

Housing, Health And Adult Social Care Select Committee

Agenda

Tuesday 22 January 2013

7.00 pm

Courtyard Room - Hammersmith Town Hall

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Lucy Ivimy (Chairman) Councillor Joe Carlebach Councillor Oliver Craig Councillor Peter Graham Councillor Steve Hamilton Councillor Peter Tobias	Councillor Iain Coleman Councillor Stephen Cowan Councillor Rory Vaughan	Maria Brenton, HAFAD

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Date Issued: 14 January 2013

Housing, Health And Adult Social Care Select Committee Agenda

22 January 2013

<u>Item</u>	<u>Pages</u>
1. MINUTES AND ACTIONS	1 - 10
(a) To approve as an accurate record, and the Chairman to sign the minutes of the meeting of the Housing, Health & Adult Social Care Select Committee held on 14 November 2012.	
(b) To monitor the acceptance and implementation of recommendations as set out at Appendix 1.	
(c) To note the outstanding actions.	
2. APOLOGIES FOR ABSENCE	
3. DECLARATIONS OF INTEREST	
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.	
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.	
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.	
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.	

- 4. REVENUE BUDGET 2013/2014** 11 - 31
- Cabinet will present their revenue budget and council tax proposals to Budget Council on 27th February 2013. As part of the budget process savings targets have been set for departments and transformation programmes. This report provides an update on how the targets will be met for the services covered by this select committee. An update is also provided on budget growth proposals and proposed changes in fees and charges.
- 5. HRA FINANCIAL STRATEGY AND RENT INCREASE REPORT**
- This report will follow.
- 6. SELF DIRECTED SUPPORT SERVICES PROCUREMENT AND HAFAD** 32 - 40
- This report addresses specific concerns in relation to the current provider of Direct Payment Support, HAFAD, which was not successful in the procurement process, clarifies the procurement process and explains how the transition to a new service arrangement will be managed.
- 7. HOUSING AND REGENERATION JOINT VENTURE VEHICLE** 41 - 84
- This report outlines proposals for the Council to derive greater value from the disposal of surplus HRA land through the sharing in development profits, in addition to extracting land value, by establishing a housing and regeneration Joint Venture Vehicle (JVV). The JVJ will take forward delivery of selected Council owned development sites to increase housing supply, particular low cost home ownership, in conjunction with a Private Sector Partner who would bring finance and development expertise to the partnership. This initiative is a major component of the Council's (draft) Housing Strategy, "Building a Borough of Opportunity"
- 8. WORK PROGRAMME AND FORWARD PLAN 2012-2013** 85 - 109
- The Committee's work programme for the current municipal year is set out as Appendix 1 to this report. The list of items has been drawn up in consultation with the Chairman, having regard to relevant items within the Forward Plan and actions and suggestions arising from previous meetings of the Committee.
- The Committee is requested to consider the items within the proposed work programme and suggest any amendments or additional topics to be included in the future.
- Attached as Appendix 2 to this report is a copy of the Key Decision List showing the decisions to be taken by the Executive at the Cabinet, including Key Decisions within the portfolio areas of the Cabinet Member for Housing and the Cabinet Member for Community Care, which will be open to scrutiny by this Committee.
- 9. DATES OF NEXT MEETINGS**
- The Committee is asked to note that the dates of the meetings

scheduled for this municipal year are as follows:

February 2013: *date to be confirmed*

09 April 2013

10. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that -

The Committee is invited to resolve, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during the consideration of the following item of business, on the grounds that it contains 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

11. HOUSING JOINT VENTURE VEHICLE: EXEMPT ASPECTS

110 - 118



London Borough of Hammersmith & Fulham

Housing, Health And Adult Social Care Select Committee Minutes

Wednesday 14 November 2012

PRESENT

Committee members: Councillors Lucy Ivimy (Chairman), Joe Carlebach, Iain Coleman, Stephen Cowan, Oliver Craig, Steve Hamilton and Rory Vaughan

Co-opted members: Maria Brenton (HAFAD)

Other Councillors: Marcus Ginn (Cabinet Member for Community Care) and Andrew Johnson (Cabinet Member for Housing)

Officers: Mike England (Director of Housing Options, Skills and Economic Development) and Sue Perrin (Committee Co-ordinator)

NHS Inner North West London: Dr Melanie Smith

23. MINUTES AND ACTIONS

RESOLVED THAT:

The minutes of the meeting held on 24 September 2012 be approved and signed as an accurate record of the proceedings.

24. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Peter Graham and Peter Tobias, and from Councillor Stephen Cowan for lateness.

25. DECLARATIONS OF INTEREST

There were no declarations of interest.

26. TRANSFER OF PUBLIC HEALTH FUNCTIONS TO THE LONDON BOROUGH OF HAMMERSMITH & FULHAM; ESTABLISHMENT OF A TRI-BOROUGH PUBLIC HEALTH SERVICE

Dr Melanie Smith presented the report in respect of the statutory transfer of public health functions to local authorities from April 2013. The Cabinets of the three boroughs (Hammersmith & Fulham, Kensington & Chelsea and Westminster) had agreed the establishment of a single tri-borough public health service, with the retention of individual borough sovereignty in relation to public health decision making and priorities, and with Westminster City Council as the lead authority.

Dr Smith stated that, during 2013/14, it was planned to focus on maximising the opportunities of an in-house public health function. Staff and contract liabilities would transfer into the local authorities from the PCTs. The transfer of staff from the PCT to Councils was a TUPE-like PCT owned process. The new organisational structure would be in place prior to transfer.

A register of all contract liabilities had been completed by the PCT. The three councils had procured an external forensic examination of the number and values of contracts to provide assurance as to which contracts and their values would transfer to the councils.

A ring-fenced grant would be received. However, on the basis of prudent financial planning assumptions at this point, it was believed that there would be a funding shortfall of £6.2 million, of which £2.8 million had been identified to Hammersmith & Fulham. There had been an unfavourable movement since the paper was written due to the identification of an additional cost of £300,000 to adult social care, and a decision to plan on the basis of no inflationary uplift.

Councillor Coleman queried the options to meet the funding gap. Dr Smith responded that the planned tri-borough structure achieved 10 – 15% efficiencies and there was scope for savings in the contract portfolio. Displaced staff would be supported through the NHS redeployment pool, but it was possible that there might be compulsory redundancies.

Councillor Craig queried the funding shortfall for a full year. Dr Smith responded that the allocation would be based on historic spend and, for the three boroughs, was above the national average. However, historic spend was over capitation for public health, and there was an issue in respect of whether the borough would continue to receive growth money. There were concerns in respect of sexual health funding as this was an open access services, and demand was increasing each year.

Prior to the forensic audit, contracts worth £53 million had been split approximately equally between NHS and external contracts. Most external contracts would have been negotiated locally and inflationary uplifts would be unusual. The key NHS contracts would be CLCH and genitourinary medicine with the larger trusts, and these would contain inflationary uplifts. The three

councils would be responsible for any shortfall; the worse case scenario was £6.2 million.

Dr Smith stated that the biggest concern was in respect of the increase in activity generally.

Councillor Carlebach noted the indisputable value of the Community Champions.

Councillor Vaughan queried the accountability of the new structure and the portfolios of the Deputy Directors of Public Health. Dr Smith responded that the three boroughs would share responsibility for the service. Employees would work across the three boroughs, but would be based at Westminster City Council, with formal accountability up to the Chief Executive, Westminster City Council. The arrangements would mirror those in place for Adult Social Care and Children's services, where there were regular formal meetings between Cabinet Members and officers before individual borough sign off.

