



London Borough of Hammersmith & Fulham

# Cabinet

## Agenda

**MONDAY**  
**10 DECEMBER 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**  
**27 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](mailto: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](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 (16 to 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 **4-13** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to David Viles at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 5 December 2012.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 12 December 2012**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 17 December 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 17 December 2012**.

# Cabinet Agenda

10 December 2012

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2. APOLOGIES FOR ABSENCE	
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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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<b>15.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>	

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.

<b>16.</b>	<b>EXEMPT MINUTES OF THE CABINET MEETING HELD ON 12 NOVEMBER 2012 (E)</b>	
<b>17.</b>	<b>PRINTING SERVICES: RENEWING A FRAMEWORK AGREEMENT - CONTRACT AWARD: EXEMPT ASPECTS (E)</b>	
<b>18.</b>	<b>WORKING FROM ANYWHERE TECHNICAL IMPLEMENTATION: EXEMPT ASPECTS (E)</b>	
<b>19.</b>	<b>INTERIM TAXI PROVISION: EXEMPT ASPECTS (E)</b>	
<b>20.</b>	<b>ESTABLISHMENT OF A FRAMEWORK FOR INNOVATIVE HOUSING PRODUCT &amp; DEVELOPMENT MANAGEMENT SERVICES TO DELIVER EXEMPLARY HOUSING USING MODERN METHODS OF CONSTRUCTION: EXEMPT ASPECTS (E)</b>	
<b>21.</b>	<b>SUMMARY OF EXEMPT DECISIONS TAKEN BY THE LEADER AND CABINET MEMBERS, AND REPORTED TO CABINET FOR INFORMATION (E)</b>	

London Borough of Hammersmith & Fulham



# Cabinet

## Minutes

Monday 12 November 2012

### **PRESENT**

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

### **87. MINUTES OF THE CABINET MEETING HELD ON 15 OCTOBER 2012**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 15 October 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **88. APOLOGIES FOR ABSENCE**

#### **RESOLVED:**

An apology for absence was received from Councillor Nicholas Botterill.

### **89. DECLARATION OF INTERESTS**

#### **RESOLVED:**

There were no declarations of interest.

### **90. THE GENERAL FUND REVENUE BUDGET 2012/2013 - MONTH 5 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.

**91. RATIONALISATION OF MICROSOFT ACADEMIC LICENCES**

**RESOLVED:**

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 paragraph 3.2 of the report.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**92. NEW COMMUNITY TOILET PROVISION**

**RESOLVED:**

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, be approved.
2. That the current contract is terminated early at the end of Year 7 (March 2013) at a one off cost of £451,000 saving the council £134,000 per annum from 2013/14 meaning an investment payback period of just over 3 years, be approved.
3. That the Council promotes the London Mayor's OpenToilet Scheme operated at minimal cost to cover advertising by the authority, 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.

**93. ESTABLISHING TRI-BOROUGH INTEGRATED HEALTH AND SOCIAL CARE COMMUNITY SERVICES - UPDATE AND NEXT STEPS**

**RESOLVED:**

- 1.1 That the establishment of the post of 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, be approved.
- 1.2 That 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, be approved.
- 1.3 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, 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.

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

**RESOLVED:**

That the Council's Contract Standing Orders in relation to tendering requirements for contracts valued at over £100,000 be waived in respect of this procurement, 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.

**95. ESTABLISHMENT OF A HOUSING AND REGENERATION JOINT VENTURE VEHICLE**

**RESOLVED:**

1. That 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, be approved.
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, be approved.
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 Section 106 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 Cabinet approves expenditure of up to:
- an additional £40,000 for property and commercial advice from LSH and £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 £128,000 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.

**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.

**96. MINIMISING THE COST OF TEMPORARY ACCOMMODATION**

**RESOLVED:**

1. That 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, be approved.
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, 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.

**97. DISPOSAL OF 282-288 GOLDHAWK ROAD AND ELLIZABETH FINN HOUSE**

**RESOLVED:**

1. That 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, be approved.
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, be approved.
4. That the appropriation of 282-288 Goldhawk Road, which is currently held as General Fund Account Land to the Housing Revenue Account, be approved.
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 it's 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.

**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.

**98. KEY DECISIONS LIST**

**RESOLVED:**

The forward plan was noted.

**99. 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.]

**100. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 15 OCTOBER 2012 (E)**

**RESOLVED:**

That the minutes of the meeting of the Cabinet held on 15 October 2012 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

**101. NEW COMMUNITY TOILET PROVISION : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the report be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

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

**103. MINIMISING THE COST OF TEMPORARY ACCOMMODATION : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the report be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**104. ESTABLISHMENT OF A HOUSING AND REGENERATION JOINT VENTURE VEHICLE : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the report be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

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

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

**RESOLVED:**

The summary was noted.

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


**RESOLVED:**

The summary was noted.

Meeting started: 7.00 pm

Meeting ended: 7.02 pm

Chairman .....

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>10 December 2012</b></p>
<p><b>PRINTING SERVICES: RENEWING A FRAMEWORK AGREEMENT – CONTRACT AWARD</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For Decision <b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Peter Kiberd, Print Manager</p>	<p><b>Contact Details:</b> Tel: 020 8753 2235 E-mail: <a href="mailto:peter.kiberd@lbhf.gov.uk">peter.kiberd@lbhf.gov.uk</a></p>

## **1. EXECUTIVE SUMMARY**

- 1.1 The procurement to re-award a Framework for Printing Services has reached the point where the Council is now able to formally confirm the inclusion of those contractors who will comprise the new Framework (Lots 1 & 2) following a detailed and comprehensive tender evaluation.
- 1.2 The Framework is designed not only for use by Hammersmith & Fulham but also other London authorities. To date, the LB Hounslow and Wandsworth councils have committed to use the Framework once in place.
- 1.3 This report recommends that the contract is awarded to those contractors set out in the Appendix 2, attached to the exempt report, who submitted the most economically advantageous tender in terms of the approved price/quality evaluation model. It also recommends that officers meet with the successful contractors to agree contract mobilisation.
- 1.4 The recommendation is that the contract will commence on 21 December 2012 and will be for a period of four years.
- 1.5 The establishment of the framework agreement of designated providers is designed to provide a competitive framework in which contractors with a proven quality/service record will systematically be called upon to bid and ultimately carry out the Council's print services. Thereby it will perpetuate an existing arrangement (Framework) which has shown itself to provide enhanced value for money and improved service quality.

## **2. RECOMMENDATIONS**

1. That approval be given to the award of a Framework Agreement for Print Services to the contractors set out in paragraph 4 for a period of four years to commence on 21 December 2012.
2. That, following formal award of the Framework, officers hold mobilisation meetings with successful contractors to ensure smooth implementation.

## **3. EVALUATION OF TENDERS**

- 3.1 Contract advertisements for the establishment of this framework agreement for print services were placed in the EU Official Journal web-site on 27 February 2012. The advert stated the scope of the framework agreement, its length and estimated annual value.



- 3.2 153 expressions of interest were received, out of which 41 actually responded with completed application forms (Pre-Qualification Questionnaires – PQQs).
- 3.3 Following receipt of completed application forms, in July 2012, Members approved a short list of 15 organisations that would be invited to tender for inclusion into the framework agreement for Lots 1 and 2\*. Members also approved a detailed Evaluation Tender Model which is attached as Appendix 1. This required tenders to be evaluated through a staged approach, with those having passed through the earlier stages being evaluated on the basis of a 50/50 Price/Quality Model.
- 3.4 \*As outlined in the CMD report in July 2012 initial assessment of those applying for Lots 1 and 2 showed that these far outweighed those applying for Lots 3 and 4. Only 2 applications were received for Lot 4 and since the aim for Lots 3 and 4 was to have a shortlist of six, in order to facilitate sufficient competition for this category of work (web offset) it was decided to re-run the procurement for Lots 3 and 4 under a separate exercise. A new OJEU notice was therefore issued on 30 April inviting fresh applications for inclusion on a Framework for Lots 3 and 4 only and will be the subject of separate CMD and Cabinet reports.
- 3.5 The remainder of this report only relates to the assessment of applications for Lots 1 and 2.

The Framework agreement is comprised of 2 categories and a total of 15 organisations were invited to tender.

Lot 1 Litho printing – up to 4 colour (sheet fed) to SRA1/B1 sheet size.

Lot 2 Litho printing – up to 2 colour (sheet fed) to SRA3/B3 sheet size.

Two organisations failed to submit tenders by the closing date (8 September 2012).

- 3.6 The 13 organisations which submitted tenders were evaluated in accordance with the agreed Tender Evaluation Model. All tenders were subjected to detailed examination of price and quality.
- 3.7 Each of the organisations were scored on quality against the criteria in the evaluation model. Scores against price and quality were then inserted into the evaluation model and tenderers were ranked in order of their overall scores. The TAP had determined that Lots 1 and Lot 2 should comprise no more than 12 contractors and, if applicable, the 12 contractors achieving the highest overall scores would be recommended. The contractors recommended for inclusion

in Lots 1 and 2 are set in paragraph 4 below. Eight (8) contractors are recommended for Lot 1 and seven (7) contractors are recommended for Lot 2. Detailed scores attained by each tenderer are set out in Appendix 2 attached to the exempt report.

- 3.8 The Tender Appraisal Panel, consider that this selection of contractors will provide ample capacity to provide for the current and future requirements of the Council and the councils who have committed to using the Framework. Moreover it will also provide for the likely rate of attrition over the 4 year period of the Agreement.

#### **4. RECOMMENDED CONTRACTORS**

- 4.1 These are set out in the separate exempt report.

#### **5. KEY BENEFITS OF THE FRAMEWORK AGREEMENT**

- 5.1 The Framework will provide the Council with a competitive, reliable pool of contractors for its printing requirements with the Central Print Unit acting as a corporate gateway to produce best value and best quality printing services for print users. The Council's print unit will ensure the efficient management and close monitoring of this work, and ensure universal adherence to corporate identity guidelines.
- 5.2 The competitiveness of contractors will be maintained through a systematic means of 'further-competition'. In this way, each job commissioned will generally be subject to a prior quotation from suitable contractors before an order is placed.
- 5.3 Although the specific objective is to meet our own print needs, the resultant Framework agreement will be made available for use by the London Borough of Hounslow and Wandsworth Council together with other local authorities in London.

#### **6. RISK MANAGEMENT**

- 6.1. The Councils' Competition Board were appraised of the procurement options at its February 2012 meeting. Communications remains a H&F sovereign service and as such documentation which is branded H&F should be managed through this contract where printing is required and in line with H&F Corporately agreed procedures. A risk remains that with Tri and Bi Borough working some lack of clarity on the use of the printing contract amongst officers purely at a local level may occur. Established protocols exist in the publication 'Corporate Identity Guidelines' in mitigation of this risk and users of the Printing

service are required to contact the Communications Team of the host Council in the first instance.

## **7. EQUALITY IMPLICATIONS**

- 7.1 The Council's ability to produce communications materials in accessible formats (Braille, tape, video) is unaffected by this framework. The Equalities Impact Assessment for this report is that there are no major impacts arising from this decision.

## **8. FINANCIAL AND RESOURCE IMPLICATIONS**

- 8.1 The framework agreement has delivered considerable savings to departments in its first four years, it is anticipated that these savings will continue going forward.

## **9. LEGAL IMPLICATIONS**

- 9.1.1 The proposed award of the Framework would be in the compliance of the Council's Contract Standing Orders and the Public Procurement Regulations.
- 9.2 The Director of Law endorses the recommendation in this report.

## **10. PROCUREMENT IMPLICATIONS**

- 10.1 The Procurement & IT Strategy team has actively supported this procurement exercise and has ensured that the Public Contract regulations 2006 and the Council's Contract Standing Orders have been complied with.
- 10.2 The Director for Procurement and IT Strategy is represented on the Tender Appraisal Panel and supports the recommendations for the reasons set out in the report.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	All background papers, including: Contract advert; Contract specifications; Tender evaluation models; Letter and tendering instructions to short-listed organisations. Tender submissions (exempt) Written Clarifications (exempt) Notes of TAP meetings (exempt)	Peter Kiberd Print Manager  020 8753 2235	Communications Services, Hammersmith Town Hall, King Street, W6 9JU
<b>CONTACT OFFICER:</b>		<b>NAME: Peter Kiberd EXT. 2235</b>	

## **Appendix 1**

The Council will recommend for inclusion onto the Framework those tenderers who submit the most economically advantageous Tender(s) based on a combination of price and quality. This section is provided in the interests of transparency and fair competition and sets out and explains how that evaluation will be carried out.

Each Tender for each Lot must achieve a minimum level of acceptability as defined by the following compliance standards:

Compliance Hurdle	Rationale
Compliant and bona fide Tender	Each Tender shall be checked to ensure that there is no material breach of ITT conditions; that the Tender is complete; that there is no collusion or corruption or anti-competitive behaviour; and that all required information is provided.
Legal Acceptability	Each Tender shall be checked to ensure that there is no legal impediment to the Council entering a contract with the successful Tenderer in the Council's form.
Complete Tender	Each Tender shall be assessed as to whether the Tenderer has confirmed that it is able to provide the Services as detailed within the Specification.

The Council reserves the right to reject without further discussion any Tender which does not meet the above compliance standards.

## **Scoring**

**PRICE 50%**

### **Lot 1 and/or Lot 2**

The pricing matrices for Lots 1 and/or 2 (completed by tenderers with tendered prices for a typical range of jobs) will be evaluated by calculating the aggregated costs across all jobs for each Lot.

The Pricing score submitted by a Tenderer will be scored on the basis of the total aggregated costs for each Lot in accordance with the following calculation:-

Lowest Total aggregated costs will be awarded 100 points.

All calculations will be undertaken to two decimal places.

<b>Tenderer</b>	<b>Total Aggregated Costs for Lot 1</b>	<b>Points awarded (Y)</b>	<b>Weighted Price score</b>
A	£250,000	98.00	<b>49.00</b>
B	£271,000	91.88	<b>45.94</b>
C	£245,000	100.00	<b>50.00</b>
D	£370,000	66.22	<b>33.11</b>
F	£249,000	98.39	<b>49.19</b>

Each of the remaining Tenders will be awarded a Price overall score on a pro-rata basis in accordance with the following calculation:-

Tenderer's Total Aggregated Costs x 100 divided by Lowest Aggregated Costs (for Lot 1)  
= Y points

Similar calculations will be undertaken for Lot 2.

<b>Tenderer</b>	<b>Total Aggregated Costs for Lot 2</b>	<b>Points awarded (Y)</b>	<b>Weighted Price score</b>
A	£425,000	69.41	<b>34.71</b>
C	£315,000	93.65	<b>48.83</b>
G	£410,000	71.95	<b>35.98</b>
H	£305,000	96.72	<b>48.36</b>
J	£295,000	100.00	<b>50.00</b>

**Any Tenderer who does not achieve 35 points overall on Price will be rejected.**

## QUALITY 50%

Each Tender for each Lot will be scored initially by individual members of the evaluation team against each of the evaluation areas set out below. The information will not be shared at this stage. To ensure the relative importance of the evaluation criteria are correctly reflected in the overall scores a weighting system will be applied as set out below.

Each response to the evaluation criteria will be marked out of a total possible score of 5. The methodology for calculating the scores is as set out in the individual criteria below. Scoring will be based on the general principles and descriptions shown below.

### *Scoring out of 5*

- 0 = unacceptable. No information provided or does not meet the Council's requirements.
- 1 = some evidence provided but poor in quality or insufficient detail to show requirements are met.
- 2 = evidence provided but does not show basic requirements are met (unsatisfactory).
- 3 = evidence provided and meets requirements.
- 4 = evidence provided and shows all requirements would easily be met with added value.
- 5 = evidence provided and shows all requirements would be met excellently with extensive added value offered.

The scores will then be shared and moderated through the Council's Tender Appraisal Panel. **Any Tenderer who does not achieve 30 points overall on Quality or at least 2 points against each criterion (prior to weighting) will be rejected.**

Finally, the evaluation team will consider the final total weighted scores for Quality and the scores for Price to arrive at the most economically advantageous Tender(s).

## LOTS 1 & 2

<b>Evaluation Criteria – Quality</b>	<b>Weighting</b>	<b>Max raw score</b>	<b>Max weighted score</b>
Assessment of the likely quality of products and service;	5	5	25
Organisational and management experience and capabilities, and resources to be employed in the Contract;	2	5	10
Commitment to a collaborative relationship;	2	5	10
Sustainability considerations	1	5	5
<b>Maximum total weighted score for Quality = 50 points</b>			<b>50</b>

The Tender scoring the highest points for Quality for Lot 1 and/or Lot 2 will be awarded 50 . Each of the remaining Tenders for each Lot will be awarded a mark on a pro rata basis in accordance with the following calculation:-

Tenderer's score x 50 divided by highest score = Z%

All calculations will be undertaken to two decimal places. For example based on a notional highest points score of 45 points an illustrative example is shown below.

### Lot 1 – Quality scores

<b>Tenderer</b>	<b>Points awarded for Quality</b>	<b>Weighted Score awarded</b>
A	45	50%
B	42	46.7%
C	40	44.4%
D	38	42.2%

The scores for Quality and Price attained by each Tenderer will then be added to assess a total evaluated score for each Lot 1 and Lot 2. A simple illustrative example follows.




### Lot 1 – Total scores

Tenderer	Weighted Quality Score	Weighted Price Score	Total Weighted score
A	50	49.00	<b>99.00</b>
B	46.7	45.94	<b>92.64</b>
C	44.4	50.00	<b>94.40</b>
D	42.2	33.11	<b>75.31</b>

	<b>Rejected – not achieved Price threshold (35)</b>
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# Agenda Item 5

	<p>London Borough of Hammersmith &amp; Fulham</p> <p><b>CABINET</b></p> <p>10 December 2012</p>
<p><b>THE GENERAL FUND REVENUE BUDGET 2012/2013 – MONTH 6 AMENDMENTS.</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For Decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> (Gary Ironmonger, Principal Revenue Accountant</p>	<p><b>Contact Details:</b> Tel: 020 8753 2109 E-mail: gary.ironmonger@lbhf.gov.uk</p>

## **1. EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to seek approval for changes to the 2012/13 Revenue Budget.
- 1.2 This report sets out proposed amendments to the 2012-13 Revenue Budgets as at month 6.
  - a) One General Fund virement of £0.307m is proposed to distribute NNDR inflation from contingency budgets to departmental NNDR budgets.
  - b) No HRA virements have been requested.
  - c) 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. RECOMMENDATIONS**

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

## **3. REVENUE BUDGET ADJUSTMENTS**

- 3.1 The total adjustments to revenue budgets are £0.307m (Appendix 1).
- 3.2 One General Fund virement of £0.307m is required to distribute NNDR inflation from contingency budgets to departmental NNDR budgets .
- 3.3 There are no virements required for the HRA.

## **4. EQUALITY IMPLICATIONS**

- 4.1 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.
- 4.2 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.
- 4.3 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**


<b>No.</b>	<b>Brief Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department</b>
1.	Revenue Monitoring Documents	Gary Ironmonger Ext. 2109	Corporate Finance Room 38 , Town Hall
<b>Contact officer : Gary Ironmonger</b>		<b>Tel. 020 753 2109</b>	

**APPENDIX 1 - VIREMENT REQUEST FORM**

**BUDGET REVENUE MONITORING – PERIOD 6**

<b>Details of Virement</b>	<b>Amount (£000)</b>	<b>Department</b>
Distribution of 2012-13 NNDR inflation from Contingencies to Departmental Cost Centres.	307/(307)	CHS;ASC;TTS,RHO;ELRS/CMB
<b>Total of Requested Virements (Debits)</b>	<b>307</b>	

# Agenda Item 6

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  10th December 2012
<b>TITLE OF REPORT</b>  The General Fund Capital Programme – Quarter 2 (Month 6 Amendments)	
Report of the Leader of the Council – Councillor Nicholas Botterill	
Open Report	
Classification : For Decision  Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West - Executive Director of Finance and Corporate Governance	
Report Author: Jade Cheung, Finance Manager (Corporate Accountancy & Capital)	Contact Details: Tel: 0208 753 3374 E-mail: <a href="mailto:jade.cheung@lbhf.gov.uk">jade.cheung@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. This report sets out the revised capital budget as at quarter 2 for 2012/13, compared with quarter 1 which was approved by Cabinet on 15<sup>th</sup> October 2012).
- 1.2. The net proposed decrease to the capital programme is £43.1m (table 1). This decrease is primarily attributable to the re-profiling of the Basic Needs grant allocation from the Department for Education. There is no additional call on the use of capital receipts and as such the debt reduction programme is unaffected by the changes proposed in this report.

## 2. RECOMMENDATIONS

- 2.1. The recommendation arising from this report is for Members to approve the budget variation as at quarter 2 for 2012/13.

### 3. REASONS FOR DECISION

- 3.1. The reason for the recommendation is to comply with the Council's Financial Regulations which form part of the Council's Constitution.

### 4. INTRODUCTION AND BACKGROUND

- 4.1. This report sets out the revised capital budget as at quarter 2 for 2012/13, compared with quarter 1 which was approved by Cabinet on 15<sup>th</sup> October 2012.

### 5. GENERAL FUND CAPITAL PROGRAMME

- 5.1. Table 1 below summarises the proposed revisions to the 2012/13 General Fund capital programme (details in appendix 1).

Service Area	Quarter 1 Revised Budget	Slippage	Additions/ (Reduction)	Quarter 2 Revised Budget	Net Movement
	[a]	[b]	[c]	[a+b+c]	[b+c]
	£m	£m	£m	£m	£m
Children's Services	73.7	-44.1	1.7	31.3	-42.4
Adult Social Care Services	2.3	-1.0		1.4	-1.0
Transport and Technical Services	15.4		0.6	15.9	0.6
Finance and Corporate Services	2.1			2.1	
Environment, Leisure and Resident's Services	7.3		-0.3	7.1	-0.3
<b>Total</b>	<b>100.9</b>	<b>-45.1</b>	<b>2.0</b>	<b>57.8</b>	<b>-43.1</b>

### 6. BUDGET VARIATION ANALYSIS

#### 6.1. Children's' Services

The budget movement from quarter 1 is a net decrease of £42.m in quarter 2. This relates mainly to the re-profiling of capital schemes funded by the Local Authority additional Basic Needs grant, into future years. Also there has been additional funding for Free Schools.

#### 6.2. Adult Social Care

A net decrease of £1m is reported in quarter 2. This relates to a slippage of Adult Personal Social Services Grant funding into 2013/14. The slippage is due to the capital scheme being delayed in order to reassess key project objectives.

### 6.3. Transport and Technical Services

The budget movement from quarter 1 is a net increase in quarter 2 of £0.6m. This change results from additional funding and reductions relating to the following schemes:

- Transport for London (TFL) schemes £0.045m
- Parking Reserve/Revenue contributions funded schemes -£0.267m
- Developer Contributions £0.775m

The increase in TFL funding is for the Barclays Cycle Superhighway scheme. The adjustment to Parking Reserve is because this funds both capital and revenue costs for Controlled Parking Zones and this is the amount being moved to revenue.

### 6.4. Environment, Leisure and Residents' Services

The net decrease of £0.3m is mainly due to £0.4m increase in Section 106 and other external funding for Shepherds Bush Common, Public CCTV and Recycling schemes and £0.7m decrease in Section 106 funding for Hammersmith Library Refurbishment project due to uncertainty in the developer's future plans.

## 7. **CONSULTATION**

7.1. N/A

## 8. **EQUALITY IMPLICATIONS**

8.1. N/A

## 9. **LEGAL IMPLICATIONS**

9.1. N/A

## 10. **FINANCIAL AND RESOURCES IMPLICATIONS**

10.1. This report is of a financial nature and has been approved by the Bi Borough Director of Finance (LBHF).

## 11. **RISK MANAGEMENT**

11.1. N/A

## 12. **PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1. N/A



**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Briefing to Cabinet – Quarter 2 Capital Budget Monitoring Report 2012/13 (meeting on 12 <sup>th</sup> November 2012)	Jade Cheung (telephone number 0208 753 3374)	Corporate Finance 2 <sup>nd</sup> Floor HTH ext.

**LIST OF APPENDICES:**

**Appendix 1 – Capital budget variations:**

for General Fund, Children’s Services, Adult Social Care, Transport & Technical Services, Finance and Corporate Services, Environment, Leisure and Residents Services

## APPENDIX 1

### General Fund – Summary Capital Monitor

Schemes	Quarter 1 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 2 Revised Budget
	£'000	£'000	£'000	£'000
Children's Services	73,706	(44,110)	1,698	31,294
Adult Social Care Services	2,340	(957)		1,383
Transport and Technical Services	15,385		553	15,938
Finance and Corporate Services	2,133			2,133
Environment, Leisure and Residents Services	7,349		(289)	7,060
<b>Total Expenditure</b>	<b>100,913</b>	<b>(45,067)</b>	<b>1,962</b>	<b>57,808</b>

### Children's Services

	Quarter 1 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 2 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Lyric Theatre Development	10,474			10,474
Early Years	21		(21)	
Primary Capital Programme	385			385
Devolved Capital to Schools	293		47	340
Other Capital Schemes	10		179	189
Schools Capital Programme	62,022	(44,110)	789	18,701
Free Schools	501		704	1,205
<b>Total Children's Services</b>	<b>73,706</b>	<b>(44,110)</b>	<b>1,698</b>	<b>31,294</b>

## Adult Social Care Services

	Quarter 1 Revised Budget		Additions/ (Reductions)	Quarter 2 Revised Budget
<b>Schemes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adult Social Care Grant	158			158
Grants to Social Landlords to Improve Hostels	128			128
Supporting Your Choice (Social Care Reform) (DOH)	87			87
Adults' Personal Social Services Grant	957	(957)		
Wormwood Scrubs Prison (Grant from PCT)	98			98
Disabled Facilities Grant	912			912
<b>Total Community Services</b>	<b>2,340</b>	<b>(957)</b>	<b>0</b>	<b>1,383</b>

## Transport & Technical Services

	Quarter 1 Revised Budget		Additions/ (Reductions)	Quarter 2 Revised Budget
<b>Schemes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Footways and Carriageways.	2,250			2,250
Planned Maintenance/DDA Programme	5,861			5,861
River Wall Repairs	40			40
Transport For London Schemes	3,657		45	3,702
Parking Reserve/ Revenue Contributions	586		(267)	319
Developer Contribution Funded	2,364		775	3,139
West London Grant	341			341
Other Capital Schemes	286			286
<b>Total Environment Services</b>	<b>15,385</b>	<b>0</b>	<b>553</b>	<b>15,938</b>

## Finance and Corporate Services

	Quarter 1 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 2 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Contributions to Invest to Save	2,133			2,133
<b>Total Finance and Corporate Services</b>	<b>2,133</b>	<b>0</b>	<b>0</b>	<b>2,133</b>

## Environment, Leisure and Residents Services

	Quarter 1 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 2 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Parks	1,472		(4)	1,468
Bishops Park	942			942
Shepherds Bush Common Improvements	2,498		280	2,778
Recycling	14		73	87
CCTV	617		87	704
Hammersmith Library Refurbishment	1,650		(725)	925
Linford Christie Outdoor Sports Centre	156			156
<b>Total ELRS</b>	<b>7,349</b>	<b>0</b>	<b>(289)</b>	<b>7,060</b>

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p>10 December 2012</p>
<p><b>TREASURY MANAGEMENT UPDATE FOR THE FIRST SIX MONTHS OF 2012-13</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For Information</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Rosie Watson, Treasury Management Officer</p>	<p><b>Contact Details:</b>          Tel: 020 (753 2563)          E-mail:  <a href="mailto:rosie.watson@lbhf.gov.uk">rosie.watson@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report presents the Council's Treasury Management Mid Year Report up to the 30<sup>th</sup> September 2012 in accordance with the Council's Treasury Management Practice.
- 1.2. The CIPFA Code of Practice on Treasury Management has been adopted by the Council. This Mid Year review has been prepared in compliance with the Code of Practice. The primary requirements of the Code are as follows:
  - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
  - Receipt by the full Council of an Annual Treasury Management Strategy Statement, including the Annual Investment Strategy, for the year ahead, a Mid-Year Review Report (this report) and an Annual Report covering activities during the previous year.

- Delegation by the Council of the role of scrutiny of Treasury Management Strategy and policies to a specific named body. For this Council the delegated body is the Audit, Pensions and Standards Committee.

## 2. RECOMMENDATIONS

- 2.1 **That the Council's debt, borrowing and investment activity up to 30 September 2012 be noted.**

## 3. ANNUAL INVESTMENT STRATEGY

- 3.1. The Treasury Management Strategy for 2012/13 was approved by Council on 29th February 2012. The Council's Annual Investment Strategy, which is incorporated in the overall strategy, outlines the Council's investment priorities as follows:

- Security of capital
- Level of liquidity in its investments appropriate to the Council's need of funds over time.
- Subject to meeting the other two requirements, achieving an optimum return on investments.

- 3.2. In the current economic climate it is considered appropriate to keep all new investments short term, and only invest with highly credit rated financial institutions. The Council's policy has not changed this year.

## 4. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

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

## 5. INVESTMENTS

- 5.1. The table below provides a breakdown of the cash Council deposits as at the 30<sup>th</sup> September 2012.

	<b>Balance (£m)</b>	<b>Yield (%)</b>
Bank Call Accounts	33	0.87
Money Market Funds	40	0.50
DMO	6	0.25
<b>Total Liquid Investments</b>	<b>79</b>	<b>0.64</b>

Banks and Local Authorities	83	1.22
<b>Total/ Average Rate</b>	<b>162</b>	<b>0.94</b>

Treasury officers are not making any investments for a period more than three months, without prior authorisations from the Executive Director of Finance and Corporate Governance.

- 5.2. The Council makes use of a number of MMF's as set out in the list below. Money Market Funds (MMF) are pooled investment vehicle with assets of various cash type instruments. All the Money Market Funds with which the Council has investments with are AAA rated and have instant access.

<b>Fund</b>	<b>Weighted Average Life (Days)</b>	<b>Weighted Average Maturity (Days)</b>	<b>Amount Invested (£m)</b>	<b>Net Return (%)</b>
Blackrock	83	57	10	0.47
Goldmans	45	45	10	0.45
Insight	38	38	10	0.46
Prime Rate	35	35	10	0.61

- 5.3. The DMO is part of the Treasury, guaranteed by the Government. As a result the DMO is rated AAA by all three credit ratings agencies. Council funds are invested with the DMO between a minimum of overnight to a maximum of six months at a rate of 0.25%.

- 5.4. The Council has number of term deposits with two UK Banks, as set out below. The Council has a call account with Nat West which provides instant access at a rate of 0.87%.

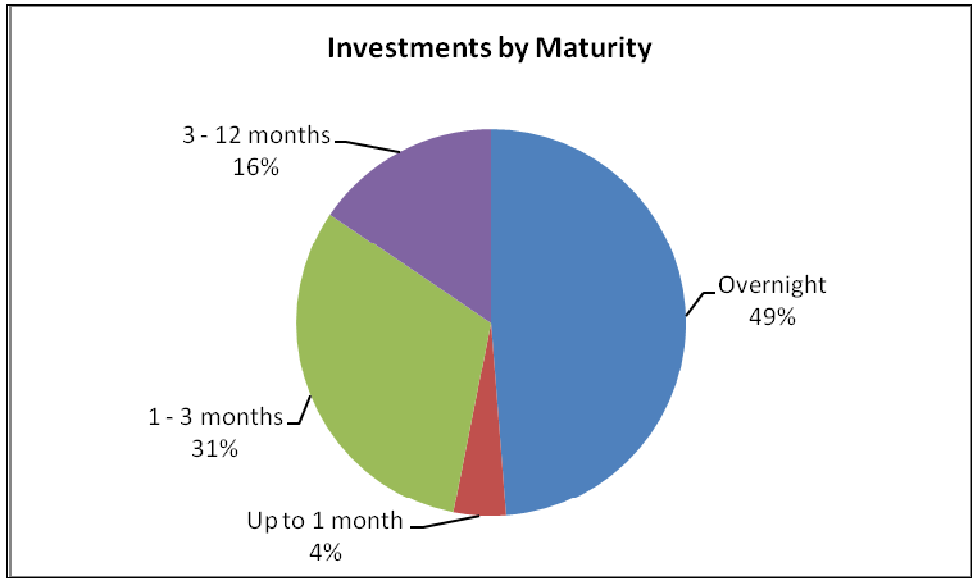
<b>Counterparty</b>	<b>Credit Rating (S&amp;P/Moody's /Fitch)</b>	<b>Maturity Date</b>	<b>Balance (£m)</b>	<b>Return (%)</b>	<b>Days to maturity</b>
Lloyds	A/A2/A	05/11/2012	5	1.35	36
Barclays	A+/A2/A	08/11/2012	5	0.67	39
Barclays	A+/A2/A	15/11/2012	5	0.67	46
Lloyds	A/A2/A	16/11/2012	5	1.35	47
Lloyds	A/A2/A	14/02/2013	5	1.75	137
Lloyds	A/A2/A	04/06/2013	5	3.00	247
Lloyds	A/A2/A	04/07/2013	15	3.10	277
<b>Total/Average</b>			<b>45</b>	<b>1.70</b>	<b>118</b>

- 5.5. Lloyds and RBS (as owners of Nat West) are on the Council's lending list, with limits of £35 million because of their credit ratings but because of the fact that they are part nationalised.
- 5.6. The Council will first invest surplus funds with UK bank and Money Market Funds as approved in the Council's Strategy Report. When the Council has reached its limits with these counterparties it will look to investment with certain local authorities. Under the guidance issued by CLG investing with local authorities is defined as high credit quality (LG Act s23) and that the credit risk attached to these authorities is an acceptable one. Below is the list of local authorities that the Council invested with as at 30<sup>th</sup> September 2012.

