation. This is because of the requirement to maintain a competitive process until the

call for final tenders, so at least one, if not two, bidders will be unsuccessful having spent large sums of money in tendering for and fully negotiating the contract. Under the negotiated procedure detailed negotiations of full contract would take place only with one bidder. Changes in 2009 to the Regulations make it easier for unsuccessful bidders to mount challenges through the courts.

Covenant affecting Watermeadow Court

- 9.10 The restrictive covenant is contained in the Transfer of Part of the Site dated 14 November 1989 and the wording is as follows “The Council hereby covenants for itself and its successors in title ... not to use the land hereby transferred during the period of forty years commencing on the date hereof for any purpose other than local authority community housing the drawings and specification for the building of such Community Housing to be previously approved in writing by Partkestrel (such approval not to be unreasonably withheld)”.
- 9.11 The Council has therefore obtained advice in relation to potential options to enable the land to be released from the burden of the restrictive covenant and, in particular, in connection with the operation of Section 237 of the Town and Country Planning Act 1990, which is often used to override restrictive covenants in prescribed circumstances.
- 9.12 Appropriation has the effect of overriding any existing rights a party may have which could prevent development of that land in accordance with the planning permission. However, it does not remove their right to compensation for such rights or covenants, but it removes the potential for excessive claims and the potential for the development to be frustrated by the grant of an injunction to prevent the interference of such rights.

10. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

- 10.1 This report sets out in detail the proposed procurement route for the establishment of a JVV to manage and develop the Council’s land assets. Two sites, Watermeadow Court and Edith Summerskill House, have been initially identified, but once established the JVV will have the potential for developing further sites.
- 10.2 A member of the Corporate Procurement Team sits on the Tender Appraisal Panel where the issue of the use of the Negotiated Procedure has been recently discussed. Contract Standing Orders requires Member approval before either the Competitive Dialogue or Negotiated procedures are commenced. Given the advice from Eversheds referred to in the body of this Report and the Council’s own investigations into the use of the Negotiated Procedure the Director supports the recommendation to use of the Negotiated Procedure for the establishment of the JVV.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Disposal of Watermeadow Court 3 rd November 2008 (published)	Matin Miah x 3480	HRD
2.	Housing Company setting up Cabinet report – April 2011 (published)	Matin Miah, x3480	HRD
3.	Disposal of Edith Summerskill House, Clem Atlee Estate 5 th September 2011 (published)	Matin Miah x3480	HRD
4.	Appointment of LSH CMD report – October 2011 (published)	Matin Miah, x3480	HRD
5.	Delivering Affordable Housing – Pilot Phase Sites Cabinet report – 30 January 2012 (published)	Matin Miah, x3480	HRD
CONTACT OFFICER:		NAME: Matin Miah EXT. 3480	

Appendix 1 – Examples of other successful JVV schemes

Bournemouth

Bournemouth Borough Council sought a PSP with which to deliver its town centre vision. This is a major regeneration project to deliver new homes, offices, retail opportunities, tourist attractions, business development and public realm improvements in Bournemouth. Its objective was to form a corporate JV (commonly referred to as a Local Asset Backed Vehicle (LABV) in which the Council and its PSP would each hold a 50% interest in the LABV for an initial term of approximately 20 years. The value of the Council's interest will be based on the value of the assets it commits to the vehicle and value-matched with cash from the PSP, with the PSP providing working capital at risk during the initial start up of the vehicle to seek to secure planning across a number of sites to be brought forward for delivery.

Following an OJEU procurement process a joint venture vehicle has been formed with Morgan Sindall Investments Limited. The vehicle takes the form of a limited liability partnership.

The vehicle is established to undertake development activity in line with the Council's objectives, including masterplanning, marketing and land assembly. It is anticipated that this activity will initially be on the first tranche of identified development opportunities which comprise sixteen council owned sites in prime town centre locations. They are aiming to be on site at the end of the year.

Croydon

Croydon Council Urban Regeneration Vehicle (CCURV) is a 28-year public private partnership, structured as a limited liability partnership, between Croydon Council and John Laing to regenerate a range of key sites across Croydon borough. CCURV was set up as a 50:50 partnership, with Croydon Council investing land in the joint venture and John Laing investing equity and providing development expertise.

The objectives of the CCURV include enhancing the quality and design of development in Croydon and providing affordable housing and new civic accommodation. They also want to ensure developments in Croydon offer the best and most appropriate use of sites, both now and in the future and ensure the sustainability of developments in Croydon. Building works started on 16 March 2010.

Oxford

Oxford City Council sought the appointment of a co-investment partner to bring forward residential development opportunities in Barton. The proposal includes 36 hectares (90 acres) comprising mainly agricultural land which has been identified as a potential housing delivery site for the Council with a potential development pipeline of 1,000 homes including 50% affordable.

The Council's ultimate goals are to achieve a vibrant, viable and sustainable new community at Barton. One of the main challenges to development is the high initial infrastructure costs and in response the Council formed an infrastructure financing vehicle with Grosvenor. The PSP access finance and infrastructure investment and delivers sites to the market with residential development to be delivered by developers on a site by site basis. The scheme is currently at planning stage.

APPENDIX 2

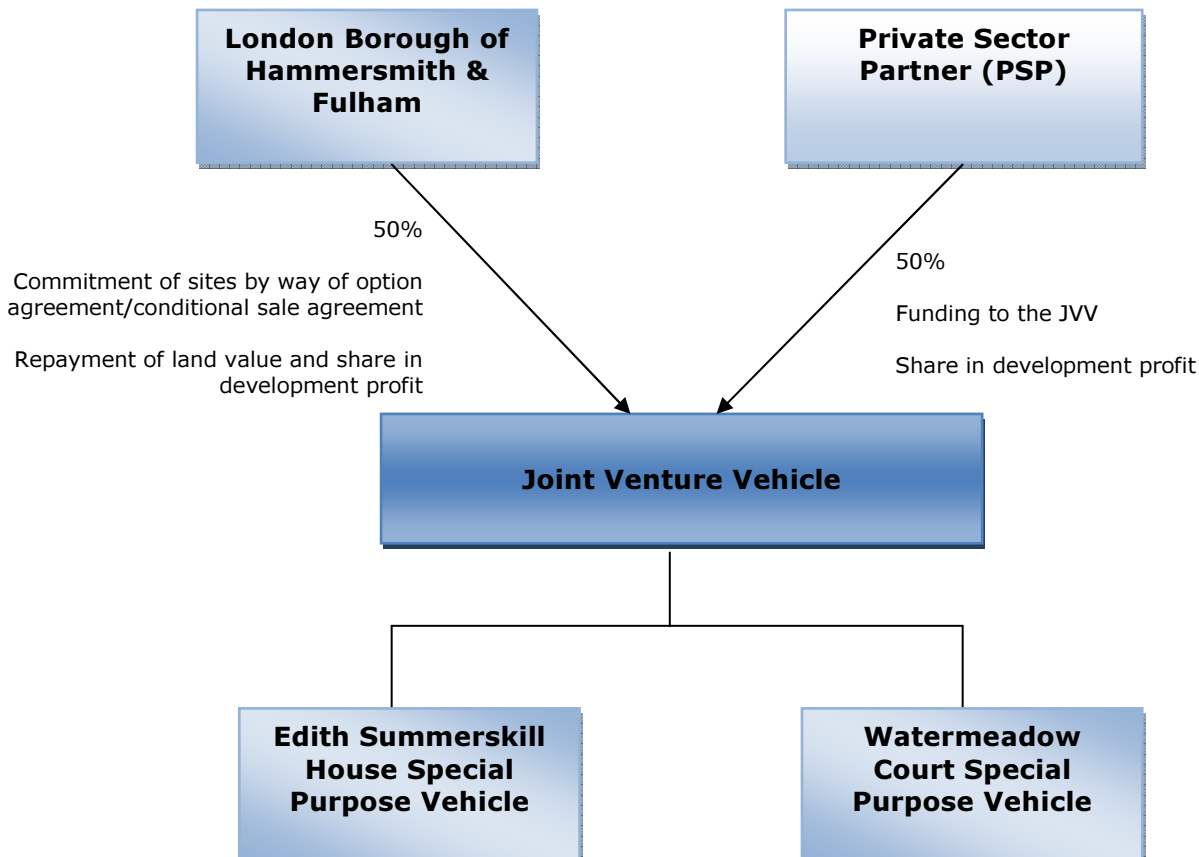
LONDON BOROUGH OF HAMMERSMITH AND FULHAM SELECTION OF A HOUSING AND REGENERATION JOINT VENTURE PARTNER

1. INTRODUCTION AND BACKGROUND

- 1.1 The London Borough of Hammersmith and Fulham (the "**Council**") wishes to establish a joint venture vehicle ("**JVV**") with a private sector partner ("**PSP**") to bring forward certain of its residential regeneration and development priorities within the borough.
- 1.2 The Council will be offering two sites to be developed by the JVJ, Edith Summerskill House and Watermeadow Court. The JVJ will be capable of developing other sites for the Council once established, provided that the parameters around the introduction of those sites is defined through the procurement process and in the legal documentation.
- 1.3 The Council is proposing to launch the procurement process to select a PSP using the negotiated procedure.
- 1.4 Eversheds have been advising the Council in relation to potential structures for the JVJ. This report consolidates advice given to the Council in relation to the JVJ structuring and governance considerations. Appended to this report we also set out high level State aid, best consideration and Council vires considerations. These will need to be kept under review as and when bidders come forward with proposals during the procurement process. Eversheds will provide relevant opinions and further detailed advice in these areas as required.

2. PROPOSED STRUCTURE OF THE JVJ

- 2.1 The proposed structure for the JVJ currently under discussion with the Council is as follows:



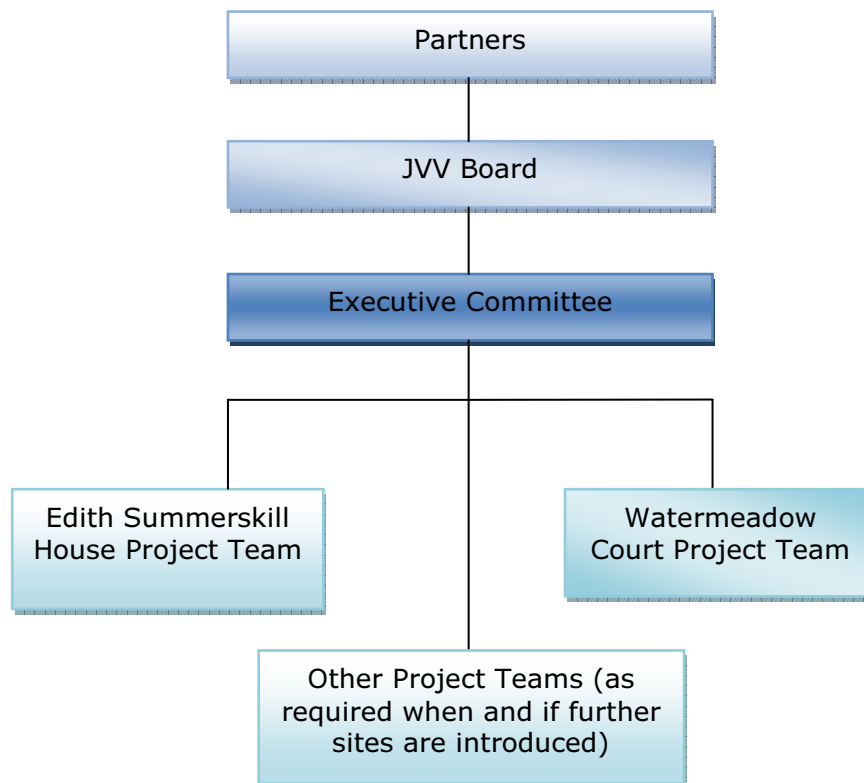
- 2.2 The JVV is to be established as a separate legal entity. The Council does not wish to be prescriptive to the market on the form of the joint venture and will consider the form proposed by bidders. In Eversheds' experience the form of the JVV is likely to be either a partnership (i.e. a limited liability partnership, limited partnership) or limited company. The main drivers for the selection of the ultimate structure will be:
- 2.2.1 taxation efficiency;
 - 2.2.2 bidder requirements – e.g. if an institutional investor will only invest via a limited partnership; and
 - 2.2.3 ensuring the Council has identified the power(s) pursuant to which it wishes to participate in the JVV and exercised that power(s) reasonably (see the Appendix to this report in relation to Council vires).
3. The primary difference between the two structures from a taxation perspective is that a company will be subject to corporation tax on its profits and gains, leaving only its net profits available for distribution to shareholders. By contrast, a partnership is a tax transparent vehicle and the profits and gains of the partnership accrue directly to the partners. A partnership structure, therefore, avoids this additional layer of taxation and should be more efficient for the Council. Stamp Duty Land Tax (SDLT) also needs to be considered in detail. A charge to SDLT will typically arise on the transfer of Council-owned assets to the JVV, regardless of whether a company or partnership joint venture structure is used. In the case of a company this SDLT charge will be based on the consideration payable (or on the market value of the land, in certain circumstances). In the case of a partnership this SDLT charge will be based on the other partners' interest following the transfer and the market value of the land at the date of transfer – i.e. it is possible to reduce the SDLT charge where a partnership structure is utilised in respect of the transfer of Council-owned assets into the JVV.
- 3.1 Regardless of the form of the JVV we consider that it is possible to include robust governance and decision making provisions in all such structures.
 - 3.2 Whatever form of JVV is chosen the Council and the PSP (for the purposes of this report referred to as "**Partners**") will enter into an agreement (the "**JVV Agreement**") which will set out, amongst other things, the following:
 - 3.2.1 the objectives and proposed activities of the JVV;
 - 3.2.2 how the JVV will take forward its activities in order to pursue the objectives;
 - 3.2.3 how decisions within the JVV will be taken, including dispute resolution procedures;
 - 3.2.4 how the activities of the JVV will be financed;
 - 3.2.5 how receipts into the JVV are to be allocated; and
 - 3.2.6 the process for winding up the JVV at the end of its life.
 - 3.3 All decisions within the JVV will be made jointly by the Council and the PSP, providing the Council with the control it requires in relation to JVV activity and in

relation to the treatment of the land assets to be developed by the JVV. See paragraphs 4 and 5 for more detail in relation to the governance arrangements.

