

Cabinet

Agenda

MONDAY
8 APRIL 2013
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 March 2013 2013

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

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

PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items (22-27) 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 **4-19** 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 3 April 2013.**

COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 10 April 2013**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 15 April 2013 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 15 April 2013**.

Cabinet Agenda

8 April 2013

<u>Item</u>		<u>Pages</u>
1.	MINUTES OF THE CABINET MEETING HELD ON 4 MARCH 2013	1 - 12
2.	APOLOGIES FOR ABSENCE	
3.	DECLARATION OF INTERESTS	
	<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>	
4.	REVENUE BUDGET 2012 - 13 : MONTH 10 AMENDMENTS	13 - 16
5.	TRI-BOROUGH ICT TARGET OPERATING MODEL	17 - 34

6.	HAMMERSMITH LIBRARY REFURBISHMENT AND OPTION FOR ARCHIVES SERVICE	35 - 51
7.	PARKS CAPITAL PROGRAMME 2013/16	52 - 62
8.	CEMETERIES - VARIATION TO GROUNDS MAINTENANCE CONTRACT	63 - 67
9.	FULHAM PALACE TRUST - PROPOSED FINANCE ARRANGEMENTS	68 - 81
10.	MENTAL HEALTH PARTNERSHIP AGREEMENT UNDER SECTION 75 NHS ACT 2006 LONDON BOROUGH OF HAMMERSMITH AND FULHAM (H&F) AND WEST LONDON MENTAL HEALTH TRUST (WLMHT)	82 - 92
11.	CONTRACT EXTENSION OF CHILDREN'S CENTRE SPEECH AND LANGUAGE SERVICES	93 - 100
12.	AWARD OF CONTRACT FOR INDEPENDENT NHS COMPLAINTS ADVOCACY SERVICE	101 - 115
13.	HRA ASSET MANAGEMENT PLAN 2013 -16 AND HOUSING CAPITAL PROGRAMME 2013 - 14	116 - 157
14.	AWARD OF NEW HOUSING REPAIRS AND MAINTENANCE CONTRACT	158 - 211
15.	MARKET TESTING OF HOUSING SERVICES - ESTATE SERVICES (LOT 1)	212 - 233
16.	MARKET TESTING OF HOUSING SERVICES - HOUSING MANAGEMENT (LOT2)	234 - 256
17.	HOME BUY ALLOCATION SCHEME	257 - 280
18.	EXTENSION OF CONTRACT FOR THE MAINTENANCE OF PAY AND DISPLAY MACHINES	281 - 283
19.	SUBMISSION OF A BID TO THE MAYOR OF LONDON'S AIR QUALITY FUND	284 - 291
20.	KEY DECISIONS LIST	292 - 309

21. EXCLUSION OF PRESS AND PUBLIC

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

22. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 4 MARCH 2013 (E)

23. TRI-BOROUGH ICT TARGET OPERATING MODEL : EXEMPT ASPECTS (E)

24. MENTAL HEALTH PARTNERSHIP AGREEMENT UNDER SECTION 75 NHS ACT 2006 LONDON BOROUGH OF HAMMERSMITH AND FULHAM (H&F) AND WEST LONDON MENTAL HEALTH TRUST (WLMHT) : EXEMPT ASPECTS (E)

25. AWARD OF NEW HOUSING REPAIRS AND MAINTENANCE CONTRACT : EXEMPT ASPECTS (E)

26. MARKET TESTING OF HOUSING SERVICES - ESTATE SERVICES (LOT 1) : EXEMPT ASPECTS (E)

27. MARKET TESTING OF HOUSING SERVICES - HOUSING MANAGEMENT (LOT 2) : EXEMPT ASPECTS (E)

Agenda Item 1



London Borough of Hammersmith & Fulham

Cabinet Minutes

Monday 4 March 2013

PRESENT

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

161. MINUTES OF THE CABINET MEETING HELD ON 11 FEBRUARY 2013

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11th February 2013 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

162. APOLOGIES FOR ABSENCE

There were no apologies for absence.

163. DECLARATION OF INTERESTS

There were no declarations of interest.

164. THE GENERAL FUND, HOUSING REVENUE ACCOUNT AND DECENT NEIGHBOURHOODS CAPITAL PROGRAMMES - BUDGET VARIATIONS AT QUARTER 3 2012/13

RESOLVED:

That approval be given to the budget variations as at quarter 3 for 2012/13 as set out in the report.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

165. WEB PRINTING SERVICES : RENEWING A FRAMEWORK AGREEMENT - CONTRACT AWARD

RESOLVED:

1. That the award of a Framework Agreement for Print Services to the contractors set out in paragraph 4.1 of the report for a period of four years, to commence on 1 April 2013, be approved.
2. That, following formal award of the Framework, officers hold mobilisation meetings with successful contractors to ensure smooth implementation., 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.

166. SUBSCRIPTIONS/AFFILIATIONS FOR EXTERNAL ORGANISATIONS 2013/14

RESOLVED:

1. That the notice of potential withdrawal from London Councils and the Local Government Association be rescinded.
2. That the subscription to the Local Government Association for 2013/14 of £26,577 be approved.
3. That the subscription of £172,427 for 2013/14 to London Councils 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.

167. TRI-BOROUGH ICT STRATEGY IMPLEMENTATION PROGRAMME - FROM TECHNOLOGY-BASED PROVISION TO DEPLOYMENT "AS A SERVICE"

RESOLVED:

1. That Tri-borough funding of £154,000 for a Tri-borough ICT Programme Manager to deliver the programme during 2013/14 be approved.
2. That approval be given to the H&F share of funding for a Tri-borough ICT Programme Manager of £51,333 to be funded from the Efficiency Reserve.

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.

168. PENSIONS AUTO-ENROLMENT

RESOLVED:

That, in view of the considerable projected savings of employer pension contributions, Hammersmith & Fulham Council defer introduction of pensions auto enrolment until October 2017.

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.

169. CREATION OF AN EMPLOYEE-LED MUTUAL AND SELECTION OF THE BUSINESS PARTNER

RESOLVED:

1. That approval be given to the creation of *3 Borough Mutual (3BM)*, an Employee-Led Mutual that will become external to the Council and, through a joint venture company with an independent business partner, trade in the provision of support services to schools and consultancy services to local authorities.
2. That approval be given to Prospects Services Limited being selected as the independent sector partner to help establish and support the growth of 3BM, with Prospects Service Limited taking a minority shareholding in the joint venture.
3. That approval be given to award a 4-year contract between the Council and 3BM for strategic consultancy services on education and schools-related matters which:
 - a) commences on 2 April 2013;
 - b) is for consultancy services valued at £977,891 for the 2013/2014 financial year, and which will incrementally reduce to £765,641 by 2017/18;
 - c) provides an option to extend, via one or more extensions, for a further 3-years if in the Council's interest to do so, and that the decision on activating any extension(s) is delegated to the Leader and Cabinet Member for Children's Services;
 - d) has a robust performance management specification, with clear provision for termination should a party default.
4. That the final format form of the Agreement between the Council and 3BM be delegated to The Leader and Cabinet Member for Children's Services, in consultation with the Executive Directors for Children's Services and Environment, Leisure and Residents Services.
5. That approval be given to vary the Council's IT services contract with the H&F Bridge Partnership (HFBP) so as to enable 3BM to access ICT services from HFBP as an authorised Sub-Customer.

6. That approval be given to novate existing relevant contracts between the Council and schools for the provision of support services to 3BM.
7. That approval be given to delegate to the Leader and Cabinet Member for Children's Services (in consultation with the Executive Director for Finance and Corporate Services, the Executive Director for Tri-borough Children's Services, and the Bi-borough Director for Law) authority to arrange usage by 3BM of appropriate assets and leases, as described in paragraph 8.5 of the report.
8. That approval be delegated to the Executive Director of Finance and Corporate Governance, in consultation with the Leader of the Council to enter into such agreements as are considered necessary in relation to the pension and workforce matters referred to in paragraphs 8.2 and 8.3 of the report.
9. That Cabinet notes the transitional issues described in section 8 of the report and agrees that a report on these be submitted by Executive Director for Tri-Borough Children's Services at its meeting on 13 May 2013.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

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

None.

170. CONTINUED INFORMATION, ADVICE AND GUIDANCE TO YOUNG PEOPLE WITH LEARNING DIFFICULTIES

RESOLVED:

1. That the requirement contained in the Council's Contract Standing Orders (CSO) to seek competitive tenders be waived in accordance with CSO 3.1, and that approval be given to negotiate a new contract for Information, Advice and Guidance Services with the existing provider, CfBT Advice and Guidance Limited, in accordance with CSO 9.11.
2. That the new interim contract with CfBT be for no more than 24 months, with provision for a break clause after one year, at 31 March 2104.
3. That the cost for the first 12-months of the interim contract with CfBT for the Careers Learning Disability and Difficulty IAG and tracking service,

for one year to 31 March 2014, be no more than £280,580, representing a contract value reduction of 22%.

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.

171. EXTENSION OF SUPPORTED PEOPLE (CHILDREN'S) CONTRACT

RESOLVED:

1. That the extension of three Supported People Housing (Children's) contracts for Looked after Children and Care Leavers as detailed in the table below, be approved.

Contract	Provider	Start Date	End Date	Extension Value 12/13	Extension Value 13/14	Total Extension Value
Contract 4	London Cyrenians	01/03/2013	31/03/2014	£17,393	£192,253	£209,646
Contract 5	Nottingham Housing Group	15/03/2013	31/03/2014	£7,264	£150,138	£157,402
Contract 6	London Cyrenians	01/04/2013	31/03/2014	£0	£539,856	£539,856

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.

172. CONSIDERATION OF THE FINDINGS AND RECOMMENDATIONS OF CONSULTATION, AND AGREEMENT ON THE GOVERNANCE ARRANGEMENTS, FOR ADULT SAFEGUARDING ACROSS TRI-BOROUGH

RESOLVED:

1. That a single Safeguarding Adults Executive Board be set up across the three boroughs, with an Independent Chair and designated administrative support (as described in Option C in Appendix 1 of the report) which mirrors the arrangements for the Safeguarding Children's Board; the Membership of the Board would be drawn from senior representatives of statutory agencies.
2. That a suitably qualified independent chair be recruited through external advertisement who will report to the Tri-borough Executive Director of Adult Social Care and that the arrangement for the appointment be delegated to the Strategic Director in consultation with the Cabinet Members.
3. That the approach of work-streams operating across the three boroughs: 'Developing Best Practice'; raising public awareness through 'Community Engagement'; and 'Measuring Effectiveness'/Quality Assurance be endorsed so that the work can continue to progress and be consolidated (as described in Option C in Appendix 1 of the report).
4. That the value of Partnership groups in each of the boroughs be decided by agencies represented on the existing Boards based on the level of resource they are willing to commit to these, in addition to contributing to the work-streams of the Executive Board (some consideration given to Option A in Appendix 1).

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.

173. PUBLIC HEALTH 2013-14

RESOLVED:

1. That Westminster City Council is the Tri-borough host for Public Health.

2. That the Executive Director of Finance and Corporate Governance (LBHF), the Town Clerk and Executive Director of Finance (RBKC) and the Chief Operating Officer (WCC), and the respective Heads of Legal be authorised to enter into a Tri-Borough Agreement in respect of Public Health in accordance with Section 113 of the Local Government Act 1972.
3. That the two Chief Executives, as accounting officers for the three Councils, delegate decisions about spending on public health services (within the scope of Annex A attached to the report) to the Director of Public Health, subject to each Council's Financial Regulations.
4. That officers carry out a review of the current public health contracts, in close consultation with Members of all three authorities, once the new public health service is embedded within the Tri-borough.

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.

174. TFL FUNDED ANNUAL INTEGRATED TRANSPORT INVESTMENT PROGRAMME 2013-14

RESOLVED:

1. That approval be given to carry out feasibility design and consultation on projects C1, C2, N1 to N5 and the streetscape project at a total cost of £145,000 (approximately 15% of the total project cost) as set out in paragraph 5.2 of the report (forms part of the £1,947,000).
2. That authority be delegated to the Cabinet Member for Transport and Technical Services, in consultation with the Executive Director of Transport and Technical Services, to approve the implementation of new projects C1, C2, N1 to N5 and the streetscape project totalling £963,000 (forms part of the £1,947,000).
3. That approval be given to complete the 2012/13 integrated transport projects at a cost of £468,000 as set out in paragraph 5.3 of the report (forms part of the £1,947,000).
4. That approval be given to deliver the smarter travel programme at a cost of £356,000, as detailed in paragraph 5.4 of the report (forms part of the £1,947,000).

5. That approval be given to utilise £100,000 as a contribution towards the Mayor's cycle hire scheme and £60,000 to develop the Council's 2014/15 to 2016/17 delivery plan, as detailed in paragraph 5.5 of the report (forms part of the £1,947,000).
6. That authority be delegated to the Cabinet Member for Transport and Technical Services in consultation with the Executive Director of Transport and Technical Services to approve the implementation of the Local Transport Fund programme of £100,000, as detailed in paragraph 5.6 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.

175. KEY DECISIONS LIST

The Key Decisions list was noted.

176. 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.]

177. EXEMPT MINUTES OF THE CABINET MEETING HELD ON 11 FEBRUARY 2013 (E)

RESOLVED:

That the minutes of the meeting of the Cabinet held on 11 February 2013 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

178. CONTRACT VARIATION FOR THE CONTRACT WITH AGILSYS LTD FOR THE PROVISION OF BUSINESS AND MANAGEMENT SERVICES.LOT 1 - PROCUREMENT SERVICES AND SAVINGS (E)

RESOLVED:

That the recommendation 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.

179. WEB PRINTING SERVICES : RENEWING A FRAMEWORK AGREEMENT - CONTRACT AWARD : 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.

180. TRI-BOROUGH ICT STRATEGY IMPLEMENTATION PROGRAMME - FROM TECHNOLOGY BASED PROVISION TO DEPLOYMENT "AS A SERVICE" : EXEMPT ASPECTS (E)

RESOLVED:

That the recommendation 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.

181. CREATION OF AN EMPLOYEE-LED MUTUAL AND SELECTION OF THE BUSINESS PARTNER : 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.

182. PUBLIC HEALTH 2013-14: EXEMPT ASPECTS (E)

RESOLVED:

That the Appendix to the exempt 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.

Meeting started: 7.00 pm

Meeting ended: 7.03 pm

Chairman

Agenda Item 4

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
REVENUE BUDGET 2012/13 - MONTH 10 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: Gary Ironmonger	Contact Details: Gary Ironmonger Tel: 020 (8753 2109) E-mail: gary.ironmonger@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. There are no virement requests this month.
- 1.2. The general fund is reporting a favourable variance of £4.9m. It is proposed that £3.7m of these 2012/13 departmental underspends are carried forward to 2013/14 budgets.
- 1.3. An uncollectable bad debt of £0.118m in Adult Social Care should be written off. This debt is fully provided for and there will be no adverse affect on the General Fund Revenue Budget.
- 1.4. It is proposed that £0.458m is transferred from HRA balances into a HRA earmarked reserve for redundancy.

2. RECOMMENDATIONS

- 2.1. That approval be given to the General Fund carry forward of £3.7m of 2012/13 underspends into 2013/14 budgets as outlined in Appendix 1.
- 2.2. That approval be given to write off an Adult Social Care debtor of £0.118m.
- 2.3. That £0.458m of the HRA budget be transferred to an earmarked reserve to cover future HRA redundancy costs.

3. REASONS FOR DECISION

- 3.1. The decision is required to comply with the financial regulations.

4. 2012/13 REVENUE BUDGET AMENDMENTS MONTH 10

- 4.1. The General Fund is forecast to underspend by £4.9m in 2012/13. Departments have presented justifications to carry forward £3.7m of underspend budgets into 2013/14. The proposed carry forward by department is listed in Appendix 1. Consideration and approval of the carry forward proposals is sought in this report. If the year end outturn is lower than the current forecasts, these carry forward proposals will be scaled down.
- 4.2. It is proposed that an Adult Social Care bad debt of £0.118m is written off. The invoice was to Ealing, Hounslow and Hammersmith Health Authority in 2002 before it was reorganised into Primary Care Trusts. This debt is no longer collectable and a provision has already been set aside to cover this.
- 4.3. It is proposed that £0.458m is transferred into a HRA earmarked reserve to cover future redundancy costs.

5. CONSULTATION

- 5.1. Not applicable.

6. EQUALITY IMPLICATIONS

- 6.1. It is not considered that the adjustments to budgets will have an impact on one or more protected group so an EIA is not required.

7. LEGAL IMPLICATIONS

- 7.1. Not applicable.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. The General Fund budget carry forward proposals are subject to departments achieving underspends in 2012/13. If these are not achieved the carry forward proposals will be scaled down.
- 8.2. The proposed debt write off of £118k has been fully provided for so there is no impact on General Fund revenue budgets.
- 8.3. Implications verified/completed by: Gary Ironmonger. Principal Revenue Accountant, ext.2109.

9. RISK MANAGEMENT

- 9.1. Budget Risk will be managed and reported via Corporate Revenue Monitoring.

10. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 10.1. Not applicable.

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.	CRM10 Monitoring Papers	Gary Ironmonger	FCS

APPENDIX 1: CARRY FORWARD PROPOSALS 2012/13

	Underspend	Proposed Carry Forward
Department	£000s	£000s
Adult Social Care	(1,916)	1,500
Children's Services	(956)	890
Unaccompanied Asylum Seeking Children	0	0
Environment, Leisure & Residents Services	(250)	250
Finance and Corporate Services	(210)	85
Housing & Regeneration	(545)	465
Transport & Technical Services	40	0
Controlled Parking Account	502	0
Centrally Managed Budgets	(1,648)	500
Net Operating Expenditure	(4,933)	3,690

Agenda Item 5

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision: 8 April 2013	 hammersmith & fulham
	Full Cabinet Date of decision Forward Plan reference:	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Cabinet Member for Finance & Customer Services - Cllr Caplan Date of decision: April 2013 Executive Decision reference: no?	 City of Westminster
Report title (decision subject)	TRI-BOROUGH ICT TARGET OPERATING MODEL	
Reporting officer	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	
Key decision	Yes	
Access to information classification	Open report. A separate report on the Exempt part of the Cabinet agenda provides exempt information on costs and savings.	

1. EXECUTIVE SUMMARY

- 1.1 The Tri-borough business demands mean that ICT must change the way it delivers its services across tri-borough. Tri-borough here is used to mean both tri- and bi-borough.
- 1.2 The ICT community has listened to its customers. It has also drawn on industry experts, including Gartner and Fordway, plus Government expertise, to draw up the future operating model for the ICT service.
- 1.3 There are some short term imperatives and some medium term demands that need to be met.
- 1.4 The paper also sketches a picture of the future service direction up to and beyond 2017.
- 1.5 The ICT trend away from technology-based provision towards commodity computing, also known as cloud or “as a service” provision, will in future reduce the cost of the business as usual services and enable ICT to change its focus to major on business transformation ie using ICT to exploit business opportunities. However, this will also require greater contract management skills to coordinate the different commodity suppliers.
- 1.6 This overall ICT service management is made more complex by the continuing diverse provision between the boroughs, with Hammersmith & Fulham (H&F) transitioning in November 2016 and Royal Borough of Kensington & Chelsea (RBKC) making more limited use of these commodity services. Nevertheless, these commodity services will need to be configured and managed to support users across all three Councils.
- 1.7 Because there is an additional huge demand peak in the short to medium term to support transformational programmes such as Managed Services, ICT funding for resources which might otherwise have represented savings through the move to commodity ICT will instead have to be redirected.
- 1.8 In the short term, ICT will respond to the business by the proposed strengthening of current governance and support arrangements; the formation of a shadow management team and strong strategic client relationship management to provide effective coordination of ICT to enable tri-borough services to operate effectively.
- 1.9 The proposed target operating model includes a strong intelligent client-side that delivers ICT leadership and strategic direction across Tri-Borough, a focus on supporting the business and delivering transformational projects using ICT and effective vendor and service management to ensure tri-borough services get the ICT services they need and to ensure the new services are delivering value for money.
- 1.10 The ICT contract management of the technical infrastructure will obviate over time the need for locally-based support for those services and in the longer

term reduce cost and improve flexibility in response to changing scale of operations.

- 1.11 The move to the ICT Target Operating Model (TOM) will take place in two major stages. The first is linked to the timescales for the re-letting of the contracts for Westminster City Council (WCC), November 2014 and H&F, October 2016. The second is the period of transition of the ICT infrastructure to a new technical blueprint for tri-borough. The period of business transformation anticipated in the next 2-3 years requiring high levels of ICT support.
- 1.12 For the business, the 2014 TOM will provide
- a new Tri-borough Director of ICT
 - a single strategic point of contact for transformation, innovation and strategic development;
 - a single place to go for all ICT transactional services from request fulfilment to incident management;
 - a unique service management function, outward-facing to suppliers and a lynchpin from a service integration perspective for all ICT services whether commoditised or bespoke
 - and a set of operational services, some insourced and some outsourced, delivering high quality service directly to customers
- 1.13 At this point the 2014 TOM may achieve savings provisionally estimated at over £528,000 over the current ICT staff expenditure of £3,319,000 on the intelligent client in the first instance (Table 1 in the exempt report). Once the new Director is in post; the ICT reorganisation impact on the current ICT services establishment is known; the high simultaneous resource demands (Appendix 1) made by the various Tri-borough services are better understood and the ICT provision bids are submitted, these savings proposals can be challenged and firmed up. A paper will be brought forward by April 2014 to that effect.
- 1.14 By 2017 the short term peak in work, created by Tri-borough service reconfigurations, by changing the model of ICT provision and by the level of change across Tri-borough, should have diminished. At this point the three Councils may be able to look forward to more realistic savings of an estimated additional £1,050,000 pa in staffing (ultimately exceeding the TOM savings target of £890,000 in Table 3 of the exempt report). Further savings should also be realisable as a result of ICT contract re-procurement.
- 1.15 Closer to 2017 and post the first procurement it will be possible to revise these early estimates and fix them in the MTFs but at this point it would be inadvisable to build them into targets.
- 1.16 Savings have been apportioned as a percentage of baseline costs for each borough.

2. RECOMMENDATIONS

- 2.1 That approval be given to undertake a process to appoint a new Tri-borough Director for ICT, to be in post October 2013, and to note that at their meeting on 8 February 2013, Tri-borough Leaders agreed that LB Hammersmith & Fulham would be the employer for the Tri-borough ICT Director post.
- 2.2 To note the draft 2014 Target Operating Model (TOM) for ICT to be in fully in place by November 2014, subject to a final report in April 2014.
- 2.3 That the currently identified savings be noted and that the newly appointed Tri-borough ICT Director undertakes a review of the organisation and proposed savings with a view to bringing back a comprehensive report prior to April 2014.
- 2.4 That approval be given to the establishment of a shadow management team for ICT, chaired by the Tri-borough lead for ICT and consisting of the Chief Information Officers (CIOs) and their deputies, to begin functioning from April 2013 until April 2014.
- 2.5 That approval be given to the immediate secondment of staff to key posts, for an interim period until April 2014, to fill the strategic relationship manager, problem and change manager posts in the TOM.

3. REASONS FOR DECISION

- 3.1 Approval is required for this model. This will allow the subsequent staff consultation and re-organisation to take place. For LB Hammersmith & Fulham and Westminster City Council it is a Cabinet decision. A different approval route is required for Royal Borough of Kensington & Chelsea, where it will be approved by a Cabinet Member via Leader's Group.

4. BACKGROUND AND INTRODUCTION

- 4.1 The Tri-borough ICT Strategy 2012/15 and the ICT Procurement Strategy were both approved by the Royal Borough of Kensington and Chelsea, Westminster City Council and the London Borough of Hammersmith and Fulham at the end of 2012. The Strategy sets out the case for a new operating model for ICT to meet the business requirements of the new combined Tri-borough services.
- 4.2 The Councils' business models are changing in a variety of different ways. Tri-borough initiatives are leading to the formation of cross-borough teams requiring access to cross-borough applications and files, plus other external partner arrangements (Adult Services with Health, Multi Agency Safeguarding Hub). These new requirements mean that a radically different set of ICT services are needed. Significant migrations of services to external providers are also taking place eg managed services, total facilities management.

- 4.3 In the short to medium term the three ICT services have to undergo a series of transformations to support this rapidly changing set of business models. This means that ICT services have to operate flexibly.

5. PROPOSAL AND ISSUES

- 5.1 To meet the new and changing requirements across Tri-borough, a new TOM is needed for ICT. The Councils need to move from three separate ICT services, with different standards, architectures, products and services, to a single ICT service that can ensure the different components work together, however they are deployed across the three Councils.
- 5.2 Much of the boroughs' ICT provision will transform from being technology-based to a model that is service-based, ie from the network provision to 'network as a service' and from desktop devices to 'desktop as a service' and so on. Eventually the ICT service provision will reach a tipping point and become a commodity much as home broadband is today, just another utility.
- 5.3 It is these paradigm shifts that inform the current Tri-borough ICT Strategy. The strategy set out a TOM (see Figure 1) that proposes that a Tri-borough ICT Intelligent Client Function (ICF) be developed. The ICF includes a range of functions (for detail see Appendix 2):
- 5.4 The ICF will manage outsourced and in-house service delivery to ensure that a high quality, integrated, cost-effective ICT service is in place and shaped to deliver the wider tri-borough service transformation. Based on current advice from central Government, best practice now suggests an ICF combining outsourced provision for commodity items with in-house provision focused on enabling business transformation is the best model to use (see Appendix 2).
- 5.5 Now many of the business areas have changed from their current configuration to a Tri-borough one, there needs to be a single strategic decision-making board, within the governance model as agreed in the Tri-borough ICT strategy. The Tri-borough ICT Strategy (currently Programme) Board must take all ICT-related decisions to guarantee consistency. The proposed model for officer level tri-borough governance is shown at Appendix 3.
- 5.6 The resource required in ICT will generally move from being transactional support to more knowledge-based work or strategic development. The key element to nurture and develop at this stage from a skills perspective is applications development, in particular support and systems integration, which will be vital in maintaining business service in future.

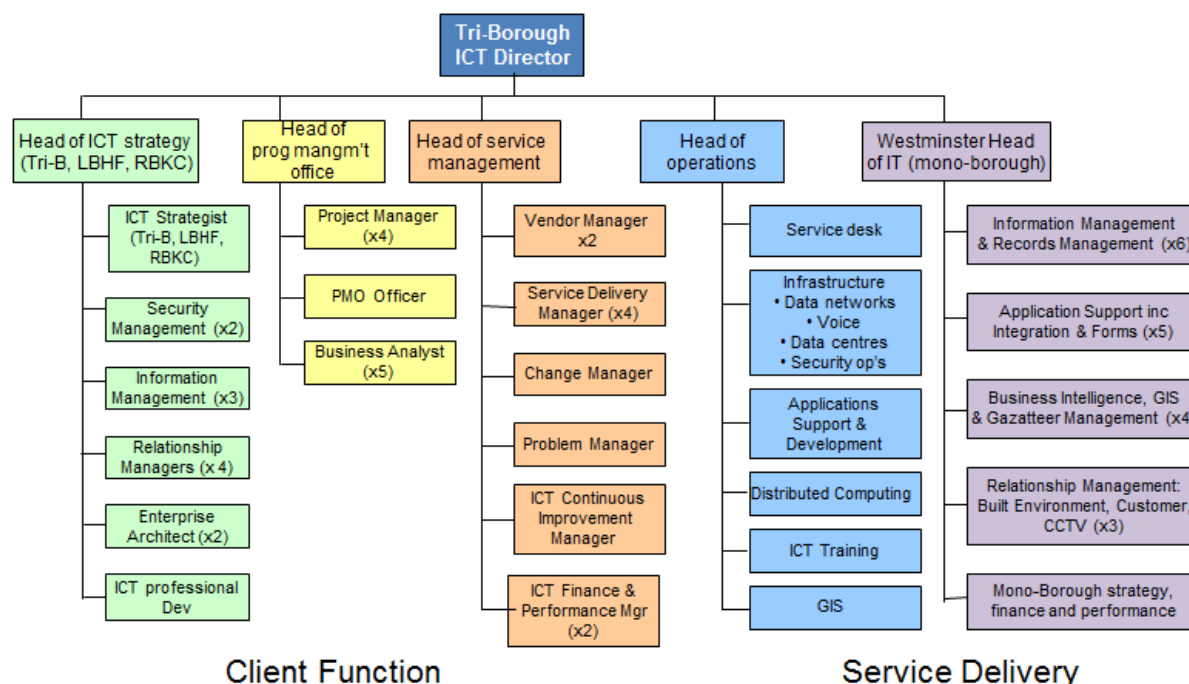
6. PROPOSED TARGET OPERATING MODEL – 2014

- 6.1 The new ICT TOM proposed for 2014, set out in Figure 1, balances the need for sovereignty with that of customer demand for integration. It provides one

place to go for support and, based on the experience of the existing ICT services, blends the best of each to reach a new synthesis.

- 6.2 For most Council services the balance of business as usual to new work is 80:20. For ICT the reverse is true. A key role of ICT is to support new work and permit the business to rationalise their applications and simplify their processes. Up to now the three ICT services have absorbed extra work without significant extra resources (additional funding has been provided for a maximum of five extra staff employed across the three boroughs during 2012/13).
- 6.3 The various tri-borough programmes are generating a high simultaneous demand for resources. It is essential that the ICT service provides a high quality service on business as usual and does not cut capacity while that service transitions. Efficiencies in the wider provision of Council services must not be threatened by poor ICT support. There is also a high level of change within the business being driven at least in part by the government's austerity agenda. All of these are expected to lead to a demand peak for ICT services in the next three years (see Appendix 1).
- 6.4 Table 1 in the exempt report shows the current ICT staff costs for those staff in scope for the intelligent client.
- 6.5 Westminster's CSi contract includes some staff who are in scope for a transfer to the new Intelligent Client function in the run up to end of CSi contract in November 2014. The potential for this is currently being reviewed. The table includes a WCC 'rough order of magnitude' estimate of Serco staff who may be in scope. This cannot be verified until March 2013 when Serco deliver their view.
- 6.6 Table 1 in the exempt report also shows the HFBP staff costs of those roles in scope for the intelligent client where the staff are currently performing a tri-borough role and are therefore in scope for transfer.

Figure 1 Tri-borough ICT TOM in place by Nov 2014



Evolution of the tri-borough ICT organisation in response to customer needs

- 6.7 There is currently an urgent need to meet customer demand from Tri-borough services for more responsive and flexible ICT provision. Responding to this need cannot wait until the implementation of any new Target Operating Model for ICT. As a short term measure, a new management team will be formed reporting to the Lead Advisor for ICT tri-borough to operate in a shadow arrangement until such time as the new formal structure has been populated.
- 6.8 Following the instigation of a shadow management team in April 2013, secondment will be used to fill roles critical to strategic development and support (strategic relationship, problem and change managers) in the tri-borough ICT organisation. This embryonic organisation will take on responsibilities for managing and delivering to customer requirements and co-ordinating provision of ICT services.
- 6.9 Development of the intelligent client to take on the responsibility for managing the range of providers, including the newly-appointed ones, will happen from January 2014.
- 6.10 The organisation structure will need to adapt to match the configuration of service providers, to perform the role of the intelligent client. In November 2014 WCC plan to have called off from the new framework contract (to be awarded January 2014) and transitioned to key infrastructure services (excluding data and voice networks).

- 6.11 RBKC are likely to call off from the data centre contract around the end-of-life of the existing Storage Area Network infrastructure (2017) subject to a viable business case and will evaluate the framework contracts on a business case basis.
- 6.12 Both H&F and RBKC will take a view on the appropriate timescale for taking on other elements eg email or telephony/unified communications. These other elements of the contract may be drawn on at any time from framework award (January 2014) for these two boroughs, depending on customer requirements and business case.
- 6.13 Design decisions made by RBKC and WCC Cabinets to retain aspects of their service delivery models and sovereignty defer the ability to achieve all the savings that might otherwise have been possible. The H&F decision to not terminate ahead of schedule the HFBP service contract is in a similar category.
- 6.14 H&F will consider on its merits the business case for switching service components from HFBP to a new provider ahead of time, should the case be demonstrated, taking into account business benefits. Otherwise the service contract with HFBP will reach its natural end November 2016.
- 6.15 Early termination of the entire HFBP service contract has been considered and the option dismissed. Early termination is not viable for reasons of cost and also because the Council would forgo benefits already gained and planned to accrue over the next few years.
- 6.16 An optimum level of savings can only be realised by having consistency in provision of services across the three Councils including data centre, desktop support and service desk. Building in variation adds cost and risk. Maintaining sovereign services come into this category.
- 6.17 The expected timescales for the new organisation are as follows:

Date	Activity
April 2013	Go to advert for tri-borough director for ICT
April 2013	Shadow management team, SRMs, Problem and Change managers in place
October 2013	New director in post
April to October 2014	New intelligent client in place
November 2014	Intelligent client becomes fully operational as WCC goes live with the new providers
November 2016	Intelligent client may need additional resource as H&F goes live with the new providers

7. POTENTIAL TARGET OPERATING MODEL – POST-2017

- 7.1 Below is a representation as an indication of a potential future state.

- 7.2 Once most services are provisioned externally, the ability to flex both cost and resources is enhanced as contracts will most likely be commodity, and therefore volume, based. Any in-house services will have difficulty reflecting reduced numbers as the staffing base will be much smaller and difficult to redeploy. The ICT services recognise that the search for savings will continue and the three Councils will continue to shrink in size. This reality will need to be reflected in the future ICT service with its costs reducing commensurately.
- 7.3 RBKC currently envisages only procuring the data centre services lot from the ICT provision procurement, subject to a business case. The TOM post-2017 diagram below however hypothesises that by this post-2017 TOM the transition to commodity ICT services has been achieved and that a good business case can be made for buying into the other lots such as distributed computing.
- 7.4 Assumptions have been made about how Tri-borough working will have changed the way we work across the boroughs. With the exception of the RBKC Web Content management resources which would remain part of the core corporate service, all departmental ICT teams are assumed to have merged and joined the main ICT service rather than being located within departments. Costs for these teams have not been taken into consideration at this point.
- 7.5 Information management was not in scope in the 2014 TOM, except for the H&F IM team which will transfer to the new ICT from the outset, but is assumed by this stage to be deliverable Tri-borough which would contribute to the overall savings achieved.
- 7.6 Internal programme management capacity may be better provided externally but is shown here for comparative purposes. Flexible resourcing may be a better approach. The ICF can manage this, always ensuring it gets the balance right between fixed resourcing at low cost and flexible resourcing to respond to changing demand.
- 7.7 Table 2 in the exempt report shows the costs of the TOM post-2017 for the whole service whether intelligent client or in-house, but not the external service provider costs.
- 7.8 Savings in the Westminster IT service will be achieved from 2014-2016 through planned reductions in staffing required to support:
- Corporate Finance systems (WIMS) – following transition to Managed Services Programme (MSP) Lot 1 IT
 - Social Care system – following transition to new cloud-based platform
 - Business Intelligence – subject to future decision to call-off MSP Lot 4
- 7.9 In the phase 2 (2016/17) reorganisation, it is expected that further savings can be achieved through:
- Consolidation of remaining mono-borough IT functions within RBKC and WCC such as information management, records management, ICT

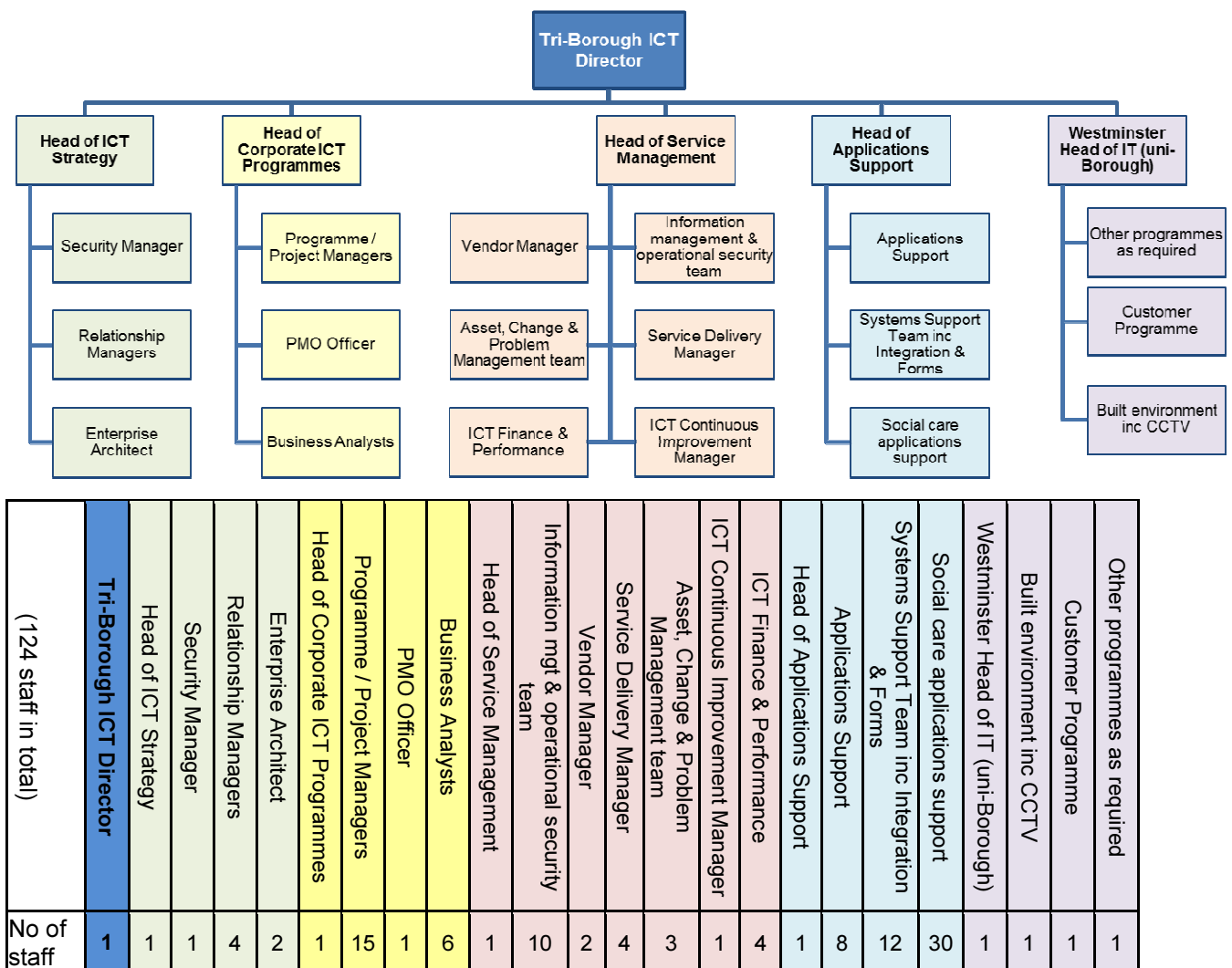
training, geographical information systems and the land and property gazetteer

- Release of staff associated with one-off change programmes (MSP transition, Customer programme, etc.)
- Merge of remaining departmental applications into Intelligent Client Function (including departmental Children’s and Adults Social Care IT teams)

7.10 The savings are delivered through two means. Firstly the transition to the new ICT TOM will be complete and therefore the additional budget to support that transition can be removed. Secondly, overall Tri-borough transition should also have passed its peak and only ‘normal’ levels of support to new business are likely to be required.

7.11 Difficult as it may be to imagine a world beyond 2017, at this point the three Councils can anticipate savings, following further transformation.

Figure 2 Second stage Tri-borough ICT TOM proposed for 2017



Above shows number of posts after 2017 TOM implementation, a total of 124.

8. CONSULTATION

- 8.1 There is no legal requirement to consult with the public.
- 8.2 The ICT services have consulted extensively with the three boroughs' services and all service areas across the three Councils from the customer point of view.
- 8.3 The ICT services have also consulted with staff likely to be affected, at a high level. Now however it is time to do more detailed consultation on the 2014 TOM. This will be undertaken across the three boroughs' ICT services and their service providers, Serco and HFBP, following approval of this report, in accordance with agreed tri-borough HR policies.
- 8.4 Staff in all three boroughs, plus in HFBP and Serco, will be affected by the proposed changes required by the 2014 TOM. There may be a need for a small number of redundancies especially as the skills sets required in the 2014 TOM may differ from those required today. This will be dealt with in the reorganisation paper.

9. FUTURE OPPORTUNITIES AND RISKS

- 9.1 Once the new TOM is in place in 2014/15 consideration could be given to other options where cost-effective:
- early termination of the HFBP contract, providing the business case was clear in order to accelerate the benefits of tri-borough
 - the WCC mono-borough ICT provision could be incorporated into the mainstream service delivery to fully realise benefits arising from standardisation
 - RBKC call off from the framework for service desk and desktop ahead of plan
 - the acquisition of a Service Integration and Management provider
 - consolidate ahead of plan on applications support, telecomms data networks
 - H&F and RBKC adopting common email or telephony/unified comms services from November 2014
 - co-location of ICT services
- 9.2 Risks involved in these changes are
- high levels of change impact the ability to deliver ICT services to the business

- termination costs
- failure to meet demands from the mono-borough services in line with the sovereignty guarantee
- loss of key staff and consequent service degradation.

9.3 Judging the level of ambition and appetite for risk currently, it is recommended that the Councils at this point forgo the immediate ICT savings within the 2014 ICT TOM, given that this mitigates other risks.

9.4 There is no provision currently for any costs associated with redundant posts anywhere in the supply chain. All appropriate staff (WCC, RBKC, H&F, HFBP, Serco and their sub-contractors) will at the next stage have the opportunity to compete for the new posts. Consequently potential redundancy costs are not possible to estimate at this point. Best endeavours will be used to mitigate these potential costs eg through managed redeployment.

10. RISK MANAGEMENT IMPLICATIONS

10.1 It is evident that the need to change the operating model is undertaken to fit with and around the ICT Strategy. This would be the most fundamental development to the business that has been undertaken so the governance has to be right. The TOM looks logical in that it proposes a phased and managed transition, reducing risk. This provides assurance that there will not be rapid but progressive change. ICT is fundamentally crucial to the successful and smooth operation of all 3 boroughs services that ITC staffing and their reaction to the proposals will be a key factor. Retention and incentivisation may be an issue, down the line, but as this is an planned transformation it would be considered after the initial transformational phase is undertaken. Introducing a shadow management team to manage a range of potential problems is a proactive solution.

10.2 The report also recognises that building in variation adds cost and risk, this would be certain if the status quo was maintained. The TOM provides clarity and simplification through the modified structures (Figure 2). More complex systems are more prone to potential problems. The TOM proposes smooth transition to meet the emerging needs of the customers.

Implications verified/completed by: Mike Sloniowski, Head of Risk Management, H&F

11. EQUALITY IMPLICATIONS

11.1 There is considered to be little or no impact on the public sector equality duty as a result of the recommendations in this report. Work will be undertaken by officers to assess accessibility of information for disabled members of the public and staff, in order to inform the contract specification. Work will also be

undertaken by officers, to estimate (so far as is possible) the numbers of staff across the three boroughs who require different ways to access ICT, in order that this can be built into the contract specification and that reasonable assumptions can be made about their needs in the future so that these can be met.

- 11.2 There will be a staff reorganisation as a result of this report. An equality impact assessment on staff will be carried out as part of that process, and to inform that process.
- 11.3 In relation to possible redundancies and TUPE implications early partnering with HR departments across tri-borough is essential to ensure all consultative and other legal requirements are met.

Implications verified/completed by Carly Fry, Equalities, Bi-borough Innovation and Change and Joyce Golder, Bi-borough Employment Lawyer, Legal

12. LEGAL IMPLICATIONS

- 12.1 Contract changes will be required for the HFBP contract.
- 12.2 Serco staff transferring as part of exit provisions in the run up to November 2014 will not require a contract variation to CSi. If there are any temporary resource transfers or other works required prior to exit, the existing Change Request mechanism will be used.

Implications verified/completed by Cath Irvine, Bi-borough Legal

13. FINANCIAL AND RESOURCES IMPLICATIONS

- 13.1 It is proposed that savings delivered by the 2014 ICT TOM are not cashed but are utilised on the transition and tri-borough change support required.
- 13.2 The ICT TOM savings from 2017/18 onwards are currently estimated at £1,050,000 per annum but further work will be required to validate these savings before they are incorporated into each Council's MTFS.
- 13.3 Each local authority will cover its own costs for transition and redundant posts.
- 13.4 Notwithstanding the tri-borough savings opportunities may present themselves for ICT services locally (in-borough) to transform and make savings. These will be encouraged as long as they are aligned with the overall tri-borough vision and strategy.

Implications verified/completed by Andy Lord, H&F Finance

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

14.1 There are no procurement implications.

14.2 Implications verified/completed by: (Mark Cottis, e-Procurement Consultant, Bi-borough Procurement 020 8753 2757)

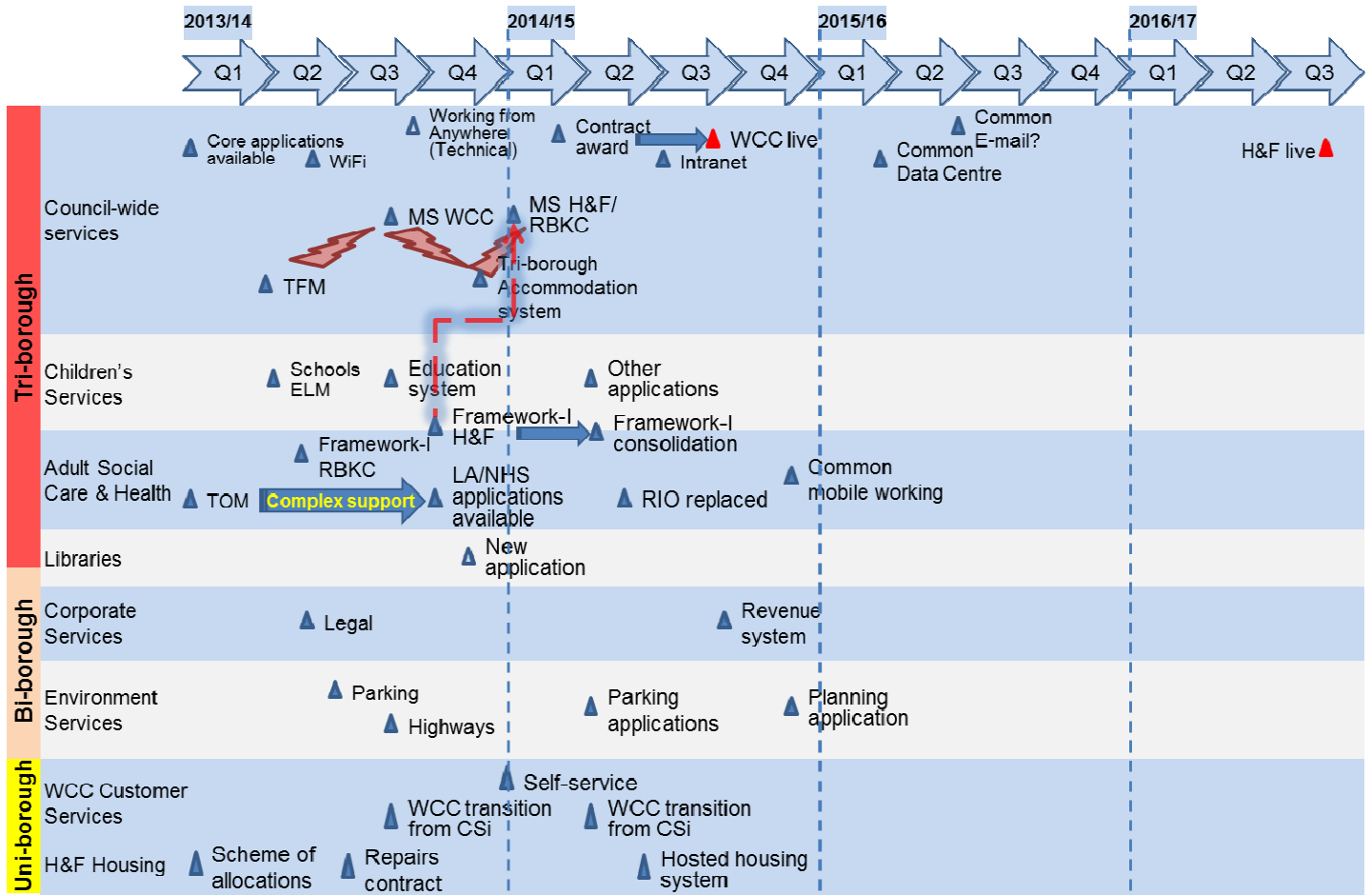
LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT

Background Papers	Held At	Contact
Tri-borough ICT strategy 2012-15 (published)	3 rd floor, Hammersmith Town Hall	Jackie Hudson 020 8753 2946

List of appendices Appendix 1 Workload and programme interdependencies for ICT
 Appendix 2 Intelligent client function
 Appendix 3 Tri-borough ICT governance

Appendix 1 Workload and programme interdependencies for ICT



Appendix 2 The intelligent client function and service integration and management

The intelligent client function

The intelligent client will be responsible for the following:

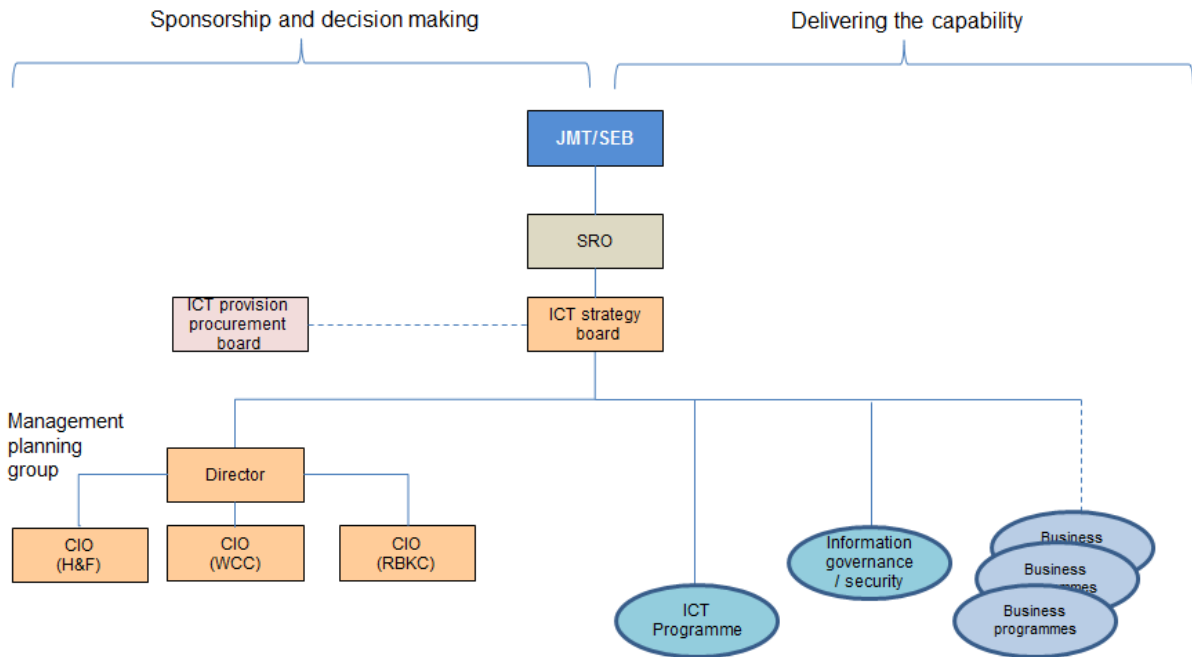
- **IT leadership** – Establishes the strategic direction in line with the business value and future needs of the enterprise in relation to IT services, and will include the Chief Information Officers (CIO). It will also include leading a shift from functional silos to processes, outsourcing much of 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 tri-borough IM policy across the Councils while ensuring sovereignty is respected, 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.
- **Service Integration and Management** – to source, integrate and monitor all IT services performed, both internally and externally, in support of Tri-borough business performance.
- High quality **programme and project management**
- **Vendor and supplier management** to establish vendor and contract management and ensure overall effective service delivery

Service integration and management

- ICT did consider the procurement of an outsourced Service Integration and Management (SIAM) function. After advice from external partners like Gartner and considering our respective points on the outsourcing maturity curve, the complexity of the current supplier ecosystems and the relatively modest size of the IT requirements it was decided against.

- SIAM is an expensive management function which is labour intensive for suppliers. It is important to really understand the workings of the Councils ICT supply chain before a successful outsource is possible at a commercially attractive cost. A pre-requisite of a successfully outsourced SIAM structure is that there is a meaningful incentive for all suppliers to collaborate properly. The three boroughs are not financially able to create a fund that would be sufficiently meaningful to the suppliers in their supply chain.
- There is a distinction between service management and service integration. The service desk will be the single point of contact for any service related calls. It will hand off to resolution teams but will still be responsible for monitoring the end to end process of the call, even if it hands off. One of the key performance indicators for the service desk will be how often it hands calls to the correct resolution team. The service providers will be incentivised to help the service desk distribute calls to the right resolution team. After all it is in their best interests too to only receive the calls that pertain to them.
- ICT will also implement an internally resourced intelligent client function (ICF). If the service desk notes that a call is reaching the end of the SLA and has handed it to another resolution centre then it will escalate the problem to the ICF who will intervene appropriately and ensure a swift resolution of the incident. The ICF will monitor the service desk's performance against correct hand off of calls, it will vendor manage all of the suppliers and it will also assist in the education and development of the service desk function.
- When it comes to the technology, ICT is not in a position to dictate to their potential suppliers which service management system they should use. However for the sake of monitoring and reporting, each supplier's chosen system must integrate with all of the others'. Finally the end to end resolution SLAs will be mapped out according to the need of the business and the supply chain will have to function within these parameters. Naturally risk and reward measures in the supply chain will be implemented and we will engender a collaborative ethos from day one.

Appendix 3 Tri-borough ICT governance (current)



Agenda Item 6

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
HAMMERSMITH LIBRARY REFURBISHMENT AND OPTION FOR ARCHIVES SERVICE	
Report of the Deputy Leader (+ Residents Services) : Councillor Greg Smith	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: Hammersmith Broadway, Avonmore and Brook Green	
Accountable Executive Director: Lyn Carpenter, Environment Leisure & Residents Services	
Report Author: Tony Rice, Tri-borough Libraries Operations Manager	Contact Details: Tel: 020 641 8970 trice@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The refurbishment of Hammersmith Library is a key corporate priority for the coming year. The project aims to extend the “More than a Library Brand” already implemented at other LBHF libraries and to incorporate all opportunities to improve the customer offer and experience and to repair and upgrade the fabric of the building.
- 1.2. The refurbishment of Hammersmith Library requires the authorisation of the draw down of section 106 funding already received by LBHF and for the Council to temporarily fund other section 106 receipts expected in the future; this is to enable the project to be completed in one tranche and deliver all the project aspirations in a cost effective manner. Any temporary funding will be reimbursed once outstanding S106 monies are received. The Council would bear the risk in the event that, for whatever reason, the outstanding S106 monies were not received.
- 1.3. The Archives and Local Studies collections are currently housed in the Lilla Huset, for which the lease expires in 2016. A secondary proposal for the project is to relocate these services within Hammersmith Library and provide a long term solution for the sustainability of the collections. £700k of section 106 money is being sought from the Kings Mall Car Park scheme. Again, this money has yet to be received; however the

application was approved (subject to the referral to the Mayor and signing the S106 Agreement) by the Planning Applications Committee on 12 March 2013 and planners are now in the process of drafting the S106 Agreement and negotiating the finer details with the developers; accordingly, the Council would, again, need to commit forward funding to be reimbursed if and when S106 monies are received and bear the risk of the monies not being received. Agreement for this scheme is being sought at this stage to enable the project to be completed as part of the Hammersmith Library Refurbishment Project thereby allowing the project aspirations to be achieved in a cost effective manner.

- 1.4. The long-term revenue implications of this project are expected to be neutral. If at any time it transpires that the long-term revenue implications are not neutral, there will need to be a further report in accordance with the Council's Key Decision and medium term financial strategy (MTFS) process.

2. RECOMMENDATIONS

- 2.1. That approval be given to:

1. The scheme to refurbish Hammersmith Library at a cost of £1.99m which is fully funded from section 106 (£1.65m) and the existing planned maintenance budget (£0.34m).
2. The draw-down of £925k section 106 funding that has already been received by LBHF from the Hammersmith Car Park Construction scheme.
3. Temporarily forward funding and bearing the risk of the balance of section 106 funding associated with the Hammersmith Car Park Construction scheme (£725k) that is currently outstanding but expected to be available in April 2014, and to the draw down of that sum to spend or reimburse as required, the temporary finance being sourced from the corporate capital reserve and only used in the event that the outstanding S106 financing is not received prior to a requirement to fund expenditure as per the accounting cycle.
4. The proposal to relocate the Archives Service to Hammersmith Library and to undertake additional works to the library on the proviso that £700k S106 funding is secured as set out in paragraph 5.8 onwards of the report (of which £510k, including fees, will relate to the creation of the new Archives location, £50k to move the service to the new location, a £50k allowance made for alternative service provision during the closure period, and the remainder used to purchase new stock).
5. Temporarily forward funding and bearing the risk of £700k of additional section 106 funding associated with the Kings Mall Car Park

development and to the draw-down of that sum on the proviso that planning permission is granted on the site with the associated section 106 agreement included in the Head of Terms, the temporary finance being sourced from the corporate capital reserve and only used in the event that the outstanding S106 financing is not received prior to a requirement to fund expenditure as per the accounting cycle.

6. Provision of £55k one off revenue contingency funding from April 2013 to allow the continued delivery of an Archives and Local Studies service and to prepare and rationalise the collections prior to transfer to their new location.
7. Delegation of the authorisation of the future spend of the drawn down S106 monies to the Deputy Leader and Cabinet Member for Residents Services, in consultation with the Executive Director for Environment, Leisure and Residents Services and the Executive Director of Finance and Corporate Governance.

3. REASONS FOR DECISION

- 3.1. To enable the completion of the refurbishment of Hammersmith Library, which is a key corporate priority for 2013/14, in a cost effective and timely manner so as to minimise closure time for users.
- 3.2. To enable the implementation of a cost effective long term solution for the future provision of the Archives and Local Studies collection.
- 3.3. To provide a short term solution for the continued delivery of a public Archives and Local Studies service during 2013/14.

4. INTRODUCTION AND BACKGROUND

- 4.1. The refurbishment of Hammersmith Library is a key corporate priority for the coming year. The initial scope of the project was an extension of the “More than a Library Brand” already implemented at other LBHF libraries. It aims to incorporate all opportunities to improve the customer offer, to repair and upgrade the fabric of the building as well as to ensure the refurbished facility is as cost effective as possible.
- 4.2. In addition, the viability of relocating the Archives Service and Local Studies collection to Hammersmith Library and thus providing a long term solution for the collections has been explored. These collections are currently housed in the Lilla Huset, for which the lease expires in 2016. This is a secondary proposal and can only be delivered as part of this project if section 106 funding currently being sought from the King’s Mall Car Park scheme is secured. This is explored from paragraph 5.5 onwards. One off revenue contingency funding of £55k is also sought for the continuation of the Archives service in the short term during 2013/14

and to fund the rationalisation of the Archives collection in advance of any move. This has been considered in paragraph 5.12 onwards.

Funding Sources

- 4.3. Section 106 funding of £1.65m has been secured as the result of the Hammersmith Car Park Construction scheme. £925k of this money has been received by LBHF and a further £725k will be received when the second phase of the construction commences. The developers expect this to happen in April 2014. There is a small degree of risk that the second tranche of S106 payment will not be received but it is not felt to be significant and should not prevent the refurbishment of the Library in one stage.
- 4.4. Following a discussion with the Building and Property department, it has been agreed, in principle, to bring forward planned maintenance funds to coincide with the works. This will provide £339,500, giving an “assured sum” of £1,989,500 with which to complete the refurbishment of Hammersmith Library.
- 4.5. A further £700k section 106 funding is being sought from the King’s Mall Car Park scheme. The Director of Planning has confirmed that the developers, SGWL, have agreed this sum in principle for the Hammersmith Library project as part of the mitigation for their development. The application went to the Planning Applications Committee on 12 March 2013 and has been approved (subject to the referral to the Mayor and signing the S106 Agreement) so the Heads of Terms have been agreed in principle. Planning will now begin drafting the S106 and negotiating the finer details with the developers. If negotiations of the S106 agreement, including triggers for when payments will become due, are satisfactorily concluded then there is a relatively low risk, compared to other development schemes, of the section 106 funds not coming to fruition because feedback from planning officers, based on past experience, suggests that SGWL will build if they get consent.
- 4.6. This paper outlines a proposed implementation strategy for the “assured” budget of £1,989,500 and indicates what the additional £700k S106 funding will be used for if obtained. It also requests contingency funding for the continuation of the delivery of the Archives service in the short term during 2013/14.

5. CONSIDERATIONS

Hammersmith Library required works and service improvements

- 5.1. Hammersmith Library has not benefitted from any significant investment for a number of years. EC Harris carried out a condition survey to advise the Council on necessary remedial works that were required to the external fabric of the building, and works that were required within the

building to allow for improved services. This survey did not cover the creation of an Archives facility. It was found that while generally structurally sound, the infrastructure of the building is in need of considerable upgrading in order to maintain and enhance the future value of the asset and to deliver a modern public library service.

- 5.2. The EC Harris condition survey did not include a number of essential and important “non-building” related items. The cost of these additional items amounts to £450k. The costs are included in the total for the Hammersmith Library refurbishment and are shown in the appendix. A break-down is shown in the Appendix. The additional costs cover:

- New shelving, furniture and stock
- Self service equipment and systems
- A notional sum for a temporary library during the works

Providing a refurbished library within the “assured budget”, not including Archives

- 5.3. The library service has worked with EC Harris to prioritise the building works into priority 1, 2 and 3 elements in order to bring the scheme within the current assured budget. Work has concluded that for the assured sum of **£1,989,500** there is funding to substantially refurbish the library, allow for customer service improvements (such as self service), and provide DDA lift access to parts (but not all) of the upper floors. It should also be noted that the indicative costs assume that the works are done in one tranche. If the scheme were to be done in two tranches and aligned with expected future section 106 payments, it would add considerable cost, extend the build period and reduce the positive impact of the refurbishment programme.