Dr Smith stated that, whilst the contracts within individual portfolios were of different values, there were significant areas for transition with different amounts of discretion, for example there was little flexibility in NHS contracts, whereas there was scope for innovation in external contracts. The three Deputy Directors of Public Health would lead teams with portfolios of:

- Health intelligence and advice across the range of local authority functions;
- Children and young people, healthy weight, mental health protection and promotion; and
- Adults, sexual health, behaviour change and health protection.

The teams would provide support and advice to Clinical Commissioning Groups (CCG). In addition, there would be a business support function, which would consider opportunities for savings in back office costs.

Councillor Vaughan queried the interaction with the Health & Wellbeing Board. Dr Smith responded that this would be included in the work with the CCG. There would be a two way relationship between the local authorities and CCGs, which could hold each other to account for delivery of services.

Dr Smith responded to a query from the Chairman that staff would mostly be existing employees, and that an induction programme would address the range of training needs for both PCT and local authority employees, for example PCT staff were not experienced in working in a political environment.

The Chairman queried the legal expertise in contracts. Dr Smith responded that Public Health would look to Adult Social Care and Family and Children's services for support in negotiation and management of contracts, and invoice verification, rather than attempt to replicate these services.

In conclusion, Dr Smith stated that the intention was to 'lift and shift; services and then add value. The transition was scheduled for completion by February, and thereafter or slightly before, the focus of Public Health would move to adding value.

RECOMMENDED THAT:

1. The report be noted.
2. An update report be provided to the April meeting.

27. HOUSING BENEFITS/LOCAL HOUSING ALLOWANCE - SYNOPSIS

Mr Mike England presented the update report, which covered two distinct cohorts. The first cohort was those households which the Council had placed in temporary accommodation. HB Assist had been set up in December 2010 to deal with the impact of the introduction of Local Housing Allowance (LHA) on those properties already being used as temporary accommodation. There had been an initial 546 tenancies where existing rents exceeded LHA rates, of which eight were currently still to be resolved.

The second cohort was households in the private rented sector who had no relationship with the Council and were affected by the HB Caps.

Mr England stated that there had been no significant change in the quantum of households and numbers of dependent children. However, the information gathered between 30 January 2012 and 30 September 2012 indicated that:

- The total number of households in the private rented sector affected by the Caps had decreased from 540 to 307.
- The potential impact of an additional £20 per week contributed by either the household or other party had decreased from 338 to 163 households.
- The impact of the HB Caps on Child dependents in the private sector had decreased from 949 to 386 children.

Members queried the impact on large households. Mr England responded that, of the 98 households of 4 bedrooms and over, 66 households remained in the same home. The other 32 households had not been moved out, but might have moved to a different part of the borough.

Mr England stated that, whilst there was no clear pattern, there were a number of likely reasons: a combination of people moving out of the borough and those moving in not being affected by HB Caps; and housing issues being resolved by other means, such as the landlord agreeing to reduce the rent, the household moving to another part of the borough, the household being able to meet the increased rent and the receipt of a discretionary housing payment or contribution from the Council. In addition, some tenants might seek assistance from the Council by declaring themselves homeless.

Mr England responded to a member's query that he was unable to quantify the number of households with children who had moved out of the borough, and that some of these would have had no contact with the Council.

Mr England informed that the number of tenancies still to be resolved by the HB Assist Team were currently eight, and there were a variety of circumstances to explain why accommodation had not been found, for example some households were waiting to move from temporary to permanent accommodation. When tenants moved from one private landlord to another, the Council aimed to take account of schools or other connections with the borough. However, there was likely to be relationship with landlords of temporary accommodation who had agreed to reduce their rents, which might not be typical of other private landlords.

Mr England responded to a member's query that he believed there were in the region of 20,000 people in the borough in receipt of housing benefit.

Councillor Cowan referred to the potential changes in legislation, and queried the measures to be put in place to manage the wider impact and how these compared with other London boroughs. Mr England gave examples of two key areas where measures had already been introduced:

- the changes to the way in which the Government subsidises temporary accommodation could again affect the first cohort of households; the Cabinet, at its November meeting, had approved the establishment of an expanded HB Assist project team; and
- social housing under occupancy proposals in respect of reduced housing benefits; the Council had written to households which it believed would be affected and offered assistance if they wanted to downsize.

Mr England confirmed that the Council had started to plan for the wider totality of the changes, and would be benchmarking against actions taken by other London Boroughs, including their interpretation of the rules.

In respect of 'resettled in a neighbouring borough', Mr England clarified that this referred to a contiguous boundary with Hammersmith & Fulham. A written answer would be provided in respect of the difference of 30 in the breakdown of those households which had been 'resolved by HB Assist'.

Action: Director, Housing Options, Skills and Economic Development

Mr England responded to queries in respect of the procurement of housing that accommodation had been provided outside the borough, but only on limited occasions outside the Greater London boundary. Slough/Staines was the most likely area. It was forecast that over 300 additional units of private sector accommodation would be required in the next 12/15 months. It was believed that some 400/500 families were housed outside the borough, and this would be confirmed in writing.

Action: Director, Housing Options, Skills and Economic Development

The Chairman queried whether people in difficulties because of the forthcoming legislation would be known to the Council. Mr England responded that many of the households affected by the changes were already known to the Council. In respect of households with some level of disability, the Council would pro-actively approach these households and prioritise work to gain an understanding of their needs.

RESOLVED THAT:

1. The strategy for the forthcoming legislative changes be brought to the February meeting.
2. The Committee noted the report.

28. HOUSING AND REGENERATION DEPARTMENT KEY PERFORMANCE INDICATORS

Mr England responded to queries in respect of the 49 families in bed and breakfast accommodation for over six weeks, as shown in the Housing and Regeneration Department Key Performance Indicators report. The number had peaked at 58 at the beginning of October and had then been brought back to 46. Whilst there was generally a fast turnover of families, there were a small number who had been in bed and breakfast accommodation for a considerable period because of circumstances which made it difficult to move then, for example a large family or technical queries in respect of immigration status. The typical length of stay was 10/12 weeks because of problems with the supply of other temporary accommodation.

The Cabinet had recently approved two measures: an expanded role for HB Assist to help a wider group of residents affected by the Local Allowance cap and forthcoming changes to universal credit; and a £750k incentive package to private landlords to accommodate households on a temporary basis. Mr England referred to the Council's good record in resolving potential issues before a homelessness application and the rigorous way in which it interpreted the law. In response to a member's query, Mr England clarified that the Council applied the letter and spirit of the law, investigated thoroughly and, where proven, accepted a duty to assist. Where a duty was not proven, the Council would still assist, whilst not accepting a duty.

Councillor Cowan considered that this approach was subjective and the Council would have to make judgements in complicated cases. Homelessness was not necessarily prevented by the best measures and there was a disparity between the increase in homelessness across London and in Hammersmith & Fulham. Mr England responded that homelessness

numbers were rising and that the process was a statutory one with a right of review.

Councillor Cowan stated that the Council had not built affordable housing and should re-appraise its housing policy. Councillor Johnson responded that the Council had 12,000 tenanted properties of which 33% were social housing and a range of policies to assist tenants were being pursued.

RESOLVED THAT:

1. The Committee recommended that the Council's figures and projections be compared with those from the GLA.
2. The report be noted.