- 3.4 The Council will commit its identified development sites (Edith Summerskill House and Watermeadow Court) to the JVV by way of option agreement or conditional sale agreement. The sites will only transfer once certain conditions have been satisfied by the JVV (e.g. planning permission has been obtained). It will be the JVV's responsibility to satisfy these conditions.
 - 3.5 Upon satisfaction of those conditions the Council will transfer either the freehold interest or a long leasehold interest to the JVV. Immediately prior to this the JVV can establish a special purpose vehicle for each development (which it owns wholly). This enables each development to be taken forward in a ringfenced special purpose vehicle (each a "Subsidiary SPV") and for each Subsidiary SPV to raise its own development finance.
 - 3.6 The Council may wish to consider putting in place options to acquire its sites back (once transferred) in the event that development does not take place in accordance with identified milestones and long stop dates. Here, the acquisition price could be at a discount to market value to reflect the fact that the reason for non-delivery is due to a failure on the part of the JVV.
 - 3.7 The funding structure is to be finalised but our understanding is that the expectation is that the PSP will fund the working capital requirements of the JVV and will be asked to put forward its proposals on funding which will ensure that the Council maximises its land receipt in the JVV by a long stop date envisaged to be in 2017 or 2018. It is likely, therefore, that bidders will be asked to present their proposals based on:
 - 3.7.1 the Council receiving its land receipt from the JVV at the point of transfer; or
 - 3.7.2 the Council deferring its land receipt until the long stop date envisaged to be in 2017 or 2018.
 - 3.8 Any proposals will need to demonstrate compliance with State aid and best consideration requirements. See the Appendix to this report in relation to those areas.
 - 3.9 Bidders proposals in this regard will also drive how development profits are to be shared. At this point in time, we understand that the Council envisages these to be shared on a 50/50 basis.
 - 3.10 During the procurement process bidders will be required to present detailed proposals in relation to the delivery of the two identified developments at Edith Summerskill House and Watermeadow Court. We envisage that, ultimately, those proposals will form the business plan for the JVV, which will also encapsulate the overarching objectives of the Partners (as stipulated by the Council during the procurement process) and the methodology by which the JVV will conduct its business (including in relation to resourcing/dedicated personnel etc). We refer to this as the "JVV Business Plan".
- 4. GOVERNANCE WITHIN THE JVV**
- 4.1 Given that the Council would like to ensure that the JVV structure encapsulates joint decision making and joint working as between the Council and the PSP, we have put forward the proposed governance structure set out in this paragraph 4

on the assumption that the commitment of resources from both the Council and the PSP will be contained within the governance structure of the JVV (and not delivered through separate service level agreements with the JVV). This, however, may be subject to negotiation with bidders during the procurement process if they have alternative arrangements they would like to put forward but which meet with the Council's overarching objectives and aspirations.

- 4.2 Another area for the Council to consider is its commitment to resources. If it requires representation at all levels of the proposed governance structure then it will need to ensure it can dedicate the personnel and their time to that activity. It may be that the Council determines that it only requires equal representation at certain levels and this will come down to where the Council has most concerns over decisions and at what level it wants to build internal skills and capabilities.
- 4.3 With the above comments in mind, the current structure under consideration comprises four tiers of governance within the JVV.



4.4 The Partners (i.e the Council and the PSP)

Decisions to be taken at this level will require the unanimous consent of both the Council and the PSP and will be restricted to key strategic decisions, such as any change to the objectives or business of the JVV and the approval of any material changes to the JVV Business Plan.

4.5 The JVV Board (comprising representatives of the Council and the PSP)

Decisions at this level will require the unanimous consent of both the Council and the PSP representatives and will be restricted to key decisions (as opposed to day to day decisions), such as the approval of development appraisals, planning, annual budgets, any non-material changes to the JVV Business Plan and of any disposal of the assets of the JVV.

At this level the Council and the PSP will be entitled to appoint an equal number of representatives to sit on the JVV Board. The Council will need to consider whether it wishes to appoint a combination of officers and members to the JVV Board and how many JVV Board seats it requires. See paragraph 6 below in relation to Council appointees to the JVV and conflicts of interest.

4.6 The Executive Committee (comprising representatives of the Council and the PSP)

We envisage that the Executive Committee will comprise one representative from each of the Council and the PSP. Decisions at this level will be unanimous and the Executive Committee will be the interface between the project teams and the JVV Board and will report regularly to the JVV Board in relation to activities being carried out as against the JVV Business Plan.

It will have delegated to it certain activities which will be more clearly defined through the procurement process but are likely to include delegated authority to:

- 4.6.1 authorise expenditure in accordance with the JVV Business Plan budgets; and
- 4.6.2 engage consultants/external advisors as required to deliver the JVV activities.

4.7 The Project Teams for each development

Each development being taken forward by the JVV will have a dedicated project team. We envisage that this will include representatives from both the Council and the PSP. It is likely that consultants to the JVV will also sit on these project teams and advise the Council and PSP representatives.

Each team will be an implementation team which will engage, liaise with and monitor services providers/consultants to the JVV and whose remit is to implement the JVV Business Plan for each project.

The project teams will report regularly to the Executive Committee.

5. **DECISION MAKING AND DEADLOCK**

- 5.1 The JVV Agreement will contain a delegation matrix setting out which of the four decision making bodies (the Project Team, Executive Committee, the JVV Board and the Partners) has the approval rights (i.e. authority) for decisions to be taken by or in respect of the JVV.
- 5.2 Subject to certain exceptions set out at paragraph 5.10 below, we expect that decisions at all four levels will be made by unanimous consent (unless the Council determines otherwise).
- 5.3 At Partner level, each Partner would have one vote and at Board level, the appointed representatives of the Council will have one collective vote and the appointed representatives of PSP will have one collective vote. We anticipate that each of the Council and the PSP will appoint three or four representatives to the Board. The number of representatives on the Executive Committee and Project Teams will be determined in dialogue with the PSP.
- 5.4 We set out below a suggested dispute resolution procedure.

- 5.5 If a resolution at either the JVV Board Level or Partner level is not approved by both the Council and the PSP, the relevant meeting will be adjourned and reconvened at a later date. If the resolution is not passed at this meeting and is considered by either Partner as sufficiently material to the JVV that it cannot carry on the business of the JVV then that matter will become a deadlock matter. Any disagreement at Executive Committee level or project team level will be referred to the JVV Board for determination and will not immediately become a deadlock matter (unless there is lack of agreement at JVV Board level).
- 5.6 The JVV Agreement would contain an escalation procedure for a deadlock matter as follows:
- 5.6.1 first, both parties must use all reasonable endeavours to agree the matter between themselves within a specified period of time;
- 5.6.2 secondly, the matter is escalated to the respective Chief Executives of the Partners (or other senior officer if the Chief Executive is not available).
- 5.7 In the absence of agreement by the Chief Executives, the matter will be referred to a suitable expert (either a joint appointment or appointed by a suitable independent body) for a final and binding determination.
- 5.8 If either Partner believes that the matter is not suitable of being determined by an expert then the matter becomes a deadlock event and either Partner shall be entitled to require the JVV to appoint an independent valuer to value both the assets held by the JVV and each member's interest in the JVV. The Council (or its nominee) will then have the right to acquire the land at the value set out in the report of the valuer. If the Council chooses not to exercise its right to then the JVV shall instruct the valuer to sell the assets of the JVV or the interests in the JVV to a third party (excluding the PSP or any connected body of it). If such third party sale is not agreed within a set period then the JVV shall be wound up.
- 5.9 In order to prevent a party engineering a deadlock matter, the JVV agreement will state that the failure to agree certain matters will not lead to a deadlock with the status quo at that time being maintained. Such matters include:
- 5.9.1 any proposed alteration to the objectives and/or business of the JVV;
- 5.9.2 the variation of JVV Business Plan; and
- 5.9.3 the proposed adoption of an annual budget for the JVV (which in the absence of agreement will be referred to an independent expert for a binding decision).
- 5.10 In addition, each Partner will be deemed to have a conflict with the JVV in certain circumstances. Examples are where there is a decision to be made in respect of an alleged breach by that Partner of the JVV Agreement or another material agreement between the JVV and that Partner. For the Council this is likely to be the agreements relating to the transfer of its land to the JVV and for the PSP this will be the agreements relating to the providing of finance to the JVV. For a decision on such a matter, at both JVV Board level and Partner level, the other member (e.g. the Council in respect of a PSP conflict matter) will be entitled to make the decision without the approval of the other Partner.

6. Council Appointees to the JVV – Conflicts of Interest

Council members and officers need to ensure that they take account of general principles such as the need to ensure that they do not cause the Council to act outside its powers; the need to act reasonably and to take decisions fairly and on the merits; and their fiduciary duty towards Council Tax payers and other funders of the Council. There is also a need to have regard to the client/commissioning requirements, as distinct from the delivery or JVV arrangements and to separate decision making, as applicable.

Code of Conduct

- 6.1 The local members' Code of Conduct applies to members when they conduct the business of their office as a member and also when they represent their local authority on another body. They must comply with the Code except when it conflicts with any other lawful obligations which apply to the other body.
- 6.2 Any member who takes a seat on the JVV Board will need to comply with the requirements of the Code of Conduct and will also need to comply with any legal requirements applicable to the JVV. If there were to be any conflict, the member should not act in breach of the legal requirements of the JVV in order to comply with the Code of Conduct. Depending on what form the JVV takes, the legal requirements will differ. Broadly speaking if the JVV is a limited company the member would be a director of that company and the directors' duties provisions of the Companies Act and common law fiduciary duties would apply. If the JVV is a limited liability partnership or limited partnership then such fiduciary and statutory duties would not apply.
- 6.3 A member with a personal interest through an appointment to an outside body (i.e. the JVV) would need to disclose that interest at any meeting of the Council at which they address the meeting on a matter relating to the body. A member who makes an executive decision in relation to a matter affecting a body on which they are a Council representative would need to ensure that the written statement of that decision records his or her interest.
- 6.4 If a member has an interest in a matter being discussed, unless that member has obtained a dispensation from the Council's standards committee, he or she must withdraw from the meeting; not exercise executive functions in relation to that matter; and not seek improperly to influence a decision about the matter.
- 6.5 Any member appointed to the JVV as a Council representative will need to consider each matter to be discussed and decide whether on each occasion they do have a personal interest. There could be a genuine conflict on important matters of principle and in those circumstances a member of the public may think that the member's close involvement in the body would be likely to prejudice their judgement of the public interest.
- 6.6 We, therefore, suggest that if the Council is proposing to appoint a Councillor to take a position as a JVV representative, then he/she must not only register and declare such interest but also withdraw from the executive meeting and take no part in the executive decision on such matter.

Officers

The controls on the conduct of Council officers will result from their contracts of employment and in some cases specific statutory obligations. There is a statutory requirement under section 117 of the Local Government Act 1972 for officers to disclose the fact that they have a personal pecuniary interest (whether direct or indirect) in a contract which the Council has entered into or

proposes to enter into. If that is the case then such officers should not be involved in making decisions about the JVV nor in supporting the Council's representatives on the JV.