Proposed additional works assuming the availability of £700k section 106 funding from The King’s Mall Car Park Scheme

- 5.4. Discussions with planning officers identified the opportunity to secure additional S106 funding from a new development relating to the Kings Mall Car Park. If £700k is secured from this scheme, then the project can enhance the range and quality of furniture, fittings and stock and incorporate the works required to create a bespoke Archives facility on the site and also consider the provision of an alternative library for the duration of the works.

Relocating the Archives Service

- 5.5. A separate report has been commissioned from EC Harris which has provided high level indicative costs to provide an Archives facility in the basement of area of Hammersmith Library. This is space that is currently not in use and which for reasons of cost would still not be accessible to the public or for commercial use in the scheme described in para. 5.3 onwards. Therefore it potentially provides a real opportunity to create a bespoke but cost effective solution to the secure storage of parts of the

borough's Archives. Indicative costs, assuming that this work is done as part of the overall scheme, are estimated to be in the region of £510k (inc. fees) and a further £50k to move the service to the new location, which makes a grand total of £560k. The cost would increase if the works were completed as a separate project due to economies of scale. EC Harris has made it clear that the estimate for the Archives provision is a preliminary estimate undertaken without full investigation. Costs for the move of Archives and Local Studies stock and the existing racking and other storage facilities to Hammersmith Library have also not been included. An allowance for this has been made in the table in the Appendix. It is planned to relocate the public facing local studies material to the first floor of the refurbished Hammersmith Library to increase public access (this is only available one day a week at present). It is proposed that the full £700k S106 identified for this part of the proposal is retained for the building work on the Archives and associated costs, acknowledging that the final actual cost may well exceed £560k.

- 5.6. It is beneficial to keep the Archives and Local Studies collection together. There is a natural synergy between archives and local studies material – both cover the people, places and heritage of the borough, and providing them together in a library environment meets the needs of service users and allows them access to expert staff and online resources for enquiries and research. The library setting also opens up the material to a wider audience, and allows access to the material for much longer opening hours. It drives value through sharing of premises costs for energy, NNDR, cleaning and maintenance, as well as maximising the utilisation of areas of the library for storage which would otherwise remain inaccessible and unused.
- 5.7. In order to deliver the Archives facility and additional refurbishment works this report is requesting that the Council bears the risk of £700k section 106 funding that is currently being sought as a consequence of the Kings Mall Car Park Scheme. It is recognised that planning approval is still subject to referral to the Mayor and the signing of the S106 agreement and the request is on the proviso that permission is gained and that the section 106 payment is included in the agreed Heads of Terms.

Alternative Library Provision During Closure

- 5.8. Within the (see below) s106 funding, it should be possible to enhance the range of stock in the refurbished library as well as considering a level of alternative library provision for the duration of the works.
- 5.9. If additional funding is made available, it is recommended that temporary library provision is provided during the closure period. It is not intended to replicate current service levels, but a temporary library would provide access to children's materials and children's activities, contain a small collection of books for adults and also provide access to PCs and will serve to mitigate the negative impact the temporary closure of Hammersmith Library would have, particularly on the less mobile and

young people, who perhaps will not be able to use other LBHF or RBKC libraries.

- 5.10. 181 King Street has only recently been identified as a suitable location and it would need to be shared with Connexions, who are currently located there. An initial inspection has been made by library officers to assess the suitability of the premises. A space planning and costing exercise is now in progress, and although indicative costings are not currently available officers are confident that the temporary service can be provided within the notional £50k identified for this element within the estimates for the project as a whole.
- 5.11. In addition, customers will be encouraged to use other libraries during the closure period. Both Shepherd's Bush Library (0.8 miles away) and Kensington Central Library (1.8 miles) are within 15 minutes travel time from the centre of Hammersmith by several bus routes or via the Tube. Both have good DDA access.

Continued Delivery of the Archives Service

- 5.12. Since June 2011, the management and provision of an archives service has been outsourced to leading London organisations in the field, London Metropolitan Archives (LMA) for 12 months, and City of Westminster Archive Centre (COWAC) from June 2012 to March 2013. In both cases, the commissioning cost was £50K pa. For this, the LMA opened the service twice monthly, while COWAC is able to offer a weekly opening. Use has been consistently at capacity, with all available timeslots quickly filled. COWAC indicate that they will be able to restructure their management arrangements, prioritising the continuation of the weekly opening in order to deliver the public service from Lilla Huset for £40k pa.
- 5.13. The Archives Service currently:
 - Provides a public search room service for research and enquiries on one day a week.
 - Answers written and telephone enquiries relating to the archives and their contents within corporate response times.
 - Provides a professional archivist to manage the search room and collections, enabling retrieval of material from the strong rooms and ensuring the security of the collection.
 - Supervises and supports the work of the volunteers.
 - Manages the web content relating the LBHF Archives.
- 5.14. There is not an existing budget to fund this from 1 April 2013 so one off contingency funding of £40k is being requested to ensure the continued delivery of the service for 2013/14.
- 5.15. Additionally, the holdings at Lilla Huset have not been reviewed for many years and have grown to fill the space available, including unnecessary or duplicated papers, books, images and objects. The strong room contains 355 linear metres of shelved material and 25 filing cabinets, occupying a

total of 408sq metres. A conservative estimate indicates this could be reduced by 20%. The search room contains the most heavily used items, so is unlikely to sustain a reduction of more than 5%. Rationalising the collection to reduce its size is essential preparation for any move, and is in any case good professional practice, and well overdue at H&F Archives. This will be time-consuming, possibly taking up to six months to complete. It will have an additional cost of c. £15,000 above the commissioned management charge for expertise and implementation. There is not an existing budget to fund this work so contingency funding of £15k is being requested.

6. FINANCIAL IMPLICATIONS

Capital Expenditure and Financing Implications

- 6.1. This report requests approval to refurbish the Hammersmith Library. The report includes a number of options which have been built around available funding; however ultimately approval is being sought for the 'full scheme' as follows (overleaf):

6.2.

Option	Total cost (Est.)	Funding Analysis		Comments
		Funding Source	Amount	
Provide a refurbished library within the "assured budget" excluding archives.	£1.99m	Hammersmith Car Park S106 (Received)	£0.925m	Monies received, of which £0.2m have already been approved to be committed to this project.
		Corporate Planned Maintenance (Reserved Funds)	£0.340m	As included in the CPM programme and approved for use in respect of Hammersmith Library.
		Hammersmith Car Park S106 (Provisional)	£0.725m	Funds subject to the second phase of construction; receipt is anticipated in April 2014 but neither the receipt or the timing can be guaranteed at this stage.
Provision of an Archives Facility and additions to refurbishment works assuming availability of further section 106 funding.	£0.7m	King's Mall Car Park S106 (Provisional)	£0.7m	The scheme to which the S106 monies has been approved by the Planning Applications Committee but is subject to the Referral to the Mayor and the signing of the Section 106 agreement, accordingly neither the receipt or the timing of these monies can be guaranteed at this stage. Works have been priced at £0.56m but approval is being sought for £0.7m, effectively for the purposes of contingency.
Total	£2.69m		£2.69m	

6.3. As at quarter three 2012/13, only £925k has been earmarked through the capital programme for the refurbishment of Hammersmith Library to reflect actual monies received. Of this, £200k has been approved to be drawn-down to engage in preparatory work. In January 2013, Cabinet further agreed to bring forward £340k planned maintenance funds to coincide with the envisioned works at the library. Additional S106 monies (in total £1.425m) are provisional at this stage.

6.4. The rationale for seeking approval for the full scheme at this stage is that this will represent best value through economies of scale. The report

stresses that to agree the scheme in an incremental manner, as funding is either received or assured, is likely to add significant cost to the project as plans would need to be re-worked. It would also extend the build period and reduce the positive impact of the refurbishment programme. As such, this option is not recommended, however finance do recommend that officers should continue to seek flexibility to dovetail expenditure with finance as it becomes available where this results in no detriment to the overall project.

- 6.5. The best value rationale should nonetheless be viewed in the context of the risk that a significant element of the funding (£1.425m) has yet to be received or fully negotiated. These risks, which vary according to the funds in question, have been addressed by the Director for Planning (in section 10).
- 6.6. In agreeing to fund the full scheme at this stage, the Council would need to identify a source of 'bridging funds' until the outstanding S106 monies are received. This is necessary as capital accounting rules prohibit using 'aspirational' funds or creditors as a basis for funding. This bridge-funding could then be reimbursed when S106 monies are received. In the interim, the Council would effectively be underwriting any S106 monies where there is a risk that they may not be received.
- 6.7. On the basis that the full scheme is agreed, it is recommended that the general capital reserve is used for the purpose of bridging finance (this is one of the rationales for this reserve). In order to provide assurance to the scheme, Members would be required to agree funding from this reserve up to an envelope of the S106 monies which are presently outstanding or still being negotiated (£1.425m). This bridging funding should only be used as and when it is required - the project should first employ the assured S106 and BPM funds and if the provisional S106 funds become available prior to the need to fund expenditure then these should be used and the envelope of bridging funds reduced accordingly.
- 6.8. The general capital reserve sits outside of the debt reduction strategy and therefore this approach would not impact on debt reduction. The available resources in this reserve are however relatively small and this project would earmark substantially all of it.
- 6.9. Alternatively, the Council could leave the spend unfunded, but this would give rise to internal borrowing which would temporarily increase the Council's Capital Finance Requirement (CFR) - the indicator by which the Council measures its debt.
- 6.10. It should be noted that the section 106 monies are required to fund both capital and revenue expenditure. The split will need to be quantified so that this can be reflected in the capital programme.

Revenue Implications

- 6.11. The long-term revenue implications of this project are expected to be neutral. If at any time it transpires that the long-term revenue implications are not neutral, there will need to be a further report in accordance with the Council's Key Decision and medium term financial strategy (MTFS) process.
- 6.12. Suspending the Archives and Local Studies service was offered as an efficiency saving in earlier years, a decision that was later reversed although the budget reduction remained. As such, no on-going revenue budget exists for this service. It is recommended that a one off revenue budget of £55k is approved to continue the service in 2013/14, after which the service is expected to be delivered from within the refurbished Hammersmith Library at no additional on-going cost.

VAT Implications

- 6.13. At present, there is not identifiable exempt income generated at Hammersmith Library; as such the expenditure incurred in refurbishing the library ought not to impact on the Council's partial exemption calculation. However, if the income streams generated by the library are intended to change as a result of this refurbishment, then there could be an impact in future and corporate finance will need to be notified.

Finance implications provided by Christopher Harris, Head of Corporate Accountancy & Capital, Telephone number 020 8753 6440, on 5th February 2013.

7. TIMETABLE FOR IMPLEMENTATION

- 7.1. EC Harris have produced an indicative 70 week schedule to complete the scheme, assuming that all the elements are completed in one tranche. This would be the same if the provision of the Archives Service is included in the scheme. If the scheme is approved in April then the key milestones within that indicative schedule are:

April 2013	Cabinet approval
April 2013	Pre-Planning application
May 2013	Public consultation
July 2013	Planning approval
July 2013	Listed Building Consent
Sept 2013	Design, specification and procurement
Sept 2013	Cabinet member approval to award contract
Dec 2013	Close library
Dec 2013	Building work commences
May 2014	Build works end
June 2014	Re-open refurbished library

8. EQUALITY IMPLICATIONS

- 8.1. This proposal has been subjected to an initial sweep for equalities and the greatly improved physical access and improved signage will have a particularly positive impact for the disabled and the less mobile elderly. EIA considerations will inform the thinking when developing detailed internal layout plans and future service delivery. As a result of this screening, it has been decided that a full equality impact assessment is not required.
- 8.2. If alternative library provision is not provided during the closure period there will be some degree of negative impact on the less mobile for a limited amount of time. However, alternative provision is being considered subject to budget and availability of suitable location and this can also be substantially mitigated by publicising alternative libraries close by in LBHF and RBKC which, as highlighted in paragraph 5.11, have good transport links and superior disabled access to the current library.

9. LEGAL IMPLICATIONS

- 9.1. The legal powers and implications are set out in the body of the report.

Legal implications provided Alex Russell Environmental Services Lawyer, Telephone number 020 8753 2771 on 5th February 2013.

10. COMMENTS OF THE DIRECTOR FOR PLANNING

Use of funds from the Former Hammersmith NCP Site

- 10.1. The Legal Agreement for the former Hammersmith NCP Car Park site makes specific provision for two contributions to the Council to be used towards the refurbishment of Hammersmith Library.
- 10.2. The first of these payments, of £925,000, has been paid to the Council and is available for this project. The construction work is proceeding on the site for phase 1 of the development.
- 10.3. The second contribution does not become due until phase 2 of the development commences. Whilst it is understood that the developer intends to proceed with this in April 2014, there is no obligation on them and no guarantee that the funds will be received within this time frame, if at all. Notwithstanding, currently there is every potential that the development will continue at its current pace and that these funds will be paid within the anticipated timescale.

Use of Funds from the Kings Mall Development

- 10.4. The Section 106 agreement for the Kings Mall development is still under negotiation. At present the developers have agreed in principle that the inclusion of a payment of £700,000 towards the Hammersmith Library

Project is acceptable to them as part of the negotiation of the terms of this agreement. However, to date the triggers for the payment(s) of this contribution have not been agreed with the developer and are still subject to further negotiations. It is anticipated that this provision will remain. There will be a time period between the decision on the application being made, and the developer being willing to make any significant financial commitment to enable the Judicial Review Period to elapse. This will delay any commencement on site.

- 10.5 It must be recognised that there are a number of risks in relying on these funds coming forward - firstly until the development has planning permission, and the agreement is signed, there is no certainty as to the amount of the contribution that might become due and the trigger dates for payments. Another risk is that the developer may, for economic or other reasons, choose not to proceed with the development. The planning officers' experience of working with the current applicant is that they choose to proceed speedily with developments that they gain planning permission for; however it must be recognised that there is a risk that they may choose not to.

Planning implications provided by Peter Kemp, Planning Change Manager, Telephone number 020 8753 6970 on 1st February 2013.

11. RISK MANAGEMENT

Hammersmith Library is a listed building; as such there are Heritage constraints, and these will be managed and logged as part of the programme delivery. The appropriate heritage groups will be consulted as part of any planning application process. All mandatory regulatory requirements will be complied with in consultation with the Council's Heritage Officer.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. There are no direct procurement implications for the proposals in this report.
- 12.2. Once funding has been secured and the scope of the project is known, Corporate Procurement will provide further advice prior to the commencement of the procurement process. Any procurement exercise required under this project, including the provision of an archived service, will need to comply with legislative requirements and the Council's Contract Standing Orders.
- 12.3. In terms of the approval process, the Council's Contract Standing Orders (CSOs) set out a method of awarding contracts for pre-published schemes that have previously been approved as estimates by the Cabinet as a Key Decision.

Procurement implications completed by Joanna Angelides, Procurement Consultant, Telephone number 0208 753 2586 on 5th February 2013.

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.	Feasibility Report for the Upgrade of Hammersmith Library Shepherds Bush Road (EC Harris)	Tony Rice	Tri-borough Libraries
2	Customer Survey	Tony Rice	Tri-borough Libraries
3	Feedback from Young Advisors Focus Group	Tony Rice	Tri-borough Libraries
4	EC Harris Archives Feasibility Report	Tony Rice	Tri-borough Libraries

Appendix: Hammersmith Refurbishment - Indicative Costs

FABRIC WORKS	Priority	Original Cost Estimates	Reductions - within current available budget	Full Project inc Archives	Notes
Repairs to the pitched roof	1	15,000	15,000	15,000	
Repairs to the flat roof	1	17,500	17,500	17,500	
Repairs to the rainwater goods and waste drainage	1	5,000	5,000	5,000	
Repairs to external masonry	1	75,000	75,000	75,000	
Internal plaster and repairs	1	27,500	27,500	27,500	
Remedial works in respect of dampness (provisional sum)	1	11,000	11,000	11,000	
Redecoration of interior library	1	55,000	55,000	55,000	
Renewal of floor coverings	1	112,500	112,500	112,500	
Renewal of doors	1	50,000	50,000	50,000	
Structural repairs	1	9,000	9,000	9,000	
Supply and installation of reception counter	1	20,000	10,000	10,000	Can get counter for less than 10K
Priority 1 Fabric works		£397,500	£387,500	£387,500	
Repairs and redecoration to windows and external doors	2	17,000	17,000	17,000	
Supply and installation of secondary glazing	2	26,500	26,500	26,500	
Alterations to main entrance	2	5,000	5,000	5,000	
Re-instate brick arches and opening up the children's library	2	15,550	0	0	Omit - Mainly aesthetic
Creation of open plan office on the first floor	2	30,000	0	0	Omit - Open plan office not required staffing levels in building have dropped
Creation of new staff facilities on the second floor	2	12,500	12,500	12,500	
Refurbishment of WC facilities	2	25,000	25,000	25,000	
Repair hardstand area	2	5,000	5,000	5,000	
Priority 2 Fabric works		£136,550	£91,000	£91,000	

MECHANICAL & ELECTRICAL WORKS	Priority	Original Cost Estimates	Reductions - within current available budget	Full Project inc Archives	Notes
Renewal of boiler	1	100,000	100,000	100,000	
Upgrade heating system	1	20,000	20,000	20,000	
Installation of two passenger lifts	1	250,000	150,000	150,000	
Renewal of wireless fire alarm system	1	32,000	32,000	32,000	
RFID Self Service and WiFi ICT works	1	35,000	35,000	35,000	
Works to the electrical intake cupboard	1	2,000	2,000	2,000	
Priority 1 M & E works		<u>£439,000</u>	<u>£339,000</u>	<u>£339,000</u>	
The upgrading of the lighting	2	80,000	80,000	80,000	
Priority 2 M & E works		<u>£80,000</u>	<u>£80,000</u>	<u>£80,000</u>	
Total EC Harris works		<u>£1,053,050</u>	<u>£897,500</u>	<u>£897,500</u>	
Scaffolding	1	150,000	150,000	150,000	
Fees Prelims @ 12.5%		150,381	130,938	130,938	
Statutory Fees		15,000	15,000	15,000	
Sub Total less Statutory Fees		<u>£1,353,431</u>	<u>£1,178,438</u>	<u>£1,178,438</u>	
Professional Fees @ 15%		203,015	176,766	176,766	
Contingency @ 20%		314,289	274,041	274,041	
Total EC Harris works		<u>£1,885,735</u>	<u>£1,644,244</u>	<u>£1,644,245</u>	
Library Works			Reductions - within current available budget	Full Project inc Archives	Notes
	Priority	Original Cost Estimates			
Stock	1	100,000	35,000	100,000	
Space Planning	1	10,000	10,000	10,000	
Shelving	1	185,000	150,000	185,000	
Self Service Kiosks/Pads/Tags	1	40,000	40,000	40,000	
Furniture/Display	1	95,000	95,000	95,000	
Temporary Library (Notional)	1	50,000	0	50,000	
Feasibility/Archive Report	1	15,500	15,500	15,500	
Library Total		<u>£495,500</u>	<u>£345,500</u>	<u>£495,500</u>	

	Priority	Original Cost Estimates	Reductions - within current available budget	Full Project inc Archives	Notes
Grand Total (without Archives)		<u>£2,381,235</u>	<u>£1,989,744</u>	<u>£2,139,745</u>	
Target Cost			£1,989,500		
Variance			£244		
CREATION OF ARCHIVES				400,000	
Fees Prelims @ 12.5%				50,000	
Professional Fees @ 15%				60,000	
Archives move and other associated costs allowance (notional)				50,000	
Archives Total				<u>560,000</u>	
Grand Total (with Archives)				£2,699,745	
Target Cost				£2,700,000	
Variance				£255	

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">8 APRIL 2013</p>
<p>PARKS CAPITAL PROGRAMME 2013/16</p>	
<p>Report of the Deputy Leader (+ Residents Services) – Councillor Greg Smith</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Lyn Carpenter, Environment, Leisure and Resident Services</p>	
<p>Report Author: Ullash Karia, Head of Service Parks and Leisure</p>	<p>Contact Details: Tel: 020 7938 8171 E-mail: Ullash.Karia@RBKC.Gov.UK</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks Cabinet approval to continue to enhance the borough's parks and open spaces as outlined in the Parks and Open Spaces Strategy 2008-2018.
- 1.2. Approval is required for the allocation of funding from various sources, including from internal corporate resources for improvements to parks and open spaces for the next 3 years (2013-16) and delivery of projects in the Capital Parks Programme.

2. RECOMMENDATIONS

- 2.1. That approval be given to the Parks Capital Programme 2013/14 budget and indicative budget forecasts for 2014/15 and 2015/16, as set out in Appendix 1, subject to any amendments as agreed for operational reasons by the Cabinet Member for Residents Services and the Executive Director of Environment Leisure and Residents Services (the Council funding allocation to Parks of £500K for 2013/14 and £500K for the next 2 years is subject to future amendment by the Executive Director of Finance and Corporate Governance).

- 2.2. That in accordance with the provisions contained in the Council's Contracts Standing Orders, all schemes with estimated values of £100,000 or greater be approved by the Cabinet Member for Residents Services, provided that the actual contractual sum comes within the estimated budget.
- 2.3. That the result of the public consultation for each of the parks be considered when undertaking the works specified in paragraph 5.6 of the report.

3. REASONS FOR DECISION

- 3.1. The purpose of this report is to provide Members with proposals for the 2013-2016 Parks Capital Programme (PCP) which is a fundamental element of the Parks strategy for addressing historic under-investment in parks and open spaces and to improve quality of parks assets and services for residents.

4. INTRODUCTION AND BACKGROUND

- 4.1. With over 7 million visits per year to our Parks and Open Spaces, it is important to protect and enhance these community assets. The Parks & Open Spaces Strategy 2008-18 sets out a ten year vision for the continuous improvement of the borough's parks & open spaces which is:

"To improve the quality of life for all people in Hammersmith and Fulham through the provision of award winning parks and open spaces that are clean, green, safe and sustainable"

- 4.2. The PCP remains the key delivery mechanism for the parks and open spaces strategy. Key achievements to date include:

Providing open spaces, play spaces and access to local biodiversity.

- Playground improvements at William Parnell Park, Wendell Park, Eel Brook Common, South Park, Bishop's Park and Shepherds Bush Green

Improving the standard of management and maintenance

- Increase of Green Flags from none in 2008 to 9 in 2012 at Normand Park, Ravenscourt Park, Norland North OS, St Peter's Square, Frank Banfield, Margravine Cemetery, Hurlingham Park, South Park, and Hammersmith Park.
- Refreshment of paths, fences, bins and benches at Eel Brook Common.
- Complete upgrade of 13 tennis courts and floodlighting in Bishop's Park and management outsourced to an external operator.

Creating safe, attractive and accessible spaces for all

- £6.5m restoration of Bishop's Park and Fulham Palace grounds.
- £2.6m improvement project for Shepherds Bush Common.

Actively involving the community in their local open spaces.

- Established 20 Friends of Parks groups
- Consultation to identify the community priorities for improvements at Wormholt and Ravenscourt Park

5. PLANNED CAPITAL PROJECTS

- 5.1. As a key performance indicator, there is a target for achieving 10 Green Flag Awards by 2015. The borough currently holds 9 Green Flags and is now aiming for 12 in 2013, which is attributed mainly to the impact of the PCP.
- 5.2. It also important to note the positive impact of continuous investment in Parks. The 2012 Annual Resident Survey satisfaction level for Parks has risen from last year's 76% to 80%, which remains one of the highest in the Council.
- 5.3. Our 62 Parks and Open Spaces require substantial ongoing investment which cannot be addressed within the limited revenue budget. The parks' asset audit conducted in 2010 provides the evidential basis for prioritising spend. To maximise the parks capital budget/revenue and deliver a broader range of improvements, it is more effective to use capital budget as seed funding to lever external income. This will assist the Council to meet public expectation and minimises exposure to risks. This model of facilitating capital inward investment has proved to be successful achieving £3.012m in the next 3 years; more than a threefold increase on the original capital budget.
- 5.4. Improving quality and quantity of our assets has a positive effect on the revenue generation of our facilities, in particular sports assets such as football pitches and tennis courts.
- 5.5. The range of projects will deliver major improvement to all 12 of the borough's most used parks and open spaces. There will also be improvements made to most pocket parks as part of the asset upgrade schemes which will include new benches, pathway resurfacing and signage.
- 5.6. This report seeks approval to proceed with the 42 projects set out in Appendix 1, at a total value of £4,512,000. A summary of the parks these projects will benefit is outlined below.:

Park	Parks Capital (internal resources)	External Funding	Total value 2013-16
<i>Ravenscourt Park</i>	£85k	£265k	£350k
<i>Bishops Park</i>	£0k	£600k	£600k
<i>South Park</i>	£65k	£262k	£327k
<i>Wormholt Park</i>	£80k	£970k	£1.050m
<i>Wormwood Scrubs</i>	£80k	£120k	£200k
<i>Brook Green</i>	£85k	£125k	£210k
<i>Hammersmith Park</i>	£25k	£75k	£100k
<i>Lillie Road Rec</i>	£35k	£10k	£45k
<i>Eel Brook Common</i>	£105k	£200k	£305k
<i>Normand Park</i>	£15k	£45k	£60k
<i>Rowberry Mead</i>	£75k	£0k	£75k
<i>Hurlingham Park</i>	£35k	£15k	£50k
<i>Cathnor Park</i>	£20k	£0k	£20k
<i>Gwendwr Gardens</i>	£125k	£0k	£125k
<i>Frank Banfield Park</i>	£0k	£175k	£175k
<i>Marcus Garvey Park</i>	£25k	£50k	£75k
<i>Borough wide Parks</i>	£645k	£100k	£745k
Total	£1.5m	£3.012m	£4.512m

5.7 The budget allocation against each project in Appendix 1 is at this stage indicative and subject to change as detailed design, consultation, and procurement is carried out. Some projects may cost more and others less than their initial budget allocation but the overall programme is managed and monitored by ELRS Parks Officers budget holders, the Executive Director of Finance and Corporate Governance and the Cabinet Member for Residents Services to ensure the total expenditure does not exceed budgeted resources.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. Continuous parks improvements are essential to maintain standards and ensure they remain an integral community hub space. The following options were considered:

- (A) Use only £500K capital budget p/a, to deliver parks improvement essential minor works or a single major scheme such as complete playground renovations or a sports facility.
- (B) Use the capital budget as seed fund to deliver a wider range of minor and major projects in more parks. There are restrictions to external funding to take into consideration and also the availability of external funding which is limited.

- 6.2. Option B provides a more prudent approach and greatly enhances the Council's ability to deliver a range of projects, but is reliant upon the availability of external grants and contributions which are obtained through bids and other means. It also provides opportunity to address the more costly defective areas in parks which invariably are either income generators or pose significant risks such as South Park Multi-Use Games Area which is now is categorised as in need of remedial works to make it safe, and as a consequence revenue will be reduced if site is closed.

7. CONSULTATION

- 7.1. For each of the projects listed in this report a consultation programme will be undertaken and involve local communities and stakeholders in the development of their local park or open space. Other Council departments will also be consulted to ensure that wider issues including safety are considered within park improvement projects.
- 7.2. Where statutory consent is required this will be sought. Proposed works to Commons (Wormwood Scrubs, Brook Green and Eel Brook Common) may require Commons Consent from the Secretary of State for the Department of Environment, Food and Rural Affairs (DEFRA) under Article 12 of the Greater London Parks and Open Spaces Order 1967 or Section 38 the Commons Act 2006.
- 7.3. The data from the following surveys and reviews will also inform project outcomes to ensure they meet the both the Council's and national strategic objectives:
- Audit of Supply and Quality of Parks and Open Spaces (2006)
 - Residents Survey of 10,000 households (2008)
 - Parks Asset audit.

8. EQUALITY IMPLICATIONS

- 8.1. The proposals in this report aim to improve accessibility to parks and open space for all. A completed Equality Impact Assessment is available electronically.
- 8.2. It will take account of disabled people's needs at the outset, which will help to improve equality of opportunity for disabled adults and children, and to facilitate equality of opportunity between disabled and non-disabled people
- 8.3. The children's play areas at Rowberry Mead, Gwendwr Gardens and Cathnor Park require investment to bring them up to modern standards. These schemes will continue the extension of play value age range to include to 8-12 years old and also more inclusive equipment for children with disabilities.

- 8.4. Safe and accessible sites are improvements: upgrade of paths at Hurlingham Park and South Park will have a significant positive impact on the ability for people with restricted mobility to move around these parks and open spaces. Improved signage will also encourage better use of our parks.

9. LEGAL IMPLICATIONS

- 9.1. The Director of Law agrees with the recommendation of this report. The Council should ensure that individual projects are procured in accordance with the EU Procurement Rules and the Council's contract standing orders.
- 9.2. Implications completed by: Catherine Irvine, Principal Contracts Lawyer, Telephone 020 8753 2774

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. This report sets out the park improvement projects planned for the next three years and seeks approval to carry out the works. Appendix 1 provides details of the 2013-16 funding profile of the planned improvement works which consists of £1.5M for the parks capital budget and £3.012m additional funds sourced through S106 and other external funding streams. The increasing number of developments within the borough has led to an increase in the amount of funds available for park improvement projects via S106.
- 10.2. The projects listed have been scoped and costs have been estimated. Exact project costs will be confirmed during the tender process. The timescale for delivery of the projects may alter due to the consultation process or procurement which may affect financial expenditure profiles. Where this does occur expenditure should not exceed the Council's overall financial commitment of £500K per year. Overall programming will be managed and monitored through the capital monitoring process reported to Cabinet on a quarterly basis.
- 10.3. The Council's original capital budget for park improvement projects in 2013/14 is £500k which is funded from internal corporate resources and must be considered provisional at this stage, as final funding approval will not be obtained until 27 February 2013 at Budget Council. Future funding of £500k respectively from corporate funding in 2014/15 and 2015/16 are indicative and depends on the future council's financial position. As such, while this report seeks indicative approval for 2014/15 and 2015/16, it will nonetheless be subject to the future capital programme process in those years.
- 10.4. External Funding Sources: 2013/14 forecasts of external funding sources have yet to be included in the capital programme. The figures are

indicative for 2014/15 and 2015/16 and are potentially subject to significant change during future budget processes.

- 10.5. Where further external grants are expected to augment the Capital Programme set out in para 5.5, this spend is also delegated to the Lead member and Director of Finance and Corporate Governance.
- 10.6. All revenue expenditure resulting from the parks capital programme will be contained within revenue budgets (approved by a separate process).
- 10.7. Implications completed by: Josephine Bajowa, Principal Accountant, Telephone 0208 753 4667

11. RISK MANAGEMENT

- 11.1. The projects outlined in this report are recorded on the ELRS project register for monthly monitoring. A project risk log, prepared by the Project Manager and approved by the Project Board, identifies and categorises risks associated with the project and proposes actions to mitigate).
- 11.2. Parks and open spaces are an important part of the local boroughs amenities; they are a benefit to the local community. The capital works as outlined in the report will contribute positively to the management of risk number 2 Managing the Public needs and expectations
- 11.3. Implications verified by: Michael Sloniowski, Head of Risk Management. Telephone (020 8753 2587)

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. The Contract Award procedure for the park improvement contracts planned for the next three years will need to comply with the requirements set out in the Council's Contract Standing Orders (CSOs). CSO's set out a method of awarding contracts for pre-published schemes that have been approved by the Cabinet under the Capital or Planned Maintenance Programmes as a Key Decision as follows:
 - 12.1.1. where an open and transparent tendering exercise has been completed and the tendered sum is within budget then the contract can be awarded by the relevant Cabinet Member(s) where the value is £100,000 or more but less than £1,000,000 or the relevant Cabinet Member(s) and the Leader of the Council where the value is £1,000,000 or more but less than £5,000,000.
 - 12.1.2. where the tender recommended for acceptance is more than 15% below the budget a report to the Cabinet Member shall be required explaining the reasons for the difference and confirm that the

contractor has provided written confirmation that they are able to fulfil the contract for their tendered sum.

12.2. The Director of Procurement and IT Strategy agrees with the recommendation of this report.

12.3. Implications verified by: Joanna Angelides, procurement Consultant, Telephone 0208 753 2586.

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.	Parks and Open Space Strategy 2008-18 (publishred)	Paul Bassi/Extn 2599	ELRS/77 Glenthorne Road
2	Parks Resident Survey 2010	Paul Bassi/Extn 2599	ELRS/77 Glenthorne Road

LIST OF APPENDICES:

<i>Appendix 1</i>	<i>Detailed Capital projects programme</i>	
<i>Appendix II</i>	<i>EIA – capital programme</i>	

Appendix 1 – Parks Planned Capital Programme

2013-14				
PARK	DESCRIPTION	Parks Capital	Other funding sources (See notes)	TOTAL VALUE
Ravenscourt Park	Rationalisation of storage and decant use to improve access through Arches	£5K	£10K Dulux grant (1)	£15K
Ravenscourt park	Masterplan to guide restoration of park	£80K	0	£80K
South Park	All weather pitch upgrade with new floodlights	£25K	£120K Sports England (1) £25K Veiola (1) £60K Fulham Wharf S106 (1)	£230K
South Park	Install new Cricket nets	£10K	£55K London Marathon Trust (1) £2K Thomas School (1)	£67K
Wormwood Scrubs	Install new Outdoor Gym equipment	0	£20K - Westfield S106 (1)	£20K
Wormwood Scrubs	Boundary security – upgrade fencing and railings	0	£50 -Westfield S106 (1)	£50K
Hurlingham Park	Main entrance pedestrian access and play	£25K	£5K World Polo contribution (1)	£30K
Brook Green	Phase 2 refresh of Dog Area and western lawn	£30K	0	£30K
Normand Park	Play area surfacing improvement	£15K	£25k Empress State (1) £20k New Deal For Communities (1)	£60k
Hammersmith Park	Upgrade of play area	£25K	£75K Play Football (1)	£100K
Eel Brook Common	MUGA area improvement	£30K	0	£30K
Wormholt Park	Refurbishment design fees	0	£20k Janet Adegoke Leisure Centre S106 (1)	£20k
Rowberry Mead	Play improvements	£25K	0	£25k
Lillie road	Paving improvements	£35K	£10K New Deal For Communities	£45k
Various sites (inc All Saints)	Asset upgrades: Benches, bins,	£195K	0	£195k

Church Yard)	signage, play improvements, Sustainable Urban Drainage and Surfacing (including sports facilities)			
Totals		£500,000	£497,000	£997,000


2014-15				
PARK	DESCRIPTION	Parks Capital	Other funding sources	VALUE
Bishops Park	Various improvements	0	£600K – Fulham Football Club S106 (2)	£600k
Ravenscourt Park	Sports Improvements	0	£130K – Fulham Reach S106 (1)	£130k
Wormwood Scrubs	Masterplan	£80K	0	£80k
Wormwood Scrubs	Improvements – car park, biodiversity, entrance gates	0	£50K – Westfield S106 (1)	£50k
Hurlingham Park	Asset Improvements – furniture, planting, and security	£5K	£5K – Polo contribution (1)	£10k
Brook Green	Asset Improvements – furniture, planting and security	£25K	£50K – King House S106 (1) £75K – Bute Gardens S106 (2)	£150k
Wormholt Park	Complete Park Refurbishment	£50K	£950K – Janet Adegoke Centre S106 (1)	£1m
Frank Banfield Park	Play and access improvements	0	£175K – Fulham Reach S106 (1)	£175k
Eel Brook Common	Consultation and design for North area	£25K	0	£25k
Gwendwr Gardens and Marcus Garvey	Improvements	£100k	0	£100k
Cathnor Park	Improvements	£20K	0	£20k
Various sites	Asset upgrades: Benches, bins, signage, play improvements, SUDS and Surfacing (including sports facilities)	£195K	0	£195k
Total		£500,000	£2,035,000	£2,535,000

2015-16				
PARK	DESCRIPTION	Parks Capital £000s	Other funding sources	VALUE
Brook Green	Landscaping Improvements	£30K	£0	£30K
Ravenscourt Park	Astroturf resurfacing	0	£100K – Fulham Reach S106 (1)	£100k
Ravenscourt Park	Outdoor gym	0	£25K – Fulham Reach S106 (1)	£25k
Marcus Garvey	Wildlife garden	0	£50K – Gorleston Road S106 (2)	£50k
South Park	Resurfacing	£30K	0	£30k
Hurlingham Park	Asset Improvements – furniture, planting, and security	£5K	£5K – Polo contribution (1)	£10k
Eel Brook Common	Asset Improvements – furniture, planting, and security	£50K	£200k – Fulham Reach S106	£250k
Wormholt Park	Planting improvements	£30K	0	£30k
Gwendwr Gardens	Planting improvements	£50K	0	£50k
Rowberry Mead	Access improvements	£50K	0	£50k
Various sites	Asset upgrades: Benches, bins, signage, play improvements, SUDS, and Surfacing (including sports facilities)	£255K	£100K – Fulham Reach S106 (1)	£355k
Total		£500K	£480K	£980,000

Notes

- (1) = Secured funding – Confirmed approved S106 agreements or funding grants awards.
- (2) = Funding agreed in principal e.g planning application approved subject to S106 terms. Awaiting S106 agreement to be signed

Agenda Item 8

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
CEMETERIES - VARIATION TO GROUNDS MAINTENANCE CONTRACT	
Report of the Deputy Leader (+Residents Services) – Councillor Greg Smith	
Open Report	
Classification - For Decision	
Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Lyn Carpenter, Environment Leisure & Residents Services	
Report Author: Ullash Karia, Bi Borough Head of Leisure & Parks	Contact Details: Tel: 020 7938 8171 ullash.karia@rbkc.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. Further to the Cabinet Member's approval in September to vary the current grounds maintenance contract with Quadron Services Limited (QSL) to include the management and client function of the Cemeteries, Cabinet approval is now sought to make this arrangement permanent.
- 1.2. The proposal will transfer £120k p/a H&F staffing costs into the Quadron contract. This represents approx 3.6% of the total grounds maintenance contract amount for H&F (£3.292m). Although this is a relatively low figure and would not be considered as a significant material change, it requires Cabinet approval.
- 1.3. The Bi-borough initiative provided the opportunity to re-assess the staffing of the service across both Authorities and a number of options were considered. QSL already permanently manage the client management function in the Royal Borough of Kensington & Chelsea and since September 2012 have been doing the same in Hammersmith & Fulham. This includes a Manager across both Boroughs.
- 1.4. The arrangement has proven successful, there has not been a dip in quality of provision and because QSL already look after the grounds maintenance element there have been benefits in joining up both elements. In particular there have been notable synergies in booking and

managing grave plots within the wider grounds maintenance of the cemeteries.

2. RECOMMENDATION

- 2.1. That approval be given to vary the Grounds Maintenance contract and require Quadron to manage the cemeteries function, which includes implementing an adequate staffing structure.

3. REASONS FOR DECISION

- 3.1. Bi Borough management has necessitated scrutiny of services and adopting good practice. This arrangement is already in place in the Royal Borough of Kensington & Chelsea and working well. Both Boroughs share the same grounds maintenance operator and not only are there cost efficiencies to be realised but also an opportunity to align services between both authorities.
- 3.2. There is also an opportunity being explored via the service review to increase income in H&F via extending the offer of premium grave space in Margravine and Fulham cemeteries to residents of K&C.

4. INTRODUCTION AND BACKGROUND

- 4.1. The London Borough of Hammersmith and Fulham own four cemeteries – Margravine, Fulham Palace, North Sheen and Mortlake.
- 4.2. The LBHF cemeteries service is provided by a manager and two assistants; the manager and one of the assistants retired on 31 August 2012. QSL have appointed staff to these posts and agreement is now needed to formalise these positions
- 4.3. For Health and Safety reasons, as well as staff welfare considerations, it is considered necessary to have two members of staff working in or from the main cemetery offices at Mortlake.

5. CONSIDERATIONS

- 5.1. The following option was agreed; to vary the Ground Maintenance contract and require Quadron to supply a Bi Borough Cemeteries Manager to work across both boroughs, and Bereavement Assistant in LBHF.

6. FINANCIAL IMPLICATIONS

- 6.1. The current costs for the services are:

Subjective	LBHF (£000)
Employees	121
Main Contract Works	625
Premises Costs	39
Other Running Costs	28
Income	(834)
Total Net Direct Cost / (Income)	(21)
Support Services & Capital Charges	185
Total Net Cost / (Income)	164

7. TIMETABLE FOR IMPLEMENTATION

- 7.1. Further to the agreement of this reorganisation, it is proposed that this variation be extended to the end of the contract.

8. FUTURE PLANS

- 8.1. The LBHF cemetery service continually needs to monitor capacity and income targets. Consequently the Council may wish to consider the opportunities for the selling of new grave spaces. Although these issues have been raised and are being considered separately, it may be expedient to none-the-less consider that demand upon the service may be reduced in eight to ten years time and that that, in itself, may necessitate a review of the current arrangements.

9. PROPOSED FULL BI-BOROUGH STRUCTURE

- 9.1. Total 3 FTEs
Bi-borough Cemeteries Manager

LBHF

Bereavement Services Officer
Bereavement Services Officer

- The two Bereavement Officers are fully operational and primarily cover the clerical, grave marking and grave side attendance functions.
- The Manager operates in a Bi Borough capacity and provides service supervision, assistance with the clerical functions and on occasion marking out and grave side attendance.
- Currently there is only one member of staff (a Bereavement Services Officer) who is employed by LBHF. It is proposed that she would TUPE across to QSL

10. EQUALITY IMPLICATIONS

- 10.1 This proposal was screened for impact on equalities on 03.01.13. A full and detailed evaluation of all options has been prepared and is available electronically. It was considered by the Head of Service and consulted on with Senior Managers within ELRS. As a result of this screening, it has been decided that a full equality impact assessment is not required.

11. LEGAL IMPLICATIONS

- 11.1. It is noted that it recommended to vary the scope of the Council's grounds maintenance contract with Quadron to include the provision of management and client function of cemeteries. It is noted that the financial value of this variation is small, particularly in relation to the overall value of the contract. It is therefore unlikely that such a variation would be considered a material change which would require the additional service to be advertised and competitively tendered.
- 11.2. Implications verified by Cath Irvine, Principal Contracts Lawyer Bi Borough Procurement Team 020 8753 2774

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1. Extending the current option is supported from a financial perspective as it will deliver financial savings of 0.5 FTE for LBHF (approximately £20k over a twelve month period). Given that discussions are still underway with the contractor, any new arrangements should only be agreed if either cost neutral or delivered at a reduced cost to the Council. Any additional payment to Quadron will be monitored as part of the existing monthly monitoring arrangements and paid as part of the existing contract invoice. Sharing a manager post across both LBHF and RBKC supports the Council's shared aim to make the most out of bi- and tri-borough working.
- 12.2. Implications verified by Mark Jones, Director for Finance & Resources, ELRS/TTS, 0208 753 6700.

13. RISK MANAGEMENT

- 13.1. Concurring with both financial and legal advice this would not be a substantial change to the current Grounds maintenance contract. There would be no detrimental affect in service either from the staffing perspective or to the end users, our customers.
- 13.2. Aligning the service provision as indicated in the report does not materially affect the councils overall level of corporate risk. Quadron is one of the council's significant contractors and as such performance and risk associated with Grounds Maintenance forms part of the Environment

Leisure and Residents Service operational Performance and risk management monitoring arrangements.


- 13.3. Implications verified/completed by: Michael Sloniowski
Head of Risk Management Resilience Services Section, Internal Audit
Finance & Corporate Services Department 020 8753 2587

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 14.1. It is noted that it is proposed to vary the Council's ground maintenance contract with Quadron Services Limited. This variation does not appear to constitute a substantial change materially different in character from the original contract and doesn't extend the scope of it considerably. If the variation is for the remaining duration of the contract this would be considered a medium value change in respect of the manager's remuneration package for the role.
- 14.2. Implications verified/completed by: Joanna Angelides, Procurement Consultant, Tel No. 0208 753 2586

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.	Cemeteries CMD September 2012 (published)	Ullash Karia	ELRS

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
FULHAM PALACE TRUST – PROPOSED FINANCE ARRANGEMENTS	
Report of the Deputy Leader (+ Residents Services) – Councillor Greg Smith	
Open Report	
Classification - For Decision Key Decision: Yes	
Wards Affected: Palace Riverside	
Accountable Executive Director: Lyn Carpenter, Environment Leisure & Residents Services	
Report Author: Donna Pentelow, Head of Culture	Contact Details: Tel: 020 8753 2358 donna.pentelow@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Council agreed to the transfer of the management of Fulham Palace to an arms-length charitable trust at 26th April 2010 Cabinet. The trust was set up and has been running as an arms length organisation since April 2011. As part of the Grant Funding Agreement (GFA) the Council was committed to ensuring that the Trust was established on a sound financial footing. In April 2012 there was a Cabinet Member Decision agreeing to a grant of £50,000 for 2012/13 to enable Fulham Palace Trust (FPT) to balance their budget for 2012/13 (reduced from £101,000 for 2011/12).
- 1.2 Additionally, the GFA sets out a financial guarantee from the Council to provide financial assistance of up to £250,000 to offset any circumstance during the term of the GFA where the Trust encounters costs or suffers losses which the Council agrees could not reasonably have been foreseen or which were mainly caused by matters beyond the effective control of the Trust; and cannot be accommodated within the budget previously approved by the Council in the Service Plan for that Financial Year.
- 1.3 For subsequent financial years, the GFA states that any additional grants will be determined by agreement between the Trust and the Council with reference to the

Requested Grant, Service Plan and the financial projections set out in the Business Plan.

- 1.4 In December 2012, the Council received a formal request for additional funds from FPT following their Finance Committee and the Trust Board meetings. The Trust requested the following:
 - 1) A grant from LBHF every year until the end of the grant fund agreement period (31 March 2016). £50,000 is requested in 2013/14.
 - 2) The transfer of the £250,000 emergency fund to Fulham Palace Trust as a 'loan' in order to provide reserves for the Trust.
- 1.5 FPT have suggested another option of LBHF paying off a £350,000 loan (plus interest) owed to the Architectural Heritage Fund (AHF) for the renovation of the Gothic Lodges. This would allow FPT to keep the £60,000-70,000 annual rental income to balance the Trusts budget each year, meaning no annual contribution would be required from the Council going forward.
- 1.6 One of FPT's key strategies is to be financially self sustaining which is in line with the council's ambition for the management of Fulham Palace. The Trust's strategic plan 2011-13 aims to increase income, reduce costs and improve tenant management. The strategic plan is due for review in late 2013. The next plan will run from 2014/15 for another three years to 31 March 2017.
- 1.7 The forecast deficit in FPT's budgets from 2013/14 is due three factors: salary costs linked to the Heritage Lottery Fund grant; lower than expected function income associated with the café operator (Foodshow) being unable to fulfil contractual obligations around guaranteed levels of income; and rental income from the lodges being ringfenced for loan repayment. The refurbishment of the lodges is now complete. The loan was secured from the Architectural Heritage Fund to a maximum cost of £350,000, for which the Council has acted as the loan guarantor. A 5 year payback is expected on the loan, after which time the Palace is expecting to generate circa £70,000 in rental income per annum. FPT need to put the income aside to repay the loan and assume that the Architectural Heritage Fund and LBHF will agree to extending the loan to a 9 year payback. If this is not agreed FPT will need to take an additional loan of £185,000 to pay it back by 2017.
- 1.8 FPT want to build up a reserve and to have the £250,000 in their accounts (or a joint account with LBHF) to comply with what they believe to be the requirement of the Charity Commission guidelines on reserves and to demonstrate to potential donors that the Trust is financially stable. FPT have requested this £250,000 reserve as a loan and would start to pay this back from 2018/19.
- 1.9 To summarise, FPT have requested **EITHER** a £50,000 annual grant to 31 March 2016 (£150,000 in total) **OR** a one off grant of £350,000 (plus interest estimated at £17,500) to pay off the AHF loan **AND** the transfer of the £250,000 reserve into FPT's own account or a joint account with LBHF.
- 1.10 The Trust have stated that they are unwilling to enter the new financial year forecasting a budget deficit. If the financial situation cannot be resolved by providing **either** an annual grant of £50,000 **or** a one off grant of £350,000 (plus

interest) **and** loaning FPT £250,000, then the trustees feel there is no other option than to resign.

1.11 There are a number of considerations:

(i) Provide £50,000 grant per year until 31 March 2016 (total £150,000) and £250,000 reserve as a loan to FPT.

FPT forecast that an annual £50,000 grant until 31 March 2016 combined with its new café operator, Bovingdons, performing above the minimum guarantee, would to cover its forecast deficit. The loan would have conditions attached to it that set out on what it can be spent as well as the terms for payback to the Council. FPT would need to use the lodge rental income to payback the AHF loan until the end of the current loan period. There is currently no provision in the Council's budget to fund an annual grant of £50,000 for 3 years from 2013/14. By FPT's own forecast the Council would not see the £250,000 loan start to be repaid until 2018/19 and that is based on Phase 3 of the restoration taking place.

The Charity Commission guidance on reserves is just guidance. The reserves are available if FPT require them in an emergency. Reassurance to potential investors that the Trust has reserves can be provided via the GFA.

(ii) Pay FPT a one off grant of £350,000 (plus interest) and provide the £250,000 reserve as a loan to FPT.

As above, by providing this loan to FPT they will be able to hold it in their reserves and draw it down as they wish. In addition, this option would further incentivise FPT to continue to reduce its overall net cost as the less that is required to be drawn down from the reserve each year, the more that is retained and the quicker FPT will achieve their target £500,000 reserves level.

FPT will be able to pay off the loan to the Architectural Heritage Fund and retain the annual rental income from the lodges. The annual rental income is estimated at between £60,000 and £70,000 per year and would balance FPT's budgets from 2013/14. The interest is estimated at £17,500. Alternatively, FPT could hold this lump sum in their accounts to form a reserve, maintain the repayments to the AHF under the current loan terms and use some of it to off set any deficit each year. This would further incentivise FPT to continue to reduce its overall net cost as the less that is required to be drawn down from the reserve each year, the more that is retained and the quicker FPT will achieve their target £500,000 reserves level.

(iii) Refuse the increased grant request and recruit new trustees.

The current board of trustees has been unable to achieve the objective of making the Palace self financing by 31 March 2016, which is mainly due to the failure of their appointed catering contractor. FPT has stated that they remain committed to the long term management of FP and do believe that the current financial pressures can be addressed through the recommendations they have made to the Council. If the council decided to not support the request from FPT then there is a risk that all Trustees could resign on mass. The council would then face a potential lengthy and costly recruitment process. The uncertainty could also adversely impact on the catering business. There are no guarantees that with new trustees the financial situation will or could improve. The existing

Board are very hands on and have a year's worth of valuable experience that would be lost with the appointment of new trustees, should there be a pool of candidates from which to recruit.

1.12 There is no obvious provision for the Council to extract itself from the 100 year lease (made in 1975) with the Church Commissioners (CC) that would enable the palace to return to the CC. The advice received from Legal Services is that this option would only be available after the term of 100 years of the lease (there are 62 more years to run). However, Clause 4 (Provisos) provide for CC to re-enter and take possession of Palace in the following events:

- Council's failure to pay the rent after 21 days of becoming payable
- Council is wound up (never happens to local authorities) or
- Council's failure to observe and comply with any other covenants in the lease.

It is the view of Legal Service that if the Council refused to pay the rent, the CC would be more likely to take us to court for non payment than forfeit the lease

1.13 Neither does the lease provide for the Palace to return to the Council to run on 1st April 2013. We will be in breach of the Office and Social Deeds of Variations of 2008, which varied the headlease to allow the Council to office and social letting of parts of the Palace.

1.14 To minimise the impact on revenue, any grant given should be funded from the Council's mainstream resources (capital receipts). The Council is able to make capital grants to third parties under provisions known as Revenue Expenditure Funded from Capital Under Statute (REFCUS). Such grants can be funded from the Council's capital resources. At present all of the Council's surplus mainstream resources are earmarked for debt reduction. Given that any grant to FPT has not been provided for through in the Capital Programme, any amounts agreed to be passed over would reduce debt reduction by a corresponding amount. This would also be the case if the Council chose to loan any funds to FPT.

1.15 The recommendations appear below.

2. RECOMMENDATIONS

2.1 That approval be given to a payment of £367,500 (£350,000 plus anticipated loan interest of £17,500) to Fulham Palace Trust as a one off grant to repay the Architectural Heritage Fund loan, therefore enabling the Trust to use the annual rental income from the lodges to balance their budget each year.

2.2 That approval be given to a loan of £250,000 to Fulham Palace Trust to create reserves, to be held in a separate bank account, to be repaid to the Council once the Trust starts to make a surplus.

2.3 That the approval of the final conditions of the grant and loan be delegated to the Cabinet Member for Residents Services, in consultation with the Executive Director for Environment, Leisure & Residents Services.

3. REASONS FOR DECISION

- 3.1 To agree the funding for Fulham Palace Trust to enable it to continue to run as an arms length organisation to the Council.

4. INTRODUCTION AND BACKGROUND

- 4.1 See section 1 of the report.

5. FULHAM PALACE TRUST'S FINANCIALLY SELF SUSTAINING OBJECTIVE

- 5.1 In accordance with the GFA, Fulham Palace Trust will submit to the Council annually a service delivery plan which supports the Council's strategic objectives (as they relate to the Palace site) and includes the Trust's budget and its Key Performance Indicators. FPT's delivery plan sets out its strategies to ensure that its vision and values are met. One of these strategies is to make the Palace financially self-sustaining. It is expected that this will be achieved through 3 major priorities - namely to increase income, reduce costs and improve tenant management. The 2012/13 service delivery plan is summarised below:

Increase Income

"The priority here is to generate new income through the redevelopment of the two Lodges within the Palace grounds, thereby making them available for commercial let. In the shorter term, the rental income from the lodges will be ringfenced in order to pay back the loan. The Palace is looking to grow income through a targeted increase on functions income, enabled by a robust marketing and sales strategy in close working with the sole caterer under a new agreement that guarantees a minimum amount of income."

The refurbishment of the lodges is now complete and the income expected from the rental of the lodges has been ringfenced to repay the refurbishment loan and so is not included in the budget projections for 2013/14 and beyond. The loan was secured from the Architectural Heritage Fund to a maximum cost of £350k, for which the Council has acted as the loan guarantor. A 5 year payback is expected on the loan, after which time the Palace is expecting to generate circa £70,000 in rental income per annum. FPT need to put the income aside to repay the loan and assume that the Architectural Heritage Fund and LBHF will agree to extending the loan to a 9 year payback. If this is not agreed FPT will need to take an additional loan of £185,000 to pay it back by 2017.

Reduce costs

"Although the focus for reducing the net operating cost of the Palace is to grow income, the Trust has also reviewed all operating costs and scaled down where possible. Notable cost reductions have been made through reduced business rate charges (as the Trust is now entitled to the 80% charities discount) and reduced staffing costs through a reorganisation of the teams. The Trust is now VAT registered thereby allowing them to minimise their net VAT expense going forward."

Improve Tenant Management

“Office space rental makes up approximately 35% of the Palace’s total budgeted income. Fulham Palace Trust have a strategy to maximise this income through a review of all leases to ensure that they are current and fit for purpose and to ensure that all service charges are fully defrayed. The Trust is also looking to implement an active tenant management framework which is expected to improve satisfaction through a programme of regular meetings”.

6. FULHAM PALACE FINANCIAL PERFORMANCE

6.1 The table below summarises the financial performance for Fulham Palace over the past few years as well as FPT’s draft budget proposals to 2014/15. This shows that there has been a phased cost reduction in the overall service since 2008/09, with over £100k of cost being removed in 2009/10 due to savings on staffing and the cleaning contract. Under a single governance arrangement, net costs were able to be reduced by a further £185,000 (from £281,000 to £96,000) in 2011/12 for the reasons set out in FPT’s financially self-sustaining strategy set out above (reduced business rate savings and increased lettings and functions income).

	Council Operated			FPT Operated			
	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Projection	2013/14 Draft Budget	2014/15 Draft Budget
	£000	£000	£000	£000	£000	£000	£000
Café	(33)	(17)	(27)	(25)	(24)	(29)	(29)
Events	13	(2)	0	(11)	(1)	(3)	(3)
Functions	(80)	(100)	(159)	(361)	(350)	(332)	(287)
Rents	(143)	(198)	(201)	(269)	(311)	(344)	(351)
Retail	0	0	0	(3)	(4)	(2)	(2)
Learning & Outreach	64	61	62	(6)	(21)	(4)	(4)
Collection Care & Exhibition	31	35	16	3	74	74	74
Operations	538	405	489	648	524	587	587
Gardens	0	100	101	12	88	84	84
Lodge Rents	0	0	0	8	0	0	0
TOTAL	390	284	281	(5)	(25)	31	69
Exclude Council Contribution	0	0	0	101	50		
Adjusted TOTAL	390	284	281	96	25	31	69

6.2 The 2013/14 draft budget excludes fund-raising income as this is ring fenced to fund the set up of the new fund-raising team. From 2014/15 onwards FPT will build up fund-raising income, however, this may be linked to specific projects and therefore unable to fund existing operational costs.

6.3 The expected budget deficit is made up of the following factors:

- **Salaries** – The Heritage Lottery Fund (HLF) and LBHF part fund the posts of Head Gardener, Gardener, two apprentice gardeners and the Learning Officer. FPT has put in an Administrator post at its own cost (£24,000 pa). HLF advised that this post was required due to the growing schools and volunteer programme and it did form part of the proposed staff restructure. All other posts, e.g. Caretaker, Book-keeper, have been regularisation of previous agency posts. The Hospitality Manager became General Manager and this enabled the deletion of the Facilities Manager post. FPT aim to replace the LBHF/HLF funding for the five posts by 2015/16.
- **Functions** – the agreement with Food Show (the previous sole caterer) to guarantee £404,000 in calendar year 2013 and £436,000 in calendar year 2014 was unachievable. Food Show notified FPT in November 2012 that they would not be able to meet this guarantee and that the tender process was not properly understood by them. FPT have subsequently negotiated a 4 year deal with a new sole caterer, Bovingdons. However, their minimum guarantee for 2013 is £380,000 and £320,000 in subsequent years (a reduction of £24,000 for 2013/14 and £116,000 beyond that). FPT asked Bovingdons to front load the guaranteed income to clear the deficit in the first 3 months of 2013. FPT expect them to do better than the minimum from 2014, but have not put in more than the minimum guarantee in future budgets.
- **Rents** – from 2013/14 FPT will be renting the PSLA building commercially at c. £30,000 pa. A 3 month void for 2013/14 has been built in to cover any delays in getting tenants on board (£7,500 part year effect for 2013/14). This is still higher than any previous contractor has delivered

6.4 Additionally, FPT spent around c£20,000 on legal costs in 2012/13. This relates to negotiations for the Black Sun lease variation and pre-exemption agreement and getting licences for the works to the lodges. FPT have to pay for its own legal costs as well as those of LBHF and The Church Commission. The forecast legal costs have been reduced in future years, but the costs in 2011/12 and 2012/13 have reduced FPT's ability to build up reserves that might have covered the deficit in the next few years.

7. HERITAGE LOTTERY FUND COMMITMENT

7.1 FPT had projected that they would be financially self sustaining by 2013/14, albeit with some associated risks. FPT and LBHF jointly approached The Heritage Lottery Fund (HLF) to negotiate some reduction in expenditure. Some of the salary expenditure is a condition of the HLF grant for the Phase 2 restoration of the Palace and Bishops Park.

7.2 The HLF state that:

These (salary) costs form part of the Approved Purposes of the project on which the contract is based. The Council confirmed that all partnership funding was in place on the "Permission to Start" form submitted in May 2010. HLF and Big Lottery Fund are partners in Parks for People projects and both organisations consider the staffing of parks as essential to protecting their capital investment and ensuring that the refurbished park continues to be maintained to a high standard and to meet the needs of the community.

The contract provides for an immediate repayment of any grant paid to you should the Approved Purposes not be achieved. Should the Trust cease to exist these posts will have to be taken on by the Council in order to fulfil the HLF contractual obligations.

- 7.3 The HLF did advise that FPT would be eligible to apply to a new Transition Funding scheme of £10-100,000 from April 2013. This fund is available to organisations who have previously received HLF investment, to identify ways of achieving greater sustainability. It is not yet known whether this is one off funding and there are no guarantees that FPT will be successful.

8. RESERVE FACILITY

- 8.1 FPT is requesting a loan transfer of the £250,000 reserve facility to their own account or a joint account with the Council. This assumes that the Council has readily available ring fenced reserves of £250,000 to transfer. The grant funding agreement refers to a sum of £250,000 set aside by LBHF to offset any circumstance where the Trust encounters costs or suffers losses which the Council agrees:

- (i) Could not reasonably have been foreseen or which were mainly caused by matters beyond the effective control of the Trust; and
- (ii) Cannot be accommodated within the budget previously approved by the Council in the Service Plan for the Financial Year.

- 8.2 FPT state that they operate at such a marginal level financially that it is essential that the funds are transferred/loaned to FPT to enable it to operate according to the recommendation of the Charity Commission on reserves.

- 8.3 The Charity Commission's document "CC19 Charities & Reserves" states there is no single level or even a range of reserves that is right for all charities. Charities of any significance expect to operate with a reserve of between 3 months and 6 months expenditure¹ (estimated as £245,000-£489,000 for 2013/14). The Commission recommends that reserves should be readily realised as cash, when needed. This remains the case if LBHF holds the reserves.

- 8.4 FPT feel that the reserves would assist with their fund-raising campaign by giving greater certainty to potential investors - an organisation that has no reserves could be considered as more likely to be out of business at relatively short notice. However, FPT do have reserves; they just sit with the council rather than in their own account. FPT were asked to confirm whether they could provide this certainty to potential funders by providing details of the GFA with the council and on 2 January 2013 responded via the Chief Executive to say;

"We would not consider the £250,000 staying with LBHF as the Trust is so marginal operationally that the trustees are only happy to continue if we have easy access to this as a reserve. It would be misleading to tell funders that we have a call on this money when it

¹ <http://www.charity-commission.gov.uk/Publications/cc19.aspx#a3>

has been demonstrated that we can only access this fund with your approval and following the lengthy LBHF approval process.”