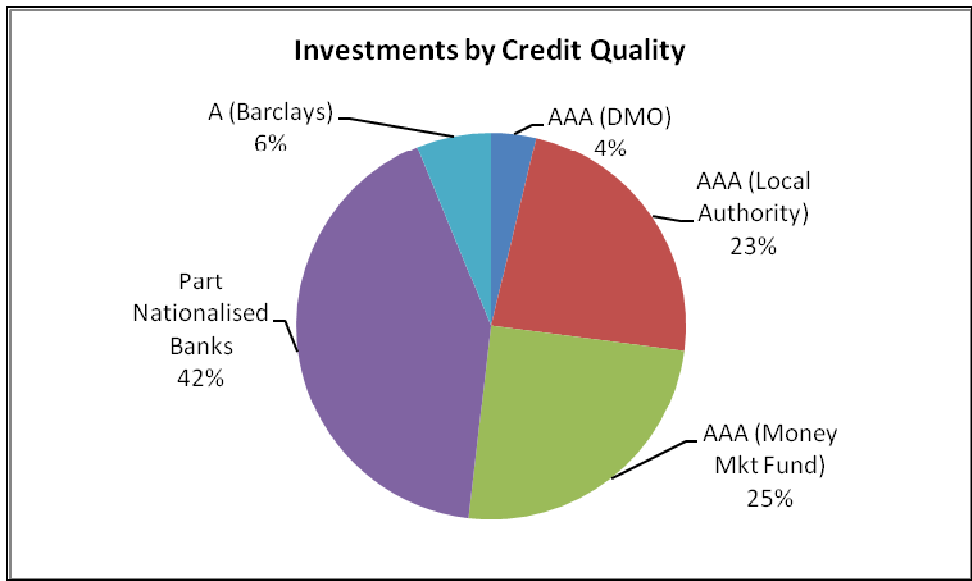
<b>Counterparty</b>	<b>Maturity Date</b>	<b>Balance (£m)</b>	<b>Return (%)</b>	<b>Days to Maturity</b>
Herefordshire	15/10/2012	2	0.27	15
Kingston Upon Hull	31/10/2012	5	0.31	31
Cornwall	02/11/2012	7	0.31	33
Aylesbury Vale	05/11/2012	5	0.27	36
Salford	29/11/2012	4	0.27	60
Wolverhampton	30/11/2012	5	0.30	61
Dumfries & Galloway	05/12/2012	2	0.27	66
Woking	10/12/2012	3	0.29	71
Salford	21/12/2012	5	0.27	82
<b>Total</b>		<b>38</b>	<b>0.28</b>	<b>51</b>

- 5.7. The chart below shows the duration exposure of the Council. 53% of investments can be accessed within one month's notice.





5.8. The chart below shows the Credit rating exposure of the Council's investment by counterparty. Part Nationalised banks refers to RBS and Lloyds (both rated A/A3/A).



**6. BORROWING**

6.1. The borrowing strategy for the year 2012/13 was not to incur any new borrowing and given the prevailing low levels of interest rates, consider voluntary early repayments of borrowing as a way of making more efficient use of funds in the short term.

6.2. The table below shows the details around the Council's external borrowing (as at the 30th September 2012) is £262m split between General Fund and HRA at an average rate of 5.60%

Loan Type	General Fund (£m)	Average rate	HRA (£m)	Average rate	Total external borrowing (£m)	Average Rate
PWLB loans maturity	44.78	5.60%	217.38	5.60%	262.16	5.60%

## 7. ECONOMY AND INTEREST RATES

- 7.1. In August the Bank of England lowered its forecast for the rate of growth over the coming months and amended its forecasts for 2012 and 2013. The UK economy is influenced by worldwide economic developments, particularly in the Eurozone where ongoing problems could affect the UK's economic performance.
- 7.2. In the UK Consumer Prices Index (CPI) inflation has fallen to 2.5 per cent in August, however Gross Domestic Product (GDP) also fell by 0.4 per cent in the quarter to 30 June, the third quarterly fall in succession.
- 7.3. The Monetary Policy Committee (MPC) has kept bank rate at 0.5 per cent throughout the period while quantitative easing was increased by £50 billion to £375 billion in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.
- 7.4. UK sovereign debt however remains a safe haven and gilt yields, prior to the European Central Bank (ECB) bond buying announcement in early September, were close to zero for periods out to five years and not much higher out to ten years.
- 7.5. World economies remain unstable. The United States will need to take action in early 2013 to address its debt position. In the Eurozone, whilst the ECB measures regarding short term bank purchase increased confidence it is uncertain if all Governments concerned will accept the conditions attached to this initiative.
- 7.6. In the UK the Bank of England has adjusted its financial forecast for a return to growth. Weak export markets (mainly in the EU, the UK's main trading partner) will continue to affect recovery.
- 7.7. Low growth in the UK is expected to continue, bank rate is unlikely to rise in the next 24 months this, coupled with a possible further extension of quantitative easing, will keep investment returns depressed.
- 7.8. The longer run trend for Public Works Loan Board (PWLB) borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven

status of the UK may continue for some time, tempering any increase in yield.

## 8. PRUDENTIAL INDICATORS

- 8.1. As part of the Strategy the Council sets a number of prudential limits for borrowing. This section shows the Council's position against the prudential indicators for 2012/13 agreed by Council in February 2012. These are outlined below.
- 8.2. During the half year to the end of September 2012, the Council operated within the treasury limits as set out in the Treasury Management Strategy. The outturn for the Treasury Management Prudential Indicators are shown below.

£000's	2012/13 Limit	30 September 2012 Actual
Authorised Limit for external debt <sup>1</sup>	350,451	100,620*
Operational Limit for external debt <sup>2</sup>	283,537	100,620*
Limit of fixed interest rate exposure based on net debt	330,000	100,620*
Limit of variable interest rate exposure based on net debt	66,000	Nil
Principal sum invested >364 days	20,000	Nil

\* PWLB debt minus investments

- 8.3. Maturity structure of borrowing – This indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. It is not necessary to include variable rate debt because local authorities do not face substantial refinancing risks.

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<sup>1</sup> Authorised limit for external debt is the limit above which external debt must not go without changing Council Policy.

<sup>2</sup> Operational boundary for external debt is the limit against which external debt will be constantly monitored.

	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual</b>
Under 12 months	15%	0%	0.04%
12 months and within 24 months	15%	0%	4.41%
24 months and within 5 years	60%	0%	9.80%
5 years and within 10 years	75%	0%	12.62%
10 years and above	100%	0%	73.13%

## **9. FINANCE AND RESOURCE IMPLICATIONS**

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

## **10. LEGAL IMPLICATIONS**

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

### **LOCAL GOVERNMENT ACT 2000**

#### **LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of File/Copy</b>	<b>Department/Location</b>
1	Borrowings and Investment spread sheets	Rosie Watson Ext. 2563	Westminster City Hall, Treasury and Pensions, 16 <sup>th</sup> Floor

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center">10 December 2012</p>
<p><b>FULHAM PALACE ROAD CORRIDOR SCHEME - APPROVAL USE S106 FUNDING FOR IMPLEMENTATION</b></p>	
<p><b>Report of the Cabinet Member for Transport and Technical Services – Councillor Victoria Brocklebank- Fowler</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification : For Decision</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected:</b> Fulham Reach, Palace Riverside</p>	
<p><b>Accountable Executive Director:</b> Nigel Pallace, Executive Director of Transport and Technical Services</p>	
<p><b>Report Author:</b> Nerissa Harrison, Highways Maintenance Support Officer</p>	<p><b>Contact Details:</b>          Tel: 020 8753 6722          E-mail:  <a href="mailto:nerissa.harrison@lbhf.gov.uk">nerissa.harrison@lbhf.gov.uk</a></p>

## 1. INTRODUCTION

- 1.1 This report seeks approval for the specific use of £750,000 S106 funding allocated to improvements in the Fulham Road Corridor for CCTV, resurfacing, and highway improvements.

## 2. RECOMMENDATIONS

- 2.1 That approval be given to implement the Fulham Palace Road Corridor Scheme using £750,000 Section 106 funds as set out in paragraph 9.1 of this report.

### **3. EXECUTIVE SUMMARY**

- 3.1 This report details proposed improvements along the Fulham Palace Road Corridor from Talgarth Road to Putney Bridge that aim to improve traffic flow and pedestrian safety along the corridor.
- 3.2 These works complement the successful Fulham Palace Road / Hammersmith Gyrotory slip road scheme which was completed earlier this year and the council's "Get H&F moving" campaign.
- 3.3 £750,000 of s106 funding from the Fulham Reach development was assigned to the Fulham Palace Road Corridor and will be available to LBHF in January 2013.
- 3.4 The works proposed using the S106 funding are:
- CCTV installation for traffic enforcement, road network management, crime prevention and monitoring during Fulham FC matches.
  - Footway and carriageway resurfacing
  - Highway improvements to Section 3 of the corridor scheme between Fulham Road and Putney Bridge Approach, subject to consultation

### **4. BACKGROUND**

- 4.1 The Fulham Palace Road Corridor Scheme extends from Talgarth Road in the north to Putney Bridge Approach in the south. The Corridor includes Fulham Palace Road, Fulham High Street, and Putney Bridge Approach. A map of the Corridor is shown in Appendix 2.
- 4.2 The key objectives of the Fulham Palace Road Corridor Scheme and the works proposed in this report are to improve traffic flow and safety along the Corridor.
- 4.3 Traffic surveys recorded extensive queuing along the corridor particularly at key junctions including:
- Queues in excess of 200 m at the Lillie Road junction
  - Queues in excess of 250 m at the New Kings Road junction (extending back to the Fulham Road roundabout causing congestion at the roundabout)
- 4.4 An analysis of collisions from 2009 to 2011 (inclusive) identified no fatal collisions, 15 serious injury collisions and 99 slight injury collisions, along the corridor. Clusters of collisions at key junctions along the corridor were identified including 13 collisions at the Lillie Road junction, 10 collisions at the Fulham Road roundabout, 9 collisions at the New Kings Road junction

and 7 collisions at the Gonville Street junction with Putney Bridge Approach.

- 4.5 The design for the Fulham Palace Road Corridor Scheme using Transport for London (TfL) corridor funding has been submitted to the Transport and Technical Services Cabinet Member (TTSCM) and approved for implementation. These works are part of the LIP 2012/13 programme which was approved by Cabinet in March 2012. The works described in this report will be funded using Fulham Reach s106 funding and will compliment the works being undertaken using TfL funding.
- 4.6 S106 funding of £750,000 has been allocated to the Fulham Palace Road corridor from the Fulham Reach development and will be available to LBHF in January 2013.
- 4.7 Schedule 10 of the Deed of Agreement relating to Fulham Reach states that St George Central London Limited shall pay the council "SEVEN HUNDRED AND FIFTY THOUSAND POUNDS (£750,000) upon the date which is 6 months after the date of Commencement which the council shall use as soon as practicable to carry out improvements to the Fulham Palace Road corridor."

## **5. PROPOSED WORKS**

- 5.1 The following works have been identified as works that can be implemented with the s106 funding:
- CCTV installation
  - Footway and carriageway resurfacing
  - Implementation of improvements to the corridor between Fulham Road and Putney Bridge, including:
    - the junction of Fulham Road and Fulham High Street,
    - the pedestrian crossing near Rigault Road
    - the junction of New Kings Road and Fulham High Street, and
    - the toucan crossing on Putney Bridge Approach.
  - Consideration of the impact the proposed Fulham Boys School on Fulham High Street will have on the corridor and adjacent junctions. At this stage the school has not been formally approved for implementation. Investigation of the impact will be considered only as and when required.
- 5.2 The works listed above are described in more detail in the following sections.

## **6. CCTV INSTALLATION**

- 6.1 Many of the Borough's banned turns, school keep clear, and yellow boxes are currently not enforced including those along Fulham Palace Road. Enforcing these banned turns, keep clear, and yellow boxes will have the following benefits:
- Reduce congestion at junctions with yellow boxes. For example, vehicles queuing within the yellow box at the Lillie Road junction with Fulham Palace Road cause the junction to operate inefficiently by blocking movements.
  - Reduce rat running at banned turns.
  - Reduce unsafe manoeuvres at banned turns.
  - Improve safety for pedestrians. Vehicles queuing within boxed junctions can obscure visibility of pedestrians.
  - Improve network management and street works enforcement
- 6.2 The borough's Closed Circuit Television (CCTV) network can be extended along the entire corridor enabling enforcement of banned turns and boxed junctions. It will also assist police in reducing anti-social behaviour and street crime.
- 6.3 During informal consultation numerous local business owners expressed their support for CCTV to be installed along the corridor particularly as a deterrent to street crime. We do not have street crime figures from the Police but numerous businesses consulted reported street crime along the corridor. The Police have reported an interest in the use of the council CCTV for monitoring street crime.
- 6.4 CCTV will enable the enforcement of banned turns at the following locations:
- Greyhound Road junction with Fulham Palace Road
  - Averill Street junction with Fulham Palace Road
  - Delorme Street junction with Fulham Palace Road
  - New Kings Road junction with Fulham High Street
- 6.5 CCTV will enable the enforcement of the following boxed junctions:
- Chancellors Road junction with Fulham Palace Road
  - St Dunstan's Road junction with Fulham Palace Road
  - Lillie Road junction with Fulham Palace Road
  - New King's Road junction with Fulham High Street
  - Gonville Street junction with Putney Bridge approach



## **7. FOOTWAY AND CARRIAGEWAY RESURFACING**

- 7.1 Local businesses and residents have expressed concern regarding the perceived frequency of road works along the Fulham Palace Road corridor. These road works have primarily been caused by utility companies working along the corridor but also the recent improvement works at the Talgarth Road junction with Fulham Palace Road.
- 7.2 Some sections of the corridor are in need of repair following works by utility companies and general wear. Undertaking resurfacing during construction of the Fulham Palace Road Corridor Scheme will:
- Reduce the need to implement additional road works at a later date to undertake planned maintenance (i.e. the planned maintenance is coordinated with the corridor works)
  - Prevent utility companies from undertaking works within 36 months of completion of the resurfacing works under the section 58 agreement.
  - Reduce the number of more frequent minor repairs due to pot holes etc. thus also reducing delays due to road works.
- 7.3 The following areas of carriageway have been identified as requiring resurfacing:
- Fulham Palace Road between Chancellors Road and Lillie Road
  - Fulham Palace Road at the pedestrian crossing north of Childerley Street
- 7.4 The following areas of footway have been identified as requiring repaving:
- Various locations along Fulham Palace Road particularly near pedestrian crossings including the crossing near Kingwood Road, the crossing near Bishop's Avenue, and the Lillie Road junction
  - Childerley Street

## **8. FULHAM ROAD TO PUTNEY BRIDGE**

- 8.1 Numerous capacity, safety, and operational issues have been identified along the Fulham Palace Road Corridor between Fulham Road and Putney Bridge, including:
- Extensive queuing, particularly between the New Kings Road junction and the Fulham Road Roundabout causing congestion at the roundabout.
  - Inadequate pedestrian facilities. The New Kings Road junction requires a crossing to be realigned and a second crossing to be widened.

- Inappropriate facilities for disabled pedestrians. The tactile paving at the toucan crossing is incorrect and mobility impaired pedestrians will benefit from a raised entry treatment at Rigault Road.
- Unsafe kerb alignment causing a pinch point in the carriageway and forcing people using the cycle lane to swerve nearer vehicles in the adjacent lane.
- Insufficient parking to support local business. There is currently no parking on the west side of Fulham High Street and very few side roads to park on.
- No specific loading facilities for businesses on the Fulham High Street

8.2 To address the queuing issue and keep traffic moving the following measures are proposed:

- Amend waiting and loading restrictions. Change the waiting and loading restrictions along the corridor in order to keep traffic flowing along Fulham High Street and Putney Bridge Approach during the peak traffic periods of the day (7am to 10am and 4pm to 7pm) from Monday to Saturday. Enforce “no waiting or loading at any time” near the Fulham Road Roundabout, the New King’s Road junction, and on Putney Bridge Approach.
- Increase the southbound lane widths between the Fulham Road roundabout and the New Kings Road junction to improve traffic flow along this route.
- Improve lane marking the Fulham Road roundabout to better delineate the appropriate lanes for vehicles to use.
- Improve northbound lane marking at Putney Bridge approach to the New Kings Road junction by reducing the three narrow lanes to two wider lanes
- Shorten the southbound bus lane to improve flow of traffic exiting the Fulham Road roundabout
- CCTV enforcement of the Fulham Road roundabout lanes to ensure correct lane usage.
- Install SCOOT traffic optimisation hardware (SCOOT is described in Appendix 1).

8.3 The following measures are proposed to improve pedestrian facilities along the corridor:

- Upgrade the pedestrian crossing near Rigault Road to a pedestrian countdown crossing (pedestrian countdown is described in Appendix 1) and widen the crossing.
- Realign and widen the uncontrolled pedestrian crossing at the New Kings Road arm of the junction with Fulham High Street so that the crossing is of a standard design and does not taper

- Widen the signalised pedestrian crossing across Fulham High Street at the New Kings Road junction and upgrade to a pedestrian countdown crossing.

8.4 The following measures are proposed to improve facilities for disabled pedestrians:

- Install raised entry treatment at Rigault Road to improve the crossing for mobility impaired pedestrians and improve visibility of pedestrians crossing Rigault Road
- Upgrade tactile paving at all pedestrian crossings but particularly the toucan crossing at Gonville Street where the layout of the tactile paving is incorrect
- De-clutter the footway of any unnecessary signs and street furniture

8.5 The kerb alignment on the west side of Putney Bridge Approach, south of the toucan crossing, creates a pinch point in the traffic. This kerb will be realigned by reducing the width of the footway. The footway will still be 3m wide. This kerb realignment will reduce the risk of vehicles side-swiping cyclists.

8.6 Short stay (1hr) parking bays are proposed along the west side of Fulham High Street between Nos. 40 and 56 Fulham High Street. These parking bays will not affect the capacity of the northbound traffic flow because the existing northbound lane is currently much wider than required. The parking bays will promote local businesses and provide facilities for residents to park while shopping.

8.7 The works between Fulham Road and Putney Bridge described above are subject to consultation.

## 9. COST OF WORKS

9.1 The estimated cost of implementing the proposed works as described above is:

- |                                       |          |
|---------------------------------------|----------|
| • CCTV installation                   | £200,000 |
| • Carriageway and footway resurfacing | £300,000 |
| • Fulham Road to Putney Bridge        | £250,000 |

9.2 The s106 funding is limited to £750,000. To avoid overspending the proposed works listed above will be prioritised with CCTV having the highest priority and the Fulham High Street works the lowest priority. The reason for this prioritisation is that it may be possible to get funding from TfL in the next financial year for the Fulham High Street works.

## **10. RISK MANAGEMENT**

- 10.1 The project risks are included in the Transportation and Highways risk register.
- 10.2 Locations of underground services are uncertain at this stage. Additional costs could be incurred as a result of these services requiring relocation. The works have been prioritised to avoid overspending.

## **11. EQUALITY IMPLICATIONS**

- 11.1 Overall the project contributes positively to equality. The Equality Impact Analysis can be viewed in Appendix 3 (available on the Council's website).

## **12. FINANCE AND RESOURCE IMPLICATIONS**

- 12.1 The Council is due to receive £750,000 from St Georges in January 2013, six months after the commencement notice was served. The project will therefore be fully funded.
- 12.2 At present the costs are based on an estimate. This is subject to change once the detail of the scheme has been costed. The funding however is limited to the amount available in this S106 account. Any variation in costs in excess of this cannot be assumed to be funded unless this is approved in advance. Alternatively, officers may need to manage the workload to ensure that expenditure is contained within the approved provision.

## **13. LEGAL IMPLICATIONS**

- 13.1 There are no legal implications arising out of the proposed highways works. The money from the s.106 agreement must be used for improvements to the Fulham Palace Road corridor.

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None.		
<b>CONTACT OFFICER:</b>		<b>NAME: Nerissa Harrison EXT. 6722</b>	

## APPENDIX 1 – Glossary of Terms

### What is Pedestrian Countdown ?

Currently at traffic lights, a green man invites pedestrians to cross the road whilst vehicles are stopped at a red light. When the green man light goes out, there are several seconds where no pedestrian lights are showing before the red man comes on. This is called the 'blackout period' and stops new people from starting to cross the road, while giving those already on the crossing time to safely reach the other side.

Pedestrian Countdown will replace the blackout period with a digital countdown display, (see *photo*) showing exactly how many seconds remain to safely cross the road before the red man light comes on.

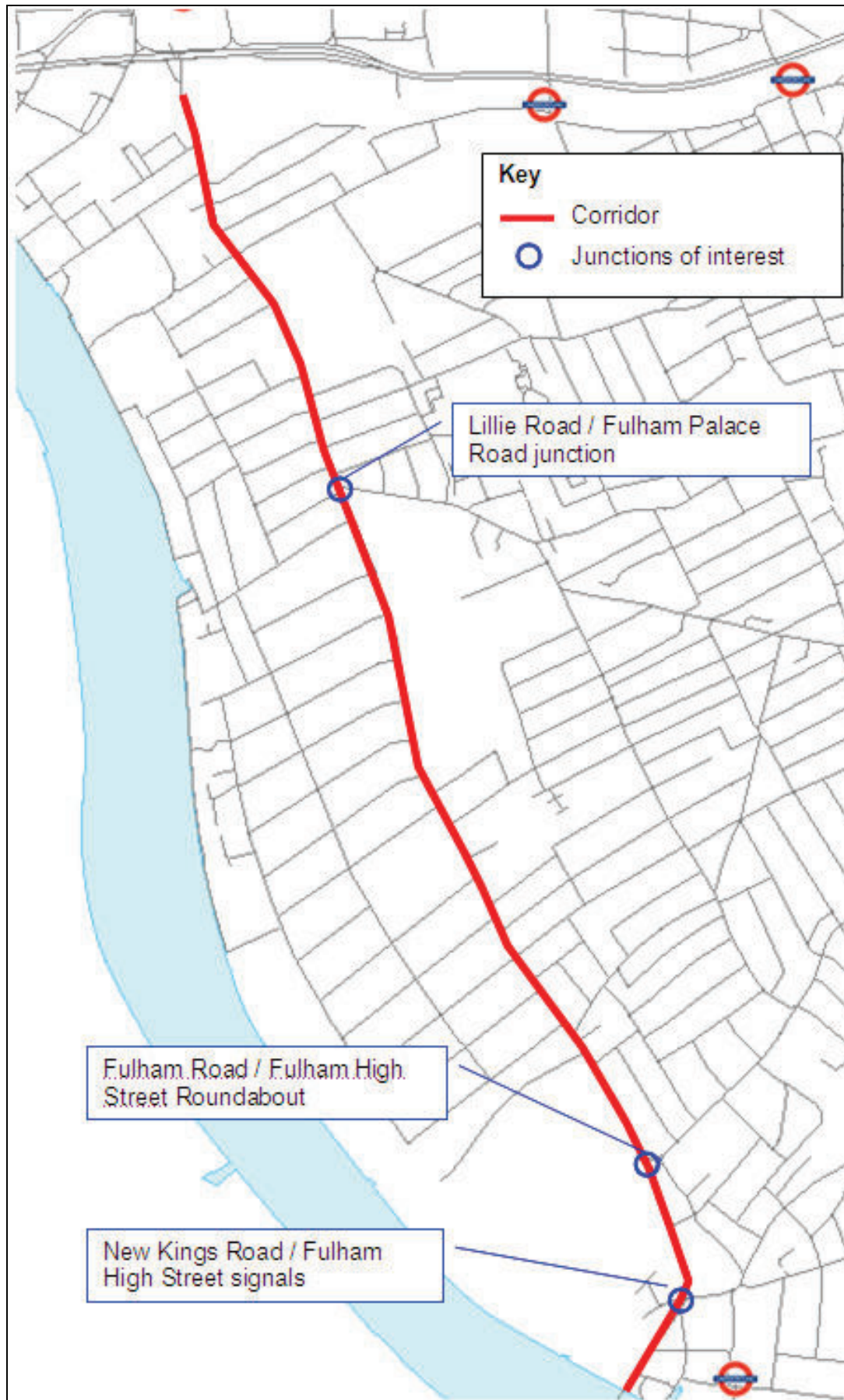


Pedestrian Countdown counts down how long you have to cross the road after the 'green man' light has gone out and before the red man light goes on. It increases the amount of information available to pedestrians: by informing them of the amount of time remaining until the impending change of priority to vehicles at the junction.

### What is SCOOT?




Local authorities try to minimise the traffic congestion by using SCOOT (Split Cycle Offset Optimisation Technique). This is a tool for managing and controlling traffic signals in urban areas. SCOOT is in-built and part of the traffic signals hardware. It is an adaptive system that responds automatically to fluctuations in traffic flow through the use of on-street detectors embedded in the road.

## APPENDIX 2 - Corridor Map



# Agenda Item 9

## Tri-Borough Executive Decision Report

<b>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</b>	<p style="text-align: center;"><b>Cabinet</b></p> <p>Leader of the Council :- Councillor Nicholas Botterill</p> <p>Date of Decision: 10 December 2012</p>	
		 <p style="text-align: center;">THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA</p>
		 <p style="text-align: center;">City of Westminster</p>
<b>Report title (decision subject)</b>	<b>WORKING FROM ANYWHERE TECHNICAL IMPLEMENTATION</b>	
<b>Reporting officer</b>	Jackie Hudson - Director of Procurement and IT Strategy, Tri-Borough ICT Lead Advisor.	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	A separate report on the exempt Cabinet agenda provides exempt information in connection with report.	



## **1. EXECUTIVE SUMMARY**

- 1.1 A broad programme of property rationalisation is underway in each of the three councils alongside the Space programme in RBKC, the SmartWorking programme in H&F and Work Smart in WCC. The Tri-borough Property Board has been tasked with identifying strategic property options for the three Councils which might enable more accommodation savings to be made than would be the case if each council continued along their own separate paths.
- 1.2 The tri-borough strategic property options work being undertaken will produce a range of potential office accommodation changes, some more radical than others. Senior managers and Members will be able to understand the choices to be made and the relationship between the degree of change required to deliver varying levels of financial savings.
- 1.3 What is clear already to the Property Board is that optimising accommodation savings will be dependent on the development and implementation of more flexible working, i.e. more desk sharing, working from home or remotely so as to minimise physical space requirements and their associated costs.
- 1.4 A paper recommending a new or coordinated programme of flexible, smart working across tri-borough is under preparation and a costed business case will be made. This is being called the “Working from Anywhere” programme. The programme would be critically dependent on further convergence of IT systems allowing more flexible location and relocation of staff.
- 1.5 It is expected that these programmes will be presented to the three councils’ Cabinets for authorisation to proceed in the new year.
- 1.6 Meantime the Tri-borough ICT programme had already commissioned a project to design and cost a solution to enable working from anywhere in terms of the provision of access to ICT network resources (applications and files). This was driven by the needs of the business especially tri-borough services such as ASC and Children’s to work more efficiently.
- 1.7 This Working from Anywhere ICT technical solution would allow access to staff’s employing borough ICT service from any location across the three Councils’ estate. The project to devise this solution was originally intended to answer the questions:
  - How can the councils allow staff to connect their Council computers (PCs, laptops) anywhere on the three boroughs’ networks, log on to their employing borough, and work exactly as if they were physically in their employing borough? How can the

Councils reduce the ICT cost of accommodation moves and ensure staff are located where they can work most efficiently?

- How can the Councils allow staff to use another borough's computer to log on to their employing borough and access a limited range of services (email, MS Office, the Internet and the Intranets)?

1.8 This report sets out the options considered and reaches some conclusions which are set out in section 2 and 3, at a total cost of £958,000, of which the H&F funding requirement is £346,000.

## **2. RECOMMENDATIONS**

2.1 The recommendation is to commission option 2 to implement a tri-borough network which will set the three Councils on a strategically aligned path and make them ready for the longer term, while simultaneously deploying option 4 tactical solution which will see wireless and wired access deployed at key sites which would not otherwise allow staff to work anywhere within them.

## **3. REASONS FOR DECISION**

3.1 The reason for the recommendation is that the tri-borough working across the three Councils is currently constrained by the technology such that staff can only work at specific desktops and at specific offices across the three boroughs' estates, reducing flexibility of deployment and impairing the ability of tri-borough services to operate as a single team. Without this technical solution these constraints will continue and the savings that the Accommodation board are anticipating from optimisation of office space will not be achieved.

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

4.1 It is estimated that well over 1,000 staff are employed across the three boroughs in H&F Children's, Adult Social Care and bi-borough in the Environment family. These staff can only work in specified locations based on the current arrangements, mostly within their employing borough

4.2 Of these staff, around 375 are required to work from different locations in a mobile way. Currently these staff need a dedicated bespoke network configuration which reduces flexibility in accommodation and requires more desks than would otherwise be achievable.

4.3 Each accommodation move tri-borough to date has averaged £50k in ICT costs alone. The proposed solution would not wholly eliminate ICT accommodation costs but would substantially reduce them and minimise the time taken to relocate staff, and enabling flexible

deployment in line with business needs and the changing co-location requirements with other teams.

- 4.4 The proposed solution would see a spend of £958,000 spread across the 1,000 staff working tri-borough giving an extra £1k per person investment. With far fewer staff employed tri-borough it makes sense to invest more heavily in the supporting ICT infrastructure, a minimal sum compared with the productivity gains anticipated.
- 4.5 Previous good practice meant that the boroughs had individually achieved around 10:7 staff to desk ratios. With tri-borough the ratio has had to revert to close to 1:1. This solution would facilitate a ratio of 10:7 and more across the three boroughs over time.
- 4.6 The result of this work will be that staff can be located wherever it makes sense from an efficiency point of view and that their work locations can be changed quickly and with minimum cost in response to the gathering pace of change in relation to business need.
- 4.7 While the solution is intended to address the key constraints that limit where staff can work, the following areas are out of scope for this project:
- Accessing other boroughs' specific applications and data, though this proposal simplifies the technical aspects of this. A separate project is already underway for a small number of prioritised applications.
  - Mobile, remote, or smart working, as this is already provided as part of each borough's own strategy.
  - Bring your own device (BYOD), which is the subject of separate project initiatives.
- 4.8 Working from Anywhere will make increased demands on the existing tri-borough interconnections. The increased usage will demand greater bandwidth, in fact already some service areas are experiencing poor response times as a result of overload on the network.
- 4.9 Increased reliance on these interconnections for normal service delivery will demand resilience to avoid service disruption. Investment in the interconnections is therefore a prerequisite for Working from Anywhere. The total indicative costs including third party supplier costs of upgrade to provide a minimum 100Mb resilience between boroughs are around £85k, detailed at paragraph 10.1. The proposal is that H&F should do this anyway, separately as there is already a problem with current volumes of network traffic, as evidenced by complaints from service users of slow response times. This will be the subject of a separate Cabinet Member Decision.
- 4.10 Tri-borough ICT programme board asked the ICT services to research four options costed round £1m, £750k, £500k and £250k.