APPENDIX

1. STATE AID

1.1 Land Transfer

1.1.1 Any transfer of land by the Council to the JVV must be transacted in accordance with the Commission Communication on State aid elements in the sale of land and building by public authorities (OJ C209 10.7.1999, p3-5) ("the Sale of Land Guidelines") in order to avoid the transaction being deemed not to include the grant of State aid to the acquiring entity (which would need to be approved in advance of its grant by the EC).

1.1.2 The Sale of Land Guidelines state that in order for State aid not to be present in respect of the sale of land by a public body the land must be transferred/sold at or above its open market value as established pursuant to either an unconditional bidding process akin to an auction (in which the highest or only price bid must win) or by way of an independent valuation. If the latter route is chosen, there must have been at least one independent valuation of the land undertaken (in advance) in compliance with the requirements of section 2 of the Sale of Land Guidelines and we would recommend a copy of the Sale of Land Guidelines be given as part of the instructions to any appointed valuer(s)

1.2 Council Investment

1.2.1 The basic parameter for the Council to consider is that it cannot use its investment (i.e. land) to provide a direct or indirect selective benefit to an economic operator – i.e. the JVV or the PSP.

1.2.2 In relation to joint ventures similar to that proposed, the argument which is usually run to address State aid is that the authority is investing into the structure on terms that are strictly in accordance with the Market Economy Investor Principle – i.e. that it is investing on terms that would be acceptable to a prudent private sector investor in the same circumstances (motivated by profit and looking purely at the economic situation of the transaction rather than any socio economic factors). Therefore, if the Council injects its land (the value of which will need to have been established in accordance with the Sale of Land Guidelines) which is matched (at the same point in time) with cash invested into the JVV by the PSP and both investments operate on a strict *pari passu* basis, then the Council would have robust arguments that the Market Economy Investor Principle applies.

1.2.3 Care would need to be taken if the PSP were able to obtain returns relating to the various projects outside of its investment in the JVV, as the EC may regard such extra returns as impacting on the validity of arguments that the basis of their investment into the JVV is in line with what a prudent private sector investor in the same circumstances (as those applicable to the Council who only gets returns from its investment in the JVV).

1.2.4 Where the Council seeks to contribute its land in return for a back ended payment, rather than as some form of equity investment in the JVV – i.e. deferred consideration – then, typically, that deferred

consideration should be treated as being akin to a loan from the Council and must carry a coupon rate at or above what the EC would regard as the market rate for such a loan. The EC has set out, within its Communication on the revision of the method of setting the reference and discount rate (OJ C 14, 19.1.2008, p.6), a methodology (taking into account the credit worthiness of the entity paying the deferred consideration) for calculating the "proxy" market rate for a public sector loan. Loans at such rates will be deemed not to involve elements of State aid (subject to all other terms being fully commercial in nature).

2. **VIRES AND BEST CONSIDERATION**

2.1 The Council needs to ensure that it has identified the right power pursuant to which it will enter into this transaction and that it has exercised that power correctly, having regard to all relevant consideration, at the date upon which the transaction is entered into.

2.2 Here the Council is:

2.2.1 entering into a JVV with the PSP; and

2.2.2 disposing of its land to the JVV.

2.3 **Entering into the JVV**

2.3.1 For structures akin to the proposed joint venture, the powers available to local authorities for the formation of companies or other vehicles, such as Limited Partnerships (LPs) or Limited Liability Partnerships (LLPs) are:

2.3.1.1 the power of general competence contained in section 1 the Localism Act 2012; and/or

2.3.1.2 the power to do "anything which is calculated to facilitate or conducive or incidental" to the exercise of functions under Section 111 of the Local Government Act 1972.

2.3.2 Some lawyers take the view that local authorities do not have the power to enter into such partnerships due to the absence of an explicit power. This is not Eversheds view (and our view has been backed by Leading Counsel). This is further bolstered by the fact that recent legislation has recognised the ability of local authorities to participate in such vehicles (e.g. audit of connected entities under the Local Democracy Economic Development and Construction Act 2009). We, therefore, are of the view that the Council has the power to enter into the JVV by relying on the power of general competence and/or section 111 of the Local Government Act 1972.

2.3.3 Additionally, or in the alternative, the Council may consider that the primary purpose for the creation of an investment partnership is investment for housing purposes pursuant to its investment functions under s.12 Local Government Act 2003. This power enables an authority to invest for any purpose relevant to its functions and/or for the prudent management of its financial affairs.

- 2.3.4 In addition to identifying relevant powers the Council must also exercise them properly - the so-called "twin pillars" of the ultra vires doctrine. The failure to take into account relevant considerations, failing to follow proper procedures, or acting irrationally could result in the Council being challenged by way of judicial review. In making decisions therefore, the Council must identify the power; ensure that it is appropriate for the circumstances; and then ensure that the power is exercised properly.
- 2.3.5 Any reliance on the power of general competence will require an evaluation of the benefits likely to be achieved as well as regard to the Council's sustainable community strategy and a proper audit trail of how the well being benefits have been calculated. We, therefore, recommend that the Council's Cabinet report clearly identifies the economic, social and environmental benefits likely to accrue to its community by entering into the JVV - mentioning regeneration benefits including jobs, housing and other outcomes (e.g. training contracts, apprenticeships and/or other community benefits such as infrastructure provision).
- 2.3.6 If a court decides that the Council's actions are ultra vires then the arrangements are void from the start.

2.4 **Disposal of Land – Best Consideration**

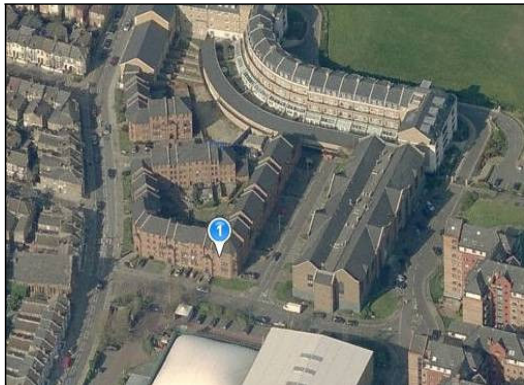
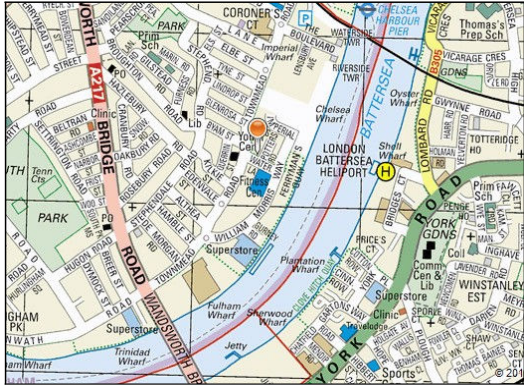
- 2.4.1 There are numerous powers for holding and disposing of land available to the Council.
- 2.4.2 Powers enabling local authorities to dispose of land require the Council to secure "the best consideration that can reasonably be obtained". Relevant powers include:
- 2.4.2.1 s.123 Local Government Act 1972, unless the land is disposed of on a short tenancy of less than seven years or the Secretary of State's consent is obtained; and
- 2.4.2.2 s.233 Town & Country Planning Act 1990, in order to secure the best use of that or other land and other buildings or works which have been or are to be erected, constructed or carried out or to secure works for the proper planning of the area.
- 2.4.3 Best consideration is usually taken to mean the best price for any purpose, without any artificial value reducing limitations but case law has established that the value must be assessed in money or money's worth. The valuation criteria could reflect other matters that have a financial value, but social considerations and job creation benefits are not to be taken into consideration when determining whether the Council receives best consideration.
- 2.4.4 The valuation needs to be on the basis of open market value as between a willing purchaser and willing vendor.
- 2.4.5 Where land is not disposed of by way of open tender (as is the case here) then we would expect the valuation to comply with the Sale of Land Guidelines for State Aid in relation to open market valuation in order for the best consideration requirement to be satisfied.

- 2.4.6 Where an authority wishes to dispose of land at an undervalue then the Secretary of State's consent will be required, unless it falls within a relevant general consent - i.e. the wellbeing consent in circular 06/03. We understand that there is no proposal to transfer the land at an undervalue in the current transaction.



Appendix 3 Property Report: Watermeadow Court, SW6 2RW

Location



Source; www.multimap.co.uk



Description



Size

0.048 Hectares (1.20 Acres)

Site Description

A prime site located in South Fulham in close proximity to the river Thames. The site is within the ownership of LBHF and comprises 80 residential units in a modern complex predominantly 3/4 storey high. The site is currently being decanted and is expected to be vacant within the next 6 months.

Site Potential

Redevelopment of the site for residential units with a mix of tenures is possible. This is supported by a Planning Assessment that encourages a new development with an increase residential density of 100-120 units rising from 3 storeys to 5 on some parts of the site. We would expect the redevelopment to be in keeping with the Borough's Draft Core Strategy with 40% affordable units.

Potential Issues

- Within a Flood Zone 3 area
- Potential contamination on the northern boundary leaching into the neighbouring site

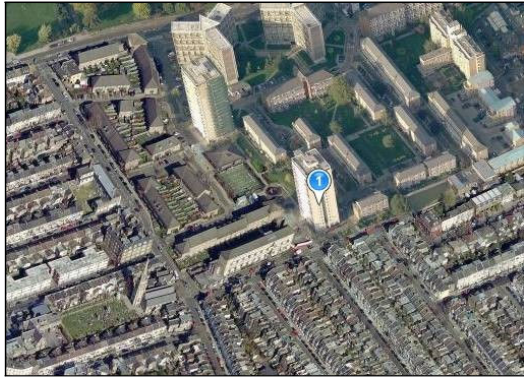
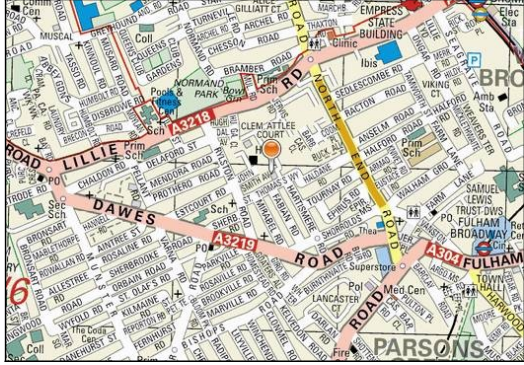
Planning Comments

- Draft Planning Brief in place Dec 2010
- Poor accessibility with a PTAL of 2
- Currently has a C3 residential Use Class
- The site is within the Thames Policy Area and the Sands End Conservation Area
- Existing density is 544 hrh with a maximum density of 550 hrh
- Potential to re-provide similar height buildings of 3 to 5 storeys across the site c116 units in total



Appendix 4 Property Report: Edith Summerskill House, SW6 7TD

Location



Source; www.multimap.co.uk



Description



Size

0.066 Hectares (0.16 Acres)

Site Description

The site comprises an 18 storey tower block located within an established residential area with neighbouring properties of 2 to 5 storeys.

Site Potential

Redevelopment of the site we expect would involve refurbishment of the existing structure. However, there might be potential to include some surrounding amenity land which may allow for reorientation of the tower building and a significant rise in potential land value.

Potential Issues

- Contamination from the existing building
- Located within a flood zone

Planning Comments

- Draft Planning Brief in place Feb 2011
- Average accessibility with a PTAL of 4
- Surrounding properties predominantly 2 storey to the south and 4 storey to the north
- Current density is 2160 hrh
- Demolition of the site and subsequent erection would require a tall buildings urban design justification



London Borough of Hammersmith & Fulham

Cabinet

12 NOVEMBER 2012

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

**MINIMISING THE COSTS OF TEMPORARY
ACCOMMODATION**

Wards: All

This report outlines the current position regarding the use of temporary accommodation for homeless households and in particular the increase in the use of Bed and Breakfast (B&B) accommodation. The report proposes a short-term, spend to save initiative to minimise the costs of B&B. This consists of a package of financial incentives to private landlords and an extension of the successful HB Assist initiative to negotiate directly with landlords and tenants affected by changes to benefit and subsidy arrangements.

A separate report on the exempt Cabinet agenda provides exempt information regarding the cost implications of incentivising public sector landlords.