- 8.5 FPT propose that they will start paying back the £250,000 loan once their reserve has reached £500,000 (this will include FPT’s own accumulated reserve of £250,000, plus the council loan of £250,000). They forecast achieving reserves of £500,000 by April 1st 2018. They propose that after the £500,000 reserve has been reached and the Trust makes a surplus, that surplus will be transferred back to LBHF until such time as the £250,000 loan is repaid to the Council. Such an arrangement is not reflected in the GFA. The £250,000 reserve was always envisaged as being used in an emergency, not handed over to FPT to be retained as a reserve. FPT suggest that the funds could be placed in a designated client account or separate bank account with joint access. There is a risk with this that FPT use the reserves to cover budget deficits and end up spending it all with no means of repaying the loan to the Council. FPT had originally intended to build up reserves of their own, over time.
- 8.6 In terms of timescale, it is anticipated that it will be after the Phase 3 restoration works to the Palace in 2017 that the Trust will start to build up a surplus. The Church Commission will waive FPT’s rent of £62,500 once the restoration works are complete. This could be used to help offset any budget deficit from 2017.

9. THE GRANT FUNDING AGREEMENT

- 9.1 The grant request is as per the Grant Funding Agreement, which states that the amount of the grant each year until the end of the agreement on 31 March 2016 ‘will be determined by agreement between the Trust and the Council with reference to the Requested Grant, Service Plan and the financial projections set out in the Business Plan’.
- 9.2 The Grant Funding Agreement also states that “The Trust acknowledges that its objective will be to achieve self-funding (without payment of any grant from the Council) by the Expiry Date (31 March 2016)”. This formal request for grant funding of £50,000 per annum until 31 March 2016 would suggest that the Trust may be unable to fulfil this objective.
- 9.3 The GFA provides for the Council to make available to the Trust a revolving loan facility of up to maximum amount of £50,000 to cover cashflow differences and/or budget shortfalls of the Trust. FPT have already taken up the maximum permissible loan which transferred to FPT soon after the Trust was formed in April 2011. The payback conditions of this cash flow loan require FPT to pay back half of any year end surplus each year, with the other half of any surplus being paid into FPT’s own reserves. For the reasons set out in this report, it is unlikely that this will be repaid in full for some 10-20 years.
- 9.4 The GFA provides for the Council to step in and assume the running of the Palace if FPT:
- has not substantially met the Key Objectives and Key Performance Indicators. The Council has to make fair and reasonable allowances for the prevailing

economic and financial conditions, other matters which were beyond the effective control of the Trust; issues which could not reasonably be foreseen by the Trust.

- the Trust's financial position is such that either it, its trustees/directors, members or creditors take or are entitled to take steps to institute formal insolvency proceedings

9.5 However, the lease with the CC does not provide for the Palace to return to the council to run on 1st April 2013. The Council would be in breach of the Office and Social Deeds of Variations of 2008, which varied the headlease to allow the Council to office and social letting of parts of the Palace.

10. CONSIDERATIONS

10.1 There are a number of options available to the Council.

(i) **Provide £50,000 grant per year until 31 March 2016 (total £150,000) and provide the £250,000 reserve as a loan to FPT.**

FPT forecast that an annual £50,000 grant until 31 March 2016 combined with Bovingdons performing above the minimum guarantee, would to cover its forecast deficit. The loan would have conditions attached to it that set out on what it can be spent as well as the terms for payback to the Council. FPT would need to use the lodge rental income to payback the AHF loan until the end of the current loan period. There is currently no provision in the Council's budget to fund an annual grant of £50,000 for 3 years from 2013/14. By FPT's own forecast the Council would not see the £250,000 loan start to be repaid until 2018/19 and that is based on Phase 3 of the restoration taking place. FPT's current forecast budget deficit for the next two years is £100,000, which is based on some less optimistic assumptions around income. This has been suggested to FPT previously, who responded that they did not see this as a reasonable way forward and they would only be satisfied if the £250,000 reserve was loaned to them in full.

The Charity Commission guidance on reserves is just guidance. The reserves are available if FPT require them in an emergency. Reassurance to potential investors that the Trust has reserves can be provided via the GFA.

(ii) **Pay FPT a one off grant of £350,000 (plus interest) and provide the £250,000 reserve as a loan to FPT**

By providing this loan to FPT they will be able to hold it in their reserves and draw it down as they wish. The loan would have conditions attached to it that set out on what it can be spent as well as the terms for payback to the Council. FPT would need to use the lodge rental income to payback the AHF loan until the end of the current loan period. This option would further incentivise FPT to continue to reduce its overall net cost as the less that is required to be drawn down from the reserve each year, the more that is retained and the quicker FPT will achieve their target £500,000 reserves level.

By providing this one off grant to FPT, they will be able to pay off the loan to the Architectural Heritage Fund and retain the annual rental income from the lodges. This is estimated at between £60,000 and £70,000 per year and would balance FPT's budgets from 2013/14. Alternatively, FPT could hold this lump sum in their accounts to form a reserve, maintain the repayments to the AHF under the current loan terms and use some of it to off set any deficit each year. This would further incentivise FPT to continue to reduce its overall net cost as the less that is required to be drawn down from the reserve each year, the more that is retained and the quicker FPT will achieve their target £500,000 reserves level.

(iii) Refuse the increased grant request and recruit new trustees.

The current board of trustees has been unable to achieve the objective of making the Palace self financing by 31 March 2016. However, recruiting new trustees can be lengthy and costly. The uncertainty could also adversely impact on the catering business. There are no guarantees that with new trustees the financial situation will improve. The existing Board are hands on and have a year's worth of experience that would be lost with new trustees. There is also the option of creating a new trust.

10.2 The 1975 lease makes no obvious provision for the council to extract itself from the 100 year lease with the Church Commissioners (CC). The advice received from Legal Services is that this option would only be available after the term of 100 years of the lease (there are 62 more years to run). However, Clause 4 (Provisos) provide for CC to re-enter and take possession of Palace in the following events:

- Council's failure to pay the rent after 21 days of becoming payable
- Council is wound up (never happens to local authorities) or
- Council's failure to observe and comply with any other covenants in the lease.

10.3 It is the view of Legal Service that if the Council refused to pay the rent, the CC would be more likely to take us to court for non payment than forfeit the lease.

10.4 Neither does the lease provide for the Palace to return to the Council to run on 1st April 2013. We will be in breach of the Office and Social Deeds of Variations of 2008, which varied the headlease to allow the Council to office and social letting of parts of the palace. Both deeds very clearly state that failure of the Council to do the following will entitle the Church Commissioner to terminate the deeds of variations:

“Establish an arm-length independent charitable trust to take over the running of all aspects of the palace including the Council's responsibility under the headlease (and at the time the sub-lease to the old FPT).”

11. FINANCIAL IMPLICATIONS

11.1 This paper is seeking Cabinet approval to make a capital grant to the Fulham Palace Trust of £367,500 (£350,000 plus anticipated loan interest of £17,500). This will enable the Trust to repay their loan to the Architectural Heritage Fund.

The Council is able to make capital grants to third parties under provisions known as Revenue Expenditure Funded from Capital Under Statute (REFCUS). Such grants can be funded from the Council's capital resources. This grant would not be repayable.

- 11.2 The paper further proposes that the Council provide a loan facility to the Trust of up to £250,000. This would be repayable, however any repayments must be treated by the Council as a capital receipt. Given this sum would be repayable, the Trust would need to recognise this loan as a liability and not as part of their reserves. It is not proposed that interest is charged on this loan. This may require the Council to undertake 'soft-loan' accounting although this may be avoidable on grounds of materiality.
- 11.3 Typically, all loans should be signed off by Full Council. However, under the Council's Constitution the Leader's functions include "Determining applications and the approval of grants and loans to firms, community and voluntary organisations, charities and trusts for the purposes of economic development and employment within the borough that fall within this portfolio." As such, the Leader has the power to approve a loan to FPT.
- 11.4 In accordance with regulation, both the grant and the loan would need to be treated as capital expenditure and funded accordingly. Any amounts agreed would represent growth in the capital programme. In the event both options are agreed, the Council would incur capital expenditure of £617,500.
- 11.5 It is recommended that any amounts agreed be funded from the Council's surplus mainstream resources (capital receipts), thereby preserving revenue resources. However, it should be noted that given all surplus mainstream resource is currently earmarked for debt reduction, any amounts agreed to be passed to the Trust will reduce debt reduction by a corresponding amount.

Financial comments verified by Christopher Harris, Head of Corporate Accountancy & Capital, ext 6440.

12. TIMETABLE FOR IMPLEMENTATION

- 12.1 This would need to be implemented in time for the new financial year 2013/14.

13. EQUALITY IMPLICATIONS

- 13.1 There is little or no impact on S149 of the Equalities Act as a result of the recommendations in this report.

14. LEGAL IMPLICATIONS

- 14.1 Fulham Palace Trust is a charitable trust (under the Charities Act) registered as a company limited by guarantee (under the Companies Act 2006). As a company limited by guarantee it has members rather than the traditional

shareholders of a company limited by shares. As a charitable trust the directors of the company are also trustees under the Charities Act.

14.2 Under FPT's articles of association, only the trustees can be members, and the trustees automatically become members. Therefore individuals will be both members and trustees, but the two positions are distinct.

- Members - Membership of the FPT can cease by resignation unless after the resignation, there would be less than two (2) members. The members make decision by way of general meetings. To be quorate (and therefore able to make a decision) there must be a minimum of the greater of (i) three (3) members or (ii) of one fifth of the total members.
- Trustees - The articles of association state that:
 - there are not to be less than three (3) (or more than twelve (12)) trustees.
 - the Council can appoint two (2) trustees (but is not required to do so)
 - the Bishop of London can appoint one (1) trustee (but is not required to do so)
 - Trustees (other than those appointed by the Council or the Bishop of London) are appointed by FPT acting by its members or by a decision of the Trustees.
 - Trustees can cease to be a trustee by giving notice of resignation but only if at least two trustees will remain in office when the notice of resignation is to take effect.
 - For a meeting of trustees to be quorate there must be at least two (2) trustees. However, if the number of trustees is less than the number fixed as the quorum, the continuing trustees or trustee may act only for the purpose of filling vacancies or of calling a general meeting.

14.3 It is understood that the Chief Executive of FPT believes that it is not possible for all the trustees to resign 'en masse', as the representative for the Church Commissioners would need to remain and there is also a Council place on the Board. It should be noted that this Council place is currently not occupied following the resignation of Councillor Botterill in December. Legal Services consider that this view is in conflict with the provisions of the articles of association. Furthermore, the Companies Act 2006 states that a company must have at least one director. If it does not, the Secretary of State can require the company to rectify the situation. That said, if all the trustees were to purport to resign with effect from the same point in time it is not clear which would be deemed the last two and therefore who was still a trustee and who was not. In the event that all the trustees did (successfully) resign, in order to enable the trust to make decision and function again, it would be open to the Council to appoint one or two trustees and for those trustees to appoint other trustees (and therefore members). If it is considered that it is likely that the trustees will all attempt to resign at the same time, it is recommend that expert legal advice is obtained on the consequences and effect of this.

Legal comments verified by Rachel Silverstone, Conveyancing Lawyer, ext 2210.

15. COMMENTS OF THE DIRECTOR OF BUILDING AND PROPERTY MANAGEMENT

- 15.1 The lease from the Council to the Fulham Palace Trust (FPT) specifies that LBHF are responsible for the replacement of the boilers and that the FPT are to keep them maintained in good and substantial repair. FPT are currently seeking tenders for this work to be carried out. These works have been budgeted for in the Council's planned maintenance programme (£120,000) for this financial year and this will need to be rolled forward into next years programme.
- 15.2 Additionally, under the terms of the lease with the FPT the Council is responsible for arranging and for paying the premium for the building insurance. The current premium for the building insurance and terrorism cover is £44,544.17. There is no vehicle for the recovery of the premiums from the FPT.

Property management comments verified by Miles Hooton, Head of Asset Strategy, ext 2835.

16. RISK MANAGEMENT

- 16.1 The report identifies and illustrates the principal and underlying causes that affected the financial performance of Fulham Palace Trust. The residual risks and plans to address them are incorporated in the report and include the replacement of a contractor, increasing income, improved tenancy management and reducing cost. A number of risks remain, to be managed within the ELRS risk management framework, that include the potential recruitment of new trustees, appointment of a council representative, uncertainty and consequential adverse impact on the catering business and therefore revenue, areas which are highlighted within the report content.

Risk Management comments verified by Michael Sloniowski, Principal Consultant Risk Management, ext 2587.

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
	None		

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">8 APRIL 2013</p>
<p>MENTAL HEALTH PARTNERSHIP AGREEMENT UNDER SECTION 75 NHS ACT 2006 BETWEEN LONDON BOROUGH OF HAMMERSMITH AND FULHAM (H&F) AND WEST LONDON MENTAL HEALTH TRUST (WLMHT)</p>	
<p>Report of the Cabinet Member for Community Care - Councillor Marcus Ginn</p>	
<p>Open Report</p> <p>A separate report on the Exempt part of the Cabinet agenda provides exempt information on the Partnership Agreement.</p>	
<p>Classification - For Decision</p> <p>Key Decision – Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Andrew Webster Tri Borough Executive Director of Adult Social Care</p>	
<p>Report Author: Stella Baillie / Mujib Miah</p>	<p>Contact Details: Tel: 020 (7361 4346) E-mail: mujib.miah@rbkc.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. A Partnership Agreement with West London Mental Health Trust (WLMHT) for providing adult mental health services for H&F residents was established in 2001 under Section 31 (S31) of the Health Act 1999. Many aspects of the agreement are out of date and therefore we have updated it with new performance indicators, description of the service provision and a more robust partnership working protocol. Under the arrangement H&F will continue with the delegated management of Council employed staff to WLMHT to provide mental health services.
- 1.2. The updated operational framework agreement will be for a five year term starting in April 2013. There will be annual reviews of the agreement to assess the quality of service delivery, analyse service improvement plans, set efficiency targets and agree financial budgets. The full Partnership Agreement is attached as an Appendix to the exempt report.

- 1.3. In this Partnership Agreement there will be no pooling or transferring of budgets and there will be no risk sharing. Each partner will continue to maintain separate governance arrangements of their finances.
- 1.4. The Council's Mental Health budgets (44 staff and non staff costs) covered by this agreement is £2.3m. Operational administration of the council's budgets will be undertaken by the Trust. There will be monthly review of expenditures and any forecast over spend will be reported to the Tri-borough Director (Provided Services and Mental Health Partnerships) for remedial action by the Partnership Board.
- 1.5. H&F will pay WLMHT a management fee of £71,100 per annum.

2. RECOMMENDATIONS

- 2.1. That approval be given to the updated Partnership Agreement with WLMHT for the provision of Mental Health Services.
- 2.2. That the Tri-borough Executive Director for Adult Social Care be authorised to sign the new agreement.

3. INTRODUCTION AND BACKGROUND

- 3.1. Local authorities have an obligation to provide services to people with mental health problems. There are two aspects that need to be addressed. First, there is the assessment of a person's needs; and secondly, bearing in mind the outcome of that assessment, a decision to provide (or not) particular services.
- 3.2. The duty to assess and provide services for people is covered in several pieces of legislation. In particular:
 - i. NHS and Community Care Act 1990 Section 47(1) imposes a duty on local authorities to carry out an assessment of need for community care services.
 - ii. Mental Health Act 1983 (which was amended by the Mental Health Act 2007), requires Councils to make arrangements for Approved Mental Health Professionals (AMHP's), who until the 2007 Act were called Approved Social Workers (ASWs), to co-ordinate MHA assessments. Local authorities are also responsible for approval of AMHPs and quality assurance of Mental Health Act work. Section 117 requires a local authority jointly with the Health Authority to provide aftercare services for people leaving hospital after being compulsorily detained. It is implicit in such a duty that a process of assessment must be undertaken prior to discharge to identify needs and how they will be met.

- 3.3. The move to care for people in the community rather than in psychiatric institutions was embedded in law through the NHS and Community Care Act (1990). Local authorities, in collaboration with Health Service and Independent Sector Agencies, became responsible for assessing need, designing care packages and ensuring their delivery in order to help people live safely in the community.
- 3.4. In 1999, the Government published The National Service Framework (NSF) for Mental Health: Modern Standards and Service Models for England. The NSF spelled out national standards for mental health services, what they aimed to achieve, how they should be developed and delivered, and how performance would be measured. As a part of this, a range of new services was put in place to support people with mental health problems living in the community. These included:
- Community Mental Health Teams – Multidisciplinary teams providing the assessment and coordination of care.
 - Crisis Resolution Teams – focused on reducing the level of hospital admissions by offering appropriate interventions in the community as and when crises occur in people’s lives.
 - Early Intervention in Psychosis Teams - offering services to individuals suffering from first psychotic episodes, again with a view to reducing admissions and long term disability by offering interventions at as early a stage as is possible.
 - Assertive Outreach Teams – focusing on work with people who have a pattern of disengagement from services and who consequently require repeated admission and treatment as a consequence.
- 3.5. The Council developed its partnership agreement with WLMHT in 2001 to reflect the new guidance. The original agreement included Tamworth Residential Project, Ellerslie Road Day Centre, Wood Lane Hostel, Mental Health – North CMHT, Bridge Project and Cobbs Hall. However over the years some of these projects have closed and developments have been made in service provision.
- 3.6. The current partnership agreement was set up under S31 of the Health Act 1999. These agreements now fall under the S75 of the NHS Act 2006 which provides greater options for operating and monitoring the partnership. Consequently there is a need to update the Partnership Agreement under the new legislative framework.

4. PROPOSAL

- 4.1. The overarching strategic aim of the Partnership Arrangement with WLMHT will be to ensure the delivery of high quality, cost effective mental

health services which meet local health and social care needs and delivers personalised care and choice to service users and carers.

- 4.2. Arrangements such as S75 of the NHS Act 2006 were introduced to answer concerns about the legitimacy in law of, say, a local authority undertaking NHS duties, the NHS delivering local authority functions or indeed the partners 'pooling' their resources. The partners are not automatically empowered in their own right to undertake another's duties. Therefore, they will need to have in place proper arrangements that can demonstrate clear governance, accountability and control.
- 4.3. The term of the updated agreement will run for a period of five years starting from April 2013 with annual reviews thereafter.

Objectives of Agreement

- 4.4. Under this delegated management arrangement WLMHT will work to:
 - Effectively assess, treat and support vulnerable adults with mental health to improve their health, social and psychological functioning.
 - Maximise the efficiency of treating mental health service users through integrated provision and the effective use of the resources.
 - To facilitate the delivery of Hammersmith and Fulham health and social care strategy and the NHS plan and other national directives and policy as they emerge.
 - Improve the overall quality of service provision in line with evidence based practice.
 - Ensure the effective co-ordination of services to meet the physical health needs of people using services.
 - Ensure the provision of accessible services, which are flexible and responsive to the needs of local service users and carers with clearly defined service outcomes.
 - Facilitate joint working and the seamless provision of services through a single management structure and the delegation of management responsibility for H&F staff.
 - Improve the strategic planning and delivery of services in line with national and local policy, to meet commissioning priorities and deliver key health and social care performance targets.
 - Develop and deliver an integrated workforce strategy, and implement new ways of working in line with best practice.
 - To provide a comprehensive staff training and development programme to ensure that staff are appropriately trained and qualified to provide high quality, safe services, and have opportunities for continuous professional development and career progression.
 - Ensure equality of access to services for all groups in the community.
 - To pro-actively encourage, facilitate and support the engagement and involvement of service Users and carers in the planning, design and review of services. This will enable the development of a more personalised service delivery approach.

Areas of Service Provision

- 4.5. Under the integrated management structure the following services will be delivered:
- **Assessment Services**
The Assessment Team offers a specialist multi-disciplinary service for individuals over the age of 18 who experience mental health problems which are of a sufficient severity or complexity to require specialist intervention.
 - **Recovery Service – North and South**
The Recovery Team (RTs) provides a secondary service, primarily for individuals with complex, severe and enduring mental health problems. Referrals will usually have been assessed and treated for a period by the Assessment Team, or will be direct transfers of care from an equivalent Recovery Service within the Trust.
 - **Early Intervention Service (EIS) / First Team**
The EIS is delivered by a community based multidisciplinary team. It offers community treatments to 14-35 year olds who live in the borough and who have recently experienced a first episode of psychosis or who are quite likely to be in a recognised prodromal phase of psychosis.
 - **Assertive Outreach Team (AOT) Service**
The AOT service is incorporated in the RT South and provides a service to the residents who have severe and enduring mental illness, who are difficult to engage and require a greater level of support than can be provided by the RTs.
 - **Avonmore Ward – In Patient Services**
Avonmore ward is a 22 bedded admission ward providing mental health in-patient facilities to residents. The service also includes a Housing Specialist (hospital Liaison Worker) and a Social Worker to provide advice and guidance for Users and their Carers.
- 4.6. The Trust and the Council will review the provision of the services annually in accordance with the business planning timescales with a view to confirming the operation of the service budgets and indicating their respective commitments before the start of the new financial year.
- 4.7. Currently there are over 1900 service Users in H&F that are served by the different mental health teams.

Budgets and Resources

- 4.8. The total financial resources for delivering the integrated service are shown in the tables below. All budgets remain with the individual partners.

- 4.9. There will be no risk sharing arrangements in this agreement. The partners shall retain their respective budgetary risks in the integrated services.
- 4.10. The partners will agree their respective budgets before the start of the new financial year to which they relate.
- 4.11. The Council's budget covered by the Partnership Agreement for 2013/14 is detailed in table 1. There is a staff pay budget of £1.8m covering 44 employees and a non-pay element of £0.49m relating to consumable, services, rent and management fees. These expenditures will be monitored on a monthly basis and any forecast over spend will be reported to the Partnership Board for remedial action.

Table1: H&F Mental Health Budget - 2013/14

Team/Services	H&F Staff numbers	Pay (Full Salary Costs)	Non-Pay	Total
Team Budgets				
MH Social Care Lead (HQ)	1	60,800	59,300	120,100
Assessment Team	10	477,400	9,600	487,000
Admissions Ward	2	80,900	0	80,900
Recovery South	12.6	486,400	13,000	499,400
Recovery North	12.0	487,400	25,300	512,700
First Team/EIS	3.7	155,000	15,800	170,800
Admin Posts	3.0	78,400	0	78,400
Contract payments				
Rent Claybrook Office Site			138,000	138,000
WLMHT Management Fee			71,100	71,100
Intensive Recovery and Support Service			15,000	15,000
WLMHT Admin Post Contribution			15,200	15,200
Total	44.3	£1,826,300	£497,300	£2,323,600

- 4.12. The Trust shall be delegated the operational management responsibility for the council's budgets for the services specified in the Partnership Agreement.
- 4.13. WLMHT staff budget contribution in the integrated services is £4.3m and the break down is shown in table 2.

Table 2: WLMHT Staff Budget 2013/14

Team/Services	Staff Numbers	Pay (Full Salary Costs)
Medical Staff (Consultant Psychiatrists)	4.80	656,907
Service Manager	1.00	78,410
Clinical Psychologists	7.05	458,079
Assessment Team	17.00	955,882
Early Intervention Team	6.0	281,531
Recovery North	19.00	898,654
Recovery South & AOT	21.50	1,005,227
Total	76.35	£4,334,689

5. ANALYSIS FOR RECOMMENDING SERVICE PROVIDER

- 5.1. WLMHT is contracted by Hammersmith and Fulham Primary Care Trust (Hammersmith and Fulham Clinical Commissioning Group from April 2013) to deliver health services for individuals with a mental illness. WLMHT is therefore an essential partner in delivering integrated health and social care mental health services to Hammersmith and Fulham residents. Delivering a multi-disciplinary approach in mental health services significantly facilitates implementation of the cross-cutting objectives set out in the national mental health strategy, No Health Without Mental Health (DoH, 2011).
- 5.2. H&F has developed its mental health partnership agreement with WLMHT under an integrated single management team for over ten years. Through this arrangement economies of scale have been generated and efficiencies have been achieved. WLMHT continues to work effectively with officers to support the council in complying with its statutory duties and to delivering its strategic objectives. WLMHT is committed to further improving the service and enhancing partnership working.
- 5.3. In addition to supporting the delivery of strategic objectives, this partnership has achieved savings of £312k in 2010/11 through the deletion of management and non-management posts. Future potential for efficiencies will be analysed during the annual reviews of the agreement.
- 5.4. Termination of our current arrangement with WLMHT would fragment the multi-disciplinary teams. It would also reverse the efficiencies that have been achieved, will require re-investment in office spaces to re-house staff and additional management recruitment to operate services.

- 5.5. Since July 2012, a Project Group has been working to develop a more robust partnership agreement with clear KPIs, and an improved partnership operating model. Therefore it is recommended that we agree an updated Partnership Agreement with WLMHT to reflect these proposals.

6. CONSULTATION

- 6.1. As part of the development of a new Partnership Agreement staff consultation sessions were held to get their perspective on the areas where the Partnership was working well, what can be improved and any issues that require addressing. Staff highlighted many areas where service was being delivered well and also how further improvements can be made.
- 6.2. Following the feedback session, in conjunction with the WLMHT senior management, a question and answer document was developed and circulated to staff highlighting how issues they had raised will be addressed going forward.
- 6.3. There was no objection to the continuation of the Partnership Agreement. Union representatives were fully involved in the process.

7. EQUALITY IMPLICATIONS

- 7.1. There are no changes to the delegated management principles in the Partnership Agreement. Also the role, responsibilities and job descriptions for H&F mental health social work staff will remain the same. Therefore equalities implications under the updated arrangement will remain neutral.
- 7.2. Implications verified by: (Beverley Lavall, HR Relationship Manager)

8. LEGAL IMPLICATIONS

- 8.1. Under section 75 of the National Health Service Act 2006 local authorities and NHS bodies can enter into partnership arrangements to provide a more streamlined service and to pool resources, if such arrangements are likely to lead to an improvement in the way their functions are exercised. Such agreements must be in writing and otherwise comply with the requirements of the legislation as to what must be specified in such agreements. The proposed arrangements between the Council and WLMHT are set out in the body of this report. Legal Services have worked with officers to finalise and complete the Partnership Agreement.
- 8.2. Implications verified/completed by: (Kar-Yee Chan, Contracts Solicitor)

9. FINANCE AND RESOURCE IMPLICATIONS

- 9.1. This report seeks approval to enter into a new S75 agreement with WLMHT for a period of five years commencing on 1st April 2013.
- 9.2. There are no financial implications of entering into the agreement as the Council budget will remain with the Council and there is no pooling of budgets or risk sharing.
- 9.3. The Council revenue budget (excluding corporate SLA's and overhead apportionments) covered by this agreement are £2,323,600 as detailed in the table below

	2013/14		2014/15		2015/16		Full year effect of proposals ie ongoing effect
<i>Revenue Implications</i>	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	£
Current Budgets							
Council Revenue budget	2,122,600		2,122,600		2,122,600		2,122,600
External funding sources, eg TfL, NHS etc.	201,000		201,000		201,000		201,000
SUB TOTAL REVENUE BUDGET	2,323,600		2,323,600		2,323,600		2,323,600
Start-up Costs							
Lifetime Costs		2,323,600		2,323,600		2,323,600	2,323,600
Close-down Costs							
TOTAL REVENUE COST	2,323,600	2,323,600	2,323,600	2,323,600	2,323,600	2,323,600	2,323,600
SAVINGS							

- 9.4. A breakdown of the budgets between staff costs, non staff costs and contractual payments is shown in section 4.11 of the report. The staffs in the Partnership Agreement are responsible for the assessment and care management of the mental health service Users.
- 9.5. The client related expenditure budgets are £5,056,000 and represents Placements Budgets (£4.5m), Care Packages (£122k) and Direct Payments (£104k). This expenditure currently relates to 159 clients.
- 9.6. Implications verified by: (David Hore, ASC Finance Manager and Andrew Lord, Corporate Strategy and Resources Manager)

10. RISK MANAGEMENT

10.1. The key performance and financial risks have been highlighted below.

Partnership Risk	Mitigation	Owner
Without an agreed framework for monitoring performance it would be difficult to review the quality of service being delivered to Users.	<p>A robust KPI framework has been developed that will be used to monitor service delivery.</p> <p>A monthly Performance Sub-Group that has been empowered by the Partnership Board to oversee all the matters related to service delivery and resolve operational issues.</p> <p>Trust also has in place Quality Committees that reports on clinical governance, risks, and quality.</p>	Stella Baillie & Maggie Gairdner (Trust)
Governance of partnership roles and responsibilities needs to be effective.	Partnership Agreement has set up a strategic Partnership Board made up of senior officers that are required to meet on a quarterly basis. There is detailed description of roles and responsibilities of key officers on the Board and how the monitoring of the partnership will be undertaken.	Stella Baillie & Helen Mangan (Trust)
Financial budgetary contribution in the Partnership Agreement is over spent.	Monthly financial reports will be monitored and reviewed at the Performance Sub-Group. Any forecast overspend above 1% will be reported to the Partnership Board to decide on remedial action.	Philip Jones, David Hore
Sharing and managing confidential data needs to be clear otherwise breaches can occur under DPA.	<p>A detailed information sharing protocol has been developed as part of the Partnership Agreement. Designated senior officers are named for regular review of the protocol to align it with any future service changes.</p> <p>Managers and staff will be provided training to make them aware of their obligations under DPA in relations to their work activity.</p>	Ciara Schmidzu / Philip Jones & Navin Ramgolam (Trust)

10.2. Tri-borough ASC Risks Co-ordinator: Mike Rogers, (ASC Head of Business Intelligence)

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

11.1. Social Workers utilise a software system called Framework-i for recording details of Care Packages, Direct Payment and Residential Placements. Under Tri-borough ASC IT Programme there will be an upgrade to the latest version of Framework-i for H&F towards the end of the next financial year. Appropriate relevant training will be provided to Social Workers.

11.2. Implications verified by: Marc Cohen, (Tri-borough Programme Manager for Framework-I Implementation)

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.	None		

Agenda Item 11

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
CONTRACT EXTENSION OF CHILDREN'S CENTRE SPEECH AND LANGUAGE SERVICES	
Report of the Cabinet Member for Children's Services – Councillor Helen Binmore	
Open Report	
Classification : For decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Andrew Christie, Executive Director for Tri-Borough Children's Services	
Report Author: Labibun Nessa - Children and Early Years Commissioner Tri-borough Commissioning Directorate Children's Services.	Contact Details: Tel: 020 7641 3743 E-mail: Inessa@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Speech and Language Therapy Service (SLT) contract for delivering SLT services to Hammersmith and Fulham (H&F) 16 Children's Centres is due to expire on 31 March 2013 and does not contain any provision allowing for contract extensions. Given that the financial value of this contract is £146,055 per annum, the Council's Standing Orders (CSOs) would normally require a competition to be run to determine the award of new contracts.
- 1.2 The SLT service is designed to provide an integrated service to support Children's Centres and early year's settings in the PVI sector. The SLT service works in partnership and enhances the service delivery of the Children's Centre Family Support workers. As such, early help services such as SLT are key to reducing the number of children requiring intervention from statutory services.
- 1.3 However, the Council does not currently have the level of certainty and clarity on the future service delivery needed to run an efficient and effective procurement exercise. This is due to a combination of factors which include uncertainty about future delivery of Children's Centre contracts, and the sites at which the SLT services are delivered. In

addition to the issues with future delivery of Children's Centres, there is also an anticipated reduction of around 25% in central Government Early Intervention Grant and further year on year budget reductions, the introduction of the targeted 2 year old offer and a proposed new Ofsted inspection framework for Children's Centres. All of these require an urgent reconfiguration of current Children's Centre arrangements.

- 1.4 At its 11 February 2013 meeting, Cabinet agreed the recommendations contained in the report on 'Interim provision of Children's Centres and Sure Start services'. This gave Cabinet approval to negotiate new contracts for Children's Centres and Sure Start services with existing providers as an interim measure for a period of two years, with a break clause after one year.
- 1.5 In addition to these uncertainties around Children's Centre delivery, and once there is greater clarity on future requirements, Tri-borough Children's Services want to explore the potential for future alignment and improved value for money across the three boroughs via a Bi/Tri-borough look at potential joint procurement opportunities during 2014 with Inner North West London NHS Trust. At this time, other SLT service contracts held within the LA would also be reviewed to look at a consistent commissioning approach.
- 1.6 In these exceptional circumstances, approval is sought to waive the requirement contained in CSOs to seek competitive tenders, and for authority to be given in accordance with CSO 3.1 to enable the Council to negotiate a new contract with the existing service provider (Central London Community Health Care NHS Trust) as an interim measure. This is in the Council's interests and will:
 - a) ensure service continuity, and reduce potential disruption to service users, until such time that there is sufficient clarity and certainty about future funding, Children's Centre delivery, and Government policy intentions, to facilitate a good competition;
 - b) help to navigate any immediate reconfiguration necessitated by changes to funding, and given that running a full procurement exercise for new contracts will take time.

2. RECOMMENDATIONS

- 2.1 That the requirement contained in the Council's Contract Standing Orders to seek competitive tenders be waived, in accordance with CSO 3.1, and that approval be given to negotiate a new contract for Speech and Language Therapy Services for Children's Centres with the existing provider Central London Community Health Care NHS Trust in accordance with CSO 9.11.
- 2.2 That this interim contract with the Central London Community Health Care NHS Trust shall be consistent with the decisions approved by Cabinet on 11 February 2013 regarding the Children's Centres contracts as the provision is delivered via these sites – that is, for the interim contracts to run for a period for no more than 2 years, with a break

clause after 1 year in order to ensure service continuity whilst navigating through Children's Centre remodelling.

- 2.3 That officers explore ways in which efficiencies can be achieved during this interim contract, in particular savings opportunities which do not impact on front-line provision.
- 2.4 That the interim contract with the existing provider incorporates a revised performance management framework that clearly reflects national developments, the Council's priority outcomes for children and families, and the statutory duty of Best Value, taking into account cost and quality.

3. REASONS FOR DECISION

- 3.1. The reasons for the above recommendations are described in the Executive Summary at the beginning of the report. Namely:
 - the forthcoming expiry of existing contracts;
 - the need to approve interim arrangements to ensure service continuity and the meeting of statutory duties, and be able to reconfigure Children's Centre service delivery at the same time, until such that the conditions exist to run an efficient procurement for new contracts;
 - the need to give sufficient time to align with Tri-borough approach to other SLT contracts for 2014/15 (including those in other held in other services within the LA);
 - the opportunity to learn from Westminster City Council SLT pilot.
 - Children's Centres and providers are happy with the provision of services.

4. INTRODUCTION AND BACKGROUND

Preamble

- 4.1 In the past two years, Children's Centres in Hammersmith & Fulham have undergone a number of changes. Some of these have been in response to local circumstance and priorities; some have been prompted by changes in Government policy. The following section summarises these changes to help contextualise the rationale for the recommendations being made.

Children's Centres and Sure Start services

- 4.2 A Sure Start Children's Centre is a place, or a group of places:

- that is managed by or on behalf of the local authority, with the purpose of securing that early childhood services are available in an integrated manner;
 - through which early childhood services are made available;
 - at which activities for young children are provided.
- 4.3 They are designed for families with young children, from conception to five years. Guidance to Local Authorities includes an expectation that they will “*target children’s centres services at young children and families in the area who are at risk of poor outcomes*”.
- 4.4 Children’s Centres can also offer ‘universal’ services open to all children, and their families. These services - for example, Stay and Play, and health sessions such as SLT groups - provide a non-stigmatising front door to basic services for young children, through which families with additional needs can be identified and early action taken to help in a proactive manner.
- 4.5 The SLT service is designed to provide an integrated service to support Children’s Centres and early year’s settings in the PVI sector. SLT service works in partnership and enhances the service delivery of the Children’s Centre Family Support workers.
- 4.6 As such, early help services such as SLT are key to reducing the number of children requiring more intensive interventions from statutory services. They build capacity for vulnerable parents to support their families in achieving positive outcomes, and address child poverty and worklessness through better targeting of support. As one of the main delivery vehicles, Children’s Centres are central to this agenda.

Property issues

- 4.7 There are no property implications to the Council arising from this report.
- 4.8 The services described in this report will be delivered from the existing Children Centre premises. The workers will continue to operate from Central London Community Healthcare.

Tri Borough Review

- 4.9 The establishment of a Tri-borough Children’s Commissioning directorate earlier this year provides an opportunity to develop, in line with local needs, Children’s Centre strategy and vision for a sustainable, long-term model of delivery which dovetails with the wider early help strategies in all three boroughs. This work will come on stream early in 2013, with a view to running a joint procurement in 2014 which could:
- give greater opportunities to innovative with service design;
 - allow better alignment and learning from Best Practice across the country; such as Communication Pathfinder;
 - deliver potential economies of scale from joint commissioning;

- innovation to streamline pathways and ensure optimum utilisation of scarce professional resources for SLT.
- offer the opportunity to review other SLT contracts held within the LA with a view to looking at a consistent commissioning approach.

5. PROPOSAL AND ISSUES

- 5.1. The current contract for this service expires on 31 March 2013 and does not contain provisions to be extended.
- 5.2. The proposal is to therefore seek approval to an extension of the contract with the existing provider - to ensure continuity of front-line service delivery - and for this new interim contract to run up to a period of two years with a one year break clause.
- 5.3. As part of the negotiation with the existing provider, approval is also sought for the new interim contract to properly reflect, and enable the Council to fully respond to, the forthcoming changes in funding and inspection regimes; and, furthermore, for the new contract to contain an updated performance management framework that supports clearer reporting on progress made achieving national developments and outcomes for children and families. Updating monitoring requirements have been looked at with Health Commissioners in the Tri-borough Commissioning Directorate with a view for greater consistency across the Tri-borough arrangement.

6. OPTIONS

Waive Contracts Standing Orders, negotiate new interim contracts

- 6.1 The intention is that from 2014/15 Speech and Language and Communication Service will be part of a streamlined and joined up commissioning approach across the Local Authority and Health.
- 6.2 Key priority areas for Speech, Language and Communication going forward will include:
 - Making speech, language and communication – **'Everyone's Business'**
 - Focus on the Three Es: **E**arly identification, **E**arly intervention and **E**arly years
 - Establish a **'joint commissioning'** approach
 - Manage resources effectively – **'more with less.'**
 - Support **Parents** to support their **Child**
- 6.2 A waiver to the CSOs is believed necessary as it is not in the Council's overall interest to run a procurement exercise at this moment in time due to:

- a) Changes to the Early Intervention Grant that funds the provision of Children's Central is reducing. In 2013/14 this is a predicted 25% reduction, with a further predicted reduction in 2014/15. The funding stream which funds SLT is therefore not secure.
- b) The current provider is experienced in the delivery of the services to the local communities.

7. CONSULTATION

Consultation will not be required for the new contract as no changes will be made to current service level.

8. EQUALITY IMPLICATIONS

- 8.1. Children's Centres Services are required to target all their services at the most vulnerable including; lone parents, Black and Minority Ethnic communities, fathers, children with disabilities or children of parents with disabilities, children in workless households and young parents.
- 8.2. There is no requirement for an equality impact assessment as there is no impact on service level.

9. LEGAL IMPLICATIONS

- 9.1. Speech and language therapy services are Part B services for the purposes of the Public Contracts Regulations 2006 (Regulations). Currently Part B services are subject to a few provisions of the Regulations- namely, obligations relating to technical specifications and post contract award information, and it is not a requirement to conduct a tendering exercise pursuant to the full regime set out in the regulations. Nevertheless, the Council should still comply with the general EU principles such as non-discrimination, transparency, proportionality and mutual recognition.
- 9.2. As a general rule, the Council should undertake a degree of advertising even for Part B services, in particular, where the contracts have a connection with the functioning of the EU internal market. In this instance, it is understood that this type of service is very locally based and is therefore unlikely to be of interest to economic operators located outside the UK. Therefore there is no strict requirement for the opportunity to be advertised.
- 9.3. In calculating the total value of contract, one needs to take into account the contract value during the initial contract period plus any options to extend. If the recommendations set out in Section 2 are agreed, the total value of the contract

would exceed the current EU threshold for services, which is £173,934. As such, the Council will need to ensure that it complies with the requirements for Part B services set out in the Regulations, in the event of that the recommendations are approved. Also, the risk of challenge should be measured against the benefits of extending the current contract.

- 9.4. Under the Council's Contract Standing Orders, the contract may be extended where the extension is for more than six (6) months subject to Cabinet's approval and providing that to do so is in accordance with current legislative provisions and consistent with the Council's Financial Regulations. It is essential that the necessary contract documentation is completed in the event that the recommendations are accepted so that the Council is fully protected.
- 9.5. Legal Services will assist officers by completing the necessary legal documentation in order to protect the Council's interests.
- 9.1 Kar-Yee Chan, Contracts Lawyer, 020 8753 2772.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. This paper sets out the interim position with regard to the delivery of SLT. The current funding allocation is £146,055.
- 10.2. Finance completed by: Liz Ferreira- Finance Manager extension - 020 8753 1899

11. RISK MANAGEMENT

- 11.1. Procurement and contract risk is managed within the Tri -borough Children's Services department. There is a risk that, should a waiver not be agreed, the service users may be affected by a disruption due to the ending of the contract. This paper sets out the interim position with regard to the delivery of Speech and Language Therapy Service through a negotiation of new contract with the current provider, and in doing so mitigates reputational and customer risk. This interim contract with the existing provider is for no more than a period of two years enabling sufficient time for a procurement strategy to be developed to meet the criteria set out in 3.1.
- 11.2. Implications completed by: Michael Sloniowski, Principal Consultant Risk Management, 020 8753 2587)

12. PROCUREMENT IMPLICATIONS

- 12.1 The current contract for SLT services at Children's Centres expires in March 2013, with no provision having been made at the time of contract award for extension of this should this be deemed beneficial. However, for reasons made clear in the

report, the level of certainty and clarity regarding future Sure Start and Children's Centres provision needed to undertake a procurement exercise for the Speech and Language Therapy service does not currently exist; and furthermore, in order to optimise future Best Value, needs to be aligned with the future tendering of 3B contracts for Children's Centres.

- 12.2 Section 3.1 of the Council's CSOs allows waivers to the normal competition requirements where there are exceptional circumstances and/or it is not in the Council's interests to run a competitive exercise at any given moment in time. As the services are defined as being "Part B" rather than "Part A" under the Public Contracts Regulations 2006 (as amended), they are not regulated in terms of the statutory competition requirements.
- 12.3 Paragraph 9.11 of the Council's CSOs specifically requires Member authority before officers enter into any negotiation of contractual terms with commercial or voluntary sector organisations.
- 12.4 The report recommends an interim solution that seeks to ensure continuity of important front-line services for vulnerable children and families, whilst at the same time seeking both to protect the service from imminent budget reductions and prepare it for tri-borough joint commissioning post 2014/15. The recommended approach is supported by the Tri-Borough Commissioning and Contracts Board for Children's Services and by the Director for Procurement and IT Strategy.
- 12.5 These Procurement implications have been completed by:
John Francis, Principal Consultant, H&F Corporate Procurement, 020 8753 2582.

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
	None		

Agenda Item 12

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision: 8 April 2013	
	<i>Cabinet Member for Adult Social Care, Public Health and Environmental Health</i> Date of decision (i.e. not before): 25 March 2013 Forward Plan reference: <i>To be confirmed</i>	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Report title (decision subject)	AWARD OF CONTRACT FOR INDEPENDENT NHS COMPLAINTS ADVOCACY SERVICE	
Reporting officer	Executive Director of Adult Social Care : Andrew Webster	
Key decision	Yes	
Access to information classification	Public	

1. EXECUTIVE SUMMARY

The Health and Social Care Act 2012 transfers the remit and funding to local authorities to commission NHS Complaints Advocacy. The new service is required to be in place from 1 April 2013. The Cabinet Member for Adult Social Care, Public Health and Environmental Health for RBKC and the Cabinet for H&F is asked to approve the award of a call-off contract with the preferred supplier, Voiceability Advocacy, to supply a complaints advocacy service under a framework contract set up by London Borough of Hounslow. As the value of the contract exceeds £100k it is a Key Decision requiring Cabinet Member approval in RBKC and Cabinet approval in LBHF.

2. RECOMMENDATIONS

- 2.1 That the Council calls off from a framework agreement for the provision of an independent NHS Complaints Advocacy Service let by the London

Borough of Hounslow and enters into a contract with the preferred supplier, Voiceability Advocacy (Charity number 1076630), for two years (with options to extend for a third and then fourth year).

- 2.2 That delegated authority be given to the Tri-borough Director for Adult Social Care in consultation with the Bi-borough Director of Law to finalise the contract arrangements.

3. REASONS FOR DECISION

- 3.1 The recommendation to proceed to award and sign the call-off contracts, followed by implementation is based upon the new statutory responsibility for local authorities to commission Independent NHS Complaints Advocacy from 1 April 2013.

4. INTRODUCTION AND BACKGROUND

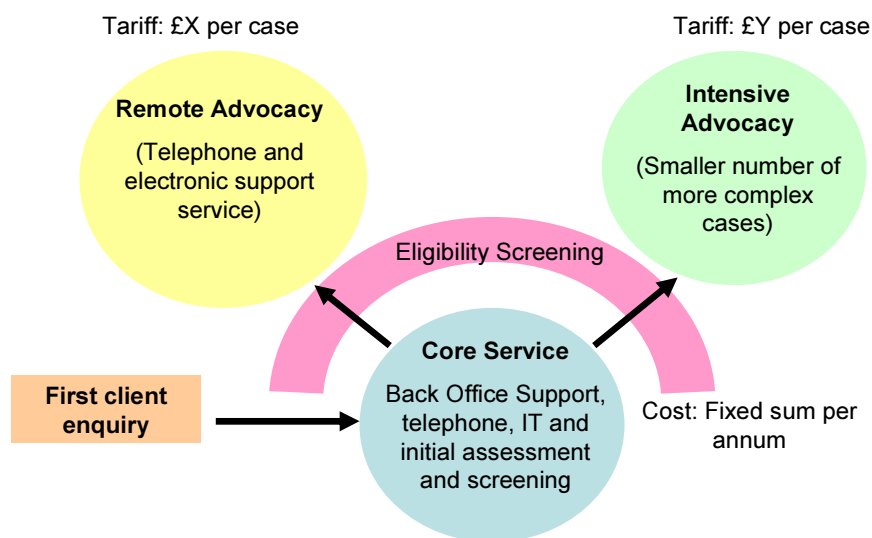
- 4.1 The Health and Social Care Act 2012 transfers the remit and funding to local authorities to commission NHS Complaints Advocacy. The new service is required to be in place from April 2013. The Cabinet is asked to approve the award of a call-off contract with Voiceability Advocacy, to supply a complaints advocacy service under a framework contract set up by London Borough of Hounslow.
- 4.2 Local authorities already commission advocacy services for a range of vulnerable social care clients. However, the NHS Complaints Advocacy Service is available to anyone with a complaint about an NHS service who may require a general advocacy service as well as more specialist advocacy services to support people.
- 4.3 To ensure efficient use of resources it has been agreed to commission the service through the Pan London initiative being led by London Borough of Hounslow to minimise commissioning costs.

5. THE NHS INDEPENDENT COMPLAINTS ADVOCACY SERVICE

- 5.1 Currently provided by the NHS through regional contracts, the NHS Independent Complaints Advocacy Service will transfer to local authorities from 1 April 2013. The size of the service for each local authority is a commitment over two years of £108k for H&F and £120k for K&C.
- 5.2 The model is based on a framework which has been developed in consultation with the 26 participating London Boroughs. The framework (Figure 1) is structured around a core service which it is intended the majority of clients will use and will be a fixed cost to the participating councils. There will also be two tariff based services, a remote advocacy service and an intensive advocacy service . Access to these services will

be through a screening process based on criteria to establish the client's eligibility, the assessment criteria will be defined as part of the contract mobilisation.

Figure 1: Diagram to demonstrate the components of the Pan-London NHS Complaints Advocacy Service



5.3 Appendix 1 provides information on the usage of the NHS based service in 2011/12, however, there is a risk that this does not provide an accurate local picture

5.4 It is anticipated that there will be more demand for the service as a consequence of increased public awareness through the Healthwatch signposting service which also comes into effect from 1st April 2013. In an effort to mitigate the risk of demand exceeding the budget for this statutory service, specific measures will be built into the contract monitoring and management arrangements, these include:

- Regular monitoring by contract managers.
- The development of criteria for screening clients for the more costly remote and intensive services.
- Trigger points at 50% and 75% of budget spend where contract managers can review performance if required.

5.5 The anticipated price across each borough is summarised in Table 1. The contribution for 2013/14 and 2014/15 for both Councils (£54,050 for H&F and £59,974 for K&C) has been provided through a Department of Health grant. Table 1 also illustrates that the Estimated Total spend is less than the commitment to the contract. The full commitment has been set against this service as mitigation against any increase in demand for the service. However, it will be important to note that these are notional figures based on initial modelling and actual demand for the service may be higher.

Table 1: Illustration of the demand and cost of the NHS Independent Complaints Advocacy Service

Year 1: 2013/14								
Borough	Core Y1	Tariff budget	Estimated No. of Remote cases	Tariff Remote	Estimated No. of Intensive cases	Tariff Intensive	ESTIMATED TOTAL	Commitment to contract
H&F	£ 22,616.86	£ 31,433.14	18	£ 1,789.96	54	£ 14,800.75	£ 39,207.57	£ 54,050.00
K&C	£ 25,095.72	£ 34,878.28	20	£ 2,010.26	60	£ 16,622.38	£ 43,728.37	£ 59,974.00
Year 2: 2014/15								
Borough	Core Y2	Tariff budget	Estimated No. of Remote cases	Tariff Remote	Estimated No. of Intensive cases	Tariff Intensive	ESTIMATED TOTAL	Commitment to contract
H&F	£ 16,777.33	£ 37,272.67	20	£ 1,968.59	59	£ 16,279.82	£ 35,025.74	£ 54,050.00
K&C	£ 18,616.16	£ 41,357.84	22	£ 2,210.88	66	£ 18,283.49	£ 39,110.53	£ 59,974.00
Note: Tariffs are calculated based on an average unit costs of £100 per Remote Case and £276 per Intensive Case. Source: London Borough of Hounslow.								

6. PROCUREMENT PROCESS

- 6.1 The Contract was advertised on 7th January 2013 with 26 London authorities participating. A weighting of 40% quality; 60% price was set and four tenders were submitted with Voiceability Advocacy assessed as providing the best balance between quality and price. The Contract Notice was published in the Official Journal of the European Union on 10 January 2013 under reference 2013/S 007-007846.
- 6.2 The contract will be for a two year period (2013/14 and 2014/15), this will enable each of the Councils to gain a fuller knowledge of the service and review arrangements appropriately going forward from April 2015. Each Council will also have an option to extend the contract for a third and then a fourth year. However, if the number of council's drawing off the contract falls, this is likely to have an effect in pushing up the contract costs.
- 6.3 In order to ensure the service is in place by 2 April (the first working day after the Easter Bank holiday), agreement to access the framework is required by 25 March 2013.
- 6.4 As the value of the contract exceeds £100k it is a Key Decision requiring Cabinet approval for H&F and a Cabinet Member decision for RBKC.

7. EQUALITY IMPLICATIONS

- 7.1 The aim of the service is to have a positive impact by empowering people who are disadvantaged to effectively complain about NHS services. See Appendix 2 for the Equality Impact Assessment.

8. LEGAL IMPLICATIONS

- 8.1 Section 185 of the Health and Social Care Act 2012 places a statutory duty on the Council to make such arrangements as it considers appropriate for the provision of independent advocacy services in relation to its area.
- 8.2 The Recommendations set out in this report will support the Council in complying with its statutory duties under the Act.
- 8.3 Legal Services will be available to assist the client department throughout the award stage of the procurement process and will also be available to prepare the necessary contract documentation.
- 8.4 Implications verified/completed by: (Kar-Yee Chan, Contracts Solicitor, 020 8753 2772)

9. FINANCIAL AND RESOURCES IMPLICATIONS

9.1 **RBKC Comments:** Funding for the new NHS Complaints Advocacy Service project amounting to £59,974 will be met from existing ASC Budgets

9.2 **LBHF Comments:** Implications verified/completed by: (Cheryl Anglin-Thompson 020 8753 4022)

The proposed award of the Independent Complaints Advocacy Service to preferred supplier Voiceability is a bi-borough award between LBHF & the Royal Borough of Kensington & Chelsea. The contract price will cost LBHF a maximum of £54,050 in 2013-14 and £108,100 over the proposed two year lifespan. The LBHF contribution will be met from the Local Reform & Community Voices Grant of £54,343 in each year. This grant has transferred to the responsibility of Local Authorities from April 2013 and is currently sitting within Corporate Services.

Table 2 Financial implications and budgetary provision for LBH&F:

	2013/14		2014/15		2015/16		Full year effect of proposals i.e. ongoing effect
	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	
<i>Revenue Implications</i>							£
Current Budgets							
Council Revenue budget (Contracts within framework)	54,313	54,050	54,313	54,050			
(Contracts outside framework)							
External funding sources, e.g. TfL, NHS etc.							
SUB TOTAL REVENUE BUDGET	54,313	54,050	54,313	54,050			
Start-up Costs	0	0	0	0			
Lifetime Costs		54,050		54,050			
Close-down Costs	0	0	0	0			
TOTAL REVENUE COST	54,313	54,050	54,313	54,050			
ILLUSTRATIVE SAVINGS	N/a	(263)	N/a	(263)			

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.	Framework Agreement for the Independent NHS Complaints Advocacy Service. London Borough of Hounslow.	David Evans ext 020 8753 2154	Tri-borough Adult Social Care

Appendix 1



Complaints Advocacy Data for: *Hammersmith & Fulham*

Time Period: April 01, 2011 to March 31, 2012

Table 1 *Volume of Activity and 'Exports'*

	Quantity
Enquiries* Received	290
Information Downloaded from POHWER Website	325
Direct Advocacy Cases for residents of the local authority area**	65
% of residents' cases where the case refers to a health service in another area	45%
Prison Health Cases for residents of the local authority area	5

* Enquiries refer to telephone queries resolved without further advocacy support

** A case represents the advocacy provided to a single client around an agreed set of issues. A case may encompass several issues

Table 2 *Local Authority Activity - 'Imports'*

	Percentage
Total number of cases about a health facility within the local authority area, including residents and non-residents	44
% of complaints about health facility in the local authority area from people who do not reside in the area*	18%

* A full list of other areas can be provided on request

Table 3 *Age Groups of Clients (%)*

0-16	17-59	60+
0.0%	69.6%	30.4%

Table 4 *Gender (%)*

Male	Female	Transgender	Intersex
46.7%	53.3%	0.0%	0.0%

Table 5 *Client Group (%)*

Carers	Physical Disabilities	Learning Disabilities/Difficulties	Sensory Impaired	Elderly	Detained Under MHA	Mental Health	Substance Misuse
0.0%	17.2%	0.0%	3.4%	0.0%	0.0%	6.9%	0.0%

Other	Dementia	Acquired Brain Injury	Stroke	Multiple Disability	Long Term Illness or Condition	None
20.7%	0.0%	0.0%	3.4%	0.0%	10.3%	37.9%

Table 6 *Ethnicity (%)* Showing the prevalence for ICAS supported clients against the general population rates

	British	Irish	Gypsy Traveller	Other White	White Subtotal
ICAS	38.1%	4.8%	0.0%	19.0%	61.9%
General Population	62.9%	3.1%	Unknown	10.0%	76.0%

	White/Black Caribbean	White/Black African	White/Asian	Other Mixed Background	Mixed Subtotal
ICAS	0.0%	4.8%	0.0%	4.8%	9.5%
General Population	1.1%	0.6%	1.1%	1.0%	3.7%

	Indian	Pakistani	Bangladeshi	Other Asian/Asian British	Asian/Asian British Subtotal
ICAS	0.0%	0.0%	0.0%	0.0%	0.0%
General Population	4.1%	1.7%	1.1%	1.3%	8.1%

	Caribbean	African	Other Black/Black British	Black/Black British Subtotal	Chinese	Other Ethnic Group	Chinese/Other Subtotal
ICAS	0.0%	4.8%	9.5%	14.3%	0.0%	14.3%	14.3%
General Population	3.7%	4.5%	0.8%	9.0%	1.5%	1.7%	3.2%

Complaints Advocacy Data for: **Kensington & Chelsea**

Time Period: April 01, 2011 to March 31, 2012

Table 1 Volume of Activity and 'Exports'

	Quantity
Enquiries* Received	297
Information Downloaded from POhWER Website	325
Direct Advocacy Cases for residents of the local authority area**	73
% of residents' cases where the case refers to a health service in another area	44%
Prison Health Cases for residents of the local authority area	0

* Enquiries refer to telephone queries resolved without further advocacy support

** A case represents the advocacy provided to a single client around an agreed set of issues. A case may encompass several issues

Table 2 Local Authority Activity - 'Imports'

	Percentage
Total number of cases about a health facility within the local authority area, including residents and non-residents	75
% of complaints about health facility in the local authority area from people who do not reside in the area*	45%

* A full list of other areas can be provided on request

Table 3 Age Groups of Clients (%)

0-16	17-59	60+
0.0%	75.0%	25.0%

Table 4 Gender (%)

Male	Female	Transgender	Intersex
32.0%	68.0%	0.0%	0.0%

Table 5 Client Group (%)

Carers	Physical Disabilities	Learning Disabilities/ Difficulty	Sensory Impaired	Elderly	Detained Under MHA	Mental Health	Substance Misuse
0.0%	27.6%	3.4%	6.9%	0.0%	0.0%	20.7%	0.0%

Other	Dementia	Acquired Brain Injury	Stroke	Multiple Disability	Long Term Illness or Condition	None
0.0%	0.0%	0.0%	0.0%	3.4%	17.2%	20.7%

Table 6 Ethnicity (%) *Showing the prevalence for ICAS supported clients against the general population rate*

	British	Irish	Gypsy Traveller	Other White	White Subtotal
ICAS	55.6%	0.0%	0.0%	16.7%	72.2%
General Population	56.7%	2.5%	Unknown	14.8%	74.1%

	White/Black Caribbean	White/Black African	White/Asian	Other Mixed Background	Mixed Subtotal
ICAS	0.0%	0.0%	0.0%	5.6%	5.6%
General Population	0.9%	0.6%	1.2%	1.2%	3.9%

	Indian	Pakistani	Bangladeshi	Other Asian/Asian British	Asian/Asian British Subtotal
ICAS	0.0%	5.6%	0.0%	0.0%	5.6%
General Population	5.5%	1.7%	1.0%	1.5%	9.7%

	Caribbean	African	Other Black/Black British	Black/Black British Subtotal	Chinese	Other Ethnic Group	Chinese/Other Subtotal
ICAS	0.0%	5.6%	0.0%	5.6%	0.0%	11.1%	11.1%
General Population	2.4%	3.6%	0.5%	6.5%	2.8%	2.9%	5.7%

**Independent NHS Complaints Advocacy
Equality Impact Assessment**

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2013/14
Name and details of policy, strategy, function, project, activity, or programme	<p>Title of EIA: NHS Complaints Advocacy Service</p> <p>Short summary:</p> <p>The Health and Social Care Act 2012 transfers the remit and funding to local authorities to commission NHS Complaints Advocacy. The new service is required to be in place from April 2013.</p> <p>Funding will be made available to local authorities from 2013/14 for commissioning NHS complaints advocacy. Local authorities already commission advocacy services for a range of vulnerable social care clients. However, the NHS Complaints Advocacy services are available to anyone with a complaint about an NHS service and will require general advocacy skills as well as more specialist advocacy (e.g. for people with learning disabilities) services to assist people to make complaints in relation to the provision of NHS services or the exercise of functions of certain NHS bodies.</p>
Lead Officer	<p>Name: David Evans</p> <p>Position: Senior Policy Officer, Tri-borough Adult Social Care</p> <p>Email: david.evans@lbhf.gov.uk</p> <p>Telephone No: 020 8753 2154</p>
Date of completion of final EIA	20/ 03 /2013

Section 02	Scoping of Full EIA		
Plan for completion	Timing: N/A Resources: N/A		
Analyse the impact of the policy, strategy, function, project, activity, or programme	Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
	Age	The service is available to all residents of the borough and will provide a level of support which will be assessed according to individual need for advocacy.	Positive
	Disability		Positive
	Gender reassignment		Positive
	Marriage and Civil Partnership	The service aims to provide advocacy to support people through NHS complaints processes who may not otherwise be able to do so. The effect of the new service aims to have an overall positive impact by making it more accessible by being promoted through Local Healthwatch.	Positive
	Pregnancy and maternity		Positive
	Race		Positive
	Religion/belief (including non-belief)	The service offers a self supporting core service but also offers a remote and intensive advocacy services which could include individual face-to-	Positive
	Sex		Positive

	Sexual Orientation	<p>face advocacy work for people whose needs require it.</p> <p>The service aims to meet the needs of people which are not able to access the service during office hours by being available later on some evenings and on Saturdays.</p> <p>Information about the service will be available through a variety of electronic and traditional media including translation services for those service users who require it.</p> <p>The data provided by the current provider commissioned by the NHS indicated that it is used more women than by men and by black and ethnic minority communities. As might be expected for a service aimed at users of NHS services people with physical disabilities, mental illness and long term conditions are also significantly represented.</p>	Positive	
	<p>Human Rights or Children's Rights If your decision has the potential to affect Human Rights or Children's Rights, please contact</p>			

	<p>your Equality Lead for advice</p> <p>Will it affect Human Rights, as defined by the Human Rights Act 1998? No</p> <p>Will it affect Children's Rights, as defined by the UNCRC (1992)? No</p>
--	--

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	POWhER ICAS Usage Information
New research	Information on usage of the new service will be collected and monitored to ensure equality issues are addressed.