<b>Option</b>	<b>Maximum cost</b>
Option 1: Full working from anywhere	<b>£1M</b>
Option 2: Own Council's computer from anywhere	<b>£750k</b>
Option 3: Key sites and resources	<b>£500k</b>
Option 4: 3B wireless and "co-location ready" key sites	<b>£250k</b>

### **Option 1: Full working from anywhere**

4.11 This involves redesigning the corporate network to operate as a single network, bearing in mind the needs of potential future partners such as the NHS, City West Homes, police, suppliers and others. This will enable staff to connect their council computer anywhere on the three councils' estate.

4.12 The key benefits of this approach include:

- One wire serves all three boroughs so staff can use any desk at any site, optimising the use of space
- Quick and thus cheaper to rearrange the use of space
- Users can work as if they were physically in their employing borough, accessing their applications and data, but are also able to access the local managed print solution
- ICT service support can manage the connected devices remotely, thus more cost effectively
- Simplifies the future sharing of applications and data
- Staff will be able to use another borough's computer to connect to their employing borough and
  - access a limited range of services – MS Office, email, internet, intranet - directly
  - print using the local managed print solution
  - run a remote access session as provided by their employing borough for additional functionality

4.13 However, there are some limitations with this solution. These include

- Functionality is limited due to the dependency on the locally installed software
- Accessing remotely will provide the same experience as working from employing borough
- Requires the "Connect Your Council Computer Anywhere" work as a prerequisite.

- 4.14 This option also carries a number of risks
- There may be service disruption during implementation due to the large scale of the address changes
  - Costs associated with service disruption and remedial action
- 4.15 The costs involved with this work are substantial, likely to be of the order of £1m. The work is labour intensive and not dependent on hardware. It involves the three ICT services network teams, their systems and application support teams, their architecture and security experts and project management to deliver. The work is to make unique the network addresses (IP addresses) across the three boroughs, readdressing, vacating duplicate IP ranges aligning network services and enable the use of local devices.

**Option 2: Use your own council's computer from anywhere**

- 4.16 This involves redesigning the corporate network to operate as a single network, but focusing only on the currently known set of addresses to be supported.
- 4.17 It excludes future expansion to enable other partners in significant numbers who would potentially join the Council's tri-borough network but will still permit broader partnership working. It would still accommodate for example the 38 Public Health ex-PCT staff joining WCC.
- 4.18 Broader partnership working like ASC's with CLCH or INWL will be possible as they already have dedicated machines and network access points in existing co-location arrangements. These would not benefit from this programme, regardless of the option selected. These staff would always require dedicated connections to their own networks. CLCH staff, as long as their requirement is to connect to their own systems from council premises, would still have co-location type arrangements, as they do now.
- 4.19 Compared to option 1, this reduces the flexibility to accommodate new partners and services, essentially deferring implementation costs, as the free address space needed will be designed but not implemented.
- 4.20 This offers the same key benefits are the same as option one, except that staff will not be able to use another borough's computer.
- 4.21 The limitations and risks are essential the same as Option 1, with one minor difference in that it could be delivered in a slightly shorter timescale.

**Option 3: Key sites and resources**

- 4.22 This involves redesigning the corporate network to operate as a single network, but focusing only on key sites. These sites would have to be notified in advance by the business or Accommodation board – which is not always possible for either to do in sufficient time.

4.23 The key benefits of this approach include:

- One wire serves all three boroughs – use any desk
- Quick and thus cheaper to rearrange the use of space within specified buildings
- Users at enabled sites can work as if they were physically in their employing borough, but can access only **selected applications and data**
- Users can access the local managed print solution
- Support teams can manage the connected devices remotely
- Medium cost option prioritising “single-wire” flexibility over the ability to access all employing resources

4.24 However, there are some limitations with this solution. These include

- Only key sites will be covered
- Only key resources will be accessible from those sites
- Users can only use their own borough’s machines, requiring them to bring their own laptop if they want to logon at another council building
- Increased operating costs, as the resulting network will be more complex
- Reduced responsiveness to changes in requirements arising from the emerging accommodation strategy or changes in the wider environment

4.25 This option also carries a number of risks

- Highest technical risk of all the options due to the “pick and mix” approach
- Increased risk of service disruption during and after implementation
- Costs associated with service disruption and remedial action
- Difficulty in defining and agreeing which sites and resources are required
- User dissatisfaction with scope
- Cost of provisioning “missed” sites and resources on an on-going basis

#### **Option 4: 3B wireless and “co-location ready” key sites**

4.26 This option would expand the current wireless solutions from being available in parts of a small number of key buildings to cover the significant parts of most key buildings. This would also redesign core parts of the network to facilitate the easy set-up of a co-location site, reducing the lead time involved to a matter of hours.

- 4.27 The key benefits of this approach include:
- Laptop users can work anywhere within the key sites using wireless, and work as though they were physically located in their employing borough
  - For network-intensive requirements and for other devices (desktop PCs, VOIP handsets), wired access points in the key locations can be configured on request for a particular borough
  - Users can access the local managed print solution
  - Support teams can manage the connected devices remotely
  - Low cost option prioritising access to all employing resources over Option 3's "single-wire" benefit
  - Should be possible to fully deliver in six months
- 4.28 WCC do not currently have wireless infrastructure on which tri-borough wireless can be built, although installing this is part of a network upgrade proposal within the capital programme. While this is planned, the expenditure is in the process of being approved.
- 4.29 However, there are some limitations with this solution. These include:
- This does not provide a tri-borough network, and does not, therefore, simplify and reduce the future cost of sharing applications and data. Although it is low cost, it does not have a great business case in terms of the accommodation flexibility that is the core requirement, except in the short term.
  - Computers without WiFi capability would rely on wired connections
  - Wired connections are not tri-borough – they are all configured for a particular borough, like the three-colour cables currently in co-location sites.
  - Changes to wired connections needs some ICT services work each time, increasing the operating cost.
  - Users can only use their own borough's machines, requiring them to bring their own laptop if they want to logon at another council building.
  - At this price, the WiFi capacity (in terms of coverage, if not usage) would not scale up any further without substantial additional investment.
- 4.30 This option also carries a number of risks
- If WCC do not gain approval for their wireless plan the wireless element of the solution may only cover key sites in H&F and RBKC
  - Detailed design work could identify additional investment needed at particular sites or in the corporate infrastructure.

- Network-intensive requirements could arise unexpectedly (e.g. Windows updates), leading to reduced WiFi performance
- Users will not necessarily realise that they have network-intensive requirements, and could as a result suffer poor performance by using WiFi rather than a wired connection
- This option will use some of the room for expansion within the existing WiFi infrastructure. If there is a requirement to preserve the existing scalability, additional costs will be incurred, either as part of this project or deferred until demand arises.

4.31 The options are summarised in the tables below in terms of their ability to achieve the objectives of Working from Anywhere.

Option	1	2	3	4
	Full working from anywhere	Own Council's computer from anywhere	Key sites and resources	3B wireless and co-lo ready key sites
Site Coverage	☆☆☆	☆☆☆	☆☆	☆☆ <sup>1</sup>
Services Available	☆☆☆	☆☆☆	☆☆	☆☆☆
Flexible Working	☆☆☆	☆☆	☆☆	☆☆ <sup>1</sup>
Tri-Borough Network	☆☆☆	☆☆☆	☆☆	
Risk During Implementation	High	High	Highest	Low
% Complete in 6 months	0.4	0.5	0.5	1
Cost	ca. £1M	ca. £750k	ca. £500k	ca. £250k <sup>2</sup>

Option 1: Full working from anywhere	Best for site coverage, services available and fit with flexible working. A true tri-borough network, simplifying the future sharing of applications and data as well as providing immediate connectivity "employing". Lowest on-going support overhead. Degree of change involves high risk and a lengthy implementation.
Option 2: Own Council's computer from anywhere	Compromise on Option 1, having removed the "Use Another Borough's Computer" requirement and deferred some non-essential changes. Hence the lower score on flexible working, and slightly quicker timeline.
Option 3: Key sites and resources	Deeper compromise, producing a limited tri-borough network. Highest risk because of the "pick and mix" nature of the solution. Timescale not improved over Option 2 because of the need to prioritize and design workarounds rather than simply re-addressing all conflicting devices.

<sup>1</sup> If WCC implements corporate WiFi

<sup>2</sup> WCC £250k separately funded



Option 4: 3B wireless and co-lo ready key sites	This is not a tri-borough network, but an evolution of co-location sites. A limited option, delivering reasonable flexibility to connect “employing” only. However, this delivers nothing to simplify the future sharing of applications and data, or towards the future management of tri-borough networking as a shared service. Costs are subject to detailed design.
-------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## 5. RISKS

5.1 The business impact of not adopting option 2 is as follows;

- Space cannot be used flexibly, as users need a desk specifically equipped for their borough
- Any requirements for touch-down, pop-up teams or more permanent co-location need to be planned well in advance and funded and executed as ICT projects in their own right
- Co-location of teams will remain inefficient both in terms of expenditure to enable new sites and in the quality (response times, resilience) of service
- Co-located colleagues from different boroughs remain on separate networks, and providing access to common resources remains complex and inefficient
- Teams need to be fully bonded and efficient (able to cover for each other, for example) so separate setups for each borough’s staff continue to militate against that.

5.2 All these lead inevitably to higher point costs for each solution and lower efficiency levels for staff whose workload has increased. It is also incurring higher ICT support costs on an ongoing basis estimated to be round an FTE per borough currently

5.3 If the work is not done now, then it will inevitably have to be done by the suppliers of the new services in the ICT provision procurement, thereby leading to a higher transition cost for the procurement.

## 6. SAVINGS

6.1 The savings anticipated are in three areas – cost avoidance in future co-locations; reduced cost in accommodation moves which a previous paper estimated to be in the region of an average of 25k per move; enabling the savings from the property rationalisation of over £1m pa.

6.2 Currently the infrastructure set up is a major barrier to the full delivery of staffing efficiencies. These proposals would see considerable productivity benefits which are non-cashable. These include cost and effort avoidance in travel and extra productivity from staff able to work anywhere.

### 6.3 Savings table

Description of saving	£'000 p.a.	total three years
Accommodation moves for each co-location site assume 5 per annum	25	375
Property rationalisation savings enabled	1,000*	3,000

\* savings calculated by the accommodation property board tri-borough

## 7. EQUALITY IMPLICATIONS

7.1 There are no direct equality implications arising as a result of the recommendations of this report, but it will mean greater flexibility for staff and will support tri-borough working, which aims to protect front line services. As such the recommendations will have an indirect positive impact on residents.

## 8. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

8.1 There are no procurement related issues as the recommendations contained in this report relate to an order to be placed under the contract with H&F's strategic ICT provider, H&F Bridge Partnership. partner. Each council will commission its own ICT provider for its own element of the work.

## 9. COMMENTS OF THE DIRECTOR OF LAW

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

## 10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1 Implementing the ICT technical solution in support of Working from Anywhere requires an initial investment to improve the interconnection, as set out in the table below:

Interconnections via	All options - 5 year TCO £k			
	H&F	RBC	WCC	Total
LPSN	5	8	91	<b>104</b>
NGN (Virgin Media EPVN)	68	5	5	<b>78</b>

10.2 These costs are however the subject of a separate Cabinet Member Decision for H&F and the usual authorisation at RBKC and WCC.

10.3 Further funding is required to implement the internal network changes. These depend on the option chosen, as set out in the table below:

Option	Implementation Costs £k			
	H&F	RBKC	WCC	Total
1: Full working from anywhere	342	107	551	<b>1,000</b>
2: Own Council's computer from anywhere	311	88	351	<b>750</b>
3: Key sites and resources	167	167	167	<b>500</b>
4: 3B wireless and "co-location ready" key sites	125	125	0 <sup>3</sup>	<b>250</b>

A cost of up to £958,000 can be anticipated in total. This is based on the recommended options, option 2 as the strategic solution and some short term critical specific sites only (i.e. not the full option 4 solution).

The cost apportionment deals with all the costs that will be incurred.

### Cost apportionment

Option	Apportionment £k			
	H&F	RBKC	WCC	Total
NGN (Virgin Media EPVN)	68	5	5	<b>78</b>
2: Own Council's computer from anywhere	281	188	281	<b>750</b>
Short term critical tri-borough wireless and "co-location ready" key sites	65	65		<b>an estimated 130 k plus 250<sup>4</sup> WCC separately funded</b>
<b>Totals</b>	<b>414</b>	<b>258</b>	<b>286</b>	<b>958</b>

## 11. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

11.1 The H&F costs of £346,000 (for options 2 and 4 column 1 above) will be funded from the Efficiency Projects Reserve. The Interconnections (NGN Virgin Media work can be progressed and funded separately and ahead of the main work as urgently required for capacity increase right now.

## 12. CONSULTATION

12.1 H&F Business Board, WCC SEB, RBKC board will see this report.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact:**

Jackie Hudson, Director for Procurement and IT strategy H&F, Tri-borough ICT lead advisor, [jackie.hudson@lbhf.gov.uk](mailto:jackie.hudson@lbhf.gov.uk), ext 2946.

<sup>3</sup> WCC £250k separately funded




<sup>4</sup> WCC £250k separately funded in the capital programme, therefore not counted in the apportionment

**Local Government Act 1972 (as amended) – Background papers used in the preparation of this report**

<b>Background Papers (all published)</b>	<b>Held At</b>	<b>Contact</b>
Tri borough ICT integration - collaboration Phase 2	<a href="http://www.lbhf.gov.uk">www.lbhf.gov.uk</a>	Jackie Hudson ext 2946
Tri-borough proposals	<a href="http://www.lbhf.gov.uk">www.lbhf.gov.uk</a>	
Tri-borough plans	<a href="http://www.lbhf.gov.uk">www.lbhf.gov.uk</a>	

# Agenda Item 10

## Executive Decision Report

<b>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</b>	Leader of the Councillor - Councillor Nicholas Botterill  Date of Decision: 10 <sup>th</sup> December 2012	
		
	Cabinet Member for Finance & Customer Services - Councillor Caplan  Date of Decision: 15 <sup>th</sup> November 2012  Executive Decision Reference: 91	
<b>Report title (decision subject)</b>	<b>TRI-BOROUGH ICT STRATEGY</b>	
<b>Reporting officer</b>	Jane West, Executive Director, Finance & Corporate Governance, Hammersmith & Fulham Council  Nicholas Holgate, Town Clerk and Executive Director of Finance, Royal Borough of Kensington & Chelsea  Barbara Moorhouse, Chief Operating Officer, Westminster City Council	
<b>Key decision</b>	Yes	
<b>Access information classification</b>	Public	

## **1. EXECUTIVE SUMMARY**

- 1.1 This report seeks the Cabinet's approval for the tri-borough ICT strategy and the funding of a contribution to the costs of undertaking the procurement of key elements of tri-borough ICT provision, a programme that should lead to significant cost reductions in ICT across the three boroughs and is a key enabler for savings in the delivery of services.

## **2. BACKGROUND**

- 2.1 As part of the tri-borough arrangements, Westminster City Council, the London Borough of Hammersmith and Fulham, and the Royal Borough of Kensington and Chelsea propose to work as strategic partners on a number of different fronts to streamline services and deliver savings. The new tri-borough shared services are critically dependant on ICT for their delivery and for the delivery of the savings from the programme.
- 2.2 Joint working demands joint support service provision. Currently, the three boroughs have different ICT service arrangements. RBKC has a largely in-house service whilst H&F have a strategic partnership with Agilisys which supplies the ICT service through Hammersmith & Fulham Bridge Partnership until November 2016. WCC has largely outsourced this service previously but those contract arrangements are coming to an end in November 2014.
- 2.3 This paper presents an update on the work being done to identify future options for the ICT infrastructure and service across Tri-Borough.
- 2.4 The importance of a Tri-borough ICT Strategy to the future successful delivery of efficient and effective Tri-borough services can hardly be over-estimated. The collection of hardware, software and networking capability that makes up today's information and communication technology is becoming increasingly integral to the way we do business.
- 2.5 When computers were first introduced they replaced high volume clerical and manual processes in areas like finance. The evolution of personal computers widened access and with the development of office and business specialist applications, computer systems became a component of all areas of work. Developments in the Internet and web sites changed the way in which organisations were able to interface with their customers, other organisations and the outside world generally. More recently developments in mobile devices and Internet access are making more flexible working possible. As mobile devices become more sophisticated and widely adopted for personal use there is a trend towards a merging of personal and business computer use.

- 2.6 Tri-borough working is expected to see a move to a broader commissioning role for services across the three authorities and an increase in service delivery work with a range of partners. There is likely to be an increase in mobile and flexible working and a move to more customer self service via the web. All these changes will depend on ICT to make them work effectively and require a Tri-borough ICT service that can respond quickly to business needs and can be adaptable and scalable to changing demands.
- 2.7 It is therefore surprising that, while ICT is becoming ever more integral to the way we do business, benchmarking data from the Society of IT Managers (Socitm) for RBKC and H&F show a general trend downwards in ICT spending.

**ICT spending as a percentage of the overall revenue budget (Socitm Benchmarking data)**

	H&F	RBKC	Benchmarking Median
<b>2001/02</b>	3.3%	4.39%	2.04%
<b>2010/11</b>	3.01%	3.01%	2.16%

- 2.8 This is undoubtedly because ICT infrastructure has become cheaper over time. Even though councils have automated more of their business, the overall proportion of public money spent in ICT has fallen. It is this observable fact, plus economies of scale by working as Tri-borough, that led Gartner to conclude in a recent study commissioned by Tri-borough, that there are savings of approximately £3 million to be achieved by implementing a Tri-borough ICT Strategy.

**3. RECOMMENDATIONS**

- 3.1 To approve the Tri-borough ICT strategy in Appendix 4.
- 3.2 To approve the establishment of a single Tri-borough ICT service under a single Tri-borough Director of ICT by 1 July 2013.
- 3.3 To approve the establishment, over time, of a ‘retained ICT function’ within the new, single Tri-borough ICT service
- 3.4 To endorse the approach for the ICT provision procurement set out in section 7.
- 3.5 To approve funding of £278,400 from WCC and H&F and £139,200 from RBKC to support the procurement process.

**4. GARTNER FINDINGS**

- 4.1 Gartner were engaged to help the boroughs assess viable options for the future tri-borough ICT service. They assessed the strategic tri-borough

business plans and used them to develop a set of ICT transformation principles listed as 1-7 below. These principles were used to validate a set of viable options for ICT service delivery against their ability to deliver against these principles. Officers have subsequently added a further principle listed as 8 below.

### ICT Transformation Principles

1	All Tri-Borough ICT decisions will be governed by and sourced through a Tri-Borough ICT board
2	During transition and transformation of Tri-Borough ICT, business as usual must be maintained
3	Standardised and common ICT services - when utilised across all councils at a Tri-borough level - will achieve greatest cost savings for ICT
4	To enable Tri-Borough working to achieve its business goals, ICT must have a strong relationship with the business and delivery partners
5	Any ICT Service should be sized for foreseeable Tri-Borough demand and provide greater value for money, be adaptable and able to be responsive to the changing needs of the business
6	The Future ICT model must retain and enhance Tri-Borough knowledge and capability
7	Service components that are not customer facing should be considered as Tri-Borough
8	The ICT service and infrastructure should be designed to take account of an emerging business landscape with a large number of potential partners and providers including small, voluntary and independent providers

4.2 Gartner summarised the key messages from their work as follows:-

**Key Finding:** The amount of business change at a Tri-Borough level is likely to be large and will require massive change in the next 5 years. This is currently being developed in business division silos. There are Common Business Requirements across Business Services, though these are not yet a focus.

- **Conclusion 1:** Gartner believes there are greater savings available than the possible £3 million<sup>1</sup> reduction in ICT costs alone - through a new, single ICT service enabling the wider rationalisation of Tri-Borough business services.
- **Conclusion 2:** The significant business savings cannot be achieved without a single and business aligned Tri-Borough ICT organisation
- **Recommendation 1:** Governance needs to be at a Tri-Borough level and lead by the business services.
- **Recommendation 2:** Organisation and service design should be the next step to ensure Tri-Borough ICT planning and procurement is effective and informed.

<sup>1</sup> Although Gartner quoted £1-2 million in Conclusion 1 in their report, they identified savings of £3 million and assumed that £1-2 million would be re-invested in the service.



- **Recommendation 3:** The design step should develop an ICT service which provides business value alongside cost efficiency – there are some decisions yet to be made on the options to either outsource or manage in-house.
- **Recommendation 4:** Gartner believes there are greater savings available through enabling the rationalisation of business services - this requires a shift from project focus to a benefits focus at programme level.
- **Recommendation 5:** Start competitive processes for WCC and include Tri-Borough ICT requirements to ensure any procurement is effective and informed
- **Recommendation 6:** Gartner recommend the three Council ICT units must agree the definition of overall “value” and in a consistent way that is in the context of business services and business priorities they should be aligned to.

4.3 Gartner helpfully divides the ICT service into seven service towers, plus a retained ICT function, as a starting point for any Target Operating Model. The service towers are set out in Appendix 1 and include:-

- The help desk
- Specialist functional applications
- Standard business applications
- Distributed computing (desktops and associated services)
- Voice and telecom
- Data network
- Data centre.

4.4 While the ICT service across the councils is expected to make its own savings, Gartner points out that ICT will also be integral in enabling the delivery of future business changes and savings. This must not be compromised by any change programme.

4.5 Based on both cost profiling and the best fit to the ICT principles, Gartner have recommended a hybrid model for delivery of the ICT service with some services outsourced and some managed in-house. In addition to service delivery, it is recommended that the retained ICT function includes what is sometimes termed an ‘intelligent client’ role.

4.6 In Gartner’s view, neither pure internal delivery nor full outsourcing is the long term solution where organisations face challenging business requirements for increased flexibility and lower cost, increasing ICT complexity and rapid change. In their view, a hybrid solution needs to be developed that takes the best of both models allows us to balance these demands.

4.7 When a service is outsourced, it is common to have a small retained organisation which acts as an interface between client and supplier to ensure a specified quality of service. The intelligent client retains sufficient technical knowledge of the services being provided by a third party to design, specify requirements competently and manage delivery of the services. The intelligent client also maintains a strategic approach to sourcing - as technology and business needs change.

- 4.8 In addition to this function, part of the intelligent client is service focussed - helping to scope and deliver service improvement and ICT-enabled business change – drawing on outsourced services where needed. This is a key component of the proposed hybrid model which will enable the new ICT service to meet the needs of the business for ICT enabled transformation.
- 4.9 A diagram showing the format of this hybrid model is shown in Appendix 2.
- 4.10 The areas that could be covered by the retained ICT function include:-
- Enterprise Architecture
  - Security and Information Assurance
  - Solution Assurance
  - Contract and Supplier Management
  - Business Relationship Management
  - ICT Strategy and Planning
  - Financial Management
- 4.11 Gartner recommended a hybrid service delivery model focusing on the outsourcing of areas such as ‘commoditised’ infrastructure where there is a good business case with potential for significant savings identified and an in-house service which has a customer and business transformation focus as well as a client role. There is clearly a ‘grey zone’ between these two categories where there is a choice as to whether to outsource or host in-house.

## **5. TRI-BOROUGH ICT STRATEGY**

- 5.1 The ICT community has been working with the other services to understand how Council services are likely to evolve over the next three to five years and what this means for the ICT services across the Tri-borough. They have also considered how ICT suppliers are likely to change in the future in the way they wish to do business eg the move to ICT as a commodity rather than a bespoke service. The findings of the Gartner Review have also been subject of much debate across Tri-borough.
- 5.2 The culmination of this work is the first Tri-borough ICT Strategy which is attached at Appendix 4. In summary, the councils have set a strategic vision for aligning their ICT services that seeks to:
- maximise business opportunities from technological change
  - consolidate and streamline the overall ICT service
  - maintain ICT services during transition of the business.
- 5.3 The Tri-borough ICT Strategy details the approach which Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea, and Westminster City Councils will take to ICT enablement of Tri-borough and Bi-borough services.
- 5.4 WCC uni-borough services and their ICT Strategy are not in scope for this Tri-borough ICT Strategy except where this addresses commodity ICT services. This approach allows business areas remaining as uni-borough services to

retain sovereignty in the commissioning and consumption of ICT services, choosing from either a Tri-borough ICT service or having the option to develop their own applications and ICT service for these uni-borough areas from their host ICT service.

- 5.5 Gartner concluded that the Tri-borough councils should move to a new, single Tri-borough ICT function in order to realise the full benefits of a shared ICT Strategy. This conclusion has support across the Tri-borough councils. It is therefore recommended that the three Cabinets give their approval to the establishment of a new, single Tri-borough ICT service under a single Tri-borough Director of ICT by 1 July 2013.
- 5.6 Gartner also introduced the concept of a 'retained ICT function' that would act as an intelligent client, own the ICT Strategy, enterprise architecture, security, supplier and business relationships and provide assurance. This has been recognised across the Tri-borough councils as representing best practice and has been built into the proposed Tri-borough ICT Strategy. This is a departure for H&F which has this function currently outsourced. It is recommended that the three Cabinets give their approval to the establishment, over time as contractual arrangements allow, of a new 'retained ICT function' within the new, single Tri-borough ICT service, possibly from 1 April 2014.
- 5.7 The three Tri-borough Cabinets are asked to approve this first Tri-borough ICT Strategy document. However, ICT Strategy constantly evolves and that is even more true where the strategy is supporting a business model, Tri-borough, which itself is evolving fast. It is envisaged that regular, probably annual, updates will be required to the strategy.

## **6. TRI-BOROUGH ICT TECHNICAL BLUEPRINT**

- 6.1 One of Gartner's key recommendations is that the three councils undertake some technical design work before going to the market. The aim is not to undertake a detailed technical design but to specify in sufficient detail the future technical blueprint that will inform the imminent and any future procurements and set a clear technical direction for a cohesive infrastructure. The output of this technical design will be a technical blueprint, a set of technical design principles and a technical architecture.
- 6.2 This work will cover all the service towers. It will need to take account of and collaborate with ongoing work to develop a more cohesive network, enable access to business applications across the three councils and contribute to the specification that is being developed by Westminster for the procurement. By setting out an agreed path towards a common technical architecture, this will reduce the risks for potential bidders for the larger ICT service provision and therefore reduce the costs for the three councils.
- 6.3 The councils have appointed Fordway to provide an impartial recommendation and an optimal design to give a framework within which future IT decisions can be made which will ensure future integration of ICT systems, processes and information as well as value for money. The design will also highlight areas of work to undertake prior to transition to new

management arrangements with a view to simplifying the transition and reducing the costs involved. This commission will cost £47,500 (£15,833 per council).

## **7. TRI-BOROUGH PROCUREMENT STRATEGY**

- 7.1 The other immediate concern is that WCC's outsourced ICT services that are provided by Serco (which recently acquired Vertex) come to the end of their contract in November 2014 and therefore need to be re-tendered. Given the Tri-borough ICT Strategy, it is vital that this procurement is undertaken on a Tri-borough basis to provide the flexibility for services to be aligned eg at the end of H&F's HFBP contract in November 2016.
- 7.2 It is recommended that the procurement strategy should be to tender contracts that will be available for all three boroughs covering the following areas:-
- 7.2.1 Distributed Computing
  - 7.2.2 Data Centre Services
  - 7.2.3 Service Desk
  - 7.2.4 Service Integration and Management
- 7.3 There are already contracts in place covering Security Services, Voice & Telecom and Data Networks which can be accessed by all three boroughs.
- 7.4 It is proposed that the procurement is led by WCC but with the other two boroughs playing an active role in choosing the eventual suppliers. It is proposed to use the restricted tender process which will commence early in the calendar year 2013. This gives sufficient time between now and then to draw up a detailed specification using the technical blueprint described in section 6. Contract award would be by early 2014 in order to allow a nine month transition to November 2014 for WCC. The contract would be available for H&F when their contract with HFBP concludes in November 2016. RBKC can choose whether or not to join at any time once the contracts are in place. See Appendix 3 for timeline with key milestones.
- 7.5 A budget of £696,000 is required to undertake the procurement exercise. This will cover a project manager, specialist ICT advice, legal advice and procurement advice. A suitable methodology will be required to apportion this expenditure between the three boroughs. In the first instance WCC and H&F should budget to fund 40% of the cost (i.e. £278,400) each given that RBKC is most likely to draw down only two of the four services. RBKC should budget to fund 20% of the cost i.e. £139,200.<sup>2</sup>

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<sup>2</sup> The likelihood that RBKC will not draw down all the frameworks reflects Gartner's view as to where the bulk of the savings lies; the broad equivalence of costs across the three boroughs in last year's cost baselining exercise; and RBKC's current view that the in-house provision can add more value with greater agility and knowledge of the business at lower risk than through an outsourced alternative.

- 7.6 It should be noted that it is likely that there will be TUPE implications for staff at RBKC, WCC, HFBP and Serco. This will need to be considered as part of the procurement strategy.

## **8. REASONS FOR DECISION**

- 8.1 Cabinet endorsement of the direction of travel is required from all three boroughs to enable some of the key components to be put in place, especially the new, single Tri-borough ICT service with a retained client function and the procurement strategy.

## **9. EQUALITY IMPLICATIONS**

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

## **10. LEGAL IMPLICATIONS**

- 10.1 Procurement of consultants and the ICT services will need to be carried out in accordance with EU procurement rules and the three Councils' contract standing orders.

## **11. FINANCIAL AND RESOURCES IMPLICATIONS**

- 11.1 The Tri-borough Corporate Services Programme predicted in 2011 that savings of £3 million should be deliverable from the ICT function alone by 2015/16 by bringing ICT services together. This total has been verified by Gartner, albeit using a different approach.
- 11.2 Costs will be incurred in developing a new, single Tri-borough ICT function but in reality many of these costs would have been incurred if the boroughs had continued with single ICT functions. A good example is the cost of the procurement strategy. This is estimated to require funding of £696,000 for the three boroughs but all three councils would have required procurement funding as existing contracts fell for renewal or new commoditised services were accessed e.g. data centres.
- 11.3 It is recommended in the report that WCC and H&F provide £278,400 each and RBKC provide £139,200 towards the cost of the procurement strategy reflecting the likely usage of the contracts.
- 11.4 There will also be a need for transition costs but these will depend on what services are drawn down from the contracts and when. Some of these costs are likely to be funded by existing ICT investment budgets in the three boroughs.

## 12. CONSULTATION

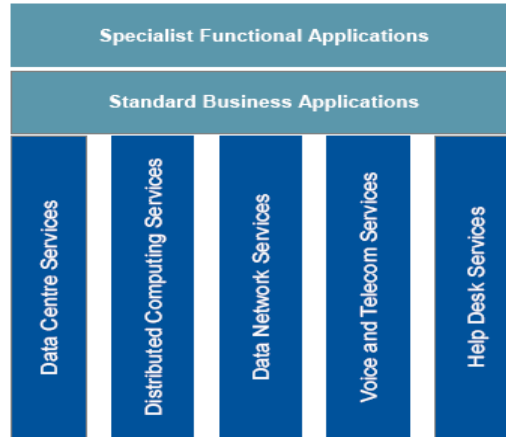
12.1 There is no legal requirement to consult with the public.

12.2 Staff will need to be consulted on the development of the new single ICT function. The Tri-borough Corporate Services Programme 'Develop' methodology will be used which includes extensive opportunity for staff consultation from the very early stages as well as the final formal reorganisation process.

### Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

Background Papers	Held At	Contact
Gartner Review	3 <sup>rd</sup> floor, Hammersmith Town Hall	Jackie Hudson 0208 753 2946

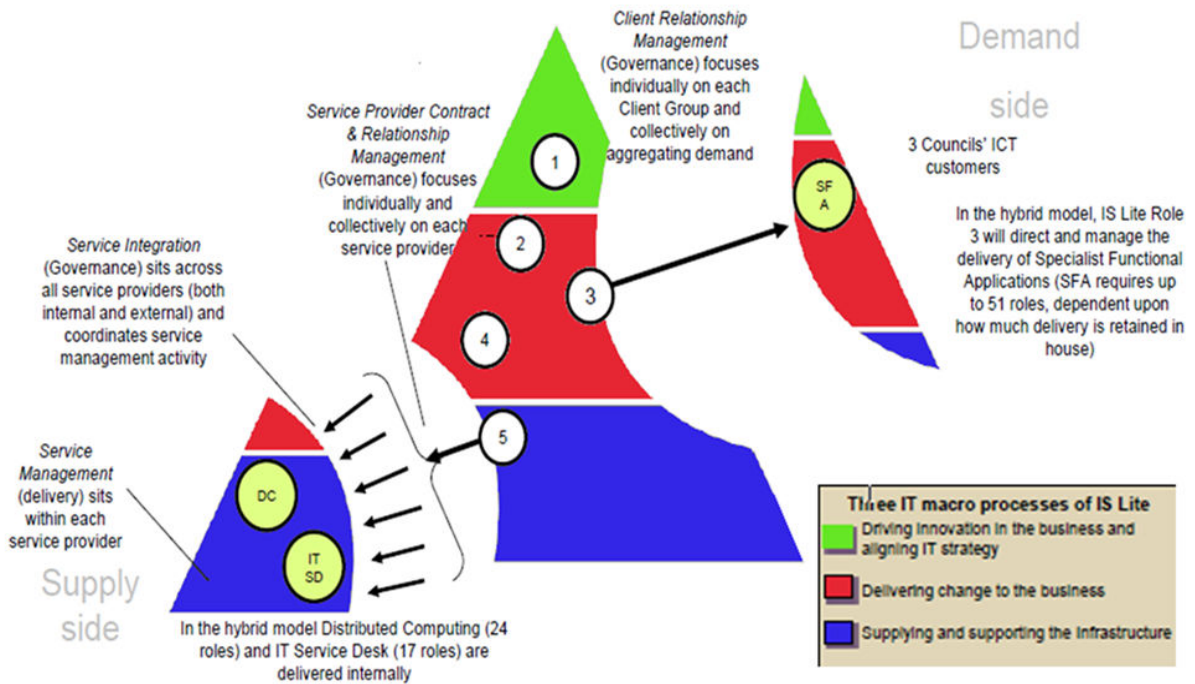
**Appendix 1 - ICT Service Towers (copyright Gartner)**



1	Help Desk Service	Personnel, hardware and software required to manage calls, such as PBX, Automated Call Distribution (ACD), service desk client & peripheral devices as well as service desk application servers.
2	Specialist Functional Applications	Applications that have functionality which is specific to the three Councils. For example, Children’s Services, Adult Social Care, Libraries
3	Standard Business Applications	Such as Finance and HR systems. These are being considered separately as part of the Tri-Borough Managed Services Programme.
4	Distributed Computing	Desktop, laptop, thin client, tablet, and handhelds, and associated user client and messaging software.
5	Voice and Telecom	Voice premise technology and Wide-Area voice network. Hardware includes Wide-Area Voice Hardware — Switching and routing as well as terminating hardware, and telephone system equipment, but excludes smart-phone devices.
6	Data Network	WAN, MAN, LAN, Internet Access Services (IAS). Security hardware and software, transmission, and network operations are also included.
7	Data Centre	Mainframe, Unix, Wintel, Storage plus any other platform running in the data centre. This tower also includes disaster recovery, software licenses, and inter- and intra-data centre connectivity.

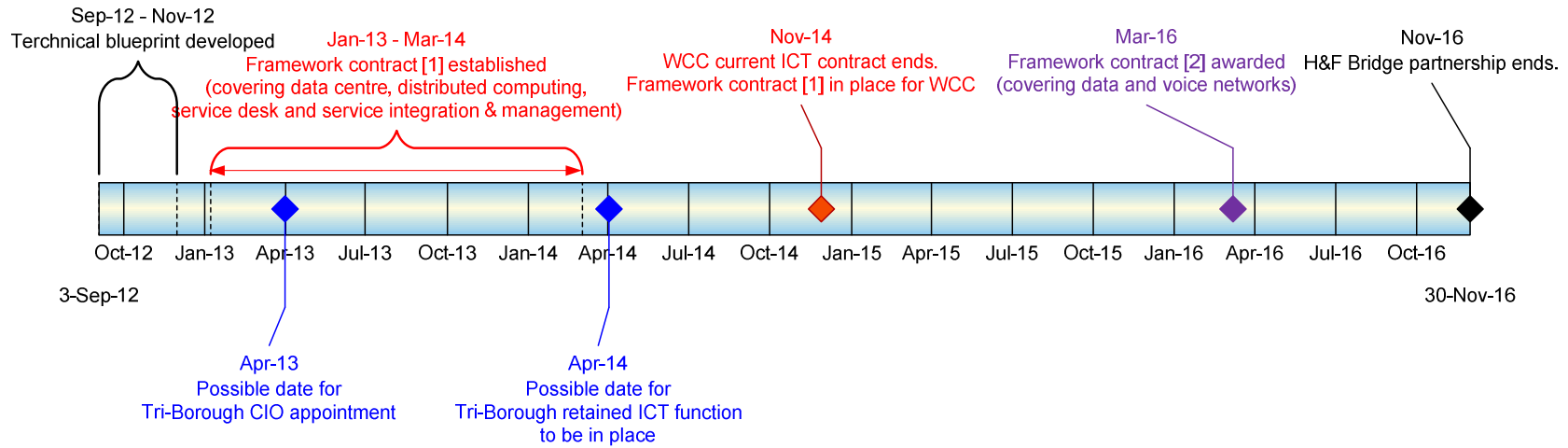
**Appendix 2 - Hybrid model for ICT service delivery (copyright Gartner)**

**IS Lite**





**Appendix 3 – Timeline showing key milestones**



**Appendix 4 – Tri-borough ICT Strategy (Version 1.17b)**



Tri-Borough ICT  
Strategy v1.17b.doc

# **The Vision for Tri-borough ICT – A Tri-borough ICT Strategy for 2012-2015**

## Version Control

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# 1 Executive Summary

- 1.1.1 This Tri-borough ICT Strategy details the approach which Hammersmith and Fulham, the Royal Borough of Kensington and Chelsea, and Westminster City Councils will take to ICT enablement of Tri-borough and Bi-borough services (referred to throughout collectively as Tri-borough, see Error! Reference source not found. Table 1 below).
- 1.1.2 WCC uni-borough services and their ICT Strategy are not in scope for this Tri-borough ICT Strategy except where this addresses commodity ICT services. This approach allows business areas remaining as uni-borough services to retain sovereignty in the commissioning and consumption of ICT services, choosing from either a Tri-borough ICT service or having the option to develop their own applications and ICT service for these uni-borough areas from their host ICT service (see Error! Reference source not found. Table 1 and 3.2.5).

WCC Uni-borough*	Bi-borough	Tri-borough
<b>Built Environment</b> <ul style="list-style-type: none"> <li>• Development Planning</li> <li>• City Planning</li> <li>• Transportation</li> </ul>	<b>Transport and Technical (TTS)</b> <b>Environment, Leisure and Residents (ELRS).</b> (Note TTS and ELRS are known collectively as the Environment family of services.)	<b>Adult Social Care (ASC)</b> <b>Children's (ChS)</b> <b>Libraries</b>
<b>City Management</b> <ul style="list-style-type: none"> <li>• Street Management</li> <li>• Premises Management</li> <li>• Parking</li> <li>• Waste and Parks</li> </ul>	<b>Corporate</b> <ul style="list-style-type: none"> <li>• Organisational Development (OD) and Programme Management Office (PMO)</li> </ul>	
<b>Housing and Property</b>	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• HR</li> <li>• Finance</li> <li>• Performance</li> <li>• Legal</li> </ul>	
<b>Corporate</b> <ul style="list-style-type: none"> <li>• Organisational development (OD) and Programme Management Office (PMO)</li> <li>• Procurement</li> <li>• HR</li> <li>• Finance</li> </ul>		



<ul style="list-style-type: none"> <li>• Communications including Member Services</li> <li>• Performance</li> <li>• Legal</li> <li>• Revenues</li> <li>• Customer Services</li> </ul>		
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\*subject to change as agreed over time

**1.1.3 Restructuring and aligning the three councils' ICT delivery will be carried out over three overlapping phases:**

- **Connect** – link existing infrastructure and line of business and other applications (e.g. finance and HR), where cost effective, to support combined service teams and enable secure access to applications and information from anywhere;
- **Consolidate** – bring networks and applications together to enable information sharing and access from anywhere
- **Combine** – provide single combined service applications and information management, supported by a combined ICT Support service

**1.1.4 Delivering these changes will enable Tri-borough services, allowing access to any information from anywhere, and supporting the delivery of savings of £4m from ICT spending by 2014/15, and rising to £5.3m in 2015/16 – see Table 2 in section 5.1.2. Managed Services savings were in the original Tri-borough ICT savings proposals, in the paper “Bold Ideas for Challenging Times” but have been removed from Table 3, because their delivery is now through a different programme.**

**1.1.5 The ICT service and future infrastructure will be designed to take account of the emerging business landscape with a large number of potential partners and providers including small voluntary and independent providers. Sections 3.2 and 10.2.2 show the business and ICT delivery roadmaps covered by this strategy.**

**1.1.6 Designing the Tri-borough ICT provision will be guided by clear business and ICT design principles, detailed in sections 7.2 and 7.3.**

**1.1.7 Delivering Tri-borough ICT will be achieved through a single ICT organisation in order to enable combined services to operate effectively, overseen by a business-led Tri-borough governance model, detailed in section 8, to deliver optimum overall value to the business. The organisation will be led by a Tri-borough Director for ICT, and will include the retained functions shown in Appendix 2, including:**

- the intelligent client which consists of
  - the PMO
  - ICT Strategy, and

- **Contract management;**
- **the WCC ICT service supporting WCC Uni-borough services (Error! Reference source not found. Table 1)**
- **Operations, the retained service delivery arm**

**1.1.8 Competitive sourcing for commodity ICT services will be used to ensure that the councils get best value from their ICT service and infrastructure with distributed computing, data centre services, service desk and service integration and management being the first to be procured in 2013, led by WCC. The first implementation of this service by November 2014 will support WCC Uni-borough and Tri-borough services.**

**1.1.9 Over time and subject to approval, a single Tri-borough retained intelligent client will be formed to provide leadership, develop the strategy and a Tri-borough enterprise architecture, support business transformation and manage and monitor service delivery to agreed high quality performance levels.**

## 2 Introduction

- 2.1.1 The three councils are embarking on a ground-breaking programme of change in response to unprecedented economic times and increasing customer demands. Radical proposals put forward in the 'Bold ideas for Challenging Times' report and accepted by the three councils' cabinets will reduce management and overhead costs and increase capacity by:
- Combining some customer service functions into cross-borough teams;
  - Transferring some functions to external organisations;
  - Reducing procurement costs through improved processes and increased co-ordination; and
  - Integrating back office functions into combined services.
- 2.1.2 These proposals are expected to deliver better services to the public and achieve savings by delivering services differently, combining teams and using the greater bargaining power to reduce costs. The councils are leading the way in London in reshaping services. Tri-borough working will involve fundamentally challenging the way services are delivered whilst ensuring individual council sovereignty and identity is retained.
- 2.1.3 These new service delivery models need to be supported by a transformed and enhanced ICT capability which will require alignment across the three councils. ICT will need to be flexible to be able to adapt to the changing business models and needs. The ICT service will need to have access to the right skills and capacity to work alongside the business to deliver transformational service change whilst providing greater value for money.
- 2.1.4 This strategic vision establishes future direction for a Tri-borough ICT Service that is flexible and responsive to the planned changes in the way services are delivered in the move from single to joint borough delivery. It is intended to guide the development and prioritisation of ICT initiatives to underpin service transformation and includes a top level roadmap identifying the ICT needed to support the business change. This will evolve over time to define an agreed sequence of ICT projects and changes required to support the successful delivery of Tri-borough working.

## **3 High level business requirements**

### **3.1 Summary of business requirements**

**3.1.1 Services will undergo profound changes through to March 2015 in the move to Tri-borough working, resulting in a wide variety of business models being used across the councils, including:**

- Fully combined Tri-borough services
- Combined Tri-borough management layer
- Bi-borough model variations of the above
- Single or uni-borough services

**3.1.2 Delivering cross-council services and closer integration with external partners will depend on ICT as a key enabler. This means ICT must support mixed delivery models, enabling data to be transferred to single Tri-borough systems or shared between separate council systems. For example, finance data for various services will be managed at a Tri-borough level, but will also need to be reconciled back to individual council finance systems.**

**3.1.3 The first phase of service restructuring will focus on:**

- Connect – link existing infrastructure and line of business and other applications (e.g. finance and HR), where cost effective, to support combined service teams and enable secure access to applications and information from anywhere. This may include moving users to a single location or existing IT service;
- Consolidate – bring networks and applications together to enable information sharing and access from anywhere
- Combine – provide single combined service applications and information management, supported by a combined ICT Support service

**3.1.4 This will enable:**

- Services teams to be located in buildings across the three councils to support new business models;
- Managers and staff to access all the applications they need to store, access, and share documents needed for their roles;
- Cross- and uni-borough services to reduce their ICT costs; and
- Staff to be contactable on their normal telephone extension.

**3.1.5 Further service transformations are currently being planned, but will potentially include:**

- An increased use of customer self-service, enabling customers to remain self-sufficient by accessing and managing their social care provision via self service channels;

- Integrating services with external groups, for example, Adult Social Care with the Central London Community Heath (CLCH) NHSTrust, and other NHS and social care providers; and
- Transferring services to existing or newly established external organisations, for example, the Tri-borough Managed Services Programme establishing a framework for outsourcing corporate back office services in Finance, HR, Assets and Business Intelligence from autumn 2014.

3.1.6 It is clear that ICT will play a strong supporting role in this transformation and this strategy will be developed to meet these needs as they are established.

### **3.2 *Business change landscape***

3.2.1 Many areas of the business will be affected by Tri-borough working in different ways, and at different times over the next three years. The move to Tri-borough working will require a mix of new council wide ICT services, and others more specific to each business area.

3.2.2 Each business area across the councils will have a range of choices on:

- Mobile working to enable staff to access their applications and data securely from any council building, when working from home, and in the field;
- Improving the ability of elected members to access information and applications appropriate to their portfolio securely from anywhere including their own personal email accounts (e.g. Gmail); using their own equipment (e.g. iPads); business intelligence to allow fact-based decision-making;
- Secure information exchange with partner organisations, including individuals such as foster carers and large organisations such as NHS trusts;
- Potentially establishing a consolidated property gazetteer and Geographical Information System (GIS) with common support and management processes; and
- Independent or joint customer service strategies, as required by each tri-borough, bi-borough or uni-borough service, all the while maintaining sovereignty (see Customer Services section 3.2.5).

3.2.3 Each tri-borough service area will be transformed differently by the introduction of new ways of working:

***Children's Services***

- Moving from service delivery to service commissioning
- Moving to fully integrated services and core applications across the three councils:
  - Secure information access and sharing, including on-line collaboration spaces and document management and data interrogation
  - Converging applications for Education and Social Care
  - Service directory for service users and professionals
- Securely sharing data with external partners, including police, health and other agencies with better network and systems integration to support secure data sharing
- School support team and Youth service exploring moving to Mutual organisations
- Consolidating processes to improve efficiency

***Adult Social Care and Health***

- Consolidating on a single application for Social Care
- Closer integration with health organisations, including CLCH, Inner North West London and Central North West London PCT sub-clusters, and Imperial
- Integration of Public Health staff with Westminster
- Better integration with finance systems
- Network integration and secure information sharing with external partners
- Moving from service delivery to service commissioning, including wider role in Health and Wellbeing boards

***Libraries***

- Consolidating on a single application for Libraries
- Possible introduction of a single library card across the three councils
- Possible transfer to a new Mutual organisation

***Corporate Services***

- Procurement and mobilisation of Tri-borough Managed Services covering HR, Finance, Assets, and Business Intelligence from 2013-14
- Procurement and mobilisation of a Total Facilities Management service contract
- Delivering a single, shared collaboration area

3.2.4 Each bi-borough service area will also be transformed by the introduction of new ways of working:

***Environment family***

- Undertaking a series of service reviews across RBKC and H&F leading to potential service transformation
- Joint bi-borough parking back office
- Consolidating on a single application for Highways, and a single application system for Enforcement, Environmental Health, Licensing, Trading Standards, Waste, Parks management, Planning applications and Building control across H&F and RBKC

3.2.5 Uni-borough service areas transformation will be managed by each borough separately. As part of the Tri-borough work, good practice will be shared. The following principles are a general high level description, but it is not an exhaustive list and there will be differences of approach for each borough.

***Customer Services***

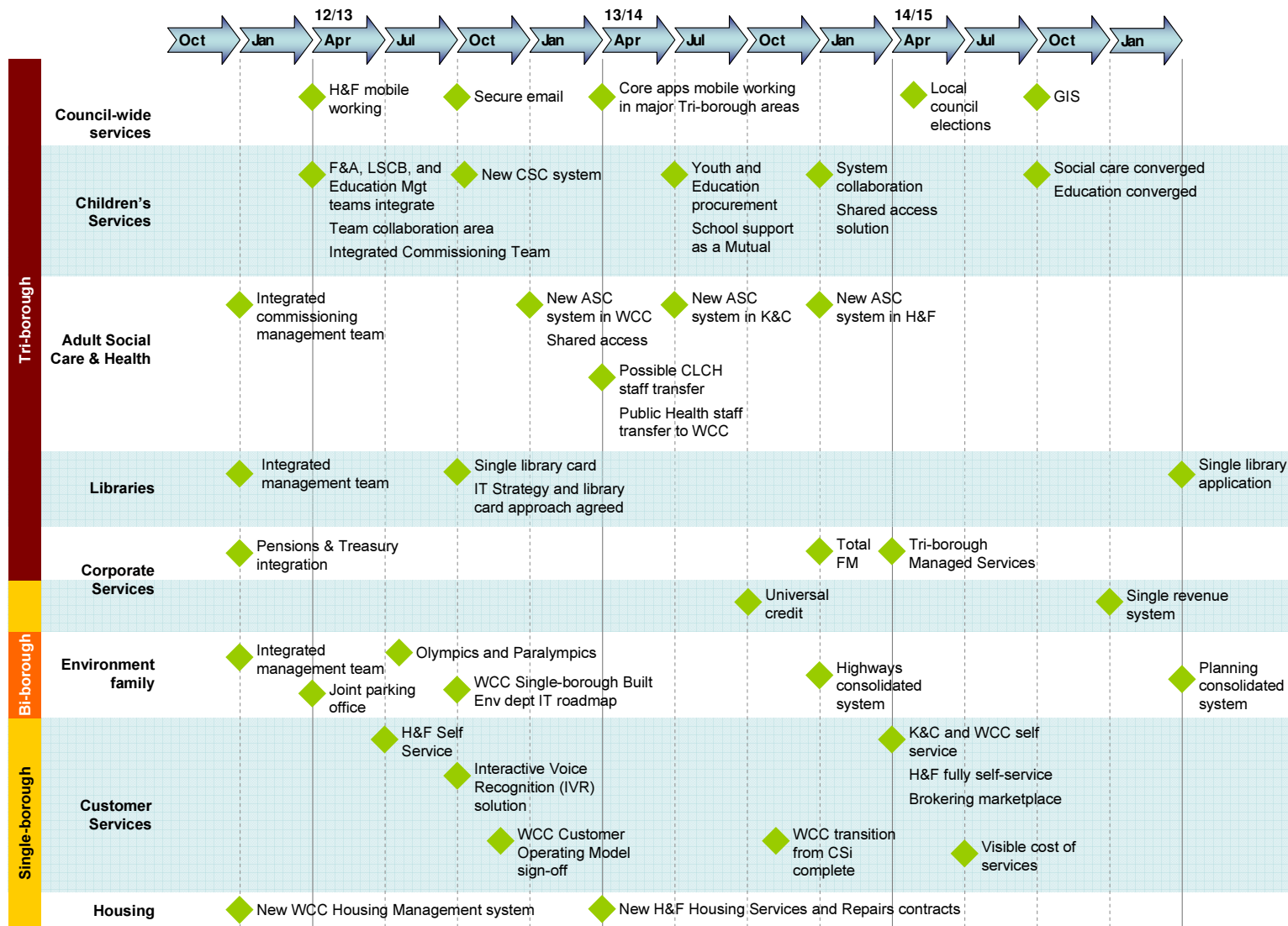
- Customer self service by default – design eService delivery across all appropriate channels up front
- Trust customers to manage their own information where possible
- No progress chasing or repeat visits wherever possible
- Use of customer intelligence to identify what customers do, what they want to do, and personalise council communications with them
- Community co-design and co-creation - more involvement of customers in shaping how services are designed and delivered
- Maximising economies of scale in IT service provision whilst allowing sovereignty in customer service and channel strategy approaches
- Public data online and transparency - giving the public ease of access and availability to information in a form they can use (e.g. Excel, RDF, etc.), with the Web being the single source of truth for customer and business alike
- Leverage knowledge, development, costs, resilience and capacity from sharing a single simple, responsive Interactive Voice Recognition (IVR) platform across the three councils
- Developing a brokering marketplace to enable customers to work with council quality assured providers
- Enabling customers to provide more feedback on online services and suppliers to support ongoing service improvement and drive innovation
- Visible cost of customer services via different channels, supporting business cases for channel shift
- Offering true end-to-end self service, with the option of access to expert help if needed, focussed assistance where it is needed to aid self-service
- Ensuring barriers are swept away and consistent customer experience can be delivered in each borough, while maintaining sovereignty

### ***Housing***

- **WCC ALMO (CityWestHomes) implementing a new housing management system**
- **H&F re-tendering their Housing Services and Housing Repair contracts**
- **K&C implementing the Civica W2 Electronic Document Management system and the Keystone Asset management system**
- **Assessing responses to Localism Bill**
- **Consideration of WCC ALMO adopting future tri-borough ICT services**



Figure 1 - Business Change Roadmap 2012-15



## 4 The vision for Tri-Borough ICT

- 4.1.1 This vision outlines how ICT will enable the business to rise to the challenges of Tri-borough working from April 2012 to March 2015.
- 4.1.2 Tri-borough ICT will deliver a common vision of service that creates an agreed direction of travel for all three councils for tri-borough services. The ICT Strategy must allow for the adoption of Tri-borough working practices in different areas of the business at different times by each of the three councils.
- 4.1.3 ICT should be seen as core to the Tri-borough service delivery. It should effectively support and drive convergence of all three councils onto the best application or solution that exists for a service (either in the market place or internally).
- 4.1.4 The ICT Strategy should, where there is a successful process or delivery model in existence within one of the three councils, adopt and promote that process or model across the three councils for tri-borough services.
- 4.1.5 The work will be in three overlapping phases with the initial focus on maintaining the ICT service as Tri-borough re-organisations take place in the business. The expected timescales and an overview of each phase are outlined below.

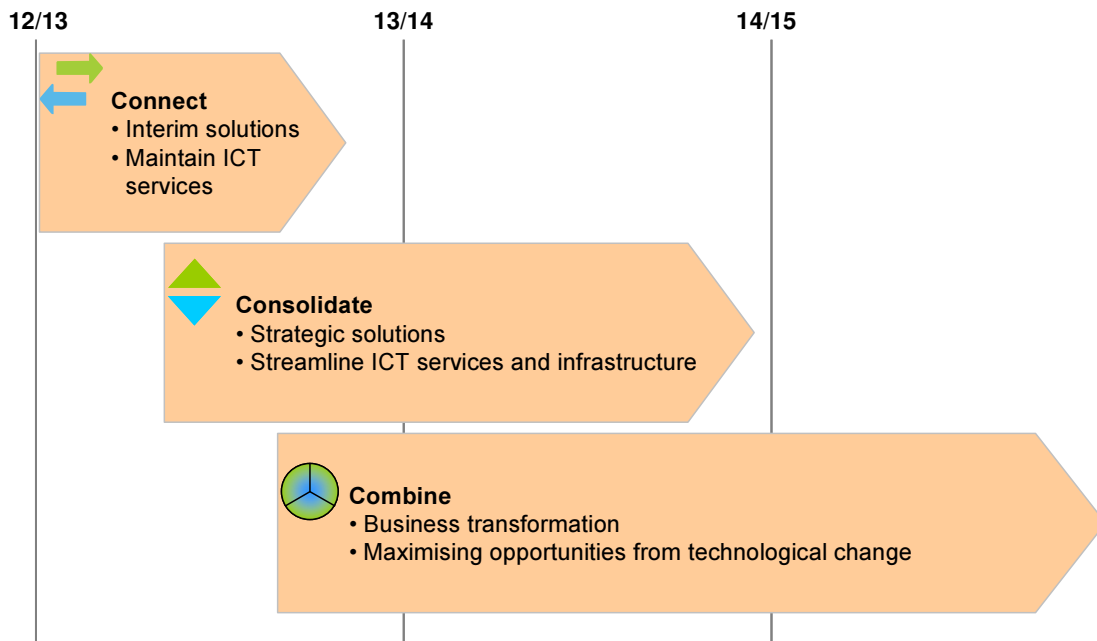


Figure 2 - Connect, Consolidate, Combine phases over time

- 4.1.6 A detailed roadmap showing key milestones within these phases is in section 10.2.2 of this document.

## **4.2 *Connect: Maintain ICT services during business transition***

- 4.2.1** A deliberate decision was taken to converge front-facing services including Adults, Children's and Libraries prior to the consolidation of back office functions such as ICT. As a result of this IT teams have been playing "catch-up" in attempting to integrate three separate Council IT environments to deliver an acceptable level of IT service to end users in the new converged teams. This has proved challenging to achieve within current contractual obligations and legacy technical complexity and security constraints.
- 4.2.2** The initial priority for delivery has been consolidating and connecting infrastructure and applications in order to support the business in its initial re-organisation and re-location. Following this initial phase the councils will need to develop ICT that is flexible, able to adapt to changing business models and able to deliver continuous improvements in ICT delivery.
- 4.2.3** The three councils will need to align current priorities and agree a mechanism for defining future Tri-borough ICT initiatives without affecting existing service delivery. They will need also need to consider how existing ICT contracts can be best utilised to meet pressing Tri-borough business requirements.

## **4.3 *Consolidate: streamline the Tri-Borough ICT service***

- 4.3.1** ICT can enable savings in the business but there is also a need to drive savings directly out of the ICT provision. Reducing spending on business as usual ICT will enable the councils to place their focus on business transformation, including consolidating data centres across the three councils.
- 4.3.2** This will be achieved by consolidating the ICT infrastructure, ICT applications and ICT service and improving the value for money achieved, increasing efficiency and economies of scale. For example, consolidating versions of MS Office and other ICT service specific applications will reduce costs for each council; enabling staff to use the same username and password for all applications to reduce the need for password resets, and making it easy for staff to see which applications they can access across all Tri-borough services.
- 4.3.3** The aim is to retain the current high level of ICT service across the councils but the age of austerity means accepting compromises between ideal solutions and what is sufficient to enable Tri-borough service delivery. The Tri-borough ICT Strategy board will oversee these decisions (see section 8.1 for details).
- 4.3.4** The creation of Tri-borough service delivery also means that staff from all three councils will need to be increasingly mobile, able to access council systems and services from a wider range of locations across the councils. Each council may host staff from all three councils, and will need to provide the right access to the right services and applications for these staff to work as effectively as if they were in their own council. Each service will transform

at different paces to March 2015 and beyond, and ICT will need to adapt flexibly to support each service as it develops.

- 4.3.5 The ICT procurement provision will deliver a hardware catalogue based on the identified business needs across the three councils. Each council can then choose desktop devices from the hardware catalogue to meet its preferred service profile, retiring devices based on their fitness for purpose relative to the business area.

#### *Mobile working*

- 4.3.6 Mobile working will also enable front line staff to use applications on the move, removing the need to go back to council offices. This will enable staff to maximise the time they can spend with customers, delivering council services.
- 4.3.7 Each council will need to make more efficient use of its buildings, supporting different working practices. Staff will need to be able to easily access any applications as if they were working in their main office, and to be able to simply communicate and share documents with colleagues from all three councils - securely.

#### *Supporting effective fact based decision making*

- 4.3.8 Across the organisation service areas, management and elected members will need the right access to the right data from across the councils for performance, financial and statutory reporting in a way that reflects the new Tri-borough service delivery models.
- 4.3.9 Business Intelligence (BI) will provide the ability to analyse data from multiple sources to identify historical and current views of the business, and enable predictions to be made about future trends and events to support decision making, including identifying where earlier interventions and better provisioning will lead to better customer outcomes and reduced Tri-borough service costs.
- 4.3.10 The three councils may also move towards an integrated property index enabled by a shared National Land and Property Gazetteer (NLPG) and GIS systems for common geographical based systems and reporting for individual councils and at a Tri-borough level.

#### *Increasing the capability and capacity of a combined service by supporting improved business processes*

- 4.3.11 As Tri-borough services transform the way they work, ICT will work proactively with the service areas to identify opportunities for ICT to enable

the business to innovate, streamline processes, realise cost and efficiency benefits, and transform interactions with customers and staff.

#### **4.4 *Combine: Maximise the business opportunities from technological change***

*Enabling integrated Tri-borough service delivery and collaboration with a range of external partners*

4.4.1 Tri-borough service delivery will increasingly involve working with external delivery providers of all shapes and sizes – community groups, mutuals, charities, private sector organisations, social care delivery groups, and various parts of the NHS. Some of the services currently provided by the councils may transition to external delivery partners, either through the transfer of staff to external organisation, or through the migration of whole services, such as libraries, to a separate organisation.

4.4.2 Tri-borough services must be delivered in a seamless, secure, and integrated way for customers and staff, at best value for money. This will demand high levels of integration from ICT to ensure data is passed seamlessly between the different organisations, and that customers are able to access the right data through the right channels.

*Sharing data securely*

4.4.3 As integration with Tri-borough partners increases and some services functions currently provided by the three councils are transferred to external organisations, sharing the right data with the right external organisation will be of key importance across a range of data types and sources.

4.4.4 New information sharing policies and agreements will be needed with external organisations, based on a Tri-borough information governance model, applying the appropriate level of protection based on data types and content and without being too risk-averse.

4.4.5 Secure information exchange will become more crucial as information will be shared with an increasing range of customers and partners. ICT must enable information to be correctly classified and protected. Below is the information classification schema for the three councils:

Table 1 - Information Classification Schema

<b><i>Unclassified</i></b>	<b>Low impact documents, or publicly available information (e.g. a list of holes in the road)</b>	<b>Can be sent via normal email across the internet</b>
----------------------------	---------------------------------------------------------------------------------------------------	---------------------------------------------------------

<b><i>Protect</i></b>	<b>Personal data being sent between councils (e.g. appraisals being sent to a manager in another council)</b>	<b>Once the networks are connected, should be sent via secure email or a secure data exchange method</b>
<b><i>Restricted</i></b>	<b>Sensitive information sent:</b> <ul style="list-style-type: none"> <li>• to and from non-government organisations (e.g. sending child details to a foster carer)</li> <li>• with other government organisations other than Youth Offending</li> <li>• Youth Offending</li> </ul>	<b>Egress</b>  <b>GCSx</b>  <b>CJM</b>

## 5 Reducing the cost of ICT and delivering savings

### 5.1 The source of ICT cost reduction and savings

- 5.1.1 Cost reduction within ICT comes from two main areas – reductions in the cost of ICT related procurement and from opportunities to reduce baseline ICT costs. Establishing Tri-borough service delivery opens up opportunities for ICT cost reduction in both of these areas and is the focus for current cost reduction plans.
- 5.1.2 Providing Tri-borough ICT will enable a reduction in business as usual ICT costs through providing single applications to Tri-borough teams, through consolidating contracts where single borough teams use the same systems, and using the greater size of Tri-borough services to reduce overall ICT costs through economies of scale.