CONTRIBUTORS

EDHR
EDFCG
DoL

**HAS AN EIA BEEN
COMPLETED?
YES**

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

Recommendations:

- 1. That approval be given to the provision of incentives to landlords at a total cost of £750,000 funded from general reserves, as set out in sections 9.1 – 9.2 of the report.**
- 2. That the HB Assist project be funded at a cost of £112,000 from general reserves, as set out in sections 9.3 – 9.9 of the report**

1. BACKGROUND

- 1.1 The Council has statutory obligations to provide accommodation for households it accepts as homeless. This usually involves a period in temporary accommodation, most of which consists of properties owned by private landlords. Over recent months it has proved increasingly difficult to procure such accommodation and this has contributed to an increase in the use of Bed and Breakfast (B&B) hotels as an alternative. The proposals in this report seek to address this issue in the short-term in order to respond both to the existing situation and to developments that may arise from planned changes to benefits available to applicants.
- 1.2 The report's proposals are to take short-term measures to minimise the costs of temporary accommodation through (1) Incentives to Private Sector Landlords and (2) a Project Team (HB Assist) to respond to the impact of benefit and subsidy changes.

2. PROPOSED ACTION

- 2.1 The proposed recommendations are that approval is given to:
 - 2.1.1 provide incentives to landlords at a total cost of £750,000 funded from general reserves as set out in sections 9.1 – 9.2 of this report
 - 2.1.2 fund the HB Assist project at a cost of £112,000 funded from general reserves as set out in sections 9.3 – 9.9 of this report

3. SUMMARY

- 3.1 The Council has statutory obligations to provide accommodation for households it accepts as homeless. To date, the Council has been successful in preventing homelessness, with only 1 approach in 10 leading to such an acceptance. Where a duty is accepted, this usually involves a period in temporary accommodation. Most of this temporary accommodation consists of property owned by private landlords. It is becoming more difficult to acquire such accommodation and this situation is likely to persist as changes arising from Welfare Reform and changes to Housing Benefit impact on the private rental housing market.
- 3.2 Members will recall that the position of households accepted as homeless was one of the matters addressed in the Building a Housing Ladder of Opportunity strategy documents package approved by Cabinet in October 2012. The new Housing Allocation Scheme creates a more level playing field in the allocation of social housing between homeless households and other applicants and includes measures to dis-incentivise some categories of homelessness application. For new homeless applicants,

after the introduction of the relevant provisions of the Localism Act, the Council's intention is to discharge its homelessness duty into the private sector. In any event, the Council will continue to need access to a supply of accommodation from private landlords.

- 3.3 Over the last few months, the number of households in temporary accommodation has risen. Within this total, there has been an increase in households accommodated in Bed and Breakfast hotels (B&B) and nightly lets. This is a trend being seen across London. In the City of Westminster, for example 432 households were in B&B at the end of June 2012, compared to 194 households a year before. At June 2012, RB Kensington & Chelsea reported 125 households in B&B and annexes. In April 2012 the then Leader of this Council received a letter from the then Housing Minister Grant Shapps expressing concern at the number of families which had been in B&B for more than 6 weeks. LBHF was one of 20 councils to receive such a letter.
- 3.4 There is a direct relationship between the ability of local authorities to procure private sector properties elsewhere and the use of B&B. Use of B&B brings a net cost to the General Fund; the net cost is greater the larger the household being accommodated and the more expensive the hotel being used. In recent months, the Council has on occasion had to use expensive hotels such as the Premier Inn due the competition for B&B space in London.
- 3.5 The current position primarily relates to the supply of accommodation rather than increased demand from applicants. There are a number of factors at play:
- The strength of the private rented market in London means landlords may have little incentive to provide accommodation to local authorities as opposed to on the open market
 - There is uncertainty for landlords about the future system the Government will put in place to provide subsidy for temporary accommodation
 - The introduction of and changes to Local Housing Allowances has restricted the Housing Benefit available to clients and hence the ability of local authorities to compete in the market. This has also affected the ability of local authorities to retain properties when the existing arrangement with the landlord comes to an end.
- 3.6 In addition, there are a number of matters on the horizon, which create risks either that demand will increase or that the difficulty of procuring or retaining accommodation will intensify, or both.
- Changes to the temporary accommodation subsidy system due to be brought in by DWP from 2013 (nature and timing still unspecified)

- The ongoing effects of Housing Benefit Caps and changes to Local Housing Allowances, particularly on residents living in the private rented sector and receiving benefits
 - The advent of welfare reform, universal credit and the overall benefit cap from 2013
 - The loss of some existing arrangements with private landlords, via Housing Associations, which will no longer be financially viable
 - A specific issue at Hamlet Gardens, where the freeholder has decided to sell the property and 121 households will need to be moved to alternative temporary accommodation
- 3.7 The key risk is that a combination of these leads to further increases in the use of B&B and substantial unbudgeted costs to the Council estimated to be circa £500k in 2012/13 of which £118k is not covered by savings made elsewhere. The risk can be quantified as being between £0.9m and £1.4m in 2013/14 with an additional risk assuming an additional 300 clients of between £3.9m and £6.6m per annum, depending on the type of B&B accommodation available and a potential risk exposure of up to circa £16m. To mitigate these risks it would make financial sense for the Council to put itself in a position in which it can, if necessary, deploy additional funds to secure accommodation from private landlords in order to avoid the need to spend substantially greater sums on B&B.
- 3.8 In addition, there is a challenge for the Council in managing advice and assistance to residents, particularly in terms of their relationships with private landlords, in a way which both sustains their accommodation while minimising the costs to the Council.
- 3.9 This report therefore proposes funding for two linked initiatives:
- a package of one-off payments to private landlords to be available as an incentive for them to either continue providing accommodation or providing new accommodation for this purpose. This would be used to avoid the spending of greater sums on B&B and to seek to reduce the current numbers in B&B to comply with government guidance.
 - an extension of the role of the successful HB Assist Team in Housing Options to encompass work with landlords and residents to be affected by the issues around temporary accommodation over the next year described above.
- 3.10 The proposals are also necessary to assist delivery of MTFs savings in 2013/14 relating to the current costs of temporary accommodation and the decanting of Hamlet Gardens in particular which could cause a significant cost to the Council (through consequent use of B&B) if it is not dealt with in a proactive and planned way.

4. FURTHER BACKGROUND

- 4.1 In March 2003, Hammersmith & Fulham Council had 624 homeless households accommodated in Bed and Breakfast (B&B) hotels. Through a combination of homelessness prevention work and the procurement of access to private sector accommodation the Housing Options service succeeded in reducing this figure to 26 in March 2010. None of these cases were families. This was associated with a substantial reduction in the use of all forms of temporary accommodation (TA).
- 4.2 Officers are now finding it increasingly difficult to source a sufficient stock of temporary accommodation which is sustainable for TA clients. This problem is the result of a buoyant private rented sector market in the borough, exacerbated more recently by Local Housing Allowance (LHA) changes which have restricted the borough's ability to compete in the market.
- 4.3 In addition, there has been some increase in demand from people on housing benefit and low incomes who either approach the Council as homeless or seek assistance for a letting in the private rented sector (PRS). Primarily, however, the current issue is one of the supply of accommodation rather than demand. Due to increasing competition among local authorities to procure temporary accommodation contracts with landlords, this position threatens to result in significant costs for the Council.
- 4.4 The combination of these factors has resulted in a large increase in the use of Bed and Breakfast (B&B) accommodation and a concomitant increase in TA expenditure. In order to move away from placing families in B&B additional private rented properties urgently need to be sourced. There are additional requirements such as properties to be used for homelessness prevention; a number of properties to house those being moved on from the HB Assist project; and, to meet on-going demand.
- 4.5 Looking to the position over the next year, additional properties are also required for a number of other purposes and in mitigation of a number of risks. These include the replacement of properties which will need to be handed back to the landlord. The key one is Hamlet Gardens, where the freehold of the blocks have been sold and 121 households will have to be moved over a period which is still the subject of negotiation with the new owner. There are a number of instances where hand back will be required because changes to LHA caps and the TA subsidy system will render the current financial arrangement unviable. This is because the cap on rents payable is less than the market rent required by the landlord. There is a particular difficulty around larger accommodation, where there is a large difference between what landlords are able to achieve in the private rented market and the rents that are able to be paid for temporary accommodation which, in most cases, are dependent on housing benefit subsidy. There are additional risks surrounding the introduction of Universal Credit and the overall benefit cap from 2013, which could result in a greater demand for access to private sector accommodation.

- 4.6 Alongside the need to secure more private sector accommodation, the Council also faces a significant challenge in dealing and negotiating with private landlords who already accommodate existing or potential homeless clients and with households who are already or who may become homeless under the terms of the legislation. The challenge is to meet the needs of those clients other than through the use of B&B and to minimise the cost of doing so to the authority. The Council already has a successful model of how this can work in HB Assist, which over the last year has been dealing with households in temporary accommodation affected by LHA changes.
- 4.7 In response to the current position a proposal has been developed to increase the supply of accommodation from the Private Rented Sector through making incentive payments to both private sector providers and registered providers. This proposal sets out the financial case to demonstrate that incentivising providers to secure contracts will reduce the net cost to the Council of managing the increase in demand for TA.

5. CURRENT SITUATION

- 5.1 At July 2011, there were no families in B&B and approximately 50 single people in this accommodation. Due to lack of provision of properties via the usual procurement methods the Council is now placing families directly into Bed and Breakfast accommodation.
- 5.2 There are currently 60 families in B&B and 51 single people. Of the 60 families 40 have been in B&B for longer than 6 weeks. Prior to the current year it was always possible to place families directly into council-owned hostels, private sector properties and Housing Association Leasing Schemes. Additionally there was a large supply of Direct Letting (DL) properties, usually in the borough, which were offered to clients to prevent them making a homelessness application. This supply has also dwindled and some of those living in existing Direct Letting properties are now approaching the Council for assistance
- 5.3 As many landlords offering B&B to homeless families have switched operations to become tourist providers, the supply of B&Bs has also now shrunk. In order to meet the statutory duty to place, the Council have been forced to look at more expensive categories of hotel than would otherwise have been the case.

6. DEMAND FOR TEMPORARY ACCOMMODATION

- 6.1 Annex 1 sets out the key potential sources of demand for temporary accommodation at the present time. As the Annex explains, it is extremely difficult to predict the future demand for temporary accommodation. For the purposes of this proposal it has been assumed that the target of procuring

300 additional units of private sector accommodation via the use of incentives over the next year is both prudent and realistic

7. COST OF BED & BREAKFAST ACCOMMODATION

- 7.1 The anticipated cost of placing clients in B&B accommodation has been modelled and is likely to result in additional unbudgeted costs for the Council in 2012/13 of approximately £500k. This assumes an average of 161 households over the year 2012/13, with a peak of 250 households in B&B by March 2013. The forecast overspend for B&B reported to Cabinet in period 5 via the Corporate Revenue Monitor of £382k is offset by favourable variances which are being achieved through the Temporary Accommodation portfolio. This element of the forecast can therefore be contained within departmental budgets. However, the difference between the period 5 forecast and the latest modelling represents an unbudgeted overspend of £118k.
- 7.2 For 2013/14, it is anticipated that without action, an average of 342 households would result over the year, with a peak of 424 households in B&B by March 2014. This is forecast to produce additional unbudgeted costs ranging from £0.9m to £1.4m depending on the impact of factors outlined below.
- 7.3 The extent to which the projected costs can be contained depends on a number of influential factors such as the eventual numbers of clients, and the fact that the cost of B&B accommodation to the Council varies with the size of the household, the category of hotel and the location of the accommodation¹. Many B&B providers have left the business of providing 'Housing Benefit' B&B and have converted their businesses to tourist hotels. On some occasions over the last few months there has been no choice but to house homeless families in Premier Inn-type accommodation at a higher cost to the Council.
- 7.4 In illustrating the risks to the Council of the use of expensive B&B hotels, take the current real example of a large family accommodated in the Premier Inn. The financing of this works as follows:

Cost per night;	£178.00
Cost per week;	£1,246.00
Weekly subsidy available;	<u>£173.08</u>
Net Weekly cost to LBHF;	£1,072.92
Net Annual Cost to LBHF;	£55,791.84

If this position translated into the use of B&B for 300 such households, rather than their being placed with private landlords, the annual net cost to the Council would be over £16m.

¹ Broad Rental Market Areas (BRMA) affect the level of LHA receivable and the rent payable to landlords

7.5 Clearly the existing profile of clients does not consist entirely of larger households. In further illustrating the risk to the forecasts above, should an additional 300 clients require to be housed in B&B accommodation, based on the existing profile of clients between household types, this would result in additional net annual costs for the Council, over and above the projections in paragraphs 5.1 and 5.2, of £3.9m in standard accommodation and £6.6m in the more expensive hotels. Further illustrations are set out in Annex 2.