29. WORK PROGRAMME AND FORWARD PLAN 2012-2013

RESOLVED THAT:

The work programme be approved subject to the inclusion of Self Directed Support Procurement on the January agenda.

30. DATES OF NEXT MEETINGS

22 January 2013
19 February 2013
9 April 2013.

Meeting started: 7.00 pm
Meeting ended: 9.05 pm

Chairman

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Recommendation and Action Tracking


The monitoring of progress with the acceptance and implementation of recommendations enables the Committee to ensure that desired actions are carried out and to assess the impact of its work on policy development and service provision. Where necessary it also provides an opportunity to recall items where a recommendation has been accepted but the Committee is not satisfied with the speed or manner of implementation, thus enhancing accountability. It also enables the number of formal update reports submitted to the Committee to be kept to a minimum, thereby freeing up Members time for other reviews.

The schedule below sets out progress in respect of those substantive recommendations and actions arising from the Housing, Health & Adult Social Care Select Committee

Minute No.	Item	Action/recommendation Lead Responsibility	Progress/Outcome	Status
9.	Shaping a Healthier Future: NHS Public Consultation	Information to be provided in respect of: (i) deaths during ambulance journeys; and the types of Accident & Emergency cases where travel times are critical; (ii) the breakdown by site of the backlog maintenance figure of around £53 million; and (iii) all individuals involved in the decision making process and declarations of interest.	Initial response received. Additional information received. The breakdown is set out in the pre-consultation business case, page 48 of Volume 3. Chapters 11 to 15. Relevant section circulated. Information circulated.	Complete Complete Complete
10.	Housing Strategy Consultation	Information to be provided in respect of: (i) consultation responses; (ii) a profile in respect of income bracket	Information circulated.	Complete

		<p>of people buying homes under The Right to Buy and those moving into Home Buy; and</p> <p>(iii) plans to encourage and monitor targets for Home Buy.</p>		
18.	Imperial College Healthcare NHS Trust: Management of Waiting Lists	<p>(i) The Waiting List Clinical Review Report and External Governance Review to be circulated.</p> <p>(ii) A written response in respect of patient referrals which had gone astray, to include on an individual basis (if possible): the reason why the referral had gone astray; the nature of the delay; and where the patient was being treated and, for cancer patients, the type of cancer by tumour site.</p>	Information circulated.	Complete
19.	Shaping a Healthier Future: NHS Public Consultation	<p>(i) A range of disposal values for Charing Cross site to be provided.</p> <p>(ii) The proposal should be referred to the Secretary of State.</p> <p>(iii) Recommended that the Council's response to the Consultation be sent as a joint response from the Council and HHASCSC.</p>	<p>Response circulated.</p> <p>Proposals will be known in February 2013.</p> <p>Joint response submitted to the NHS.</p>	<p>Complete</p> <p>Complete</p>
27.	Housing Benefits/Local Housing Allowance	<p>(i) A written answer to be provided in respect of the difference of 30 in the breakdown of those households which had been 'resolved by HB Assist'.</p>		

		(ii) The number of families housed outside the borough to be confirmed in writing.		
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	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">HOUSING HEALTH & ADULT SOCIAL CARE SELECT COMMITTEE</p> <p align="center">22 January 2013</p>
<p>TITLE OF REPORT</p> <p>GENERAL FUND REVENUE BUDGET 2013/14</p>	
<p>Report of the Executive Director of Finance and Corporate Governance</p>	
<p>Open Report</p>	
<p>Classification - For Scrutiny Review & Comment</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Jane West, Executive Director of Finance and Corporate Governance</p>	<p>Contact Details: Tel: 0208 753 1900 E-mail: jane.west@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

Cabinet will present their revenue budget and council tax proposals to Budget Council on 27th February 2013. As part of the budget process savings targets have been set for departments and transformation programmes. This report provides an update on how the targets will be met for the services covered by this select committee. An update is also provided on budget growth proposals and proposed changes in fees and charges.

2. RECOMMENDATIONS

That the Select Committee considers the efficiency and growth proposals and makes recommendations to Cabinet as appropriate.

3. BACKGROUND

- 3.1 Cabinet will be putting forward their recommendations for setting a balanced budget to Budget Council on 27th February 2013. A key part of the budget report will be the agreement of savings and growth proposals. An update is now given on the planned savings, identified to date, and any growth required. Proposals regarding fees and charges are also set out.

4. OVERVIEW

- 4.1 The 2013 Medium Term Financial Strategy (MTFS) process has been developed against an uncertain financial background:
- The local government finance system will significantly change following the resource review¹
 - The level of central government funding is hard to predict as actions are taken to reduce the national budget deficit
 - Structural changes continue to be made, such as new public health responsibilities and roll-out of the Academy programme.
- 4.2 A clearer position will emerge following the publication of the Local Government Finance Settlement. This was announced in late December but was not available to inform the preparation of this report. What is certain is that significant savings are required in 2013/14 and for future years.
- 4.3 In the absence of a firm financial forecast departments have been set savings targets which are underpinned by a number of budget assumptions. Namely:
- Inflation for contractors will be provided as set out in the agreements.
 - A general contingency for pay inflation has been held pending conclusions of the discussions with the trade unions.
 - Fees and charges will generally increase in line with the Retail Price Index (3.2% at November 2012) unless set by statute. Any proposed exceptions are set out in Appendix 2.
 - That central government funding made available to Hammersmith & Fulham will reduce by 8.9%. This is 2% more than the latest information on national spending control totals. A greater reduction is made because, as a grant 'floor' authority, Hammersmith & Fulham is likely to receive the maximum funding reduction possible for a London Borough.
 - Unavoidable growth is provided. This mainly relates to external pressures, such as the freedom pass, or demographic changes.
- 4.4 An updated presentation on the outcome of the local government finance settlement will be made prior to the consideration of this item at the select committee. This will include any cabinet recommendation on council tax levels.

¹ The resource review will include the implementation of the local business rates retention scheme, council tax localisation (ie a switch from the national council tax benefit scheme) and changes in a number of grant funding streams. Important elements of these changes are not yet confirmed.

5 GROWTH AND SAVINGS PROPOSALS

- 5.1 Scrutiny select committees are invited to consider and comment on the growth and savings proposals that fall within their remit. These are detailed in Appendix 1 for Adult Social Care (ASC) and Housing and Regeneration (HRD) Departments. An overview is set out below and comments by relevant Executive Directors provided in sections 4 and 5.

Growth

- 5.2 In the course of the budget process departments have identified areas where additional resources are required. These are summarised in Table 1 for 2013/14.

Table 1 Growth Proposals

	£000s
Adult Social Care	1,400
Childrens' Services	0
Environment Leisure & Residents' Services	380
Finance and Corporate Services	670
Housing & Regeneration Department	0
Transport & Technical Services	650
Total Growth	3,100

- 5.3 Table 2 summarises why budget growth is required for the Council.

Table 2 – Reasons for Budget Growth

	£'000s
Government Related	150
Other Public Bodies	900
Increase in demand/demographic	1,400
Realignment of budgets regarding one-off 2012/13 savings	500
Other	150
Total Growth	3,100

Savings

- 5.4 Departments and transformation programmes have been set savings targets of £22.2m for 2013/14. In bringing forward proposals to meet this challenge savings have been developed that:

- Look to protect front-line services
- Continue to focus on asset rationalisation to reduce accommodation costs and deliver debt reduction savings
- Build on previous practice of seeking to deliver the best possible service at the lowest possible cost.
- Consider thoroughly what benefits can be obtained from commercialisation and competition
- Continue a number of council wide transformation programmes to deliver cross-cutting savings. These include regeneration, customer access, transforming the way we do business and market management.
- Take forward collaborative working arrangements with the City of Westminster Council and Royal Borough of Kensington and Chelsea. Other shared service solutions will be taken forward as and when appropriate.
- Made best use of the NHS funding for social care.