Table 2 - ICT savings

Savings by service area <sup>1</sup>	£000's			
	12-13	13-14	14-15	15-16
Unified communications	320	370	685	685
Datacentre consolidation	0	0	0	0
Staff consolidation	50	225	300	400
Consolidation of business systems	0	1,148	1,483	1,516
Desktops and core systems	100	830	1,410	2,430
Shared directories	300	300	300	300
Savings total	770	2,873	4,178	5,331

- 5.1.3 In addition to ICT cost reduction, ICT can be used to deliver savings in the business in two further areas – the use of cost saving technology in the business, for example mobile technologies and from the use of technology to implement process improvement based business restructuring and innovation. Future Tri-borough savings are likely to be focussed in these areas.
- 5.1.4 This view of ICT cost reduction and saving delivery is based on the Gartner ICT cost optimisation model. The diagram below shows the split between ICT cost reduction in the lower half and ICT enabled savings in the upper half.

<sup>1</sup> This savings table excludes Managed Services. It only shows gross savings i.e. it also excludes the investment, such as set up and configuration costs, necessary to achieve the savings.

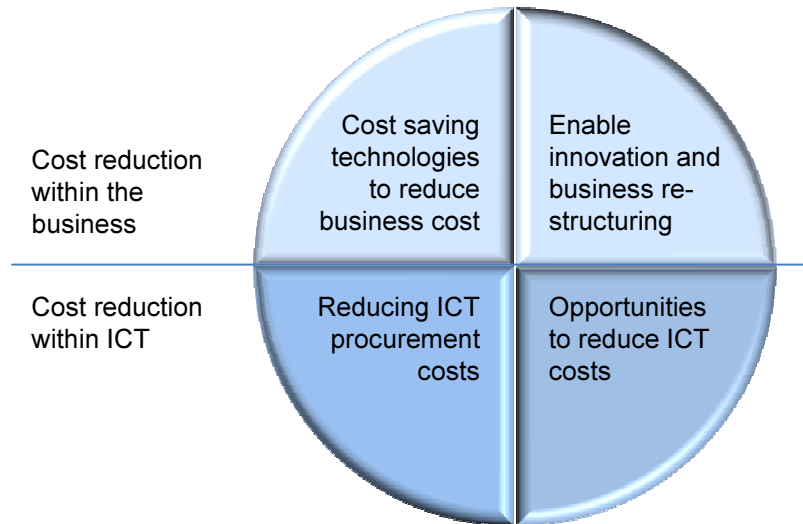


Figure 3 - ICT cost savings and cost optimisation

## 5.2 *Moving to a Tri-borough ICT service delivery model*

- 5.2.1 The three councils are leading the way in London in delivering cross-council ICT, but delivering the ICT for Tri-borough working is not simple; it will require radical changes of thinking about the technology, flexibility to support a number of different business models, innovative approaches to managing interactions with providers and new ways of providing the ICT required by the business.
- 5.2.2 Tri-borough working will require a change of culture away from each council defining their own ICT requirements to a collaborative approach for Tri-borough services which balances the needs of a wider group of stakeholders. As ICT will be delivering to a different and wider group of stakeholders, it is imperative to deliver a radically new Tri-borough ICT service delivery model.
- 5.2.3 Each council currently has different service models for ICT, increasing the challenge of delivering solutions at a pace that meets business requirements. The expiry of Westminster's current ICT contract (part of the overall Customer Services Initiative contract) in November 2014 provides an opportunity to evaluate the future Tri-borough ICT service delivery options.
- 5.2.4 The initial Tri-borough Working proposals estimated a total of £33.8m in savings across the three councils from combining service and back office delivery. This included a target saving of £4m from ICT spending by 2014/15, rising to £5.3m in 2015/16. See Table 2 in section 5.1.2.
- 5.2.5 The current baseline spending has been confirmed and a common understanding has been reached. There are a number of variables, including the delivery of service provision, the accounting treatment of desktop services, the number and range of applications, network resilience and investment, and contract costs.



**5.2.6 An options appraisal has been undertaken in order to understand the potential savings and associated transition and implementation costs of the different future potential Tri-borough ICT service delivery models. This has led to the identification of opportunities for significant savings from the current ICT provision procurement, comprising combining and outsourcing the three councils' data centres, distributed computing, service desk, and service integration and management.**

### **5.3 *Transition costs***

**5.3.1 Delivering Tri-borough ICT will mean each council will need to undertake additional work that is not currently factored into the current cost reduction plans.**

**5.3.2 The costs of the transition and subsequent ICT provision will be transparent and capable of being understood both by residents and the organisations themselves. A fair and equitable approach will be taken to both costs and derived benefits, with agreed business rules being applied to sharing benefits between the councils and services.**

**5.3.3 This strategy and the current ICT provision procurement will seek to provide the vital ability to quickly and easily reduce the cost of ICT to the business with, for example, pay as you go ICT service models.**

## **6 Delivering ICT in 2012 – from interim to strategic technical solutions**

**6.1.1 Delivering the Tri-borough business requirements will require a major change in the three council's ICT services. Staff have always been able to assume that crucially, within council boundaries; they can log onto the network from any building, have access to all relevant business applications and information, and make and receive calls between extensions.**

**6.1.2 To make this work in a flexible Tri-borough way needs a radical change in ICT service provision. It will take up to a year to achieve the vital first stages. Over the next year, ICT will support integrated working across borough boundaries by providing tri and bi-borough services with the ability to:**

- Be able to work and access key applications and information from key locations, including working from home;**
- Securely share information across council boundaries;**
- Securely exchange information and email;**
- Be able to print documents in any service location;**
- Allow staff to use their own landline extension numbers from any of the three council's locations;**
- Give the right people access to the right information through a role based security model; and**
- Obtain seamless ICT support.**

**6.1.3 Transitioning to these new solutions will present significant challenges. Tactical interim solutions will be needed to enable combined services to operate whilst more effective strategic solutions supporting the longer term requirements are established. Prioritising scarce resources on the delivery of interim solutions may delay delivery of the more strategic objectives. The business requirements are evolving as services define their new business models and processes, and the demanding timescales will potentially result in sub-optimal delivery in the short term.**

**6.1.4 The three council's ICT services need to be reviewed. For example, the three council's networks that have been designed to work separately for each council need to be brought together for bi and tri-borough services – initially in a simple way to enable basic access to applications and data, then to a more sophisticated solution that allows cost effective and secure integration between service users and key external partners.**

## 7 Tri-borough design principles

7.1.1 The following section sets out a range of business design principles that provide the framework within which the ICT will be delivered, together with a set of ICT design principles that will guide the development of the ICT service to support tri-borough working

### 7.2 *Business design principles*

7.2.1 The business design principles fall under six groups:

7.2.2 **Smarter Commissioning:** The desired Tri-Borough culture blends the best from each council with that available from the market place

7.2.3 **Reducing Overheads:** A key factor that arises from a move to Tri-Borough working is the opportunity to reduce overheads, both headcount and assets through process efficiencies

7.2.4 **Redesigning Services:** The creation of Tri-Borough working and the new approach it requires, gives an opportunity to redesign services to bring efficiency improvements to residents and employees

7.2.5 **Integrated Working:** The Objectives for Integrated Working describe new ways of working where plans and processes are built on areas which align originating council responsibilities

7.2.6 **Improved Accountability:** Tri-Borough working will require enhanced accountability for each council derived through a new governance regime respecting the needs of the residents

7.2.7 **Business Transfer:** Options that are part of the consideration of Tri-Borough working is the move to employee led business transfers and the opportunity to create new providers of services originating from within the councils

7.2.8 The business design principles in each of these areas are set out below:

Smarter  
Commissioning

1. Any service will be commissioned within a governance framework that scrutinises immediacy of requirement against future alignment
2. Any services commissioned will be tested against 'Value for Money' principles
3. Periodic market testing will be undertaken where there is a mature or sufficient market for the service
4. The councils will use market forces and bundled volumes to drive competition into any sourcing activity

	<ol style="list-style-type: none"> <li>5. Service commissioning will be done in an environment embracing improved service quality, shared learning and the delivery of innovation</li> <li>6. Outcomes of any commissioning will meet public expenditure rules and key council policy expectations and requirements</li> </ol>
<p><b>Reducing Over heads</b></p>	<ol style="list-style-type: none"> <li>7. Merging of functions will allow a reduction in staff numbers through process de-duplication and efficiency savings</li> <li>8. Release of property and other corporate assets arising from staff reductions</li> <li>9. Training costs and support for working practices can be delivered through a more streamlined delivery arm</li> <li>10. Where appropriate and where it meets data security requirements, services can be relocated outside the expensive London catchment</li> <li>11. The councils will consider using a shared corporate application infrastructure for corporate functions</li> <li>12. Joint working will reduce procurement overheads by reducing the number of procurements that the councils need to undertake Retaining Sovereignty</li> </ol>
<p><b>Redesigning Services</b></p>	<ol style="list-style-type: none"> <li>13. Aligning the requirement and use of corporate assets to streamlined Tri-Borough process and procedures</li> <li>14. Implement improved policies, processes and procedures to ensure that joint working is delivered in a secure environment</li> <li>15. Business led decision making supported by appropriate back-office corporate functions</li> <li>16. Business cases for joint commitment of Tri-Borough expenditure to be made within a framework of sound commercial context</li> <li>17. Common specifications to be adopted where it is compatible with each Council's policy objectives</li> </ol>
<p><b>Integrated Working</b></p>	<ol style="list-style-type: none"> <li>18. Implementation of unified communications; data, voice and video</li> <li>19. Efficiencies derived from de-duplicating the services provided by the boroughs</li> <li>20. Implementing shared source datasets through collaboration tools ecosystems</li> <li>21. Joint working practices developed across the councils to support integrated working</li> </ol>

	22. Create a common user interface and a common user experience
Improved Accountability	23. Deliver an enhanced governance regime to support a Tri-Borough approach 24. Respecting residents trust in council operations, data and systems
Business Transfer	25. Encourage employee-led business transfers to new providers, subject to business plan showing substantial savings

### **7.3 Tri-borough services: ICT design principles**

7.3.1 Moving from the current, single-borough ICT provision to Tri-borough working systems and applications will take place over a number of years as the business services develop and as current ICT contracts allow.

7.3.2 To allow flexibility in the speed of developing Tri-borough ICT, but enable consistent management and delivery of Tri-borough ICT, a number of design principles have been agreed. These will be used in the development of future Tri-borough working ICT systems to maintain integration with existing systems:

Information Governance and Security	<ol style="list-style-type: none"> <li>1. The service host borough will be data controller - RBKC for Children's services, H&amp;F for Adult Social Care, WCC for Libraries, and Joint RBKC and H&amp;F - service by service joint data controllers for the Environment family</li> <li>2. The Information Management Strategy and enterprise architecture will use role-based access controls, ultimately providing standardised single sign-on access to applications and data based on the job role.</li> </ol>
Support	<ol style="list-style-type: none"> <li>3. The combined service host council will support ICT and training. As an interim solution, ICT support and training will be provided by staff's employing council.</li> <li>4. Until such time as a single service desk provision is available, staff will call their employing council's service desk – support calls will be passed off between service desks if necessary.</li> <li>5. Support SLAs will be co-ordinated over time to ensure expectations are clear and consistent.</li> <li>6. Training will only be provided for line of business applications. Core applications (such as MS Office) should be easy enough to use with eLearning and with minimal classroom training.</li> <li>7. Councils may have local business support teams to help staff get maximum benefit from their ICT and to identify</li> </ol>

	<p>future business transformation opportunities. However, these local teams will not duplicate any of the corporate ICT functions. Where an application is supporting only one borough, then the support for that application may be provided through that council's business support team.</p>
<b>Projects</b>	<p>8. The service host borough will commission new projects and service requests, including securing capital and operational funding. For an interim period, the user's employing council will provision project and service requests.</p> <p>9. Project governance frameworks will be aligned into a coherent cross-borough framework balancing local and cross-borough objectives.</p>
<b>Applications and Procurement</b>	<p>10. Any new applications will be procured in such a way as to maximise volume discounts, e.g. through framework contracts for all three councils. Each council may choose to draw down from such frameworks where this meets the business need.</p> <p>11. Application and system contracts will ultimately be held by the service's lead council.</p> <p>12. Applications and services should move to managed service and web-based applications, subject to the business case demonstrating sufficient value for money.</p> <p>13. Business sovereignty will be applied where appropriate, including providing individual council branding on customer facing channels where needed.</p> <p>14. Versions of core applications will be aligned over time.</p> <p>15. Access to shared applications will be provided through a common access point.</p>
<b>Future proofing</b>	<p>16. ICT should enable moving to infrastructure-free models, subject to the business case demonstrating sufficient value for money.</p> <p>17. ICT services will be commissioned based on an understanding of the whole lifecycle, including the total cost of ownership (TCO).</p>

## 8 Tri-Borough Services: ICT governance and sourcing

### 8.1 ICT Governance

8.1.1 ICT for Tri- and Bi-borough services needs to be delivered consistently to enable combined services to operate effectively.

8.1.2 ICT Governance should be led by the business services it supports:

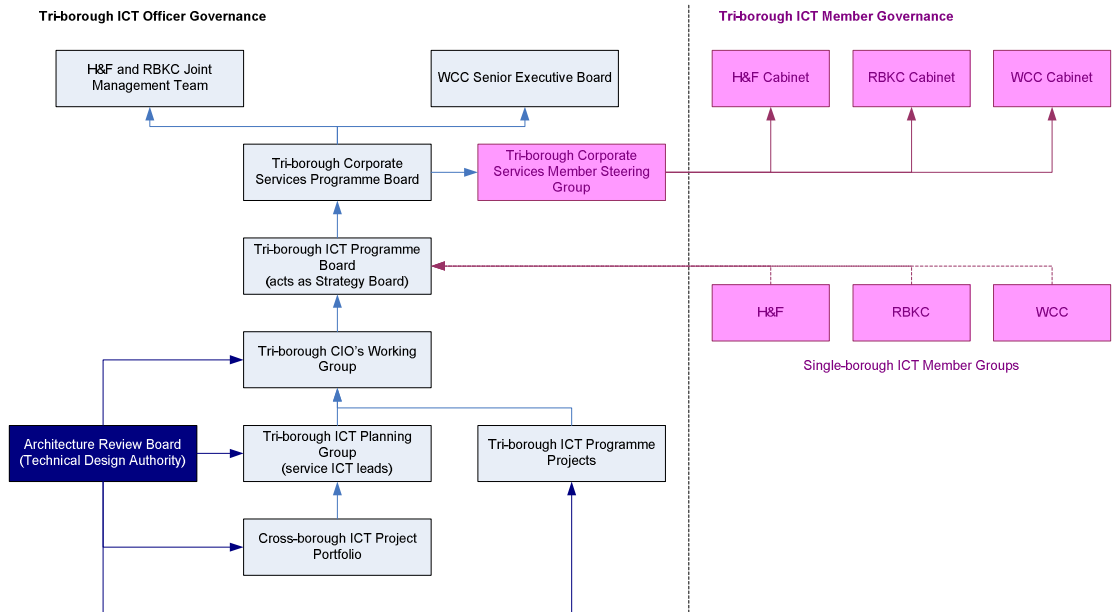


Figure 4 - Draft ICT governance for Tri- and Bi-borough services

8.1.3 A single Tri-borough retained intelligent client will be formed, subject to approval, to provide leadership, develop the strategy and the Tri-borough enterprise architecture, support business transformation and manage and monitor service delivery to agreed high quality performance levels.

8.1.4 The retained intelligent client will include the relevant levels of business development and transformation support as required by the Tri-borough service areas but must also ensure that focus is maintained on those service areas which remain single borough

8.1.5 Organisation and service design should be the next step to ensure Tri-borough ICT planning and procurement is effective and informed. A draft organisation structure is attached at Appendix 2. This shows the retained functions:

- the intelligent client consisting of:
  - the PMO
  - ICT Strategy, and
  - Contract management;
- the WCC ICT service supporting WCC Uni-borough service (see Error! Reference source not found. Table 1)

- Operations, the retained service delivery arm

8.1.6 As part of the development of a target operating model, consideration needs to be given to the scale and capability of business development and transformation and support to be delivered locally.

8.1.7 The future technical blueprint will inform the imminent and any future procurements, and set a clear technical direction for a cohesive infrastructure. The output of this technical design will be a technical blueprint, a set of technical design principles, and a technical architecture.

8.1.8 This strategy must be directed in a way that delivers optimum overall value to the business rather than focusing purely on the costs of ICT.

8.1.9 The plan is to initiate a competitive sourcing process for the provision of ICT Tri-borough. Competitive sourcing will be used to ensure that the councils get best value from their ICT service and infrastructure

## **8.2 Retained intelligent client**

8.2.1 The retained intelligent client will be responsible for the following:

### **IT leadership**

- Establishes the strategic direction in line with the business value and future needs of the enterprise in relation to IT services, and will include the Chief Information Officers (CIO). It will also include leading a shift from functional silos to processes, outsourcing much of ICT's traditional work, establishing centres of excellence.
- Technology advancement – concerned largely with introducing new technologies, and guiding the work done by centres of excellence and by external service providers.

### **Security and Information Assurance**

- An Information Governance board will continue to manage IM policy across the councils, incrementally aligning Information security policies to support information management requirements including information sharing between the councils and with external partners.

### **Technical Design Authority**

- Oversee the levels of standardisation or customisation of services over time to ensure that future value is delivered and that outsourcing does not lock the enterprise into a single method of service delivery through a monopoly service provider. This is critical to maintaining agility and choice in service delivery.

### **Business enhancement**



- For Tri-Borough ICT to deliver effectively it requires a strong business relationship management function so that business demand can be understood and catered for, together with identifying opportunities for business transformation enabled by ICT. Currently this capability is delivered with differing levels of success across the three Councils. This needs to be developed to a consistent, high quality level, focusing on the relationship between ICT and the business with strategic relationship managers who work closely with the business to get the appropriate IT resources, either in house or, increasingly, from external service providers.

### **8.3 *The ICT provision procurement***

8.3.1 This will seek to procure from the market the following four services:

- Distributed computing – desktop, email, end user software, collaboration software, in accordance with the definition in section 4.3.5
- Data centre services – provision of storage and processing capacity in a highly resilient environment
- Service desk – resolution of incidents and fulfilment of requests for new work. There needs to be sufficient help desk capability to meet business needs of the individual councils' service profiles. Some services are 24/7, e.g. WCC customer services, whilst others are seasonal, e.g. financial year end and electoral services, and will therefore need operational Service Level Agreements to meet that service requirement.
- Service Integration and Management – this service will source, integrate and monitor all IT services performed, both internally and externally, in support of Tri-borough business performance.

### **8.4 *Tri-borough Target Operating Model (TOM)***

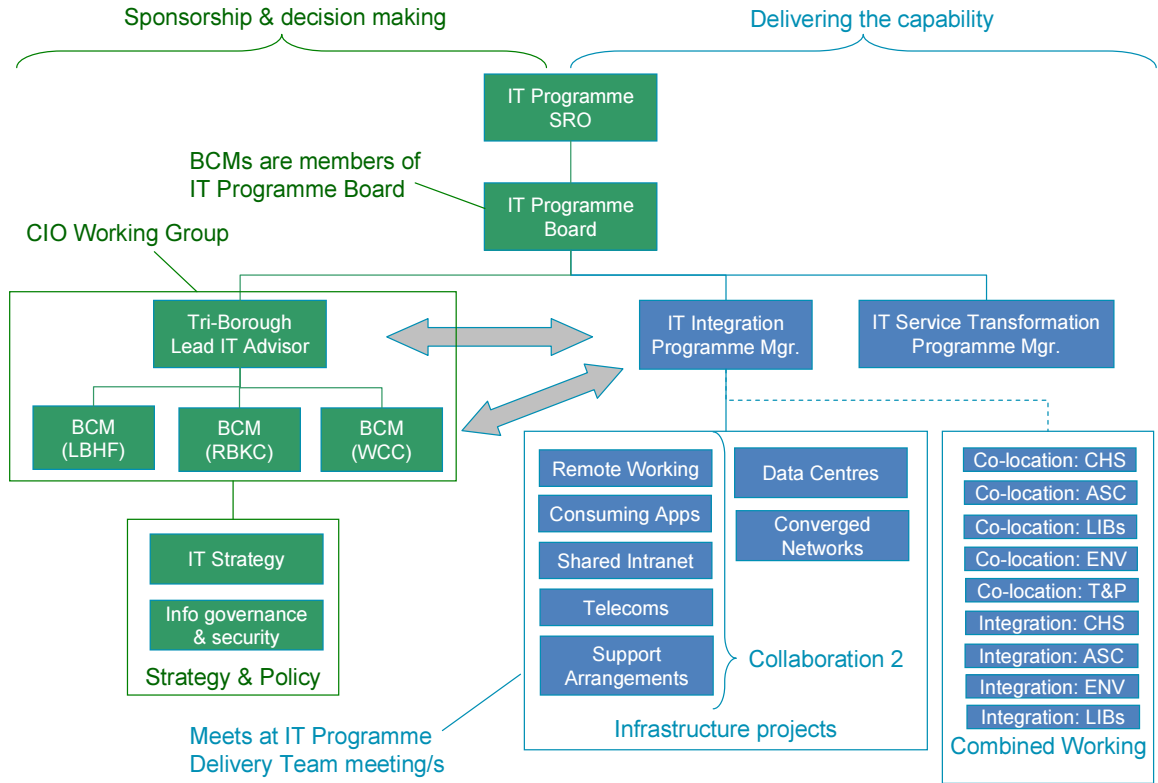
8.4.1 See diagram in Appendix 1 for details.

### **8.5 *Programme Governance***

- 8.5.1 Aligned ICT Programme Management approaches will ensure ICT investments are in line with Tri-borough strategic objectives, and ensure agreed prioritisation of investments and project approvals. Project approvals will be based on business cases detailing the project rationale, cost/benefit/risk analysis, implementation plans and project constraints. A business case repository will be maintained, including reference to the allocated funding and budgetary accountability.
- 8.5.2 A common arbitration process to resolve issues and conflicts around accountability and governance will be agreed, managed by the Tri-borough

**Programme Board.** This arbitration responsibility is expected to transfer to a Tri-borough Strategy Board during the lifetime of this strategy.

**8.5.3 The current programme governance is:**



**Figure 5 - Tri-borough ICT Programme Governance**

## 9 Tri-borough services: ICT enablers

9.1.1 Delivering the ICT that the business needs for Tri-borough working will require a number of key ICT enablers, each providing key functionality to teams across the three councils.

<i>Desktop and Telephones</i>	<ol style="list-style-type: none"> <li>1. All three councils support flexible working, but currently with different desktop and phone strategies. These will be aligned over time.</li> <li>2. The relevant desktop, laptop and mobile phone equipment will be given to Tri-borough working staff, wherever they may be working. The councils will ensure the telephone networks are able to easily redirect numbers across the three networks, including public facing numbers so that flexible estate management and moving teams between locations does not require public facing numbers to be changed.</li> </ol>
<i>Sharing documents and emails</i>	<ol style="list-style-type: none"> <li>3. Staff working in different boroughs will need to access single email solution.</li> <li>4. Document sharing will be delivered through a single shared collaborative area.</li> </ol>
<i>Phone and Web conferencing</i>	<ol style="list-style-type: none"> <li>5. Tri-borough teams will need to communicate efficiently across a wider range of locations, without having to lose time travelling. Fast and effective phone and web conferencing facilities need to be in place.</li> </ol>
<i>Access to applications and information</i>	<ol style="list-style-type: none"> <li>6. Shared access to applications and information will be delivered through the Next Generation Network (NGN)<sup>2</sup> framework agreement, together with re-engineered security arrangements.</li> </ol>
<i>Application consolidation</i>	<ol style="list-style-type: none"> <li>7. The three councils will prioritise application consolidation in line with business need and ability to deliver savings, taking account of contract expiry dates, including sharing applications across services (for example, creating intranet and internet sites in the same system), and common applications from single suppliers where possible.</li> </ol>

<sup>2</sup> The Next Generation Network (NGN) Framework was awarded to Virgin Media Business (VMB) in April 2011 to provide public sector organisations in London the ability to procure a range of network services, including full managed wide area network (WAN), internet provision, telephony, local area network (LAN) management, wireless network, and video conferencing.

<b><i>Information governance</i></b>	<p>8. Access to information and continued ownership of information assets across the re-organised services will be crucial for Tri-borough working.</p> <p>9. A Tri-borough Information Management Strategy and Information Governance model will be developed, ensuring correct information sharing and compliance with Data Protection and Freedom of Information Acts.</p> <p>10. A new security model will be required, with protection built around applications and data rather than the current high security perimeters, using a mixture of encryption, inherently secure computer systems, and data level authentication. The security model will consistent with the standards required by the secure public sector network shared between local authorities and other government organisations.</p>
<b><i>Approach to customer services</i></b>	<p>11. Delivering a transformed approach to customer services may involve, in accordance with sovereignty on service provision, a range of opportunities for:</p> <ul style="list-style-type: none"> <li>a. Sharing a single Interactive Voice Recognition (IVR) platform, implemented in the most customer friendly way possible, to provide economies of scale savings and consistent functionality across the councils, with council specific branding to reflect each council's sovereignty;</li> <li>b. Jointly developing eServices (mobile and web) capability across the three councils, and an understanding of the costs of different channels to drive future service development; and</li> <li>c. Enabling greater mobile access to relevant applications for both customers and staff, including secure information access and transfer without staff needing to return to the office.</li> </ul>
<b><i>Enterprise Architecture</i></b>	<p>12. The ICT that is delivered must be underpinned by a single enterprise architecture common across Tri-borough services. This enterprise architecture should utilise Cloud services where it is appropriate, mature and capable of delivering to the business requirements of the three councils.</p> <p>13. The ICT service will aspire to a single Tri-borough Enterprise Architecture describing the applications, information, infrastructure, and other elements of ICT used</p>











	<p><b>across an organisation.</b></p> <p><b>14. This will enable the three councils to create common interfaces, identify single and combined service components, make it easier to turn applications on and off, and provide a single view of service costs to support achieving overall cost savings.</b></p>
<p><b><i>ICT Sovereignty</i></b></p>	<p><b>15. Providing ICT to Tri-borough services may be delivered through combined service provision, with inter-dependencies between the councils' support services. In the short term the individual council ICT services will not be combined, and in the longer term any combination will be achieved through a joint ICT procurement.</b></p> <p><b>16. Any combined ICT service must be able to continue to deliver separate council financial reporting and performance monitoring to both combined management teams and separately to each council.</b></p>




## 10 The Tri-borough ICT roadmap

10.1.1 Tri-borough working will create new ways of delivering services to customers and staff through new business models, with services evolving over time and transitioning between business models. ICT needs to be flexible and adaptive to respond to these changing business requirements, including the ability to close down or start up ICT services.

### 10.2 ICT Delivery

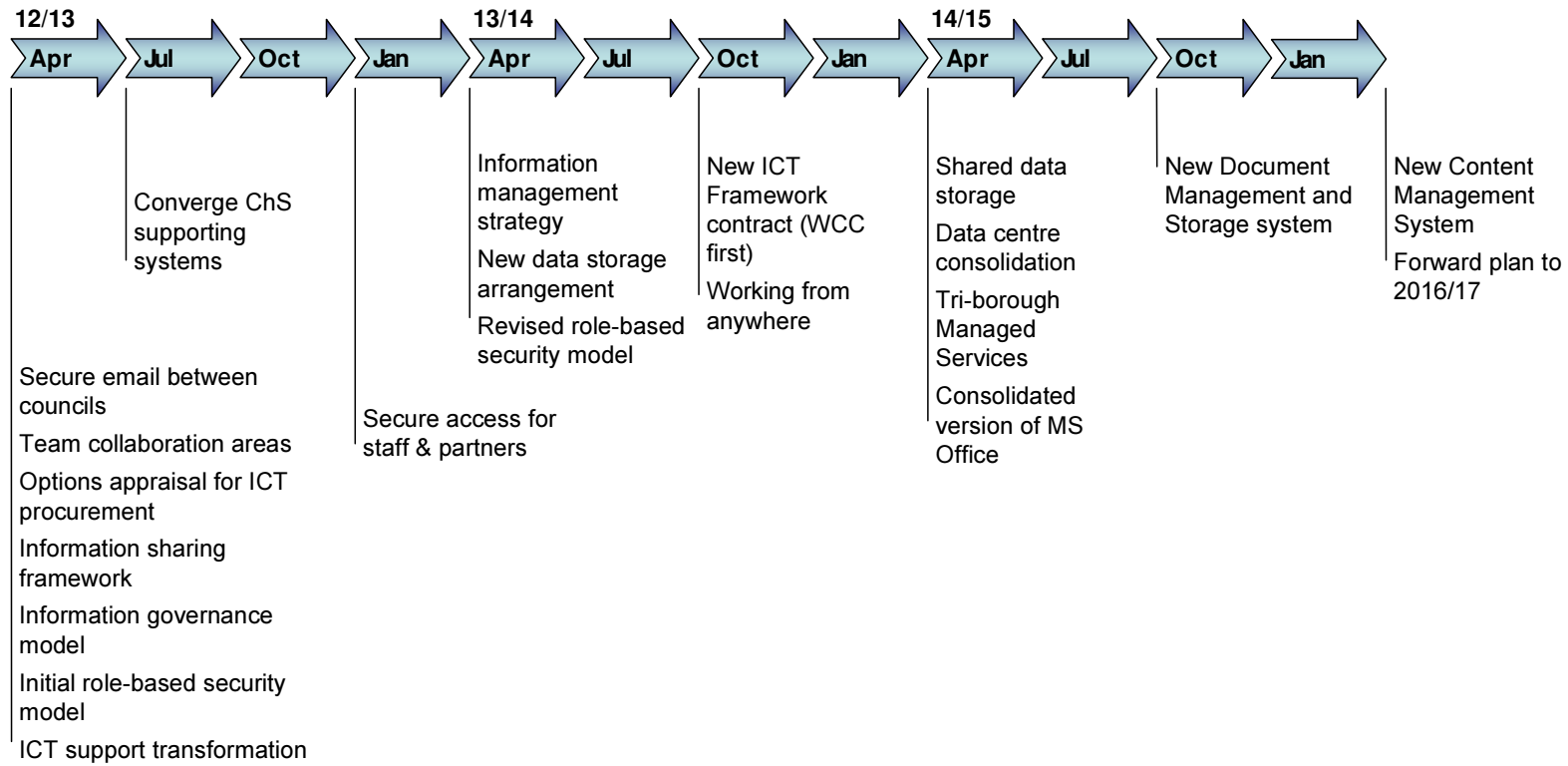
10.2.1 Tri-borough ICT will be delivered through a number of projects through to March 2015:

<i>Phase</i>	<i>Project</i>	<i>See section</i>
	Shared email contacts and visibility of free / busy time for staff across the three councils	4.2, 6, 8
	Secure email between the councils, enabling secure information sharing	4.3, 8
	New Tri-borough Information Management Strategy and Information Governance security model	4.3, 8
	Working from anywhere, including accessing shared services and files from different locations	4.2,
	Connecting ICT Support teams to provide seamless ICT support to the business	3.1
	Appraisal of options for future Tri-borough ICT supplier procurement	5.2
	Consolidating versions of MS Office across the councils to provide common versions and reduce costs	4.3
	New Adult Social Care system implementation at Westminster, Kensington & Chelsea, and Hammersmith & Fulham	3.1
	Secure access to applications and information for external partner organisations	3.1, 4.3
	Shared responsive IVR to support customer self service	3.2, 8

<i>Phase</i>	<i>Project</i>	<i>See section</i>
	<b>Shared data storage procurement and consolidation</b>	<b>4.3</b>
	<b>Implementation of Tri-borough Managed Services across Finance, HR, Assets, and Business Intelligence</b>	<b>3.1, 3.2, 8</b>
	<b>New Tri-borough ICT Supplier Framework, in line with the recommendations from the Options Appraisal</b>	<b>5.2</b>

**10.2.2** These changes will require a number of ICT infrastructure changes to enable the business transformation:

Figure 6 - ICT roadmap to support cross-borough business change





## **11 The view to 2017- technology trends**

- 11.1.1** ICT is changing at an ever increasing pace and is offering ever more flexible solutions for customers and staff. This will provide the three councils with further opportunities to transform the three councils ICT provision in new and innovative ways.
- 11.1.2** Outlined below are some of the key technology trends which are likely to impact the Tri-borough ICT strategic direction beyond 2015. Currently the three councils each have their own, separate, ICT strategies with different planned levels of adoption of these technologies. The ICT provision procurement will consider the potential future impact of these trends, and the particular trends identified here may be refined or changed as a result of the options appraisal. This is a reflection of their different starting points. It is expected that these approaches will be aligned.