Section 04	Consultation
Consultation	N/A
Analysis of consultation outcomes	N/A


Section 05	Analysis of impact and outcomes
Analysis	<p>There is limited service usage information provided by the current NHS service provider which is attached as Appendix 1 of the Executive Report. Caution would need to be exercised in drawing conclusions from this information because of the small numbers involved. However, the data indicates that the service is used more by women than by men and disproportionately by black and ethnic minority communities. As might be expected for a service aimed at users of NHS services people with physical disabilities, mental illness and long term conditions are also significantly represented.</p>

Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	<p>The service is available to all residents of the borough and will provide a level of support which will be assessed according to individual need for advocacy.</p> <p>The service aims to provide advocacy to support people through NHS complaints processes who may not otherwise be able to do so. The effect of the new service aims to have an overall positive impact on inequalities by making it more accessible through signposting from Local Healthwatch.</p> <p>The service offers a self supporting core service but also offers a remote and intensive advocacy services which could include individual face-to-face advocacy work for people whose needs require it.</p> <p>The service aims to meet the needs of people which are not able to access the service during office hours by being available later on some evenings and on Saturdays.</p> <p>Information about the service will be available through a variety of electronic and traditional media including translation services for those service users who require it.</p>

	Monitoring of key groups based on gender, ethnicity, disability and particular medical conditions is being incorporated into the contract and will be used to develop the service.
--	--

Section 07	Action Plan
Action Plan	Not applicable

Section 08	Agreement, publication and monitoring
Chief Officers' sign-off	Name: Rachell Wigley Position: Acting Executive Director Tri-borough ASC Email: rache.wigley@lbhf.gov.uk Telephone No: 0208 753 3121
Key Decision Report (if relevant)	Date of report to H&F Cabinet; 8 April 2013/ K&C Cabinet Member: 22 March 2013 Key equalities issues have been included: Yes

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">8 APRIL 2013</p>
<p>HRA ASSET MANAGEMENT PLAN 2013-16 AND HOUSING CAPITAL PROGRAMME 2013-14</p>	
<p>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</p>	
<p>Open Report</p>	
<p>Classification : For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director, Housing and Regeneration Department</p>	
<p>Report Author: Stephen Kirrage, Director Asset Management and Property Services, Housing and Regeneration Department</p>	<p>Contact Details: Stephen.kirrage@lbhf.gov.uk 020-8753-3064</p>

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the Housing Revenue Account (HRA) Asset Management Plan 2013-2016, showing how this relates to the HRA 30 year business plan. It then provides specific details of the proposed 2013/14 housing capital programme, proposes budget envelopes for the following two years to allow for certainty when planning the forward programme, and seeks authority to proceed with the various projects identified in Appendix 2a.

2. RECOMMENDATIONS

- 2.1. That the HRA Asset Management Plan as set out in Appendix 1 of this report be endorsed and that approval be given to the underlying principles, broad objectives, and specific service priorities identified therein.
- 2.2. That the updated HRA 30 year business plan be endorsed, and it be noted that this now includes the updated and validated stock condition survey

information which underpins the HRA Asset Management Plan and assumes the backlog identified by the stock condition survey is caught up within 5 years.

- 2.3. That approval be given to the projects and schemes identified in this report as set out in Appendix 2 which form the 2013/14 Housing Capital Programme to the value of £37.037 million (the envelope of £37.037m having previously been agreed at Budget Council on 27 February 2013).
- 2.4. That approval be given to the budget envelope of £44.691 million for 2014/15 and £46.194 million for 2015/16 together with contributions of £22.5 million for 2014/15 and £22.263 million for 2015/16 from the decent neighbourhoods fund and to note that revenue contributions are starting to be made to the programme (this recommendation is subject to future quarterly / annual changes to the overall Council capital programme).
- 2.5. To delegate authority to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to award contracts over £100,000 and, if appropriate, exercise built-in options to extend such contracts in respect of any individual projects and schemes under the Housing Capital Programme identified in Appendix 2 of this report, in accordance with Contract Standing Order 9.4 and 9.4.1.
- 2.6. To delegate authority to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to approve future amendments to the 2013/14 programme for operational reasons where such amendments can be contained within the overall approved 2013/14 – 2015/16 budget envelope and available resources.

3. REASONS FOR DECISION

- 3.1 The adoption of the Housing Revenue Account (HRA) Asset Management Plan, based on an updated and validated stock condition survey information and the associated updated HRA 30 year business plan based on the HRA financial strategy¹ are essential to provide clear strategic guidance for future investment in the Council's housing stock. This is fundamentally about safely managing and maintaining the current housing stock and balancing assets, needs, and resources to deliver the Council's corporate objectives. The Plan sets out the Council's strategic approach and priorities relating to:
 - i. managing the housing related assets held in the Housing Revenue Account (HRA) to ensure stock is safe, sustainable and well managed;

¹ As last approved by Cabinet on 11th February 2013

- ii. its intentions to act as a strategic enabler to deliver large scale projects such as regeneration and new build.

3.2 Approval of the 2013/14 capital programme and the budget envelopes for the two subsequent years provides the delivery mechanism for the first of these two priorities and allows certainty when programming. It will enable the Council to continue to fulfil its statutory obligations and protect the health, safety and wellbeing of residents whilst preserving the integrity and asset value of the housing stock.

4. INTRODUCTION AND BACKGROUND

4.1. The HRA Asset Management Plan, attached at Appendix 1, sets out the Council's approach to managing the Council's buildings and land held in the Housing Revenue Account. It covers a range of activities to ensure that the housing stock of over 17,000 homes is well-maintained and able to meet the needs of residents, both now and in the future.

4.2. The plan is the first since the housing stock returned to Council management in April 2011. It seeks to build on the achievements of the decent homes initiative whilst acknowledging that programme's limitations. It establishes an investment plan that will enable the Council to maintain the stock at a decent standard whilst addressing the backlog of works not covered by the standard, particularly: lift modernisation; controlled entry upgrades; landlord's electrical services; cyclical external and communal repairs and redecoration; and improvements to curtilage areas and the public realm.

4.3. The HRA Asset Management Plan will seek to ensure that HRA buildings and land are used effectively, efficiently and in a sustainable manner thereby complementing the objectives of the 30-year business plan. The annual capital programme, and the prioritised projects therein, represent the implementation of these plans.

4.4. On 27 February 2013 Budget Council approved as part of the Council's capital programme a funding envelope of £37.0m for the housing capital programme for 2013/14. This report provides further details of the proposed projects to be undertaken in 2013/14 and of the proposed budget envelopes for 2014/15 and 2015/16. A list of schemes, including budget estimates, is provided in Appendix 2a.

5. PROPOSAL AND ISSUES

5.1. The Asset Management Plan

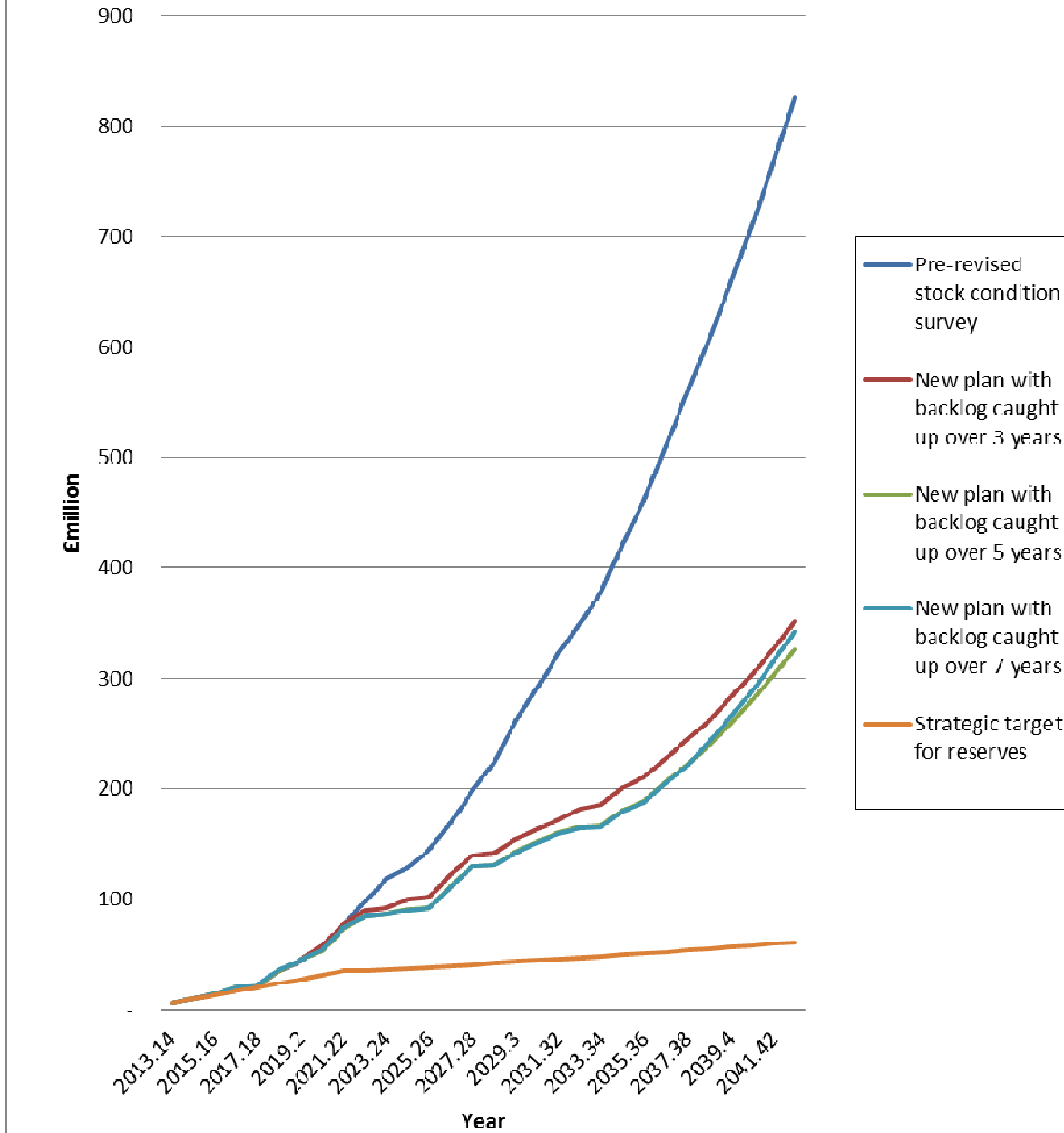
- 5.1.1 The HRA Asset Management Plan in Appendix 1 sets out the principles which will underpin investment decisions and the strategic objectives they are designed to meet. It discusses issues that might affect delivery of the plan such as procurement, income generation, and achieving value for money.
- 5.1.2 The Plan includes an update on the on-going review and validation of existing stock data and will continue to be refreshed as works are progressed as well as more generally on a periodic 3 to 4 year cycle following its conclusion, to ensure its continued robustness.
- 5.1.3 The report seeks approval for a three-year budget envelope which will further enable more efficient and proactive planning and procurement of contracts and provide greater certainty for residents about the likely timing and scope of future works. For example, the current annual approval makes it difficult to get on site with lift schemes in the same financial year as they are scoped and hinders delivery of these high-priority schemes.

5.2. Updated HRA 30 Year Business Plan

- 5.2.1 The current 30 year HRA business plan as presented to Cabinet on 11 February 2013 has been revised to include the new stock condition survey information, based on the HRA financial strategy² endorsed at that meeting. The debt remaining with the council following HRA reform will continue to be repaid as it falls due.
- 5.2.2 The business plan assumes that the repairs backlog is caught up within 5 years; this enables a smoother sales profile while at the same time restricting the potential impact of the repairs backlog on revenue repairs costs and containing the period over which the business plan contains a significant property market risk. The impact of the revised stock condition survey on HRA General Reserve balances is shown below, together with sensitivities showing the impact of catching up the repairs backlog over 3 and 7 years:

² The overall strategic financial objectives for the HRA are to: finance both the annual interest and repayments of the principal debt (£217.4m after HRA reform) as it becomes due; achieve a viable on-going maintenance programme that maintains the stock in good repair; increase the HRA reserves balance to protect against future shocks or unanticipated events to circa £35 million by 2022; free resources for investment in new initiatives including new housing supply; and to repay debt as it becomes due.

Housing Revenue Account General Reserves Projection by Asset Management Plan option over 30 years: 2013/14 - 2042/43



5.2.3 The key assumptions made have not changed since the plan which formed part of the HRA financial Strategy approved on 11 February 2013 save for:

- investment in existing stock has been updated to reflect the stock condition survey information which underpins the new HRA asset management plan;
- the backlog of works identified during the stock condition survey validation is assumed to be caught up within 5 years, although the 2013/14 programme envelope remains unchanged from that agreed at Budget Council;
- rents are increased in line with the rent restructuring formula for properties containing up to and including 3 bedrooms. For properties with 4 or more bedrooms it has been assumed that rents increase in line with the new rent formula as set out in the Housing Revenue Account Financial Strategy and Rent Increase 2013/14 report which went to Cabinet on 11th February 2013 ;
- 370 Limited Asset Based Void sales were required to cash flow the maintenance of the existing stock and repay debt as it falls due in the February 2013 business plan³. The revised plan now includes an additional 224 sales. Voids sales in the revised plan are phased as shown below:

Year	Number of Asset Based Void sales assumed:		
	Business Plan backlog caught up within 5 years	Sensitivity; backlog caught up within 3 years	Sensitivity; backlog caught up within 7 years
2013/14	70	70	70
2014/15	149	181	133
2015/16	103	135	87
2016/17	108	73	91
2017/18	88	58	74
2018/19	18	18	42
2019/20	13	13	37
2020/21	9	9	21
2021/22	4	4	0
2022/23	0	0	4
2023/24	23	23	23
2024/25	0	0	0
2025/26	9	9	9
Total	594	593	593

³ Funded via the Decent Neighbourhoods Fund

5.2.4 The business plan does not currently include any new development save for the conditional land sale agreement on the West Kensington and Gibbs Green Estates. It is anticipated there will be additional expensive void sales over and above the numbers assumed to fund new development not included in the plan.

5.2.5 The revised stock condition survey increases the reliance of the business plan on void sales and therefore increases the vulnerability of the business plan to any property market risk which might crystallise.

5.3. Detailed 2013/14 Capital Programme

5.3.1 The 2013/14 programme has been broadly divided into four categories as follows:

- Category 1: Prior commitments
- Category 2: Statutory works; health and safety priorities; capitalisation
- Category 3: Mechanical and electrical works; building structure
- Category 4: Internal amenities; estate environment; miscellaneous

Category 1: Prior commitments

5.3.2 Prior Commitments (£14.356m): This category includes approved contracts where works are continuing on site or where final accounts have yet to be settled. It also includes projects originally approved as part of the 2012/13 programme which are either expected to start on site before the end of the 2012/13 financial year or are still being developed.

5.3.3 Category 2: Statutory and health and safety works; capitalisation

5.3.4 Fire Safety Improvements (£1.500m): A management plan has been developed for the delivery of large-scale improvements to the borough's housing stock to comply with current regulations and best practice under The Regulatory Reform (Fire Safety) Order 2005. Specific works are dependent on the recommendations of detailed fire risk assessments and guidance from The London Fire Brigade. Works within the plan may include the replacement of communal or flat entrance doors, compartmentalisation of roof voids, improvements to means of escape and the like.

5.3.5 Waterhouse Close Fire Alarm system (£0.055m): This sheltered housing scheme currently has sensors within individual flats that send a signal via the warden call system. However, the signal can be blocked if the warden call is already in use and therefore the installation of a separate communal alarm system is recommended.

- 5.3.6 Water Tank Replacements (£0.349m): This is a rolling programme replacing old steel communal water tanks where the potential spread of legionella is identified as a risk during statutory biennial surveys or other site inspections. Blocks for the 2013/14 programme have been identified and, where necessary, works will also include the upgrade of loft spaces to ensure secure access and a safe working environment for operatives.
- 5.3.7 Disabled Adaptations (£0.800m): A programme delivering major adaptations to the homes of disabled tenants in order to meet their needs and statutory entitlements. The programme is important in restoring or enabling independent living, privacy, confidence, and dignity for individual tenants and their families. The Government Office for Disability Issues has published research showing that the provision of housing adaptations and equipment for disabled people produces savings to health and social care budgets by reducing the need for admission to, or facilitating the earlier discharge from, residential care; by reducing the need for home care; and by prevention of accidents within the home. The proposed budget is set to meet current demand.
- 5.3.8 Landlord's Electrical Installations (£0.553m): This programme seeks to ensure the safety and reliability of landlord's electrical installations and distribution systems. Blocks for the 2013/14 have been identified and proposed work includes the replacement of old cabling, risers and distribution boards, together with improvements to communal and external lighting where currently inadequate and the provision of emergency lighting where none exists.
- 5.3.9 Capitalisation Works (£5.375m): The day-to-day running of the housing repairs service will sometimes require works of a capital nature to be undertaken because circumstances mean they cannot be reasonably deferred to future planned programmes. Such work may include remedial works to address potential hazards, or to prevent deterioration of elements that would otherwise have a knock-on effect. The category includes the refurbishment of voids to ensure they remain in a lettable condition; the ad hoc replacement of defective central heating boilers; major asbestos removal or containment works; planned refurbishment of tenant and community halls; ad hoc roof replacements; major works to drainage and refuse facilities; and essential works to estate roads and play equipment.
- 5.3.10 Capitalisation Salaries/IT (£1.903m): The delivery of the programme requires building architects, mechanical and electrical engineers, project managers and support staff. These costs can be legitimately charged to capital as they are directly attributable to the works. A budget provision is included for the upgrade of existing and provision of new information technology systems to improve services and increase efficiency. A sound business case will need to be made before commissioning work against this budget.

5.3.11 Category 3: Mechanical and electrical works, building structure.

5.3.12 Communal Boiler replacements (£0.404m): Over 1,700 homes are connected to district heating systems. Many of the communal boilers supporting these systems are approaching or have exceeded the end of their economic lives and a phased programme of replacement is ongoing to ensure residents continue to receive efficient and effective heating. Schemes proposed in 2013/14 include Woodmans Mews, Meadowbank Close, Seagrave Road Estate, and Malvern Court.

5.3.13 Building Energy Management Systems Phase 2 (£0.205m): A separate report to this Cabinet seeks approval for the first phase of this programme. The installation of these systems will allow the much more efficient remote monitoring of district heating boilers and pump rooms and enable the early detection of defects.

5.3.14 Wall Insulation and other energy initiatives (£0.400m): The Council has in recent years been successful in accessing significant grants from external energy suppliers to support energy efficiency measures such as wall insulation, loft insulation, central heating boiler upgrades, draught proofing and so on. Officers are continuing to negotiate with suppliers to draw up plans for future works and to target the least energy efficient properties whilst maximising potential grant income. The calculations for energy grants are complex and dependant on various factors. Whilst 100% external funding is occasionally possible the Council will more usually be required to make some contribution to the cost of the scheme. A separate approval will be sought should the proposed budget provision prove inadequate to match-fund any future scheme where the financial case is compelling.

5.3.15 Lift modernisation (£1.627m): The Council's housing assets include in excess of 200 passenger lifts, the majority of which serve blocks of six or more storeys. Many of these lifts have exceeded or are approaching the end of their design life and are increasingly difficult to maintain due to obsolete parts. A programme of modernisation has been prioritised and individual sites identified. Sixteen lifts will have been modernised as part of the 2012/13 programme with a further twenty included in contracts pending approval. The 2013/14 programme seeks to continue this accelerated catch-up programme and thirty five lifts have been identified for full modernisation. Due to the long lead-in time for the design and manufacture of lifts these schemes are not expected to start on site until the latter part of the financial year and the individual scheme budgets will be re-profiled following tender approval. In addition, the ten lifts serving the tower blocks on the West Kensington Estate will be assessed for essential works.

- 5.3.16 Cyclical Planned Maintenance (£6.025m): The Council has recently entered into a three-year contract with Mitie Ltd to deliver a programme of preventative maintenance, repairs, and renewals, primarily to the stock that did not have external or communal works carried out under decent homes. The establishment of an effective preventative programme is essential to avoid much costly future failure and reduce the responsive repair workload. Where components need to be replaced this will be, where possible, in low-maintenance materials to reduce future decoration and pre-decoration repair bills.
- 5.3.17 Window/roof renewal and fabric repair (£0.750m): The decent homes programme effectively tackled those blocks where windows and roofs exceeded recommended life-cycles and were in poor condition prior to 2010. A continuing programme of window replacement, roof renewal, and associated works will be necessary to prevent properties falling into non-decency as major building elements age and their condition deteriorates. Peterborough Road and Planetree Court Sheltered Housing schemes have been identified as new starts for the current year.
- 5.3.18 Controlled Access (£0.750m): A ten-year programme to replace ageing systems has been prioritised and individual sites have been identified for 2013/14. In addition, those blocks which do not currently benefit from controlled access will be considered for installation where it is technically feasible, cost-effective, and supported by residents: Cox House and Horton House, Field Road Estate, are planned for 2013/14.
- 5.3.19 Category 4: Internal amenity, estate works, miscellaneous
- 5.3.20 Estates CCTV (£250k): This budget will support the continued extension and upgrade of CCTV on housing estates, a programme started in 2009. Priorities for 2013/14 will be finalised by the Safer Neighbourhoods team in consultation with housing management and the local police.
- 5.3.21 Minor Estate Improvement Programme (£270k) and Groundwork Environmental Programme (£220k): The Minor Estate Improvement Programme is an annual budget historically controlled by registered Tenant and Resident Associations and earmarked for small-scale improvements to the estate environment or tenant facilities. Schemes are considered and funding allocated by each Local Area Housing Forum. The Groundwork Environmental Programme is an annual budget allocation administered by a tenant representative panel in partnership with Groundwork West London. The panel considers and approves environmental improvement schemes submitted by TRAs which can include, for example, soft and hard landscaping of open spaces or provision of new play areas.

5.3.22 Other environmental projects (£735k): Bids have been received for various other environmental schemes that would fall outside the scope of the above budgets. These include a pilot project providing green roofs to sheds on the Flora Gardens Estate; major improvements to estate roads and paths at Fulham Court; improvements to the towpath and provision of sustainable drainage at Rainville Road; a new ball court at Rainville Road; and the refurbishment of the play area at Cox House.

5.3.23 Brought forward and unforeseen works (£500k): This budget is proposed for unforeseen or emergency works that may arise during the year and where project substitution is not practicable. It will be allocated to specific projects in consultation with the Cabinet Member for Housing.

5.4 2014/15 and 2015/16 Budget Envelope

5.4.1 The HRA Asset Management Plan assumes that catch-up repairs will be completed within five years. After feeding this into the HRA Business Plan the total capital investment required will be £44.691m for 2014/15 and £46.194m for 2015/16.

5.4.2. Approval of a budget envelope for the years 2014/15 and 2015/16 will provide greater certainty for forward programming. Appendix 2b provides further details of the proposed spending plans in these years, derived from the HRA Asset Management Plan and recently validated stock condition data. Further detailed site surveys and continued analysis of repairs data will be used to prioritise specific schemes within the headings identified

5.4.2. Various lift and planned maintenance schemes identified and expected to be approved in 2013/14 will carry a significant commitment into 2014/15. This has been allowed for within the proposed budget envelope. Commitments will be closely monitored to ensure that expenditure does not exceed resources.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. The HRA Asset Management Plan is the first since the housing stock returned to direct Council management in April 2011. It seeks to build on the achievements of the decent homes initiative whilst acknowledging that programmes' limitations. The plan uses HRA reform as an opportunity for the Council to adopt a pro-active asset management approach to its stock, creating a 30-year investment plan that allows for realistic future investment needs, remodelling, rationalising and reinvestment of assets. It is intended that this information will be refreshed every 3 to 4 years to maintain the resilience of the Asset Management Plan.

6.2. The plan includes assumptions about life cycles and costs of various building components. It has drawn from the work undertaken by the Building Research

Establishment for Communities and Local Government as part of the wider review of finance for council housing. This looked at differentials between archetypes, reviewed detailed specifications of work, examined prices, reviewed current costs and lifetime scenarios, and ultimately produced new models for estimating spend profiles over thirty years. The stock validation exercise undertaken by Lambert Smith Hampton and Pennington Choices has further examined rates and life cycles, drawing on previous benchmarking exercises, recent tenders, and comparing with standard unit costs and lives used by Savills. These assumptions will be continually reviewed in light of actual costs and the longevity, or otherwise, of building components.

- 6.3. In developing the annual capital programme these life cycles will only be a starting point. Further site surveys and analysis of actual repair data will determine whether replacement is appropriate for individual elements in specific properties at any given time.
- 6.4. The proposed 2013/14 programme seeks to meet the ongoing investment needs of the borough's social housing stock which comprises nearly 12,700 rented homes and nearly 4,500 leasehold homes. The investment needs of the stock have been prioritised and a balance sought between maintaining homes at a decent standard and addressing the residual backlog of works to elements not specifically covered by the standard, particularly: specific Health and Safety risks; lift modernisation; controlled entry upgrades; landlord's electrical services; cyclical external and communal repairs; and improvements to curtilage areas and the public realm.

7. CONSULTATION

- 7.1. The HRA Asset Management Plan has been drafted with input from service providers in housing management, finance, repairs, planned maintenance, and regeneration. It has been discussed at Departmental Management Team and with the Cabinet Member for Housing. There will be ongoing consultation with residents and other stakeholders to refine the content of the HRA Asset Management Plan and shape its aims and ensure it continues to meet the aims of the council.
- 7.2. For schemes included in the 2013/14 capital programme, residents will be consulted on proposed works, including specific consultation with leaseholders as required. Following approval of the programme it is proposed to submit to individual members, details of proposed schemes in their wards.

8. EQUALITY IMPLICATIONS

- 8.1. An Equality Impact Assessment has been completed for the 2013/14 Housing Capital Programme and some key issues are discussed below.
- 8.2. The programme includes various projects specific to sheltered housing, that is accommodation specifically designed or adapted for people aged 60 years or over. Schemes include upgrades to communal heating, renewal of warden call systems, and replacement windows. Other than the potential short-term inconvenience of having works on site, these schemes will have a positive impact.
- 8.3. The programme includes projects to modernise passenger lifts serving blocks on various housing estates. These works will mean that lifts are temporarily out of service and this may be of particular inconvenience to elderly residents, people with impaired mobility, pregnant women, or residents with young children. Prior to works, consultation with residents will be undertaken and alternative arrangements for vulnerable residents will be considered. In exceptional circumstances this may entail a temporary decant while service is interrupted. However, in the longer term, the works will improve the reliability of the affected lifts. This project is therefore analysed as having both positive and negative impacts, with the positive outweighing the short-term negative impacts.
- 8.4. The programme includes a budget of £800k for disabled adaptations. These are works that can help give tenants more freedom into and around their home and to access essential facilities within it. Adaptations can range from minor works such as the provision of grab rails or stair rails to major improvements such as the installation of stairlifts, ramps or walk-in showers. Eligibility for equipment or adaptations is assessed under the Fair Access to Care Services (FACs) criteria. Major adaptations are subsequently assessed by the Council's Occupational Therapist and will be appropriate to meet the needs of tenants with a permanent or substantial disability.

9. LEGAL IMPLICATIONS

- 9.1. The Council should ensure that individual projects are procured in accordance with the EU Procurement Rules and the Council's contract standing orders.
- 9.2. The Council has a statutory obligation to consult with tenants and leaseholders before carrying out works of improvement.
- 9.3. Implications verified/completed by: (Catherine Irvine, Principal Contracts Lawyer, telephone 020 8753 2774)

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. Budget Council on 27 February 2013 approved a funding envelope of £37.0m for the 2013/14 housing capital programme. The various funding streams are shown in Table 1 below:

Table 1: Anticipated Resources 2013/14

Funding Source	Value (£m)
Revenue Contributions from HRA (formerly Major Repairs Allowance)	15.7
Capital Receipts carried forward	1.1
Capital Receipts, proposed	14.1
Leasehold Contributions	5.8
Insurance Contributions	0.3
Total	37.0

- 10.2. The HRA Financial Strategy Report presented to Cabinet on 11 February 2013 set out the overall strategic financial objectives for the HRA and the measures to be adopted to meet these objectives.
- 10.3. For the capital programme it is recognised that, in the medium term, there will be a continued need to use receipts generated from the sale of void properties to supplement the major repairs allowance (funded by revenue via depreciation), leaseholder contributions, and contributions from revenue. The various funding streams for 2014/15 and 2015/16 are shown in Table 2 below:

Table 2: Anticipated Resources 2014-2016

Funding Source	2014/15 Value (£m)	2015/16 Value (£m)
Revenue Contributions from HRA (formerly Major Repairs Allowance)	16.2	16.8
Capital Receipts, proposed	22.5	22.2
Leasehold Contributions	5.8	3.4
Contributions from revenue	0.2	3.8
Total	44.7	46.2

- 10.4. It is proposed that in thirteen years' time the maintenance programme will be fully funded from rental income. Full details of the impact of the updated stock condition survey on the HRA 30 year business plan and financial risks are

included in section 5.2 of this report, together with sensitivities showing the impact of completing the catch up repairs.

- 10.5. Affordability is a key priority for the HRA Asset Management Plan. The stock condition survey validation work completed thus far indicates that reliance on receipts will diminish over time. This position will be monitored as the validation work is completed. If there are any significant variances then a further full report will be produced in conjunction with finance.
- 10.6. With regards to the capitalisation of salaries and IT charges (cited in paragraph 5.3.10) it will need to be ensured that statutory capitalisation guidance is adhered to.
- 10.7. As shown in table 2, the 2014/15 and 2015/16 proposed figures represent growth to the indicative figures presented in the 4 year capital programme approved in February 2013 of £13.7m and £15.5m respectively (£29.2m in total). It is proposed that the bulk of this expenditure (£25.3m) is funded through the generation of additional Limited Asset Based Void Disposals – as indicated in the updated 30 year HRA business plan. There is a risk of a funding shortfall if the anticipated receipts are not realised. However, this risk is likely to be partially offset by an anticipated Government ruling which will require housing (non-right to buy) receipts to remain fully within the housing account from April 2013 which will benefit the Decent Neighbourhoods Fund. Currently the Council direct 25% of the receipts generated for the Decent Neighbourhoods programme to support general capital investment and debt reduction. While such top-slices are not being restricted, any housing receipts removed from the housing account are likely in future to need to be 'reimbursed', effectively through a transfer of debt, effectively removing the benefit of doing this. Based on current estimates it is likely that this ruling will make an additional £23.4m available within the Decent Neighbourhoods Fund in the period 2013-16.
- 10.8. The remaining funding for growth (£3.9m) will come from leaseholder contributions and revenue contributions within the HRA.
- 10.9. Implications verified/completed by: Kathleen Corbett, Director Finance & Resources, HRD, 020-8753-3031

11. RISK MANAGEMENT

- 11.1. Various risks associated with the delivery of the housing capital programme are included on the corporate risk register. Appropriate risk strategies will be developed for the programme overall and for individual projects.

- 11.2. Individual projects will be subject to separate, appropriate tender approval reports by Members or delegated officers. Recommendations for contract awards will include an assessment of the financial standing of successful contractors.
- 11.3. The HRA Asset Management Plan outlines the processes in place for risk management within the Housing and Regeneration Department.
- 11.4. The revised stock condition survey increases the reliance of the business plan on void sales and therefore increases the vulnerability of the business plan to any property market risk which might crystallise.
- 11.5. Implications verified/completed by: Stephen Kirrage, Director Asset Management & Property Services, HRD, 020-8753-3064

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1. It is noted that delegation is sought to award contracts and, if appropriate, exercise built-in options to extend such contracts in respect of any individual projects and schemes under the Housing Capital Programme and in accordance with Contract Standing Order 9.4 and 9.4.1
- 12.2. Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538)

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.	Housing Capital Programme documents	Vince Conway x1915	HRD, Property Services, 3 rd Floor HTH Extension

**Building a Borough of
Opportunity**

Hammersmith and Fulham Council

**HRA
Asset
Management Plan
2013-2016**

FOREWORD BY THE CABINET MEMBER FOR HOUSING

During my period as the Cabinet Member for Housing I have been proud of the achievements made by the Housing and Regeneration Department (HRD). Everything we have achieved has been underpinned by the following principles:

- **Aspirations:** Determining council priorities in liaison with residents and stakeholders;
- **Communities:** Using the housing stock to create sustainable economic and socially coherent communities;
- **Affordability:** Our plans are reality based, considering priorities and the available resources to deliver the maximum impact;
- **Need:** Innovating, and regenerating areas to meet the current and future housing need of the borough;
- **Quality:** Ensuring managed properties meet acceptable, compliant, standards;
- **Value:** Continually challenging our services to ensure we deliver the best possible service at the best possible price.

When considered with the councils HRA Business Plan, targeted budgets, and its Housing Strategy, it represents a golden thread which makes the vision of “*creating a borough of opportunity for all*” a reality. We aim to ensure strategic asset management contributes to that vision, providing the catalyst for the borough’s regeneration opportunities and delivering opportunities that will create better places to live, more housing choice, and improved services

Few councils, in the London area or nationally, have an agenda as challenging as that of the London Borough of Hammersmith and Fulham. With significant achievements to date and an ambition to achieve far more, this plan sets out a clear agenda for the future.

EXECUTIVE SUMMARY BY THE EXECUTIVE DIRECTOR

The housing stock managed by the council, over 17,000 in one form or another, represents the council's:

- **Most valuable portfolio of assets:** with an existing use value of circa £1 billion and an unrestricted open market value in excess of £3 billion;
- **Largest liability:** when the annual and on-going repair and maintenance costs are taken into consideration;
- **Greatest opportunity:** when it is used in a strategic capacity to regenerate and transform large areas of London, improving lives and generating employment and life opportunities.

Therefore, efficient, effective and strategic asset management is a key function of the Housing and Regeneration Department (HRD) of the council. Fundamentally, it is about safely managing the current housing stock and balancing assets, needs, and resources to deliver the council's corporate objectives.

This Plan sets out the council's strategic approach and priorities relating to:

- Managing the housing related assets held in the Housing Revenue Account to ensure stock is safe, and well managed.
- Its intentions to act as a strategic enabler to deliver large scale projects such as regeneration and new build

The Asset Management Plan is intended to be a living document. There will be on-going consultation with residents and other stakeholders as we seek to improve its content and shape its aims. Ultimately, the plan exists to support our Housing Strategy and help us to deliver good quality homes, improved services, successful neighbourhoods, and opportunity for all.

As a high level document, this plan is underpinned by a range of more detailed documents. Please do not hesitate to consult my staff should you require further information on any issue.

BACKGROUND

Hammersmith & Fulham Council manages a total of 17,343 homes, the make-up of which is shown below.

Ownership	No. Homes
Council Tenancies (including voids)	12,688
Leasehold (including rent to mortgage)	4,461
Freehold (estate houses) and equity share	194
Total	17,343

In addition, the HRA portfolio includes a significant number of non-residential assets including commercial premises, resident and community halls, garages, sheds and parking spaces. Specific strategies are either in place or being developed for these assets.

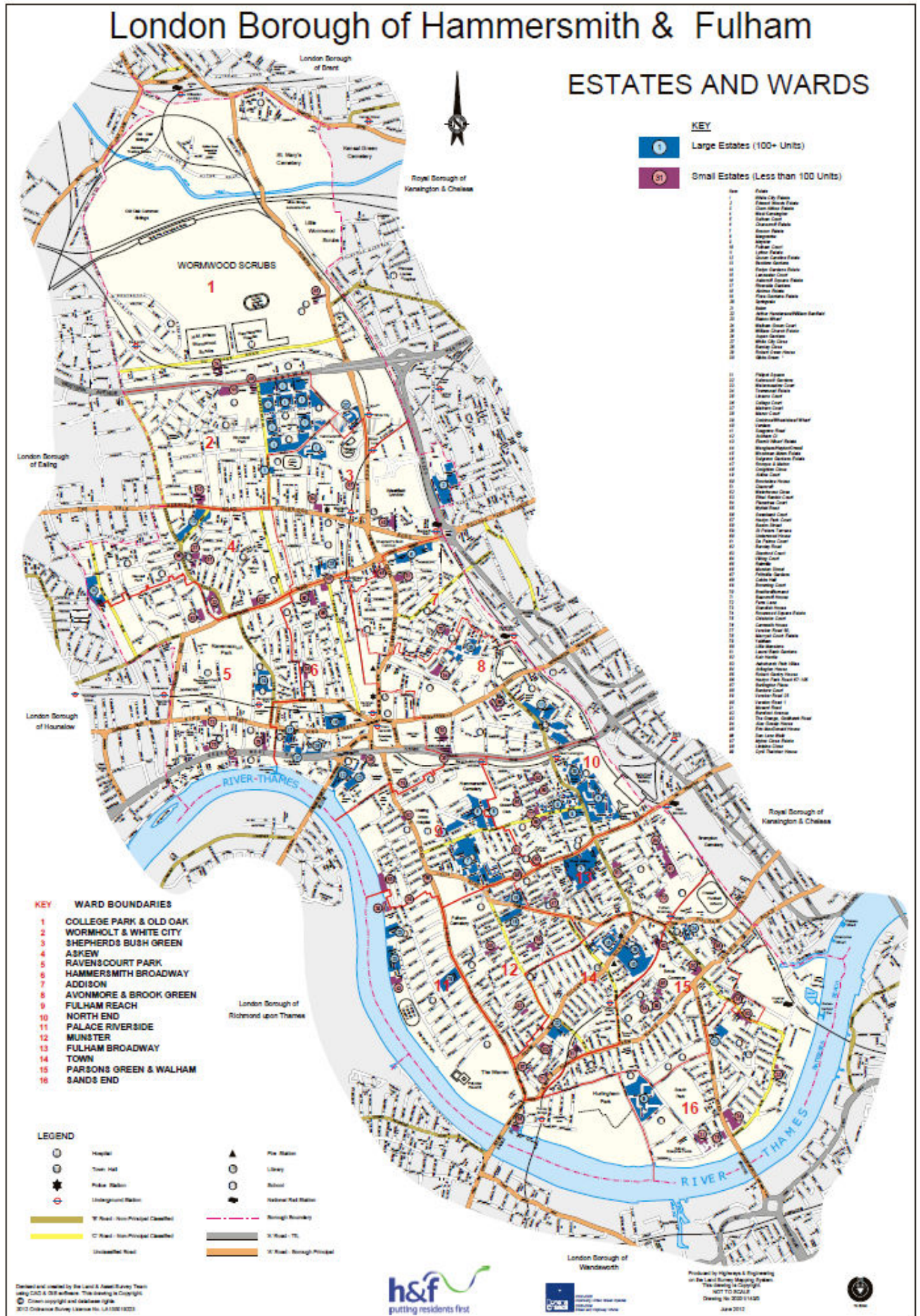
The residential stock is overwhelmingly flatted accommodation and predominantly situated in medium-rise or high-rise blocks. Nearly half of the stock dates to before the Second World War and includes a significant number of acquired street properties, many of which have been converted to flats.

Traditional dwellings of brick construction predominate, accounting for 87% of the stock. The remainder are predominantly high-rise blocks of in-situ and/or Precast Reinforced Concrete (PRC) construction together with a small number of Cornish units. A significant 39% of dwellings are in blocks with flat asphalt or felt roofs and no pitched-roof conversions have taken place since 2005. Materials employed for roof coverings, as with walls, generally reflect the property age. 72% of the stock now has low-maintenance PVCu or aluminium windows compared to 41% in 2001. The majority of other dwellings, mostly street-based, retain timber single-glazed sashes or casements. A number of dwellings have a mix of window materials, normally the legacy of piecemeal replacements, but in some cases the result of planning constraints.

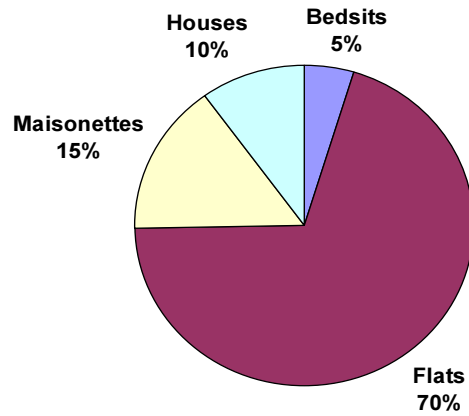
The main estates are plotted on the map below whilst the various graphs illustrate the stock by accommodation type, age, and archetype.

London Borough of Hammersmith & Fulham

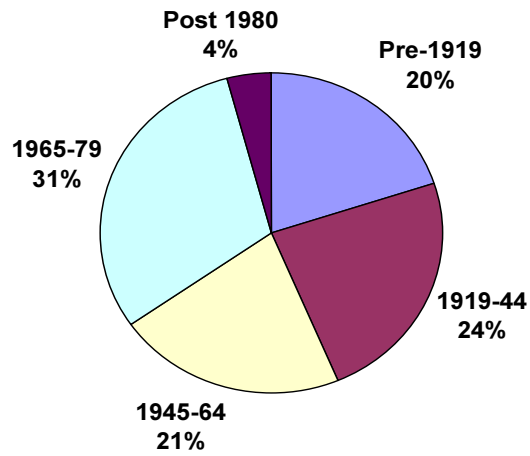
ESTATES AND WARDS



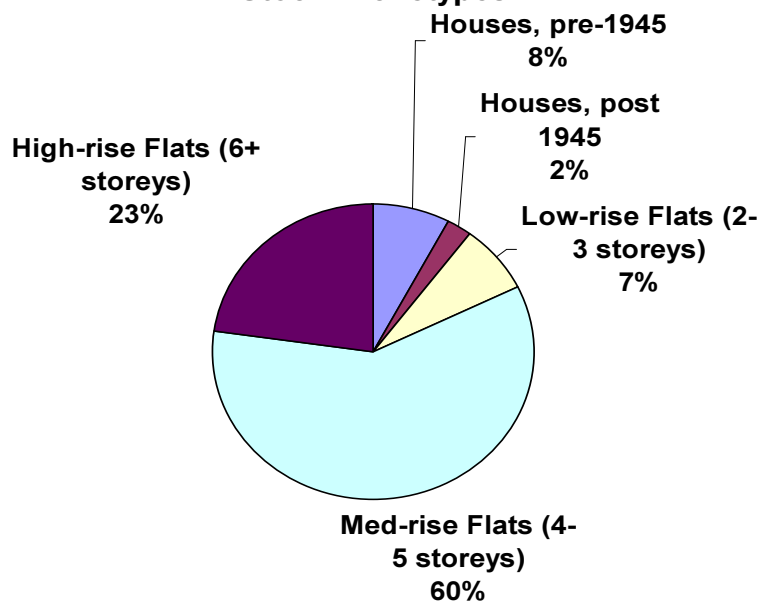
Accommodation Type (council tenancies)



Stock Age



Stock Archetypes



Equalities

The Equality Act 2010 requires the Council to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct
- Advance equality of opportunity
- Foster good relations

The public sector equality duty, known as the specific duty, also came into Force in 2011 and this specifically requires the council to:

- Set, consult on and review equality objectives
- Demonstrate how the impact on equality has been assessed
- Use the Council's procurement function effectively to further its equality objectives
- Review and report on progress on a triennial basis

In practice this will require the council to undertake a number of diverse initiatives to ensure it complies with the legislation. For instance this will range from ensuring new policy practice and procedure is impact assessed, through to regular audits of it premises to ensure public areas meet basic mobility standards.

The council wants to ensure that its residents build strong communities, develop shared values and a sense of belonging to their neighbourhood.

Therefore, the council:

- (i) Recognises that many groups and individuals may experience disadvantage because of race, religion, ethnic origin, gender, age or disability or sexual orientation and aim to treat all people fairly and with respect;
- (ii) Is fully committed to equality of opportunity for all our residents and aim to provide services which are fair and accessible;
- (iii) Values and welcome the diversity of the communities it serves;
- (iv) Fully support the principle of equality and diversity and firmly oppose all unlawful or unfair discrimination.

The Asset Management approach is being implemented in accordance with the council's policies and procedures in relation to equality and diversity and also ensures that all partners and other constructors are trained appropriately.

INVESTMENT

Investment principles

Investment will be prioritised using the following principles:

- Health and wellbeing of residents, including statutory requirements
- Properties which do not currently meet our minimum standard;
- Areas where refurbishment will bring regeneration, social or economic benefits to the borough;

As a further general principle, the council will examine alternatives to investment where any of the following criteria exist:

- Investment would be uneconomical;
- The asset could fulfil an alternative corporate priority;
- The asset has considerable commercial value, or other potential.

Investment Objectives

The strategic objectives of this plan are as follows:

Aspirations

- Involve residents in meaningful liaison, and make realistic agreements on service delivery based upon available resources and resident aspirations:

Communities

- Use regeneration schemes and investment to create long-term sustainability and desirability in its communities;

Affordability

- Manage LBHF homes in an efficient, effective and affordable manner;
- Create and maintain long term investment programmes based on comprehensive stock condition data and available funding;
- Adopt a pragmatic approach to resourcing plans, including disposal.

Need

- Deliver new developments and pursue the “hidden homes” and “joint venture” initiatives;

Quality

- Maintaining 100% of our stock at “Decent Homes Standard”
- Prioritise resources to ensure all dwellings meet all relevant legislative and health and safety requirements;

- Set high expectations for performance, satisfaction and value for money

Value

- Use partnering arrangements to drive value for money and service improvement;
- Pursue value for money, affordable investment and procurement;
- Innovate and pursue new ways of working which deliver better services, reduced costs, or deliver more for less.

PROCUREMENT, INCOME AND VFM

Procurement Strategy

The council has a corporate procurement strategy, but in addition to this the Housing and Regeneration Department priorities will be to:

- Carry out annual value for money reviews on high value maintenance contracts;
- Liaise with partner maintenance contractors to explore innovative procurement solutions;
- Consider all types of contract procurement to achieve best value;
- Examine supply chain management to ensure it is effective;
- Ensure expenditure reflects residents' priorities and aspirations.

Efficient Re-procurement

The Housing and Regeneration Department has commissioned Northgate Public Services to deliver a series of Housing Revenue Account savings from a programme of market testing and other efficiency measures. These savings are to be generated by:

- Repairs and Maintenance: Based on a long term partnership approach with a sole supplier covering:
 - All responsive repairs and maintenance (except lifts);
 - All gas servicing, repairs and installations;
 - All voids work;
 - The currently in house call centre operation.
- Estate Services: Outsourcing general estates cleaning (currently covered by caretakers), sheltered domestic cleaning and the concierge service.
- Housing Management: a full review of Housing Management services building on the risk / reward work done to date with a view to identifying efficiencies to drive further cost savings. This will begin with the outsourcing of transactional services - processing rent collection and managing arrears including former tenant arrears – and continue with tenancy management for the south of the borough.

Maximising Income

The Council has a duty to maximise the income from its assets, so that these funds can be used for reinvestment, debt reduction or appropriate housing and regeneration initiatives to meet its corporate aims and objectives. As a result, the Council will be pursuing a number of different initiatives during the lifetime of this Plan. These initiatives will include, but not be limited to, the following:

- Reduce average void period;
- Recharge 100% of legitimate costs;
- Recover the maximum amount of Service charges;
- Recover the maximum amount of Section 20 charges;
- Commercialisation, including disposal, of underused assets.

Value for Money

The Housing and Regeneration Department is committed to providing excellent services within its limited resources. 'Value for Money' (VFM) is about improving our ability to provide better services and increased choices, whilst ensuring that the needs and priorities of our residents and leaseholders are met. The strategy for VFM requires us to identify and deliver significant efficiency savings. These VFM savings will be achieved through;

- Getting the same results using fewer resources;
- Getting better results using the same resources;
- Paying less for something but getting the same result;
- Putting in more resources and getting a much better result.

The delivery of VFM within Asset Management is through challenging management of contracts, costs, quality, processes, resident requirements and budgets. All service areas have a VFM statement and any changes requested to budgets are considered as long as they have a comprehensive VFM statement supporting the proposal. The objective is to show year on year improvement in VFM and to prove VFM in all our activities - showing a clear trail from objective through to delivery.

The priorities on Value for Money are:

- Ensure VFM is a standard item in officer and management meetings;
- Be commercially aware of market prices, to constantly review contracted prices;

- Hold regular service reviews and, where appropriate, use business process re-engineering to drive Lean efficiencies;
- Set targets for, and record, VFM savings to capture actual saving (cashable and non cashable);
- Train the Residents' Repairs Working Group to monitor expenditure and VFM.

Energy Efficiency and affordable warmth

A key objective of the Asset Management Plan will be to incorporate energy efficiency in all new programmes wherever practically possible. This may extend to retrofit where applicable. The plan recognises that energy use in housing is a significant contributor to climate change, with 27% of all carbon emissions deriving from the domestic housing sector. As the major provider of social housing the council is acutely aware of its responsibilities. Improving overall energy efficiency, together with ensuring that all heating and insulation installations exceed minimum standards, is essential for the future maintenance of the housing stock.

To assist in energy efficiency on the home, the council's investment programme will pursue the following initiatives:

- (i) Incorporating practicable energy efficiency improvements in all maintenance and Improvement programmes
- (ii) Increasing the average energy rating of the housing stock
- (iii) Creating and implementing an Affordable Warmth Strategy
- (iv) Providing training, advice and information for residents as to the most efficient and effective use of their heating systems.
- (v) Investigating the use of renewable technologies
- (vi) Working with the Government agencies, energy companies and its maintenance partners to bid for external funding for renewable technologies and energy efficiency initiatives
- (vii) Exploring the practicalities of implementing a Retrofit programme

The lack of adequate heating and insulation can have a detrimental effect on the fabric of the building and potentially the health and wellbeing of residents. Condensation and damp that are often present in poorly heated and insulated homes can not only damage resident's furnishings but can lead to rotting windows and structural decay. This will in turn require more money to be invested in the property in order to repair the damage. Preventing this will not only help our residents but also encourage them to stay longer in their homes resulting in a reduction in the number of void properties.

The Asset Management Plan aims to ensure that all residents can achieve and maintain healthy and comfortable temperatures at affordable costs. Affordable

Warmth is a necessary solution to the problem of fuel poverty. The council's investment programme will pursue the following initiatives:

- (i) Raising the profile of energy awareness among staff and other stakeholders and co-ordinating an effective strategy.
- (ii) Ensuring that energy awareness and advice reaches the most vulnerable residents, encouraging benefit uptake and maximising household income.
- (iii) Implementing the Affordable Warmth Strategy within our own housing stock through the effective use of energy efficient products and specifications, and regularly reviewing and updating these.
- (iv) Taking advantage of the competitive fuel supply market on behalf of low income consumers, ensuring residents have access to energy advice and efficient domestic appliances
- (v) Publishing and publicising the Strategy to key partners
- (vi) Providing relevant training to technical and front-line staff
- (vii) Regularly considering energy issues at Management and Team meetings
- (viii) Maintaining a dialogue with other local authorities and specialist agencies
- (ix) Presenting an annual report on delivered Energy initiatives
- (x) Facilitating the provision of timely advice on saving energy to residents
- (xi) Identifying vulnerable groups who may require specific advice, sign-posting these to specialist agencies
- (xii) Updating and regularly reviewing our property investment programmes
- (xiii) Achieving improved SAP ratings for individual properties through effective energy programmes
- (xiv) Reviewing the specifications for the repair and renewal of building components and services to achieve energy efficiency gains wherever practicable and cost-effective
- (xv) Ensuring all properties are insulated to the prevailing standards
- (xvi) Applying practicable and cost-effective renewable energy measures
- (xvii) Maximising internal and external funding sources to deliver energy efficiency improvements that will reduce tenants' fuel bills
- (xviii) Working with partners to give residents access to the most competitive energy suppliers

- (xix) Raising awareness of the running costs of appliances and encouraging the purchase of more efficient appliances

Environmental Sustainability

The council is committed to limiting the environmental impact of its activities as well as ensuring that its contractors have robust environmental policies and use environmentally friendly products wherever possible. As part of its commitment to wider Climate Change and Carbon Reduction the council will work with its maintenance partners to develop their ISO 14001 accreditation.

To address issues of environmental sustainability, the councils investment programme will pursue the following initiatives:

- (i) Reviewing the type of materials specified, with the aim of rationalising material components and the use of more sustainable products;
- (ii) Work with maintenance partners to reduce waste and encourage recycling from all maintenance activities.

SERVICE PRIORITIES

Responsive Repairs

The priorities for the responsive repairs service are:

- Maximising “right first time” repairs;
- Consulting with residents and leaseholders about the way the repairs service should be delivered to continually improve the service;
- Achieving high levels of resident satisfaction and performance;
- Ensuring reported repairs are diagnosed correctly by the Call Centre;
- Providing a flexible appointment response repairs service the which meets residents’ needs;
- Getting the job done right first time, or completed as quickly as possible;
- Carrying out as many repairs as possible under planned maintenance;
- Minimising the number of emergency repairs;
- Re-charging repairs to third parties who wilfully neglect or damage council property;
- Minimising variation orders and ensuring all claims for payment are validated.
- Visiting every tenanted property each year;
- Achieving statutory compliance.

Planned Maintenance

The priorities for the planned maintenance service are:

- Shift the balance of expenditure in favour of planned maintenance over responsive repairs
- Programme work to provide best value and achieve high levels of resident satisfaction;
- Deliver energy saving targets;
- Environmental improvements, such as Sustainable Drainage.

Cyclical Maintenance

The priorities for the cyclical maintenance service are:

- External surfaces of the property that require an applied finish to maintain its weather tightness (on a five to seven year cycle, as appropriate for the property type);
- Landscaping and grounds maintenance;
- Effective maintenance of mechanical and electrical plant and equipment;
- All statutory servicing requirements.

Void's (Capital and Revenue)

The priorities for the voids service are:

- Minimise void turnaround times to make the properties available for letting, and reduce void loss;
- Carry out essential repairs to re-let the property quickly, and carry out all others in agreement with the incoming resident;
- Recharge repairs to parties who wilfully neglect or damage council properties;
- Provide a clean, safe, secure home in reasonable repair for incoming residents.

Non-domestic HRA Assets

Whilst residential dwellings make up the majority of the councils HRA (Housing Revenue Account) holdings, it does also have interests in a number of other non-domestic housing assets such as garages, sheds and miscellaneous building. Some of these assets generate income, others could be considered to be a liability. The council will review these assets as part of its commercialisation plan. These assets will be periodically reviewed to determine the best course of action from the following list:

- Leave as is – do nothing, and review at later date;
- Investment, including refurbishment, remodelling;
- Consideration of alternative uses;
- Redevelopment, both internal and by others;
- Disposal of either the properties or the site;
- Asset rationalisation, including transfer to other organisations.

General Fund Properties

Whilst most of the work of the HRD relates to assets in the HRA it also holds a number within the General Fund. These assets will be reviewed annually to determine the best course of action from the following list:

- Leave as is – do nothing, and review at later date;
- Investment, including refurbishment, remodelling;
- Consideration of alternative uses;
- Redevelopment, both internal and by others;
- Disposal of either the properties or the site;
- Asset rationalisation, including transfer to other organisations.

Leaseholders

The council is committed to expanding homeownership opportunities through the Right to Buy and other low cost home ownership products for its tenants. Through these initiatives and subsequent sales the council currently has a valued relationship with over 4,400 leaseholders and nearly 200 freehold or shared ownership owners. The priorities for the services will be:

- To undertake works in a timely and considerate manner, whilst ensuring that leaseholders receive maximum value for money;
- To support, work with, and encourage leaseholders in their collective “Right to Manage” by selling residual freehold interests to leaseholders where no social tenancies remain in a block;
- To minimise leaseholder charges through effective planning and implementation of works that can demonstrate good value for money;
- To improve communication and consultation with residents, in particular leaseholders, collating the results of views on the necessity, deliverability, and affordability of works;
- A clear strategy for prioritising and programming works that will cover the period from pre-planning through to post contract and recovery of costs;
- To explore the practicality of offering to leaseholders access to our contractors services for the undertaking of works which are outside of the councils obligations (e.g. kitchen modernisation)
- To deliver all repairs, maintenance, improvement and adaptation services to the highest possible service standards and to recoup from

leaseholders and shared ownership parties 100% of the recoverable costs, inclusive of any administration fee and VAT.

Sustainable Communities and Regeneration

The council wants to create a borough where hard-working local residents, on modest and middle incomes, can fulfil their housing aspirations and buy a local home for a reasonable price. Local authorities have a key role to play in unlocking new housing growth through effective asset management. The borough has one of the highest proportions of social housing in London with around 34 per cent socially rented compared to a West London average of 21.5 per cent. However, just over two per cent of the borough's housing is 'intermediate' low cost homes to buy. The council is determined to redress the balance and prioritize the following objectives:

- Deliver Major Economic and Housing Growth;
- Tackle Economic and Social Polarisation.

London Plan "Opportunity Areas"

The council have three London Plan 'Opportunity Areas' in the Borough: Old Oak (HS2); White City, and Earls Court – more than any other borough in London. These are set to deliver 20,000 new homes and 60,000 jobs. In addition to the input into the "Opportunity Areas", the council is using proactive asset management and identifying further opportunities for housing and job growth.

The Earls Court regeneration scheme is the biggest new project in the capital since the Olympics and will give approximately an additional £99million a year boost to the local area. The Developer intends to redevelop 57 acres of land, including the Earls Court Exhibition Centres, Lillie Bridge London Underground Depot and the West Kensington and Gibbs Green housing estates. The "Farrell masterplan", is centred on the concept of building four villages and a high street, and will also comprise:

- Re-provision of 760 homes for existing residents
- Construction of 7,500 new homes, including approximately 1,500 new affordable homes
- Creating 9,500 new permanent jobs;
- Creating 36,000 construction jobs;
- Generating a £99m boost to the local economy per year;
- Building new shops, offices, leisure facilities, public open space, a new school, healthcare centre and community centre;
- Making significant funds available for reinvestment in the wider borough

As part of the White City Opportunity Area, approximately 93 acres of potential development land anchored by the BBC, Imperial College London and Westfield London. The vision is to build thousands of new homes and jobs, creating a housing-led mixed use area. The area will also become a focus for creative industries and innovation with thousands of jobs to be potentially created through the entertainment, biotechnology and high-tech industries led by the BBC and Imperial College London.

- Westfield has received outline planning permission to:
 - Build up to 1,522 homes, which will be potentially available for existing residents who require a transfer;
 - Expand the shopping centre, providing £20million in community benefits.
- Imperial College London secured planning approval for their development which will:
 - Create 3,150 jobs;
 - Deliver £8million in community benefits.

Old Oak Common was named as southern England's key High Speed 2/Crossrail interchange. The council in partnership with three neighbouring authorities and the Mayor of London is developing an Opportunity Area Planning Framework for Old Oak and the wider Park Royal area, which will set out the regeneration ambitions and framework for future developments in the area. The "Farrell masterplan", is centred on the concept of building four villages and a high street, and will also comprise:

- 10,000 new homes;
- 40,000 jobs;
- £2,900m GVA output (£400m net to London).

New Initiatives – Hidden Homes and Joint Venture Vehicle

Hammersmith & Fulham Council is now building homes for the first time in 30 years. In 2011, the Council established a local housing development company structure which has created a major opportunity for the Council to deliver housing and regeneration outcomes using its own land, under its own leadership. The first phase of developments (mainly conversions and infill developments) is underway, and the first site was completed in May 2012. It is anticipated that in the first two years of the programme 30-50 new homes will be built through the local housing company. The affordable properties are being sold at discounted market value so that people living or working in the borough can find a way to get onto the property ladder.

The Council is at the Invitation To Negotiate (ITN) stage of an OJEU procurement process to appoint a private sector partner who would form a housing and regeneration Joint Venture with the Council for a period of 15 years. Two Opportunity Sites with a GDV of £65m and a development capacity of 200 homes have already been identified to be taken forward by the Joint Venture and it is anticipated that further sites with a total GDV of a further £135m will be identified once the private sector partner has been appointed. It is anticipated that the contract award will be made in January 2014 and that starts on site will be made in early 2015. In addition to providing funding and enabling sites to come forward for development, this vehicle will result in increased financial returns to the Council.

Arising from a review of existing land holdings, a number of sites were identified as potential "Hidden Homes". Development with Rational House is intended to deliver a total of over 100 homes, with a return to the council in terms of land value and retained equity in Discount Market Sale (DMS) properties. To support this, a bid of £2.5 - £3m was made against the Mayor's £100 m Housing Covenant Fund to support Low Cost Home Ownership, submitted to the GLA on in November 2012.

MANAGING RISK

COMPLIANCE, HEALTH AND SAFETY

The council has developed appropriate plans and programmes to meet the organisation's statutory obligations and best practice on housing health and safety. The priorities for Health and Safety include, but are not limited to, the following:

- Identifying and managing all risks associated with being a landlord;
- Housing Health and Safety Rating Systems - Housing Act 2004;
- Gas Installations - Gas Safety (Installation and Use) Regulations 1998;
- Asbestos, - Control of Asbestos Regulations 2012;
- Electrical safety and testing - Electricity At Work Regulations 1999;
- Legionella – L8 Approved code of Practice (ACOP) & Control of Substances Hazardous to Health Regulation 2002;
- Fire Safety - Regulatory Reform (Fire Safety) Order 2005;
- Passenger Lift - Lift Regulations 1997.

Risk Management

The council operates a corporate risk register and within that framework the Housing and Regeneration Department operates its own specific risk register in the context of direct management responsibility for nearly 18,000 properties. Risks are assessed annually, and a risk management plan seeks to reduce and mitigate identified risks. The Asset Management Plan identifies many risks and opportunities to the organisation as it involves such substantial resources and has a considerable impact upon the council's legal, financial and reputational standing.

A number of key risks have been identified which relate directly to asset management:

- Failure to bridge any funding gap' identified in the finalised 30 year building cost model;
- Failure of partner contractors to deliver service improvements and efficiencies;
- Failure to maintain homes to a reasonable standard;
- Failure to deliver regeneration on estates;
- Failure to promote sustainable communities;
- Failure to develop new homes, or additional units;
- Failure to meet legislative compliance.

Actions to address these risks are detailed in the risk register. The plan is reviewed and discussed quarterly by the Department's Asset Management & Property Services Management Team. Necessary action is determined, agreed, and implemented to minimise/eradicate any risks as far as practically possible

Resource Prioritisation

The key resource priorities are follows:

- Ensure the programme is fundamentally affordable with available resources;
- Identify and develop potential new business opportunities;
- To reduce responsive maintenance costs;
- Make better use of existing resources;
- Target expenditure to reflects residents' priorities and aspirations;
- Explore all inward investment opportunities i.e. additional prudential borrowing, energy efficiency grants etc;
- Reduce waste and ensure limited resources are effectively used;
- Disposal of unsustainable or high cost properties.