8. INCENTIVISING LANDLORDS

8.1 Since the introduction of the Local Housing Allowance (LHA) in April 2010, the rate of procurement for Direct Lettings with private landlords for the prevention of homelessness has slowed markedly (see table 1):

Table 1: Procurement Numbers	DL
2007/08	309
2008/09	430
2009/10	448
2010/11	205
2011/12	150
2012/13 – year to date	40

8.2 Between 2007 and 2009 the Council was able to offer Direct Lettings landlords up to £1.3k incentive payments and this had a positive effect on the ability to acquire units. This was possible as there was specific funding from CLG's Homelessness Directorate funding stream

8.3 There is no doubt that the incentive scheme introduced and implemented by the Council between 2007 and 2009 had a positive impact on procurement. Officers were able to negotiate up to £1.3k per property but in that climate were able to procure many of the 1,000 properties with incentives as low as £500. Due to the Housing Benefit changes implemented from April 2011 this would no longer be possible.

8.4 Since April 2012, officers have been operating a pilot to test the impact of offering incentives in the current environment. This has secured 19 properties at a cost of £20.2k – an average of £1k per property. Prior to the introduction of this pilot scheme, officers were finding it almost impossible to acquire units for Direct Lettings. There is no doubt that the introduction of the new incentive scheme has increased acquisitions. However, it is clear that higher sums would be required to acquire on the scale discussed in this report, particularly for larger households.

9. THE PROPOSALS

(1) Incentives to Private Sector Landlords

- 9.1 The request in this report is for a total budget of £750k for incentives.
- 9.2 This would be as a direct alternative to the use of B&B either for existing households or for those for whom B&B would be the likely option in the future. The arrangement would be for a minimum of one year though with the intention of seeking to negotiate a longer term.

(2) A Project Team (HB Assist) to Respond to the Impact of Benefit and Subsidy Changes.

- 9.3 The second element of the proposal in this report is to extend the existing HB Assist scheme to address the challenges outlined in Section 2 of this report. The initial HB Assist project was set up in December 2010 to deal with the impact of the introduction of Local Housing Allowance (LHA) on those properties already being used as temporary accommodation. The aim was to examine the scope of the financial impact of the properties which exceeded LHA (mostly Housing Association Leased properties) and then to start negotiations with landlords with the aim of either reducing the rent payable to the landlord or moving the tenant. The project started with a cohort of 546 tenancies where existing rents exceeded LHA rates. There are currently only 24 tenants still to be moved from the original cohort of 546. (See below)

HB Assist Data as at 15 August 2012	
Total Number Initially Affected	546
Successfully Negotiated Reduction (Landlord Said 'YES')	-344
Landlord Said 'NO'	202
Resolved by HB Assist	172
Of which -	
* Remained in borough	-116
* Resettled in Neighbouring Borough	-16
* Resettled in Other Areas	-10
Assistance no longer required	6
Still to be Resolved	24

- 9.4 Further changes to TA subsidy, Housing Benefit, and Council Tax Benefit will be implemented between 2012 and 2013. In addition, one of the government's major welfare reforms, Universal Credit is also due to have an impact from 2013 onwards. All of these policy changes will be affecting tenants in all rented sectors including the private rented sector, social housing and all forms of temporary accommodation. Housing Association Leasing Schemes (HALS) will be particularly affected as rents have been high, units are larger and all properties are in-borough.

9.5 Households will be affected by these changes in a number of different ways and the primary responsibility for adjusting and reacting to the changes will sit with the household itself. However, in some cases, the council will have a role. Members of the household may be vulnerable for a variety of reasons. Others may require advice about how they can resolve their housing requirements themselves or assistance in negotiating with their private sector landlord. In some instances, appropriate, alternative accommodation and potential other solutions will need to be found to address their circumstances. Central to this will be the need to ensure that breakdown of the current tenancy does not lead to a growth in the use of B&B

9.6 It is therefore proposed to set up a new HB Assist project team. Staffing required to manage the distinct work streams arising from these complex changes would be a Project co-ordinator, Project Manager, and 3 officers. The first two would be on a 1 year fixed term basis and the 3 officers for 6 months. Additionally existing staff from Procurement, Housing Benefit, TA Management and Economic Development would be needed to attend Project and Project Board Meetings and contribute to the work of the project. The Project Sponsor would be the Director of Housing Options.

9.7 The proposed budget for the project is set out below:

HB Assist Project Team				
HB Assist Project Co-ordinator	1	PO6 (1 Year)	£	56,201
HB Assist Officers	3	PO1 (6 Months)	£	61,925
Project Officer	1	PO3 (1 Year)	£	46,523
2 x potential additional officers if required	2	PO1 (6 Months)	£	41,283
TOTAL SALARIES			£	205,932
Resettlement Assistance				
(1) Floating Support	0	Assume 150 households @ 2 hrs per week over 3 months, £11ph	£	39,600
(2) Removals and packing	0	Assume £350 for 200 moves	£	70,000
(3) Out-of-London viewing travel costs	0	Assume £75 for 150 viewings		£11,250
(4) Furniture for new properties	0	Assume £700 for 50 households	£	35,000
TOTAL RESETTLEMENT COSTS			£	155,850
GRAND TOTAL			£	361,782

Notes:

- (1) Tenants moving from existing HALS and PRS schemes to new areas will require floating support. The current contract only covers existing Council TA tenants and this will therefore need to be bought in
- (2) Where necessary, in order to expedite a quick move prior to eviction, it would be prudent to help the tenants move from their existing property

- (3) We are hoping that tenants will be prepared to accept offers and view properties in other parts of the country. This one-off payment would cover travel costs
- (4) Some tenants will be giving up furnished property and a one-off payment for furniture could make the move possible

9.8 Of the £1.373m held by HRD as general fund earmarked reserves, £250k has been committed to resource the HB Assist project. Approval is therefore sought for £112k from general reserves.

9.9 Further detail about the governance and scope of the projects can be found in Annex 3.

10. CONCLUDING POINTS

10.1 The proposals in this report are aimed at mitigating the risks currently facing the Council in managing its responsibilities in an environment in which both the housing market and public subsidies which relate to it are in a state of flux. In particular, they seek to address the risk facing all London Boroughs of a return to the large scale use of B&B. Although the scale of this risk is difficult to assess, the experience of the last few months in this borough, but especially in other boroughs, shows that it is real. Offering incentives to private landlords will give more flexibility in the acquisition of temporary accommodation and potentially save the Council large sums of money. Bed and Breakfast is the least desirable and most costly form of TA and offering incentives to landlords at a potential cost of £750k is a cost-to-save initiative that will make savings in the long run. An Order from the Secretary of State specifies that housing authorities should avoid using B&B hotels to discharge a duty to secure accommodation for homeless applicants unless in very limited circumstances. Where B&B accommodation is used it should not be any longer than 6 weeks, after which alternative suitable self-contained accommodation must be secured.

10.2 The HB Assist project is an allied proposal which builds on the successful work already carried out with one cohort of households affected by benefit changes and seeks to apply a similar model to a wider range of residents. The numerous and imminent changes in welfare, benefit and subsidy rules will impact on residents and their housing circumstances in different ways and some of these will have implications for the Council. The Council's Housing response will need to be co-ordinated and managed and in particular to ensure that where alternative accommodation is required this is other than in B&B.

11. RISK MANAGEMENT

11.1 This report is a response to risks that have been identified with actions identified to mitigate the likely negative impacts.

11.2 The likely negative impacts can be highlighted as follows:

- Reputational – increased use of B&B accommodation is not accepted as a satisfactory form of temporary accommodation, beyond meeting a basic obligation to providing an initial secure and safe environment for the applicant.
- Financial – increased and extended use of B&B is not good value for money as it is both expensive and should only be treated as a very short term accommodation option
- Social – increased and extended use of B&B for families will not be conducive to children's and vulnerable adults' well-being

11.3 The report also highlights the likely need to decant Hamlet Gardens in the short to medium term which will cause a significant 'spike' in demand for temporary accommodation. This will be alleviated by continuation funding for the HB Assist Team to help manage any decant process, together with funding from the private sector incentives fund to encourage landlords to accommodate homeless households.

11.4 The identified risks are all likely to have a high impact on the council and will need to be carefully managed in order to mitigate the majority of negative impacts that have been identified. The resources sought will help achieve those objectives. A medium to longer term strategy in tandem will need to be developed under the auspices of the Council's Housing Allocation Scheme to ideally eliminate altogether the use of B&B accommodation, barring the most exceptional cases for the shortest terms possible.

12. EQUALITY IMPLICATIONS

12.1 An Equalities Impact Assessment has been undertaken for this report. Where the Council is providing a service in one way and is seeking to change it, the impacts on equality groups, e.g., age, gender, disability, race and other groups) need to be considered.

12.2 It is expected that the overall impacts will be positive. Homeless households in bed and breakfast accommodation – which the Council is seeking to reduce the use of following agreement of this report's recommendations – are largely drawn from the protected equality groups, as demonstrated in the Equality Impact Assessment.

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

13.1 This report proposes that the more cost effective option of offering incentives to individual private rented sector landlords from a budget of up to £750k to house temporary accommodation clients is approved. Taking no action would

lead to the need to house an increasing number of clients in B&B accommodation at an unbudgeted cost of £118k in 2012/13 and between £0.9m and £1.4m in 2013/14 with an additional risk assuming an additional 300 clients of between £3.9m and £6.6m per annum depending on the type of B&B accommodation available and a potential risk exposure of up to circa £16m.

- 13.2 It is noted that the 2013/14 MTFs plans relating to Hamlet Gardens decants for £350k is dependent on this invest to save initiative.
- 13.3 The anticipated cost of the HB Assist project has been validated and the anticipated split of the funding required is £207k for 2012/13 and £155k for 2013/14. As HRD have already set aside £250k towards funding this project, it is recommended that the balance of £112k is funded from general reserves.
- 13.4 The HRD revenue outturn for 2012/13 produced an under-spend of £1.3m which was transferred into the Council's general reserves. The level of uncommitted balances at 31st March 2012 was £17.436m. It is recommended that the funding for the two projects of £0.862m is resourced from general reserves.

14. COMMENTS OF THE DIRECTOR OF LAW

- 14.1 Sections 24 and 25 of the Local Government Act 1988 give the Council the power to provide financial assistance for privately let housing accommodation. This could include the making of one-off grants or incentive payments to private landlords to encourage them to let dwellings to homeless households. The use of this power requires the consent of the Secretary of State. General consent C under section 25 gives the Council power to provide this financial assistance.
- 14.2 In addition Section 111 of the Local Government Act 1972 allows the Council to do anything (whether or not involving the expenditure borrowing or lending money or the acquisition or disposal of an property rights) which is calculated to facilitate or which is conducive or incidental to the discharge of any of its functions. It is considered the proposal to make these payments is conducive and incidental to the Council's housing duties.

15. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

- 15.1 There are no procurement issues relevant to this report.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext holder of file/copy	of of Department/ Location
1.	None		
CONTACT OFFICER:		NAME: Aaron Cahill Tel. 020 8753 1649	

Annex 1 - Demand for Temporary Accommodation

The table below sets out the current estimates of the demand levels for TA across the various schemes currently operated within the Housing Options division. It should be stressed that it is extremely difficult to predict the likely actual demand at any one time. The Table below assumes an aspiration to remove all households from B&B. In addition, it does not take account of the fact that some of the households concerned may decide to make their own arrangements or may indeed receive a permanent offer of accommodation. In some instances additional accommodation may be secured without the need for incentive payments. For the purposes of this proposal it has been assumed that the target of procuring 300 additional units of private sector accommodation via the use of incentives over the next year is both prudent and realistic.

Table 1

TA Type	Number Required 2012/13	Number Required 2013/14	TOTAL REQUIRED	Comments
TA – all private sector schemes including out-of-London units(1)	125	130	255	To meet ongoing demand and to move all of those currently placed in B&B.
Direct Lettings (2)	100	100	200	Homelessness prevention
TOTAL – DL and TA	225	230	455	
HALS (Housing Association Leasing Scheme) (3)	40	201	241	To replace loss of Hamlet Gardens (121 units) and all Housing Association Leasing scheme units to be handed back after new TA subsidy cap is introduced
HB Assist – Phase 1 (4)	24	N/A	24	Further units required after majority rehoused
TOTAL Housing Association replacement units	64	201	265	
GRAND TOTAL	289	431	720	

Explanatory Notes

(1) TA is Temporary Accommodation; (2) Direct Lettings are arrangements where the Council places an applicant with a private landlord but then has no formal responsibility for the tenancy; (3) HALS are housing association leases from private landlord and Council nominates applicant to Housing Association; (4) HB Assist is a scheme whereby the Council negotiates with private landlords with the aim of reducing the rent to the level of Housing Benefit Caps.