### ***11.2 Virtualisation***

- 11.2.1** The creation of a virtual rather than a physical version of elements of the computing infrastructure is a key trend. It is well established for server storage and has enabled savings through more efficient use of storage, reductions in the number of physical servers and the consequent reductions in energy usage.
- 11.2.2** The trend continues with a move to virtualised applications and desktops using a server computing model where the virtual desktop is accessed from a remote server. This allows users to access a familiar desktop and use applications from devices such as Smartphones, tablets and thin client as well as thick client devices.
- 11.2.3** This move to virtualisation also enables a move to 'infrastructure free' ICT provision moving from delivering solution specific hardware to consuming ICT from external providers as a commodity. This approach replaces an organisation's capital acquisition of technology and the in-house provision of infrastructure and desktop service costs by ongoing service contracts and licensing.
- 11.2.4** The expectation is that any new service provider will propose virtualisation technologies as a solution for distributed computing (desktop) and data centres.

### ***11.3 Cloud computing***

- 11.3.1** A term describing the provision of ICT via the Internet – is an evolution of the virtualisation approach and enables ICT provision to be purchased as a utility – when and to the level required at a particular time. There is currently a definite move for non-critical applications to be hosted in the

Cloud and this trend will continue. The three councils expect to be able to take advantage of this over time.

#### ***11.4 Providing ICT equipment – bring your own device (BYOD)***

- 11.4.1 Because the virtualised model breaks the link between the user and their “own” laptop and allows them to access their systems from any browser capable device, it allows more flexibility in the devices that are used. Some organisations are adopting a Bring Your Own Device policy that enables staff to use their own devices for work purposes. This is based on the rapid increase in individual ownership of Smartphones and tablets and individuals personal preference for using these devices.
- 11.4.2 In the short to medium term it will be necessary to converge the three councils’ desktop strategies to one as a preparatory step towards enabling the organisation to work using any chosen device.

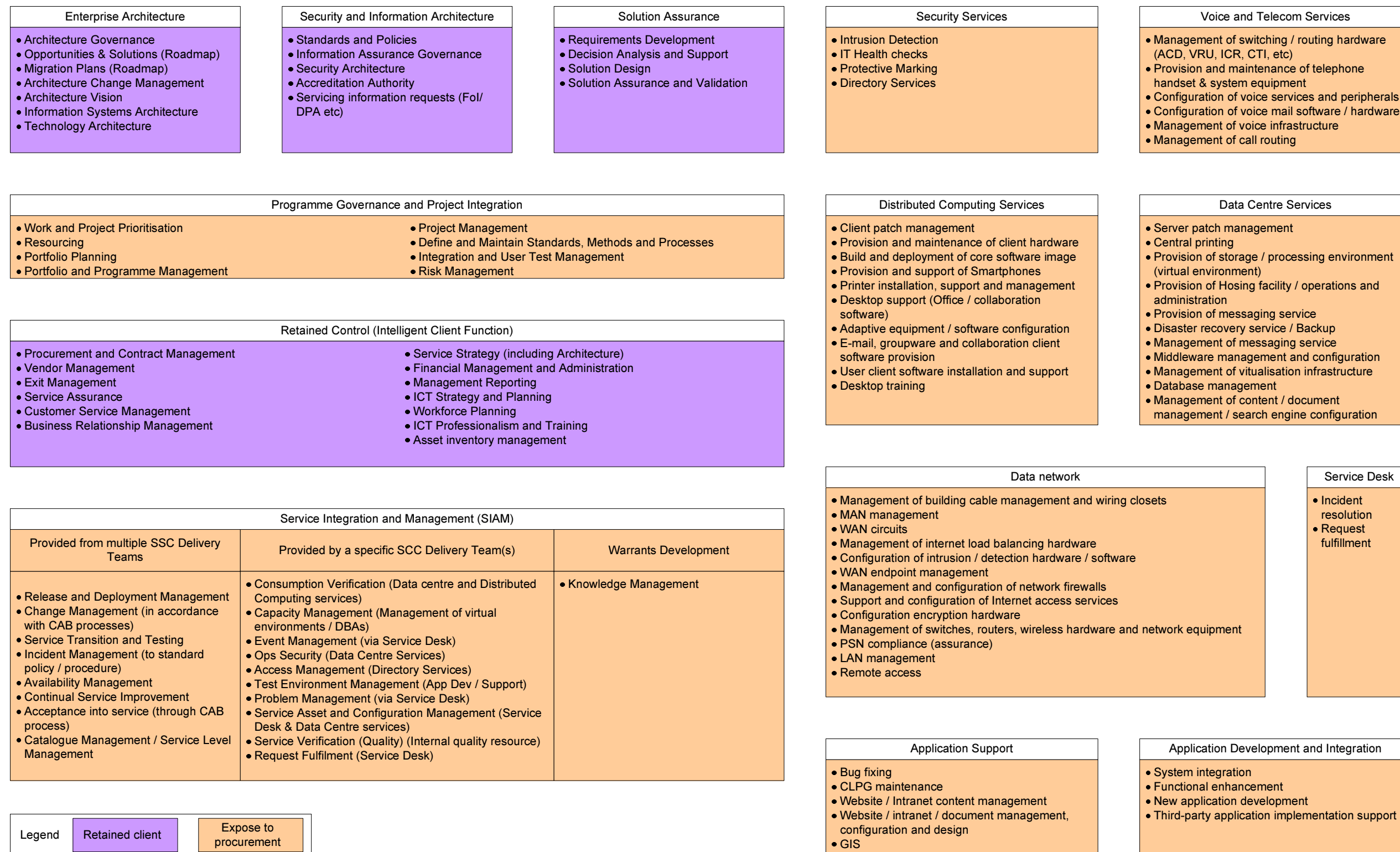
#### ***11.5 Use of social media for customers and staff***

- 11.5.1 Increasingly people are using social networks and mobile devices to stay in touch, communicate and collaborate. The use of social media is replacing the use of email. Customers and staff are increasingly used to accessing and commenting on services via social media, providing a valuable means of communicating with customers, and capturing their views on the quality of services the councils deliver. Data analysis tools are being developed that will allow organisations to identify key terms being used about them and their services through social media as a feed into future strategic decisions about the type and level of services offered. This ICT Strategy will take account of the prevalence of social media in the delivery of future services.

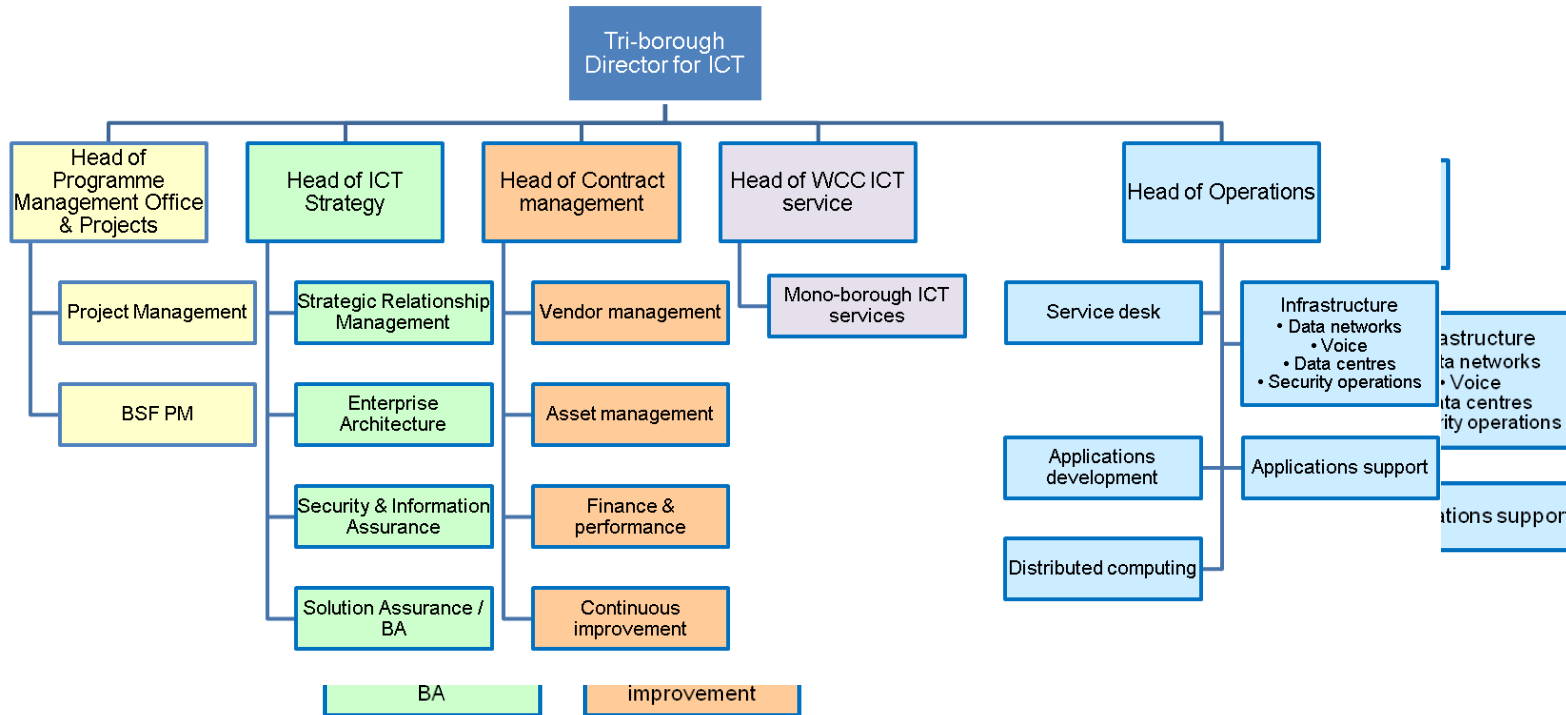
#### ***11.6 Conclusions***

- 11.6.1 These three councils will make sure they have appropriate deployment of the technologies described above to meet emerging business requirements and deliver savings, ensuring the right capacity and skills exist to deliver these and other technologies that emerge during the implementation of this strategy.

## 12 Appendix 1: Target Operating Model



### 13 Appendix 2:Tri-borough ICT organisation structure



	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>10 December 2012</b>
<b>ANNUAL REVIEW OF TRADE WASTE SERVICE</b>	
<b>Report of the Deputy Leader (+ Residents Services) – Councillor Greg Smith</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director:</b> Lyn Carpenter, Executive Director of Environment, Leisure and Residents Services	
<b>Report Author:</b> Sue Harris , Director for Cleaner and Greener	<b>Contact Details:</b> Tel: 020 8753 4295 E-mail: <a href="mailto:sue.harris@lbhf.gov.uk">sue.harris@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is for Cabinet Members to decide whether or not to continue with the London Borough of Hammersmith and Fulham's Trade Waste collection service.
- 1.2 On 5 March 2012 Cabinet agreed to postpone a decision on whether the Trade Waste collection service should continue, pending the Bi Borough service review. This report therefore provides an update on the LBHF Trade Waste collection service for 2012/13 and includes some bi-borough comparison data from the Service Review completed during 2012. The key recommendations from the service review are:
  - To form an integrated, bi-borough team,
  - Realignment and streamlining of processes,
  - Improved customer consultation and use of feedback to improve services, and presentation of alternative service delivery models for Members to consider as a second phase

## 2. RECOMMENDATIONS

- 2.1 That the London Borough of Hammersmith and Fulham continues with the Trade Waste collection service, due to the predicted positive contribution to corporate overheads, and pending Member consideration of alternative service delivery models identified in the Bi Borough Service Review and programmed for 2014/15.

## 3. DETAIL

- 3.1 The Table below provides the income and budget performance for the Trade Waste & Recycling service since 2011/12:

£000's	Actual 2011/12	Budget 2012/13	Forecast Outturn 2012/13
Income – External	(2,280)	(2,644)	(2,572)
Income – Internal	(306)	(407)	(329)
<b>Total Income</b>	<b>(2,586)</b>	<b>(3,051)</b>	<b>(2,901)</b>
Direct Costs	2,481	2,640	2,609
<b>Net (Profit) / Loss Before Overheads</b>	<b>(105)</b>	<b>(411)</b>	<b>(292)</b>

- 3.2 External income is projected to increase to £2.572m in 12/13 and if the bi borough service review recommendations are implemented, is expected to exceed £2.6m in 2013/14 (growth of 16% since 2011/12). The Trade Waste service consistently makes a significant net profit before indirect costs (overheads). After overheads the service makes a net loss. However, if the service was to be closed, this net surplus budget (i.e. the £292k) would need to be written out, meaning either a £292k growth bid or this net income would need to be found elsewhere within the organisation. Similarly, by closing the service it is not expected that there would be any significant resulting reduction in corporate overheads, and as such these overheads would simply be reallocated across other parts of the Council.

- 3.3 The profit or loss after corporate overheads is set out in the table below:

£000's	Actual 2011/12	Budget 2012/13	Forecast Outturn 2012/13
<b>Net (Profit) / Loss Before Overheads</b>	<b>(105)</b>	<b>(411)</b>	<b>(292)</b>
Indirect Costs (Overheads)	537	445	445
<b>Net (Profit) / Loss After Overheads</b>	<b>432</b>	<b>34</b>	<b>153</b>

*\*1 – Indirect Costs (Overheads) estimated equal to 2012/13 as 2013/14 figures are not yet available.*

3.4 Debt management has also improved following the implementation of a more robust debt monitoring and reporting framework and targeted recovery of significant outstanding debts. The total trade waste Debtor position as at 30th September 2012 was £481K, an improvement of £124k on the same period last year. Significant work is planned for this area and was highlighted within the Bi borough Service Review.

**Waste Disposal costs**

3.5 As part of the service review, officers compared the WRWA disposal rate with other similar facilities. The net gate fee paid by WRWA constituent authorities is £103, which is higher than the maximum gate fee of £101 found during benchmarking. This issue is being followed up as phase 2 of the service review and is detailed under paragraph 3.6.

3.6

**2011/12 Data**

<b>Energy From Waste</b>	<b>Minimum Gate Fee</b>	<b>Maximum Gate Fee</b>	<b>Median</b>
Post 2000 Facilities	£44	£101	£82

3.7 In terms of unit cost for waste disposal, both boroughs have a statutory duty to dispose of any trade waste collection arranged by the Council through the Western Riverside Waste Authority (WRWA). As such, both boroughs are charged the same unit cost. Waste disposal costs are the single largest cost contributor for both boroughs, making up 58% of the total cost base for LBHF and 49% for RBKC). As such, average waste disposal costs are estimated as higher per customer for LBHF at £827, compared to £746 for RBKC. A higher proportion of RBKC customers have recycling agreements (41% RBKC compared to 30% LBHF), giving rise to reduced waste disposal costs as waste sent for recycling costs £78 per tonne, compared to £136 per tonne for waste sent for disposal. Due to the statutory duty to dispose of municipal waste (waste collected by or on behalf of a local authority) through WRWA, officers are investigating the potential to renegotiate the contract on the basis that the rates are currently not competitive.

**3.8 Conclusion**

The LBHF Trade Waste Service does make a surplus if corporate overheads are excluded. Further changes to processes, marketing and sales approaches as a result of the Service Review will also bring improvements. Members will be invited to consider whether they wish officers to consider alternative service delivery options presented in the separate Service Review outcome report as a Phase 2. If Members are minded to factor street scene issues into the decision about the future

of the service, it is felt that the service should continue and be reviewed as part of the second phase of a Bi Borough service.

#### **4. RISK MANAGEMENT**

- 4.1. The sales performance and profitability of the Trade Waste activity is reviewed and monitored on a monthly basis, with action plans developed for any adverse variance. This is also included as a risk on the Risk Register for the Cleaner, Greener and Cultural Services Directorate.

#### **5. EQUALITY IMPLICATIONS**

- 5.1 An equalities impact assessment has been undertaken and the proposals outlined will not impact any specific group.

#### **6. FINANCE AND RESOURCE IMPLICATIONS**

- 6.1 All fees and charges continue to be reviewed to ensure that they achieve full cost recovery whilst remaining competitive compared to other major providers in the area. Proposals for further revisions from 1st April 2013 are currently being prepared as part of the Council's annual budget setting process.
- 6.2 Whilst corporate growth of £230K (excluding any contamination costs) has been secured through the MTFs process to fund the increased waste disposal costs from 2013/14, the service should continue to be reviewed in terms of overall profitability to ensure that it remains a commercially viable business that is not unintentionally subsidised by the Council. Phase 2 of the Bi Borough Service Review for Trade Waste will consider alternative service delivery models, which may allow for further financial and non-financial efficiencies to be delivered.

#### **7. LEGAL IMPLICATIONS**

- 7.1 The Council has a statutory duty under Section 45 of the Environmental Protection Act to arrange for Trade Waste collections services if requested and is permitted to levy a reasonable charge for such service. The Council has a choice whether to provide such service itself or arrange to outsource it so long as it fulfils its duty to provide for Trade Waste collection.
- 7.2 The Council is further obliged to undertake disposal of the Trade Waste by its joint waste disposal authority namely Western Riverside Waste Authority (WRWA) and the charges for waste disposal are governed by



its extant agreement with WRWA. The Council is represented on the governing board of WRWA.

- 7.3. Any procurement to select a service provider for providing waste collection service would need to be undertaken in compliance with the Public Contracts Regulations 2006 as amended. Accordingly, any decision for reviewing options for Trade Waste disposal need to be taken with these obligations in mind.

## 8. PROCUREMENT IMPLICATIONS

8.1 The comments below relate to the implications for the various scenarios open to the Council, with the first option being the favoured way forward:

1. Continue with current arrangements - there are no procurement related issues
2. Recommend stopping the service of collecting commercial waste (although for efficiencies it is collected alongside domestic waste). This will require the contract to be renegotiated. Depending on the reconfigured service, if this amounted to a material change in the contract, then a procurement exercise may be triggered for the re-packaged service
3. If the Council no longer offered a general commercial waste collection service, it would still have a statutory obligation to provide it. The start up costs of an in-house provision would be disproportionate, and it would be more likely that the Council would procure the service from Serco or another contractor; and the customer re-charged. These scenarios would be too costly for most businesses to buy into, and it would be likely that, if any, there would only be a handful of users.

### LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		
<b>Contact officer: Sue Harris</b>		<b>Tel.020 8753 4295</b>	

## APPENDIX A

### TRADE WASTE Service Review Scoping Paper

#### 1. Introduction

This review commenced on 20 February. The end date is yet to be agreed, though is likely to be August 2012. It is to be meshed with two other Service Reviews in this area during 2012/13: Markets, and Waste and Street Scene Enforcement.

In terms of Governance, a Project Board is scheduled to meet every two weeks. Members of the Project Board have been allocated work streams that follow the seven 'Principles for Reviews', detailed below in Section 2. The Project Board oversees the work streams, and milestone deliverables. The board also reviews engagement and consultation issues, and will also consider risks.

#### 2. Scope of review

The scope and focus of work streams is summarised against the 'Service Review Principles' below. This list is not exhaustive, and will change according to changing dynamics during the review. However, some of the key emerging issues that will be examined are:

- Ways to improve debt management
- Ways to improve market share
- Compare and contrast processes to streamline and improve where possible
- Whether to co-locate staff
- Whether to bring under one direct manager
- Whether staff numbers and functions are appropriate
- Whether the separation of support staff from sales officers is the best model (LBHF), or co-location (RBKC), or whether different models should continue to be operated in each borough
- Whether to outsource to an alternative provider or service delivery model

#### Customer focus

- Assess customer feedback that is currently available to see what improvements customers wish to see
- Understand why customers leave the service and act on the findings
- Establish consultation mechanisms where missing or can be improved
- Define and qualify future performance indicators for monitoring and managing customer satisfaction levels

#### Information Technology

- Report on current ICT estate showing commonalities, differences and uniqueness eg. using same application, using different application to deliver same service, using applications to deliver different services
- Identify contract timeframes for all applications, and see what benefits may be achieved from alignments
- Assess opportunities for rationalisation and new technology
- Review the use of Powersuite as both authorities have recently gone live on this system, or are about to

### **Service Delivery and Definition**

- Seek improvements to current service delivery arrangements, and assess options for future service delivery; either continuing to provide services in the way we do, or outsourcing, and exploring alternative service delivery models. Benchmarking has commenced and visits to WCC amongst others are planned.

### **Finance and Procurement**

- It has been proposed corporately that an approximate 10% of existing staff budgets should be used as a benchmark against which to test any proposed savings from Service Reviews (to be achieved from 2013/14 onwards). This is a guide only and different reviews may achieve more or less than this indicative amount. For LBHF this would mean £37k saving, and for RBKC, £43k (total £80k). This represents 5% of the total £1.7m Bi Borough Environment Service
- Compare cost of service across both boroughs, identifying areas for cost reduction or increased income-generating market share
- Compare fees and charges across both boroughs and agree optimum pricing models, whether single or bi borough
- Identify options for reducing overall transactional costs (i.e. billing, income and debt management).

### **Property**

Analyse:

- Location, space, advantages and disadvantages, and running costs of existing buildings, and whether it would be better to merge locations

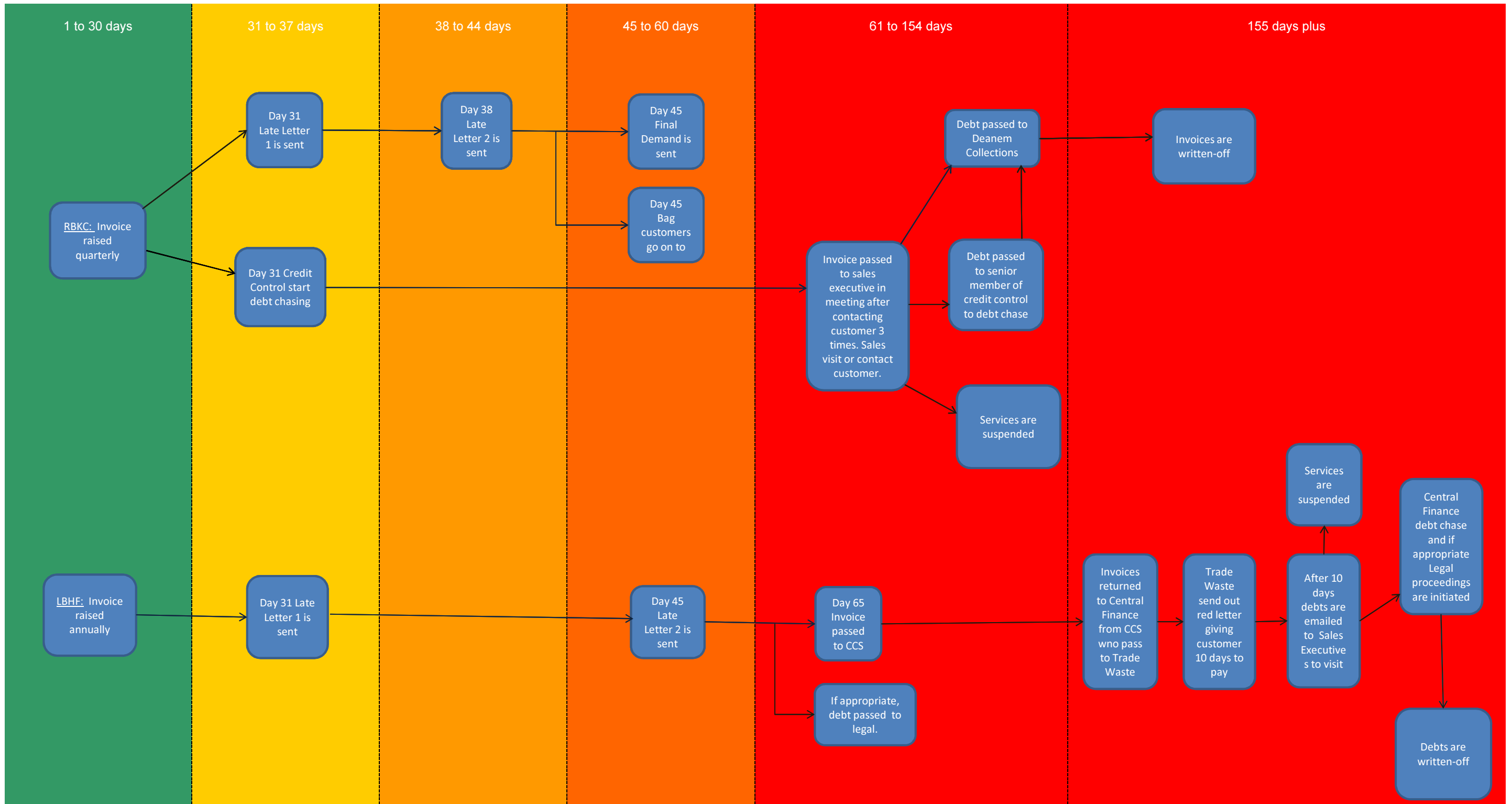
### **Process**

Compare across bi-borough, and with other authorities as appropriate:

- Contract timescales to see if contracts can be aligned
- Waste contractor operational practices to gauge potential improvements
- Marketing and sales approaches to optimise market share
- Pricing structures, debt management and financial processes to minimise debt
- Communication flow and publicity

### **People and Partnerships**

- See how learning can be supported, accelerated and directed to deliver the business strategy
- Help the senior management team establish a clear vision and strategy for people development, including immediate development and succession planning
- Assess staff resource levels, and support through any change
- Liaise with Trade Unions



System Comparison Decision Matrix			
<b>System Name</b>	Powersuite	Powersuite	For example
<b>Description</b>	v7.4	v7.5.8.5 have purchased software but has NOT gone live, still in testing	Give a brief description of what the system does.
<b>Owning borough</b>	H&F	K&C	H&F or K&C
<small>Responsible officer</small>	Linda Dunn	Scott Wilson	Who is the contact in the user department
<b>Supplier</b>	Whitespace	Whitespace	Name of supplier
<b>Licensing / maintenance</b>	£4,667 pa currently	£4,043	Describe any contract and/or licensing requirements
<b>Cost</b>	£75,835	£58,698	Total cost of contract and licenses for bi-borough solution
<small>Contract Term</small>	5 Years	N/A	Expiry date of current contract
<small>Licences</small>	5	Site licence	Cost of extending licences to bi-borough solution
<small>Support</small>	£5,000	£1,740	Bi-borough annual support
<small>Implementation</small>	£41,625	tbc	Project cost to create bi-borough solution
<small>Cost of other required products</small>	tbc	tbc	Capital and annual cost of any required hardware and software (e.g. Database) to create bi-borough solution
<b>Hosting</b>	H&F ** to be decided	K&C ** to be decided	H&F or K&C or Supplier
<small>Updates</small>	N/A	N/A	Dates and cost of last three updates (software, operating system, storage increase)
<small>Source Code</small>		ESCROW	Is source code protected against supplier bankruptcy, receivership, etc.?
<small>Performance guarantees</small>			List any guaranteed system response times
<b>Business Continuity</b>	Standard SQL Backup and Logs	Database is part of corporate SQL cluster	What arrangements are there for backup and recovery of system and data.
<small>Availability</small>	Bridge	Scott Wilson	Contractual system availability and any agreed maintenance downtime
<small>SLA</small>	Bridge	Scott Wilson	Time to respond and time to fix reported failures
<small>Disaster Recovery</small>	Bridge	Scott Wilson	Time to restore system after complete failure
<b>Requirements</b>		Should Haves: Mobile Working	What does the system needs to do. Define as: Must Haves; Should Haves; Could Haves; Would Be Nice To Have.
<b>Functionality</b>	Raise quotations, contracts, route/round managment, Duty of Care production, Charge matrix, Report generation, ad hoc jobs, invoicing	Raise quotations, contracts, route/round managment, Duty of Care production, Charge matrix, Report generation, ad hoc jobs, invoicing	What the system actually delivers.
<b>Usability</b>			How easy the system is to use.
<small>Help function</small>	Training system	Training system	List any features that assist new or infrequent users
<small>Data entry correction</small>	Subjective	Subjective	How easy to cancel incorrect input
<small>Error messages</small>	Subjective	Subjective	Are error messages understandable
<small>Contact centre</small>	No	No	Does the contact centre use the system?
<small>Third parties</small>	None	None	List any third parties such as outsourced service providers who use the system
<b>Interfaces</b>	OLAS/CEDAR Manual	Whitespace Accounting v1, MS CRM, PRISM	What other systems does this system either take a data feed from or feed data to
<b>Tactical v Strategic (if Strategic then an options paper must be done)</b>			Short term tactical solution or long term strategic solution
	Long Term Strategic Solution	Long Term Strategic Solution	
<b>Priority</b>	**dependent on when K&C complete testing and go live	**dependent on when K&C complete testing and go live	1 = as soon as possible; 2 = within 2 months; 3 = over 2 months
<b>Viable alternatives to current IT systems</b>	Both boroughs have in the last two years carried out soft market testing for alternatives before deciding on Whitespace		What other industry best practice IT systems have been considered.
<b>Viable alternative IT solutions</b>	RBKC to continue using Waste Manager		What other IT solutions have been considered e.g. mobile device delivery.

### Comparison of Bi Borough Trade Waste Budgets & Performance

Note – Includes disposal costs estimated using method 3 (LBHF recent sampling data)

	LBHF				RBKC				TOTAL			
Outturn 2011/12	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income - External	(2,280)	(2,644)	(2,572)	72	(4,755)	(4,968)	(4,968)	0	(7,034)	(7,612)	(7,540)	72
Income - Internal	(306)	(407)	(329)	78	(114)	(115)	(115)	0	(420)	(522)	(444)	78
<b>Total Income</b>	<b>(2,586)</b>	<b>(3,051)</b>	<b>(2,901)</b>	<b>150</b>	<b>(4,868)</b>	<b>(5,083)</b>	<b>(5,083)</b>	<b>0</b>	<b>(7,454)</b>	<b>(8,134)</b>	<b>(7,984)</b>	<b>150</b>
Staffing	267	249	225	(24)	409	392	392	0	677	641	618	(24)
Waste Collection	476	521	521	(0)	1,292	1,356	1,346	(10)	1,768	1,877	1,867	(10)
Waste Disposal	1,703	1,778	1,778	0	8,848	2,637	2,637	0	10,551	4,415	4,415	0
Sack Purchase & Delivery	48	63	50	(13)	191	245	245	0	239	308	295	(13)
Other	16	29	34	5	60	96	96	0	76	126	131	5
<b>Total Direct Spend</b>	<b>2,510</b>	<b>2,640</b>	<b>2,609</b>	<b>(31)</b>	<b>10,801</b>	<b>4,727</b>	<b>4,717</b>	<b>(10)</b>	<b>13,311</b>	<b>7,367</b>	<b>7,326</b>	<b>(41)</b>
<b>NET (INCOME) / SPEND EXCL OVERHEADS</b>	<b>(76)</b>	<b>(411)</b>	<b>(292)</b>	<b>119</b>	<b>5,932</b>	<b>(356)</b>	<b>(366)</b>	<b>(10)</b>	<b>5,856</b>	<b>(767)</b>	<b>(658)</b>	<b>109</b>
Indirect Spend	537	445	445	0	503	642	642	0	1,040	1,086	1,086	0
<b>NET (INCOME) / SPEND INCL OVERHEADS</b>	<b>461</b>	<b>34</b>	<b>153</b>	<b>119</b>	<b>6,435</b>	<b>285</b>	<b>275</b>	<b>(10)</b>	<b>6,897</b>	<b>319</b>	<b>428</b>	<b>109</b>

Note – the External Income budget for RBKC has been uplifted by £200k in anticipation of a £200k efficiency that has already been agreed from 2013/14.