5.5 The saving proposals put forward regarding this Select Committee are detailed in Appendix 1 and the overall 2013/14 position is summarised in Table 3. A categorisation of the savings is shown in Table 4.

Table 3 Savings Proposals

	£000s	% of Gross Savings
Adult Social Care	4,592	21%
Childrens' Services	4,353	20%
Environment Leisure & Residents' Services	1,290	6%
Finance and Corporate Services	1,952	9%
Housing & Regeneration Department	1,329	6%
Transport & Technical Services	2,679	12%
Corporate Items	4,851	21%
Transformation Savings	1,135	5%
Total Savings	22,181	100%

Table 4 - Analysis of the 2013/14 Savings

	£000s	% of Gross Savings
Tri-Borough/Bi-Borough	5,271	24%
Debt Reduction Strategy	2,036	9%
Staffing/ Productivity	2,079	9%
Commissioning	1,345	6%
Procurement/Market Testing	953	4%
Commercialisation/Income	2,645	12%
Transforming Business Portfolio	540	2%
Market Management Transformation Portfolio	2,495	12%
Customer Access Transformation Portfolio	716	3%
Reconfiguration/Rationalisation of Services	3,275	15%
People Portfolio	826	4%
Total	22,181	100%

6 COMMENTS OF THE TRI-BOROUGH EXECUTIVE DIRECTOR OF ADULT SOCIAL CARE ON THE BUDGET PROPOSALS

6.1 The efficiency and growth proposals for the Adult Social Care (ASC) Department are detailed in Appendix 1. ASC savings total £4.592m and account for 21% of the gross total savings and £1.4m is proposed as growth for ASC.

6.2 Through the creation of tri-borough services for ASC, the three boroughs expect to deliver savings of £10.95m by 2014/15. Savings will be delivered by combining services and the boroughs have or aim to have in place:

- A joint commissioning team led by a single executive director of adult social care, sharing support service costs and undertaking joint procurements (achieved from April 2012);
- A single integrated provider organisation combining adult social care and community health services (agreed by Cabinet); and
- The aim to further support health, GPs and the three councils

6.3 The Adult Social Care Services Tri-borough model, presented to each Council's Cabinet in June 2011, has been designed to maximise the contribution to be made to meet savings targets by:

- Reducing management, support service and overhead costs;
- Making more efficient use of shared resources;
- Procuring on a larger scale;
- Reducing duplication and costs through economies of scale; and
- Maintaining the ability for each Borough to specify its own service level

6.4 These changes are enormous but they only represent a partial picture of the changes happening in Adult Social Care. The number of people using our services continues to increase, bringing pressure to our budgets. The changes to welfare reforms may affect income from charges, depending on the level of housing costs. Personalising services (where service users can take as much control of their budget and care as they want to) has brought about some of the most significant changes in adult social care. Commissioning services is moving from monolithic block contracts to commissioning services which can be tailored to individuals and allows the service user more choice. At the same time, in-house provided services are being tendered out or social enterprises are being explored. Social care is integrating with health colleagues, whilst GPs will become commissioners of health services from 2013/14.

Saving Proposals

6.5 We need to ensure we maintain control over ASC's large and complex budgets during the changes set out above, whilst also reducing our cost base to meet each Council's budget target. The reduction in public sector expenditure as a result of the economic downturn has made the need to make further savings inevitable and deeper than previously experienced.

6.6 We are aiming to do this by a focus on better for less:

- Joint procurement across the boroughs which include procurement savings of £105,000 in placements and re-procuring supporting people contracts of £669,000 and joint Tri Borough tendering of meals services of £256,000
- Pay restraint by managing inflation request from providers of £200,000
- Remodelling and tendering out in-house services with the review of support planning of £120,000 and review of day services of £70,000.
- Enabling residents to remain in their own homes for as long as possible through advice and information (including improving the web offer), prevention initiatives, intensive reablement and a new home care offer focusing on flexible support and outcomes. For ASC, a significant saving of £360,000 is to provide alternative home support for placements for people with mental health conditions and learning disabilities.
- Integrating with our partner health providers Central London Community Healthcare (CLCH) with the aim to improve residents' experience of support, reducing duplication and increasing efficiencies. A significant measure for ASC is jointly managing demand to better gate keep clients into residential and nursing home. This is estimated to save £1.450m and by combining health and social care operational teams we estimate to save £150,000 in 2013/14 rising to £300,000 by 2014/15.
- A further drive to streamline the approach to personalisation across the Tri-borough by demand management for all aged people in placements and care packages saving £450,000
- Proposals will be to review the Council's Third sector contracts and reprioritise the investment fund and fast track budget with a proposed saving of £444,000.
- Benchmarking and bearing down on high unit costs;
- The application of technology so that more transactions can be performed on-line and more processes are streamlined; and
- Ensuring charges for services are set at appropriate levels.

Growth

- 6.7 The department has reviewed its demographic requirements and estimates for 2013/14 and is allocating £1.4m of growth for all client groups. As part of the MTFS Cabinet challenge process, the growth has been reduced by £1.182m due to the success of reablement and other initiatives to maintain people at home rather than in more costly settings.

Fees and Charges

- 6.8 It is proposed that there is no increase to the home care charge of £12 between 2012/13 and 2013/14. This is because savings are expected to be delivered in 2013/14 which will reduce the average home care unit cost. At this point, the charge will be reviewed again. The home care charge of £12 is compared with the average home care contract rate of £12.22.
- 6.9 In 2013/14, Hammersmith & Fulham will still be amongst the London Boroughs with the lowest contribution towards home care. Unlike nearly all other London Boroughs, a person's savings and property are not taken into account when assessing that person's ability to make a contribution to the cost of home care.
- 6.10 For meals on wheels, the price per meal is proposed to be increased from £4.30 to £4.50 in 2013/14 (an increase of 4.7% in line with inflation). The Meals Service is due to go out to tender in April 2013.

7 COMMENTS OF THE EXECUTIVE DIRECTOR OF HOUSING AND REGENERATION ON THE BUDGET PROPOSALS

- 7.1 The Council's recently adopted Housing Strategy identifies the need to both improve service quality and cost efficiency. The Housing and Regeneration Department (HRD) provides services funded by the Housing Revenue Account and by the General Fund, and the Housing Options Service is the most significant service component funded by the General Fund. In relation to the Housing Options Service the department has directed its resources to focus on achieving the challenge of delivering MTFS savings proposals whilst ensuring front-line services are maintained and enhanced, focusing especially on enabling the service to respond to the changes brought about by the advent of the Government's programme of Welfare Reform.
- 7.2 The MTFS process for 2013/14 has produced a General Fund budget reduction for HRD of (£801k). This movement is comprised of inflation of £471k, efficiencies of (£1,329k), zero growth, net movements relating to the Council's direction of travel of £18k, and an increase in the allocation of support costs and capital charges of £39k. The changes will leave a net general fund budget of £6,300k in 2013/14.