Annex 2

Illustration of Costs of Bed and Breakfast

The table below uses real examples from to illustrate the variability in the cost of B&B accommodation by household type between standard and higher cost providers. The net cost is arrived at after taking account of LHA subsidy, which is fixed regardless of household size. This means the larger the household and the more expensive the hotel, the greater the net cost to the Council. For example, based on the cost of a room for a single person being £33 per night, this would be a net weekly net cost to the Council of £57.92 per household per week.

Examples of costs for typical families in B&B are shown in the table below:

Table 2 - Gross Cost of B&B to the Council from the Provider

Provider / Household size	Single per night	Small family per night	Large family per night
Altwood	£33.00	£75.00	£120.00
Premier Inn (Bath Road, Heathrow)	£76.00	£76.00	£178.00

Table 3 - Net Cost of B&B for a single household to the Council (based on weekly subsidy of £173.08)

Cost / Provider	Altwood (Single)	Altwood (Small family)	Altwood (Large family)	Premier Inn (Single)	Premier Inn (Small family)	Premier Inn (Large family)
Weekly	£57.92	£351.92	£666.92	£358.92	£358.92	£1,072.92
Annual	£3,011.84	£18,299.84	£34,679.84	£18,663.84	£18,663.84	£55,791.84

Annex 3

Proposed HB Assist Team and Projects

The projects will be governed by a Project Board consisting of Housing Options senior managers and Housing Benefit managers. Where necessary staff from Adult Social Care and Children's Services will be brought in to advise and make decisions on individual cases.

8.2 The workstreams covered by the projects will be as follows:

- **Hamlet Gardens Decant** – 121 families need to be moved by June 2013 when the lease on this large HALS scheme ends (NB: this date is subject to negotiation and the decant process may be phased over a period up to 2015.)
- **HALS tenants (Temporary Accommodation)** – Registered Providers have already informed us that they are having difficulty renewing leases and this problem will multiply when the Housing Benefit subsidy regime is introduced very shortly. Large numbers of the tenants in HALS properties will need to be moved to cheaper properties both outside the borough and outside London. There are currently 120 HALS properties in management
- **Effect of LHA on the Private rented sector** – it is estimated that approximately 450 tenants renting privately will be affected by the cap post December 2012 in addition to those for whom transitional protection is dropping out during 2012. Housing Options are already noticing an increased number of approaches from tenants being asked to leave their current Assured Shorthold Tenancy
- **Universal Credit/Welfare Reform** - modelling and therefore the numbers affected has not yet started but with the introduction of the £500 welfare benefits cap, tenants on benefit currently living in temporary accommodation, Housing Association and Council stock will be affected especially those with large families and high rents.
- **Employment project** – all of the above projects will work with tenants to link them into existing employability services as caps do not apply for those who are in work for 24 hours a week and more.

Cabinet

12 NOVEMBER 2012

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

**DISPOSAL OF 282-288 GOLDHAWK ROAD
AND ELIZABETH FINN HOUSE**

**Ward:
Ravenscourt
Park**

Recommending that the above properties be disposed of for redevelopment and that appropriate arrangements are approved for the use of the net capital receipts and for the appropriation of 282-288 Goldhawk Road to the Housing Revenue Account.

A separate report on the exempt Cabinet agenda provides exempt information in connection with the financial implications of the proposals.

CONTRIBUTORS

EDHR
EDTTS
EDFCG
DoL

HAS A EIA BEEN COMPLETED? YES
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HAS THE REPORT CONTENT BEEN RISK ASSESSED? YES

Recommendations:

- 1. That approval be given to dispose of 282-288 Goldhawk Road and Elizabeth Finn House to Firstwood Investments Lux S.A.R.L, subject to conditions set out in the Heads of Terms.**
- 2. That the resident engagement to date and proposed programme of resident consultation as set out in this report be noted.**
- 3. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration and Director of Building & Property Management, to finalise the terms of the land sale agreement with Firstwood Investments Lux S.A.R.L.**
- 4. That approval is given to appropriate 282-288 Goldhawk Road, which is currently held as General Fund Account Land to the Housing Revenue Account .**
- 5. That net capital received in the Housing Revenue Account from this disposal be used to cover costs incurred and**

reinvested (so far as lawfully possible) into the provision of housing in the borough or estate improvement, specifically:

- **To fund capital expenditure on area-based improvements that help the Council achieve its corporate objectives**
- **To develop or acquire new affordable housing to meet identified housing needs, including where appropriate extension of properties**
- **To fund tenant incentive initiatives (qualifying as capital expenditure) that free up council housing which is in demand for those in housing need (e.g. for larger family accommodation)**
- **Subject to the Council ensuring that its statutory housing responsibilities to meet housing needs are met, to use receipts to reduce HRA or General Fund debt where this is identified as a priority, and where repayment of the debt is of net financial benefit to the Council's HRA or General Fund**
- **To invest in capital expenditure on planned maintenance of the current LBHF Housing Stock until this is fully funded by the HRA revenue account.**

1. BACKGROUND

- 1.1. On 6 July 2007 Cabinet agreed to declare both 282-288 Goldhawk Road (currently General Fund) and Elizabeth Finn House (Housing Revenue Account) surplus to requirements. Cabinet authorised H&F Homes Ltd to commission consultants to prepare tender and marketing documentation to dispose of the sites by means of an open market tender based on a planning feasibility study. An OJEU procurement process was carried out and resulted in Cabinet on 6 October 2008 selecting Places for People (PfP) as the preferred development partner. In 2009 PfP secured planning permission to build out a development in a form which was considered by local residents to be sub-optimal. Through negotiation, the Council and PfP agreed not to build out this planning permission but instead to work together to produce a scheme which was considered to better meet local aspirations.
- 1.2. Subsequent discussions with PfP were on the basis that they would acquire the neighbouring land owned by Metropolitan Housing Trust (MHT) at 290-292 Goldhawk Road (see Appendix 1 for the site plan). In addition to there being potential for a significant marriage value being achieved by putting the two sites together, it was considered that this arrangement would lead to a more comprehensive and higher quality development which would benefit from a greater level of support from the local community. The Council and PfP negotiated Heads of Terms for a Collaboration Agreement on the basis that PfP would acquire 290-292 Goldhawk Road from MHT.
- 1.3. However, in February 2012 PfP advised the Council that they had been unable to agree terms with MHT for 290/292 Goldhawk Road, and in the absence of being able to progress a joint scheme across both sites they decided to withdraw from the acquisition and development of the Council's land at 282-288 Goldhawk Road & Elizabeth Finn House.
- 1.4. Following this, MHT agreed to sell its site to Firstwood Investments Lux S.A.R.L, which is a company formed between First Base Limited and their equity funder Starwood Investments. They expressed an interest in acquiring the Council owned land in order to bring forward a comprehensive and high quality development.
- 1.5. A Cabinet Member Decision in June 2012 authorised officers to negotiate terms for sale of the site with First Base and to consult residents about the proposals. A further Cabinet Member Decision gave approval to appoint Savills to assist in the negotiations about the land sale.

2. PROPOSED SCHEME

- 2.1 A Planning Brief for the comprehensive site was developed in consultation with Ashchurch Residents Association (ARA) in October 2011. This sets out the acceptable development quantum and the desired approach to design/massing given the local Conservation Area

context of the site. First Base have proposed a comprehensive development scheme consistent with the Planning Brief requirements.

- 2.2 Two pre-application discussions have taken place with First Base and planning officers. The current proposal is supported in planning policy and design terms. The Principal Planning Officer (Urban Design) was on the evaluation panel for the architect selection to undertake detailed design. The proposed approach to development density and architectural style was also welcomed by residents and ward members at a residents meeting on 27 September 2012.
- 2.3 First Base have extensive experience of developing high quality residential schemes across London. Their proposals for the site (see Appendix 2 for the indicative architectural design sketches) are consistent with the density set out in the Planning Brief, and would produce a high quality and high value family housing development which would be in keeping with the surrounding Conservation Area. The previous proposals developed by PfP were to a far greater density and were in a more contemporary architectural style which was not in keeping with the local character. First Base have proposed the following housing mix:

Bedsizes	Property type	Tenure	Number
1	Flat	Social rent	3
3	House	DMS	7
4/5	House	Private	15
Total			25

- 2.4 It should be noted that in accordance with the Planning Brief, the proposal shows three social rented homes at present. These are intended to meet the needs of the three tenants who were decanted a number of years ago from the site and who expressed an interest in returning to a new development on the site. These tenants received a letter at the time offering them an option of moving back to a new development on the site, but their needs and views may have changed in the intervening time. Officers will be liaising with these tenants and re-assess their interest in moving back to the new development. If it is agreed that any of these properties are not needed for this purpose, they will be converted to a Discounted Market Sale (DMS) home.
- 2.5 The appropriation of 282-288 Goldhawk Road to the Housing Revenue Account, means the HRA has to effectively 'reimburse' the General Fund the certified market value for the property as set out in the exempt report. In accordance with guidance, this is achieved by adjusting the Capital Finance Requirement (CFR) debt totals of the General Fund and the HRA by this market value. In effect, the General Fund CFR will reduce by this amount and the HRA CFR will correspondingly increase. The overall debt of the General Fund and HRA will remain unchanged. This also means that the final capital receipt from the sale will be entirely due to the HRA. Such appropriation allows the capital receipt to be used for the purposes set out in recommendation 5 of this report

3. HEADS OF TERMS

- 3.1 Firstwood Investments Lux S.A.R.L, who have recently completed the purchase of the adjoining site at 292 Goldhawk Road, have offered a purchase price as set out in the exempt report, for the Council's site at 282-288 Goldhawk Road and Elizabeth Finn House, subject to conditions set out in the Heads of Terms (see the Appendix to the exempt report.), and assuming an affordable housing content of 40% (7 Discount Market Sale and 3 Social Rent units).
- 3.2 The site comprises 0.90 acre, excluding No 292 which is circa 0.29 acre.
- 3.3 The Planning density of First Base's proposed residential scheme would be in accordance with the density parameters understood to be acceptable to local residents.
- 3.4 The open market value of the freehold site, with vacant possession, has been appraised by the Council's advisers Savills as set out in the exempt report, assuming the planning density and affordable housing criteria above. The Savills report includes three specific examples of prime residential development sites recently sold in nearby comparable locations.
- 3.5 In taking forward the disposal of the site, given the site's recent history, the Council has sought to ensure that the developer will work with the local community to produce an acceptable design and that this will then be built out. Therefore, the land sale would be conditional upon:
- (a) Condition one - Satisfactory Planning*
- The parties will enter into a sale contract conditional upon the Purchaser securing a satisfactory residential planning consent (detailed) free from legal challenge.
- (b) Condition two - Letting of Building Contract*
- The Purchaser entering into a binding building unconditional contract in a JCT form with a contractor to carry out the works required for the Development on the Property required for implementation of the Planning permission referred to under the first condition.
- 3.6 The freehold of the site would be transferred once these conditions have been satisfied. In addition, a restrictive covenant will be placed on the site to the effect of "The Property will not be used for any other purpose other than the construction and habitation of no more than 30 high class individual residential dwellings".
- 3.7 When disposing of land the Council does not have complete control over the development, in that the transaction is being progressed by way of a land sale not a development agreement, and the Council cannot force the developer to build anything. However, officers have sought to

mitigate risks as much as possible of the proposed development not happening, but the Cabinet should be aware that there are some limitations given legal procurement rules.

4. RESIDENT ENGAGEMENT

- 4.1 The site has been the subject of local resident consultation over the last couple of years. ARA agreed the Planning Brief at their AGM in November 2011.
- 4.2 In order to satisfy procurement rules, the Council would not be able to set out a requirement for extensive resident consultation (i.e. over and above the required level for planning purposes) as part of the disposal. However, First Base have engaged positively with residents and have proposed a detailed resident involvement programme. A key part of this programme in the pre-planning application stage is the selection of architects. Following a selection process on which residents and the Council were represented, PTEA have been appointed as architects for this scheme. First Base are currently discussing with ARA a process for resident and wider community involvement which will lead to the submission of a planning application in Spring 2013.

5. INDICATIVE PROGRAMME

- 5.1 First Base have proposed the following indicative planning and development programme:

Event	Timescale
Signing of contract for land sale	16 th November 2012
Submission of planning application	February 2013
Planning determination	May 2013
Let building contract	June 2013
Start on site	July 2013
Complete on site	September 2014

6. RISK MANAGEMENT

- 6.1 First Base Limited have given officers an outline viability report that demonstrates that the scheme is viable on the basis set out above. Necessary due diligence has been carried out to ensure that Firstwood Investments Lux S.A.R.L are capable of successfully undertaking the development.