## Appendix E

### Average Cost/Income per Trade Waste Customer

Note – Includes disposal costs estimated using method 3 (LBHF recent sampling data)

	LBHF				RBKC				TOTAL			
Number of Customers 2011/12	2,151				3,535				5,686			
Outturn 2011/12	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13	Outturn 2011/12	Budget 2012/13	Forecast Outturn 2012/13	Forecast Variance 2012/13
	£	£	£	£	£	£	£	£	£	£	£	£
Income - External	(1,060)	(1,229)	(1,196)	34	(1,345)	(1,405)	(1,405)	0	(1,237)	(1,339)	(1,326)	13
Income - Internal	(142)	(189)	(153)	36	(32)	(33)	(33)	0	(74)	(92)	(78)	14
<b>Total Income</b>	<b>(1,202)</b>	<b>(1,418)</b>	<b>(1,349)</b>	<b>70</b>	<b>(1,377)</b>	<b>(1,438)</b>	<b>(1,438)</b>	<b>0</b>	<b>(1,311)</b>	<b>(1,431)</b>	<b>(1,404)</b>	<b>26</b>
Staffing	124	116	105	(11)	116	111	111	0	119	113	109	(4)
Waste Collection	221	242	242	(0)	366	384	381	(3)	311	330	328	(2)
Waste Disposal	792	827	827	0	2,503	746	746	0	1,856	776	776	0
Sack Purchase & Delivery	22	29	23	(6)	54	69	69	0	42	54	52	(2)
Other	7	14	16	2	17	27	27	0	13	22	23	1
<b>Total Direct Spend</b>	<b>1,167</b>	<b>1,227</b>	<b>1,213</b>	<b>(15)</b>	<b>3,055</b>	<b>1,337</b>	<b>1,334</b>	<b>(3)</b>	<b>2,341</b>	<b>1,296</b>	<b>1,288</b>	<b>(7)</b>
<b>NET (INCOME) / SPEND EXCL OVERHEADS</b>	<b>(35)</b>	<b>(191)</b>	<b>(136)</b>	<b>55</b>	<b>1,678</b>	<b>(101)</b>	<b>(104)</b>	<b>(3)</b>	<b>1,030</b>	<b>(135)</b>	<b>(116)</b>	<b>19</b>
Indirect Spend	250	207	207	0	142	181	181	0	183	191	191	0
<b>NET (INCOME) / SPEND INCL OVERHEADS</b>	<b>214</b>	<b>16</b>	<b>71</b>	<b>55</b>	<b>1,821</b>	<b>81</b>	<b>78</b>	<b>(3)</b>	<b>1,213</b>	<b>56</b>	<b>75</b>	<b>19</b>

## APPENDIX F

### Why does RBKC have a higher rate of income per customer than LBHF?

It has been identified that RBKC generates in excess of £300 per customer more than the LBHF average.

In this report we have looked at the reasons why RBKC has a higher rate of income per customer than LBHF, and identify recommendations that could be implemented to improve the LBHF rate of return.

#### Key Accounts

The first step was to look at both boroughs largest customers in terms of revenue.

Name	Market Share	Number of customers	Yearly Income	Average Income Per Customer	Income From Top 10 Customers	Income From Top 20 Customers
LBHF	54%	2151	£2.2m	£1022	£225k	£341k
RBKC	71%	3535	£4.8m	£1358	£470k	£621k
CoW	55%*	12000	£12m	£1000	N/A	N/A

\*City of Westminster calculates its Market share by counting all the waste that has been placed out. They believe that using NNDR is flawed as there could be within one building hundred businesses with the waste being collected by one service provider.

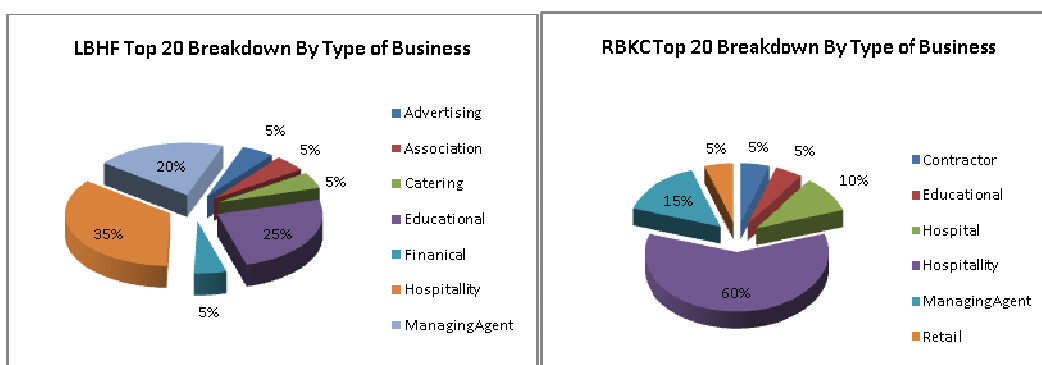
The top ten customers at RBKC provide in excess of £245k more in revenue than LBHF. We have identified reasons why this could be the case.

1. RBKC for many years have targeted organisations that produce a higher revenue stream, such as large hotels, restaurants and department stores. The team created a one-stop shop to deal with large quotations or tenders, which may have included additional non-general waste services such as fluorescent tubes, animal-by-products, waste cooking oils and others. The team would then bring in third parties to deal with the products we could not deal with, thus creating a relationship with a new supplier. By doing this gave us the opportunity to cover all aspects of a quotation and the opportunity for increased revenue. Within the quotation was the offer of a personal one to one service, as well as adding the customers own corporate identity onto containers in partnership with RBKC, as well as the offer of 24hr contact via the out of hours service. These key accounts are classified as hotshot accounts and would receive a dedicated contact within RBKC as well as service analysis such as recycling figures as often as they requested. The boroughs contractor Sita would also have a role to play as the customer was not to have a missed collection under any circumstances.



The department store Harvey Nicholls is a classic example of how this works. The customer was with the private contractor Bywaters for many years previously until they decided to see what others could offer, and went out to quotation. RBKC were awarded the contract worth in excess of £100k in 2007 and still collect the waste from this site.

2. The customer breakdown type using the top 20 customers between the two boroughs shows that within RBKC the hospitality sector is higher at 60% while at LBHF is 35%.



This is also reflected by the industry breakdown figures that show that hospitality only represents 19.4% at LBHF while its 35.4% at RBKC of all businesses within the two boroughs.

- The significance of this is that the hospitality industry sector is one of highest producer of waste within city centres. They require daily collections and produce larger amounts of waste, which means they have a higher expenditure on waste collections.

This raises a couple of questions in terms of LBHF and targeting large accounts.

- 1) Has there been a concerted effort to target these organisations?
- 2) If there has been, what was the success rate?
- 3) How many businesses are currently with national contractors?
- 4) What obstacles did the trade officers face when it came to winning these accounts

### Service Type

I have identified that there is a significant difference between LBHF and RBKC in the service that customers use.

In LBHF the breakdown is 60% Bins and 40% sacks whilst at RBKC its 85% sacks and 15% bins.

What does this mean in terms of income?

Within the industry a kerbside sack collection service is more expensive than a bin collection service. This also applies to both RBKC and LBHF prices.

To show the difference that this can make to a contract please see the example below using RBKC prices.

**Customer A** produces 12 sacks of general waste per day

Service Type	Lifts per day	Unit Price	Daily Charge	Weekly Charge (based on 7 days per week)	Annual charge
Sacks	12	£1.74	£20.88	£146.16	£7,600.32
1100 General Waste Bin	1 (average 12 sacks per bin)	£13.31	£13.31	£93.17	£4,844.84
Difference			<b>£7.57</b>	<b>£52.99</b>	<b>£2,755.48</b>

Over a period of 12 months that equates to over £2700 difference. This is a key contributing factor on why RBKC has a higher rate of return.

### **Excess Waste/Black Sack Abuse**

In the last two years a lot work has been put in by both RBKC Commercial waste and Enforcement teams to reduce the amount of black sacks being placed on the public highway from commercial premises. This included both RBKC customers and non-customers. It was identified as long ago as 2007 that we were losing in excess of 500k of income per annum in customers abusing our own bag scheme.

Within our own customer base we noticed a pattern where some businesses were placing out black sacks with their blue and orange sacks. In some cases two unpaid for black sacks to every paid for sack. This issue was tackled by implementing night operations by both teams to identify the culprits with the option that they either upgraded their contract or faced enforcement action.

### **Brief overview on Westminster**

While we will be looking in more detail about CoW trade waste service, the headline figures we have obtained indicates the following.

In terms of Market share and income per customer it is comparable to LBHF and lower than RBKC. Please see the first table.

The revenue at CoW is considerable larger but this due to the fact their market is over 5 times larger than both LBHF and RBKC.

### **Conclusion**

In conclusion the reasons that have been identified why RBKC income is significantly higher than LBHF are:

- RBKC have targeted over the year's larger organisations that generate higher revenue.
- RBKC have higher percentage of hospitality businesses than LBHF. This industry sector is one of highest producer of waste within city centres.
- With over 80% of RBKC customers using sacks means that our income per customer would be higher with a comparable business in LBHF on a bin contract.
- Targeted campaigns against businesses placing unpaid for waste out on the public highway.

### **Recommendations**

- Look at what strategies have been used to target large accounts at LBHF borough.
- The Trade officers to gather intelligence on the top 20/30 potential non-customers (in terms of revenue) in their territory. On whom they are using, prices, service type, if they have contact the customer to win the business and what was the reason why they were unsuccessful in winning the business. Once this information has been obtained a realistic strategy has to be implemented as part of the sales plan to target these businesses. This exercise should highlight reasons why LBHF does not attract the larger organisation i.e. pricing, no skip/compactor service or terms & conditions.
- Further investigation to see if there is a requirement to introduce skip service at LBHF.
- Audit the amount of black sacks are being placed out the public highway and how much excess waste is being collected by Serco from LBHF bin customers. (review Serco reports on black sack abuse)
- An abuse project should be formed to target businesses, both LBHF customers and non-customers that place black sacks out on the highway. This should be focused on evening and night collections, as our experience shows that these are consistent times when the highest numbers of unpaid for sacks are placed out.

## APPENDIX G

### City Of Westminster

#### Information on the contract

**1. What is the length of the contract with Veolia?**

The collection contract with Veolia runs until 2017

**2. What is the value of the contract?**

£37 million. They had reduced the contract by £3 million to make savings, but this was reinstated it due to the fact it had a knock affect on the street scene.

**3. Is the contractor working to a default structure?**

The contract does not work on a default structure but on a partnership. They hold monthly meetings to discuss complaints, missed collections and service developments.

**4. What is the commercial waste income?**

£12 million and they have 12,000 customers

**5. How is the Collection carried out?**

The waste is comingled with domestic, but they do have dedicated rounds for evening/night collection

**6. What is their Market share?**

In the late 90s they had near 100% market share but now the market share is at 55%. They do have 60% of the SME market.

#### Sales /Marketing/Promotions

- They have 3 external sales executives
- They recently sent out marketing material and did newspaper advertising but they got a very poor response.
- They have come to the conclusion that face to face is the most effective tool.
- They have brochures.

#### Self serve

- 20% of their sacks orders are done online and customer can make online payment as well.
- They are in the process of getting authorisation to have their own dedicated website.

## **Pricing Strategy**

- This done by examining what their competitors are offering.
- Benchmarking market rates
- Examine why customers are cancelling (majority due to national agreements)
- They try to keep the standard general waste sack to under a pound.

## **What service delivery models have they used in the past?**

They have used various service delivery models:

**In-house:** - The problem they found with this was that there were constraints due to corporate policy i.e. unable to give bonuses to the sales team.

**In-house with a centralised outsourced contact centre:** – Vertex was a company that was hired to deal with customer's calls and queries.  
Negatives: No specialised staff, poor response times, customer queries not resolved at 1<sup>st</sup> point of contact, just data logging, no incentive to grow the business and income began to fall.

**Outsourced:** - The current model is that the service is outsourced to Veolia. Initially everything came across in 2007 except the sales force which went over in 2012. They stated that this is system has worked well for them to date.

## **Disposal**

- They pay £40 per ton on waste disposal.
- This is part of the contract with Veolia this rate will end in 2017.
- The waste goes to energy.
- There is also a small amount that goes to Cory.
- It is cheaper for them to turn waste into energy than recycle the waste.

## **Enforcement**

There is a dedicated enforcement team of 4 personal that solely target commercial businesses placing unauthorised waste out.

## **Debt Management**

- It is done in-house by the team.
- Monthly invoice
- They have halved their historical debt from £400k to £200k.
- They suspend services but not often due to unpaid invoices.
- Sales guys will visit customer to chase any outstanding debts.
- The sales guys get a bonus when they sign up a % of contracts on direct debit.

### **Additional Information**

- They stated that they would never get out/sell off the commercial waste like Wandsworth as they need control over their street scene.
- City of London got out of their agreement with WRWA by leasing out their commercial waste portfolio to Enterprise. They had to lose their branding on sacks and bins. Enterprise went back to WRWA and got a better rate (£110).
- The standard commercial waste industry disposal cost is at 30%, while we are running at 60%.



London Borough of Hammersmith & Fulham

## Cabinet

10 DECEMBER 2012

**CABINET MEMBER FOR CHILDREN'S SERVICES**

*Councillor Helen Binmore*

**CABINET MEMBER FOR COMMUNITY CARE**

*Councillor Marcus Ginn*

**INTERIM TAXI PROVISION**

This report seeks approval for interim measures to ensure continuity of taxi/ private hire transport for special education needs, looked after children, and vulnerable adults.

The interim measures are needed to cover the period from 5<sup>th</sup> January 2013, when the Council's existing taxi/private hire framework agreement will expire, until a period no later than 31<sup>st</sup> March 2014 when a tri-borough special needs passenger transport contract is scheduled to have been let and bedded down.

**Wards:  
ALL**

**CONTRIBUTORS**

Tri-Borough Executive Director for Children's Services.

Tri-Borough Executive Director for Adult Social Care

**Recommendations:**

1. That approval is given to a package of interim measures to secure provision of taxi/private hire transport from 5<sup>th</sup> January 2013 to 31<sup>st</sup> March 2014.

2. Specifically, that approval is given to:

a) The signing of an access agreement with L.B. Brent, thereby enabling the Council to use taxi providers (both with and without passenger assistants) on the West London Alliance Taxi Framework contract.

b) Optimising route-sharing opportunities for vulnerable children and adults with R.B. Kensington & Chelsea Taxi Framework providers (both with and without passenger assistants), and that in instances where the RBK&C Framework provides the most cost-effective solution for specific routes, arrangements are

**HAS AN EIA BEEN COMPLETED?**

The equalities implications are included within the report

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

**entered in to for those routes.**

- c) Offering existing H&F providers the opportunity to continue operating routes up to 31<sup>st</sup> March 2014 where this proves to be the most sensible short-term solution for current vulnerable service users, with re-negotiated prices if possible.**



## **1. EXECUTIVE SUMMARY**

- 1.1 The London Borough of Hammersmith & Fulham's (H&F's) Taxi/Private Hire Framework Agreement expires on 4<sup>th</sup> January 2013.
- 1.2 As there is no provision to extend the contract beyond this date, an interim solution is required to ensure continuity of service for vulnerable groups, up to the time that the tri-borough special needs passenger transport contract currently being tendered by Westminster City Council (WCC) is operational, expected to be September 2013.
- 1.3 The overwhelming majority of vulnerable children and adults requiring transport are provided for by an in-house direct service organisation (DSO) based at Bagley's Lane Depot, using a fleet of specially adapted mini-buses.
- 1.4 Taxis, and where needed passenger assistants, are required for vulnerable children and residents when the DSO mini-bus service is not feasible or economic for particular journeys.
- 1.5 Both modes of transport - the DSO mini-bus and externally provided taxi services - are included in the tri-borough passenger transport procurement exercise being led by WCC.
- 1.6 H&F's usage of taxi and private vehicle hire for special needs transport has declined over the past 4 years, since the current H&F framework contract was awarded in 2008. This has been due to a combination of factors, including more children with SEN attending a school within the borough, and therefore being transported by mini-bus with others rather than by taxi.
- 1.7 Nonetheless, the need to use taxi transport for vulnerable client groups remains.
- 1.8 In order to ensure service continuity, minimise potential disruption to vulnerable clients and optimise value for money, the report recommends the following interim solution:
  - a) Signing an access agreement with L.B. Brent to enable H&F to utilise taxi and/or passenger assistant providers on the West London Alliance (WLA) Taxi Framework contract;
  - b) Continuing to optimise route sharing opportunities for vulnerable clients with the RBKC Taxi and Passenger Assistant Framework contract and, in instances where the RBKC Framework provides the most cost effective solution for specific routes, that contracts are entered into for those routes.
  - c) In instances where the existing H&F Framework providers prove to be the most sensible short term solution for current service users and/or the Council, offering existing providers the opportunity to continue to operate these routes, with route prices renegotiated if possible.

## 2. **BACKGROUND**

### **Existing H&F Framework**

2.1 The H&F Taxi Framework was awarded by Cabinet in November 2008 for a period of 4 years to eight providers, and commenced in January 2009. It is comprised of four "lots", involves the use of mini-competitions, and covers the following client groups:

- Children with special educational needs from home to school (SEN);
- Looked after children (LAC);
- Vulnerable adults from home to day care centres and other places (ASC);
- Young people who require custodial supervision (Youth Offending Team services);
- Officer transport.

### **Current usage and spend**

2.2 As at September 2012, 12 SEN children, 8 Looked After Children and 10 ASC are transported on regular taxi bookings, plus a substantial number of different LAC children on ad-hoc bookings. At the time of contract award in 2008, the approximate annual spend on taxi transport was estimated at £950k. This expenditure is known to fluctuate due to variations in demand, but is now estimated to have dropped to around £700k pa.

### **Policy Changes reducing 2008/2009 Spend**

2.3 The following factors have all contributed to reduced taxi usage:

- A recent tri-borough review of the policy for the use of taxis by LAC which advocates the use of Oyster Cards as opposed to taxis indicates an initial reduction of approximately 50% on taxi use.
- An increase in the number of H&F children with SEN attending a school in the borough.
- The YOT transport service transferring to the Youth Justice Board in December 2012.
- The personalisation agenda creating new requirements and flexibilities for ASC.
- The creation of Tri-borough departments for Children Services and Adult Social Care bringing new opportunities for increased route-sharing across the three boroughs.

### **Tri-borough passenger transport procurement**

2.4 A competitive tendering exercise is being led by Westminster City Council to procure special needs passenger transport on behalf of the three boroughs. The scope of this contract will cover the provision of transport, including taxi transport with or without passenger assistants, for children with SEN, LAC and ASC.

- 2.5 The WCC OJEU contract notice was published on behalf of the three boroughs in September 2012. Short-listed bidders are due to be selected and invited to tender by December 2012, with a new contract expected to begin September 2013 at the start of the new academic year.
- 2.6 A report setting out the benefits and risks of a tri-borough contract will be presented for Cabinet Members consideration in December 2012.

### **3. OPTIONS FOR INTERIM PROVISION**

#### **Continued use of existing H&F providers for current service users**

- 3.1 Given that the tri-borough passenger transport contract will not commence until September 2013, the brief period of time for which any interim arrangement will be operative, and the need to minimise possible disruption and distress to vulnerable service users by reducing the number of possible service-provider changes over this period, officers considered it prudent to compare H&F's current costs and seek competitive quotations through two additional Framework Agreements, one let by L.B. Brent on behalf of the WLA, and the other let by RBKC.

#### **WLA Framework**

- 3.2 A recently tendered WLA Passenger Transport Framework agreement covers passenger transport for children, vulnerable adults, and concessionary travel and taxi cards. The London Boroughs of Hounslow, Brent, Ealing and Barnet are fully participating in this contract, with partial participation by London Borough of Harrow. The framework includes 24 private hire and taxi contractors who underwent appropriate prequalification regime for their specialist areas of work. The WLA operational Passenger Transport Programme commenced in September 2012. Through initial meetings, the WLA has demonstrated its desire to establish a positive partnership relationship with tri-borough Children's and Adults Services.

#### **RBKC Taxi Framework**

- 3.3 The RBKC Taxi Framework commenced on 1 April 2010 and ceases on 31 March 2014. The Framework consists of six contractors. Since the commencement of the contract, routes have been shared for WCC and H&F children.

#### **Benchmarking the RBK&C and WLA Frameworks**

- 3.4 Forecasted transport schedules, including the requirements for wheelchair access, passenger assistants and frequency of routes required, were prepared by the Business Development and Policy Team in 3B Children's Services, with the CS and ASC Commissioners using benchmark data from early September 2012. The schedules were forwarded and returned to/from providers within the WLA and the RBKC Framework Agreements to enable benchmarking.
- 3.5 The number of specialist taxi providers offering wheelchair access and/or passenger assistants is limited. Some operators are on more than one of the Framework Agreements. Within the past month, one of

the six Taxi providers within the RBKC Framework who provided Passenger Assistants has ceased trading in that sector and at the beginning of November 2012 H&F ceased trading with a specialist provider of Passenger Assistants.

- 3.6 Five of a possible thirty contractors on the WLA and RBKC Frameworks competitively bid for individual routes during the quotations exercise.

<b>Convert all routes from H&amp;F Framework</b>	<b>Approx annual reduction in comparison to existing H&amp;F Frameworks</b>	<b>Not recommended</b>
WLA Framework	£218K	Not recommended as the WLA Framework Agreements are understandably still “bedding down” and this solution would not provide the best value for money.
RBKC Framework	£117K	Not recommended as this option does not offer the best value for money.

- 3.7 Options appraisals on accessing the WLA and RBKC frameworks have been carried out, along with their equalities implications, potential disruption to H&F’s most vulnerable children and adults, latent efficiencies, recent changes in relevant policies, risks and the practicalities of securing sensible temporary arrangements.

#### **4. CONCLUSION AND RECOMMENDATION**

- 4.1 Having undertaken a comprehensive quotation exercise with 30 potential providers, it is proposed that with effect from 5<sup>th</sup> January 2013 – 31<sup>st</sup> March 2014 (with suitable break clauses) the transport routes required for SEN, LAC and ASC for H&F be phased in to be provided by suitable contractors using a combination of the WLA and RBKC Framework agreements, and, in instances where the existing H&F providers prove to be the most practical solution for current vulnerable service users, entering into direct agreements with these providers to continue to operate specific routes. The H&F prices will be renegotiated if possible. The 31<sup>st</sup> March 2014 date is recommended as a contingency to cover any slippage in the wider WCC-led 3B passenger transport procurement.
- 4.2 Based on benchmarking data mentioned in section 3 of the report, and taking account of the changing use of taxi transport, this

recommendation would secure estimated savings of approximately £225k in a full year.

- 4.3 The recommendation made at paragraph 4.1 offers substantial savings and is considered the best value option, taking prices, service quality, safeguarding, TUPE and other issues into consideration.

## **5. WORKFORCE IMPLICATIONS**

- 5.1 The TUPE implications associated with changing the Framework agreements are yet to be fully determined. The main area where TUPE could be a consideration is where passenger assistants employed by the incumbent companies work solely with H&F clients. In reality many routes have changed over the past four years and claims have not been made by Passenger Assistants for transfer under TUPE legislation. However, should this situation arise, experienced officers will broker the TUPE implications. Consideration has been applied to this topic when making the recommendations in this report.

## **6. EQUALITY IMPLICATIONS**

### **SEN and LAC**

- 6.1 There will be minimal impact on SEN and LAC service users as a result of the recommendations within this report.
- 6.2 The recommendations do not change eligibility for SEN children. The majority of children and young people with special educational needs or disabilities requiring travel assistance to school are accommodated on the Hammersmith and Fulham Direct Services Organisation (DSO) passenger transport service. There are a small number of children and young people with special educational needs or disabilities whose needs are not met at some point in the school year on the routings available, or whose medical or behavioural needs are such that minibus travel is not recommended, or public transport with an escort is possible.
- 6.3 The needs of these few children (currently 8 SEN children and 9 LAC Children) are at present met through the current H&F private hire/taxi Framework agreement. It is made clear at the outset to the service users and their families that any travel assistance being put into place may be subject to variation, such as sharing routes, personnel, and time-table and traffic changes. These changes are managed through individual contact with parents and carers by telephone or email from their SEN caseworker and LAC Social Workers. This proposal may require an increase in the number of contacts at one particular point in time; SEN managers will plan and prepare for this. Experience to date has shown that providers of SEN/disability transport are capable of ensuring a smooth transition between types of travel assistance with minimal or no impact on the experience of the child or family or school. The bookings for LAC transport are undertaken by the transport team of tri borough CS. This proposal will not change the position for end users.

## **ASC**

- 6.4 In assessing the impact of equalities issues for vulnerable adults with regard to a possible change in taxi provider, it has been determined that there will be no reduction in service, change in eligibility, or inconvenience to clients. For these reasons it is considered that there will be a neutral impact on equalities from this change. To assist with any transition, care management teams will liaise directly with the user and/or carer/s to discuss changes.

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

- 7.1 Expenditure on the current H&F private taxi framework agreements in 2011/12 was approximately £700K. Such is the scope of the current contract this figure includes transportation for SEN children, LAC and ASC, and broader council uses such as couriers and officer travel.
- 7.2 Under the proposed new contractual arrangements, taxi transportation for SEN, LAC and ASC would be segregated from these broader transport uses. This means that total contract value as a measure of value for money between the old and new arrangements cannot be used, as the contracts are not like for like. Furthermore, total expenditure as a comparative tool in this circumstance would be deceptive, as the number of vulnerable adults and children transported fluctuates over time.
- 7.3 For the purpose of financial analysis, therefore, value for money has been measured by using the routes for SEN, LAC and ASC in September 2012 as a benchmark to compare the current and proposed rates.
- 7.4 Should the recommendation set out at paragraph 4.1 be endorsed, whereby routes are assigned to a taxi provider on a best value basis, a significant saving is envisaged. Based on the actual routes as were required in September, the comparison of current route cost verses new route cost could yield savings of up to 54 percent.

## **8. COMMENTS OF THE DIRECTOR FOR LEGAL AND DEMOCRATIC SERVICES**

- 8.1 This report recommends an interim solution. The Council has a duty to arrange for facilities and transportation for children and vulnerable adults under social care legislations. Further detailed comments are set out in the exempt part of the agenda.

## **9. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY**

- 9.1 The report recommends a pragmatic interim solution that seeks to ensure service continuity for vulnerable groups of clients, whilst at the same time optimising value for money to the Council and delivering financial savings until such time that the Tri-borough passenger transport contract is operational in September 2013, or later. The


recommended approach has been endorsed by the Bi-Borough Procurement Board.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	All background papers	Collette Gilroy-Levan 020 7361 3344	Tri-Borough Children's Services, Kensington Town Hall, Horton Street, W8 7NX
<b>CONTACT OFFICER:</b>		<b>NAME:</b> Karen Tyerman <b>EXT.</b> 020 7361 3614	

# Agenda Item 13

	<p>London Borough of Hammersmith &amp; Fulham</p> <p><b>CABINET</b></p> <p>10 December 2012</p>
<p><b>ESTABLISHMENT OF A FRAMEWORK FOR INNOVATIVE HOUSING BUILT USING MODERN METHODS OF CONSTRUCTION &amp; ASSOCIATED DEVELOPMENT MANAGEMENT SERVICES</b></p>	
<p><b>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification : For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director:</b> Melbourne Barrett, Executive Director of Housing &amp; Regeneration</p>	
<p><b>Report Author:</b> Matin Miah, Head of Area Regeneration Programmes</p>	<p><b>Contact Details:</b> Tel: 020 (8753 3480) E-mail: matin.miah@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to establish a framework for innovative housing built using Modern Methods of Construction (MMC) and associated development management services. The framework will be formed of a single provider and can be accessed by the tri-borough authorities.
- 1.2. A separate report on the exempt Cabinet agenda provides exempt financial information regarding the pilot development site.

## 2. RECOMMENDATIONS

- 2.1. That approval is given to establish a framework for innovative housing built using Modern Methods of Construction and associated development management services with City House Projects Limited as the single provider.



- 2.2. That approval is given for expenditure of £50,000 with City House Projects Limited, to be funded from previously approved s106 budget, for professional services to undertake consultation, site investigation surveys, and design of the pilot site to RIBA stage C as set out in section 6 of the report.
- 2.3. That a further Cabinet report be presented, following resident consultation and detailed development viability appraisal, setting out detailed development proposals for the pilot site and approval for further funding to proceed.
- 2.4. That approval is given to use the SCAPE framework to appoint contractor for innovative housing built through the framework.
- 2.5. Note that officers will review potential for additional development sites and report back to Cabinet with a detailed development and funding programme for future sites.

### **3. REASONS FOR DECISION**

- 3.1 Based on the tender assessment process the submission from City House Projects Limited was identified as the most economically advantageous to the Council to establish a framework for innovative housing built using MMC & associated development management services.

### **4. INTRODUCTION AND BACKGROUND**

- 4.1. 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 10 – 50 units per site
  - (C) Joint Venture Vehicle (JVV) to deliver on selected larger Council owned development sites – between 50 – 200 units per site
- 4.2. Notwithstanding that this report focuses on the innovative housing built using MMC workstream a brief summary of the other two workstreams is shown below for information.

(A) Hidden Homes Programme

- 4.3. 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.
- 4.4. 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.
- 4.5. The first development was recently completed at Becklow Gardens, where two new units were built and are being sold to applicants on the Council's HomeBuy register. Sale proceeds including retained equity of £468,000 are being realised against development costs of £123,000, producing a positive gross return of £345,000 (including retained equity). The next development sites are at Verulam House, Sulgrave Gardens and The Grange (Lytton Estate), with additional schemes in the pipeline being actively worked up. The next 3 sites 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. Planning consent has been secured for the next 3 sites which, subject to final financial viability, are due to start on site in Spring 2013.

(B) Joint Venture Vehicle

- 4.6. In addition to the Hidden Homes programme and in order for the Council to deliver at scale on selected larger Council owned development sites the Council is seeking to partner with a credible Private Sector Partner (PSP) through a Joint Venture Vehicle (JV).
- 4.7. The JV will comprise a governance structure within which the Council can retain equal control and influence site delivery, whilst also enabling the Council to access the skills, resources and capacity of the PSP. This approach will reduce the level of risk to which the Council is exposed and enable the Council to access funding from the private sector. This route allows the Council to derive greater value from disposal of surplus land through the sharing in development profits, in addition to attracting land value.
- 4.8. On 12 November 2012, Cabinet authorised the initiation of an OJEU procurement process to identify a PSP, with the view to establishing a JV by January 2014. The initial two sites that are to be redeveloped through this route are Watermeadow Court and Edith Summerskill House.

(C) Innovative Housing Built Using Modern Methods of Construction

- 4.9 In addition to the above two strands of work, there is a third area where officers consider it appropriate to pursue direct housing delivery, through the local housing development company.
- 4.10 In 2007 the Council appointed CB Richard Ellis, property consultants, to complete a review of all Housing Revenue Account 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 potential intermediate size infill development sites that may be suitable for between 10 - 50 new homes. However, these are relatively constrained sites, adjacent to or surrounded by existing residential developments, and therefore would benefit from innovative solutions in terms of design and construction. These schemes will be larger than the hidden homes sites but considered to be still of a scale where there is expertise within the Council to manage the full development risk and benefit from all of the development upside.
- 4.11 Therefore, for the intermediate size development sites it is considered beneficial to seek to develop exemplary housing built using MMC that could deliver high quality housing that meet planning, sustainability and viability requirements. MMC is a term used to describe a number of construction methods (e.g. volumetric, panellised, hybrid) that differ from traditional construction methods such as brick and block. Primarily this form of construction is manufactured off-site within the control environment of a factory. The panels or modules are then brought to site for construction.
- 4.12 The key advantages of building with MMC are that housing supply can be increased through efficiencies both in construction time and development costs achieved using MMC. As much of the work is conducted off-site in a factory, the impact on the local community in terms of noise, dust and traffic movements associated with conventional construction sites is also reduced.
- 4.13 The Council has identified a pilot site on the Spring Vale Estate which is considered to be suitable for development using MMC. Details of the pilot site are presented in section 6 of this report.

**5. RATIONAL HOUSE**

- 5.1 In June 2012 the Council initiated an OJEU procurement exercise to establish a framework for innovative housing built using MMC ('Product') and associated development management services ('Services'), which can be accessed by the tri-borough authorities and/or their subsidiary companies. The Product and Services will be provided by a single provider (Provider) and can be called down for individual sites as required. Details of the procurement exercise are set out in section 9 of the report.