30 Year Business Cost Model – Based on validation work completed to date

We have recognised from reviews undertaken that the asset data held within Codeman, the existing database, was not entirely robust. Therefore, in order to provide a reliable foundation for the 2013-2016 Asset Management Plan, we commissioned Lambert Smith Hampton (LSH) and Pennington Choices to undertake a review and validation of the stock condition data. In future years it is intended that additional validation exercises will be undertaken on samples of stock to ensure the data remains accurate.

Set out below is the latest draft 30 year forecast which is based on the validation work that has been undertaken to date, supplemented with additional information not subject to survey e.g. lifts, disabled adaptations, cyclical works.

Further work over the coming weeks and months will seek to refine the information to satisfy a number of important, and often competing, practical and financial objectives, namely:

- To achieve a reasonable overall uniformity of annual expenditure
- To give a reasonable balance of trade inputs year by year

- To prevent unnecessary repeat visits to individual properties
- To achieve a logical relationship to the paint cycle

Based on the validation work completed, LSH believed that the Savills dataset from the 2009 survey, while having some issues and gaps, was of a standard which was satisfactory to form the basis of a draft forecast. The issues which were identified and needed to be investigated and resolved were looked at via additional validation surveys.

Additionally, the dataset behind the 30 year forecast did not include all of the works that the Council undertook since 2009. This data was collated and uploaded into the dataset and will continue on an on-going basis

Moving forward, a robust process is being put in place to capture future works and surveys that are undertaken and then reflect this in the stock condition dataset. This is critical to the on-going ability to business plan and to make financial decisions. Additionally, while the Council has some knowledge about the costs associated with other aspects of its maintenance needs, apart from that identified in the stock condition survey, this is currently fragmented and there is a need to pull existing information together, to scope cost investment need and to include these maintenance costs as part of investment planning.

A key priority for the Asset Management Plan is to ensure that the programme is affordable. Therefore, as work proceeds and any significant changes occur projections will be revised, if there are any significant variances then a further full report will be produced in conjunction with finance and the Asset Management Plan will be revised accordingly

Element	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Bathroom	0	234	188	329	281	1,255	6,191	7,413	9,910	18,746	44,548
Communal	1,033	1,286	1,237	1,876	1,438	4,505	4,609	2,792	4,007	3,234	26,016
Doors	1,735	1,753	1,872	1,703	1,922	2,645	1,834	3,332	3,497	1,541	21,834
Electrics	0	986	927	869	1,066	4,386	4,642	7,582	9,106	17,816	47,381
External Environment	1,581	821	1,105	858	1,256	4,216	1,967	1,554	2,276	3,926	19,560
External Features	2,837	2,774	1,951	967	1,694	4,675	3,046	3,364	3,222	4,041	28,570
External Walls	1,499	1,517	1,698	542	694	12,631	8,534	5,513	1,272	1,164	35,064
Heating & Hot Water	2,845	3,071	3,249	3,058	3,732	21,475	17,663	17,396	22,289	18,800	113,578
Kitchen	0	2,340	1,787	1,700	1,701	6,888	15,552	18,715	24,227	12,083	84,993
Outbuildings & Garages	77	79	169	78	82	109	82	235	158	277	1,347
Roof	1,110	1,168	2,590	959	1,656	2,978	6,927	8,259	8,348	2,668	36,665
Safety & Security Measures	462	483	462	155	160	2,102	1,116	759	2,102	1,116	8,916
Windows	3,575	3,183	3,324	2,981	2,209	4,131	1,064	2,894	8,130	3,297	34,788
Sub-Total LSH	16,755	19,698	20,557	16,075	17,890	71,997	73,228	79,808	98,543	88,710	503,260
Cyclical Decs/Repairs	7,286	7,286	7,286	7,286	7,286	36,429	36,429	36,429	36,429	36,429	218,571
Lift modernisation	4,488	4,488	4,488	4,488	4,488	2,900	770	2,600	2,340	20,940	51,990
Lift component renewal	200	200	200	200	200	1,000	1,000	1,000	1,000	1,000	6,000
Disabled Adaptations	800	800	800	800	800	4,000	4,000	4,000	4,000	4,000	24,000
Voids	2,700	2,500	2,500	2,500	2,500	12,500	12,500	12,500	12,500	12,500	75,200
Capital repairs	1,325	1,325	1,325	1,325	1,325	6,625	6,625	6,625	6,625	6,625	39,750
M&E ad hoc capital	150	150	150	150	150	750	750	750	750	750	4,500
Planned repairs	500	500	500	500	500	2,500	2,500	2,500	2,500	2,500	15,000
Asbestos	50	50	50	50	50	250	250	250	250	250	1,500
Fire Safety	1,500	1,000	1,000	1,000	1,000	2,500	2,500	2,500	2,500	2,500	18,000
Water tanks	450	350	350	350	350	1,750	1,750	1,750	2,500	2,500	12,100
Warden call system	500								550		1,050
New controlled access	150	150	150	150	150						750
Booster Pumps	200	200	200	200	200	1,000	1,000	1,000	1,000	1,000	6,000
Estate lighting	150	150	150	150	150	500	500	500	500	500	3,250
Communal TV systems	0	250	250					4500			5,000
Boiler monitoring systems	525								525		1,050
Lift monitoring systems	600							250	600		1,450
Minor Estate Improvements	270	270	270	270	270	1,350	1,350	1,350	1,350	1,350	8,100
Estate Improvement Programme	220	220	220	220	220	1,100	1,100	1,100	1,100	1,100	6,600
Carbon reduction plan	400	400	400	400	400	2,000					4,000
Other Environmental	735										735
CCTV	250	250	250	250	250	1,250	1,250	1,250	1,250	1,250	7,500
IT	250	250	250	250	250	1,250	1,250	1,250	1,250	1,250	7,500
Regeneration/Decent Homes	362										362
Brought Forward/Unforeseen	500	500	500	500	500	2,500	2,500	2,500	2,500	2,500	15,000
Sub-Total H&F add-ons	24,561	21,289	21,289	21,039	21,039	82,154	78,024	84,604	82,019	98,944	534,958
Project Management/fees	2,066	2,049	2,092	1,856	1,946	7,708	7,563	8,221	9,028	9,383	51,911
Grand Total	43,381	43,036	43,938	38,969	40,875	161,858	158,814	172,632	189,590	197,036	1,090,130
Annual	43,381	43,036	43,938	38,969	40,875	32,372	31,763	34,526	37,918	39,407	36,338
5-Year catch-up smoothed	37,037	43,291	43,291	43,291	43,291						
NB. Years 2 onwards are base costs and exclude inflation and the impact of stock movements. These factors are applied within the HRA Business Plan model.											

Category 1: Prior Commitments			
Ref	Scheme	Description	Budget
1	Warden Call System upgrade	Replacement of emergency call systems within sheltered housing	493
2	Building Energy Management Systems Phase 1	Installation of remote monitoring systems for communal heating	175
3	Ashcroft Square lifts	Full modernisation of 7 no. passenger lifts	1,060
4	Campbell, Denham, Mitchell lifts	Full modernisation of 6 no. passenger lifts	770
5	Elevator Monitoring Units (EMUs)	Installation of remote monitoring units within passenger lifts	200
6	Street Properties PPM Year 1	External/communal refurbishment	3,871
7	Becklow Gardens PPM	External/communal refurbishment	1,425
8	Ellenborough, Lawrence etc windows/PPM	External/communal refurbishment	2,850
9	Philpot Square B & C windows	Window replacement; external/communal refurbishment	700
10	Frithville Gardens estate windows	Window replacement; external/communal refurbishment	700
11	Chelmsford Close/St Albans Terrace windows	Window replacement; external/communal refurbishment	850
12	Bearcroft House windows	Window replacement; external/communal refurbishment	350
13	Richard Knight House windows	Window replacement; external/communal refurbishment	100
14	Rainville Court windows	Window replacement; external/communal refurbishment	450
15	Jepson House	Decent homes improvements	78
16	Edward Woods Tower Blocks	Overcladding and other works	284
Sub-total			14,356
Category 2: Statutory works; Health & Safety priorities; capitalisation			
Ref	Scheme	Description	Budget
17	Fire Safety improvements	Various works arising from Fire Risk Assessments	1,500
18	Waterhouse Close fire alarm	Installation of fire alarm system as none existing	55
19	Water tank replacements	Replacement of communal cold water storage systems	349
20	Disabled Adaptations	Provision of aids and adaptations	800
21	Landlord's electrical, various sites	Replacement of VIR cabling, risers and distribution boards	225
22	Landlord's and emergency lighting, various	Lighting replacement and installation of emergency lighting	328
23	Asbestos works	Contingency for containment/removal works	50
24	Gas contract boiler replacements	Ad hoc boiler replacement	500
25	Major voids	Major refurbishment of void properties	2,750
26	Tenant Halls	Essential works to TRA/Community halls (H&S, DDA, general fabric)	150
27	Planned capital repairs	Capitalisation of planned repair works	500
28	Responsive capital repairs	Capitalisation of responsive repair works	800
29	Roof renewals programme	Ad hoc roof replacement	200
30	Capitalised mechanical & electrical	Ad hoc capital works	150
31	Drainage works	Major improvements and sustainable drainage initiatives	100
32	Refuse chutes, hoppers	Replacement of defective refuse facilities	75
33	Estate Roads	Major works to estate roads, paths, parking areas etc	100
34	Project management	Project management costs, engineers, architects etc	1,653
35	IT	Major IT projects, systems development	250
Sub-total			10,535
Category 3: Mechanical & Electrical services, building structure			
Ref	Scheme	Description	Budget
36	Woodmans Mews communal boilers	Replacement of 2no. Communal boilers	24
37	Seagrave Road estate communal boilers	Replacement of 2no. Communal boilers	170
38	Meadowbank Close communal boilers	Replacement of 2no. Communal boilers	90
39	Malvern Court communal boiler	Replacement of 2no. Communal boilers	120
40	Building Energy Management Systems Phase 2	Installation of remote monitoring systems for communal heating	205
41	Wall insulation & other energy efficiency	Potential LBHF contributions to match-funded energy initiatives	400
42	Queen Caroline lifts (Caroline, Eleanor, Elizabeth, Margaret, Isabella)	Full modernisation of 5 no. passenger lifts	560
43	Meadowbank Close, Cedar Lodge, Ash Lodge	Full modernisation of 5 no. passenger lifts	660
44	Field Road Estate lifts	Full modernisation of 6 no. passenger lifts	800
45	White City lifts (Evans, Hastings, Davis, Baird)	Full modernisation of 4 no. passenger lifts	500
46	Sullivan Court Blocks J, L, M	Full modernisation of 6 no. passenger lifts	740
47	Aspen Gardens	Full modernisation of 3 no. passenger lifts	370
48	Cobbs Hall	Full modernisation of 2 no. passenger lifts	250
49	Viking Ct & Barclay Road	Full modernisation of 4 no. passenger lifts	500
50	Lifts reprofiling	Reprofiling of lift modernisation projects cashflowed over two years	-3,228
51	West Kensington Estate high-rise	Lift component renewal to 10 no. passenger lifts	400
52	Lift telephone lines	Replacement of lift call lines with GSM	85
53	Street Properties & blocks PPM Year 2	External/communal refurbishment	6,025
54	Peterborough Road windows	Window replacement; external/communal refurbishment	150
55	Planetree Court windows	Window replacement; external/communal refurbishment	600
56	Controlled Access upgrades - White City Estate	Upgrade of existing old installations	400
57	Controlled Access upgrades - Sullivan Court	Upgrade of existing old installations	200
58	New Controlled Access - Cox, Horton	Installation of new controlled entry systems	150
Sub-total			10,171
Category 4: Internal amenity, estate works, miscellaneous			
Ref	Scheme	Description	Budget
59	Estates CCTV	New systems and extension of existing	250
60	Minor Estate Improvement programme	Minor improvements to estate amenities or tenant facilities	270
61	Groundwork Estate Improvements	Environmental projects, (e.g. hard/soft landscaping)	220
62	Flora Gardens sheds	Provision of green roofs	35
63	Fulham Court roads and paths	Improvements to estate roads and paths	200
64	Rainville Road environmental works	Improvements to towpaths; sustainable drainage	350
65	Play Areas	New ball court Rainville Ct; new play area, Cox House	150
66	Brought forward/Unforeseen works	Contingency for brought forward works/unforeseen new calls	500
Sub-total			1,975
Grand Total			37,037

Category 1: Prior Commitments					
Ref	Description	2013/14	2014/15	2015/16	3-Year
1	Warden Call systems	493			493
2	Heating	175			175
3	Lifts	2,030			2,030
4	Planned Maintenance	8,146			8,146
5	Windows/roofs/major refurbishment	3,150			3,150
6	Decent Homes	78			78
7	Edward Woods Regeneration	284			284
Sub-total		14,356	0	0	14,356
Category 2: Statutory works; Health & Safety priorities; capitalisation					
Ref	Description	2013/14	2014/15	2015/16	3-Year
8	Fire Safety	1,555	1,000	1,000	3,555
9	Water Supply	349	550	550	1,449
10	Disabled Adaptations	800	800	800	2,400
11	Landlord's electrics	553	600	600	1,753
12	Asbestos	50	50	50	150
13	Boiler replacement	500	500	500	1,500
14	Major Voids	2,750	2,500	2,500	7,750
15	Tenant Halls	150	100	100	350
16	Capital repairs	1,925	1,875	1,875	5,675
17	Project Management	1,653	2,049	2,092	5,794
18	IT	250	250	250	750
Sub-total		10,535	10,274	10,317	31,126
Category 3: Mechanical & Electrical services, building structure					
Ref	Description	2013/14	2014/15	2015/16	3-Year
19	Heating	609	3,021	3,241	6,871
20	Energy efficiency	400	400	400	1,200
21	Estate Lighting	0	150	150	300
22	Communal TV		250	250	500
21	Lifts	1,637	5,728	5,668	13,033
22	Planned Maintenance	6,025	12,863	12,772	31,660
23	Windows/roof/major refurbishment	750	6,104	7,785	14,639
24	Controlled Access	750	800	800	2,350
Sub-total		10,171	29,316	31,066	70,553
Category 4: Internal amenity, estate works, miscellaneous					
Ref	Description	2013/14	2014/15	2015/16	3-Year
25	Internal modernisation	0	2,961	2,301	5,262
26	CCTV	250	250	250	750
27	Estate Works	1,225	1,390	1,760	4,375
28	Contingency	500	500	500	1,500
Sub-total		1,975	5,101	4,811	11,887
Grand Total		37,037	44,691	46,194	127,922

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">8 APRIL 2013</p>
<p>AWARD OF NEW HOUSING REPAIRS AND MAINTENANCE CONTRACT</p>	
<p>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information relating to the evaluation of the tenders received.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director for Housing and Regeneration</p>	
<p>Report Author: Stephen Kirrage - Director Asset Management & Property Services Ian Watts - Commercial & Contracts Manager</p>	<p>Contact Details: Tel: 020 8753 3064 E-mail: Stephen.Kirrage@lbhf.gov.uk Ian.Watts@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The Housing Revenue Account (HRA) Financial Strategy and Rent Increase 2013/14 report was approved by Cabinet on 11th February 2013. The report noted £6 million savings in management costs between 2008 and 2010. A further HRA Medium Term Financial Strategy (MTFS) transformation programme is underway to achieve on-going revenue savings of £4m per annum from 2014/15 onwards. Delivery of the transformation savings programme is required to contain the current reliance on asset sales to fund on-going repairs and maintenance activity and to improve the financial position of the HRA overall, freeing up investment for debt repayment, innovation, estate improvements and service improvement.

- 1.2. The Cabinet report “Housing Revenue Account – Medium Term Financial Strategy Transformation Programme: Housing Services Market Testing and Repairs and Maintenance Re-procurement Exercise” approved on 21 May 2012 gave authority to proceed with procuring (the provision of) a new 10 year Housing Repairs and Maintenance Contract with an option to extend for a further 5 years.
- 1.3. The report of the 21 May 2012 also provided delegated authority “that the provisions of Contract Standing Orders (Section 3, para. 9.2) be waived and authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director for Housing and Regeneration, to progress the related procurement processes up to, but not including Contract Award. Subsequent decisions relating to the entering into of contractual arrangements will be the subject of a further report back to Cabinet.”
- 1.4. In October 2012 the Cabinet Member for Housing approved the short-list of organisations, which, following the Pre-Qualification(PQQ) process, were invited to tender for the Borough Wide Housing Repairs and Maintenance Services Contract (Lot 1), for the North of the Borough Housing Repairs and Maintenance Services Contract (Lot 2),and/or for the South of the Borough Housing Repairs and Maintenance Services Contract (Lot 3).
- 1.5. The tender evaluation process for the repairs and maintenance contract(s) is now complete and this report sets out to:
 - a) Update Cabinet on the procurement process with a recommendation to award the contract under Lot 1 Housing Repairs and Maintenance on a borough wide basis and to outsource a number of related service teams; as set out in Section 4.2 of this report;
 - b) Outline the major differences in approach between the existing contracts and the proposed new contract; and
 - c) Report on the progress made by Property Services in relation to its savings targets under the agreed HRA MTFs Transformation Programme.

2. RECOMMENDATIONS

- 2.1. That officers’ recommendation that the Repairs and Maintenance contract be awarded to MITIE Property Services (UK) Ltd be noted.
- 2.2. That authority be delegated to the Cabinet Member for Housing in conjunction with the Executive Director for Housing & Regeneration to:

- (i) award a borough wide sole supply contract under Lot 1, Housing Repairs and Maintenance Contract(s) 2013-2023 to MITIE Property Services (UK) Ltd, to provide works and services for a 10 year period (2013-2023), with the option to extend for a further 5 year period, subject to due regard being taken of the outcome of the section 20 consultation described in paragraphs 7.2.1 and 7.2.2. of this report.
 - (ii) approve any necessary amendments to the contract in light of the consultations.
- 2.3. That the notional Annual Contract Value¹ in the region of £17.9m, subject to annual indexation, and including revenue works (HRA), capital works and some further call off provision for capital schemes, be noted (this figure assumes that all KPIs are achieved and full incentivisation payments made).
- 2.4. That the TUPE transfer of approximately 41 Council staff to the new contractor be noted and that approval be given for the Council to enter into any necessary ancillary agreements as a result of such transfer.

3. REASONS FOR DECISION

- 3.1. Following creation of the ALMO in June 2004, a tender process was agreed for the reactive repairs and voids contracts in August 2004. In July 2005 a repairs contract for the south of the borough and a separate contract for voids work (for the whole borough) were awarded and at the same time a decision was taken to proceed with a tender for the north of the borough with the subsequent repairs contract being let in 2007. In addition separate contracts for the north and south of the borough for the servicing and maintenance of domestic gas installations were let in 2006.
- 3.2. The current repairs and maintenance contracts have been timed to expire this year, with two of the four contracts having no further extension available. Officers have conducted an extensive procurement exercise as outlined elsewhere in this report and as detailed in the report submitted and approved by Cabinet on 21st May 2012.
- 3.3. Approximately one thousand repairs are undertaken each week and repairs and maintenance activity is a significant driver of resident satisfaction but all too often feedback from residents and members is that service is below expectations. Therefore, rather than simply mirroring past re-procurement exercises, the opportunity was taken to undertake a root and branch review of the service.

¹ See para. 5.1.1 for explanation of the difference between notional annual contract value & annual budget

Current experience

- Poor diagnosis of the fault at first call stage which leads to wasted visits, resident dissatisfaction and extra costs;
 - Inconsistent interpretation of the repairs policy leading to customer confusion and dissatisfaction;
 - Numerous chase up calls are needed to ensure that the repair gets done;
 - Missed appointments;
 - Inconsistent hand-offs between call centre and different contractors;
 - Failure to get repairs done right first time and little or no incentivisation to drive contractor behaviours; and
 - Insufficient client side focus on the commercial management of the contracts; weak contractual terms and conditions and insufficient obligations on the contractor to provide prompt financial information to ensure that the best possible costs are achieved
- 3.4. In a drive to improve both the cost effectiveness and service quality of the housing repairs and maintenance service, a contract specification and performance framework has been drawn up which incentivises the contractor to “get it right first time”.
- 3.5. In addition, the revised output based specifications of the new contract puts responsibility for repair diagnosis and delivery squarely with the contractor, supported by a payment regime which incentivises “right first time” and penalises customer dissatisfaction.
- 3.6. Incentivised Key Performance Indicators (KPIs) - see Appendix 1 - and improvements in the financial information provided by the contractor are part of the contractual terms that combined with the measures above, will help to change and drive behaviours leading to a continuous improved service at reduced cost.

Future experience

- The contractor is incentivised to get the job done right first time - if a job is done poorly repeat calls will not be paid for by the Council;
- Call centre run and managed by the “repair experts” - the contractor, who carries the cost risk of poor call handling;

- Contractor uses their own dynamic scheduling system to log, diagnose and make appointments;
- Use of SMS text messages to confirm appointments;
- Future use of smartphone “apps” for residents to request repairs, submit supporting images and make/change appointments;
- Residents are contacted within 15 minutes of completion to provide feedback on the repair;
- Repairs policy will form part of the contract;
- Planners have real-time visibility of demand and appointments via large plasma/LCD screens;
- Independent customer satisfaction surveys will constitute a part of the incentivised KPIs to support performance management arrangements
- Use of one repair system linked to the Council’s housing management and financial systems will provide more robust and transparent cost control;
- Fewer contractors leading to less hand-offs between suppliers;
- Majority of the work (excluding communal works) is priced on a fixed lump sum price per property basis;
- Fixed price per property provides more budget and forecasting certainty;
- Officers will have the ability to access Management Information from one system via a web portal;
- Improved use of data (utilising MITIE’s GIS mapping) to plot repair volumes and spend by location, leading to informed decisions and improved management of assets;
- A Property Services management team, re-structured to reflect the needs of managing a large sole supply contract. Emphasis will switch from managing less day to day issues, to a more strategic approach focussed on; contract management, compliance monitoring, customer quality and a unified approach to asset management; and
- All properties to be inspected annually, to assist in preventing dis-repair and abuse.

- 3.7. Following evaluation of all tenders submitted under 3 separate Lots, the tender submitted by MITIE Property Services (UK) Ltd., under Lot 1 (borough wide sole supply) represents the best value for money; will deliver the MTFs savings target allocated to Property Services and will provide the desired improvements in service and quality of delivery, necessary to increase the customer satisfaction ratings.
- 3.8. Results of the tender exercise reveal that the highest ranked tenderer for the whole borough is over 11.6% more cost effective than the two highest ranked tenderers for Lots 2 & 3. The best value for money solution for two contractors, one in the north and one in the south of the borough would add over £2m to the cost, per annum, which would negate any savings achieved through the procurement exercise

4. INTRODUCTION AND BACKGROUND

- 4.1. To enable delivery of part of the programme, on 21 May 2012 Cabinet gave approval to proceed with procuring (the provision of) a 10 year Housing Repairs and Maintenance Contract (with an option to extend for a further 5 years), to incorporate the packaging together of all responsive repairs, gas, voids and as much of the planned maintenance works as possible, into either a single borough wide contract or, via 2 contracts split north and south of the borough. This was done so as to maximise value for money, improve the efficiency and benefits of the service to residents and improve the resilience of the overall service.
- 4.2. Approval was also granted to include the outsourcing of a range of closely interwoven services currently handled in-house, which would better sit with the new contractor; these being:
- Repairs Call Centre; responsible for handling all repair related calls from residents, diagnosing the cause of faults, arranging appointments and appointing the appropriate contractors;
 - Gas team; arranging servicing and gas safety inspections and liaising with gas contractors;
 - Voids (Repairs team); manage the in-work voids process from notification by Housing Management to handing back of keys when work is complete;
 - Technical Team; carry out pre & post inspections and diagnosis and specification of works (reactive repairs only); and

- Works Contract; part of the direct labour force located in Transport and Technical Services, who carry out repairs & maintenance to domestic communal mechanical and engineering installations.
- 4.3. Council officers have now completed the tender evaluation for the Housing Repairs and Maintenance procurement. This stage also ensures that all organisations who tendered have met the financial requirements to undertake the advertised services, and their technical proposals have been scored and ranked in order to determine the most economically advantageous tender. This report outlines the process undertaken to date, and based on the tender evaluation, recommends the organisation who should be provisionally invited to contract with the Council.
 - 4.4. The contract will run for an initial 10 years from November 2013 or earlier, with an option to extend for a further 5 years.
 - 4.5. Notices of Intention were issued on 2 March 2012 to leaseholders, and a Prior Information Notice (PIN) was issued on 22nd March 2012, and subsequently published on 27 March 2012 (reference 2012/S 60-097365).
 - 4.6. A 'Meet the Buyer' day was held on 27 April 2012 for prospective contractors and service providers, for both Property Services and Housing Services, with over 100 people in attendance. The event was hosted by the Cabinet Member for Housing and included presentations from the Cabinet Member, the Executive Director for Housing and Regeneration and the Director of Asset Management and Property Services. 27 building contractors attended and this gave the opportunity for contractors and officers to exchange ideas, in preparation for the issuing of the tender specifications.
 - 4.7. A contract advertisement (ref 2012/S 119-196850) and pre-qualification questionnaire (PQQ) was issued on 19 June 2012, and subsequently an advertisement was published on 23 June 2012, on the London Tenders Portal.
 - 4.8. Organisations were required to submit their completed PQQs by 26 July, 2012. One hundred and thirty six initial expressions of interest were registered on the e-tendering system (London Tenders Portal), out of which thirteen submitted completed application forms (PQQs).
 - 4.9. The PQQ set out the information required by the Council in order to assess the suitability of applicants in terms of their technical knowledge and experience, capability/capacity and organisational and financial standing, in order to meet the requirements of the Council and the technical demands of the service.
 - 4.10. The Tender Appraisal Panel markers convened on 30th August 2012 to undertake a consensus scoring of the PQQs received. Expert advice from specialist officers in Finance and Health and Safety was also sought for the evaluation of the financial assessment and Health and Safety criteria.

- 4.11. Five of the thirteen applications failed the evaluation criteria and officers submitted a recommendation and gained approval from the Cabinet Member for Housing on 11 October 2012, that the following companies be invited to tender for the contract to provide housing repairs and maintenance services:

Contract Lot 1 – Borough Wide	Contract Lot 2 – North of the Borough only	Contract Lot 3 – South of the Borough only
Axis Europe plc	Apollo Property Services Group Ltd	Axis Europe plc
Kier Services Ltd	Geoffrey Osborne Ltd	MITIE Property Services (UK) Ltd
Mears Ltd	Kier Services Ltd	Willmott Dixon Partnerships Ltd
MITIE Property Services (UK) Ltd	Mears Ltd	
Morrison Facilities Services Ltd	Morrison Facilities Services Ltd	
Willmott Dixon Partnerships Ltd		

- 4.12. The invitation to tender (ITT) was issued on the London Tenders portal on the 29th October 2012 (contract reference number DNWC – 8VEJHJZ). The portal closed to questions from tenderers on 19 December 2012. The deadline for tender submissions, originally set for 21 December 2012, was extended following requests from several tenderers, to the 11th January 2013.
- 4.13. Mid tender reviews were held on 13 and 14 November 2012. All tenderers were invited to attend individual mid-tender clarification meetings prior to the submission of their tenders. A written record of all questions asked and answers given was issued (in anonymised form) via the tender portal.
- 4.14. Morrison Facilities Services Ltd formally withdrew from the tender process following their acquisition by Mears Ltd (in accordance with the terms of the Council's PQQ).
- 4.15. A total of 10 tenders were received from 6 separate tenderers, with some tenderers submitting tenders for two Lots.

- 4.16. An evaluation team was established to complete the quality marking. Each tender was evaluated against the qualitative aspects of the bid using the criteria and weightings set out in the ITT, "Evaluation Methodology & Award Criteria", Appendix 2 refers. The evaluation comprised of a wide range of organisational, operational, service delivery, IT. and quality control proposals that were scored on a consensus basis.
- 4.17. The Council appointed Keegans Ltd. as their professional Chartered Quantity Surveyors (QS) and their remit included:
- Providing a detailed tender price breakdown;
 - Construction of pre-tender estimate of costs; and
 - Lead on the evaluation and scoring of the pricing elements of the tenders.
- 4.18. The tender price breakdown was prepared with specific reference to the specification of each element for the works. The elements of work are required to be priced in accordance with various mechanisms, dependent upon the type of work. For example, tenanted properties are priced under an annual lump sum; communal works, where Section 20 leaseholder charges apply, are priced under a published schedule of rates and planned upgrade works are priced under a tendered bespoke schedule of rates.
- 4.19. Where lump sum pricing is required, the pricing schedule identified three property archetypes:
- Street Properties;
 - Purpose built properties up to 6 storeys; and
 - Purpose built properties over 6 storeys.

In addition, each archetype was split down by bedroom size ranging from bed-sit, to those having more than 4 bedrooms.

- 4.20. For service elements that applied only to blocks, a full property list was provided, with the specifications detailing the extent of equipment in each block, and the tenderer having the option of submitting an individual price for each block.
- 4.21. Pre-tender estimates were worked up by reference to the tender specifications, Keegans' information of previous tender pricing and procurement exercises, and knowledge of the current market situation. They were prepared independently without reference to the Council's departmental working budget, in order that they should be as objective as possible. Thereafter, they were compared to the budget to establish whether the target

saving's figure was likely to be achieved, prior to the tender specifications being finalised.

- 4.22. Following clarifications and completion of the pricing evaluation scores for the pricing and qualitative aspects for each tender were combined. An overall score was achieved for each tender response with a weighting of 60% applied to pricing and 40% to quality.
- 4.23. A Tender Appraisal Panel (TAP) meeting was held on the 21st February 2013, chaired by the Director Asset Management and Property Services, with representatives from Legal and Procurement in attendance, together with the Director of Finance and Resources – Housing and Regeneration Dept. (HRD).
- 4.24. Officers presented a report recommending that a decision be taken to Cabinet to seek approval to award a borough wide sole supply contract under Lot 1, Housing Repairs and Maintenance Contract(s) to MITIE Property Services (UK) Ltd. The contract to provide works and services for a 10 year period (2013-2023), with the option to extend for a further 5 years.

5. PROPOSAL AND ISSUES

5.1. Value for Money

5.1.1. The notional contract value of £17.9m contains both capital and revenue expenditure², as well as the provisional quantities for various items of work. This is used to establish a pre-determined, like-for-like basis for cost evaluation of tenders, and for the reasons identified below, does not necessarily directly correlate to the annual expenditure under the contract:

- The pricing mechanism of this contract includes a series of bespoke schedules of rates for renewal of kitchens and/or bathrooms. The tender price is based on a provisional number of these, and officers will prepare schemes each year, balancing the numbers to suit budget availability. The budget for 2014/15 is based on upgrading 150 kitchens and bathrooms. This expenditure is additional to the larger schemes undertaken by the Planned Preventative Maintenance Team;
- The pricing mechanism for the majority of the revenue works is based on lump sum prices, which are linked to KPIs with financial deductions for failure of service. Whereas this entails a pre-

² Capital expenditure is that which is directly attributable to the acquisition, construction or enhancement of fixed assets, which are items held in the long term (over one financial year at least). Revenue expenditure is all other expenditure – generally day to day expenditure on repairs and maintenance. For example, refurbishment of a property will probably be capital expenditure whilst day to day repairs are treated as revenue.

determined budget commitment, the risk of performance efficiency is suitably placed with the contractor. These fixed prices have been factored into the 2014/2015 indicative budget figures given in this report; and

- The provisional items are principally included in the pricing mechanism to allow for flexibility in ordering works which may arise, but do not form part of any firm commitment at tender stage. This allows the Council an element of flexibility under the contract for unforeseen issues.

5.1.2. The table below demonstrates the year on year savings that will be achieved through the new contract terms, based on existing predicted volumes.

Budget savings	2012/13	2013/14	2014/15
	Based on existing arrangements	Based on 6 months existing arrangements and 6 months new contract	First full year with new contract
Capital	£ 7,390,000	£ 7,025,000	£ 6,513,000
Revenue	£ 14,512,500	£ 14,006,000	£ 12,958,000
Repairs Budget Total	£ 21,902,500	£ 21,031,000	£ 19,471,000
Revenue Savings		£ 506,500	£ 1,048,000
Capital Savings		£ 365,000	£ 512,000

Note: The budget figures contain extra planned quantities of work, over and above that contained in the notional contract value and this extra work will benefit from the new contract terms.

5.1.3. This proposal for a repairs and maintenance contract consists of delivery of a number of service elements, some of which have differing styles of service demand:

- Day-to-day repairs are very largely response driven;
- Mechanical & Electrical (M&E) servicing is driven by a prescribed calendar of actions, with some response repairs arising from the servicing report; and
- Planned Maintenance allows for a longer term sustainable approach allied to programmed budget spend.

5.1.4. To meet these various demands, each of the service delivery elements of the contract has been priced separately using a variety of mechanisms that are intended to:

- Provide certainty of commitment and clarity of costs, enabling improved budget control and accountability;
- Prevent unnecessary confrontation between contractor and client, utilising clear processes in the contract;
- Allow for variation, validation and modification during the course of the contract; and
- Comply with the requirements of the Commonhold and Leasehold Reform Act 2002.

5.1.5. Listed in Appendix 3 – Service Delivery Pricing, are the service delivery elements of the contract, and the contractual price mechanisms that will be used to manage the costs.

5.1.6. All of these mechanisms will allow officers to be able to control and manage the level of spend within pre-determined budgets.

5.1.7. In addition, the lump sum pricing arrangements for the planned maintenance elements will allow operational and finance officers to agree budgets in advance, with the full knowledge and transparency of what can be achieved within cost limits.

5.1.8. In conjunction with the Council, MITIE will agree a standard list of materials and goods that will be used throughout the duration of the contract. This will be kept under regular review and changes will be made where there is a demonstrable business case to do so and as the needs of the Council and residents change and as products and technology evolve.

5.2. **Service Delivery**

5.2.1. MITIE provided the optimum combination of value for money combined with a good quality service offering. Some of the key features of their service offering include:

- Call centre staff will be provided with front end tools to gather the right information to enable planners to send the right operative to the job. MITIE's own IT system has a dynamic scheduling system for allocating and recording appointments at first point of call;
- There will be a single point of contact for all resident enquiries 24x7, regardless of whether the call relates to repairs, gas, M&E or

planned works/general enquiries. Calls for repair requests can be made at any time of the day or night;

- MITIE will have some staff based in the existing area offices, but also intends to base supervisors, RLOs, handypersons and operatives local to the work, using a combination of supplier branches and small shop fronts/offices close to or within the estates. The rationale for this approach is to minimise travel, facilitate local knowledge of the stock and to present visibility on the estates;
- It is also proposed that a compliance team consisting of a compliance manager, performance administrator, health and safety coordinator and complaints officer are co-located with Council staff;
- MITIE's systems have been designed to support their processes rather than being driven by the system. Key to getting repairs right first time is a combination of resource allocation and having a multi-trade workforce. MITIE will review the top 20 repair types, analyse what skills are required to undertake the repairs and ensure that operatives are up-skilled accordingly;
- Operatives are supplied with hand held PDA's in order that information can be captured in "real time". This helps drive efficiencies both in terms of scheduling work and alerting the supply chain when van stocks are running low;
- MITIE have also provided resilience in their supply chain by identifying two major suppliers in the local area for each work type (building, plumbing and electrical);
- MITIE are an experienced provider of gas servicing and maintenance contracts across both domestic and communal systems and have provided evidence and case studies showing how they can achieve 100% compliance for gas safety certification. In recognition of their effective methodologies they were asked to present their methods at a HouseMark³ conference; and
- MITIE have an integrated IT system so if a resident rings in for a repair, the system flags up if a gas service is due. The system also provides clear transparent information, so that officers can monitor compliance. The Council will be afforded full visibility of MITIE's IT system; this is something that MITIE already provide in other contracts.

³ HouseMark is a nationally recognised benchmarking organisation that LBHF subscribes to.

5.3. Cost Control

- 5.3.1. Cost control and budget monitoring will be a pivotal point of shared knowledge between client and contractor and MITIE have experience of managing client budgets; agreeing them jointly based upon the previous year and taking full responsibility for delivery of services within that budget, with any overspend being their responsibility.

5.4. Local opportunities

- 5.4.1. MITIE is partnered with “Working Knowledge” a social enterprise dedicated to bridging the gap between education and the workplace. The partnership involves MITIE employees taking on roles as Business Experts in “Dragon’s Den” style enterprise events. MITIE have committed to actively promote and support this initiative within LBHF.
- 5.4.2. MITIE has a committed “Real Apprentice Programme” that works to break down barriers and help the long-term unemployed and people with physical or learning difficulties back into the world of work through training and placement at MITIE and its clients
- 5.4.3. Construction Youth Trust currently work within the borough to help deliver employment and training opportunities. They provide a range of support and provide links to local schools, colleges and youth clubs. MITIE have an agreement with the CYT , who will help them to achieve the following:
 - **Awareness** – promoting the construction industry and their business;
 - **Coaching and mentoring** – our staff, residents and trainees;
 - **Education and skills awareness** – by highlighting the opportunities that exist;
 - **Employment brokerage** – by creating links with local businesses and Job Centre Plus;
 - **Outreach work** – to help MITIE reach all sections of the community; and
 - **Work placements** – in our business and through our suppliers.

MITIE will commission the CYT Mobile Classroom to get “out and about” onto estates and will agree with the Council the initiatives to be progressed in order that they are co-ordinated with other initiatives

5.4.4. MITIE are committed to engage with and play an active part in the “White City Challenge” and have highlighted a number of ways in which they could add value:

- Facilitate estate walkabout’s with neighbourhood police officers and TRA’s to identify measures to reduce anti-social behaviour;
- Provide technical support to TRA’s regarding surveying and asset management;
- Provide repair data to TRA’s and use tools such as our GIS mapping to help identify areas and scope of communal repairs;
- Work with and provide support to TRA’s to prioritise projects;
- expand the proposals above for a project specifically targeted at the White City Estate;
- Identify the skills required for undertaking straightforward communal repairs and the most frequent repairs and develop training courses to meet these needs; and
- Develop proposals for locally employed Handyperson service.

5.5. Managing the Risks of Sole Supply

5.5.1. Using a single contractor to undertake all of the repairs, and a large proportion of the maintenance work across the borough carries a number of risks, the principal risks being:

- Potential Insolvency;
- Sustainability of the tendered price; and
- Ability to deliver the service.

5.5.2. Whereas there may be linkage between any of these factors, in order to mitigate the risks, it is helpful to consider them separately. For example, a contractor who can demonstrate excellent financial stability and prospects, and who could submit a carefully prepared and competitive tender, may not have formulated an adequate response to deliver the service in a manner that meets expectations.

5.5.2.1. Potential Insolvency

At Pre-Qualification Questionnaire (PQQ) stage, in addition to the Council’s standard procedure of requiring a Creditsafe

rating in excess of 50, applicants were required to demonstrate further financial rigour.

In the event, four applicants were discounted at PQQ stage because they failed to meet these criteria, and all of the companies invited to tender for the whole borough solution had credit ratings in excess of 90 at the time of tender.

All applicants were asked at PQQ stage whether they would be prepared to offer a Parent Company Guarantee (PCG), and tenderers were asked the same question, with an example of the wording of the form of guarantee. Traditionally this can be one of the more difficult areas in contract documentation, and officers dealt with queries and anomalies in an appropriate manner during the tender period. Unacceptable suggestions were discussed with the Council's Legal department and suitably declined.

The Council is currently undertaking an exercise to review the processes in relation to its supply chain resilience and this will include checks on the financial strength of contractors. Pending the development of an enhanced corporate approach the financial strength of the contractor will be formally checked on a six monthly basis with reference to the most recent accounts, interim statements and other market intelligence.

5.5.2.2. Sustainability of the Tendered Price

An unsustainable price has the potential to cause problems in the long run and as stated in Section 5, officers engaged Keegans Ltd, to advise on the costing and pricing elements of this contract. A significant element of the QS brief was to prepare pre-tender estimates.

In addition, the pricing matrix developed by the QS in conjunction with Council officers, provided sufficient granularity to interrogate the tenders submitted. The QS, sought some clarifications where tenderers had not correctly carried figures through to the summary in accordance with issued instructions. On completion of this exercise it became clear that one tender was abnormally low, and the process outlined in the Public Contracts Regulations was applied.

5.5.2.3. Ability to Deliver the Service

The PQQ itself is the first gateway to determining whether a company has the required expertise and experience to provide the service. Officers compiled a specific

questionnaire that was tailored to the demands of the elements of service delivery under the contract.

The ITT includes a requirement for a Method Statement, and tenderers were required to prepare this in response to specific questions set by officers. The questions were divided into ten sections – see Appendix 2 Evaluation Methodology & Award Criteria:

The purpose of the Method Statement is not just for tender evaluation, it then becomes a tool for managing the contract. The tenderer has made a commitment to deliver certain things, and the Method Statement is part of the contract documents.

5.6. Actions in the event of sole supply failure

- 5.6.1. The contract includes mechanisms and escalations in the event that performance is poor. As an ultimate remedy, the form of contract includes a break clause which allows the Council to determine the contract. It should be noted that no such reciprocal right is afforded to the contractor. This was again seen as an inducement to prevent abnormally low pricing (there having been some instances elsewhere in the social housing sector where contractors, having under-priced, sought to walk away from their responsibilities).
- 5.6.2. If the contractor should become insolvent, there is no opportunity under Public Procurement Regulations for the works to be handed to another contractor. Proposals tabled by the EU are seeking to reinforce this by placing defined limits on the amount by which any contract can be varied. Thus it would not be possible to novate the contract to another provider on a permanent basis, irrespective of the number of contractors operating in the borough.
- 5.6.3. The regulations do permit a client to engage a contractor without public tender in an emergency until such time as a procurement exercise can be properly conducted. The Council would rely on this measure, and would be able to make use of any labour force that was faced with potential redundancy as a result of a company's failure, thus only requiring another body to mobilise a management team at short notice, with the labour force engaged by that contractor – TUPE would not apply where notices of redundancy are issued. In such circumstances, clients usually have a period of awareness in which to draw up contingency plans, and to sound out potential service contractors who could step in. No matter how shocked the media may appear to be when a company fails, this is always preceded by a period of speculation while an organisation goes through its final throes. The Council would move quickly to make provision during this

period, such that any period of disruption was kept to an absolute minimum.

- 5.6.4. Once a provider had been engaged on a short term basis, re-procurement would be necessary. The contract contains a clause whereby a proportion of the contractor's mobilisation costs (paid to them during year 1) can be offset and recovered as a debt in the event of early contract termination.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. Borough wide sole supply v Split borough dual supply

- 6.1.1. In the report to Cabinet in May 2012, a Repair & Maintenance Re-procurement Proposal report was included. This report detailed all the various options that had been considered and concluded that:

d) A single source supply contract across the borough is most likely to provide the optimal solution that will meet the business drivers and stakeholders' needs.

e) A second option of single source supply contract in each half of the borough (one in the north and one in the south) will also be tendered to test whether greater value for money can be achieved through competitive tension whilst at the same time creating resilience in the supply.

- 6.1.2. As outlined in Section 4, the highest scoring tenderer (representing the best value for money) over the whole borough, is over 11.6% more cost effective than the two highest scoring tenders for lots 2 & 3. The best value for money solution for two contractors, one in the north and one in the south of the borough would add over £2m. to the cost, per annum, which would negate any savings achieved through the procurement exercise.

- 6.1.3. It should be noted that leaseholder charges would be over 16% higher in one half of the borough due to differences in the tender pricing. This is likely to give rise to challenges from leaseholders and leading to a loss of income.

- 6.1.4. The often used argument for promoting two contracts, is the perceived resilience this brings in the event of one contractor failing. However having two contractors simply doubles the risk of any failure and the resilience provided by having two contractors is currently very limited. It will be further restricted under proposed EU changes to the Public Contracts Regulations.

- 6.1.5. Faced with this scenario, the premium of £2m. per annum is not considered to be a worthwhile cost, and therefore the borough wide approach is recommended.

7. CONSULTATION AND ENGAGEMENT

7.1. Residents

- 7.1.1. The Council established a Residents Working Group (RWG) in early 2012, comprising of tenants and leaseholders with officers meeting with them on a monthly basis. The RWG quickly decided to set up a procurement sub-group to focus solely on the procurement of the repairs and maintenance contract.
- 7.1.2. The sub-group were invited to the 'Meet the Buyers' day and were also asked to comment upon the make-up of the drafting of the PQQ, the tender documents and in particular the make-up of the KPIs.
- 7.1.3. A number of the sub-group received training from officers in how to evaluate tenders. As a result, one resident volunteered and was involved in the evaluation marking of the service delivery elements of both the PQQs and tenders documents.
- 7.1.4. The department engaged residents early in the re-procurement process with a view to giving residents a good understanding of the new contract. This has laid a firm foundation for residents to be fully involved with the overseeing of the new contract, through regular performance meetings with the new contractor.
- 7.1.5. As well as consulting with the RWG various up-dates have been provided at Borough Forums, Leasehold and Tenant Forums and articles have also been included in Your Home magazine.

7.2. Leaseholders

- 7.2.1. In accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended by Section 151 of the Commonhold and Leasehold Reform Act 2002) a Notice of Intent was served on 2nd March 2012 and expired on 20th April 2012. All observations were responded to within statutory time limits.
- 7.2.2. The contract will not be awarded until after the Notice of Proposal has been issued and Section 20 Notices expire and any outstanding observations have been responded to. Section 20 Notices are due to be served in April 2013 and will expire in May 2013, with a further 21 days to respond to observations.

7.3. Staff Consultation

- 7.3.1. The MTFFS Transformation Programme began in November 2011. At this time the Executive Director briefed all HRD staff outlining the key objectives, scope of the programme and commitments to staff engagement, throughout the period of change. Following this initial briefing, key messages were reinforced through regular up-date briefings from the Executive Director and Directors, team briefings from Heads of Service and monthly staff newsletters.
- 7.3.2. A dedicated Frequently Asked Questions, "Ask Mel", intranet link has been created to provide staff with the opportunity to pose questions directly to the Executive Director. In addition, suggestion boxes have been placed in all offices to encourage staff to put forward suggestions and raise any queries, anonymously.
- 7.3.3. These measures have been designed to engage and involve staff to ensure as smooth a transition as possible, whilst maintaining the current service. As the Transformation Programme progresses and detailed proposals are formulated, normal consultation processes with trade unions will be followed.

7.4. TUPE Process

- 7.4.1. Up to 41 Council staff will be affected by the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and staff will receive further, more detailed briefings, after the provisional contract award has been announced.
- 7.4.2. This figure includes 9 staff from Works Contracts, a small in-house direct labour organisation that currently sits within Transport and Technical Services. This represents half of the team, with the remainder due to TUPE transfer to the new Tri-Borough Total Facilities Management contract.
- 7.4.3. It is also to be noted that up to 32 "second generation" staff – those formerly employed by the Council and currently employed by incumbent contractors - may also be affected by TUPE transfer.
- 7.4.4. TUPE 2006 is the main piece of legislation and is designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions with continuity of employment as formerly. The TUPE Regulations will be adhered to throughout the process.
- 7.4.5. TUPE requires that employees who are affected by the transfer should be consulted. The obligation to consult in law is where measures might be taken in relation to any of the affected employees. This includes:-

- Employees who are affected;
- Who may be affected;
- Whose jobs are in jeopardy; and
- Job applicants.

There is no obligation to consult with the whole workforce or everyone in the workforce who might apply for a job in the affected areas.

- 7.4.6. Representatives of trade unions recognised by the Council are recognised as 'appropriate representatives' for consultation purposes under the Act. A consultation and communication process regarding TUPE is on-going.

7.5. Housing, Health & Adult Social Care Select Committee

- 7.5.1. In an effort to gain valuable Member insight, support and challenge in terms of KPIs and the customer journey, officers also consulted and engaged with a small Task & Finish Group, established by the HH&ASC Select Committee and chaired by Councillor Lucy Ivimy. The group reviewed and discussed various items with particular focus applied to the Key Performance Indicators and the evaluation criteria for the Invitation to Tender.

8. EQUALITY IMPLICATIONS

- 8.1. An Equalities Impact Assessment was completed and submitted as part of the report to Cabinet in May 2012. The assessment was prepared in consultation with the Opportunities Manager (available upon request). This current proposal does not involve any changes to service delivery or operational policies in the context of equalities legislation. Therefore if an award of contract was agreed by Cabinet the Contractor would be undertaking decisions based on policies that have already been approved by Cabinet and for which EIA considerations have already been made.

9. LEGAL IMPLICATIONS

- 9.1. Legal Services has advised the client department throughout the procurement process. The procurement has been carried out in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's contract standing orders.

9.2. Implications completed by: Catherine Irvine, Principal Contracts Lawyer, telephone 020 8753 2774.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. Evaluation of the tenders confirms that MITIE achieves the highest weighted price and quality mark.
- 10.2. Analysis of the highest scoring tenderer's pricing schedule demonstrates that the required annual MTFs revenue savings in the Housing Revenue Account of £506k in 2013/14 and a further £1.048m (cumulatively totalling £1.554m) from 2014/15 onwards will be achieved in full.
- 10.3. Further savings are also expected to be made on housing capital budgets of £365k in 2013/14 and a further £512k (cumulatively totalling £877k) from 2014/15 onwards.
- 10.4. As stated in para. 5.5.2.1. the Council is currently undertaking an exercise to review the processes in relation to its supply chain resilience and this will include checks on the financial strength of contractors. Pending the development of an enhanced corporate approach the financial strength of the contractor will be formally checked on a six monthly basis with reference to the most recent accounts, interim statements and other market intelligence.
- 10.5. Internal audit have performed reviews of the proposed financial controls in the contract during the development of the Invitation to Tender. They will provide further advice during mobilisation to ensure there are adequate financial controls in place and will perform a follow-up audit shortly after the contract has been let to confirm that financial controls are operating as expected.
- 10.6. It is proposed that the contract allows for the possibility of changes in the numbers of properties being managed. Over a number of years, this could lead to a decrease or increase in the total number of properties that would be managed under this contract. The contract therefore includes an example of how the contract pricing would be recalculated in these circumstances.
- 10.7. Further comments are contained in the separate report on the exempt Cabinet agenda
- 10.8. Pension implications**
- 10.8.1. On commencement of the contract the Contractor will apply for Admitted Body Status to the Local Government Pension Scheme (LGPS) and will be apportioned with a notional share of pension fund assets as calculated by the Actuary to be sufficient to match the pension liabilities. The Contractor will not inherit any pension fund deficit and it will be a requirement of the Contractor to ensure that all contributions have been

regularly made as advised by the Actuary. The Council will retain the liability for the deficit not transferring and it will underwrite the pension fund

- 10.8.2. The Admissions agreement will be a closed agreement.
- 10.8.3. The contribution rate may vary during the course of the contract in accordance with the Agreement. Any variation in the rate of contribution will be at the Contractor's risk.
- 10.8.4. Although the employer contribution rate has been set and will be reviewed by the actuary with the aim of maintaining full funding in respect of the active membership, any deficit which does arise in respect of the active membership will be the responsibility of the Contractor and will be charged to the Contractor on exit. This excludes any contributions that may arise because of early and ill health retirements, where the capital cost of the retirement will be charged as a capital sum, to the Contractor.
- 10.8.5. The Contractor will be required to maintain an indemnity bond to meet the level of risk exposure arising on premature termination of the contract. The value of the indemnity bond shall be assessed by the Scheme Employer's Actuary as arising as a result of the matters mentioned in the Administration Regulations, to the satisfaction of the Administering Authority.
- 10.9 Further financial comment is in the exempt Cabinet report.
- 10.10 Implications verified/completed by: Daniel Rochford, Head of Finance, telephone 020 8753 4023

11. RISK MANAGEMENT

- 11.1. A Programme board was established to oversee the full HRA MTFS Transformation Programme chaired by the Executive Director of HRD. As part of this programme a project risk register is in place and is regularly reviewed. As a condition of the new contract, a post-contract risk register will be developed jointly with the contractor once they have been appointed, in order that risks can be managed throughout the duration of the project.
- 11.2. The strategic risk management of the contract will be managed by means of a joint risk register which will be reviewed quarterly at the Core Group (Strategic Management) meeting. The Director of Asset Management and Property Services is the named lead officer at the quarterly meetings.
- 11.3. A key part of the contract management involves a Core Group meeting comprising of senior managers from both the contractor and client side. This

group will meet on a monthly basis and part of the agenda will include a review of the latest operational risk register.

11.4. The three main risks associated with procurement of this type of contract, are:

- Potential Insolvency;
- Sustainability of the tendered price; and
- Ability to deliver the service.

The risks and mitigating actions have been covered in Section 5 of this report.

11.5. The ITT Method Statements asked tenderers to include a number of key risk items that they considered should be included in the joint risk register; these were:

- The top five risks for Mobilisation;
- The top five risk for Contract Management (term risks); and
- The top five risks for client /contractor relationship.

Council officers will add any further necessary risks to the risk register. This will be routinely reviewed during Mobilisation meetings, and then revert to review at the Core Group.

11.6. Again, as with the financial aspects of the contract, the Council will have the right to carry out quality, cost, environmental and health and safety audits, throughout the duration of the contract.

11.7. Implications verified/completed by: Michael Sloniowski, Principal Consultant, (Risk Management) telephone 020 8753 2587

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. The Contract has been tendered in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's Contract Standing Orders, Accordingly, the Director supports the recommendations contained in the report.

12.2. It is noted that the Council appointed Keegans Ltd. as their Professional Quantity Surveyors (PQS) and their remit included:

- Providing a detailed tender price breakdown;
- Construction of pre-tender estimate of costs; and

- Lead on the evaluation and scoring of the pricing elements of the tenders.
- 12.3. Further comments are contained in the separate report on the exempt Cabinet agenda.
- 12.4. Implications verified/completed by: Bob Hillman, Procurement Consultant Projects, telephone 020 8753 1538.

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

No.	Description of Background Papers	Name/Ext of holder of files	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1 – Incentivisation & KPIs

Appendix 2 – Evaluation Methodology & Award Criteria

Appendix 3 – Service Delivery Pricing

Appendix 1 – Incentivisation & KPIs
Service Performance Repairs, Servicing and Maintenance

1.00 Performance Indicators

- 1.01 Throughout the partnership contract there are a range of measures and indicators designed to drive continuous improvement in performance. These are divided into Key Performance Indicators (KPIs) that apply to all areas of the responsive repairs and maintenance service, unless otherwise stated. In addition there are various Management Performance Indicators (MPIs) that apply to particular areas of the service.
- 1.02 A separate set of KPIs apply to the planned replacement of Kitchens and Bathrooms.
- 1.03 All KPIs shown in this section are deemed to be agreed and can only be amended through review and then written agreement by both parties when Annex A will be re-issued. The Client is considering a lead-in period before these KPIs and incentivisations take effect.
- 1.04 The methods of calculations for the KPIs shown in Annex A provide a good indication of the Client's expectation in terms of the types and nature of reports required. It is expected that both parties will work together, throughout the mobilisation period, to ensure that accurate and clear reports are developed, to track performance.
- 1.05 Some MPI targets are shown in Annex B but the list is not exhaustive and is likely to vary. Any change will be by written agreement of both parties. At this stage no methodology has been shown, but again, the information as shown in Annex A provides a clear idea as to the nature of information required. All reports need to be produced regularly, on a monthly basis, and provide accurate year to–date data.
- 1.06 Performance against each KPI/MPI will be measured on a monthly basis (unless otherwise stated) with reports also being produced for year to-date performance. Unless otherwise stated all reports shall be produced by the Service Provider.

2.00 Key Performance Indicators

2.01 A list of the KPIs is shown below, together with the first year target and the target for subsequent years of the contract.

KPI no.	Key Performance Indicator	First year target	Target 2 nd yr. onwards
1	Percentage of properties with a valid Landlord Gas Safety Certificate	100.00%	100.00%
2	Percentage of tenants satisfied with the repairs service	93.00%	95.00%
3	Quality inspection pass rate	95.00%	99.00%
4	Average number of calendar days to complete standard voids	10 days	10 days
5	Right First Time	85.00%	90.00%
6	Repairs completed on time <ul style="list-style-type: none"> • Priority 1 repairs • Priority 2 – 5 repairs (both targets to be met to meet the KPI and receive incentive)	92.00% 90.00%	98.00% 96.00%
7	Percentage of appointments kept	98.00%	98.00%

3.00 Key Performance Indicators & Incentivisation

3.01 The Client is interested in measuring the final output of what the Service Provider does and the impact this has on residents. The KPIs are the most significant measures and are designed to monitor the performance of the Service Provider at the highest level.

3.02 Moreover, the performance against the KPIs will be used to drive an incentivisation mechanism as shown below.

KPI no.	Key Performance Indicator	First year target	Target 2 nd yr. onwards	Category	Percentage incentivisation based on annual expenditure for Repairs, Servicing & Voids
1	Percentage of properties with a valid Landlord Gas Safety Certificate	100.00%	100.00%	1	No incentivisation
2	Percentage of tenants satisfied with the repairs service	93.00%	95.00%	2	0.60%
3	Quality inspection pass rate	95.00%	99.00%	2	0.60%
4	Average number of calendar days to complete standard	10 days	10 days	3	0.40%

	voids				
5	Right First Time	85.00%	90.00%	4	0.20%
6	Repairs completed on time <ul style="list-style-type: none"> • Priority 1 repairs • Priority 2 – 5 repairs (both targets to be met to meet the KPI and receive incentive)	92.00% 90.00%	98.00% 96.00%	4	0.20%
7	Percentage of appointments kept	98.00%	98.00%	4	No incentivisation

- 3.03 As can be seen there are categories of KPIs ranging from 1-4 depending on their relative importance. The categories are used to determine if a Service Improvement Plan (SIP) needs to be introduced (see section 4).
- 3.04 KPI no.1, related to gas safety certification, is the only category 1 KPI and is not incentivised as the Client expects the target to be met at all times. KPI 7 is also not incentivised but is nevertheless an important KPI.
- 3.05 All of the other KPIs will be incentivised, as shown in the table above, based on a percentage of the annual expenditure for repairs, servicing and voids. For the avoidance of doubt this will include those items as defined in parts 2, 3, 6 & 7 of Section 5 – Price Framework.
- 3.06 The KPIs are pass or fail and performance against them will be calculated on a year to date basis (Financial Year commencing 1 April). All targets will be measured to 2 decimal places and if performance meets the target exactly, the incentive will be paid.
- 3.07 If a KPI is achieved the pro-rata percentage incentive figure for that KPI will be paid by the Client to the Service Provider. Equally, if the KPI is not achieved the same figure shall be paid by the Service Provider to the Client.
- 3.08 At the end of every financial quarter, performance against each of the KPIs will be calculated, using the year to-date figures. An on account adjustment of the sum of the appropriate incentive/low performance damages will be made to the Service Provider's account.

4.00 Service Improvement Plan

- 4.01 It is expected that the Service Provider will report to the Client on a monthly basis as to the performance against all KPIs and MPIs. For the avoidance of doubt, any missing KPI/MPI information will mean that the target for the month in question will have been failed completely.
- 4.02 Where targets for certain KPI targets are missed by small percentages the Service Provider will be expected to strive to improve the performance as necessary. However, there will be situations that call for a more formal approach to service improvement when the Client will expect the Service

Provider to produce a formal Service Improvement Plan (SIP). The criteria that will trigger the need for a SIP are for instance:

1. The Service Provider fails to hit the target for the Category 1 KPI;
 2. The Service Provider fails to hit the target for any Category 2 KPI by more than 5% of the target;
 3. The Service Provider fails to hit the targets for any two Category 3 or 4 KPIs by more than 10% of the target;
 4. The Service Provider fails to provide the requested MPI reports at the required frequency; or
 5. Any other shortfalls in performance that the Client deems unacceptable, for instance the Service Provider fails to meet a number of MPI targets by an amount deemed unacceptable.
- 4.03 If, after discussions during the monthly meetings, the Client is not satisfied as to the reasons for any poor performance, or the remedial action being taken, the Client will request that the Service Provider prepares a SIP. This should be prepared and presented to the Client within 2 weeks of request and, as a minimum, will consist of the following:
1. A considered report detailing why KPI/MPI targets are being missed, backed up with salient fact and figures;
 2. A named Senior Director who is responsible for the delivery of the overall SIP;
 3. A detailed breakdown of all of the activities necessary to improve the service, with named owners and dates for delivery of the said actions;
 4. Details of the expected outcomes of the SIP; and
 5. A fortnightly meeting between the Client and Service Provider to review progress.
- 4.04 If, after a period of 3 months from the date the SIP comes into force, the targeted criteria KPIs/MPIs still fall into the criteria detailed in paragraph 4.02 above, the Client will have the right to apply the Problem Solving and Dispute Avoidance or Resolution process that is contained within the Term Partnering Contract.
- 4.05 Paragraphs 4.03 and 4.04 are without prejudice to the Client's rights under the Contract to terminate all or part of the Contract.

5.00 Management Performance Indicators

- 5.01 A list of the likely MPIs is listed in Appendix B but this list is not exhaustive and may change from time to time by agreement with both parties.
- 5.02 The MPIs are designed to help both parties understand how the service is performing at a more operational level and to provide reassurance to the Client that the Service Provider is in control of the service. Furthermore, some data is required for wider reporting purposes.

Annex A – Calculation of Key Performance Indicators

More details of how the KPIs are to be calculated are shown below.