- 6.2 The Council has produced a Planning Brief based on local consultation which sets out the key design principles. First Base has appointed an experienced design team and has had very positive discussions with Council planners and residents to date.
- 6.3 The Council has sought to mitigate against the risks of the design not being acceptable to local residents and not securing planning through the conditions set out in the Heads of Terms.
- 6.4 Risks associated with the project are noted in summary in the Housing and Regeneration Department's Risk Register and any necessary adjustment to the risk register will be made as the scheme develops.

7. EQUALITY IMPLICATIONS

- 7.1 An Initial Screening has been completed. The main implications are positive as they will lead to an increase in housing opportunities locally for sale and low cost home ownership. In addition, there will be a positive impact on disabled people as 10% of the properties are currently planned to be wheelchair adaptable and 100% will be developed as lifetime homes.

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

- 8.1 The appropriation of 282-288 Goldhawk Road to the Housing Revenue Account, means the HRA has to effectively 'reimburse' the General Fund the certified market value for the property as set out in the exempt report. In accordance with guidance, this is achieved by adjusting the Capital Finance Requirement (CFR) debt totals of the General Fund and the HRA by this market value. In effect, the General Fund CFR will reduce by this amount and the HRA CFR will correspondingly increase. The overall debt of the General Fund and HRA will remain unchanged.
- 8.2 While the process for reappropriating CFR debt is clear, there is no clear prescription on the transfer of actual loans between the General Fund and HRA loan pool. These two pools were created following HRA Refinancing earlier in 2012. Guidance from the Council's external advisers suggests that the Council has a choice to either reappropriate the split of actual loans or leave things unchanged. Where the loan pool is not re-aligned the HRA will effectively take-on 'internal' borrowing. This borrowing can, in the first instance, be funded by (or backed-by) the HRA's working balance, however were the internal borrowing to exceed the HRA working balance, the HRA would effectively be borrowing from the General Fund. This would previously have been accounted-for through the statutory Item 8 calculation; however this no longer applies with the demise of the HRA subsidy. Accordingly, to avoid cross-subsidisation where the HRA is borrowing internally in excess of its working balance, there will need to be a suitable interest charge from the HRA to the General Fund.

- 8.3 When the land sale completes it will then generate a Housing capital receipt which will be caught by capital pooling regulations. Pooling can be avoided where it can be demonstrated that the receipt will be 'recycled' into affordable housing or regeneration expenditure or used to reduce debt. It should be noted that there is no option to tax for VAT purposes on this sale and that there is £35k of VAT associated with this project which normally would be reclaimed under the Council's VAT partial exemption. This will need to be considered in the context of the other transactions associated with the partial exemption rules.
- 8.4 It should be noted that the land sale agreement is conditional upon the Purchaser securing a satisfactory residential planning consent (detailed) free from legal challenge and on the purchaser entering into a binding building unconditional contract in a JCT form with a contractor to carry out the works required for the Development on the Property required for implementation of the Planning permission referred to under the first condition. This risk to the final capital receipt is addressed in Section 6 above.

9. COMMENTS OF THE DIRECTOR OF LAW

- 9.1 282 Goldhawk Rd can be appropriated under section 19 of the Housing Act 1985. This allows a local housing authority to appropriate for the purposes of Part II of that Act any land for the time being vested in it and the authority will then have the same powers in relation to land so appropriated as it may have in relation to land acquired by them for the purposes of Part II of that Act. The power conferred by Section 19 includes the power to acquire land for the purpose of disposing of houses provided or to be provided on the land or, as in this case, disposing to persons who intend to provide housing accommodation on it
- 9.2 Elizabeth Finn House, held under housing powers, and, once appropriated 282 Goldhawk Road, will not be subject to an application for Secretary of State's consent for disposal under section 32 of the Housing Act 1985 where the disposal is at market value. This is because the General Consent for the disposal of land held for the purpose of Part II of the Housing Act 1985 2012 permits a local authority to dispose of housing land for a consideration equal to its market value.

10. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

- 10.1 The provisions of the Public Contract Regulations 2006 do not apply to land transactions. However, they do apply in circumstances where the contract is considered to be a public works contract. This would be the case where the Council seeks to impose its own requirements on the developer as a condition of allowing the development to proceed. Recent case law has indicated that it is less likely that a public works contract will be inferred to exist where:

- a. the proposed development is to be undertaken at the initiative and autonomous intention of the developer;
- b. the development obligations are ancillary or incidental to a transfer or lease of land or property from the authority to the developer;
- c. the development agreement is based on proposals put forward by the developer, rather than requirements specified by the contracting authority;
- d. there is no 'pecuniary interest' passing from the contracting authority to the developer as consideration for undertaking the development, either directly or indirectly;
- e. the development agreement does not include specific contractually enforceable obligations on the developer to realise a work or works (even if that work or works is recognised as being the general intent of the parties to the agreement);
- f. the development does not consist of or contain works for the direct economic benefit of the contracting authority; and/or,
- g. the involvement of the contracting authority consists only in the exercise of statutory land-use planning powers.

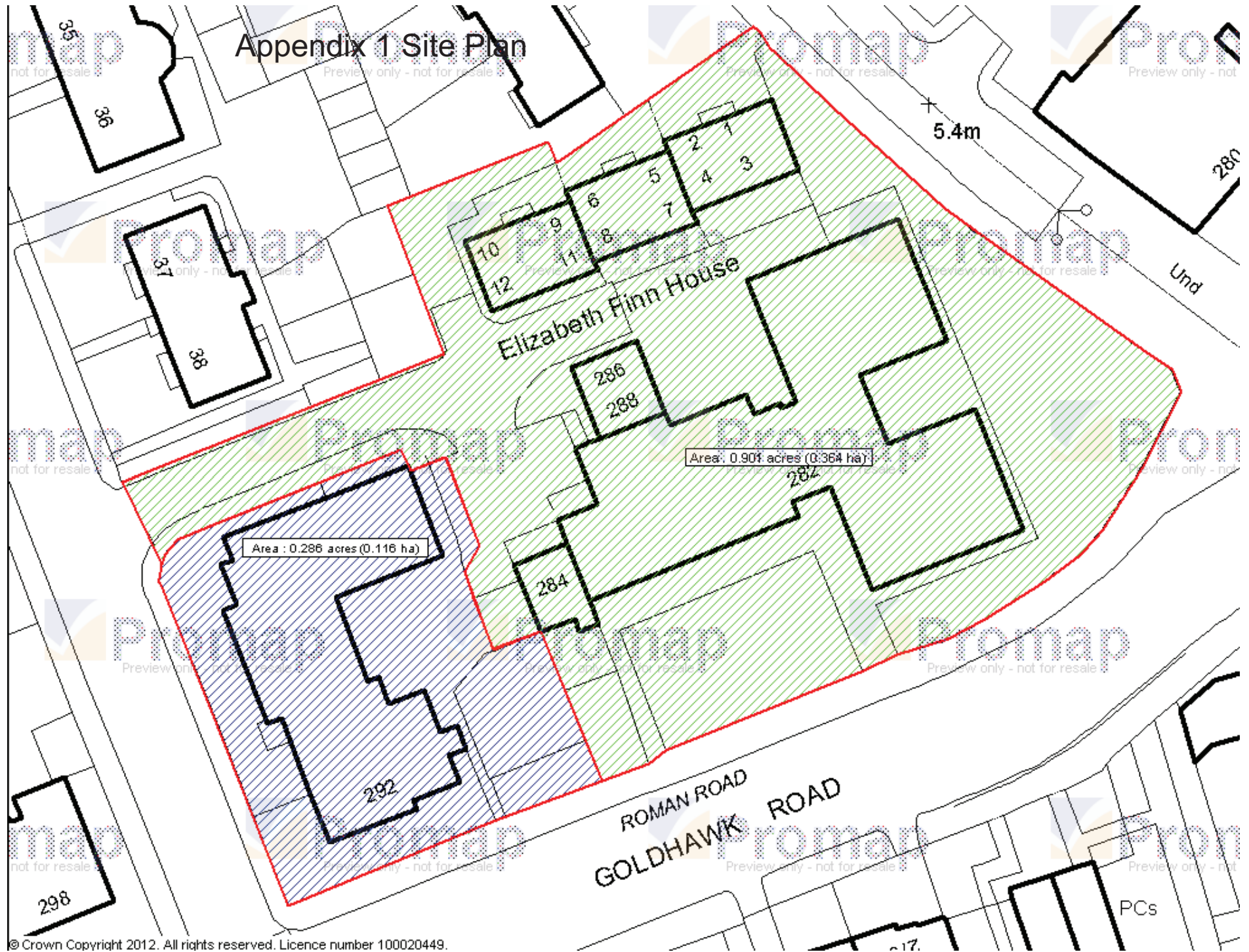
10.2 It is considered that the proposals in this report meet these requirements and will therefore not be considered to be a public works contract, which would need to be competitively tendered in accordance with the 2006 Regulations.

10.3 It should be noted in the event that the proposals were deemed to be the award of a public works contract, the Council would be at risk of challenge under EU procurement rules.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet 6/10/08: Selection of preferred and reserve bidder for the disposal of council owned land at 282-288 Goldhawk Road and Elizabeth Finn House (published)	Neil Kirby x 1722	HRD
2.	Cabinet 16th July 2007: Disposal of 282-288 Goldhawk Road and Elizabeth Finn House (published)	Neil Kirby x 1722	HRD
3.	Cabinet Member Decision (published)	Neil Kirby x 1722	HRD
4.	Cabinet Member Decision (published)	Neil Kirby x 1722	HRD
CONTACT OFFICER:		NAME: Neil Kirby EXT. x 1722	

Appendix 1 Site Plan













VILLA HOUSE EXTERNAL MATERIALS:



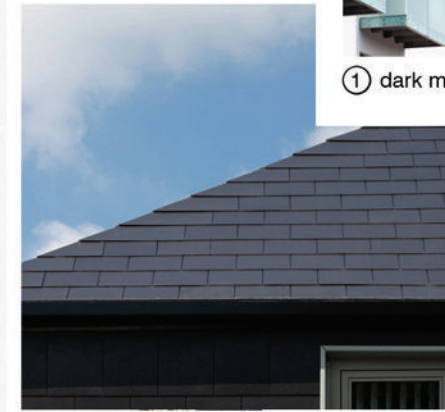
④ green roof



⑤ frameless glass enclosure



① dark metal fascia



③ natural slate tiles



② stock brick



⑥ stone surround

NOTICE OF CONSIDERATION OF A KEY DECISION

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Cabinet hereby gives notice of Key Decisions which it intends to consider at its next meeting and at future meetings. The list may change between the date of publication of this list and the date of future Cabinet meetings.

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Cabinet also hereby gives notice in accordance with paragraph 5 of the above Regulations that it intends to meet in private after its public meeting to consider Key Decisions which may contain confidential or exempt information. The private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers.

Reports relating to key decisions which the Cabinet will take at its private meeting are indicated in the list of Key Decisions below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the decision should instead be made in the public Cabinet meeting. If you want to make such representations, please e-mail Katia Richardson on katia.richardson@lbhf.gov.uk. You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

Representations are to be received at least 10 working days before the meeting to allow a response to be published on the Council's website. Where representations miss this deadline, the Council's response will be published as soon as practicable before the meeting.

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 12 NOVEMBER 2012

The following is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting. The list may change over the next few weeks. A further notice will be published no less than 5 working days before the date of the Cabinet meeting showing the final list of Key Decisions to be considered at that meeting.

KEY DECISIONS are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant (ie. in excess of £100,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising 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 Key Decisions List will be updated and published on the Council's website on a monthly basis.

NB: Key Decisions will generally be taken by the Executive at the Cabinet.

*If you have any queries on this Key Decisions List, please contact
Katia Richardson on 020 8753 2368 or by e-mail to katia.richardson@lbhf.gov.uk*

Access to Cabinet reports and other relevant documents

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 3 of the list below.