Efficiency Proposals

- 7.3 £1,117k of the £1,329k of efficiencies pertain to Housing Options, Skills & Economic Development, These are being achieved via: the second phase of the divisional restructure, the first and larger phase having been successfully implemented in 2012/13 (£240k); renegotiating the terms of Housing Association Direct Letting schemes thereby mitigating the Housing Benefit subsidy loss (£300k); reducing costs and financial risks associated with a temporary accommodation (TA) contract at Hamlet Gardens (£350k); commencing the phased withdrawal from Hamlet Gardens (£200k); and reorganising the Elderly Resettlement Service (£27k).
- 7.4 £112k of efficiencies arise from corporate transformation programmes and consist of : (£6k) from changes in working patterns, (£11k) from savings on Trade Union Convenors costs and a savings of (£95k) generated by the internships programme.
- 7.5 The remaining efficiencies arise from: reduction in the cost of services to the wider community provided by the Housing Revenue Account has produced a saving of (£79k) and a reallocation of the costs within HRD as a result of new management arrangements, roles and responsibilities (£21k).

Risks

- 7.6 The main risks within the HRD General Fund concern maintaining the supply of temporary accommodation (TA), minimising the possibility of a return to the large scale use of Bed & Breakfast accommodation (B&B), the prevention of homelessness and the financial viability of the service in the light of changes as a result of the Government's programme of Welfare Reform. A number of changes, individually and in combination, have the potential to impact upon the service. These are;
- the introduction of an overall cap on benefits (£500pw for families/£350pw for single people) from April 2013;
 - the introduction of Universal Credit, beginning in October 2013 and bringing with it direct payments to claimants;
 - changes to the subsidy system for temporary accommodation from April 2013;
 - the ongoing effects of Local Housing Allowances.

Each of these has the potential to lead to the loss of tenancies and hence to pressure on temporary accommodation costs.

- 7.7 The Housing Options, Skills & Economic Development division is currently implementing strategies to mitigate against these risks following Cabinet approval for funding to minimise the costs of Temporary Accommodation (TA) through the payment of incentives to Private Sector Landlords (£750k) and a project team (HB Assist) (£112k) to respond to the impact of benefit and subsidy changes. These include programmes to encourage and assist people into work. B&B is the least desirable and most costly form of TA and offering incentives to landlords at a potential cost of £750k is a spend-to-save initiative. The Housing

Benefits (HB) Assist team ensures a collaborative and co-ordinated housing response to the needs of households affected by benefit changes and seeks to procure alternative affordable accommodation.

- 7.8 The potential impact of adverse changes in Housing Benefit caps (Local Housing Allowance), other welfare reforms and changes to the temporary accommodation subsidy system is captured as a risk in the MTFS from 2013/14 as £3,490k rising in 2014/15 to circa £4.5m.

8 COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

8.1 This report sets out the current savings and growth proposals for comment by the select committee. An update on the overall financial position will be presented to the committee following the publication of the local government finance settlement. This will include:

- An update on reserves, balances and risks
- The latest position on government funding and the impact of the resource review
- Cabinet's recommendation on council tax levels.

8.2 The savings put forward of £22.2m are significant. They have been developed through a robust process of Cabinet and Business Board Challenge. Looking beyond 2013/14 the council will continue to face further funding reductions. The current forecast is that £50m of cumulative savings are likely to be required from 2013/14 to 2015/16.

8.3 The Executive Director of Finance and Corporate Governance is required to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The Council must take these matters into account when making decisions about the budget calculations. These issues have underpinned the current MTFS process and will be addressed in the budget report to Budget Council.

9 CONSULTATION WITH NON DOMESTIC RATEPAYERS

9.1 In accordance with the Local Government Finance Act 1992, the Council is required to consult with Non Domestic Ratepayers on the budget proposals. The consultation can have no effect on the Business Rate, which is set by the government.

9.2 As with previous years, we have discharged this responsibility by writing to the twenty largest payers and the local Chamber of Commerce together with a copy of this report. Any comments will be reported at Cabinet.

10. COMMENTS OF THE DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES

- 10.1 The Council is obliged to set the Council Tax and a balanced budget for the forthcoming financial year in accordance with the provisions set out in the body of the report.
- 10.2 In addition to the statutory provisions the Council must also comply with general public law requirements and in particular it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good when setting the Council Tax and budget.
- 10.3 The recommendations contained in the report have been prepared in line with these requirements.
- 10.4 Section 25 of the Local Government Act 2003, which came into force on 18 November 2003, requires the Executive Director of Finance and Corporate Governance to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The Council must take these matters into account when making decisions about the budget calculations
- 10.5 A public authority must in, the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). Where specific budget proposals have a potential equalities impact these are considered and assessed by the relevant service as part of the final decision-making and implementation processes and changes made where appropriate. An Equality Impact Assessment (EIA) is attached at Appendix 3.

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

No.	Description of Background Papers	Name/Ext of holder file/copy	Department/ Location
	None		

Adult Social Care Budget Proposals

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Departmental savings				
Provided Services & Mental Health Partnerships	Alternative home support for placements for people with Mental Health conditions and Learning Disabilities.	(360)	(360)	(360)
Commissioning	Reprioritisation of 3rd Sector Investment Funds. The proposal is to review the Councils 3rd sector providers contracts with a reallocation of the investment fund and fast track budget.	(150)	(150)	(150)
Commissioning	Mental Health - Re-commissioning of psychological therapies	(34)	(34)	(34)
Commissioning	Drug Intervention Programme - re-commissioning of service with RBKC	(46)	(46)	(46)
Commissioning	Supporting People Grant - Re-procuring with other boroughs to reduce prices and share management costs	(369)	(369)	(369)
Provided Services & Mental Health Partnerships	Review of Support Planning	(120)	(245)	(245)
Tri Borough	Commissioning, Finance and In-house Services	(0)	(480)	(480)
Tri Borough	Overheads (Training, Project management)	0	(252)	(252)
Tri Borough	Clinical Commissioning Group and support services with GP consortia	0	(433)	(433)
Tri Borough	Procurement savings	(105)	(212)	(212)
Tri Borough	Better gate keeping into residential and nursing care	(1,450)	(1,800)	(1,800)
Tri Borough	Increase capacity in extra care and sheltered accommodation	0	(1,100)	(1,100)

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Operations & Provided Services	Reduction anticipated in demand for all aged people with care placements and care packages.	(450)	(450)	(450)
Procurement & Business Intelligence	Manage inflation requests from providers	(200)	(200)	(200)
Commissioning	Review of West London Alliance arrangement	(60)	(60)	(60)
Commissioning	Reprioritisation of 3rd Sector Investment Funds	(126)	(126)	(126)
Provided Services	Day service review- Ellerslie	(70)	0	0
Provided Services	Joint Tri-Borough tendering of meals service	(256)	(256)	(256)
Operations	Limiting the cost of operational services	(150)	(300)	(300)
Procurement & Business Intelligence	Extension of Frameworki contract inline with Tri-Borough partners	0	(100)	(100)
Provided Services	Transport Review	0	(150)	(150)
Commissioning	Reprocurement of Supporting People contracts	(300)	(300)	(300)
Provided Services	Review of no recourse to public fund clients	(40)	(40)	(40)
Commissioning	Third Sector Grants - 10% reduction across all areas as contracts end and review of "small pot".	(168)	(100)	(100)
Finance	Trade Union Saving	(24)	(24)	(24)
	Total Departmental Savings	(4,478)	(7,587)	(7,587)