KPI No.1	Percentage of properties with a valid Landlord Gas Safety Certificate
Purpose	To determine the percentage of applicable properties that has a valid LGSC in force.
Definitions	The percentage of tenanted properties with a gas supply or gas boiler that have a current and valid Landlord Gas Safety Certificate in force.
Method	Data to be run monthly, showing a full list of all properties with appropriate certificate. Those properties without a valid certificate that are required by law to have one to be listed together with the number of days elapsed without a valid LGSC.
Example	Number of properties with a gas supply or gas boiler = 12,500. No of properties with a valid LGSC = 12,497 $12,497/12,500*100 = 99.97\%$

KPI No. 2	Percentage of tenants satisfied with the repairs service
Purpose	To determine the overall level of resident satisfaction with the complete repairs service.
Definitions	How satisfied the resident was with the repairs service?
Applies to	General repairs – Property and communal Gas Domestic – Repairs and Servicing Gas Communal Mechanical Communal Controlled Access
Method	<p>A sample of residents who have had a repair completed within the last month will be contacted by an approved third party who will ask the residents a range of questions.</p> <p>One leading question will be used to determine the overall level of satisfaction - How satisfied were you with the repairs service for the repair that has just been completed?</p> <p>This will be followed by drill down questions with scripts to be agreed (in the absence of agreement the scripts shall be as reasonably determined by the Council).</p> <p>Where the resident indicates 'very satisfied', or 'satisfied', that will constitute a satisfied resident.</p> <p>The Service Provider is to send a weekly data file, containing details of completed repairs, to an approved third party, who will conduct telephone surveys and amongst other questions will ask residents how satisfied they were with the overall repairs service.</p> <p>Data file to contain the following information; UPRN, Tenant Ref. No, Job, Ticket or Order Number, Completion Date, Tenant Name, Tenant Address, Tenant Postcode, Contact Number (Primary), Contact Number (Secondary), Description of Works, Contract Description, Priority, Trade and Area</p>
Example	<p>5000 residents contacted and participated in the survey. 3500 responded either very satisfied or satisfied to the key question. $3500/5000 \times 100 = 70\%$ Customer Satisfaction rate</p>

KPI No. 3	Quality inspection pass rate
Purpose	To identify the percentage of work which is completed and in accordance with the required standard (materials and/or workmanship).
Definitions	The Client will complete quality inspections in addition to the Service Provider's quality assurance process but this KPI will be based on the results of quality inspections undertaken by the Client only.
Applies to	General Repairs Communal Repairs Voids Electrical Testing Gas Domestic Gas Communal Mechanical Communal Controlled Access Fire Safety Works Asbestos Removal Works.
Method	The total number of all orders completed correctly in accordance with the quality standards of the contract divided by the total number of all orders checked for quality purposes. Results of all quality reports to be recorded by the Service Provider and Client in a manner to be agreed during mobilisation. Data to be run monthly.
Example	% of orders completed in accordance with the quality standards of the contract = $(A \div B) \times 100$ where A = Number of orders correctly completed B = Number of all orders checked.

KPI No. 4	Average number of calendar days to complete standard voids
Purpose	To determine whether the Service Provider is completing work on void properties at a sufficient rate.
Definitions	The KPI is used to ascertain the percentage of standard void properties completed within the target time (10 calendar days). (Where a void is received after 12.00 the commencement date shall be the following calendar day).
Applies to	Voids
Method	Total days to complete void is measured from date of key receipt to the date the key is handed back. Number of days to complete all voids is totalled and divided by the no of voids identified year to date. Data to be run as year to date figures for each financial year. This data will be from the Service Providers system
Example	No of days to complete all voids = 2300 Total number of void properties which have been identified year to date = 250 $2300/250 = 9.2$

KPI No. 5	Right First Time
Purpose	To determine how effective the Service Provider is at fixing and repairing the defective element(s) at the first visit.
Definitions	<p>The percentage of repairs which are completed right first time.</p> <p>This is defined as the total number of responsive repairs being completed right first time divided by the total number of responsive repairs being completed multiplied by 100.</p> <p>Right First Time is as defined by Housemark:</p> <p><i>“Right” is defined as completed to the satisfaction of the landlord.</i></p> <p><i>“First Time” is defined as completed by the repairs operative without the need to return a further time because the repair was inaccurately diagnosed and / or the operative did not have the right training, tools or components to fix the problem.</i></p> <p><i>“Repair” is as the Definition of a Repair.</i></p>
Applies to	<p>General Repairs Communal Repairs Gas Domestic – Repairs Gas Communal – Repairs Mechanical Communal – Repairs Controlled Access – Repairs</p>
Method	<p>For the month ascertain the total number of responsive repairs being completed right first time divided by the total number of responsive repairs being completed multiplied by 100.</p> <p>Excludes cancelled jobs where a new order is raised. Excludes jobs where there was no access. Includes jobs where variations are raised.</p> <p>Data to include all orders completed in the previous month and in the case of the Year to Date figures, the preceding months in that fiscal year (April –March).</p>
Example	<p>400 Repairs have been completed during one calendar month. Of these 350 were completed right first time.</p> <p>$350/400*100 = 87.5\%$ right first time</p>

KPI No. 6	Repairs completed on time
------------------	----------------------------------

Purpose	To determine whether the Service Provider is completing repairs in accordance with the Client's obligation to residents.
Definitions	<p>The Obligations table (see Section 4, Element 1, Annex C) prioritises repairs into 5 categories.</p> <p>Priority 1 - Time taken to attend & make safe/repair – within 2 hours Priority 2 – Time taken to complete the repair – within 24 hours Priority 3 – Time taken to complete the repair – within 3 working days Priority 4 – Time taken to complete the repair – within 5 working days Priority 5 – Time taken to complete the repair – within 20 working days</p>
Applies to	General Repairs Communal Repairs Gas Domestic – Repairs Gas Communal – Repairs Mechanical Communal – Repairs Controlled Access – Repairs
Method	<p>The percentage of repairs completed within their target times will be calculated for each priority time.</p> <p>The percentage target for priority 1 repairs will be 98%.</p> <p>An average percentage of priorities 2-5 will be calculated – this will have a target of 96%.</p> <p>Excludes cancelled jobs where a new order is raised. Excludes jobs where there was no access due to tenant not being at property. Includes jobs where variations are raised.</p> <p>Both percentages need to be achieved to meet the KPI.</p> <p>Data to include all orders completed in the previous month and, in the case of the Year to Date figures, the preceding months in that fiscal year (April –March).</p>
Example	<p>Priority 1 repairs - 50 complete but only 30 completed within 2 hours = $30/50 \times 100 = 60\%$ achieved within target. Therefore target of 98% not met.</p> <p>Priority 2 repairs – 50 complete but only 40 within target time $40/50 \times 100 = 80\%$ Priority 3 repairs – 50 complete 45 within target time $45/50 \times 100 = 90\%$ Priority 4 repairs – 50 complete 45 within target time $45/50 \times 100 = 90\%$ Priority 5 repairs – 50 complete 45 within target time</p>

	$45/50 * 100 = 90\%$ Average percentage of priority 2-5 = $80+90+90+90/4 = 87.5\%$
--	---

KPI No. 7	Percentage of appointments kept
Purpose	To determine the effectiveness of keeping appointments made with residents.
Definitions	The KPI is used to compare the number of appointments kept with the number of appointments made.
Applies to	Gas Repairs Gas Domestic Controlled Access
Method	<p>Based on the number of appointments that were actually attended at the time and day recorded on the Service Provider's system, divided by the number of appointments scheduled for attending.</p> <p>On time means within the agreed time given to the resident when originally arranged – excludes validated 'No Access'</p> <p>Data to be run monthly using data from the Service Provider's system.</p>
Example	<p>% attended on time = $(A \div B) \times 100$ where A = Number of appointments attended on time B = Number of appointments required to be attended</p>

Annex B – Management Performance Indicators

MPI no.	Management Performance Indicator	Target	Notes
1	<p>Orders Invoiced Percentage of orders (excl. PPP) invoiced within 10 working days of the date of completion</p>	98.00%	
2	<p>Call Centre Percentage of calls answered within 20 seconds</p> <p>Abandoned calls</p> <p>Satisfaction with call centre service</p> <p>Emails (using an agreed template) are to be responded to within 1 hour of receiving if originating from within the Council and within 1 working day if originating from outside the Council.</p> <p>Web enquiries are to be responded to within 1 hour of receiving if originating from within the Council and within 1 working day if originating from outside the Council. (again, using an agreed template).</p>	<p>80.00%</p> <p><5.00%</p> <p>95.00%</p> <p>1 hour/ 1 working day</p> <p>1 hour/ 1 working day</p>	
3	<p>Complaints Percentage of business as usual complaints to be resolved without further recourse/escalation</p> <p>Stage 2 complaints to be less than 5% of stage 1 complaints</p>	<p>97.00%</p> <p>less than 5% of stage 1 complaints</p>	
4	<p>PAT Testing No of service visits to be completed within the service period</p>	95.00%	
5	<p>Fire Safety Works Percentage of FRA deadlines & LFB enforcement deadlines met</p>	100.00%	
6	<p>Section 20 Percentage of complaints related to section 20 process</p>	<5.00%	Complaints relating to the actual process, not any policy or costs

	Percentage of information requested by Leasehold Services following the receipt of observation provided within 2 working days	100.00%	which are outside the Service Provider's control
7	<p>Voids Major voids completed within an average target time of 21 days</p> <p>Major structural voids completed within an average target time of 30 days</p> <p>Percentage of Garage voids to be completed within an average target time of 7 days</p> <p>Mutual Exchange Inspections to be completed on day of exchange or day of occupancy</p>	<p>21 days</p> <p>30 days</p> <p>7 days</p> <p>100%</p>	All days measured as calendar days
8	<p>White Goods Number of occurrences where laundry facilities are out of use for more than 1 working day should not exceed 1 per month for each facility</p>	1 per month for each facility	
9	<p>Controlled Access Availability of controlled access system calculated by the percentage of availability achieved each month</p> <p>Number of breakdowns per month should not exceed 5% of flats served</p> <p>Performance against servicing programme calculated by taking list of tasks on service schedule for valuation period and expressing tasks carried out as a percentage completed.</p>	<p>99.00%</p> <p>5% of flats served</p> <p>95.00%</p>	
10	<p>Gas (Domestic) Performance against servicing programme calculated by taking list of tasks on service schedule for valuation period and expressing tasks carried out as a percentage completed.</p>	100.00%	
11	<p>Gas (Communal) & Mechanical Performance against servicing programme calculated by taking list of tasks on service schedule for valuation period and expressing tasks carried out</p>	97.00%	

	as a percentage completed.		
12	Periodic Electrical Testing (domestic and communal) Performance against servicing programme calculated by taking list of tasks on service schedule for valuation period and expressing tasks carried out as a percentage completed.	97.00%	
13	Disrepair Percentage of specifications and priced programmes turned around within 5 working days	5 working days	
14	TV Aerials Percentage availability of TV Aerial systems each month (Applicable to each system excluding individual flat faults) Number of breakdowns per month should not exceed 5% of flats served	99.00% 5% of flats served	

APPENDIX 2
EVALUATION METHODOLOGY & AWARD CRITERIA

1. The ITT invited tenders for housing repairs and maintenance works and services borough wide, in accordance with the Contract documents.
 - 1.1. The Contract was divided into 3 (three) lots as follows:
 - a) Lot 1 – Borough wide sole supply
 - b) Lot 2 - North of the Borough
 - c) Lot 3 - South of the Borough
 - 1.2. Tenderers may only apply for those lots for which they have been selected following submission and evaluation of the pre-qualification questionnaire in relation to this Contract.
 - 1.3. A separate Pricing Schedule and Tenderer's Method Statements should be completed in respect of each lot tender submission.

2. Compliance

- 2.1. Tenders were subject to an initial compliance check to confirm that:
 - 2.1.1. Tenders had been submitted on time, were completed correctly and met the requirements of the Instructions to Tenderers and EU procurement rules.
 - 2.1.2. Tenders were sufficiently complete to enable them to be evaluated in accordance with the evaluation methodology and award criteria (as specified below).
 - 2.1.3. Tenderers had confirmed acceptance of the Conditions of Contract.
- 2.2. Tenders that did not meet the above compliance points, were rejected at that stage.

3. Quality and Price Evaluation

- 3.1. Tenders that complied with the initial compliance check were subject to a detailed evaluation in accordance with the criteria and weightings set out below.
- 3.2. The Contract was to be awarded to the most economically advantageous Tenderer. Tenders were evaluated on a 40% weighting for Quality, and a 60% weighting for the Price.

Quality Evaluation

- 3.3. The 40% on Quality was evaluated on the basis of the Tenderer's response to the Tenderer's Method Statement in relation to the requirements of the Technical Specification. The weighting applied to each of the quality sub-criteria is shown in Table 2 below.
- 3.4. Tenderers were required to submit proposals for all method statements.
- 3.5. For the purposes of returning Method Statements, Tenderers had to ensure pages were paginated, with a minimum font size of 12 point, and a minimum page margin of 2.54 cm.
- 3.6. The ITT said that the Council valued succinct and concise answers. Scores were to be awarded based on the quality, not the length, of the answers. Generic and promotional material were not to be included.

The table below was used to measure and capture Quality criteria.

Table 2 – Quality Criteria

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
Management & Organisation	Organisation	1.1.1	5	10	50
		1.1.2	5	6	30
		1.1.3	5	4	20
	H&S	1.2.1	5	8	40
		1.2.2	5	8	40
		1.2.3	5	8	40
		1.2.4	5	8	40
		1.2.5	5	4	20
		1.2.6	5	4	20
		1.2.7	5	6	30
	Quality Management	1.3.1	5	10	50
		1.3.2	5	10	50
	Cost Control	1.4.1	5	10	50
		1.4.2	5	8	40
1.4.3		5	10	50	
Service Delivery	Repairs	2.1.1	5	10	50
		2.1.2	5	8	40
		2.1.3	5	6	30
		2.1.4	5	8	40
		2.1.5	5	6	30
		2.1.6	5	8	40
		2.1.7	5	4	20
		2.1.8	5	8	40
		2.1.9	5	4	20
		2.1.10	5	4	20
	Voids	2.2.1	5	10	50
		2.2.2	5	8	40

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
	Programmed Work	2.3.1	5	6	30
		2.3.2	5	4	20
		2.3.3	5	4	20
		2.3.4	5	6	30
		2.3.5	5	4	20
		2.3.6	5	6	30
		2.3.7	5	4	20
		2.3.8	5	4	20
		2.3.9	5	4	20
Statutory Compliance & Regulatory Standards	Gas Servicing	3.1.1	5	10	50
		3.1.2	5	8	40
		3.1.3	5	8	40
		3.1.4	5	8	40
		3.1.5	5	6	30
	Working with Asbestos	3.2.1	5	8	40
		3.2.2	5	6	30
		3.2.3	5	8	40
	Fire Safety Works	3.3.1	5	8	40
		3.3.2	5	8	40
		3.3.3	5	8	40
	Electrical Testing	3.4.1	5	6	30
		3.4.2	5	6	30
		3.4.3	5	6	30
	Building Control	3.5.1	5	6	30
		3.5.2	5	6	30
	Customer Care & Resident Involvement	4.1	5	8	40
4.2		5	8	40	
4.3		5	6	30	
4.4		5	6	30	
4.5		5	6	30	
4.6		5	4	20	
4.7		5	8	40	
4.8		5	6	30	
4.9		5	8	40	
4.10		5	6	30	
4.11		5	6	30	
4.12		5	6	30	
4.13		5	6	30	
4.14		5	6	30	
4.15		5	4	20	
Operational & Technical	Operational Activities	5.1	5	10	50
		5.2	5	6	30
		5.3	5	10	50
		5.4	5	8	40
		5.5	5	8	40
		5.6	5	8	40

Criteria	Sub-Criteria	Question	Points Available	Weighting	Total
		5.7	5	8	40
		5.8	5	8	40
		5.9	5	6	30
Action Plans	Transition & Mobilisation	6.1.1	5	8	40
		6.1.2	5	8	40
		6.1.3	5	8	40
		6.1.4	5	6	30
		6.1.5	5	6	30
		6.1.6	5	6	30
		6.1.7	5	6	30
		6.1.8	5	4	20
	Business Continuity	6.2.1	5	10	50
		6.2.2	5	8	40
6.2.3		5	6	30	
Exit Strategy	6.3.1	5	8	40	
ICT	ICT Proposal (please refer to further guidance in table 4 below)	7.1	500	1	500
Supply Chain Management	Supply Chain	8.1	5	8	40
		8.2	5	8	40
		8.3.1	5	4	20
		8.3.2	5	4	20
		8.4	5	6	30
		8.5	5	6	30
		8.6	5	4	20
Environment	Environmental	9.1	5	6	30
		9.2	5	6	30
		9.3	5	6	30
		9.4	5	4	20
Continuous Improvement	Continuous Improvement	10.1.1	5	8	40
		10.1.2	5	6	30
		10.1.3	5	6	30
		10.1.4	5	6	30
Total available marks for Quality criteria					3,970

3.7. For the ICT Method Statement 7.1, the following sub-criteria applied:-

Table 3 – Quality Criteria for ICT

ICT spec item	Desirability	Points Available	Weighting	Score
1	High	5	3	15
2	Low	5	1	5
3	High	5	3	15
4	High	5	3	15
5	High	5	3	15
6	High	5	3	15
7	High	5	3	15
8	Low	5	1	5
9	High	5	3	15
10	Medium	5	2	10

ICT spec item	Desirability	Points Available	Weighting	Score
11	High	5	3	15
12	High	5	3	15
13	High	5	3	15
14	High	5	3	15
15	Medium	5	2	10
16	Medium	5	2	10
17	High	5	3	15
18	High	5	3	15
19	High	5	3	15
20	High	5	3	15
21	High	5	3	15
22	Medium	5	2	10
23	Medium	5	2	10
24	Medium	5	2	10
25	High	5	3	15
26	Medium	5	2	10
27	High	5	3	15
28	High	5	3	15
29	Medium	5	2	10
30	Medium	5	2	10
31	Medium	5	2	10
32	High	5	3	15
33	High	5	3	15
34	High	5	3	15
35	High	5	3	15
36	High	5	3	15
37	Medium	5	2	10
38	Medium	5	2	10
39	High	5	3	15
40	High	5	3	15
41	Medium	5	2	10
42	High	5	3	15
43	High	5	3	15
44	High	5	2	10
45	High	5	3	15
46	High	5	3	15
47	High	5	3	15
48	High	5	3	15
49	High	5	3	15
50	High	5	3	15
51	High	5	3	15
52	High	5	3	15
53	High	5	3	15
54	High	5	3	15
55	High	5	3	15
56	High	5	3	15
57	High	5	3	15
58	Medium	5	2	10
59	High	5	3	15
60	High	5	3	15

ICT spec item	Desirability	Points Available	Weighting	Score
61	Medium	5	3	15
62	High	5	2	10
63	High	5	3	15
64	Medium	5	2	10
65	High	5	3	15
66	High	5	3	15
67	High	5	3	15
68	Medium	5	2	10
69	High	5	3	15
70	High	5	3	15
71	High	5	3	15
72	Medium	5	2	10
73	High	5	3	15
74	High	5	3	15
75	Medium	5	2	10
76	High	5	3	15
77	High	5	3	15
78	Medium	5	2	10
79	Medium	5	2	10
80	High	5	3	15
81	Medium	5	2	10
82	High	5	3	15
83	High	5	3	15
84	Medium	5	2	10
85	High	5	3	15
Total Score				1135
Weighted score out of 500 (Score / 1135 * 500)				500

3.8. Scoring of Tenderers' responses for the purposes of Quality were based on the scale below to award marks between 0 and 5 for each sub-criteria:

Table 4 – Quality Scoring Guide

Assessment	Score	Interpretation
Excellent	5	Exceptional demonstration by the Tenderer of the relevant ability, understanding, skills, resource and quality measures required to provide the services. Response identified factors that would offer potential added value, with evidence to support the response.
Good	4	Above average demonstration by the Tenderer of the relevant ability, understanding, skills, resource and quality measures required to provide the services. Response identified factors that would offer potential added value, with evidence to support the response.
Acceptable	3	Satisfactory demonstration by the Tenderer of the

		relevant ability, understanding, skills, resource and quality measures required to provide the services, with evidence to support the response.
Minor Reservations	2	Some minor reservations about the Tenderer's relevant ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
Serious Reservations	1	Considerable reservations about the Tenderer's relevant ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
Unacceptable	0	Did not comply with, and/or insufficient information provided, to demonstrate that the Tenderer had the ability, understanding, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.

3.9. The scores (which were decided by way of consensus) for each of the quality criteria and sub-criteria (set out in Tables 2 and 3) were multiplied by the weighting factor shown in Tables 2 and 3 and the weighted scores were added together to give an initial total weighted score for the Quality element of the evaluation.

3.10. The following formula was used to evaluate the quality score for the tenders received:-

$$(A/B) \times C = D \text{ - where:-}$$

A = Total Weighted Points achieved by Tenderer

B = Maximum Total Weighted Points (3,970)

C = Quality Weighting (40)

D = Quality Score

3.11. Therefore, a Tenderer achieving 3,640 points from the evaluation of their Tender Method Statements received a Quality Score of 36.67 as follows:-

$$(3,640 / 3,970) \times 40 = 36.67$$

3.12. Tenderers could be requested to give written clarification of certain issues relating to their tender. The Tenderer's clarification response could give rise to a moderation of the Tenderer's score. Such modification was undertaken using the criteria listed above.

Price Evaluation

- 3.13. Tenders were evaluated for the 60% Price score using the ‘total amount carried to Form of Tender’ tendered in their completed Price Framework.
- 3.14. Each Tender was awarded a Price score based on the relationship of the Tenderer’s total amount carried to Form of Tender, with the lowest total amount carried to Form of Tender price from the other Tenderer.
- 3.15. The maximum Price score was given to the lowest submitted total amount carried to Form of Tender. Other Price Scores were calculated as a percentage of the maximum Price Score based on their total amount carried to Form of Tender in relation to the lowest total amount carried to Form of Tender according to the following formula:-

(E/F) x G = H - where:-

E = Lowest Tendered total amount carried to Form of Tender

F = Tender total amount carried to Form of Tender

G = Price Weighting (60%)

H = Price Score

e.g.

Table 5 – Example Price Evaluation

Tenderer	Annual Cost Price	Price Score
1	£15,031,250	48.00
2	£14,450,000	49.93
3	£12,025,000	60.00
4	£13,450,000	53.64
5	£13,950,000	51.72
6	£15,500,000	46.55

Please note the figures used in the above table are purely for example purposes only and are not a reflection of any tender prices received.

- 3.16. Tenders were to note that these assumed variances and quantities (for Schedule of Rates for instance) in the Price Framework were made by the Council purely for the purpose of evaluating Tenders and for no other purpose and were not an indication or prediction of the

quantities of work, services or activities which the Council would require or which the Service Provider would provide under any awarded contract(s).

- 3.17. The information inserted in the Price Framework by the Council, does not bind the Council in any way and does not constitute any warranty, representation, indication, estimate or prediction of the volumes of any works, services or activities, which the Council might require, or that the Service Provider would provide under any awarded contract.

4. Abnormally Low Tenders

- 4.1. Notwithstanding the scoring methodology referred to above, Tenderers were advised that the Council would scrutinise very carefully any Tender that contained a price, which appeared abnormally low (having regard, amongst other things, to the prices submitted in the other Tenders received). In this regard, Tenderer's attention was drawn to the Council's power under Regulation 30(6) of the Public Contract Regulations 2006 (as amended) to disregard/reject any Tender that is abnormally low.

5. Final Selection of Recommended Tenderer

- 5.1. The quality score was added to the price score, and the Tenderers were then ranked according to their total score.

Quality Score + Price Score = Total Score

- 5.2. The highest ranked Tenderer (representing the most economically advantageous tender) were then carried forward to the further financial assessment.
- 5.3. In the event of a tie (where two or more top scoring Tenderers had the same total weighted score including both quality and price), the Council were to select from amongst those Tenderers, the submission of the Tenderer with the highest weighted score for Method Statement 2.1.1 – 2.3.9 – Service Delivery. In the event that this still resulted in a tie, the Council would select from amongst those Tenderers the submission with the highest weighted score for Price.

6. Further Financial Assessment

- 6.1. Following evaluation of submitted tenders, the Council carried out additional financial due diligence on the highest scoring Tenderer to confirm that their financial situation had not been adversely affected in the intervening period between the evaluation of the PQQ and ITT:

- 6.1.1. The Council checked the highest scoring Tenderer's credit rating using the Council's credit agency Creditsafe.

The highest scoring Tenderer had to obtain a Creditsafe rating of 50% or more and the Tenderer's Creditsafe rating could not have reduced by more than 10% during the intervening period (e.g. if at PQQ stage the Tenderer had a Creditsafe rating of 90, its Creditsafe rating at ITT stage had to be 81 or above).

- 6.1.2. The Council compared the highest scoring Tenderer's pre-tax profit margin percentage figure (as submitted in accordance with paragraph 8.2 of the ITT under "Additional Financial Information") with their pre-tax profit margin percentage figure calculated from the latest set of accounts as provided at the PQQ stage.

The highest scoring Tenderer must have had a pre-tax profit margin percentage figure which had not deteriorated by more than 50% from the latest set of accounts, as provided at the PQQ stage.

- 6.2. For the avoidance of doubt, where a consortium or subcontracting arrangement was proposed, each consortium member and each significant subcontractor (as was defined in the Council's PQQ), as well as the lead Tenderer, must have met the criteria set out in paragraph 6.1 of this Appendix.
- 6.3. In the event that the highest scoring Tenderer failed to meet the above criteria, the Council was to carry out the further financial assessment on the next highest scoring Tenderer, until a Tenderer met the requirements.

7 Award Decision

- 7.1. As Tenderers were aware, the Council had invited tenders on the basis of two different delivery options:

- a) One borough wide sole supplier (Lot 1); and
- b) Two separate suppliers – one for the south of the borough, and one for the north of the borough (Lots 2 and 3).

- 7.2. Having identified the most economically advantageous tender for each of the Lots, the Council made a decision on the delivery option it wished to pursue. For the avoidance of doubt, if the Council chose to pursue the sole supplier delivery option, no contract awards would be

made in respect of Lots 2 and 3. Likewise if the Council chose to pursue the two separate Service Providers delivery option no contract award would be made in respect of Lot 1.

- 7.3. Tenderers submitted tenders on this basis and the Council has no liability to the Tenderers for any costs in preparing tenders or otherwise, as a result of the delivery option decision made by the Council.
- 7.4. The Council decided which delivery option to pursue on the basis of the option which represented the best value for money and was in the Council's overall best interests.
- 7.5. Factors which might be taken into consideration by the Council in making its decision, included (without limitation):
 - a) The additional cost of administering two contracts.
 - b) The potential flexibility of two contracts.
 - c) The costs relative to Leaseholders.
 - d) Risk management issues.

Appendix 3 – Service Delivery Pricing

Listed below are the service delivery elements of the contract, with an explanation of the contractual pricing mechanism that will be used to manage costs within budget.

1. Day-to-day repairs of tenanted properties

These are priced on a lump sum price per annum, based on archetypal pricing broken down into three different types, and six different sizes (based on bedrooms) per type.

The costs are contained within the lump sum, and a clear definition of what is included within this lump sum. Any variation on stock numbers, through sales, can be accommodated by deleting the cost of the appropriate dwelling type. The matrix of archetypes prevents a contractor from arguing that sales re deleting a specific type and thus altering the mix of properties and protects us from any suggestion of price review.

2. Day-to-day repairs of Communal Areas and Landlord's responsibilities to Leasehold properties

These are priced against a Schedule of Rates (M3 NHF Schedule). This is the most difficult area to manage, as it is almost entirely responsive, but must, in order to comply with leasehold legislation, operate on a Schedule of Rates basis. By restricting the amount of responsive repairs that rely on this method, we have significantly reduced the risk of overspend. The communal repairs element of this contract amounts to approximately £1m. p.a. In order to further prevent overspend, tenderers were requested to offer a mechanism to provide shared savings for any underspend of this element of the budget. This ties the contractor to the target budget and provides a measure of security against the contractor treating this as a 'blank cheque'.

3. Voids

Voids are priced in two ways; Standard Voids, Major Voids, Mutual Exchanges and Standard Voids plus Redecoration are all priced on a lump sum basis using the same archetype matrix as outlined for repairs. This again allows for certainty of costs, based accurately on the actual property involved.

Any void where the costs will exceed £15,000 is considered for sale under the expensive voids scheme. Where a business case requires that void to be retained and the works undertaken, they will be priced on a Schedule of Rates basis, with managerial sign-off before work proceeds.

4. Gas servicing and boiler replacement

Both elements are priced on a lump sum basis, again using the archetypal matrix to contain costs.

5. Mechanical Services

The servicing element of Communal Boilers, other mechanical equipment and Controlled Access equipment are both priced on a lump sum basis with an inclusive repair limit (IRL). This means that both the servicing and minor repairs are included within a stated annual lump sum, provided on a block by

block basis, which allows for any future changes through regeneration schemes. The level of the IRL is £450 for communal boilers and mechanical equipment and £150 for Controlled Access. These arrangements are identical to the current mechanisms and thus are already accepted by leaseholders.

Major repairs over and above the IRL are costed on a Schedule of Rates with orders approved by an officer with appropriate delegation, and with costs known at the time of commitment.

6. Fire Safety Works

These are costed on a schedule of rates basis. These works are ordered on a block by block basis in response to the observations in the Fire Risk Assessments, or as a result of enforcement notice. Cost control is achieved by the ordering officer, the extent of the works being limited by the ordered items, and the cost being known at the time of commitment.

7. Asbestos removal works

These are costed on a schedule of rates basis, as the extent of works required is now comparatively light. The bulk of removal works in communal areas will have been completed by the end of March 2013, any further removal will only apply to the occasional void. Justification for such works will be the basis of an Asbestos survey of the property, and individual costs will be known at the time of commitment.

8. Planned Works (Kitchens and Bathrooms)

These are priced on a basket of lump sum rates; schemes will be planned in advance, and costed using the lump sum prices. The size of each scheme will be designed to meet pre-determined budgets, and the cost will be known at the time of commitment

9. Annual indexation

The contract allows for annual indexation using the government's Consumer Prices Index produced by the National Statistics Office. This allows for full transparency with leaseholders, and also prevents any undue premium being applied by contractors when considering the risk of a longer term fixed price. By allowing for inflationary increases, we are confident in achieving the most economical base price at tender stage. Projections by Building Cost Information Service CIS of the RICS and QS consultants Sweett Group indicate that tender and construction price rises over the next four to five years will outstrip inflation. Limiting annual indexation to CPI will protect us from any over recovery by the contractor.

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
MARKET TESTING OF HOUSING SERVICES - ESTATE SERVICES (LOT 1)	
Report of the Cabinet Member for Housing – Councillor Andrew Johnson	
Open Report A separate report on the exempt part of the Cabinet agenda provides exempt information relating to the evaluation of the tenders received.	
Classification - For Decision Key Decision: Yes	
Wards Affected: All Wards	
Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration	
Report Author: Jo Rowlands Director of Housing Services Mark Brayford Head of Client Management – Housing Services	Contact Details: Tel: 020 8753 4159 E-mail: Jo.Rowlands@lbhf.gov.uk Mark.Brayford@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Housing Revenue Account (HRA) Financial Strategy and Rent Increase 2013/14 report was approved by Cabinet on 11 February 2013. The report noted £6 million savings in management costs between 2008 and 2010. A further HRA Medium Term Financial Strategy (MTFS) transformation programme is underway to achieve ongoing revenue savings of £4m per annum from 2014/15 onwards. Delivery of the transformation savings programme is required to contain the current reliance on asset sales to fund ongoing repairs and maintenance activity and to improve the financial position of the HRA overall, freeing up investment for debt repayment, innovation, estate improvements and service improvement.
- 1.2 The Cabinet report “Housing Revenue Account – Medium Term Financial Strategy Transformation Programme: Housing Services Market Testing and Repairs and Maintenance Re-procurement Exercise” approved on 21 May 2012 gave authority to market test/procure (the provision of) a 10-year Housing Services Contract(s) with an option to extend for a further 5 years. The Housing Services that have been market tested are separated into two procurement lots. Lot 1 relates to Estate Services (caretaking and cleaning services) and Lot 2 Housing Management. Lot 1 is considered in this report, Lot 2 is the subject of a separate report.

- 1.3 The report of 21 May 2012 also provided delegated authority “that the provisions of Contract Standing Orders (Section 3, para 9.2) be waived and authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director for Housing and Regeneration, to progress the related procurement processes up to, but not including Contract Award. Subsequent decisions relating to the entering into of contractual arrangements will be the subject of a further report back to Cabinet.”
- 1.4 The market testing procurement exercise for Estate Services has now been completed and this report:-
- Updates Cabinet on the market testing procurement process and in-house proposal for Estate services, it recommends entering into contractual arrangements for the future delivery of the service as set out in section 6 of this report.
 - Sets out the future shape of the Estate service in line with these recommendations.
 - Updates Cabinet on the progress of the housing service in relation to its savings targets under the agreed MTFS programme.

2. RECOMMENDATIONS

- 2.1 That officers’ recommendation that the contract for estate services be awarded to Pinnacle Housing Limited be noted.
- 2.2 That authority be delegated to the Cabinet Member for Housing, in consultation with the Executive Director for Housing and Regeneration, to:
- (i) award the contract for Estate Services to Pinnacle Housing Limited in the initial sum of £2.8M per annum, subject to due regard being taken of the outcome of the section 105 and section 20 consultations described in paragraphs 7.16 to 7.21 of the report.
 - (ii) approve any necessary amendments to the contract in light of responses to the consultation.
- 2.3 That the submission of the in-house proposal described in paragraphs 6.11 to 6.22 be noted and that this proposal be not pursued.
- 2.4 That the TUPE transfer of approximately 92 Council staff to the new contractor be noted and that approval be given to the Council entering into any necessary ancillary agreements as a result of such transfer.

3. REASONS FOR DECISION

- 3.1 The London Borough of Hammersmith and Fulham has established a track record for delivering high quality, value for money public services. Following the return of the management of Council Housing to the Council from H&F Homes Ltd in April 2011 the Council faces two key challenges:-
- i. to bring about a significant improvement in service. Despite some improvements to date in the provision of housing services in recent years there is a recognition, based on benchmark performance data and consistent feedback from tenants and leaseholders, that housing management services need to further improve.

- ii. to reduce costs to enable a secure financial base to be built in order to move to a position where repairs and maintenance are wholly funded from rents and service charges without recourse to asset sales and to manage the risk of running an unlawful deficit on HRA reserves. Notwithstanding £6million of savings in management costs delivered by H&F Homes Ltd and further savings through collapsing the ALMO structure based on benchmarking cost data, further savings are required and achievable.
- 3.2 The outcome of the market testing process as set out in this report has highlighted the benefits and opportunities of awarding a contract to a third party provider. If Cabinet agrees to the recommendations set out in this report the Council would expect to see:-
- An annual service cost reduced from £3.547M to £2.8M, with the winning tender being from Pinnacle Housing at £2.8M giving a significant £747k per annum contribution towards the savings required by the Housing Revenue Account Financial Strategy.
 - Significant improvement in all the cost KPIs together with marked improvements in the quality KPIs benchmark figures.
 - A leaner department that is more effective at delivering good effective performance and contract management.
 - Flexibility within the service enabling it to continuously evolve to meet the needs of the residents.

4. INTRODUCTION AND BACKGROUND

- 4.1 13,500 properties are in receipt of some form of caretaking and/or domestic cleaning service and the market testing was based on covering all these properties with one contract. Over 11,000 of these properties are on estates and just over 2,500 are dispersed as gap sites. This currently includes a small number of properties managed by Notting Hill Housing Group on 2 sites – Rainville Road and Clem Attlee Estate. The map in Appendix 1 shows the location of the properties.
- 4.2 The estate services contract for the whole borough will encompass the contractor taking over a variety of caretaking and cleaning services currently handled in-house, including cleaning activity to the communal areas and in the surrounds of the Council's housing and commercial stock, including towers, blocks, street properties and sheltered accommodation. This work will include cleaning tasks to both internal and external communal areas and tasks related to maintaining a safe environment such as gritting of estate pathways.
- 4.3 The procurement process for this contract with contract price of £3.5M per annum commenced with a Notice of Intention issued to leaseholders on 16 December 2011 for Estate Services. A Prior Information Notice (PIN) was issued on 3 April 2012 and subsequently published on 7 April 2012 (reference 2012/S 69-114413).
- 4.4 A contract advertisement (ref 2012/S 125-207497) and pre-qualification questionnaire (PQQ) was issued on 29 June 2012 and subsequently the advert was published on 3 July 2012 via the London Tenders Portal with a response deadline of 7 August 2012. Fifty-eight initial expressions of interest were registered on the e-tendering system (London Tenders Portal), for Lots 1 and 2, of which seven submitted completed Pre-Qualification Questionnaires and six organisations were invited to tender for Lot 1.

- 4.5 The invitation to tender for Lot 1 was issued on 25 October 2012 via the London Tenders Portal with a response deadline of 6 December 2012. Two organisations submitted tenders for Lot 1.
- 4.6 A TAP Marking Panel was set up and a process of evaluation and clarification was undertaken on the three submissions received. The TAP Meeting was held on 22 January 2013 where a report was submitted by the TAP marking panel. The TAP meeting agreed with the recommendations of the marking panel, which now form the recommendations of this report.
- 4.7 The Council has ensured that the two core service aims have been achieved through the market testing exercise. The first is to deliver improved value for money and this is demonstrated through the price given by the recommended tenderer. The second aim is quality improvement and this will be achieved by holding the contractor to account against a comprehensive and challenging suite of performance indicators that have been set in agreement with the Local Residents Panel. For example, the Council will expect to see satisfaction with estate services rise from 73% to 80% in year one of the contract. The target for clearance of reported fly tips and graffiti will go from 95% cleared in 24 hours to 100% cleared in 24 hours.
- 4.8 The contract also provides a mechanism to incentivise a number of indicators ensuring that those elements of service that matter most to residents are prioritised and are linked to payment. Details of performance indicators and service standards are provided in Appendix 2.

5. PROPOSAL AND ISSUES

- 5.1 By approving this Cabinet report, Members will be agreeing subject to consultation and necessary consents that the Council will enter into a minimum ten year contractual agreement with Pinnacle Housing Ltd to deliver Estate Services.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1 All areas of housing management have undergone a full appraisal to establish the best way forward on performance and value for money.
- 6.2 The main option considered as part of the market testing process was to determine whether a third party provider could deliver Estate Services for the Council's Housing stock, while at the same time providing improved value for money against the cost of delivering the service in-house and if the provider could also deliver an improved quality of service to council residents.
- 6.3 The alternative option, should the market testing conclude that a third party could not deliver these cost and performance improvements, would be for the service to remain in-house and be delivered in line with the detailed Estate Services specification prepared for the tender process.
- 6.4 To support this, it was agreed that if an in-house proposal was submitted by 6 December 2012, the Council would consider its contents after the evaluation of Lot 1 ITT submissions.
- 6.5 The tenders were assessed against a detailed specification, with 60% of the final score being based on cost and 40% on quality. Each tender was evaluated by a marking panel, a separate panel for quality and for cost.

- 6.6 The Qualitative ITT Marking Panel was tasked with evaluating the Tenders for lot 1, through a consensus score.
- 6.7 The Price ITT Marking Panel consisted of the Head of Client Management, the Head of Finance for Housing and Regeneration and the Principal Accountant for Housing who calculated the costs, MTFS savings, and Price Scores for each of the tenders and subsequently performed the Further Financial Assessment.
- 6.8 Expert advice from specialist officers in Legal and HR was also sought for the evaluation. External legal advisers, Sharpe Pritchard, provided specialist input into both procurement processes from the ITT submission date.
- 6.9 For financial robustness, the highest ranked applicant was subjected to a further financial assessment to demonstrate there was no significant change in the financial position since the Creditsafe analysis performed at PQQ.
- 6.10 Scoring and Evaluation - The scoring was based on a 60/40 split, with 60% of the final score weighted to the cost element of the tenders responses and 40% on the quality of the tender responses. This was set out in the 21st May 2012 Cabinet report.

Estate Services in-house proposal

- 6.11 It was agreed that if an in-house proposal was submitted by 6 December 2012, the Council would consider its contents after the evaluation of Lot 1 ITT submissions.
- 6.12 The stated aim of the in-house proposal was to restructure the current estate services model in order to meet savings requirements while at the same time providing a more effective service to residents.
- 6.13 The in-house proposal gave a detailed overview of a proposed new staffing structure that would achieve significant annual savings of £557k. The report began by giving a description of how savings would be delivered through an internal reorganisation and deletion of both filled and vacant management posts as well as vacant staff posts. A new intermediate tier of supervisory posts would be created that would deliver career progression and further reduce management overheads. A smaller amount of savings would also be achieved through lowering the cost of equipment and chemicals through contract renegotiation and increased efficiency.
- 6.14 The report was staffing rather than service focussed and followed the format of an internal service reorganisation. A number of commitments to improve service delivery were made; however the proposal was not as detailed as the external submissions on how service requirements would be met or how service improvements would be delivered. The quality specification and method statement was not followed in the same way as the tenderers' tenders, therefore a direct comparison is not possible for anything other than cost.
- 6.15 The report referred to the comprehensive existing in-house training programmes and confirmed that existing Council procedures would be adhered to in relation to health and safety requirements. The report also proposed a "lessons learned" folder to detail outcomes from complaints, avoiding reoccurrence.
- 6.16 A positive statement within the in-house proposal document was that a "majority" of staff supported the restructuring proposal.

In-house proposal - Price

- 6.17 The report proposed savings of £557k or approx 16% of budget. This was caveated by one-off costs for redundancy, which would reduce year one savings by approximately

£135k. The report suggested that the cost of redundancy could be met from the savings made against procurement costs; however these costs are largely front loaded so would not be deliverable. Therefore the total saving envelope would in reality be lower than reported in the proposal and lower than the highest external tender. In addition the maximum saving reported would not come into place until 2014/15.

In-house proposal - Added value

6.18 Added value was not as obvious as the proposals presented in the tenders. However the in-house proposal did reflect a number of opportunities such as the recruitment of tenant champions to be put in place where TRA's do not currently exist. Other positive initiatives were:-

- Use of social media
- Meet the team days
- Local garden schemes
- BIC's training

6.19 The report referred to local opportunities but did not provide information on number of training opportunities, work placements or apprentices.

6.20 The proposal for resident engagement was largely the same as that which already exists with the addition of the tenant champions and the items listed above. In the tenders submitted as part of the market testing procurement process this was an area where innovative items were put forward on engagement and involvement of residents.

In-house proposal - Conclusion

6.21 The marking panel was impressed by the quality of the report and acknowledged the hard work and thought that had gone into the submission. However in the light of the strength of the Pinnacle ITT submission which, as set out in this TAP report, will deliver £747k of annual savings from 2014/15 onwards against the current in-house cost of service provision and will deliver a number of added value service improvements such as apprenticeship training, a 24 hour call centre and provision for vocational training as described earlier in this report, it is recommended that awarding a contract to Pinnacle Housing Ltd would be the preferred option moving forward.

6.22 The panel has every confidence that transfer of key staff to a new contractor will help to ensure a customer focused service of an excellent standard.

Proposed option

6.23 On the basis of the option analysis it is recommended that the option to enter into a contract with Pinnacle Housing Ltd to deliver housing Estate Services for the borough be pursued.

6.24 As stated earlier all services have been reviewed to look at improved performance and value for money, and if the recommendations of this report are agreed by Cabinet it will lead to a significant change in how estate services will be structured and delivered in the borough as a third party provider will be responsible for delivery of the majority of estate services across the borough.

6.25 In addition, as part of the MTFs saving targets, a number of mini reorganisations have taken place to retained services such as the Estate Support and Security Service (conciierge). Set out below is a summary of these changes:-

- Internal restructure of conciierge service into 'Estate Support and Security Service'.
- Establishment of 'technical client team' to client the outsourced services (grounds maintenance and household waste where they impact on housing and caretaking).
- Reorganisation of the existing in-house team to manage the work areas retained by the Council – Estate support and security service, meter reading, housing improvement fund projects.

Appendix 3 contains a structure chart setting out how the housing services department would deliver the full range of estate services.

7. CONSULTATION

7.1 Resident consultation - Our Resident Involvement approach starts from an acknowledgement that if the Council is to achieve successful neighbourhoods and communities particularly in the more deprived areas of the borough the Council needs to be more responsive to the changing expectations and demands of all tenants and leaseholders. Only in this way does the Council believe it will meet their aspirations and increase levels of satisfaction across the borough.

7.2 The HRA MTFs Transformation Programme Board is committed to close resident involvement in taking forward the Programme. To this end, the project teams responsible for the Housing Services transformation have developed plans for close liaison with residents in line with the Council's agreed Resident Involvement strategy. Summarised below is the consultation that has been undertaken.

- Annual Tenants Conference – on 14 July 2012 a presentation was given on the market testing process along with a question and answer session.
- Area Forums - officers have attended and updated every area forum that has been held in the borough since the decision was made by Cabinet to market test in May 2012.
- Area forum dates were:-
 - **Fulham North:** 12 June 2012, 4 September 2012, 11 December 2012 & 12 March 2013
 - **Sands Fulham:** 12 June 2012, 19 September 2012, 19 December 2012 & 20 March 2013
 - **Hammersmith North:** 18 June 2012, 4 September 2012, 4 December 2012 & 5 March 2013
 - **South Hammersmith:** 11 June 2012, 17 September 2012, 3 December 2012 & 11 March 2013
- Borough Forum - officers have attended and updated every area forum that has been held in the borough since the decision was made by Cabinet to market test in May. The dates of these meetings were 22 May 2012, 25 September 2012, 6 November 2012, 29 January 2013 & 30 April 2013.
- Local Residents' Panel - officers have attended every panel meeting that has been held since the decision was made by Cabinet to market test in May 2012. The

dates of these meetings are set out in Appendix 4. The service standards used for both the estate services and housing management lots were developed and agreed with the panel and discussions were held on key KPIs that would be incentivised as parts of the proposed contracts. All panel members signed confidentiality agreements so that in depth updates could be given throughout the procurement process. It has already been agreed that the Local Residents Panel will play a key role in future service reviews of the services and this was set out within the Invitation to Tender documents and method statements that were sent to tenderers.

- Local Residents' Panel, Caretaking Working Group – residents and officers met on 13 March 2012, 24 April 2012, 24 May 2012, 13 June 2012, 18 July 2012 to agree the scope of works and the standards of caretaking service to be provided.
- Annual Leaseholders Conference - officers attended the annual leaseholders conference on Saturday 26 January 2013 and a presentation was given on the current position around market testing of housing services.
- In addition residents of the borough have been informed in 'Your Home' magazine about the market testing proposal in the September 2012 issue and role of local resident panel in the December 2012 issue.

Staff consultation

- 7.3 Staff received an initial briefing session from the Executive Director of Housing and Regeneration when the HRA MTFS Transformation Programme commenced in November 2011. This outlined the key objectives, scope of the programme and commitments to staff engagement, throughout the period of change. Following this initial briefing, key messages were reinforced through regular up-date briefings from the Executive Director and Directors, team briefings from Heads of Service and monthly staff newsletters.
- 7.4 A dedicated Frequently Asked Questions, "Ask Me!", intranet link has been created to provide staff with the opportunity to pose questions directly to the Executive Director. In addition, suggestion boxes have been placed in all offices to encourage staff to put forward suggestions and raise any queries, anonymously.
- 7.5 These measures have been designed to engage and involve staff to ensure as smooth a transition as possible, whilst maintaining the current service. As the Transformation Programme progresses and detailed proposals are formulated, normal consultation processes with trade unions will be followed.
- 7.6 A series of meetings with estate services staff have been held on 18 June 2012, 29 June 2012, 10 July 2012, 11 July 2012, 18 July 2012, 19 July 2012 at which staff were updated about the market testing process and given an opportunity to pose questions relating specifically to Estate Services.

TUPE Process

- 7.7 The Transfer of Undertakings (Protection of Employment) Regulations 2006 is the main piece of legislation and is designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions with continuity of employment. The TUPE Regulations will be adhered to throughout the process.

- 7.8 TUPE requires that employees who are affected by the transfer should be consulted. The obligation to consult in law is where measures might be taken in relation to any of the affected employees.
- 7.9 This includes:-
- Employees who are affected
 - Who may be affected
 - Whose jobs are in jeopardy
 - Job applicants
- There is no obligation to consult with the whole workforce or everyone in the workforce who might apply for a job in the affected areas.
- 7.10 Representatives of trade unions recognised by the Council are recognised as 'appropriate representatives' for consultation purposes under the Act. A consultation and communication process regarding TUPE is ongoing.
- 7.11 On commencement of the Estate Services contract the contractor will be apportioned with a notional share of pension fund assets as calculated by the actuary to be sufficient to match the pension liabilities. The contractor will not inherit any pension fund deficit and it will be a requirement of the contractor to ensure that all contributions have been regularly made as advised by the actuary.
- 7.12 The contribution rate may vary during the course of the contract in accordance with clause 8 of the Admission Agreement. Any variation in the rate of contribution will be at the contractor's risk.
- 7.13 Any funding deficit which accrues during the contract term in relation to deferred and pensioner liabilities will be the responsibility of Hammersmith and Fulham Council on exit.
- 7.14 Although the employer contribution rate has been set and will be reviewed by the actuary with the aim of maintaining full funding in respect of the active membership, any deficit which does arise in respect of the active membership will be the responsibility of the contractor and will be charged to the contractor on exit. This excludes any contributions due under Clause 6.5 of the Admission Agreement which arise because of early and ill health retirements, where the capital cost of the retirement will be charged as a capital sum.
- 7.15 In accordance with clause 9 of the Admissions Agreement, the contractor will be required to maintain an indemnity bond to meet the level of risk exposure arising on premature termination of the contract. The value of the indemnity bond shall be assessed by the Scheme Employer as arising as a result of the matters mentioned in regulation 6(5) of the Administration Regulations, to the satisfaction of the Administering Authority.

Statutory Consultation

Section 105 Consultation with secure tenants

- 7.16 In addition to the informal consultation outlined above; the Council, as a landlord, is required to carry out formal consultation under section 105 of the Housing Act with secure tenants as it is considered that tenants are likely to be substantially affected by the proposal. This consultation will commence following the call in and standstill periods as outlined in Appendix 5.

- 7.17 As with any consultation exercise there is a requirement to inform tenants of the proposal and to give them the opportunity to make comments within a specified period. The Council is required to consider these comments before making a decision to enter into the Agreement.
- 7.18 It is proposed that the Cabinet Member for Housing, in consultation with the Executive Director of Housing and Regeneration, be given delegated authority to consider any comments received before final contract award.

Leaseholder Consultation – Section 20 of the Landlord and Tenant Act 1985

- 7.19 The Council is required to consult with leaseholders before it enters into the proposed contract. The initial Notice of Intention was served on leaseholders on 16 December 2011 and expired on 16 January 2012. A total of fifty-six observations were received all of which were responded to within the statutory timescale.
- 7.20 The statutory consultation process now requires the Council to issue a Notice of Proposal to all affected leaseholders, notifying them of the intention to appoint the successful tenderer and inviting observations. Leaseholders will have 30 days to submit observations. The Council must have regard to any observations made by the due date and must respond to all of these observations within 21 days of receipt.
- 7.21 Again it is proposed that the Cabinet Member for Housing, in consultation with Executive Director of Housing and Regeneration, be given delegated authority to consider the outcome of the consultation before final contract award.

8. EQUALITY IMPLICATIONS

- 8.1 Initial EIA assessments have been prepared in consultation with the Equalities Manager (available upon request). The proposal to review the procurement strategy does not involve any changes to service delivery or operational policies. Therefore if an award of contract was agreed by Cabinet the contractor would be undertaking decisions based on policies that have already been approved by Cabinet and for which EIA considerations have already been made.

9. LEGAL IMPLICATIONS

- 9.1 As set out in the report the Council has a statutory duty to consult with Tenants and Leaseholders and to have regard to the outcome of these consultations before making a decision to enter into the agreement.
- 9.2 Legal services has advised the client department on the procurement process and has been represented on the TAP. The procurement has been carried out in accordance with the Council's contract standing orders and EU procurement rules.
- 9.3 Implications verified/completed by: (Janette Mullins, Head of Litigation x2744 and Catherine Irvine, Principal Contracts Lawyer x2774).

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 Evaluation of the tenders confirms that Pinnacle Housing Ltd achieves the highest price mark. Both the proposals from Pinnacle Housing Ltd and from Carillion Energy

Services Ltd plan to deliver the required annual Medium Term Financial Strategy savings in the Housing Revenue Account.

10.2 Further comments are in the separate report on the exempt Cabinet agenda.

10.3 Implications verified/completed by: (Kathleen Corbett, Director of Finance & Resources, HRD x3031).

11. RISK MANAGEMENT

11.1 A Programme Board has been established to oversee the full HRD MTFS Transformation Programme. The Board is chaired by the Executive Director of Housing and Regeneration, supported by the Directors of Finance and Resources, Housing Services and Asset Management and Property Services and senior Project Managers and representatives from Procurement, Legal, Organisation Development & Transformation and Human Resources.

11.2 Project Teams have been established for Housing Services, headed by the Director of Housing Services and supported by all Service Heads. The Programme Board has delegated authority to the project teams to manage the day to day delivery of the individual project streams, with the project team reporting monthly to the Programme Board.

11.3 The principal risks of pursuing the proposed strategy have been considered (and where necessary are being monitored) as a part of developing the strategy. These risks, along with mitigating actions, are identified in Appendix 6.

11.4 Project control documentation has been developed and implemented and is reviewed regularly by both the project teams and Programme Board. This includes the review of project level and programme level risk.

11.5 The report content is self-explanatory and highlights the opportunities from the procurement and could be summarised briefly as Pinnacle Housing Ltd's offer as set out below:-

- 100 day plan will engage with every residents face to face or by phone
- Pinnacle direct 24/7 365 call service for residents/ lone workers
- 21% saving on cost
- 3 apprenticeships a year for life of contract
- 40 training opportunities for local residents each year
- 80 vocational work experience placements each year

11.6 Management of risk is an active process, managed from business case to mobilisation and ongoing performance of the successful contractor. Risks have been managed as part of the procurement project and have been identified and managed throughout the procurement to enable the optimum chance of full benefit realisation.

11.7 A project risk register exists and is updated as necessary. Where specific risks have been identified as significant they are escalated. Mitigated risk is proportionate to the exposure and cost of control. The Project is noted on the department's overall risk register and has been discussed with the HRD Risk Manager.

12 PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1 The Director for Procurement and IT Strategy has supported this procurement, has been represented at TAP meetings, and been consulted on the report. It is noted that the lowest tender submitted is competitive and incorporates a number of significant supplementary benefits.
- 12.2 The Director confirms that the procurement has been carried out in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's Contract Standing Orders have been complied with. Consequently the Director supports the recommendations.
- 12.3 Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538).

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
	None		

LIST OF APPENDICES:

Appendix 1 – Map of Estate Services Area

Appendix 2 – KPI & Service Standards

Appendix 3 – Structure chart of services

Appendix 4 – Local Resident Panel meetings

Appendix 5 – Consultation timeline

Appendix 6 – Risk Management

London Borough of Hammersmith & Fulham

LOT 1 ESTATE SERVICES

KEY



Large Estates (100+ Units)



Small Estates (Less than 100 Units)



Hammersmith North Area Office
New Zealand Way
White City Estate W12 7DE



Fulham North Area Office
Clem Attlee Estate, Lillie Road
Fulham SW6 7RX

LEGEND

- Town Hall
- Police Station
- Underground Station
- National Rail Station
- Borough Boundary

- KEY** **WARD BOUNDARIES**
- 1 COLLEGE PARK & OLD OAK
 - 2 WORMHOLT & WHITE CITY
 - 3 SHEPHERDS BUSH GREEN
 - 4 ASKEW
 - 5 RAVENSCOURT PARK
 - 6 HAMMERSMITH BROADWAY
 - 7 ADDISON
 - 8 AVONMORE & BROOK GREEN
 - 9 FULHAM REACH
 - 10 NORTH END
 - 11 PALACE RIVERSIDE
 - 12 MUNSTER
 - 13 FULHAM BROADWAY
 - 14 TOWN
 - 15 PARSONS GREEN & WALHAM
 - 16 SANDS END

London Borough of
Richmond upon Thames

London Borough of
Wandsworth

Devised and created by the Land & Asset Survey Team
using CAD & GIS software. This drawing is Copyright.
© Crown copyright and database rights
2013 Ordnance Survey Licence No. LA100019223

This drawing is Copyright.
NOT TO SCALE
Drawing No. 41000/33/2
January 2013

h&f
putting residents first



Appendix 2 – Estate Services Performance Indicators and Service Standards

Key Performance Indicators

A list of the KPIs and their targets are shown below. Service Standards and KPIs were agreed between the Local Residents' Panel and the Council.

KPI No.	Key Performance Indicator	Target	Incentivisation Mechanism	Frequency
1	Percentage of customers satisfied with the delivery of services within the scope of the contract, measured through quarterly customer satisfaction questionnaires carried out by a third party (IPSOS MORI).	80%	2%	Quarterly
2	Number of Stage 1 complaints to develop to Stage 2	<5%	2%	Quarterly
3	Percentage of inspections (led by H&F client team inspector), which achieve a pass or excellent grade at inspection.	90%	2%	Quarterly
4	Percentage of reported fly tips removed or reported to refuse contractor within 1 working day	100%	2%	Quarterly
5	Percentage of recorded graffiti removed within the target time. Timescales for both offensive and non-offensive graffiti are 24 hrs and 7 days respectively.	100%	2%	Quarterly

Management Performance Indicators

MPI No.	Management Performance Indicator	Target	Frequency
	Correspondence and complaints		
1	Percentage of general correspondence responded to within 15 working days	100%	Monthly
2	Percentage of MP/Councillor enquiries responded to within 8 working days	100%	Monthly
3	Percentage of London Borough of Hammersmith & Fulham Housing Cabinet member enquiries responded to within 3 days.	100%	Monthly
4	Percentage of Stage 1 complaints responded to within 15 working days.	97%	Monthly
5	Percentage of Stage 2 complaints	97%	Monthly

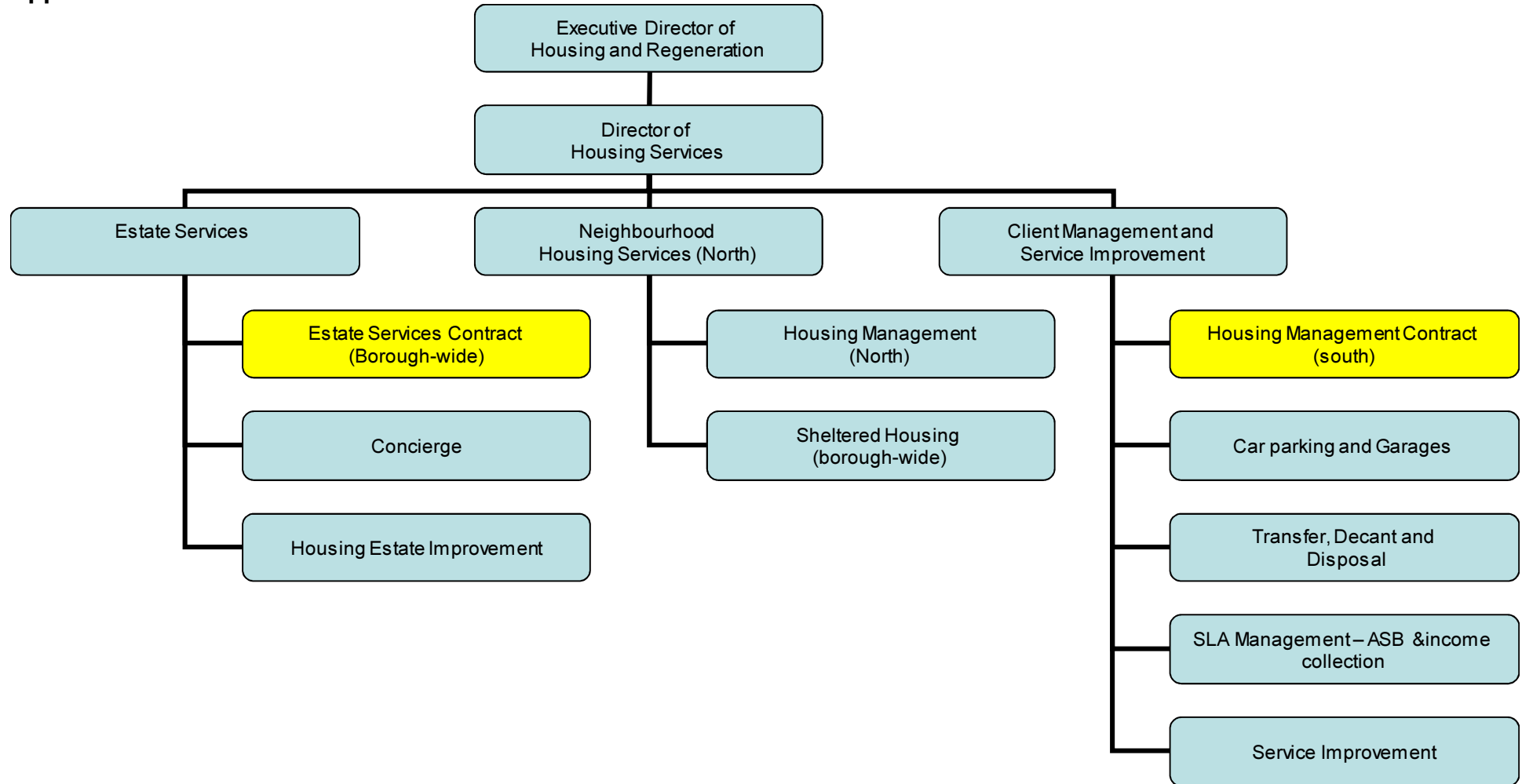
	responded to within 20 working days.		
	Caretaking		
6	Percentage of hazardous waste to be removed within 24 hours of reporting	100%	Quarterly

Service Standards

No.	Service Standards
	Customer Service
1	The Service Provider shall provide any information to be published on a quarterly basis in the Your Home magazine
	Reception Services
2	The Service Provider shall aim to resolve initial enquiries at the first point of contact.
3	All staff should be able to be identified through wearing an identity badge at all times and using the correct greeting.
	Involvement and Empowerment
4	The Service Provider shall undertake 4 Estate Inspections of each site per year with Housing Officers and Contractors according to the publicised schedule.
5	The Service Provider shall attend borough forums which shall be held at least 4 times per year to discuss policy and strategy issues. These meetings are open to all tenants and leaseholders living in the borough.
6	The Service Provider shall need to attend Area Housing Forums which shall be held 4 times a year in each of the four areas of the borough. These meetings are open to all tenants and leaseholders living in the area.
7	The Service Provider shall work with residents to provide a tailored set of service standards/local offers for each of the four forum areas.
	Caretaking
8	Site specific caretaking tasks are to be included on work schedules. The schedules shall include photographs of achievable standards. The schedules shall be displayed on notice boards where available.
	Neighbourhood Repairs
9	Caretakers and Housing Officers shall undertake fortnightly estate walkabouts to identify any repairs or individual residents requiring additional support.
10	Caretaking staff shall immediately make safe any hazards identified in the communal areas of the estate either through restricting access or posting warning notices and then reporting to the repairs service
11	Caretaking staff shall report all communal repairs to the repairs contractor when identified
	Training
12	In order to provide the agreed standard of caretaking the staff providing the service shall receive cleaning industry recognised training
	Communication
13	Caretaking staff shall wear uniform for easy recognition and shall also carry identification
14	Achievable caretaking standards shall be agreed with estate representatives
15	A caretaking free phone line shall be available for residents to contact caretaking

	staff
16	The work schedule for each block shall be displayed on the notice board in the entrance. If no notice board is fitted a copy shall be provided to each flat within the block for information.
17	The caretaker shall update work logs showing which tasks were completed on each visit where a notice board is fitted.
	ASB
18	Caretaking staff shall report all evidence of ASB, e.g. fly tipping, to the tenancy management team for investigation on the day it occurs.