- 5.2 City House Projects Limited (CHPL) has been selected as the preferred bidder following the procurement exercise. CHPL is a subsidiary company of Rational House and was created to provide all the services and commercial expertise necessary to deliver the Rational House product. As a subsidiary company CHPL has access to the Rational House brand and all intellectual property relating to the design of the product. The CHPL partners, Davis Langdon (cost consultancy, project & development management), AECOM (engineering, site surveys) and 3DReid (design and planning) are established in their respective fields.
- 5.3 Rational House was formed to create a new family city dwelling for the 21st century. It is an ambitious attempt to provide quality homes at affordable costs and address urban planning issues, urban character and density. The Rational House team has created a blueprint for contemporary living: a modern house that distils the most successful characteristics of family homes of the past. The initiative responds to changing needs by creating highly flexible and adaptable family homes. In areas of urban regeneration, Rational House has the ability to offer family homes that can also fit into tight urban spaces.
- 5.4 The first Rational House prototype was successfully constructed on Biscay Road in Hammersmith and sold in 2011. Further details of the Biscay Road house is provided in Appendix 1.
- 5.5 In summary, the key characteristics of Rational House are set out below:
- Can deliver high density low rise developments (the typical product unit, two storey house with basement, is capable of achieving a density of 426 habitable rooms per hectare, on a plot of 27 meters by 54 meters, a density that is almost double that reached by typical London terraced housing on an identical piece of land)
  - Is capable of rapid assembly using MMC in a variety of configurations to create family dwellings and/or flats of different sizes
  - Can be aggregated to form pleasant and familiar urban forms, including terraced streets, town squares and mews courts, but can also be inserted individually or in small numbers into existing difficult and dimensionally challenging infill sites
  - Is highly flexible in its fitting-out, capable of accommodating changing family structures and ages, and permitting subdivisions and recombinations of tenancies
  - Is easily adaptable to other uses both at the outset of development and also later in the life cycle of the fabric (i.e. small offices, convenience and food retailers and/or live work accommodation)
  - Provides generous standards for internal floor space, high ceilings and natural light, and provides an essential minimum of private outdoor amenity space, whilst maintaining relatively high density
  - Has a high-quality external appearance which is clean and modern, but also complements the existing street scene in Hammersmith and Fulham

- Conforms to current Building Regulations and complies with important non-mandatory standards, including the London Housing Design Guide, the Code for Sustainable Homes (min. Level 4), Lifetime Homes and Secure by Design, making it a product which is endorsed by mainstream mortgage and other lenders
- Can be provided to a cost which is competitive in the context of new urban housing, offering different levels of quality, both in build form and fit-out, that make it suitable for affordable and the private for sale units

## **6. PILOT DEVELOPMENT SITE**

- 6.1 The proposed pilot development site, located on the Spring Vale Estate in Brook Green, presents an infill development opportunity on an area of estate amenity land. The site comprises 425sqm low quality hard standing on the corner of Ceylon Road and Porten Road, which has historically been underutilised as estate parking (only a third of the parking capacity is currently let). It would be possible to convert the site to create between 8 and 12 new homes and also re-provide an element of car parking with a revised layout. The new housing development would create an opportunity to rebuild the traditional street scene and provide much needed new affordable housing. Further site details are provided in Appendix 2.
- 6.2 As part of their tender response, CHPL have proposed an indicative ten unit scheme for the proposed pilot site (see Appendix 3) which envisages:
- 2 family houses (3/4 bedroom)
  - 6 flats (1 bedroom)
  - 2 maisonettes (2 bedroom).
- 6.3 Summarised in the exempt Cabinet report is the outcome of the indicative development appraisal for the proposed pilot development site.
- 6.4 Based on the tender submitted by CHPL it is estimated that the professional fees required for CHPL to undertake all necessary resident consultation, site investigation surveys and design to RIBA stage C for the proposed pilot site will be £50,000. This will allow a detailed development viability appraisal to be undertaken in order to establish full project funding requirement to undertake this development.
- 6.5 It should be noted that at this stage the Council is only committing to £50,000 of expenditure with CHPL. A further report for each project under this programme will be brought before Cabinet requesting approval, which will contain a full development appraisal with full sensitivity analysis and a cash flow forecast. The report(s) will consider the other financial and development risks; approve the appointment of building contractors and the innovative housing provider, the financing requirements, and the arrangements for transferring the site to the housing development company.

- 6.6 It is anticipated that the development will be undertaken through H&F Housing Development Ltd (HFD), utilising the model used for the Hidden Homes Programme. HFD will need to secure a loan at a commercial interest rate from the Decent Neighbourhoods Fund, for the purposes of undertaking development of new housing built under this work stream.
- 6.7 In addition, officers will review potential for further intermediate size development sites that would be suitable for Rational House development and report back to Cabinet with a detailed development and funding programme in due course.

## **7. BUILDING CONTRACTOR**

- 7.1 In addition to the establishment of the framework, the Council will also need to seek early engagement of a contractor to undertake the construction of new housing as part of this programme. The early engagement of a contractor, as set out in the Government Construction Strategy 2011, has been demonstrated to create efficiency within the design and development process.
- 7.2 It is proposed that the building contractor be appointed using the national SCAPE framework. This is a single contractor framework, set up by Scape System Build Limited (a wholly owned local authority company based in the Nottingham & Derby areas). It is renewed every 4 years with the current framework running from 2010 to 2014. The single contractor appointed to the SCAPE framework National Contractor lot for this period is Willmott Dixon Capital Works Ltd.
- 7.3 The use of the SCAPE framework would provide the Council with the opportunity to accelerate contractor appointment, whilst minimising upfront risk, as the contractor will undertake pre-construction design and feasibility work prior to entering into any contractual relationship with the Council. The framework also offers improved programme and cost certainty, provides a commitment to local employment with subcontractors taken from a certain distances of project locations and avoids the potential risk of not being able to secure suitable bids through an open tender process given the current difficult market conditions.
- 7.4 The Council joined the SCAPE framework in 2012 at nil cost, following necessary legal and procurement checks, which enables the Council to call-down building contractor services as required. SCAPE charge a 0.5 per cent fee on net build cost (i.e. before the contractor's overhead and profit is applied) for the use of the framework to appoint the building contractor for each development site.

## **8. CONSULTATION**

- 8.1 Before sites can be taken forward for development it is important for the Council to carry out detailed resident consultation and for the results to be properly assessed and taken on board.

8.2 Therefore, it is proposed that for each development site a range of consultation approaches will be used which may include:

- Ward Councillor briefing
- TRA engagement
- Resident newsletter
- Letters to tenants/leaseholders
- Drop-in session/design exhibitions
- Questionnaires
- Formal planning consultation

## **9. FRAMEWORK PROCUREMENT**

- 9.1 To identify the innovative housing and development management services provider the Council completed an open OJEU procurement exercise, which was administered through the London Tenders Portal.
- 9.2 A notice was published on 23 June 2012 in the Official Journal of the European Union (OJEU) (Reference: 2012/S 119-197419) and on the Council's website on 19 June 2012. Applicants were required to submit a formal response by 31 July 2012.
- 9.3 The assessment process comprised a qualifying stage (pre-qualification questionnaire) and an evaluation stage (invitation to tender). Bidders were required to pass the qualifying stage for their bids to be assessed at the evaluation stage. The evaluation stage comprised two separate elements:
- Quality (70 per cent)
  - Pricing (30 per cent)
- 9.4 Tenderers were assessed on a combination of price and quality to identify the most economically advantageous tender to the Council.
- 9.5 The outcome of the assessment process was presented to the Tender Appraisal Panel (TAP). In order to demonstrate an open and transparent procurement process, the TAP adopted and followed the principles set out in the Public Contracts Regulations 2006.
- 9.6 All the legal documentation was prepared by external lawyers on behalf of the Council.
- 9.7 Based on the assessment process the tender submission from City House Projects Limited was identified as the most economically advantageous to the Council. Details of the tender assessment is provided in the exempt Cabinet report.

- 9.8 The framework agreement will be established for a four year period and the maximum value of Development Management Services the Authority will be able to call down is £1.5m.

## **10. RISK MANAGEMENT**

- 10.1. Upon establishment of the framework and formal selection of the pilot development site, detailed site due diligence and scheme viability assessments will be undertaken. In addition, resident and other stakeholder consultation will be undertaken. This will inform the detailed scheme proposal which will be subject of a further Cabinet report in due course. The phased approach to financial commitment to the development is intended to minimise Council's exposure to financial and any reputation risks, however it should be noted that at this stage there is a risk of a charge to the Housing Revenue Account of £50k as further detailed in the Finance & Resources Implications section of the report.
- 10.2 The Rational House prototype building in Hammersmith has been successfully built (within a very constrained urban residential site) and sold on the open market. As part of the tender appraisal process the Council has undertaken a financial check on the winning bidder and further due diligence will be undertaken as part of developing detailed scheme proposals. CHPL partner organisations, Davis Langdon, AECOM and 3DReid are established in their respective fields.
- 10.3 Management of risk relating to the proposal are the responsibility of the Housing and Regeneration Department. A risk register exists for the purpose of recording and monitoring the departmental risks and this will be updated to reflect the report content.

## **11. EQUALITY IMPLICATIONS**

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



- 11.2 At a later date, the Council will need to have due regard for the potential implications that any proposals for housing development 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.
- 11.3 Should firm proposal come forward for housing development on the pilot site or an alternative site it will be necessary to assess this against the various protected characteristics and groups and to what extent they will be affected as a result of such a proposal. The implications of any proposal would be demonstrated as part of the next Cabinet report and Equality Impact Assessment (EIA).
- 11.4 Notwithstanding the content of the EIA – which would be prepared for an individual site should any proposal come forward; the Council need 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.

## **12. FINANCIAL AND RESOURCES IMPLICATIONS**

- 12.1 As noted in the risks section above, officers have carried out financial assessment of bidders as part of the tender appraisal process, and the results of this were incorporated in the scoring.
- 12.2 The exempt Cabinet report sets out the financial results of the initial development appraisal at Spring Vale Estate. Sensitivity analysis has been conducted to demonstrate that the proposal is financially viable based on the current indicative figures within a range of tolerances.
- 12.3 Section 6.4 requests approval to incur professional fees of £50k. This will allow a detailed development viability appraisal to be undertaken before proceeding with any proposed development, thereby minimising the risk of entering into binding commitments at an earlier stage. The costs are likely to be revenue in character due to the fact that they will be incurred before the development of the site has been approved by Cabinet and because of the nature of the expenditure to be incurred.
- 12.4 The Council currently holds a series of Section 106 agreement funds of £791k in total which are ring fenced for use for affordable housing and regeneration purposes. The professional fees of £50k, together with existing approved calls on this balance, bring the total potential call on these funds to £969k. In the event that costs charged against this pot all crystallise, and prove not be capitalisable or rechargeable, then there would be a net charge to the HRA of £178k in 2013/14.

12.5 It should be noted that at this stage the Council is only committing to £50,000 of expenditure with CHPL. A further report for each project under this programme will be brought before Cabinet requesting approval, which will contain a full development appraisal with full sensitivity analysis and a cash flow forecast. The report(s) will consider the other financial and development risks; approve the appointment of building contractors and the innovative housing provider, the financing requirements, and the arrangements for transferring the site to the housing development company.

**13. LEGAL IMPLICATIONS**

13.1 The proposed establishment of a framework for innovative housing built using MMC and associated development management services with City House Projects Limited as the single provider after following an OJEU procurement process for setting up the framework has been advised on by M/s Sharpe Pritchard LLP and would appear to be in compliance with the EU Public Procurement Laws. The Council is obliged to follow a Standstill period following publication of the decision to award.

13.2 The appointment of a contractor for construction under a framework set up by SCAPE would also be in compliance with EU Public Procurement Laws and the Council’s Contract Standing Orders. An Access Agreement has already been executed with SCAPE to facilitate this.

**14. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

14.1 The Corporate Procurement Team has been represented on the Tender Appraisal Panel and provided advice throughout the tendering process. The tendering process has complied with the Public Contracts Regulations 2006 (as amended) and the Council’s Contracts Standing Orders. Consequently, the Director supports the recommendation to award the framework agreement to City House Project Limited based on the assessment of their tender submission identifying it as the most economically advantageous to the Council.

14.2 A contract award notice must be published in OJEU within 48 days of the award of the framework.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

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



Rational House™ has established City House Projects® Ltd to ensure the successful delivery of Rational House™ projects of all sizes.

CHP Ltd is formed of companies renowned for their expertise in managing and delivering world-class developments. Together they apply their collective and extensive knowledge and expertise to provide bespoke solutions to clients, using the Rational House™ product.

The CHP partners comprising Rational House™, Davis Langdon, an AECOM Company, AECOM and 3DReid are leaders in their respective fields of Masterplanning; Project, Cost & Consultancy; Engineering Design and Architecture.

[www.rationalhouse.com/cityhouseprojects](http://www.rationalhouse.com/cityhouseprojects)

For further information please contact:  
Amy Charles  
Business Development and Marketing Manager  
E: [amy.charles@rationalhouse.com](mailto:amy.charles@rationalhouse.com)  
M: +44 (0) 7508 021 084

## A new family dwelling for the 21st century



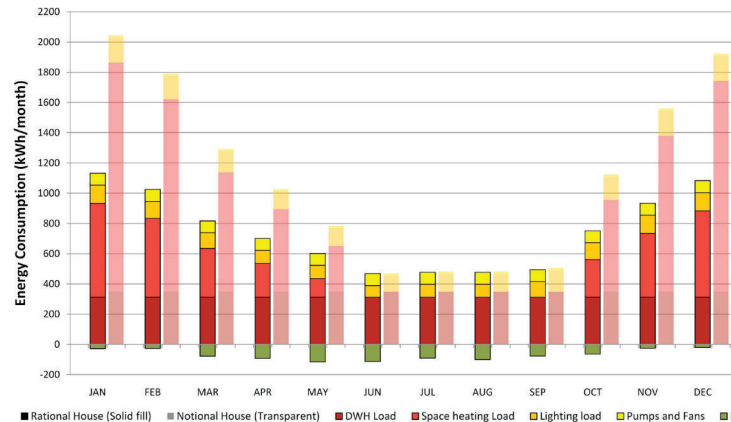
# Rational House™

Rational House™ has created a new city dwelling for the 21st century. We offer high quality homes at affordable cost, providing a unique response to contemporary urban challenges including the need for a sustainable future.

[www.rationalhouse.com](http://www.rationalhouse.com)  
[www.flickr.com/photos/rationalhouse](http://www.flickr.com/photos/rationalhouse)



Comparison of a Rational House™ energy consumption with a Notional House (UK):

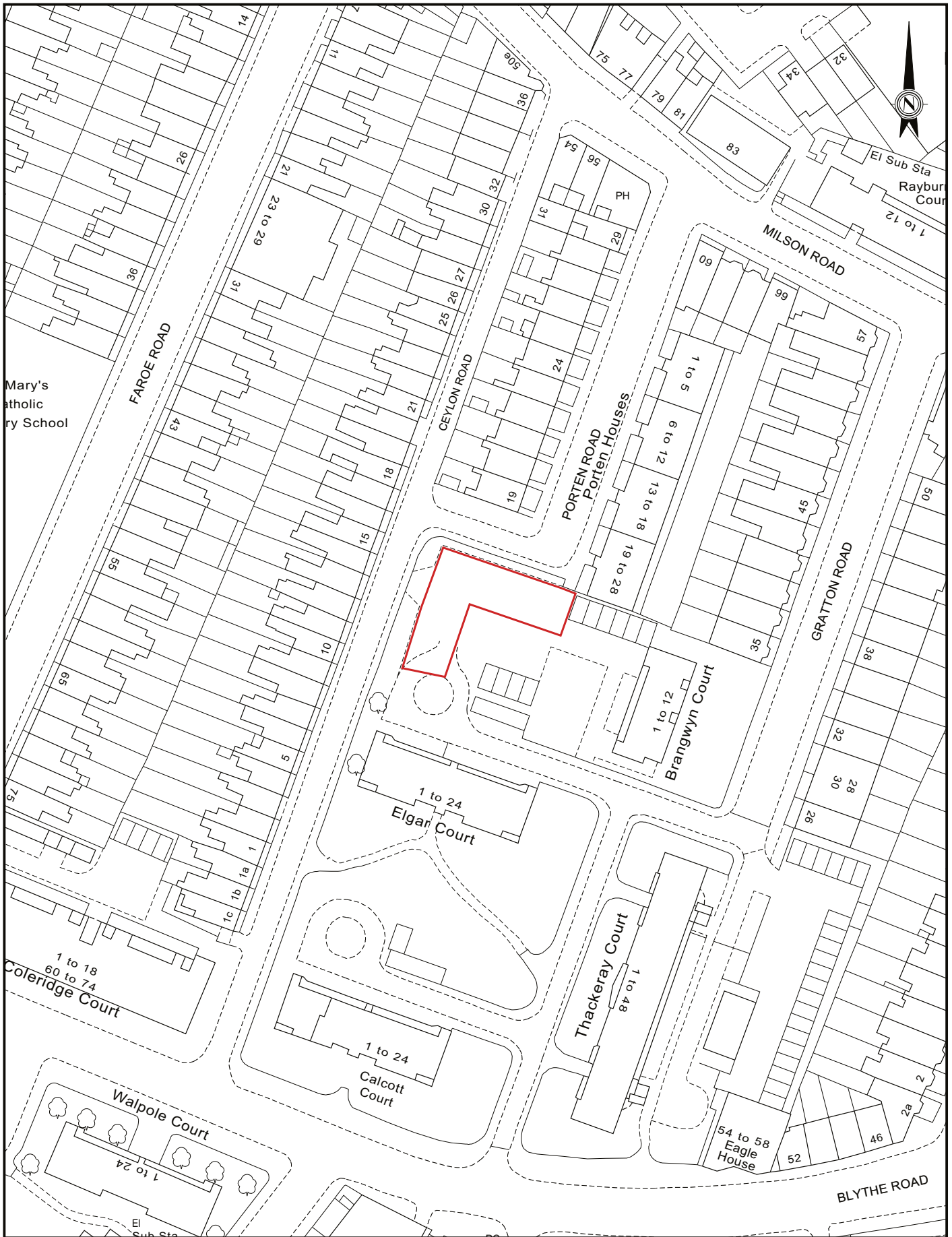


Rational House™ responds to the needs of our fast-changing society. By providing homeowners with a highly flexible housing model that can adapt to suit their family needs, we have designed a true home for life. Other companies offer standardised residential buildings at competitive costs, but they do not combine all the features that set Rational House™ apart;

- **Flexibility and adaptability**
- **Speed of construction**
  - Panels erected approx 1 per hour = One house shell can be erected in two weeks
  - Panels connected by standard fixings
  - Modular construction = lower risk of over runs compared to traditional methods
- **Affordable cost of delivery and lifecycle value**
  - Affordable cost: £95 per shell, £145psf fully fitted (average)
  - Economies of scale enable percentage cost savings as number of units increases
  - High densities: equivalent to 4/5 storey flats, achieved at low-rise
- **Superior build quality and finishes**
  - High quality cast stone finish is achieved by off-site manufacture
- **Sustainability, meeting Code for Sustainable Homes Level 4**
  - Unique thermal mass system ensures increased thermal efficiency (see graph above)
  - Sustainable materials: include industrial by-product aggregates, recycled zinc and facing bricks.
- **Complies with the new London Housing Design Guide and exceeds current Building Regulations requirements.**

Tomorrow's  
modern classic





HAMMERSMITH AND FULHAM COUNCIL Transport & Technical Services Town Hall Extension, King Street London W6 9JU Tel. 020 8748 3020		
Drawn	Checked	Approved
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Scale	Original Sheet Size	
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DWG No.	Revision	Date
808271/2		May.'12

PROJECT

**SPRING VALE ESTATE**

**POTENTIAL DEVELOPMENT SITE**

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NOTES	Date	Rev	Init
Devised and created by the Land & Asset Survey Team using CAD & GIS software. This drawing is Copyright.			



**Appendix 2B - Spring Vale Estate**



Appendix 3 – CHPL Proposal



View from junction of Ceylon Road and Porten Road



View from west side of Ceylon Road

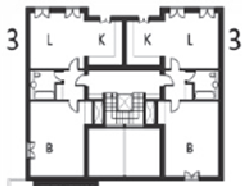


View looking west from Brangwyn Court

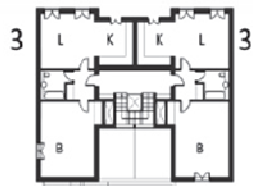


View looking south down Porten Road

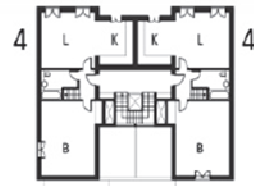




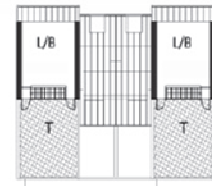
First Floor



Second Floor



Third Floor



Fourth Floor

## 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](mailto: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.

## KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 10 DECEMBER 2012 AND AT FUTURE CABINET MEETINGS UNTIL APRIL 2013

The following is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting and future meetings. 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](mailto: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](http://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**

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

*Key Decisions List No. 3 (published 9 November 2012)*

## KEY DECISIONS LIST - CABINET ON 10 DECEMBER 2012

**The list also includes decisions proposed to be made by future Cabinet meetings**

*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>
<b>December</b>				
Expenditure more than £100,000	<p><b>3rd Sector Investment Fund Allocation</b></p> <p>This report seeks agreement to extend one 3rd Sector Investment Fund grant funding agreement under the service area of Economic Wellbeing &amp; 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&amp;F Citizens Advice Bureau – Core Service.</p>	<p>Cabinet Member for Community Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Susan Hughes  susan.hughes@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><b>Printing services : renewing a Framework Agreement - contract award</b></p> <p>This report seeks approval to award a Framework for Printing Services (Lots 1&amp;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) under paragraph 3 of Schedule 12A of the Local Government Act</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> )
			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><b>Corporate Revenue Monitoring 2012/13 - Month 6 (September)</b></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.
Expenditure more than £100,000	<p><b>Capital Budget Monitor 2012/13 - Quarter 2 Amendments</b></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.
Expenditure more than £100,000	<p><b>Treasury Management Mid Year Review</b></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.

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><b>Fulham Palace Road Corridor Scheme - Approval to spend S106</b></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.
Expenditure more than £100,000	<p><b>Working from anywhere technical implementation</b></p> <p>The three Councils, RBKC, WCC and H&amp;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 possible to use computers from any such location.</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>	<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.

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><b>Tri-borough ICT Strategy for 2012-2015</b></p> <p>This paper will seek approval for H&amp;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><b>Annual Review of Trade Waste Service</b></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.
Expenditure more than £100,000	<p><b>Interim Taxi Provision</b></p> <p>This report seeks Cabinet approval for an interim solution for taxi provision - primarily for children with special educational, looked after children, and vulnerable adults - until the tri-borough passenger transport contract commences in late 2013.</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Andrew Christie andrew.christie@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</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> )
			exemption outweighs the public interest in disclosing the information.	
Expenditure more than £100,000	<p><b>Tri-borough Data Network Interconnections Upgrade</b></p> <p>The tri-borough data network interconnections need to be upgraded, in terms of both bandwidth and resilience to avoid service disruption to enable flexibility of deploying staff across tri-borough locations.</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.
Affects more than 1 ward	<p><b>Establishment of a framework for innovative housing product &amp; development management services to deliver exemplary housing using modern methods of construction</b></p> <p>This report seeks approval to establish a framework for: a) innovative housing product built using modern methods of construction; and b) development management services. The framework will be formed of a single provide and can be accessed by the tri-borough authorities.</p>	<p>Cabinet Member for Housing</p> <p>Ward(s): All Wards</p> <p>Contact officer: Martin Miah Tel: 0208753 3480 martin.miah@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><b>Schools Organisation Strategy 2012/13</b></p> <p>This report updates Cabinet on progress with the implementation and development of the School Organisation Strategy presented to Members on 5th March 2012. It outlines the effectiveness of the strategy to date in addressing pressure on places and proposes</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Andy Rennison Tel: 020 7385 0606 andy.rennison@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> )
	further solutions for future admissions issues. This report also seeks approval for capital funding decisions to schools.			

## DECISIONS PROPOSED TO BE MADE BY FUTURE CABINET MEETINGS

### January

Affects more than 1 ward	<b>Annual Report on the Social Care of Looked After Children</b>  Looked After Children Social Care report.	Cabinet Member for Children's Services		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: Steve Miley Tel: 020 8753 2300 steve.miley@lbhf.gov.uk		
Expenditure more than £100,000	<b>Internships</b>  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)		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: Debbie Morris, Marc O'Hagan Tel: 0208 753 1126 debbie.morris@lbhf.gov.uk, Marc.O'Hagan@lbhf.gov.uk		

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><b>Reprocurement of frameworki Social Care IT system</b></p> <p>Confirmation of reprocurement of Frameworki social care system (or equivalent social care system) is requested for both Adult Social Care and Children's Services from January 2013.</p>	<p>Cabinet Member for Community Care, Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Mark Hill <a href="mailto:mark.hill2@lbhf.gov.uk">mark.hill2@lbhf.gov.uk</a></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>	<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.</p>
Expenditure more than £100,000	<p><b>Update on Edward Woods Estate Regeneration Scheme</b></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 <a href="mailto:Roger.Thompson@lbhf.gov.uk">Roger.Thompson@lbhf.gov.uk</a></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</p>	<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.</p>

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			maintaining the exemption outweighs the public interest in disclosing the information.	
Expenditure more than £100,000	<p><b>Corporate Revenue Monitoring 2012_13 : PERIOD 7(October)</b></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><b>Supply of tickets for pay and display machines</b></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 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><b>Contract for the maintenance of pay and display machines</b></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 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.

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Affects more than 1 ward	<p><b>Council Housing Tenancy Agreement</b></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><b>Tri-borough Passenger Transport Procurement</b></p> <p>Consideration of business case and seeking of cabinet approval to proceed with the procurement of a tri-borough passenger transport service for children and adults</p>	<p>Cabinet Member for Children's Services, Cabinet Member for Community Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Steve Bywater  steve.bywater@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><b>Managed Services Programme</b></p> <p>Following the completion of the Managed Services procurement process, a report will be brought to Cabinet for decision on LBHF's position re. signing up to the framework</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>	<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</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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			maintaining the exemption outweighs the public interest in disclosing the information.	
Expenditure more than £100,000	<p><b>To award a Framework Agreement for Printing Services (Web Offset) Lots 3 &amp; 4</b></p> <p>Report to approve recommended contractors for Lots 3 &amp; 4 and set up a Framework Agreement to commence in February 2013 for a period of 4 years</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Louise Raisey Tel: 020 8753 2012 Louise.Raisey@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><b>Tri-Borough Managed Services (Athena), Lot 4 Business Intelligence</b></p> <p>Business case and recommendations on approval of framework agreement for Business Intelligence as a Managed Service.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West, Dale Squire Tel: 0208 753 1900, Tel: 02087533161 jane.west@lbhf.gov.uk, Dale.Squire@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><b>LBHF Children's Centre Proposal</b></p> <p>Aligning of Hammersmith and Fulham hub and spoke children's centres to comply with the department of education (DfE) Children's Centre model and to fit the proposed Ofsted locality based inspections</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Margaret Murphy Tel: 020 8753 2045 Margaret.Murphy@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	<p><b>Council Tax Discounts and Exemptions</b></p> <p>Following legislative changes, the Council has discretion to vary council tax discounts on second homes and exemptions on empty properties. This report proposes changes to these from 1 April 2013.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@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.
Budg/pol framework	<p><b>Council Tax Base and Collection Rate 2013/2014</b></p> <p>This report contains an estimate of the Council Tax collection rate and calculates the Council Tax Base for 2013/14</p> <p>The Council Tax Base will be used in the calculation of the Band D Council Tax undertaken in the Revenue Budget Report for 2013/14</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@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.
Budg/pol framework	<p><b>Localising Council Tax Support 2013/14</b></p> <p>Legislative changes mean that Council Tax Benefit is being abolished and replaced by a local scheme designed by the Council.</p> <p>This report proposes the scheme to be adopted following public consultation by the Council on 1st April 2013.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Paul Rosenberg Tel: 020 8753 1525 paul.rosenberg@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.
Budg/pol framework	<p><b>Business Rate Retention 2013/2014</b></p> <p>Following introduction of the above scheme this report contains an estimate of the</p>	<p>Leader of the Council (+Regeneration, Asset Management and 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

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	Business Rate income that the Council expects to collect during 2013/2014	Ward(s): All Wards  Contact officer: Steve Barrett Tel: 020 8753 1053 Steve.Barrett@lbhf.gov.uk		of any supporting documentation and / or background papers to be considered.
<b>February</b>				
Expenditure more than £100,000	<b>Provision of a blue badge investigation and enforcement service</b>  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.	Cabinet Member for Transport and Technical Services  Ward(s): All Wards  Contact officer: Osa Ezekiel  Osa.Ezekiel@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	<b>Elevator Monitoring Unit Installation - Various Sites</b>  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.	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Velma Chapman Tel: 020 8753 4807 velma.chapman@lbhf.gov.uk	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.

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Expenditure more than £100,000	<p><b>Corporate Revenue Monitoring 2012_13 : PERIOD 8 (November)</b></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.
Budg/pol framework	<p><b>2013/14 Budget and Council Tax Setting report</b></p> <p>To approve the 2013/14 Budget Estimates and Council Tax levels.</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><b>Cemeteries Reorganisation</b></p> <p>Facilitating the Cemeteries operations through Quadron Services Limited.</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.
Expenditure more than £100,000	<p><b>Capital Programme 2013/14 to 2015/16</b></p> <p>This report sets out proposals in respect of the capital programme, together with ancillary issues.</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 of any supporting documentation



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		Contact officer: Hitesh Jolapara  hitesh.jolapara@lbhf.gov.uk		and / or background papers to be considered.
<b>March</b>				
Expenditure more than £100,000	<b>Corporate Revenue Monitoring 2012_13 : PERIOD 9 (December)</b>  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	<b>Capital Budget Monitor - 3rd Quarter Amendments 2012/13</b>  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	<b>Holy Cross/Lycée expansion and co-location Tender Approval</b>  Approval to accept the most economically advantageous tender to carry out new-build 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.	Cabinet Member for Children's Services Ward(s): Parsons Green and Walham Contact officer: John Brownlow Tel: 020 8753 john.brownlow@lbhf.gov.uk	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)	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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			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><b>Housing Capital Programme 2013-2014</b></p> <p>This report sets out the proposed 2013/14 Housing Capital Programme and seeks authority to proceed with the various schemes identified.</p>	<p>Cabinet Member for Housing</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@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><b>2013-14 TfL annual spending submission</b></p> <p>This report refines and details the integrated transport projects as submitted as part of the council's approved transport plan (LIP2) to be undertaken in 2013/14 funded by Transport for London (TfL).</p> <p>The borough's 2013/14 integrated transport grant was subject to a reduction of approximately 10% to £1,947,000 as a result of the Governmental October 2010 Comprehensive spending review.</p> <p>This funding is specifically provided by TfL for borough transport projects based on the LIP2 objectives, targets</p>	<p>Cabinet Member for Transport and Technical Services</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@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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	and delivery plan. The projects are designed and delivered on the basis of maximising value for money and reducing the costs to the council of maintenance and repairs.			
<b>April</b>				
Affects more than 1 ward	<p><b>Letting of concession of Wi-Fi on lamp posts</b></p> <p>Letting of a concession to allow mobile data devices to be fitted to lamp posts.</p>	<p>Deputy Leader (+ Residents Services)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <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.
Expenditure more than £100,000	<p><b>Corporate Revenue Monitoring 2012_13 : PERIOD 10 (January)</b></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.
Affects more than 1 ward	<p><b>SERCO Contract Review</b></p> <p>Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.</p>	<p>Deputy Leader (+ Residents Services)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <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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<b>May</b>				
Expenditure more than £100,000	<p><b>New Queensmill School - Tender Approval</b></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>	<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.</p>
Affects more than 1 ward	<p><b>Notification for the decision on award of contract</b></p> <p>To agree access to a framework agreement that is being prepared by West London Alliance (on behalf of RBKC, LBHF, WCC and six other local authorities) to engage a number of independent fostering agencies to provide foster placements to looked after children at a better price than is available through spot purchasing, which is the current arrangement for procuring these placements.</p>	<p>Cabinet Member for Children's Services</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Karen Tyerman Karen.Tyerman@lbhf.gov.uk</p>		<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.</p>