Service	Description	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
	Department's Share of Transformational Savings			
People Portfolio	Changing Working Patterns	(19)	(19)	(19)
People Portfolio	Internships	(95)	(95)	(95)
	Total Transformation Savings	(114)	(114)	(114)
	Total Efficiencies	(4,592)	(7,700)	(7,700)
Growth				
Operations	Increase in demand for learning disabled people placements and care packages.	700	905	1,110
Operations	Increase in demand, due to demographic and other factors, for care placements and packages.	450	450	450
MH Placements	Increase in demand for Mental health placements.	250	250	250
	Growth totalled	1,400	1,605	1,810
	Net Total	(3,192)	(6,095)	(5,890)

Housing and Regeneration Department Budget Proposals

Service	Description of Budget Change	Budget Change		
		2013-14 Budget Change (£,000's)	2014-15 Budget Change Cumulative (£,000's)	2015-16 Budget Change Cumulative (£,000's)
Customer Access & service Delivery	Transforming Housing Options	(240)	(240)	(240)
Housing Options	Elimination of Housing Benefit Subsidy Loss on HALD portfolio	(300)	(300)	(300)
Housing Options	Reorganisation of Elderly Resettlement Service	(27)	(27)	(27)
Housing Options	Reducing costs and financial risks associated with Hamlet Gardens	(350)	(350)	(350)
Finance & Resource	Reallocation of Costs as a result on changes in responsibilities	(21)	(21)	(21)
Finance & Resource	Passing on savings on amenity shared cost from the HRA	(79)	(79)	(79)
Housing Options	Withdrawal from the Hamlet Gardens Temporary Accommodation Contract	(200)	(200)	(200)
Finance & Resources	Trade Union Saving	(11)	(11)	(11)
	Total Additional Efficiencies	(1,228)	(1,228)	(1,228)
	Department's Share of Transformational Savings			
People Portfolio	Changing working patterns	(6)	(6)	(6)
People Portfolio	Internships	(95)	(95)	(95)
	Total Transformational Savings	(101)	(101)	(101)
	Total Efficiencies	(1,329)	(1,329)	(1,329)
	Growth totalled	0	0	0
	Net Total	(1,329)	(1,329)	(1,329)

Regeneration and Housing Department Fees and Charges

Fee Description by division	2012/13 Charge (£)	2013/14 Charge (£)	Proposed Uplift (%)	Reason for uplift
Private Sector Leasing				
Private Sector Leasing Water Charges	Varies	Varies	TBC	The charge is determined by the annual increase set by the water companies.
Private Sector Leasing Rent (average per week)	298.51 as at 1 October 2012	295.00 as projected on 3rd December 2012	Nil	From April 2013 to March 2014, the PSL rent threshold is based on the January 2013 Local Housing Allowance (LHA). As this is not available at the time of budgeting, the proposed fee has been calculated on the basis of the latest available data (December 2012 LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. The threshold formula is 90% of LHA plus £40 and subject to a cap of £500 on Inner London and Outer South West London Broad Rental Market Areas (BRMA) and a cap of £375 on other BRMAs.
Bed & Breakfast Temporary Accommodation				
B & B Rent Single/Family	198.21 as at 2 September 2012	194.74 as projected on 3rd December 2012	Nil	From April 2013 to March 2014, the B&B rent threshold is based on the January 2013 Local Housing Allowance (LHA). As this is not available at the time of budgeting, the proposed fee has been calculated on the basis of the latest available data (December 2012 LHA). The LHA varies according to changes in market rents, the location of the property and its bedroom size. This fee is the LHA threshold for one bedroom.

Adult Care Proposed Fees and Charges 2013/14

Description of Service	2012/13 Charge (£)	Proposed % Increase in 2013/14	Proposed Charge in 2013/14 (£)	Total Estimated Income Stream for 13/14 (£)	Reason for uplift/exemption 2013/14
Exceptions					
Meals Service	4.30	4.7%	4.50	175,500	Meals Service is due for externalisation in April 2013. Estimated income is based on the last 3 months of supply totals in 2012/13 will be circa 39000 meals
Home Care Charging	12.00	0.00%	12.00	429,000	It is proposed that there is no increase to the home care charge of £12 between 2012/13 and 2013/14. This is because savings are expected to be delivered in 2013/14 which will reduce the average home care unit cost. At this point, the charge will be reviewed again. The home care charge of £12 is compared with the average home care contract rate of £12.22

Draft Equality Impact Assessment (EIA) of main Budget proposals for 2013/14 Housing, Health & Adult Social Care Select Committee

Scrutiny Meetings please note that the purpose of the draft EIA below is to demonstrate, based on current available information, what would be sent to Cabinet and to Full Council as an analysis of the main budget proposals. It may require changes or to be updated.

(A) Overview and Summary

The purpose of this EIA is to assess the main items in the budget that is likely to be proposed to Full Council on 27 February 2013, following discussion of the proposed Budget at Overview and Scrutiny Committee on 29 January 2013, as well as at Cabinet on 11 February 2013. The Council is obliged to set a balanced budget and Council Tax charge in accordance with the Local Government Finance Act 1992.

(B) Methodology and explanation of Public Sector Equality Duty ('PSED')

This EIA is intended to assist the Council in fulfilling its PSED requirements. It assesses, so far as is possible on the information currently available, the equality impact of the main items in the budget. A public authority must in the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). Where specific budget proposals have a potential equalities impact these are considered and assessed by the relevant service as part of the final decision-making which will happen throughout 2013/14, and changes will be made where appropriate.

The protected characteristics to which the Public Sector Equality Duty ("PSED") applies include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex.

The PSED is set out in section 149 of the Equality Act 2010 ("the Act") provides (so far as relevant) as follows:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- (3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

It is not, however, feasible or appropriate to carry out detailed EIAs of all the individual proposed policy decisions on which the budget is based at this stage. Detailed EIAs will be

carried out of policy decisions that have particular relevance to the protected groups prior to any final decision being taken to implement those policy decisions.

The aim in this document is to identify the elements of the budget that may have a particular adverse or a particular positive impact on any protected group so that these can be taken into account by the Scrutiny Committee when it discusses the budget.

Case law has established the following principles relevant to compliance with the PSED which Council will need to consider:

- (i) Compliance with the general equality duties is a matter of substance not form.
- (ii) The duty to have "due regard" to the various identified "needs" in the relevant sections does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.
- (iii) Due regard is regard that is appropriate in all the circumstances, including the importance of the area of life of people affected by the decision and such countervailing factors as are relevant to the function that the decision-maker is performing.
- (iv) The weight to be given to the countervailing factors is in principle a matter for the authority. However in the event of a legal challenge it is for the court to determine whether an authority has given "due regard" to the "needs" listed in s149. This will include the court assessing for itself whether in the circumstances appropriate weight has been given by the authority to those "needs" and not simply deciding whether the authority's decision is a rational or reasonable one.
- (v) The duty to have "due regard" to disability equality is particularly important where the decision will have a direct impact on disabled people. The same goes for other protected groups where they will be particularly and directly affected by a decision.
- (vi) The PSED does not impose a duty on public authorities to carry out a formal equalities impact assessment in all cases when carrying out their functions, but where a significant part of the lives of any protected group will be directly affected by a decision, a formal equalities impact assessment ("EIA") is likely to be required by the courts as part of the duty to have 'due regard'.
- (vii) The duty to have 'due regard' involves considering whether taking the particular decision would itself be compatible with the equality duty, i.e. whether it will eliminate discrimination, promote equality of opportunity and foster good relations. Consideration must also be given to whether, if the decision is made to go ahead, it will be possible to mitigate any adverse impact on any particular protected group, or to take steps to promote equality of opportunity by, for e.g., treating a particular affected group more favourably.