Appendix 3 Structure Chart



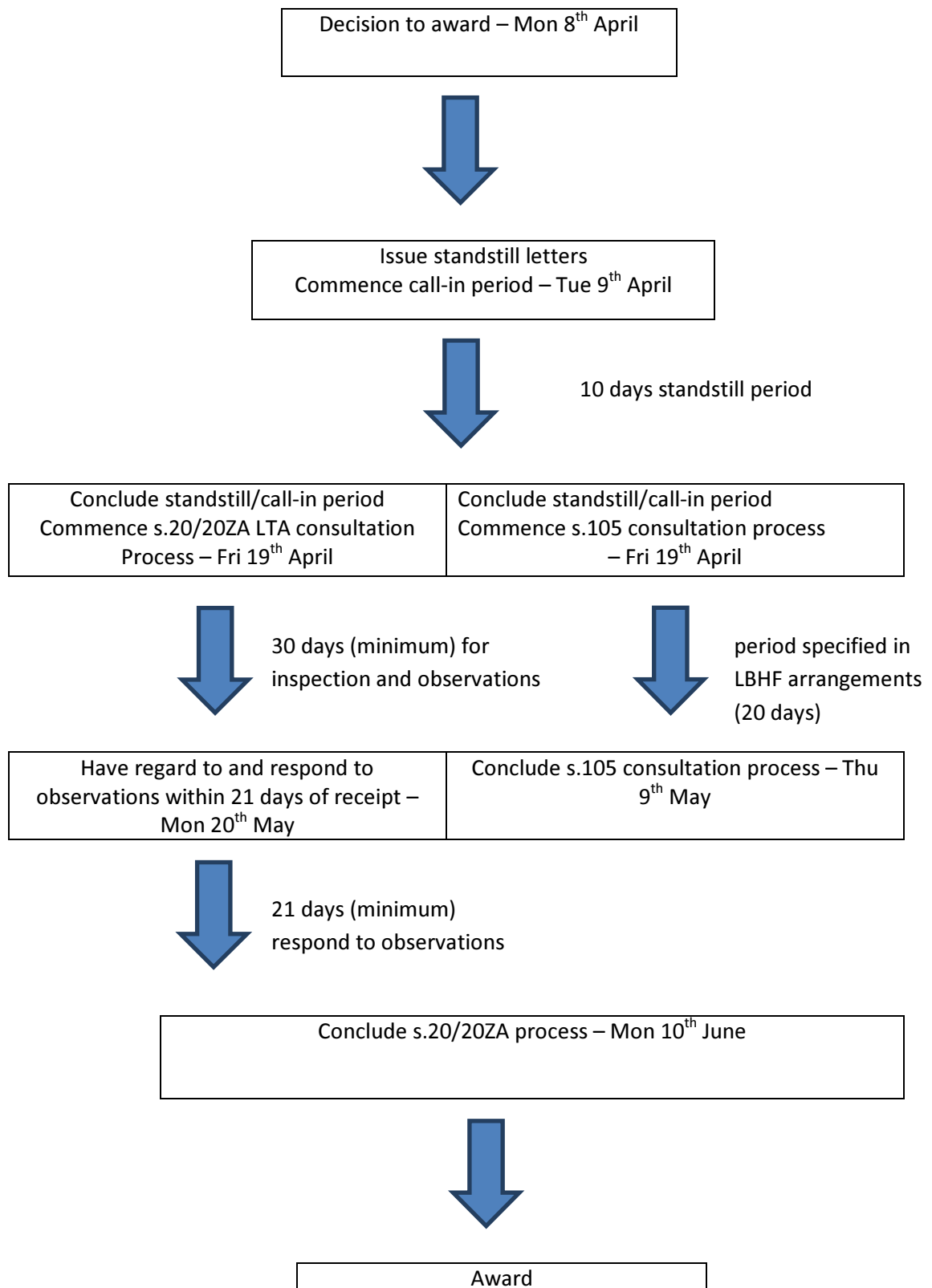
Appendix 4 – Estate Services Local Residents Panel Meeting Dates

Month	Date	Venue
March 2012	01/03/12	Small Hall, Hammersmith Town Hall
March 2012	26/03/12 *	Small Hall, Hammersmith Town Hall
April 2012	26/04/12	Queen Caroline Estate Community Hall
May 2012	24/05/12	Small Hall, Hammersmith Town Hall
June 2012	05/07/12 (meeting date changed)	Courtyard Room, Hammersmith Town Hall
July 2012	26/07/12	Small Hall, Hammersmith Town Hall
August 2012	30/08/12	Small Hall, Hammersmith Town Hall
September 2012	27/09/12	Small Hall, Hammersmith Town Hall
October 2012	25/10/12	Small Hall, Hammersmith Town Hall
November 2012	29/11/12 (informal meeting without Officers)	Small Hall, Hammersmith Town Hall
December 2012	13/12/12 (decision taken at Nov informal meeting to cancel this meeting)	Small Hall, Hammersmith Town Hall
January 2013	24/01/13	Small Hall, Hammersmith Town Hall
February 2013	28/02/13	Small Hall, Hammersmith Town Hall
April 2013	04/04/13	Small Hall, Hammersmith Town Hall

Meetings to start at 7pm and run for a maximum of 2 hours. In most cases the meeting date has been set for the last Thursday of every month with the exception of Christmas 2012 and Easter 2013.

* Two meetings in March 2012 due to Easter bank holidays in first week in April.

Appendix 5 - Lot 1 – Estate Services Consultation Timeline



Appendix 6 – Estate Services Risk Management

There are two distinct elements of risk to be managed. There are those remaining risks associated with the 'market testing' project (Project Risks), and those risks associated with the recommended outcome (Contract Risks).

The contract risks have been the subject of consideration throughout the market testing process to date, and the specific risks identified with the outsourcing option are detailed below, with their principal mitigations.

Risk	Mitigation	
Supplier becomes insolvent	1	Creditworthiness - An appropriate degree of scrutiny of potential tenderers' financial standing was undertaken at PQQ stage using the Council's corporate Creditsafe criteria. The Finance department has also re-assessed the highest ranked tenderer's financial position following evaluation of tenders to confirm their position has not changed.
	2	Abnormally low tenders - The Finance team has scrutinised the costs using a carefully developed process to ascertain that the price submitted as part of any tender is sustainable in terms of overhead and profit allowances and are confident that the highest ranked Tenderer is capable of delivering the service at the tendered cost.
	3	Parent Company Guarantee – The tenderers were required to confirm that their ultimate parent company would enter into a PCG if awarded the contract.
	4	Performance Bond – Legal advice stated this is not required.
	5	Step in clauses – Legal have included appropriate step-in clauses for the contract.

Supplier does not meet performance standards	1	Carefully drafted technical questions in the quality section of the PQQ to ensure that Tenderer can demonstrate satisfactory past performance.
	2	Carefully drafted technical questions in the quality section of the ITT to ensure that the tender offer is technically adequate and directly related to the specific levels and types of service desired.
	3	A contractual mechanism of risk and reward linked to headline KPI performance.
	4	A contractual mechanism for escalation procedures which would allow for determination of the contract with award of costs.
	5	Consultation with Local residents Panels will clarify intended levels of performance.
Management difficulties with supplier	1	Gap analysis of skills within the HRD staff to ascertain training needs before contract mobilisation.
	2	Implement a partnering approach that identifies common objectives, linked to the risk and reward model.
	3	A pricing model that leads towards the contractor being incentivised to reduce costs where appropriate (consider such things as ring-fenced overhead contribution).
	4	Involvement of Local Residents Panel will bring added stakeholder emphasis to performance achievements.
Statutory Requirements are not being followed 1. Site Activities	1	Ensure that PQQ and ITT procedures are adequate, and that Strategic review meetings routinely include Statutory

		compliance.
Statutory Requirements are not being followed 2. Landlord's Responsibilities	1	Retain Landlord's statutory duties so that they are not included as part of the contract – only include consequential works within the contract.
	2	Include appropriate KPIs to reflect the importance of any statutory activities.
	3	Continue with compliance audit to monitor activities with statutory implications.

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
MARKET TESTING OF HOUSING SERVICES – HOUSING MANAGEMENT (LOT 2)	
Report of the Cabinet Member for Housing – Councillor Andrew Johnson	
Open Report A separate report on the exempt part of the Cabinet agenda provides exempt information relating to the evaluation of the tenders received.	
Classification - For Decision Key Decision: Yes	
Wards Affected: Fulham Broadway; Fulham Reach; Munster; North End; Palace Riverside; Parsons Green and Walham; Sands End; Town.	
Accountable Executive Director: Melbourne Barrett, Executive Director of Housing and Regeneration	
Report Author: Jo Rowlands Director Housing Services Mark Brayford Head Client Management – Housing Services	Contact Details: Tel: 020 8753 4159 E-mail: Jo.Rowlands@lbhf.gov.uk Mark.Brayford@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Housing Revenue Account (HRA) Financial Strategy and Rent Increase 2013/14 report was approved by Cabinet on 11th February 2013. The report noted £6 million savings in management costs between 2008 and 2010. A further HRA Medium Term Financial Strategy (MTFS) transformation programme is underway to achieve ongoing revenue savings of £4m per annum from 2014/15 onwards. Delivery of the transformation savings programme is required to contain the current reliance on asset sales to fund ongoing repairs and maintenance activity and to improve the financial position of the HRA overall, freeing up investment for debt repayment, innovation, estate improvements and service improvement.
- 1.2 The Council Cabinet report “Housing Revenue Account – Medium Term Financial Strategy Transformation Programme: Housing Services Market Testing and Repairs and Maintenance Re-procurement Exercise” approved on 21 May 2012 gave authority to market test/procure (the provision of) a 10-year Housing Services Contract(s) with an option to extend for a further 5 years. The Housing Services that have been market tested are separated into two procurement lots. Lot 1 relates to Estate Services and

Lot 2 Housing Management. Lot 2 is considered in this report, Lot 1 is the subject of a separate report.

- 1.3 The report of the 21 May 2012 also provided delegated authority “that the provisions of Contract Standing Orders (Section 3, para 9.2) be waived and authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director for Housing and Regeneration, to progress the related procurement processes up to, but not including Contract Award. Subsequent decisions relating to the entering into of contractual arrangements will be the subject of a further report back to Cabinet.”
- 1.4 The market testing procurement exercise for housing services has now been completed and this report:-
- Updates Cabinet on the market testing procurement process for housing management, it recommends entering into contractual arrangements for the future delivery of the service as set out in section 6 of this report.
 - Sets out the future shape of the housing management service in line with these recommendations.
 - Updates Cabinet on the progress made by housing services in relation to its savings targets under the agreed MTFS programme.

2. RECOMMENDATIONS

- 2.1 That officers' recommendation that the contract for housing management services for the south of the borough be awarded to Pinnacle Housing Limited be noted.
- 2.2 That authority be delegated to the Cabinet Member for Housing, in consultation with the Executive Director for Housing and Regeneration, to:-
- (i) award the contract for housing management services for the south of the borough to Pinnacle Housing Limited in the initial sum of £1.348M per annum, subject to due regard being taken of the outcome of the section 105 consultation described in paragraphs 7.3 to 7.6 and the consent of the Social Housing Regulator as described in paragraph 7.23 of the report.
 - (ii) approve any necessary amendments to the contract in light of the consultations or as may be required by the Social Housing Regulator.
- 2.3 That the management of higher level ASB remains in-house for the time being whilst noting that the proposed contract with Pinnacle Housing Limited will contain an option to vary the contract to include this service within the contract for housing management services.
- 2.4 That the TUPE transfer of approximately 25 Council staff to the new contractor be noted and that approval be given to the Council entering into any necessary ancillary agreements as a result of such transfer.

3. REASONS FOR DECISION

- 3.1 The London Borough of Hammersmith and Fulham has established a track record for delivering high quality, value for money public services. Following the return of the management of Council Housing to the Council from H&F Homes Ltd in April 2011 the Council faces two key challenges:-
- i. to bring about a significant improvement in service. Despite some improvements to date in the provision of housing services in recent years there is recognition, based

on benchmark performance data and consistent feedback from tenants and leaseholders that housing management services need to further improve.

- ii. to reduce costs to enable a secure financial base to be built in order to move to a position where repairs and maintenance are wholly funded from rents and service charges without recourse to asset sales and to manage the risk of running an unlawful deficit on HRA reserves. Notwithstanding £6million of savings in management costs delivered by H&F Homes Ltd and further savings through collapsing the ALMO structure, based on benchmarking cost data further savings are required and achievable.

3.2 The outcome of the market testing process as set out in this report has highlighted the benefits and opportunities of awarding a contract to a third party provider. If Cabinet agree to the recommendations set out in this report the Council would expect to see:-

- An annual service cost reduced from £1.638M to £1.348M with the winning tender being from Pinnacle Housing Ltd at £1.348M giving a significant £290k per annum contribution towards the savings required by the Housing Revenue Account Financial Strategy.

Significant improvement in all the cost KPIs together with marked improvements in the quality KPIs benchmark figures.

- A leaner department that is more effective at delivering good effective performance and contract management.
- Flexibility within the service to continuously evolve to meet the needs of the residents.

4. INTRODUCTION AND BACKGROUND

4.1 The market testing was based on dividing the housing stock into two areas for housing management with the North (Hammersmith) remaining as an in-house service and the South (Fulham) made up of 7,613 properties forming the basis of the proposed contract and the market testing. The South (Fulham) area consists of 5,363 tenanted properties and 2,093 leasehold – additionally there are 130 freeholders, 8 Rent-to-Mortgage and 19 equity share homes. Appendix 1 sets out a colour coded map which highlights the area.

4.2 The housing management contract for the south of the borough will encompass the contractor taking over a variety of services currently handled in-house, including but not limited to tenancy management including reception services, tenancy registration, re-housing and evictions and various other services such as lower level Anti-Social Behaviour service.

4.3 This approach was devised to run services that could be reviewed and compared with each other to maximise improvement, efficiencies and learn from best performance. Market testing sets a realistic cost for housing management. Hammersmith and Fulham has an above average management cost as shown in the Cabinet report dated 21 May 2012 which obtained approval to market test housing services in the south of the borough.

4.4 The price offered from this procurement will improve cost efficiency and will be used as the benchmark for the north (Hammersmith) area.

4.5 The procurement process for this contract commenced with a Notice of Intention that was issued to leaseholders on 2 April 2012 for Housing Management. A Prior

Information Notice (PIN) was issued on 3 April 2012 and subsequently published on 7 April 2012 (reference 2012/S 69-114413).

- 4.6 A contract advertisement (ref 2012/S 125-207497) and pre-qualification questionnaire (PQQ) was issued on 29 June 2012 and subsequently the advert was published on 3 July 2012 via the London Tenders Portal with a response deadline of 7 August 2012. Fifty-eight initial expressions of interest were registered on the e-tendering system (London Tenders Portal) for Lots 1 and 2, of which five submitted a completed Pre-Qualification Questionnaires and from which four organisations were invited to tender.
- 4.7 The invitation to tender for Lot 2 was issued on 25 October 2012 via the London Tenders Portal with a response deadline of 6 December 2012. Of the four invited to tender three submitted tenders for Lot 2.
- 4.8 The TAP marking panel was set up and a process of evaluation and clarification was undertaken on the three submissions received. A TAP evaluation meeting was held on 22 January 2013 where a report was submitted by the TAP marking panel. The TAP evaluation meeting agreed with the recommendations of the marking panel, which now form the recommendations of this report.
- 4.9 The Council has ensured that the two core service aims have been achieved through the market testing exercise. The first is to deliver improved value for money and this is demonstrated through the price given by the recommended tenderer. The second aim is quality improvement and this will be achieved by holding the contractor to account against a comprehensive and challenging suite of performance indicators that have been set in agreement with the Local Residents Panel. For example, the council has set a target to take a day off the time it currently takes to let a void property and the complaint handling target is an 11% improvement on the council's current performance.
- 4.10 The contract also provides a mechanism to incentivise a number of indicators ensuring that those elements of service that matter most to residents are prioritised and are linked to payment. Details of performance indicators and service standards are provided in Appendix 2.

5. PROPOSAL AND ISSUES

- 5.1 By agreeing this Cabinet report, Members will be agreeing subject to consultation and necessary consents that the Council will enter into a minimum ten year contractual agreement with Pinnacle Housing Ltd to deliver housing management services to properties in the South of the borough.
- 5.2 Key changes proposed for the housing service overall this will mean:-
- The South (Fulham) area will be delivered by Pinnacle Housing Ltd.
 - The North (Hammersmith) area will remain in-house but working to the same service specification as the south.
 - Both North and South areas will be benchmarked against each other to improve performance and efficiencies.
 - Sheltered housing for the borough will remain in-house.
 - Higher level ASB will continue to be managed by its current provider in Safer Neighbourhoods/ Operations in Resident Services.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1 All areas of housing management have undergone a full appraisal to establish the best way forward on performance and value for money.
- 6.2 The main option considered as part of the market testing process was to determine whether a third party provider for housing management could deliver housing management services for properties in the south of the borough while at the same time providing improved value for money against the cost of delivering the service in house and if the provider could also deliver an improved quality of service to council residents.
- 6.3 The alternative option, should the market testing conclude that a third party could not deliver these cost and performance improvements, would be for the service to remain in-house and to work against the detailed housing management specification prepared for the tender process.
- 6.4 The tenders were assessed against a detailed specification, with 60% of the final score being based on cost and 40% on quality. Each tender was evaluated by a marking panel, a separate panel for quality and for cost.
- 6.5 The Price ITT Marking Panel calculated the costs, MTFs savings, and Price Scores for each of the tenders and subsequently performed the Further Financial Assessment. Further details of this assessment and their implications are set out in section 10 of this report.
- 6.6 Expert advice from specialist officers in Legal and HR was also sought for the evaluation. External legal advisers, Sharpe Pritchard, provided specialist input into both procurement processes from the ITT submission date.
- 6.7 For financial robustness, the highest ranked applicant was subjected to a further financial assessment to demonstrate there is no significant change in the financial position since the Creditsafe analysis performed at PQQ stage.
- 6.8 Scoring and Evaluation - The scoring was based on a 60/40 split, with 60% of the final score weighted to the cost element of the tenders responses and 40% on the quality of the tender responses. This was set out in the 21 May 2012 Cabinet report.
- 6.9 Proposed option - On the basis of the option analysis it is recommended that the option to enter into a contract with a third party provider to deliver housing management services for the south of the borough be taken forward and that the chosen contractor is recommended to be Pinnacle Housing Ltd.
- 6.10 It is proposed that the contract excludes higher level ASB management and the service continues to be delivered by the Safer Neighbourhoods/ Operations in Resident Services. ASB remains a primary concern for council residents; this remained evident throughout the consultation exercise. Poor management would represent a significant reputational risk to the council and the credibility of the successful contractor. Retaining greater control over service delivery is preferred. The higher level ASB team have already agreed savings of 20% as part of the MTFs programme in 2013/14.
- 6.11 As stated earlier all services have been reviewed to look at improved performance and value for money and if the recommendations of this report are agreed by Cabinet it will lead to a significant change in how housing management services will be structured and delivered in the borough moving towards two distinct service hubs. In addition as part of the MTFs saving targets a number of mini reorganisations and recent changes to other areas such as income collection will bring other associated changes. Set out below is a summary of these changes and appendix 3 provides a structure chart setting out how the housing services department would deliver services.

- 6.12 The South (Fulham) area would deliver the following services through Pinnacle Housing Ltd based at the Clem Attlee neighbourhood office:-
- Tenancy management and enforcement of tenancy conditions.
 - Property viewings and allocating new properties
 - Advice and support for tenancy issues
 - Working with residents
 - Lower level anti social behaviour, where there is a breach of the conditions of the Tenancy Agreement. Examples include unintentional damage to property, illegal or immoral use of a property or communal area, Noise Nuisance, Graffiti, obstruction of communal areas.
 - Tenancy checks, dealing with unauthorised occupation, tenancy fraud
- 6.13 The North (Hammersmith) area would deliver the same services as above plus the management of all sheltered housing in the borough.
- 6.14 These services will be complimented by the income team who are located within H&F Direct and are responsible for the collection of rents.
- 6.15 Higher level ASB will remain with safer neighbourhoods/ operations in resident services. This includes behaviour that is targeted on grounds of disability, gender, age, transgender and homophobia, or racial harassment resulting in actual or threatened violence, incidents that indicate a likelihood of a serious injury, any act of hate crime, all acts of violence or threats of violence to residents, their visitors, staff or any contractors, and any member of the public.
- 6.16 The above areas will be benchmarked and cliented by the housing services client team.

7. CONSULTATION

Resident consultation

- 7.1 Our Resident Involvement approach starts from an acknowledgement that if the council are to achieve successful neighbourhoods and communities particularly in the more deprived areas of the borough the council need to be more responsive to the changing expectations and demands of all tenants and leaseholders. Only in this way do the council believe the council will meet their aspirations and increase levels of satisfaction across the borough.
- 7.2 The HRA MTFs Transformation Programme Board are committed to close resident involvement in the Programme. To this end the project teams responsible for the Housing Services transformation have developed plans for close liaison with residents in line with the Council's agreed Resident Involvement strategy. Summarised below is the consultation that has been undertaken.
- Annual Tenants Conference – on 14 July 2012 a presentation was given on the market testing process along with a question and answer session. Over 140 Residents attended.
 - Area Forums - officers have attended and updated every area forum that has been held in the borough since the decision was made by Cabinet to market test in May. The dates of these meetings are listed below:-

- **Fulham North:** 12 June 2012, 4 September 2012, 11 December 2012 & 12 March 2013
- **Sands Fulham:** 12 June 2012, 19 September 2012, 19 December 2012 & 20 March 2013
- **Hammersmith North:** 18 June 2012, 4 September 2012, 4 December 2012 & 5 March 2013
- **South Hammersmith:** 11 June 2012, 17 September 2012, 3 December 2012 & 11 March 2013
- Borough Forum - officers have attended and updated every borough forum that has been held in the borough since the decision was made by Cabinet to market test in May. The dates of these meetings were 22 May 2012, 25 September 2012, 6 November 2012, 29 January 2013 & 30 April 2013.
- Local Residents' Panel - officers have attended every panel meeting that has been held since the decision was made by Cabinet to market test in May 2012. The dates of these meetings are attached in Appendix 4.
- The service standards used for both the estate services and housing management lots were developed and agreed with the panel and discussions were held on key KPIs that would be incentivised as parts of the proposed contracts. All panel members signed confidentiality agreements so that in depth updates could be given throughout the procurement process. It has already been agreed that the Local Residents Panel will play a key role in future service reviews of the services and this was set out within the Invitation to Tender documents and method statements that were sent to tenderers.
- Annual Leaseholders Conference - officers attended the annual leaseholders conference on Saturday 26 January 2013 and a presentation was given on the current position around the market testing of housing services.
- In addition residents of the borough have been informed in 'Your Home' magazine about the market testing proposal in the September 2012 issue and role of local resident panel in the December 2012 issue.

Statutory Consultation

Section 105 Consultation with secure tenants

- 7.3 In addition to the informal consultation outlined above; the Council, as a landlord, is required to carry out formal consultation under section 105 of the Housing Act with secure tenants about the housing management contract proposal. This consultation will commence following the call in and standstill period as outlined in Appendix 5.
- 7.4 The Housing Act requires the Council to consult with tenants who are likely to be substantially affected by a matter of housing management. As with any consultation exercise there is a requirement to inform tenants of the proposal and to give them the opportunity to make comments within a specified period. The Council is required to consider these comments before making a decision to enter into the Agreement.
- 7.5 As set out in section 8 the Council requires the approval of the Social Housing Regulator before entering into the Agreement. The Regulator will require evidence that Tenants have been consulted and that their comments have been taken into consideration.

- 7.6 It is proposed that the Cabinet Member for Housing, in consultation with the Executive Director of Housing and Regeneration, be given delegated authority to consider any comments received before final contract award.

Leaseholder Consultation – Section 20 of the Landlord and Tenant Act 1985

- 7.7 The Council has to formally consult with leaseholders before the council enters into a long term agreement where the cost to any leaseholder is likely to be more than £100 in any financial year. Two notices need to be served, the first a notice of intent (NOI) and after the tendering process and before entering into the contract, a notice of Proposal (NOP).
- 7.8 The initial Notice of Intention was served on leaseholders on 2 April 2012 and expired on 2 May 2012. A total of two observations were received, both of which were responded to within the statutory timescale.
- 7.9 Now the tenders have been received the Council has the information needed to issue NOP's. As the cost to any leaseholder is likely to be considerably less than £100 in any financial year, the council are not required to consult further with Leaseholders in order to recover the cost and therefore do not propose to issue NOP's.

Staff consultation

- 7.10 The MTFs Transformation Programme began in November 2011. At this time the Executive Director briefed all HRA funded staff outlining the key objectives, scope of the programme and commitments to staff engagement, throughout the period of change. Following this initial briefing, key messages were reinforced through regular up-date briefings from the Executive Director and Directors, team briefings from Heads of Service and monthly staff newsletters.
- 7.11 A dedicated Frequently Asked Questions, "Ask Mel", intranet link has been created to provide staff with the opportunity to pose questions directly to the Executive Director. In addition, suggestion boxes have been placed in all offices to encourage staff to put forward suggestions and raise any queries, anonymously.
- 7.12 These measures have been designed to engage and involve staff to ensure as smooth a transition as possible, whilst maintaining the current service. As the Transformation Programme progresses and detailed proposals are formulated, normal consultation processes with trade unions will be followed.
- 7.13 A series of meetings with staff in the South Area housing office have been held on 28th September 2012, 29 November 2012, 24 January 2012 as well as regular updates provided by the Head of the South area.

Further consultation

TUPE Process

- 7.14 The Transfer of Undertakings (Protection of Employment) Regulations 2006 is the main piece of legislation and is designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions with continuity of employment as formerly. The TUPE Regulations will be adhered to throughout the process.

- 7.15 TUPE requires that employees who are affected by the transfer should be consulted. The obligation to consult in law is where measures might be taken in relation to any of the affected employees.
- 7.16 This includes:-
- Employees who are affected
 - Who may be affected
 - Whose jobs are in jeopardy
 - Job applicants
 - there is no obligation to consult with the whole workforce or everyone in the workforce who might apply for a job in the affected areas.
- 7.17 Representatives of trade unions recognised by the Council are recognised as 'appropriate representatives' for consultation purposes under the Act. A consultation and communication process regarding TUPE is ongoing.
- 7.18 On commencement of the Housing Management (South) contract the contractor will be apportioned with a notional share of pension fund assets as calculated by the actuary to be sufficient to match the pension liabilities. The contractor will not inherit any pension fund deficit and it will be a requirement of the contractor to ensure that all contributions have been regularly made as advised by the actuary.
- 7.19 The contribution rate may vary during the course of the contract in accordance with clause 8 of the Admission Agreement. Any variation in the rate of contribution will be at the contractor's risk.
- 7.20 Any funding deficit which accrues during the contract term in relation to deferred and pensioner liabilities will be the responsibility of Hammersmith and Fulham Council on exit.
- 7.21 Although the employer contribution rate has been set and will be reviewed by the actuary with the aim of maintaining full funding in respect of the active membership, any deficit which does arise in respect of the active membership will be the responsibility of the contractor and will be charged to the contractor on exit. This excludes any contributions due under Clause 6.5 of the Admission Agreement which arise because of early and ill health retirements, where the capital cost of the retirement will be charged as a capital sum.
- 7.22 In accordance with clause 9 of the Admissions Agreement, the contractor will be required to maintain an indemnity bond to meet the level of risk exposure arising on premature termination of the contract. The value of the indemnity bond shall be assessed by the Scheme Employer as arising as a result of the matters mentioned in regulation 6(5) of the Administration Regulations, to the satisfaction of the Administering Authority.

Consent To Enter Into A Management Agreement

- 7.23 Under Section 27 of the Housing Act 1985 the council are required to seek approval from the Social Housing Regulator before entering into a housing management agreement with a third party. This approval currently sits with the Homes and Communities Agency (HCA). The HCA has to consider the authorities application and that it is satisfied that the application should be granted under the HCA's powers in Section 27 (6) and 27 (18) of the Housing Act 1985. The proposed contract requires

this consent as it is over 5 years. The consent is usually obtained within a month of application.

8. EQUALITY IMPLICATIONS

- 8.1 Initial EIA assessments have been prepared in consultation with the Equalities Manager (available upon request). The proposal to review the procurement strategy does not involve any changes to service delivery or operational policies. Therefore if an award of contract was agreed by Cabinet the contractor would be undertaking decisions based on policies that have already been approved by Cabinet and for which EIA considerations have already been made.

9. LEGAL IMPLICATIONS

- 9.1 As set out in the report the Council has a statutory duty to consult with Tenants and to have regard to the outcome of these consultations before making a decision to enter into the Agreement.
- 9.2 In addition, as the Agreement is for longer than 5 years, the Council must seek the approval of the Social Housing Regulator (the HCA) before entering into the Agreement.
- 9.3 Legal services has advised the client department on the procurement process and has been represented on the TAP. This procurement has been carried out in accordance with the Council's contract standing orders and EU procurement rules.
- 9.4 Implications verified/completed by: (Janette Mullins, Head of Litigation x2744 and Catherine Irvine, Principal Contracts Lawyer x2774).

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 Evaluation of the tenders confirms that Pinnacle Housing Ltd achieves the highest price mark. It is also the only one of the three tenderers that proposes to deliver the anticipated contribution towards the MTFs savings envelope in the Housing Revenue Account.
- 10.2 Further comments are in the separate report on the exempt Cabinet agenda.
- 10.3 Implications verified/completed by: (Kathleen Corbett, Director of Finance & Resources, HRD x3031).

11. RISK MANAGEMENT

- 11.1 A Programme Board has been established to oversee the full HRD MTFs Transformation Programme. The Board is chaired by the Executive Director of Housing and Regeneration, supported by the Directors of Finance and Resources, Housing Services, and Asset Management and Property Services and senior Project Managers and representatives from Procurement, Legal, Organisation Development & Transformation and Human Resources.
- 11.2 Project Teams have been established for Housing Services, headed by the Director of Housing Services, supported by all Service Heads. The Programme Board has delegated authority to the project teams to manage the day to day delivery of the

individual project streams, with the project team reporting monthly to the Programme Board.

- 11.3 The principal risks of pursuing the proposed strategy have been considered (and where necessary are being monitored) as a part of developing the strategy. These risks, along with mitigating actions, are identified in Appendix 6.
- 11.4 Project control documentation has been developed and implemented and is reviewed regularly by both the project teams and Programme Board. This includes the review of project level and programme level risk.
- 11.5 The report content is self-explanatory and highlights the opportunities from the procurement and could be summarised briefly as per Pinnacle’s offer:-
- 100 day plan will engage with every residents face to face or by phone
 - Pinnacle direct 24/7 365 call service for residents/ lone workers
 - 18% saving on cost
 - 1 apprenticeships a year for life of contract
 - 20 training opportunities for local residents each year
 - 26 vocational work experience placements each year
- 11.6 Management of risk is an active process, managed from business case to mobilisation and ongoing performance of the successful contractor. Risks have been managed as part of the procurement project and have been identified and managed throughout the procurement to enable the optimum chance of full benefit realisation.
- 11.7 A project risk register exists and is updated as necessary. Where specific risks have been identified as significant they are escalated. Mitigated risk is proportionate to the exposure and cost of control. The Project is noted on the departments overall risk register and has been discussed with the HRD Risk Manager.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1 The Director for Procurement and IT Strategy has supported this procurement, has been represented at TAP meetings, and been consulted on the report. It is noted that the lowest tender submitted is competitive and incorporates a number of significant supplementary benefits.
- 12.2 The Director confirms that the procurement has been carried out in accordance with the Public Contracts Regulations 2006 (as amended) and the Council’s Contract Standing Orders have been complied with. Consequently the Director supports the recommendations.
- 12.3 Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538).

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
	None		

LIST OF APPENDICES:

Appendix 1 – Map of housing management areas

Appendix 2 – KPI & Service Standards

Appendix 3 – Structure chart of services

Appendix 4 – Local Residents Panel meetings







Appendix 5 – Consultation timeline

Appendix 6 – Risk Management






London Borough of Hammersmith & Fulham

LOT 2 HOUSING MANAGEMENT

KEY

-  Large Estates (100+ Units)
-  Small Estates (Less than 100 Units)
-  North Housing Area
-  South Housing Area
-  Hammersmith North Area Office
New Zealand Way
White City Estate W12 7DE
-  Fulham North Area Office
Clem Attlee Estate, Lillie Road
Fulham SW6 7RX

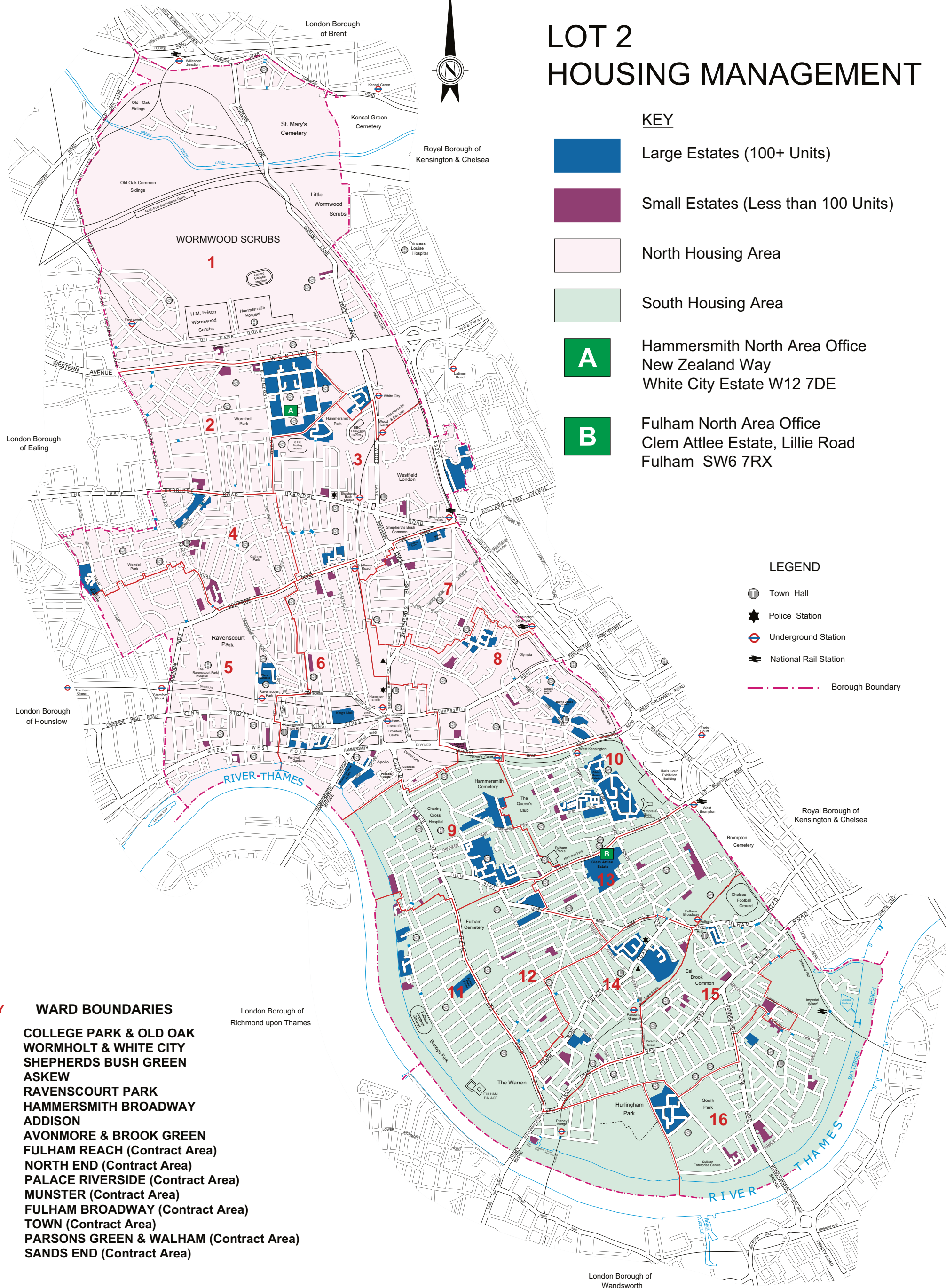
LEGEND

-  Town Hall
-  Police Station
-  Underground Station
-  National Rail Station
-  Borough Boundary

KEY

WARD BOUNDARIES

- 1 COLLEGE PARK & OLD OAK
- 2 WORMHOLT & WHITE CITY
- 3 SHEPHERDS BUSH GREEN
- 4 ASKEW
- 5 RAVENSCOURT PARK
- 6 HAMMERSMITH BROADWAY
- 7 ADDISON
- 8 AVONMORE & BROOK GREEN
- 9 FULHAM REACH (Contract Area)
- 10 NORTH END (Contract Area)
- 11 PALACE RIVERSIDE (Contract Area)
- 12 MUNSTER (Contract Area)
- 13 FULHAM BROADWAY (Contract Area)
- 14 TOWN (Contract Area)
- 15 PARSONS GREEN & WALHAM (Contract Area)
- 16 SANDS END (Contract Area)



Devised and created by the Land & Asset Survey Team using CAD & GIS software. This drawing is Copyright.
© Crown copyright and database rights
2013 Ordnance Survey Licence No. LA100019223

This drawing is Copyright.
NOT TO SCALE
Drawing No. 41000/33/2
January 2013



Appendix 2 – Housing Management Performance Indicators and Service Standards

Key Performance Indicators

A list of the KPIs and their targets are shown below. Service Standards and KPIs were agreed between the Local Residents' Panel and the Council.

KPI No.	Key Performance Indicator		Target	Incentive	Frequency
1	Customer satisfaction in key service areas under the remit of the contract		70.00%	2.00%	Quarterly
2	Percentage of stage 1 complaints that developed to stage 2		<5.00%	2.00%	Quarterly
3	Reviewing of tenancies within target time		100.00%	2.00%	Monthly
		Tolerance			
4	*Percentage of rent collected	1.00%	100.00%	2.00%	Monthly
5	*Void re-let time	15.00% = 3.90 days	26.00 days	2.00%	Monthly

Management Performance Indicators

MPI no.	Management Performance Indicator	Target	Frequency
	Correspondence and complaints		
1	Percentage of general correspondence responded to within 15 working days	100%	Monthly
2	Percentage of MP/Councillor enquiries responded to within 8 working days	100%	Monthly
3	Percentage of London Borough of Hammersmith and Fulham Housing Cabinet member enquiries responded to within 3 days.	100%	Monthly
4	Percentage of Stage 1 complaints for Tenancy Management responded to within 15 working days.	97%	Monthly
5	Percentage of Stage 2 complaints for Tenancy Management responded to within 20 working days.	97%	Monthly
	Involvement and Empowerment		
6	Percentage of occurrences where the Service Provider has supplied actions from estate inspections to Housing Officers within five working days	100%	Quarterly
7	Percentage of occurrences where actions from estate inspections are published on notice boards and the	100%	Quarterly

	Council's Housing webpage within 7 working days of the inspection taking place.		
	Allocations and Tenancy Management		
8	Percentage of appointments offered that are within 2 working days of notification that the property is ready for viewing	90%	Monthly
9	Percentage of appointments that are arranged by a Housing Officer four weeks after the tenant has moved into the property to provide any additional information or advice that might be needed	100%	Quarterly
10	Percentage of succession and assignment requests processed within 20 working days of receipt of the completed application.	95%	Monthly
11	Percentage of succession or assignment requests where outcomes have been confirmed within 5 working days of the decision being made	95%	Monthly

12	Percentage of mutual exchange applications processed within 42 working days of receipt of the application.	90%	Quarterly
13	Percentage of formal reviews of probationary tenancies that took place 8 months after the start of the tenancy as set out in the terms and conditions of the sign up documents.	100%	Quarterly
14	Percentage of decisions on whether to transfer the tenancy to a secure tenancy or not that occurred within 10 working days of the probationary review being completed.	100%	Quarterly
15	Percentage of investigations of all reports of squatters, illegal occupants, or abandonment that occurred within 2 working days of receipt.	90%	Quarterly
16	Percentage of formal tenancy checks carried out on tenants every 4 years	90%	Monthly
	ASB Grade 1 Cases		
18	Percentage of victims offered an appointment for interview within 2 working days of ASB case being reported	90%	Monthly
19	Percentage of complainants who received a monthly update on open cases in the format agreed at the initial interview to discuss the ASB	95%	Monthly
20	Percentage of residents satisfied with the way ASB cases were dealt with.	71%	Quarterly
21	Percentage of residents satisfied with the outcome of the complaint.	68%	Quarterly
22	Percentage of residents who said they would report ASB again.	85%	Quarterly
23	Percentage of cases that a complainant risk assessment was carried out when cases of ASB are reported by customers.	100%	Monthly
	ASB Grade 2 Cases		
	Percentage of victims offered an appointment for	90%	Monthly

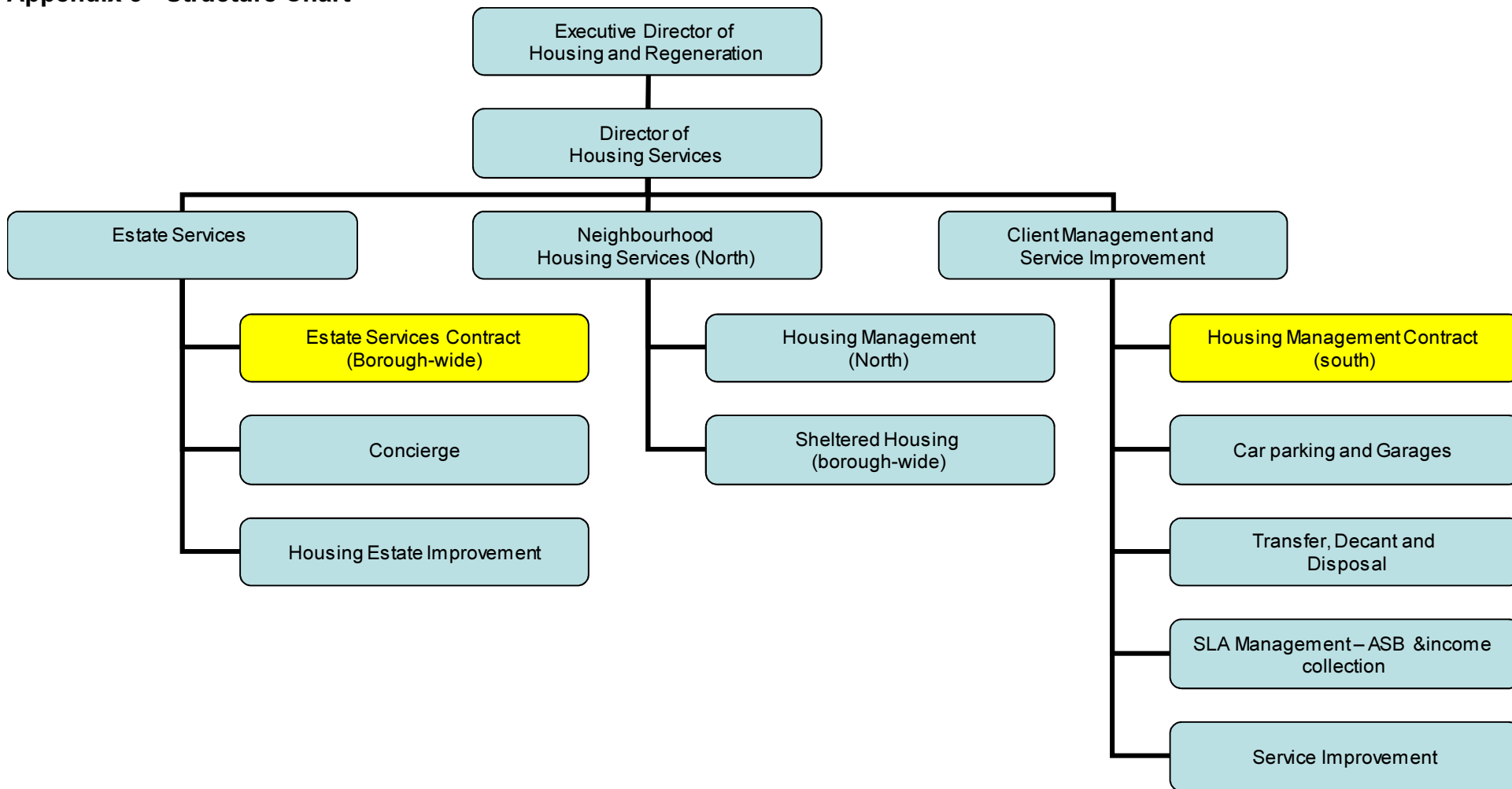
18	interview within 3 working days of ASB case being reported		
19	Percentage of complainants who received a monthly update on open cases in the format agreed at the initial interview to discuss the ASB	95%	Monthly
MPI no.	Management Performance Indicator	Target	Frequency
20	Percentage of residents satisfied with the way ASB cases were dealt with.	71%	Quarterly
21	Percentage of residents satisfied with the outcome of the complaint.	68%	Quarterly
22	Percentage of residents who said they would report ASB again.	85%	Quarterly
23	Percentage of cases that a complainant risk assessment was carried out when cases of ASB are reported by customers.	100%	Monthly
	ASB Grade 3 Cases		
24	Percentage of victims offered an appointment for interview within 5 working days of the ASB case being reported	94%	Monthly
25	Percentage of complainants who received a monthly update on open cases in the format agreed at the initial interview to discuss the ASB	95%	Monthly
26	Percentage of residents satisfied with the way ASB cases were dealt with.	71%	Quarterly
27	Percentage of residents satisfied with the outcome of the complaint.	68%	Quarterly
28	Percentage of residents who said they would report ASB again.	85%	Quarterly
29	Percentage of cases that a complainant risk assessment was carried out when cases of ASB are reported by customers.	100%	Monthly
	ASB Grade 4 Cases		
24	We will write to tenants within 5 days of the initial complaint advising that the Council cannot assist and provide information on the other remedies available.	95%	Monthly
	Domestic Violence		
30	Percentage of victims offered an appointment within 24 hours of reporting domestic violence.	90%	Monthly

Service Standards

The Service Standards listed below are taken from the Service Standards document.

No.	Service Standards
	Customer Service
1	The Service Provider will provide any information to be published on a quarterly basis in the Your Home magazine
	Reception Services
2	The Service Provider will aim to resolve initial enquiries at the first point of contact.
3	All staff should be able to be identified through wearing an identity badge at all times and using the correct greeting.
	Involvement and Empowerment
4	Housing officers will organise and undertake 4 Estate Inspections per year with Caretakers and Contractors according to the publicised schedule.
5	The Service Provider will attend borough forums which will be held at least 4 times per year to discuss policy and strategy issues. These meetings are open to all tenants and leaseholders living in the borough.
6	The Service Provider will organise Area Housing Forums with input from the Council which will be held 4 times a year in each of the four areas of the borough. These meetings are open to all tenants and leaseholders living in the area.
7	Housing Officers will be available to attend RA meetings at least once per quarter upon request
8	The Service Provider will work with residents to provide a tailored set of service standards/local offers for each of the four forum areas.
9	The Service Provider will provide feedback from the Local Residents Panel and Repairs Working Group meetings to residents once per quarter via the Council's Housing webpage and Area Housing Forums.
11	The Service Provider will provide information and assistance to enable you to carry out mutual exchanges within the borough and with tenants in other boroughs.
	Neighbourhood Repairs
12	Housing Officers will undertake fortnightly estate walkabouts with caretakers to identify any repairs or individual residents requiring additional support.
	ASB Grade 1 and 2 Cases (Option)
13	An action plan will be agreed with the resident at the initial interview.
	ASB Grade 3 and 4 Cases
14	An action plan will be agreed with the resident at the initial interview.
	Training
15	Housing Officers & Specialist Housing Officers will receive an agreed programme of training to ensure consistency of approach with ASB cases.

Appendix 3 - Structure Chart

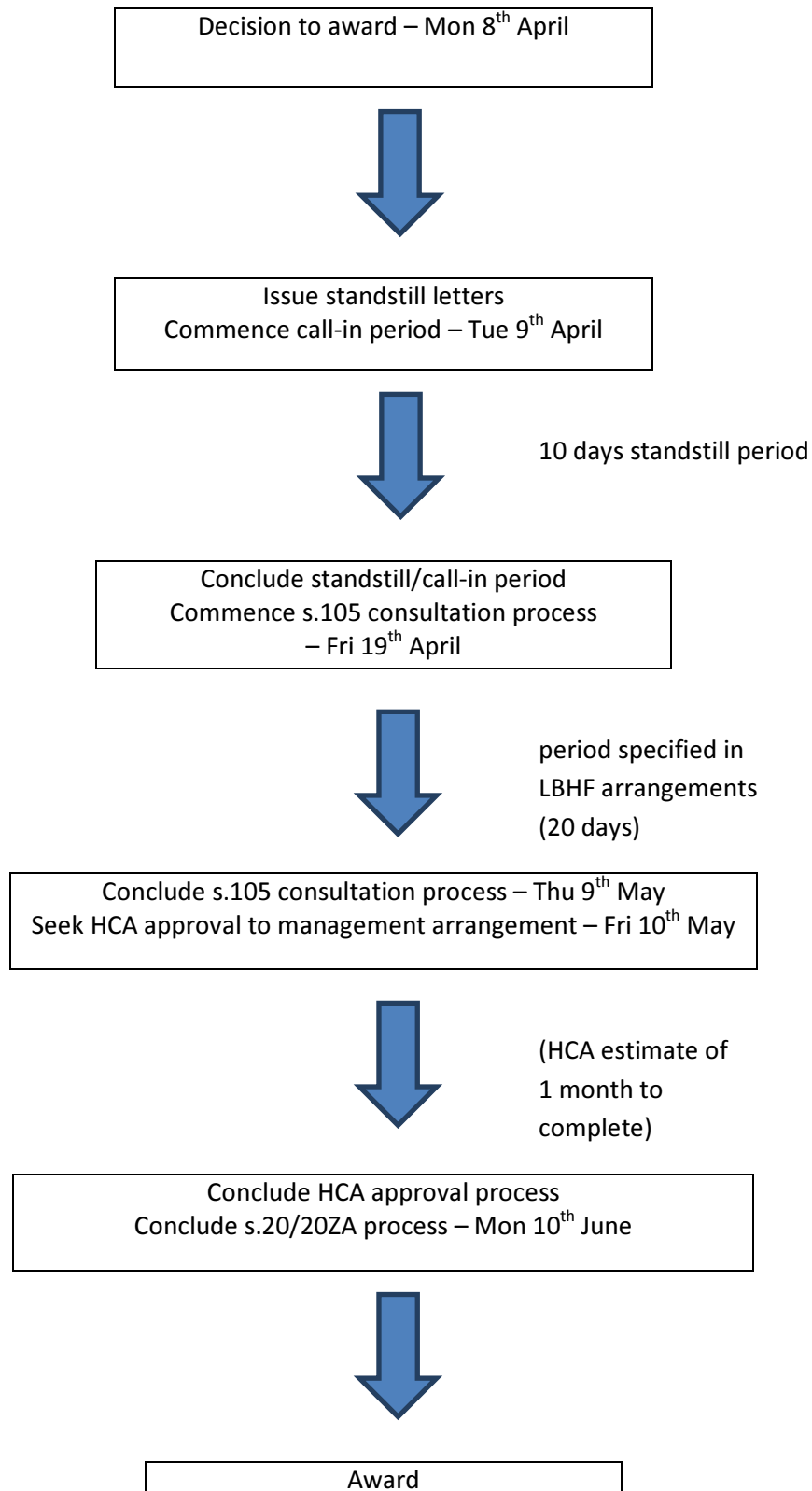


Appendix 4 – Housing Management Local Residents Panel Meeting Dates

Month	Date	Venue
March 2012	01/03/12	Small Hall, Hammersmith Town Hall
March 2012	26/03/12 *	Small Hall, Hammersmith Town Hall
April 2012	26/04/12	Queen Caroline Estate Community Hall
May 2012	24/05/12	Small Hall, Hammersmith Town Hall
June 2012	05/07/12 (meeting date changed)	Courtyard Room, Hammersmith Town Hall
July 2012	26/07/12	Small Hall, Hammersmith Town Hall
August 2012	30/08/12	Small Hall, Hammersmith Town Hall
September 2012	27/09/12	Small Hall, Hammersmith Town Hall
October 2012	25/10/12	Small Hall, Hammersmith Town Hall
November 2012	29/11/12 (informal meeting without Officers)	Small Hall, Hammersmith Town Hall
December 2012	13/12/12 (decision taken at Nov informal meeting to cancel this meeting)	Small Hall, Hammersmith Town Hall
January 2013	24/01/13	Small Hall, Hammersmith Town Hall
February 2013	28/02/13	Small Hall, Hammersmith Town Hall
April 2013	04/04/13	Small Hall, Hammersmith Town Hall

Meetings to start at 7pm and run for a maximum of 2 hours. In most cases the meeting date has been set for the last Thursday of every month with the exception of Christmas 2012 and Easter 2013.

APPENDIX 5 DRAFT Lot 2 – Housing Management



Appendix 6 – Housing Management Risk Management

There are two distinct elements of risk to be managed. There are those remaining risks associated with the 'market testing' project (Project Risks), and those risks associated with the recommended outcome (Contract Risks).


The contract risks have been the subject of consideration throughout the market testing process to date, and the specific risks identified with the outsourcing option are detailed below, with their principal mitigations.

Risk	Mitigation	
Supplier becomes insolvent	1	Creditworthiness - An appropriate degree of scrutiny of potential tenderers' financial standing was undertaken at PQQ stage using the Council's corporate Creditsafe criteria. The Finance department has also re-assessed the highest ranked tenderer's financial position following evaluation of tenders to confirm their position has not changed.
	2	Abnormally low tenders - The Finance team has scrutinised the costs using a carefully developed process to ascertain that the price submitted as part of any tender is sustainable in terms of overhead and profit allowances and are confident that the highest ranked Tenderer is capable of delivering the service at the tendered cost.
	3	Parent Company Guarantee – The tenderers were required to confirm that their ultimate parent company would enter into a PCG if awarded the contract.
	4	Performance Bond – Legal advice stated this is not required.
	5	Step in clauses – Legal have included appropriate step-in clauses for the contract.

Supplier does not meet performance standards	1	Carefully drafted technical questions in the quality section of the PQQ to ensure that Tenderer can demonstrate satisfactory past performance.
	2	Carefully drafted technical questions in the quality section of the ITT to ensure that the tender offer is technically adequate and directly related to the specific levels and types of service desired.
	3	A contractual mechanism of risk and reward linked to headline KPI performance.
	4	A contractual mechanism for escalation procedures which would allow for determination of the contract with award of costs.
	5	Consultation with Local residents Panels will clarify intended levels of performance.
Management difficulties with supplier	1	Gap analysis of skills within the HRD staff to ascertain training needs before contract mobilisation.
	2	Implement a partnering approach that identifies common objectives, linked to the risk and reward model.
	3	A pricing model that leads towards the contractor being incentivised to reduce costs where appropriate (consider such things as ring-fenced overhead contribution).
	4	Involvement of Local Residents Panel will bring added stakeholder emphasis to performance achievements.
Statutory Requirements are not being followed 1. Site Activities	1	Ensure that PQQ and ITT procedures are adequate, and that Strategic review meetings routinely include Statutory

		compliance.
Statutory Requirements are not being followed 2. Landlord's Responsibilities	1	Retain Landlord's statutory duties so that they are not included as part of the contract – only include consequential works within the contract.
	2	Include appropriate KPIs to reflect the importance of any statutory activities.
	3	Continue with compliance audit to monitor activities with statutory implications.

Agenda Item 17

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
HOME BUY ALLOCATION SCHEME	
Report of the Cabinet Member for Housing – Councillor Andrew Johnson	
Open Report	
Classification: For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Mel Barrett – Executive Director for Housing and Regeneration	
Report Author: Aaron Cahill, Temporary Project Officer (Policy) Labab Lubab, H&F Home Buy Service Manager	Contact Details: Tel: 020 8753 1649 E-mail: aaron.cahill@lbhf.gov.uk Tel: 020 8753 4203 E-mail: labab.lubab@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to update the Council's approach to allocating homes for low cost home ownership and intermediate rent and align it with the Council's recently adopted Housing Allocation Scheme.

2. RECOMMENDATION

- 2.1 That the Home Buy Allocation Scheme as set out in Annex A to the report be adopted.

3. REASONS FOR DECISION

- 3.1 The Council's Cabinet on 15 October 2012 agreed for adoption the Housing Strategy; Housing Allocation Scheme; Tenancy Strategy; and Homelessness Strategy. The final document that needs to be adopted is the Home Buy Allocation Scheme. This document as well as consolidating and updating policy and practice in respect of the administration of opportunities available under the current Home Buy approach, also provides a 'read-across' to the Housing Allocation Scheme in respect of allocations that might be made to Home Buy applicants in a Local Lettings Plans.
- 3.2 It should also be noted that the administration of the Mayor of London's 'First Steps' (to Home Ownership in London) approach is to change in April 2013. Whilst First Steps opportunities will continue to be advertised on the First Steps Website, rather than referring applicants to Sub Regional Home Buy agents, they will be directed either to the developer marketing the housing or the local authority concerned. Hammersmith & Fulham in principle is keen that all Home Buy opportunities available in the borough are channelled through its own Home Buy Team, hence the need for an up to date Home Buy Allocation Scheme that sets out the Council's requirements in a clear fashion.

4. INTRODUCTION AND BACKGROUND

- 4.1 At the centre of the Council's *Building a Housing Ladder of Opportunity* approach is a sustained increase in the amount of affordable low cost home ownership opportunities (LCHO) that the Council is able to deliver. This can be achieved directly through its recently established local housing company and indirectly through its planning and strategic enabling housing roles.
- 4.2 Drawing on recently published 2011 Census Data, the total amount of stock in 2011 was 82,390. Of this number, shared ownership in the borough comprised 1.6% of the total housing stock in 2011, a rise from 0.9% in 2001. Despite this increase, the number of owner occupied households in the Borough between 2001 and 2011 has fallen by 13.6%.
- 4.3 The Council in its Local Plan Core Strategy anticipates a significant increase in housing growth during the next twenty years, derived primarily from its five regeneration opportunity areas. This is intended to be an opportunity by which the amount of intermediate housing and affordable rent housing can significantly grow in the borough. Having a well-developed and freshly updated suite of housing strategy documents (including the proposed Home Buy Allocation Scheme) will help facilitate the Council's housing growth ambitions.

5. PROPOSAL AND ISSUES

5.1 The proposed Home Buy Allocation Scheme is primarily a consolidation and updating of existing policy and practice. Two key changes relate to:

- Revised priority list for Home Buy applicants set out in Section 5.4 of Annex A, setting out the following priorities:
 1. Social tenants in either Council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the property vacated. This will include council tenants on 5 year flexible tenancies or housing association tenants on Assured or long Assured Shorthold Tenancies.
 1. Armed Services (and Ex Armed Services) personnel (as defined by First Steps London*) living (or previously living as an adult) for twelve consecutive months in the borough
 3. Police officers living or working in the borough
 4. Homeless Working Households in Temporary Accommodation
 5. Disabled applicants (See Section 5.6-5.8 of the Scheme)
 6. Households living for twelve consecutive months in the borough
 7. Household working for twelve consecutive months in the borough
 8. Households living or working in the borough with an income within the relevant limit
 9. Households with an income above the levels specified in Section 6, expected to be mainly for resale of low cost home ownership products.

Note: Households will be prioritised in order of need for the type or bedroom size of the property and for family sized properties, households with a need will be prioritised. As a general principle, an applicant's household bedroom need will have more weight than that of an applicant who wishes to acquire a home that is above their household need.

* First Steps London definition of eligible armed (and ex-armed) services personnel is as follows:

To be considered a priority, armed forces personnel must have completed basic (phase 1) training and fall into one of the following categories:

- *Regular service personnel (including Military Provost Guards Service in the Army, Navy, Air Force)*
- *Clinical staff (excluding doctors and dentists)*
- *MoD police officers*
- *Uniformed staff in the Defence Fire Service*
- *Ex-regular service personnel (who have served in the Armed Forces for a minimum of six years and can produce a Discharge certificate, or similar document). Applications must be within 12 months of discharge*
- *The surviving partners of regular service personnel who have died in service may be eligible to be prioritised where they apply within 12 months of the date of being bereaved*

The following roles are prioritised for Intermediate Rent only:

- *Full Time Reserve Service (Full Commitment)*
- *Individuals who have not completed basic training*

The current priorities for all categories can be found in Annex B of this report.

- Ensuring that the Council's approach to Local Lettings Plans is sufficiently, set out in Section 7 of the Scheme.

5.3 In exceptional circumstances, situations may arise where re-sale opportunity opportunities prove difficult to market to applicants on the Home Buy Register due to high cost or other factors. Where local marketing has been exhausted, the Council will retain discretion to take up requests from outside the borough.

5.4 Reference should also be made to the consolidation of existing policy and practice of seeking a range of affordably 'priced' Home Buy products that a range of households on medium to low incomes can afford, set out in Section 6.7 – 6.13 of the Scheme.

6. CONSULTATION

6.1 The proposed Home Buy Allocation Scheme primarily represents an update and consolidation of existing policy and practice which is not currently located in one document. The document is not a statutory document and therefore not subject to a consultation requirement.