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 list by contacting the officer shown in column 3. 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) will be shown in the Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2012/13

Leader (+ Regeneration, Asset Management and IT):	Councillor Nicholas Botterill
Deputy Leader (+ Residents Services):	Councillor Greg Smith
Cabinet Member for Children's Services:	Councillor Helen Binmore
Cabinet member for Communications:	Councillor Mark Loveday
Cabinet Member for Community Care:	Councillor Marcus Ginn
Cabinet Member for Housing:	Councillor Andrew Johnson
Cabinet Member for Transport and Technical Services:	Councillor Victoria Brocklebank-Fowler

Key Decisions List No. 2 (published 12 October 2012)

KEY DECISIONS LIST - CABINET ON 12 NOVEMBER 2012

*Where column 4 shows a report as **EXEMPT**, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).*

* 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.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
November				
Affects more than 1 ward	Establishment of a Housing & Regeneration Joint Venture Vehicle Procurement of a development partner to establish a housing joint venture vehicle in relation to Watermeadow Court and Edith Summerskill House sites.	Cabinet Member for Housing	PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
		Ward(s): All Wards		
		Contact officer: Mel Barrett, Matin Miah Tel: 0208753 3480 melbourne.barrett@lbhf.gov.uk, matin.miah@lbhf.gov.uk		
Affects more than 1 ward	Establishing Tri-Borough Integrated Health and Social Care Community Services - Update and Next Steps Tri-Borough Integration of Health and Social Care Services.	Cabinet Member for Community Care		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation
		Ward(s): All Wards		
		Contact officer: Andrew Webster		

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		Tel: 208 753 5001 Andrew.Webster@lbhf.gov.uk		and / or background papers to be considered.
Affects more than 1 ward	<p>Removal of All 6 Automated Public Conveniences (APCS) in the Borough</p> <p>To remove all 6 Automated Public Conveniences (APCs) in the borough with customers utilising alternative toilets such as those in the Mayor for London's Toilet Scheme. Also to consider the future of the urinals at Shepherds Bush Green.</p>	<p>Deputy Leader (+ Residents Services)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lyn Carpenter lyn.carpenter@lbhf.gov.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Corporate Revenue Monitoring 2012_13 : PERIOD 5 (August)</p> <p>Report seeks approval for changes to the Revenue Budget</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Expenditure more than £100,000	<p>Rationalisation of Microsoft Academic Licences</p> <p>Inclusion of academic licences within the Microsoft enterprise agreement to ensure consistency with upgrade to Office 2010</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Howell Huws Tel: 020 8753 5025 Howell.Huws@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Minimising the Cost of Temporary Housing Accommodation</p> <p>Proposal for funding to minimise the costs of temporary accommodation through (1) incentives to private sector landlords and (2) a project team (HB Assist) to respond to the impact of benefit and subsidy changes.</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mike England, Aaron Cahill Tel: 020 8753 5344, Tel: 020 8753 1909 mike.england@lbhf.gov.uk, Aaron.Cahill@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>New Vehicles for Adult Social Care Passenger Transport Home to Day Care Centre Services</p> <p>Lease / hire of new replacement vehicles (6) to ensure continuity of service provision to users with assessed needs in attending Day Care Centres.</p>	<p>Cabinet Member for Community Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Stella Baillie</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
			interest in maintaining the exemption outweighs the public interest in disclosing the information.	
Expenditure more than £100,000	3rd Sector Investment Fund Allocation This report seeks agreement to extend one 3rd Sector Investment Fund grant funding agreement under the service area of Economic Wellbeing & Opportunity Service Area. Cabinet is asked to approve a 24 month extension from 1st October 2012 to 30 September 2014 to the current 3rd Sector Investment Fund grant funding agreement with H&F Citizens Advice Bureau – Core Service.	Cabinet Member for Community Care Ward(s): All Wards Contact officer: Susan Hughes susan.hughes@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

DECISIONS PROPOSED TO BE MADE BY FUTURE CABINET MEETINGS

December

Affects more than 1 ward	Annual Report on the Social Care of Looked After Children Looked After Children Social Care report.	Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Steve Miley Tel: 020 8753 2300 steve.miley@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	Housing Development: Appointment of Development Management Services Agent Appointment of development	Cabinet Member for Housing Ward(s): All Wards		A detailed report for this item will be available at least five working days before the date of the meeting and

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
	management services agent to deliver affordable housing products built using innovative modern methods of construction through the Council's housing development company.	Contact officer: Mel Barrett, Matin Miah Tel: 0208753 3480 melbourne.barrett@lbhf.gov.uk, matin.miah@lbhf.gov.uk		will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Housing Development: Appointment of Building Contractor</p> <p>To appoint a building contractor for the next phase of the 'hidden homes' sites to build affordable housing through the Housing Development Company.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Mel Barrett, Matin Miah Tel: 0208753 3480 melbourne.barrett@lbhf.gov.uk, matin.miah@lbhf.gov.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Award of a Framework Agreement for Printing Services (Lots 1 & 2)</p> <p>This report seeks approval to award a Framework for Printing Services (Lots 1&2) to the recommended list(s) of providers to commence on 1 December 2012 for a period of 4 years.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Louise Raisey Tel: 020 8753 2012 Louise.Raisey@lbhf.gov.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information)</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
			under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	
Expenditure more than £100,000	<p>Hammersmith Town Hall - Smart Accommodation Programme - Phase 1</p> <p>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.</p>	<p>Deputy Leader (+ Residents Services)</p> <p>Ward(s): Hammersmith Broadway</p> <p>Contact officer: Mike Cosgrave, Velma Chapman Tel: 020 8753 4849, Tel: 020 8753 4807 mike.cosgrave@lbhf.gov.uk, velma.chapman@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Redevelopment of intranet</p> <p>Provision of a new resilient platform for intranet, with improved ease of use</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Howell Huws Tel: 020 8753 5025 Howell.Huws@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Reprocurement of framework Social Care IT system</p> <p>Confirmation of reprocurement of Framework social care system (or equivalent social</p>	<p>Cabinet Member for Community Care, Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
	care system) is requested for both Adult Social Care and Children's Services from January 2013.	Contact officer: Mark Hill mark.hill2@lbhf.gov.uk	grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Corporate Revenue Monitoring 2012_13 PERIOD 6 (September)</p> <p>Report seeks approval for changes to the Revenue Budget</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Affects more than 1 ward	<p>Council Housing Tenancy Agreement</p> <p>Cabinet will be asked to agree a new tenancy agreement following consultation, which will include reference to new flexible fixed term tenancies; basis for tenants to operate a business from home; clarify tenancy succession issues; highlight the consequences of tenancy fraud and attempts at tenancy fraud; general updating and presentational improvements to current document.</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Aaron Cahill Tel: 020 8753 1909 Aaron.Cahill@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Expenditure more than £100,000	<p>Capital Budget Monitor - 2nd Quarter Amendments 2012/13</p> <p>To seek approval for changes to the Capital Programme - 2012/13</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered. Budget
Expenditure more than £100,000	<p>Treasury Management Mid Year Review</p> <p>This reports covers Quarter 1 and 2 for 2012/13 and provides information on the Council's debt, borrowing and investment activity up to the 30th September 2012</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Rosie Watson Tel: 020 8753 2563 Rosie.Watson@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Fulham Palace Road Corridor Scheme - Approval to spend S106</p> <p>Request approval to spend £750,000 of s106 funding from the Fulham Reach development that has been assigned to the Fulham Palace Road Corridor (from Talgarth Road to Putney Bridge) and will be available to LBHF in December 2012.</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): Fulham Reach; Hammersmith Broadway; Munster; Palace Riverside; Town</p> <p>Contact officer: Nerissa Harrison Tel: 020 8753 6722 nerissa.harrison@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

Key Decision Reason	Proposed Key Decision	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Open or private meeting	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Expenditure more than £100,000	<p>Update on Edward Woods Estate Regeneration Scheme</p> <p>Update on progress and request for approval of overspend and change of tenure 12 penthouse flats for Edward Woods Estate Regeneration Scheme</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): Shepherds Bush Green</p> <p>Contact officer: Roger Thompson Tel: 020 8753 3920 Roger.Thompson@lbhf.org.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Affects more than 1 ward	<p>Council Housing Tenancy Agreement</p> <p>Cabinet Approval for the revised Tenancy Agreement and Notice of Variation</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Aaron Cahill Tel: 020 8753 1909 Aaron.Cahill@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Working from anywhere</p> <p>The three Councils, RBKC, WCC and H&F, want to enable staff to work from any location across the three boroughs as required by the needs of their service. This work will make it</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting

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	possible to use computers from any such location.	Contact officer: Howell Huws Tel: 020 8753 5025 Howell.Huws@lbhf.gov.uk	contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Tri-borough ICT provision procurement - initiation</p> <p>This paper will seek approval for the H&F participation in the initiation of the procurement of key ICT services tri-borough; for the consequent re-organisation of the three Councils' client side into one tri-borough; for the funding for the next stages of procurement</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Annual Review of Trade Waste Service</p> <p>Decision required about continuation (or not) of the trade waste service.</p>	<p>Deputy Leader (+ Residents Services)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Expenditure more than £100,000	Internships To progress a H&F Internship programme to a full operating model. Interns will be appointed to support key functions and business operations. For this reason placements will be 12 months in duration. The programme will create at least 120 meaningful work experience opportunities for local residents over 3 years. Placements will be prioritised for H&F and tri-borough residents. A Cabinet decision is required to procure an external service provider to provide an internship marketplace solution and support the advertising and selection processes.	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Debbie Morris, Marc O'Hagan Tel: 0208 753 1126 debbie.morris@lbhf.gov.uk, Marc.O'Hagan@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

January

Affects more than 1 ward	SERCO Contract Review Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.	Deputy Leader (+ Residents Services) Ward(s): All Wards Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	Corporate Revenue Monitoring 2012_13 : PERIOD 7(October) Report seeks approval for changes to the Revenue Budget	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be

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				considered.
Affects more than 1 ward	<p>Supply of tickets for pay and display machines</p> <p>This is a bi-borough framework agreement with RBKC for the supply of tickets for pay and display machines.</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Osa Ezekiel</p> <p>Osa.Ezekiel@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Provision of a blue badge investigation and enforcement service</p> <p>The Council has piloted a scheme to tackle the abuse of Disabled Parking Permits (blue badges). The pilot has proved to be successful and the Council now wants to enter into a long-term contractual arrangement for a minimum of 3 years and a maximum of 7.</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Osa Ezekiel</p> <p>Osa.Ezekiel@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Contract for the maintenance of pay and display machines</p> <p>This is a bi-borough contract with RBKC for the maintenance of pay and display machines</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Osa Ezekiel</p> <p>Osa.Ezekiel@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Managed Services Programme</p> <p>Following the completion of the Managed Services procurement process, a report will be brought to Cabinet for</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details

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	decision on LBHF's position re. signing up to the framework	Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk		of any supporting documentation and / or background papers to be considered.
February				
Expenditure more than £100,000	<p>Elevator Monitoring Unit Installation - Various Sites</p> <p>The works consist of the supply and installation of elevator Monitoring Units and Auto Diallers to be fitted to each lift in providing automatic reporting of lift breakdowns and communication between each lift car and operators at a manned call centre in dealing with lift entrapment.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Velma Chapman Tel: 020 8753 4807 velma.chapman@lbhf.gov.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>Corporate Revenue Monitoring 2012_13 : PERIOD 8 (November)</p> <p>Report seeks approval for changes to the Revenue Budget</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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Budg/pol framework	2013/14 Budget and Council Tax Setting report To approve the 2013/14 Budget Estimates and Council Tax levels.	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
March				
Expenditure more than £100,000	Corporate Revenue Monitoring 2012_13 : PERIOD 9 (December) Report seeks approval for changes to the Revenue Budget	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	Capital Budget Monitor - 3rd Quarter Amendments 2012/13 To seek approval for changes to the Capital Programme 2012/13	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	Holy Cross/Lycée expansion and co-location Tender Approval Approval to accept the most economically advantageous tender to carry out new-build	Cabinet Member for Children's Services Ward(s): Parsons Green and Walham	PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the	A detailed report for this item will be available at least five working days before the date of the meeting and will include details

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	and refurbishment works to enable the expansion of Holy Cross RC Primary School and its co-location with the French Lycée school on the site of the former Peterborough Primary School.	Contact officer: John Brownlow Tel: 020 8753 john.brownlow@lbhf.gov.uk	grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	of any supporting documentation and / or background papers to be considered.
Expenditure more than £100,000	<p>New Queensmill School - Tender Approval</p> <p>Approval to accept most economically advantageous tender to construct new school accommodation for Queensmill ASD School</p>	<p>Cabinet Member for Children's Services</p> <hr/> <p>Ward(s): Wormholt and White City</p> <hr/> <p>Contact officer: John Brownlow Tel: 020 8753 john.brownlow@lbhf.gov.uk</p>	<p>PART OPEN</p> <p>PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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April				
Expenditure more than £100,000	<p>Corporate Revenue Monitoring 2012_13 : PERIOD 10 (January)</p> <p>Report seeks approval for changes to the Revenue Budget</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Affects more than 1 ward	<p>Letting of concession of Wi-Fi on lamp posts</p> <p>Letting of a concession to allow mobile data devices to be fitted to lamp posts.</p>	<p>Deputy Leader (+ Residents Services)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Sharon Bayliss Tel: 020 8753 1636 sharon.bayliss@lbhf.gov.uk</p>		A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.