All these matters will be considered by service departments as part of the final decision-making and implementation processes, but must also be considered by the Council when taking its decision on the budget later on in February 2013.

Generally, it is not possible at this stage, and prior to any detailed EIA, to identify measures that will mitigate the adverse effects of any particular policy decision, although where this is possible mitigating measures are identified at the appropriate point in this document.

(C) Assessment of impact of main budget items by department

SAVINGS, EXISTING EFFICIENCIES, AND NEW EFFICIENCY SAVINGS

The majority of the ASC line items are to do with staff reorganisations, for which staff and where relevant, service equality impact assessments are carried out. Other line items that have a frontline impact or connection are included here:

Third Sector Investment Fund, £150,000

This line item is likely to be of relevance to equality groups including: disabled people; women; BME groups; and people of different age groups. It is included here because of its relevance to those protected groups. However, these savings are the same as those identified in a Report which was agreed by the Cabinet in July 2010. This was accompanied by a full EIA. There is no change to that decision and this line item is implementing the recommendations as agreed in 2010.

Third Sector Grants – Small Pot: one-off of £68,000

This saving arises from the fast track small grants scheme, some of which was not spent because the applications received were not of a satisfactory standard. No adverse impact has been identified as a result of the small grants not being awarded.

Third Sector Grants – 10% reduction across all areas as contracts end (on-going £100,000)

This item arises from reducing the grants fund to give an on-going £100,000. This will leave a budget of £2.9m. However, there is no guarantee that any contract would be renewed as this is clear at the outset and as such this should not have any discernible impact on any protected group.

Review of Support Planning £120,000

Support Planning helps disabled adults to plan what they may want to change in their lives, what they want to stay the same and how they would spend their individual budgets to support them to live independently. As such, this service is of high relevance to disabled adults and will help to advance equality of opportunity between disabled people and non-disabled people, and will help to encourage disabled people to participate in public life. This line item refers to a staff reorganisation only and the quality of service will not be affected, and so there is no impact on disabled people as a result of this reorganisation.

Reprocurement of Supporting People contracts (on-going £300,000)

This line item is additional to the existing target of £369,000 for 2013/14, leaving an overall budget of £8.7m. The Supporting People tenders are being evaluated and the outcome of tenders will be known in January. It will be at this stage that the impact can be fully assessed.

Better gate keeping into residential and nursing care (£1,450,000)

This saving arises from low scale integration work, whereby a more planned discharge of clients back into their homes results in better outcomes and a lower number of clients because people are not having to be re-admitted to hospital so often. This will help to advance equality of opportunity for older and disabled people and to encourage participation in public life by helping them with their care after hospital. It is of high relevance to disabled adults, and to older people who have been admitted to hospital, with the focus being on managing the exit from hospital in a proactive and holistic way such that money is saved.

This line item also supports delivery one of the Council's two Equality Objectives, as required by S153 of the Equality Act 2010 and agreed by Cabinet in December 2011. The objective is:

Continuity of Care: Reduce unplanned admissions to hospitals and nursing care homes through early intervention by integrated health and social care services.

Managing Inflation requests from providers: £200,000

This line item refers to inflation-related requests made by providers of such services as care and residential nursing homes, making this of high relevance to older and disabled people. This is being managed by ASC and a standard system has been set up to ensure that recent case law and the views of stakeholders including care providers are assessed and taken into account when agreeing fees. Each case is judged on its own merits in line with emergent case law and the needs of providers to run a service that is fit for purpose. Therefore there should be no impact on older or disabled people, or on providers as a result of this approach.

Reduction in demand for all aged people with care placements and care packages: £450,000

This line is of high relevance to older and disabled people and relates to better, proactive support for this group. As such, the savings arise from a more planned approach and not from a reduction in service and so there will be no impact on older and/or disabled people.

Underspends

On going £40,000 contribution to MTFs as result of review of no recourse to public funds clients.

The on-going £40,000 is regarded as manageable and as not having an impact because the department anticipates that it can manage demand within the reduced budget. This item will be of high relevance to BME groups and those of various nationalities. The council has a statutory responsibility to offer assistance to asylum seekers under the National Assistance Act, 1948. We have a duty to provide accommodation and benefits to asylum seekers while they await the outcome of their case with the Home Office. Following changes in the law due to the Immigration and Asylum Act of 1999, asylum seekers that arrived after April 2000 no longer have a right to assistance and do not have to be provided for by the council. Therefore, the on-going £40K will be of relevance to those who arrived before April 2000 but it will not have an impact as the service can be managed sufficiently.

Housing & Regeneration Department (HRD)

Only the efficiencies that may have an effect on service users or that require comments to provide assurance of the level of impact on vulnerable groups are included here:

Reducing costs and financial risks associated with Hamlet Gardens: £350,000 and Withdrawal from the Hamlet Gardens Temporary Accommodation contract: £200,000

These efficiencies relate to the reduced procurement cost expected to result following the expiry of an expensive lease for temporary accommodation, and the Council procuring accommodation more cost effectively. These efficiencies are not expected to have any significant equalities impact.

Transforming Housing Options: £240,000

This efficiency relates to a staffing reorganisation which has been designed to best meet the requirement to deliver the revised housing strategy. Both the strategy changes and the staffing proposals have been the subject of separate EIAs, the latter showing no adverse impacts on staff with protected characteristics.

Elimination of Housing Benefit Subsidy Loss on HALD portfolio: £300,000

Introduction of and changes to Local Housing Allowances (LHA) has restricted Housing Benefits paid to customers. 546 tenancies where existing rents exceeded LHA rates were identified. A combination of negotiation with landlords to reduce rents charged and seeking suitable alternative accommodation where appropriate has been successful in mitigating

this risk. To date only 8 tenants are waiting to have their position resolved. This saving is a budgetary provision that is now no longer required.

Reorganisation of Elderly Resettlement Service: £27,000

The service will continue to be provided by the Floating Support team.

GROWTH

ASC

Increase in demand for LD placements and care packages: £700,000 Increase in demand, due to demographic and other factors, for care placements and packages: £450,000; and Increase in demand for mental health (MH) placements: £250,000

These line items relate to an increase in the demand for placements for people with various needs arising from their disability or age-related requirements. These will all be of high relevance to disabled and older people, and will support the participation of disabled people in public life, and help to advance equality of opportunity between disabled and non-disabled people. However, these items will have a neutral impact as the increase in budgets will meet the needs of these groups and there will be no change to the service or to the eligibility for the service as a result.

HRD

No growth is forecast for this service and so it is not possible to analyse the impact on equality groups.

FEES AND CHARGES

ASC


Home care: no increase

It is proposed that there is no increase to the home care charge of £12 between 2012/13 and 2013/14. This is because savings are expected to be delivered in 2013/14 which will reduce the average home care unit cost. At this point, the charge will be reviewed again. The home care charge of £12 is compared with the average home care contract rate of £12.22. This service is of high relevance to older and disabled people. In 2013/14, Hammersmith & Fulham will still be amongst the London Boroughs with the lowest contribution towards home care. Unlike nearly all other London Boroughs, a person's savings and property are not taken into account when assessing that person's ability to make a contribution to the cost of home care.