6.2 Specific changes and amendments that are proposed include making reference to flexible tenancies in respect of social housing tenants; refining the definition of armed services personnel (and ex-personnel) to reflect the Mayor of London's 'First Steps definition; introducing police officers as a priority group because of the important contribution they make to personal and community safety in the borough; introducing a '12 consecutive month' residency rule for applicants living

or working in the borough, whilst giving greater priority to the former over the latter. In addition, mention is made of Local Lettings Plans and the link with Housing Allocation Scheme policy to allow some Home Buy applicants to access affordable rented housing.

- 6.3 These are not changes that are considered to be significant enough to warrant the cost and resources associated with a full public consultation process. In addition, changes to the priority list can be made by the Executive Director for Housing & Regeneration in consultation with the Cabinet Member for Housing both under the proposed Scheme and the Priority List for the current Home Buy approach (See Annex B).

7. EQUALITY IMPLICATIONS

- 7.1 As previously stated, the Home Buy Allocation Scheme represents an update and consolidation of existing policy and practice. Areas of change centre on the priority list set out in Section 5 of this report which can be compared to the current list set out in Annex B to this report.

- 7.2 Reviewing the rationale for each of the categories and their order of numbered priority:

1. *Social tenants in either council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the vacated property vacated. This will include council tenants on 5 year flexible tenancies or 5 year housing association tenants on Assured or long Assured Shorthold Tenancies.*

Rationale: Social housing tenants under the current approach have joint top priority for Home Buy opportunities. This has been revised to reflect new 5 year flexible tenancies that the Council is now granting. The high priority for this cohort of need helps deliver a core element of the Council's *Building a Housing Ladder of Opportunity* agenda as it achieves the objective of enabling historically low income tenants being able to move into home ownership.

1. *Armed Services (and Ex Armed Services) personnel (as defined by First Steps London*) living (or previously living as an adult) for twelve consecutive months in the borough*

Rationale: Armed Services and Ex Armed Services personnel under the current approach have joint top priority for Home Buy Opportunities. The definition of this cohort of need has been revised to reflect the Mayor of London's own 'First Steps'

definition. It also reflects the borough's continuing support for this cohort of need.

3. *Police officers living or working in the borough*

Rationale: This cohort of need is in effect a subset of the fifth priority under the current approach for key workers. The priority given to this group reflects the administration's continuing support for a group of workers responsible for maintaining public order, law enforcement and community safety.

4. *Homeless Working Households in Temporary Accommodation*

Rationale: This cohort of need is in effect third priority under the current approach. These will be households who the Council has accepted a duty to provide accommodation under current homelessness legislation who have been placed in currently designated temporary accommodation.

5. *Disabled applicants (See Section 5.6-5.8 of the Scheme)*

Rationale: This cohort of need is in effect fourth priority under the current approach. It should be noted that for Home Buy opportunities, disabled applicants who require wheelchair accessible housing are given top priority for this type of housing by default. Such housing will either be wheelchair adapted or capable of being adapted. People with other disabilities will still benefit from this additional priority above lower groups even if they are not wheelchair users

6. *Households living for twelve consecutive months in the borough*

Rationale: This is a new category replacing the 'key worker' category (as does the category below) which is fifth and seventh priority under the current approach. The 'key worker' agenda over time has been largely subsumed by a wider commitment to meeting the needs of working households who work and live in London. An additional residency qualifying requirement of 12 months has been added to restrict possible 'opportunistic' applications that may arise in the future given the administration's commitment to significantly increase the supply of low cost home ownership housing. The intention is also to give slightly greater priority to those who live in the borough over those who work in it.

7. *Household working for twelve consecutive months in the borough*

Rationale: As above, this is a new category replacing the 'key worker' category which is currently fifth and seventh under the current approach.

8. *Households living or working in the borough with an income within the relevant limit*

Rationale: This replaces in part the seventh priority under the current approach which provides an opportunity for applicants who do not meet the residency criteria described in Priorities 6 and 7 described above.

9. *Households with an income above the levels specified in Section 6, expected to be mainly for resale of low cost home ownership products.*

Rationale: This replaces the eighth priority under the current approach and is effectively a 'net' designed to ensure that the Council is able to nominate to Home Buy opportunities where the products concerned are not technically affordable.

7.3 Equality monitoring already takes place of who is on the current Home Buy Register and also who are successful in attaining Home Buy opportunities. Specific areas for monitoring will need to focus on whether the above mentioned changes in priority do lead to any significant changes in equality outcomes. It is not a 'given' that the current approach is necessarily equitable and ideally Home Buy allocations should broadly reflect the profile of the borough's residents. Officers are undertaking an analysis of what categories of 'key workers' have benefitted from home Buy opportunities and whether any negative equality outcomes might arise and need to be mitigated in some way. As set out in Section 6.3, the Executive Director for Regeneration in consultation with the Cabinet Member for Housing have authority to change the priority list which represents a simple and effective tool to achieve any changes considered necessary that arise from operation of the new approach.

7.4 Likely equality impacts that arise from the Local Lettings Plans have been considered during the Housing Strategy exercise considered at the 15 October 2012 meeting of Cabinet.

8. LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications arising from this report which is primarily a consolidation and updating of existing policies and procedures as a result of the new Housing Allocation Scheme.
- 8.2 Implications verified/completed by: Janette Mullins, Head of Litigation, 0208 753 2744.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 There are no financial implications arising from this report.
- 9.2 Implications verified/completed by: Kathleen Corbett, Director of Finance and Resources, 0208 753 3031.

10. RISK MANAGEMENT

- 10.1 This report seeks to consolidate and update current policy and practice in relation to the operation of the Council's approach to Home Buy, which is essentially the Council's marketing of low cost home ownership and intermediate rent products available in the borough. It also seeks to align the Council's approach to the low cost home ownership agenda with that set out in the Housing Allocation Scheme adopted by the Cabinet in October 2012.
- 10.2 The new Scheme brings together the various strategy and policy strands associated with this agenda which is to be welcomed. The impact of the changes proposed in policy and practice in administrative terms are relatively small. The risks associated with adopting the new Home Buy Allocation Scheme are therefore considered to be low.
- 10.3 Implications verified/completed by: (Michael Sloniowski, Head of Risk Management, 020 8753 2587

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1 Not applicable.

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
	None, apart from published reports.		

Building a Housing Ladder of Opportunity

Hammersmith & Fulham Council

Home Buy Allocation Scheme

DRAFT

Home Buy Allocation Scheme

1. Introduction from Cllr Andrew Johnson, Cabinet Member for Housing
2. What is the Home Buy Allocation Scheme
3. Strategy and Policy Context
4. What Intermediate Housing Products are Available
5. Qualification and Priority
6. Income and Affordability
7. Local Lettings Plans
8. How to Register for Home Buy

1. Introduction from Cllr Andrew Johnson, Cabinet Member for Housing

Hammersmith and Fulham Council is committed to creating a borough of housing opportunity, with low cost homeownership at its core. We are one of the most polarised boroughs in London in terms of our housing provision, with some of the highest property prices in the country combined with nearly 32% social rented housing. Our key challenge is to create a real ladder of housing opportunity through the expansion of intermediate properties, especially those for low cost homeownership to enable local people to get onto the property ladder.

The demand for homeownership is still as strong as ever, though for many is becoming an aspiration which is completely out of reach. This can be seen through the rapid growth of the private rented sector, with many would be homeowners choosing to rent because they simply cannot afford to access even the lowest rungs of the property ladder.

It is for this reason that we have prioritised the expansion of low cost homeownership products in recent years, including the creation of our own development company to build new low cost homes to buy.

This Council remains committed to unlocking aspiration and creating opportunity within our vision for housing. Putting in place the missing rungs of the housing ladder within the Borough to increase not only the numbers of new intermediate housing, but also through reforms of social housing to create a genuine platform for progression into other housing options. Above all we remain committing to becoming the low cost homeownership borough.

In this document, you will find out what Home Buy products may be available to access; what priority you would be given if you were to be accepted on to the Home Buy Register; and how Local Lettings Plans will work in practice.

A number of our Housing Strategy identified actions are already in the process of being delivered with our Housing Allocation Scheme going 'live' in April 2013 and our housing development company building homes for affordable home ownership. A number of Local Lettings Plans will be adopted in 2013, enabling a more flexible approach to local lettings. And we are taking significant steps towards delivering housing and economic growth in our five Opportunity Areas

The publication of this Home Buy Allocation Scheme represents the final key document required to fully change our strategic approach to housing in Hammersmith & Fulham. In 2012, we completed our Housing Strategy; Housing Allocation Scheme; Tenancy Strategy; and, Homelessness Strategy. The year before, our Local Plan Core Strategy was adopted, setting out our ambitious economic and housing growth strategy for the borough.

With borough house prices continuing to rise, our work to increase housing supply and housing choice has never been more urgent.

Cllr Andrew Johnson
Cabinet Member for Housing

2. WHAT IS THE HOME BUY ALLOCATION SCHEME

2.1 The Home Buy Allocation Scheme sets out the Council's overall approach to allocating homes available to applicants on the Home Buy Register. These will be applicants who cannot afford to access open market housing in Hammersmith & Fulham and do not otherwise qualify to access affordable for rent housing that can be accessed under the Housing Allocation Scheme.

2.2 In more detail, the Home Buy Allocation Scheme seeks to:

Firstly, make clear to applicants seeking Home Buy opportunities what criteria needs to be met to access the Home Buy register and what products are available

Secondly, make clear to developers and Private Registered Providers (normally housing associations) what the Council's approach to Home Buy is, particularly in respect of affordability

Thirdly, to align the Council's approach to allocating homes under the Home Buy Scheme with the approach the Council has adopted for social housing, as set out in the Housing Allocation Scheme adopted in 2012, with specific reference to Local Lettings Plans

2.3 There are more detailed associated documents that address specific issues regarding registration and the kind of information that applicants need to provide the Council in order to access the Home Buy Register. These are available from the Council's Home Buy team whose details can be found at the end of this document.

3. STRATEGY AND POLICY CONTEXT

3.1 Hammersmith & Fulham Council has a robust housing and economic growth agenda and has an up to date set of strategy and policy documents to help deliver it. We see the delivery of more intermediate housing – affordable housing for working households – as central to delivering these twin objectives. The key documents are the:

- Local Plan including the Core Strategy (October 2011) and the Development Management Local Plan (to be adopted June 2013)
- Housing Strategy (October 2012)
- Borough Investment Plan (Dec 2011)

3.2 The Local Plan Core Strategy is the key document that sets the council's strategic approach to all policy areas of the planning and development agenda. This includes education; health; transport; retail; leisure; greenspace; and housing. The Housing Strategy and Borough Investment Plan documents support the Core Strategy policies giving greater detail where necessary on specific issues such as approach and investment.

3.3 Details of the Council's Core Strategy housing policies can be found at:

www.lbhf.gov.uk/Directory/Environment_and_Planning/Planning/Planning_policy/164525_Core_Strategy.asp

3.4 In summary, over the twenty years from 2012 – 2032, the Council expects to see at least 14,400 homes developed in the borough. Taken as an average over the 20 years, this would equate to 720 homes per year, higher than the 615 identified in the Mayor's London Plan.

3.6 The Core Strategy sets a borough wide target of at least 40% of all additional housing – i.e., 40% of the 14,400 homes identified above – should be for affordable purposes. The large majority of the homes that the Council has identified are located in the following Regeneration Areas in the borough:

- White City Opportunity Area
- Hammersmith Town Centre and Riverside
- Fulham Regeneration Area (including Earls Court and West Kensington Regeneration Area)
- South Fulham Riverside
- Park Royal Opportunity Area

3.7 The Council expects a large proportion of the new additional housing to be intermediate affordable housing. The next section explains what kinds of products will be available for applicants to purchase.

4. WHAT INTERMEDIATE PRODUCTS ARE AVAILABLE

- 4.1 The rationale for intermediate housing is a very simple one: it is for people who do not qualify for social housing and who cannot afford open market for sale housing. It is normally the case that the cost of intermediate housing will be lower than the cost of open market housing (including private rented housing) but higher than the cost of social rented housing.
- 4.2 In Section 4.3 below, are described the four broad categories of intermediate housing that are available, drawn from *The Mayor's Housing Covenant – Homes for Working Londoners (Sept 2012)*. It is not the case that all four of the products that are described below will be available in Hammersmith & Fulham in any given year. Sometimes there are funding initiatives that promote certain products which lead to more homes of a certain type being delivered. But the four products described below are those that are generally provided by developers and private registered providers (normally housing associations). With the continuing pressure on public finances, the amount of Mayoral and Central Government support for such initiatives is likely to be limited, which means the range of choice for Home Buy applicants will be limited also.

What Intermediate Housing Products are Available

- 4.3 There are four main intermediate housing products, with a number of variations within each one.
- 1. Shared ownership:** Applicants purchase on a leasehold basis paying between 25 and 75 per cent of the property value, and pay a low rent on the remaining property value to a housing association. The applicant is responsible for 100 per cent of the maintenance, and is likely to pay service charges if the property is a flat. Purchasers can buy additional shares up to 100 per cent, known as 'staircasing', if their financial circumstances allow them to do so.
 - 2. Shared equity/loan:** Applicants purchase the property outright with a conventional mortgage but with the assistance of a further loan, also secured against the title of the property. Interest is not typically charged on the loan for an initial period. There are no regular capital repayments required on the loan but the amount repaid is based on the property value at the time of redemption, reflecting any increase or decrease in the value of the home. Since 2011, the FirstBuy scheme has offered equity loans of up to 20 per cent of the purchase price, split equally between the Mayor and house builder, with purchasers required to raise a mortgage and deposit for the remainder.
 - 3. Discount and other non-funded low cost home ownership schemes:** Discount schemes are available to social housing sitting tenants wishing to purchase their home. The Right to Buy for council tenants and Right to Acquire for housing association tenants are the most widely recognised schemes. Qualifying tenants receive a discount on the purchase price, which was recently

increased to up to £75,000 for some London tenants. There are also other low cost home ownership products provided by developers, usually as part of a section 106 agreements and which receive no direct public funding, such as discounted market sale products. It should be noted that neither shared ownership nor shared equity schemes are necessarily tied to new build homes. In previous programmes there has been a range of initiatives to enable households to purchase second hand homes through intermediate housing options such as DIYSO (do it yourself shared ownership) and Open Market HomeBuy.

4. **Intermediate Rent:** These are homes, typically let by housing associations, at below market rent, thereby enabling tenants to save for a deposit. Rents are usually charged at up to 80 per cent of market levels.

Source: Section 4.3 is drawn from Part 1 of the *Mayor's Housing Covenant (2012) – Homes for Working Londoners*

- 4.4 In addition to the four options above that are recognised by the Mayor of London, the Council has a preferred model of intermediate housing known as Discount Market Sale.

5. **Discount Market Sale (DMS)** is a low cost home ownership product where a newly built property is purchased at a discounted price with the unsold equity held by the Council in perpetuity. This is possible because when the development was negotiated with the Council in its planning authority role, the discount was stipulated to try to help low and middle income earners access the property ladder. The purchaser(s) buy the percentage of the property available after the discount with nothing to pay on the unsold equity. Should they decide to sell the property, it is sold at the same percentage at the prevailing market value, ideally to another prospective purchaser from the Home Buy Register.

- 4.5 In summary, the Council is generally supportive of all the intermediate products described above with a preference for the fifth option described above. However, it will always to seek to ensure that any intermediate product that is developed is affordable to those seeking homes **and** that prospective applicants will be able to afford to sustain living in intermediate housing over the medium to long term.

- 4.6 Council tenants continue to enjoy the Right to Buy their home with maximum discounts increased to £75,000 in 2012. The Council is currently considering the viability of a Right to Buy 'Part' Scheme similar to the shared ownership scheme operated by housing associations.

Who Provides Intermediate Housing?

- 4.7 There are only a few organisations that provide intermediate housing. They are principally:

Private Registered Providers – known as housing associations (and previously Registered Social Landlords) to most people, they have a strong record in delivering intermediate housing. Organisations such as Notting Hill; Peabody; Shepherds Bush;

Catalyst (not an exhaustive list) all have a track record of delivering intermediate housing in the borough and outside it. The Council has established its own housing development company (a Private Registered Provider in its own right) which is already delivering new affordable housing in the borough.

Private Developers – have in recent years delivered affordable products, principally Discount Market Sale housing. In this instance, the developer sells a proportion of the home to the applicant, with the remaining unsold proportion vested with the Council.

- 4.8 As a general principle, the Council will take responsibility for nominating households to Home Buy opportunities available in the borough but there may be instances where the provider concerned nominates directly.

5. QUALIFICATION & PRIORITY

- 5.1 When a New Build Home Buy property becomes available we alert all the people registered with h&f Home Buy via email. Once the property has been viewed and reservation fee lodged by those people who are seriously interested in moving to the property the council are sent a list of these people by the developing Housing Association or their agents from which we create a prioritised shortlist.
- 5.2 More people express an interest in low cost home ownership than we have available properties, so the council has to prioritise which people will be given the opportunity to purchase. Information on minimum and maximum income levels are specified in the next section of this document.

Qualification

- 5.3 Regarding qualification for the Home Buy Register, applicants, should:
1. Live or work within the Borough
 2. Not be a home owner
 3. Have a household income not exceeding the relevant limits (See Section 6.2)
 4. Not be able to purchase a comparable property on the open market
 5. Be eligible under the Housing Allocation Scheme

Priority

- 5.4 The council has followed government and local priorities when deciding who will be prioritised for Home Buy properties. Priority is given in the order listed below:
1. Social tenants in either council housing or Private Registered Provider housing (i.e., housing association) accommodation, where the Council will gain the nomination of the vacated property vacated. This will include council tenants on 5 year flexible tenancies or 5 year housing association tenants on Assured Shorthold Tenancies.

1. Armed Services (and Ex Armed Services) personnel (as defined by First Steps London*) living (or previously living as an adult) for twelve consecutive months in the borough
3. Police officers living or working in the borough
4. Homeless Working Households in Temporary Accommodation
5. Disabled applicants (See Section 5.6-5.8)
6. Households **living** for twelve consecutive months in the borough
7. Household **working** for twelve consecutive months in the borough
8. Households living or working in the borough with an income within the relevant limit
9. Households with an income above the levels specified in Section 6, expected to be mainly for resale of low cost home ownership products.

Note: Within each category, households will be prioritised in order of need for the type or bedroom size of the property and for family sized properties, households with a need will be prioritised. As a general principle, an applicant's household bedroom need will have more weight than that of an applicant who wishes to acquire a home that is above their household need.

* First Steps London definition of eligible armed (and ex-armed) services personnel is as follows:

To be considered a priority, armed forces personnel must have completed basic (phase 1) training and fall into one of the following categories:

- *Regular service personnel (including Military Provost Guards Service in the Army, Navy, Air Force)*
- *Clinical staff (excluding doctors and dentists)*
- *MoD police officers*
- *Uniformed staff in the Defence Fire Service*
- *Ex-regular service personnel (who have served in the Armed Forces for a minimum of six years and can produce a Discharge certificate, or similar document). Applications must be within 12 months of discharge*
- *The surviving partners of regular service personnel who have died in service may be eligible to be prioritised where they apply within 12 months of the date of being bereaved*

The following roles are prioritised for Intermediate Rent only:

- *Full Time Reserve Service (Full Commitment)*
- *Individuals who have not completed basic training*

- 5.5 Please be advised that the Council reserves the right to change the prioritisation model at any time without notice. This will be agreed by the Executive Director for Housing and Regeneration in consultation with the Cabinet Member for Housing.

- 5.6 There will be occasional schemes which have attracted specific funding which may require variations on the eligibility and qualifying criteria outlined above.

Shortlisting

- 5.7 The Council currently has over 4,900 applicants on its Home Buy Register. This means that when schemes are marketed, they are often over-subscribed. The Council as part of its shortlisting process will assess the applicant's priority (as described in 5.3 above); their income; and their savings when considering who should be allocated a Home Buy Opportunity. In the case of two bedroom or more, priority will be given to households with children. The Council will also be mindful of its statutory equality duties to ensure that a suitably wide range of the Hammersmith & Fulham community accesses Home Buy opportunities.

Affordable Housing that is Accessible/Adaptable for Wheelchair Users

- 5.8 The Council as part of its planning approach requires that *all new build dwellings should be built to "Lifetime Homes" standards with 10% to be wheelchair accessible, or easily adaptable for residents that are wheelchair users* (Core Strategy Policy H4).
- 5.9 Where the Council has secured affordable housing for Home Buy purposes which is accessible (or adaptable) for wheelchair users, such housing will be marketed in the first instance to Home Buy applicants who have indicated that they require such housing. The marketing programme for such housing will generally be longer than that for applicants with general needs.
- 5.10 Applicants with non-physical disabilities will be awarded the same priority but will not have the same priority as applicants who are wheelchair users for wheelchair adapted/adaptable properties.

6. INCOME AND AFFORDABILITY

- 6.1 It is important that applicants have sufficient income and saving to be able to both access the Home Buy products that the Council has available but also to have the resources to sustain the occupancy of the home concerned.

Income

- 6.2 Eligibility for intermediate housing is defined largely in relation to income and ability to purchase a suitable home without assistance. Households must have an annual income of less than £64,300, increasing to £77,200 for those with dependents purchasing three-bedrooms or more, in order to reflect the higher cost of both developing and buying a family sized home in London. This means the maximum income you can have if you are seeking to access a Home Buy product that the Council is marketing. The one exception to these limits would be Priority 9 identified in Section 5.4 (9) of this report.

Affordability

6.3 As guiding principles, a successful applicant will need to:

- be in sustainable employment
- have the necessary savings for any deposit required (dependent on the Home Buy product)
- have sufficient income to meet the housing (and associated) costs of sustaining occupation of the Home Buy product

6.4 Affordability is based on a mortgage multiplier of 3.5 x gross annual household income. This means if your gross household income is £50,000, then the mortgage that we consider likely to be able to attract for affordability purposes would be £175,000.

6.5 The Mayor of London's current position (restated in his *Mayor's Housing Covenant – Homes for Working Londoners 2012*) on income levels that allow applicants, normally first time buyers, to be eligible for Mayoral support is as follows:

Households must have an annual income of less than £64,300, increasing to £77,200 for those with dependents purchasing three-bedrooms or more, in order to reflect the higher cost of both developing and buying a family sized home in London. In addition, local authorities can, through their planning agreements, define eligibility for specific schemes more tightly in relation to income levels and local connection.

6.6 Hammersmith & Fulham supports the income limits set out in the Covenant. Furthermore, the Council will seek to ensure that no home that is marketed for Home Buy purposes exceeds the annual income limits set by the Mayor of London. Using the Council's multiplier identified above, no home up to 2 bedroom sized should cost more than £225,050 (i.e. 3.5 x £64,300), with no family home costing more than £270,200 (i.e. 3.5 x £77,200). These should be considered as absolute ceilings to incomes required to meet acquisition costs for any low cost home ownership product marketed. In line with the Mayor's support for local discretion, the same approach should be adopted to the incomes identified below in Section 6.8. The Mayor of London reviews and if necessary revises the affordability thresholds annually and the Council will adjust the affordability ceilings as appropriate. Revisions are published in his Annual Monitoring Report (AMR).

Affordability Bands for Home Buy Products

6.7 The tenure, type and supply of affordable housing for Home Buy purposes comes from a number of sources and circumstances and it is therefore not possible to be certain about what will be available at a particular time. However, the Council is committed to increasing the supply and choice of affordable housing for Home Buy purposes as part of its wider objective to realise its regeneration and growth ambitions.

6.8 Where the Council is working with a private developer and/or a Private Registered Provider (usually a housing association) on a scheme, the Council will seek to facilitate the delivery of the following affordability bands:

- 1/3 affordable to households on incomes of between £19,000 and £30,000
- 1/3 affordable to households on incomes of up to £40,000 (i.e., £30,001 - £40,000)

- 1/3 affordable to households on incomes of up to £64,300 (i.e., £40,001 - £64,300)
- 6.9 In addition, the Council will seek the mid-point of these income bands when negotiating with developers and Private Registered Providers. In line with the Mayor of London's approach to family sized accommodation (See Section 6.5), the maximum gross annual income a household can earn to be eligible for a Home Buy product will be £77,200. The Council will adopt a bespoke approach on affordability as and when such opportunities arise.
- 6.10 The reasoning behind the affordability bands is simple: the Council wishes to see as broad a range as possible of income earners accessing Home Buy opportunities. If the affordable housing concerned were only available to households on incomes of between £40,001- £64,300, this would clearly be restricting access to households in lower paid jobs, particularly those who are currently resident in social rented housing or who are ex-armed services personnel. The Council is particularly keen to encourage these cohorts of need into Home Buy opportunities.
- 6.11 As is clear from the above, the Council's approach is based on the income affordability, and is not based on the market value of the property concerned. This is an important distinction. If the Council were to stipulate that all Home Buy products for sale (i.e., excluding Intermediate Rent opportunities) were to be priced at 50% of market value in the higher priced areas of the borough, then it is possible that very few homes would be affordable for applicants, even those on the higher income bands. What in effect happens is that applicants purchase a part of the home and have the use of the remainder. Some Home Buy Products such as Discount Market Sale and Shared Ownership offer opportunities for applicants to buy the remainder at some point in the future as income and wealth increases which can happen as people's careers develop.
- 6.12 Each scheme on which the Council works with a private developer and/or Private Registered Provider will vary. There may be circumstances where it is not financially viable for affordable housing to be built which can be accessed by applicants on each of the income bands identified in Section 6.8..
- 6.13 For **Intermediate Rent** schemes, the Council expects housing costs (rent and services charges) to be no greater than 80% of local market rents.

7. LOCAL LETTINGS PLANS

- 7.1 The Housing Allocation Scheme (Dec 2012) gave the Council authority to adopt Local lettings Plans (LLPs). The purpose of LLPs is to adopt a different approach to lettings in an area where the Council wishes to achieve certain objectives, such as delivering more mixed, balanced, sustainable communities.
- 7.2 This approach may include letting housing association homes charged at Affordable Rents (charged at up to 80% of local market rents) on fixed term tenancies . The intention is to create an opportunity for working households to save money on their housing costs in order to access the low cost home ownership at some future point. This is part of the Council's wider '*Building Housing Ladder of Opportunity*' approach. The Council will be exploring other ways of achieving this objective.

7.3 Separate qualification criteria will apply to those persons on the Home Buy Register who qualify for an allocation under a Local Lettings Plan. Persons who qualify will need to meet all of the following criteria:

1. Eligibility within the terms of the Housing Allocation Scheme
2. Registration on the Home Buy Register
3. Successful application to be considered for a tenancy under a Local Lettings Plan meeting any specified qualifying criteria
4. Local residency qualification within the terms of this Housing Allocation Scheme (unless the applicant falls within Armed Forces Qualification Regulations)
5. Satisfying the income threshold set out in paragraph 6.8 of the Housing Allocation Scheme (i.e., on a gross income of between £19,000 to £61,400).

7.4 The Council will from time to time set procedures for the operation of the scheme to allocate to applicants from the Home Buy Register and these procedures may include criteria for establishing priorities between persons who qualify. These procedures may include giving priority to those within the reasonable preference categories (See Section 2.7 of the Housing Allocation Scheme).

7.5 More detail on the Council's approach to Local Lettings Plans can be found in the Housing Allocation Scheme which can be accessed at:

www.lbhf.gov.uk/changestohousingregister

7.6 Home Buy Applicants will be asked to make clear whether they wish to be considered for a Local Lettings Plan opportunity when they apply or are refreshing their current application.

8. HOW TO REGISTER FOR HOME BUY

8.1 If you wish to register with the Council for accommodation under the Home Buy Allocation Scheme, make your first point of enquiry our website to appraise you of further information available.

www.lbhf.gov.uk/homebuy

8.2 If you wish to make an appointment to see one of our specialists for a one-to-one meeting with an advisor, help with solicitors and finding an independent financial advisor:

call 020 8753 6464

or, email h&fHome-Buy@lbhf.gov.uk

Annex B Business Board 6 March 2013 (Current Home Buy Priority Policy)

How does the council decide who should be shortlisted for a New Build Home Buy property?

When a New Build Home Buy property becomes available we alert all the people registered with h&f Home Buy via email. Once the property has been viewed and deposits lodged by those people who are seriously interested in moving to the property the council are sent a list of these people by the developing Housing Association or their agents from which we create a prioritised shortlist.

Because more people express an interest in low cost home ownership than we have available properties the council has to prioritise which people will be given the opportunity to purchase.

The council has followed government and local priorities when deciding who will be prioritised for Home Buy properties.

Priority is given in the order listed below:


- P1* Social housing tenants (secure council & assured housing association tenants) who live within the boundaries of LB Hammersmith and Fulham (LBHF) (as defined by First Steps London)
- P1* Serving MoD Personnel (as defined by First Steps London)
- P2 Applicants to whom the LBHF have accepted a duty to provide accommodation under the homelessness legislation. Includes those people placed in temporary accommodation.
- P3 Applicants who have a recognised disability. For more information please contact a Customer Relations Advisor on 020 8753 6464.
- P4 Key Workers as defined by LBH&F's Key Worker Allocations Quota
- P5 Applicants who are registered on the council's housing register for socially rented accommodation, or who have submitted an application which is under assessment. Where all circumstances are equal, prioritisation within this band will follow LBH&F's allocation policy.
- P6 Applicants who live or work in Hammersmith & Fulham and who do not fall into any other priority category.
- R Applicants with incomes over £60,000. These applicants may register with h&f Home Buy but will only be eligible at the discretion of the Home buy Service Manager for resale properties where the required income is over £60,000. Customers in this category will be considered for developments where maximum income limit is that of the London Plan (currently £64,000)

Within each category h&f Home Buy will prioritise households in order of need for the type or the bedroom size of the properties then those with the lowest income needed to purchase the property above those who would be under-occupying the property or with higher incomes.

* dependent on funding stream of development

Please be advised that LBH&F reserves the right to change the prioritisation model at any time without notice.

Agenda Item 18

	London Borough of Hammersmith & Fulham CABINET 8 APRIL 2013
EXTENSION OF CONTRACT FOR THE MAINTENANCE OF PAY AND DISPLAY MACHINES	
Report of the Cabinet Member for Transport and Technical Services – Councillor Victoria Brocklebank-Fowler	
Open Report.	
Classification: For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Nigel Pallace, Executive Director of Transport and Technical Services	
Report Author: Osa Ezekiel, Assistant Head of Parking	Contact Details: Tel: 020 753 3264 E-mail: osa.ezekiel@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The existing contract for the maintenance of pay and display machines is with the Metric Group Ltd and originally expired on 31st march 2011. The contract was for a term of 5 years from 1st April 2006 with an option for the council to extend on an annual basis for a maximum of two further years on all the same terms and conditions. It was extended for 1 year from April 2011 and then finally extended for 1 year from April 2012.
- 1.2. Work is almost complete on a new joint tender with RBKC that will yield savings to both Authorities. However both Authorities currently have different expiry dates in their current maintenance contracts. LBHF's contract expires on 31/03/13 whilst RBKC's contract expires on 31/05/13. A new joint contract needs to start on the same day for both Authorities.
- 1.3. Permission is therefore sought to continue with the current contract with the Metric Group Ltd on the existing terms and conditions until the proposed new joint contract which is scheduled to start on 01/06/13.

2. RECOMMENDATIONS

- 2.1. That the provisions of Contracts Standing Orders requiring the Council to obtain three quotations be waived, and it be noted that negotiations have taken place with the current provider to provide continuing support for a period not exceeding 2 months.
- 2.2. That the contract for the maintenance of pay and display machines with Metric Group Ltd be continued on the existing terms and conditions until the commencement of the proposed joint contract with RBKC which is scheduled to start on 01/06/13, with a notional value of £80,000.¹

3. REASONS FOR DECISION

- 3.1. Both Authorities currently have different expiry dates in their current maintenance contracts. The new joint contract needs to start on the same day for both Authorities.

4. INTRODUCTION AND BACKGROUND

- 4.1. Following a joint procurement exercise with RBKC, officers are close to finalising a new contract that will yield savings for both Authorities.
- 4.2. It is intended to submit the recommendation for the new joint contract to the May 2013 cabinet meeting for approval.

5. EQUALITY IMPLICATIONS

- 5.1. There are no direct equality implications arising from the recommendation.

6. LEGAL IMPLICATIONS

- 6.1. It is noted that the current contract for maintenance of pay and display machines is due to expire on 31 March 2013. A procurement process is currently underway for a new bi-borough contract to provide pay and display machine maintenance services within Hammersmith & Fulham and Kensington & Chelsea. This new contract will not be in place until 1 June 2013.
- 6.2. It is recommended that the current contract be varied to allow for an extension to cover the transitional period.
- 6.3. Implications verified/completed by: Cath Irvine, Principal Contracts Lawyer, Ext 2774.

¹ Based upon current monthly invoices.

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 7.1. This report recommends the extension of the contract for a 2 months. The monthly value of the contract is currently approximately £40,000.
- 7.2. As there is no change to the contract value, the 2 month extension will be funded from the existing revenue budgets for machine maintenance.
- 7.3. Implications verified/completed by: Amit Mehta, Principal Accountant – 0208 753 3394.

8. RISK MANAGEMENT

- 8.1. Not applicable.

9. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 9.1. The report recommends a variation to the existing contract to provide continuing services for a short period of 2 months (approximately £80,000 in value). This will allow the synchronisation of the expiry dates for both H&F and RBK&C contracts with view to allowing both councils to award a new contract with a single provider to commence on 1 June 2013.
- 9.2. Given that the circumstances the Director agrees with the recommendations contained in the report.
- 9.3. Implications verified/completed by: Alan Parry, Procurement Consultant – 020 8753 2581.

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.	Tender documents (exempt)	Osa Ezekiel	TTS (Parking Services) Bagleys Lane depot

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">8 APRIL 2013</p>
<p align="center">SUBMISSION OF A BID TO THE MAYOR OF LONDON'S AIR QUALITY FUND</p>	
<p>Report of the Cabinet Member for Transport & Technical Services : Councillor Victoria Brocklebank-Fowler</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Nigel Pallace - Executive Director, Transport & Technical Services</p>	
<p>Report Author: Paul Baker, Senior Environmental Policy & Projects Officer</p>	<p>Contact Details: Tel: 020 753 3431 E-mail: paul.baker@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. The GLA has launched a new source of funding to support air quality improvement projects across London. The Mayor's Air Quality Fund will provide a total of £6 million over the next 3 years for boroughs to bid for either individually or in partnership with each other.
- 1.2. The Council need to make a pledge at Cabinet level to take action on improving air quality in order for the GLA to make this funding available and consider council bids.
- 1.3. Any bids to the GLA fund will need to be match funded; it is proposed that this match funding come from other grant provided by Transport for London for the Local Implementation Plan.
- 1.4. Once approval at Cabinet level is granted to apply to the GLA for this funding, details of any bids to the GLA will be agreed in consultation with the Cabinet Member for Transport & Technical Services prior to any submission to the GLA.

- 1.5. This is brought to Cabinet with short notice due to the GLA providing only 10 weeks between the bidding guidance and pro forma being released and the bid submission deadline of 12 April 2013.

2. RECOMMENDATIONS

- 2.1. To pledge to take action on improving air quality in the borough, thus enabling the Council to access the Mayor of London's Air Quality Fund, including the Leader signing up to the Exemplar Borough qualifying criteria as set out in Appendix 1.
- 2.2. That approval be given to the submission of an application to the GLA to fund local air quality improvement measures, including joint bids with other partners such as neighbouring boroughs, subject to joint funding
- 2.3. That any bid made by the Council, which will be capped at a total of no more than £500,000, be approved by the Cabinet Member for Transport and Technical Services prior to submission to the GLA.

3. REASONS FOR DECISION

- 3.1. The reason for the recommendations is to access a substantial new source of funding for air quality improvements.
- 3.2. At the time of writing, internal and external discussions are ongoing in terms of preparing suitable projects. The recommendations will therefore, ensure Member control of this process, by requiring the detailed project proposals be submitted to the Cabinet Member for Transport and Technical Services for approval before final submission of the Air Quality Fund application to the GLA on 12 April.

4. INTRODUCTION AND BACKGROUND

- 4.1. The Council has a statutory duty to manage local air quality, as required by the Environment Act 1995. As part of these duties, the whole of the borough was designated as an Air Quality Management Area in 2000 for 2 pollutants – Nitrogen Dioxide (NO₂) and Particulate Matter (PM₁₀). An Air Quality Action Plan was developed and measures have been implemented since then with the aim of reducing emissions and improving local air quality. Measures have also been implemented in other boroughs and at national and London-wide level to try to cut emissions.
- 4.2. The public health outcomes framework indicator for air quality in 2010 shows that in the London Borough of Hammersmith and Fulham the all-cause adult mortality attributable to long-term exposure to current anthropogenic particulates air pollution was 7.9%; higher than the average for England. There has been some progress in reducing local emissions,

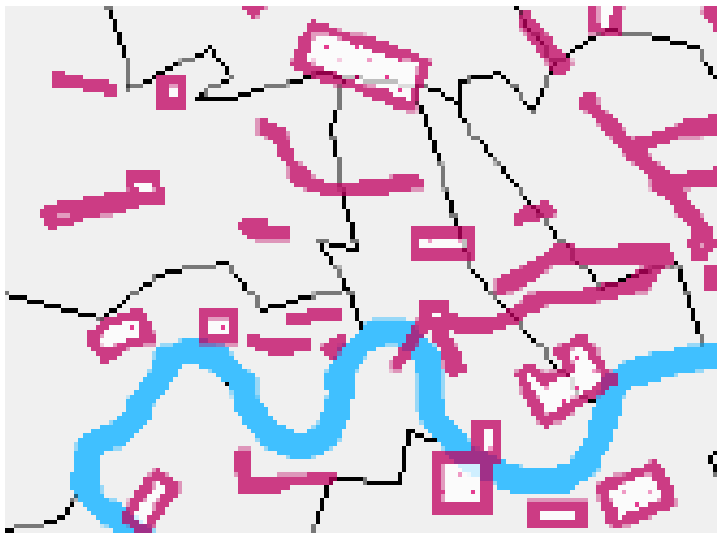
but exceedences of EU legislation and the Governments air quality objectives continue.

The Mayor's Air Quality Fund

- 4.3. In order to help Boroughs fund further local air quality improvement schemes in their areas, the GLA has recently launched a new air quality funding programme – the Mayor's Air Quality Fund. This provides a total of £6 million (over 3 years) for boroughs to bid for. An additional £20 million will be made available following the end of this initial funding round.
- 4.4. Boroughs are limited to submitting 1 individual bid, but there is no limit to the number of joint bids that can be made in partnership with other Boroughs or organisations. Borough bids are limited to a maximum level of £400,000 of funding over 3 years, but higher amounts can be made available to partnership bids as no maximum bid level has been set.
- 4.5. To qualify for funding support, projects must be based in designated 'Air Quality Focus Areas' (AQFAs), as identified by GLA air quality models. In total, there are 187 AQFAs in London, with 5 located in H&F, as shown in Map 1.
- 4.6. The AQFAs have been identified as the locations across London where GLA air quality models show that the highest levels of NO₂ are found, resulting in breaches of the national air quality objectives. The levels of human exposure have also been taken into account in identifying these areas as priorities for further action.
- 4.7. The Council monitors NO₂ in 4 of the GLA designated AQFAs - at Hammersmith Broadway, Fulham Broadway, Shepherds Bush Green and the Westway. In 2012, all of these sites breached the annual mean NO₂ limits with concentrations ranging from 70 to 90 µg/m³ compared to the 40 µg/m³ target which confirms the GLA models.
- 4.8. The Council monitoring station at Shepherds Bush Green has measured PM₁₀ exceeding the EU limit of no more than 35 days in a year when concentration are 50 µg/m³ or higher. The station is the 3rd in London to breach this objective, which was supposed to be met across the UK by July 2011.
- 4.9. It is clear that additional measures are required at all levels – local, regional and national – in order to reduce emissions sufficiently to meet the NO₂ and PM₁₀ objectives in H&F and other parts of London. The Air Quality Fund provides an opportunity to fund the required measures.

Map 1 showing the Air Quality Focus Areas in H&F

(Officers apologise for the poor resolution which is due to the scale of the original London-wide map provided by the GLA)



Map Key: Lines and polygons show the extent of the AQFAs identified at and near the borough

5. ISSUES AND PROPOSAL

- 5.1 There are 2 key issues that drive the continuing need to take action on air quality issues: Firstly, air pollution is known to have detrimental health impacts and affect people's quality of life, particularly where the Government's objectives are breached, as is the case in parts of H&F. This is relevant because one of the Council's key priorities is to create a healthier borough and better environment for residents.
- 5.2 Also, if air quality objective targets continue to be breached, there is a possibility that the EU will issue fines to the UK Government. The Localism Act 2011 allows the Government to pass on fines for air quality breaches to local authorities. If this were to happen, the Council would be in a stronger position to defend itself against potential fines if it can demonstrate that it has continued to implement projects aimed at reducing local emissions.
- 5.3 In order to access the funds available, the GLA has stipulated that Councils must make a Cabinet level pledge to take significant action to improve local air quality. This requires signing up to a set of qualifying criteria as outlined in Appendix 1. The Council currently meets these criteria through normal business.
- 5.4 The GLA also requires bids to the Air Quality Fund to be match funded. Identified sources of funds include the LIP (Local Implementation Plan), s106, Defra, GLA and possibly the EU. LIP funding is considered to be the easiest and most appropriate way of match funding projects developed for the Air Quality Fund due to the direct links between transport measures and improving air quality. There is some unallocated funding in the LIP budget (£123,000) which could be used to match fund the 1st year of the

bid (2013/14). Similar levels of funding could potentially be made available for 2014/15 and 2015/16.

- 5.5 Where possible, bids will endeavour to secure additional funding that can support existing LIP or other on-going council projects. For example, where possible, green infrastructure projects will be sought for areas where the council is currently intending to make improvements and will seek to offset existing maintenance costs with this Fund.
- 5.6 Officers have clarified with GLA that up to 10% of any grant awarded to the borough to implement projects can be used to cover officer costs in managing new projects. This is in line with the approach taken for funding and management of LIP funded projects.
- 5.7 It is proposed that that the Council should take advantage of the additional funding that is being made available for the next 3 years and approve the submission of a bid to the Air Quality Fund to help extend its activities in relation to improving local air quality.

6. POSSIBLE PROJECTS

- 6.1 Early discussions indicate that boroughs in west and central London will be bidding for funding and are keen to work together on joint bids. At the time of writing, full details of potential schemes and expected costs are still being developed.
- 6.2 The GLA has provided guidance on the sorts of projects that boroughs are encouraged to submit proposals for. In brief, these include the following:
- Green infrastructure such as green walls/screens and "pocket parks"
 - Health campaign - e.g. with GP practices to promote walking/cycling
 - Optimise traffic signals and reduce emissions
 - Freight related measures - encourage more sustainable modes, retiming deliveries out of peak hours, improving routing efficiency, use of low emission vehicles
 - Use of dust suppressants to keep PM10 levels down
 - Enable car clubs to operate
 - Way finding strategy - promote key walking routes
 - School campaigns - expand current work to incorporate more local AQ issues
- 6.2 Many of these activities are already implemented to some degree in H&F, often as part of the Council's work on implementing the Transport Plan (LIP). However, the new Air Quality fund provides the opportunity to significantly expand or extend projects which will help the Council make progress on meeting the air quality objectives in the borough.

7. CONSULTATION

- 7.1. External consultations have been undertaken with the GLA and TfL in relation to the details of the funding on offer and the qualifying criteria. Discussions have also been carried out with officers from neighbouring boroughs on the potential to work on joint projects.

8. EQUALITY IMPLICATIONS

- 8.1. The borough's Joint Strategic Needs Assessment recognises that local environmental factors such as air quality can cause detrimental health impacts. Air quality potentially affects everyone, but some groups such as children and the elderly are more susceptible to health effects as a result of poor air quality. People with serious medical conditions associated with the cardiovascular or respiratory systems can also be more susceptible.
- 8.2. The public health outcomes framework indicator for air quality in 2010 shows that in the London Borough of Hammersmith and Fulham the fraction of all-cause adult mortality attributable to long-term exposure to current anthropogenic particulates air pollution was 7.9%; higher than the average in England. The implementation of additional air quality improvement measures therefore has the scope to significantly benefit everyone but particularly people in susceptible groups.

9. LEGAL IMPLICATIONS

- 9.1. The Council is under a statutory duty as explained in paragraph 4.1 of the report. The draft proposals identified in paragraph 6.1 relating to the use of the highway fall within the Council's powers under the Highways Act 1980 and the Road Traffic Regulation Act 1984 and the more general schemes fall within the Council's powers under the Localism Act 2011."
- 9.2. Implications completed by: Alex Russell, Environmental Services Lawyer, 020 8753 2771.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The GLA has made £6 million available to boroughs for the next 3 years to help fund air quality projects across London. A maximum of £400,000 is available over this period to the Council if it makes an individual bid for funds, but joint bids with other Councils can attract more funding. At present, detailed bids are being developed for submission to the GLA. The match funding that is required for the bid can be sourced from the Council's Local Implementation Plan (LIP)¹ budget. For 2013/14 there is an unallocated budget- as part of the LIP funding programme- of £123,000 identified as streetscape improvements. This amount has been set aside

¹ This budget is funded, through a mixture of capital and revenue grants, by Transport for London for integrated transport projects.

to fund projects that promote a high quality and decluttered urban realm. It is expected that part, or all of this budget would be used to cover any match funding requirements. It is expected that a similar amount would be available for match funding purposes in 14/15 and 15/16. Should the bid be successful appropriate adjustments will need to be made to capital and revenue estimates.

- 10.2. Implications completed by: Gary Hannaway, Head of Finance (Environment), 020 8753 6071.

11. RISK MANAGEMENT

11.1. There are no direct implications with the report proposals. Indirect implications relate to meeting the objectives as set in the qualifying criteria (detailed in Appendix 1). Risks associated with these would be managed within the T&TS project management arrangements.

- 11.2. Implications completed by: Mike Sloniowski, Head of Risk Management, 020 8753 2587.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. The report sets out the principles to be adopted if the Council receives funding. Currently, there are no procurement related issues contained in the report. The Corporate Procurement Team will provide advice and guidance as and when the projects are developed.

- 12.2. Implications completed by: Alan Parry, Procurement Consultant, 0208 753 2581.

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.	Air Quality Fund Bidding Guidance (published)	Paul Baker	TTS Dept, 5 th Floor ,HTHX

LIST OF APPENDICES:

Appendix 1 – Exemplar Borough Qualifying Criteria

Appendix 1 – Exemplar Borough Qualifying Criteria

Exemplar Borough qualifying criteria

Cleaner Air Boroughs

Criteria

To access funding from the new Mayor's Air Quality Fund, boroughs are asked to commit to make progress against each of the following criteria. Those that demonstrate significant improvement towards or achievement of the criteria will then be designated a "Cleaner Air Borough". The first Cleaner Air Boroughs will be announced in January 2014.

1. Political leadership

- To become a Cleaner Air for London Borough the authority will have to pledge (at cabinet level) to take significant action to improve local air quality and sign up to specific delivery targets.
- This includes having an up-to-date air quality action plan, fully incorporated into LIP funding and core strategies.

2. Taking action

Examples include:

- Taking decisive action to address air pollution, especially where human exposure and vulnerability (e.g. schools, older people, hospitals etc) is highest.
- Developing plans for business engagement (including optimising deliveries and supply chain), retrofitting public buildings using the RE:FIT framework, integrating no engine idling awareness raising into the work of civil enforcement officers, etc.
- Integrate transport and air quality, including by improving traffic flows on borough roads to reduce stop/start conditions
- Making additional resources available to improve local air quality, including by pooling it's collective resources (s106 funding, LIPs, parking revenue, etc).

3. Leading by example

Examples include:

- Investing sufficient resources to complement and drive action from others
- Maintaining an appropriate monitoring network so that air quality impacts within the borough can be properly understood
- Reducing emissions from council operations, including from buildings, vehicles and all activities.
- Adopting a procurement code which reduces emissions from its own and its suppliers activities, including from buildings and vehicles operated by and on their behalf (e.g. rubbish trucks).

4. Using the planning system

Examples include:

- Fully implementing the Mayor's policies relating to air quality neutral, combined heat and power and biomass.
- Collecting s106 from new developments to ensure air quality neutral development
- Additional enforcement of construction and demolition guidance, with regular checks on medium and high risk building sites.

5. Integrating air quality into the public health system

Examples include:

- Including air quality in the borough's Health and Wellbeing Strategy, including measures to promote adaptation amongst vulnerable groups.

6. Informing the public

Examples include:

- Ensuring consistency of branding by using the "Cleaner Air for London" marque.
- Raising awareness about air quality through the active promotion of airTEXT.
- Building a network of air quality champions in schools, businesses, public sector and social housing linked to the Mayor's programme.

NOTICE OF CONSIDERATION OF A KEY DECISION

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

NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

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

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

KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 8 APRIL 2013 AND AT FUTURE CABINET MEETINGS UNTIL DECEMBER 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*

Access to Cabinet reports and other relevant documents

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website (www.lbhf.org.uk) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 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 4. You can also submit a deputation to the Cabinet. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

LONDON BOROUGH OF HAMMERSMITH & FULHAM: CABINET 2012/13

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

Key Decisions List No. 7 (published 8 March 2013)

KEY DECISIONS LIST - CABINET ON 8 APRIL 2013

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

Where column 3 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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
April				
Cabinet	8 Apr 2013	<p>Tri-borough ICT Target Operating Model</p> <p>New target operating model for ICT from 2013 on</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>Leader of the Council (+Regeneration, Asset Management and IT)</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>
	Reason: Expenditure more than £100,000		<p>Ward(s): All Wards</p> <p>Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk</p>	
Cabinet	8 Apr 2013	<p>Cemeteries - variation to grounds maintenance contract</p> <p>Facilitating the Cemeteries operations through Quadron Services Limited.</p>	<p>Deputy Leader (+ Residents Services)</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>
	Reason: Affects more than 1 ward		<p>Ward(s): All Wards</p> <p>Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk</p>	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	8 Apr 2013	Tri-borough Post and Special Guardianship Support Contract To provide post adoption and special guardianship support to individuals that has adopted or has special guardianship. The service shall be provided to resident with tri-borough areas.	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards Contact officer: John Francis Tel: 0208 753 1328 john.francis@lbhf.gov.uk	
Cabinet	8 Apr 2013	Housing Capital Programme 2013 - 14 and Housing and Regeneration Asset Management Plan 2013 -16 This report sets out the proposed 2013/14 Housing Capital Programme and seeks authority to proceed with the various schemes identified.	Cabinet Member for Housing	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	
Cabinet	8 Apr 2013	Corporate Revenue Monitoring 2012-13 : Period 10 (January) Report seeks approval for changes to the Revenue Budget	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	
Cabinet	8 Apr 2013	Award of new housing repairs and maintenance contract Re-procurement of Housing Repairs contract arrangements PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it	Cabinet Member for Housing	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
	Reason: Affects more than 1 ward		Ward(s): All Wards Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		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.		considered.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	Parks Capital Programme 2013-2016 This report updates Cabinet on the current requirements to continue to enhance the borough's parks and open spaces as outlined in Parks and Open Spaces Strategy 2008-2018.	Deputy Leader (+ Residents Services) Ward(s): All Wards Contact officer: Chris Welsh Chris.Welsh@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.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	Market testing of housing service - housing management Update of current market testing procurement process. 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.	Cabinet Member for Housing Ward(s): Fulham Broadway; Fulham Reach; Munster; North End; Palace Riverside; Parsons Green and Walham; Sands End; Town Contact officer: Jo Rowlands Tel: 020 8753 1313 Jo.Rowlands@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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	8 Apr 2013	<p>Market testing of housing service - estate services</p> <p>Update on market testing procurement process.</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>	Cabinet Member for Housing	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	<p>Mental Health Partnership Agreement under Section 75 NHS Act 2006 between H&F and West London Mental Health Trust (WLMHT)</p> <p>The partnership agreement for providing mental health services to H&F residents was delegated to WLMHT back in 2001 under Section 31 of the Health Act 1999. These arrangements now fall under Section 75 of the NHS Act 2006.</p> <p>Over the last few years H&F mental health service provisions have changed, projects have closed and developments have been made under the integrated arrangement with WLMHT. In addition there have been re-organisation of Adult Social Care through the Council's Tri-borough arrangements and WLMHT has gone through a recent management re-structure as well. Therefore it is important that we review our partnership under the new climate.</p>	Cabinet Member for Community Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	8 Apr 2013	Homebuy Allocation Scheme Report and Annex setting out the Council's approach to defining intermediate housing and how the Council intends to prioritise and allocate such housing from June 2013. The intention is to update the Council's approach to intermediate housing to reflect the council's broader Building a Housing Ladder of Opportunity approach.	Cabinet Member for Housing	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	Hammersmith Library refurbishment and Archives The refurbishment of Hammersmith Library to roll out the "More than a Library Brand" already implemented at other LBHF libraries. It aims to incorporate all opportunities to improve the customer offer and experience and to repair and upgrade the fabric of the building. In addition, the report considers the viability of relocating the Archives Service and Local Studies collection to Hammersmith Library and providing a long term solution for the collections. 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.	Deputy Leader (+ Residents 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.
	Reason: Expenditure more than £100,000		Ward(s): Hammersmith Broadway	
Cabinet	8 Apr 2013	Linford Christie Stadium Remedial works to the roof	Leader of the Council (+Regeneration, Asset Management and IT)	A detailed report for this item will be available at least five working days

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	Reason: Expenditure more than £100,000	<p>covering and rainwater goods. Internal refurbishment and upgrade to the male changing room and kitchen upgrade (including asbestos removal) to the London Nigerians' clubhouse.</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>Ward(s): College Park and Old Oak</p> <p>Contact officer: Pat Nolan, Sally Williams Tel: 020 8753 4516, Tel: 020 8753 4865 sally.williams@lbhf.gov.uk</p>	before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: ore than £100,000	<p>Tender Approval for Demolition of Askham Centre and Haven Respite Centre</p> <p>Seeking approval to accept a tender to demolish Askham Centre and Haven Respite Centre as an enabling project for the New Queensmill School project.</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>Cabinet Member for Children's Services</p> <p>Ward(s): Wormholt and White City</p> <p>Contact officer: John Brownlow Tel: 020 8753 john.brownlow@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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	Submission of a bid to the Mayor of London's Air Quality Fund Explanation of the requirements to bid for funds, including the need for a cabinet level pledge to take action on air quality	Cabinet Member for Transport and Technical Services Ward(s): All Wards Contact officer: Paul Baker paul.baker@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.
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	Interim provision of Speech and Language Therapy services at Children's Centres. Cabinet approval is being sought to waive contracts standing orders to: i) ensure service continuity; ii) agree a new interim contract with the incumbent; iii) align the re-tendering of the SLT contract with the tendering of a wider 3B Children's Centre contract.	Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Margaret Murphy Tel: 020 8753 2045 Margaret.Murphy@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.
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	Fulham Palace Trust - proposed finance arrangements To recommend the finance arrangements for Fulham Palace Trust from 2013-14.	Deputy Leader (+ Residents Services) Ward(s): Palace Riverside Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	Extension of contract for the maintenance of pay and display machines Permission to extend contract until a new contract starts in June 2013	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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
				considered.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	New S75 Partnership Agreement with NHS Hammersmith and Fulham Clinical Commissioning Group The approval of the Cabinet Member for Adult Social Care and the Cabinet Member for Children's Services of a new 5-Year Section 75 Partnership Agreement with NHS Hammersmith & Fulham Clinical Commissioning Group.	Cabinet Member for Community Care, Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Andrew Webster Tel: 208 753 5001 Andrew.Webster@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.
May				
Cabinet	13 May 2013 Reason: Expenditure more than £100,000	Elevator Monitoring Unit Installation - Various Sites 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. 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.	Cabinet Member for Housing Ward(s): All Wards Contact officer: Velma Chapman Tel: 020 8753 4807 velma.chapman@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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	13 May 2013	Property Asset Management Plan 2012-2015 This is an updated plan which was approved by Cabinet in 2008. It is set out in the Council's Strategy for all properties held by the Council except the Council's Housing Stock.	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	13 May 2013	Update on Edward Woods Estate Regeneration Scheme Update on progress and request for approval of overspend and change of tenure 12 penthouse flats for Edward Woods Estate Regeneration Scheme 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.	Cabinet Member for Housing	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.
	Reason: Expenditure more than £100,000		Ward(s): Shepherds Bush Green	
Cabinet	13 May 2013	Letting of concession of Wi-Fi on lamp posts Letting of a concession to allow mobile data devices to be fitted to lamp posts.	Deputy Leader (+ Residents 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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Cabinet	13 May 2013	<p>Bi-borough contract for the maintenance of pay and display machines</p> <p>This is a bi-borough contract with RBKC for the maintenance of pay and display machines</p> <p>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>	Cabinet Member for Transport and Technical 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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	13 May 2013	<p>Housing Revenue Account car parking and garage strategy</p> <p>Strategic review of the car parking and garage service on council owned housing estates.</p>	Cabinet Member for Housing	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	13 May 2013	<p>Holy Cross/Lycée expansion and co-location Tender Approval</p> <p>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.</p>	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.
	Reason: Expenditure more than £100,000		Ward(s): Parsons Green and Walham	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		<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>		
Cabinet	<p>13 May 2013</p> <p>Reason: Affects more than 1 ward</p>	<p>Notification for the decision on award of contract</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> <p>Ward(s): All Wards</p> <p>Contact officer: Karen Tyerman Karen.Tyerman@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.
Cabinet	<p>13 May 2013</p> <p>Reason: Expenditure more than £100,000</p>	<p>Tri-borough Total Facilities Management - award of contract</p> <p>Seeking approval to award the Tri-borough contract for Total Facilities Management for a fully-outsourced managed solution for corporate facilities management.</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>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): Addison</p> <p>Contact officer:</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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	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.		
Cabinet	13 May 2013	Housing Estate Investment Plan Update To update Cabinet on the Housing Estate Investment Plan.	Cabinet Member for Housing	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	13 May 2013	Letting of a concession to monetise the ducting within Council-owned CCTV network Monetising the Councils CCTV fibre	Deputy Leader (+ Residents 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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	13 May 2013	Innovative Housing Built Using Modern Methods of Construction Progress update on development of proposals for the plot site and approval for full scheme/programme.	Cabinet Member for Housing	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
Cabinet	13 May 2013	<p>Extension of contract for the provision of a vehicle removal service and operation of a car pound</p> <p>Permission to continue to contract until a new contract is ready.</p>	Cabinet Member for Transport and Technical 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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	13 May 2013	<p>Parking Projects & Policy Programme for 2013/14 and 2014/15</p> <p>1.1. This report outlines the key parking priorities for the Council and presents a parking projects and policy programme. The report seeks formal approval for these proposals to be agreed for implementation during the 2013/14 and 2014/15 financial years.</p> <p>1.2. The key priorities set out in the proposals for the 2013/14 and 2014/15 financial year relate to maintaining and improving existing parking provision, improving local air quality, helping to reduce CO2 and NOx emissions, & congestion. As part of this programme there is a particular emphasis on de-cluttering signage in order to save long term maintenance costs, and improving usability of parking facilities.</p>	Cabinet Member for Transport and Technical 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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	13 May 2013	<p>Tri-Borough Total Facilities Management Award of Contract</p> <p>To award the TFM contract to the successful supplier and to approve the set-up of the Intelligent Client Function to manage the contract on behalf of the tri-borough Authorities.</p>	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
Cabinet	13 May 2013 Reason: Expenditure more than £100,000	Openscape telephony resilience and upgrade Improvements to telephony to bring into business continuity and improve functionality 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.	Leader of the Council (+Regeneration, Asset Management and IT) Ward(s): All Wards Contact officer: Howell Huws Tel: 020 8753 5025 Howell.Huws@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.
Cabinet	13 May 2013 Reason: Expenditure more than £100,000	Tri-borough Passenger Transport Service for Children and Adults To participate, as outlined in the Cabinet report, in a Tri-borough Passenger Transport Service with Westminster City Council contracting on behalf of all three boroughs, LBHF, RBKC and WCC. To delegate confirmation of Call-Off Contracts for borough and cross borough services executed by Westminster City Council, to Cabinet Members or senior officers.	Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Karen Tyerman Karen.Tyerman@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.
Cabinet	13 May 2013 Reason: Expenditure more than £100,000	Request for Delegated Authority for Tri-borough Hospital to Home and Befriending Plus Services Tender Request for delegated authority to allow Councillor Ginn to agree for funding to be transferred to RBKC for award on behalf of LBHF; and to agree the procurement process of the Hospital to Home and Befriending Plus Services tender.	Cabinet Member for Community Care Ward(s): All Wards Contact officer: Andrew Webster Tel: 208 753 5001 Andrew.Webster@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.

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
				considered.
Cabinet	13 May 2013	Supported housing contract extensions Seeking approval to delegate the authority to extend supported housing contracts to the Cabinet Member for Community Care.	Cabinet Member for Housing	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
June				
Cabinet	24 Jun 2013	Provision of a blue badge investigation and enforcement service 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	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.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	24 Jun 2013	New Queensmill School - Tender Approval Approval to accept most economically advantageous tender to construct new school accommodation for Queensmill ASD School 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	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.
	Reason: Expenditure more than £100,000		Ward(s): Wormholt and White City	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (<i>other relevant documents may be submitted</i>)
		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.		
Cabinet	24 Jun 2013	Chancellors Road Shared Space Shared area proposal for the western end of Chancellors Road	Cabinet Member for Transport and Technical 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.
	Reason: Expenditure more than £100,000		Ward(s): Fulham Reach; Hammersmith Broadway	
			Contact officer: Matthew Veale matthew.veale@lbhf.gov.uk	
July				
Cabinet	22 Jul 2013	SERCO Contract Review Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.	Deputy Leader (+ Residents Services)	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
			Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	
December				
Cabinet	9 Dec 2013	Housing and Regeneration Joint Venture - Selection of Preferred Partner Following an OJEU procurement, final selection of a private sector partner to form a Joint Venture with the Council.	Cabinet Member for Housing	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.
	Reason: Affects more than 1 ward		Ward(s): All Wards	
			Contact officer: Matin Miah Tel: 0208753 3480 matin.miah@lbhf.gov.uk	