Meals on Wheels: increase from £4.30 to £4.50

The price per meal is proposed to be increased from £4.30 to £4.50 in 2013/14. This is an increase of 4.7% in line with inflation. This service is of high relevance to older and disabled people. Increasing the price will not advance equality of opportunity but it is not possible to mitigate for this as the costs of the service have increased. The Meals Service is due to go out to tender in April 2013 and consideration of impacts on equality groups (older and disabled people, in the main) will form part of this.

Agenda Item 6

	London Borough of Hammersmith & Fulham HOUSING HEALTH AND ADULT SOCIAL CARE SELECT COMMITTEE 22rd January 2013
TITLE OF REPORT Self Directed Support Services Procurement and HAFAD.	
Report of the Tri-Borough Executive Director for Adult Social Care	
Open Report	
Classification - For Scrutiny Review & Comment	
Key Decision: No	
Wards Affected: All	
Accountable Executive Director: Andrew Webster, Tri Borough Executive Director for Adult Social Care	
Report Author: Toby Dickinson, Senior Commissioner, Tri-Borough Commissioning Team	Contact Details: Tel: 020 7361 2517 E-mail: toby.dickinson@rbkc.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Borough of Hammersmith and Fulham has been working in partnership with the Boroughs of Brent, Hillingdon, and Kensington and Chelsea regarding the procurement of a Framework Agreement for Self Directed Support (SDS) Services for Adults and Children and Young People.
- 1.2. Through this procurement, the Council has procured a preferred provider list to use to call off SDS services. The duration of the framework agreement is four years.
- 1.3. Delegated Authority to award the Framework Agreement via the Cabinet Member for Community Care was granted in September 2011. The procurement process has been completed and the Cabinet Member's Report was signed in October 2012.

- 1.4. This report to the Health Select Committee has been requested as a result of concerns in relation to the current provider of Direct Payment Support, HAFAD, who were not successful in the procurement process.
- 1.5. The purpose of the report is to address these specific concerns and to clarify the procurement process, and to explain how the transition to a new service arrangement will be managed. This will be achieved through close partnership between commissioners, operational staff and HAFAD.

2. RECOMMENDATIONS

- 2.1. The committee is asked to note the content of the report, and the ongoing partnership work with HAFAD.

3. INTRODUCTION AND BACKGROUND

- 3.1. The intention of the procurement was to commission services that build on the support provision already available in the borough, offering eligible service users the flexibility and choice they need to manage their direct payments and personal budgets.
- 3.2. Four Councils collaborated over the procurement, and in recognition of the fact that each of the boroughs is very different, the framework sets out 4 lots which cover the general range of services that the 4 boroughs want to make available.
- 3.3. Within this general range of services, providers were able to opt to be on the preferred provider list for each Lot to provide either generic services or specialist services to people with a particular need (e.g. Learning Disabilities, people with Mental Health needs, people with physical or sensory disabilities).

Lot 1: Direct Payments Support Service (Adults)

Lot 2: Support Planning and Brokerage Service (Adults)

Lot 3: Direct Payments Support Service (Children and Young People)

Lot 4: Support Planning and Brokerage Service (Children and Young People)

- 3.4. The procurement process was completed in September 2012, and (up to) the 5 top bidders for each lot were selected to be on the framework. The details of the successful bidders was provided in the relevant Cabinet Members Report and the organisations on the framework and offering to provide services in the Borough of Hammersmith and Fulham is presented below.

Lot 1: Direct Payments Support Service (Adults)
Brent Mencap
Carehome Selection
Elders Voice (50+)

Penderels Trust
Richmond Fellowship (Mental Health)
Lot 2: Support Planning and Brokerage Service (Adults)
Thames Reach
Broadway Homelessness & Support
Community Options
Elders Voice (50+)
Penderels Trust
Lot 3: Direct Payments Support Service (Children and Young People)
Penderels Trust
HAFAD
Disablement Association Hillingdon
Lot 4: Support Planning and Brokerage Service (Children and Young People)
Penderels Trust
HAFAD

HAFAD

- 3.5. The current provider of Direct Payments (DP) support in the Borough of Hammersmith and Fulham is HAFAD. They offer different levels of support to around 350 users, including basic advice and information, peer support, support with monitoring, budgeting and dealing with agencies, employment advice and, for some users, sustained periods of intensive support.
- 3.6. HAFAD were among the organisations that tendered for inclusion on the framework, and though they fared well in terms of quality, the price that they submitted was much higher than any other providers. Depending on the type of service, this varied between 4 and 6 times more than the average price of the successful 5 providers (£100-£150 per hour for HAFAD, £25 per hour average for the successful providers).
- 3.7. Consequently, they could not be selected as one of 5 preferred providers and are not on the Adult services framework. They are one of 3 providers on the Children's services framework, but are again significantly the most expensive.
- 3.8. It was clear from discussions subsequent to completion of the procurement process that this was because they had misunderstood the instructions in relation to how the service should be costed. This is covered in more detail in sections 4.2 - 4.7.

Future Service Arrangements

- 3.9. As part of the development of personalisation and use of personal budgets, and in the context of making best use of the opportunities offered by the Tri-Borough arrangements, a major project has commenced to explore the potential for a 'best of three' operating model for personal budgets across Tri-borough.

- 3.10. Experience in Kensington and Chelsea suggests that an alternative operating model in which assessment and care management staff undertake basic PB-related support functions, backed up by an in-house finance team to handle DP administration and monitoring and a third party managed account service might be a possible alternative.
- 3.11. The potential benefits of this 'in-house' model are partly practical (streamlining and demystifying the customer journey, cutting out waste and duplication) and partly related to culture change, which becomes much more achievable when ASC staff are fully engaged with Personal Budgets.
- 3.12. As part of this model, it has been agreed that the provision of basic advice and information is core to the work of the operational teams, and no longer necessitates a specialist provider.
- 3.13. Consequently, though the original intention was for the Borough of Hammersmith and Fulham to use the framework to call off a contract for a Direct Payment Advice and Information Service, this is no longer the intention, and work will be focused on putting into place suitable interim arrangements to ensure that current users are effectively supported through a transition to the new Tri-Borough model. This detailed in sections 4.9 - 4.22.

4. PROPOSAL AND ISSUES

- 4.1. With the failure of HAFAD to secure preferred provider status on the framework, two questions have arisen which this report seeks to address:

- **Was the tender process clear and fair?**
- **Will the new service be as good as that currently provided by HAFAD?**

Was the tender process clear and fair?

- 4.2. Officers are confident that the tender process was fair and equitable. Information and responses to clarification questions were circulated to all providers via an on line portal, which ensures not only that all bidders receive the same information at the same time, but also provides an accurate record of exactly what was sent, and to whom. All the tender documents and processes were signed off by the borough legal services to ensure they met guidelines regarding fairness and transparency.
- 4.3. The key issue seems to be the instructions relating to how to price the service, and what should be included in the hourly rate. The tender documents state "*The hourly rate for support should include the hourly rate for front line support staff plus overheads*". HAFAD formed the view that a single hour of service should be priced to take account of an estimate of the additional hours of follow up work that might be required to deliver a particular outcome. Thus 1 hour of face time was priced equivalent to around 4 hours of work.

- 4.4. In relation to this specific area, the key clarification was issued on 24th April 2012 in response to the following question:

Question. Please could you confirm that when services are called off by the hour, that if the service required is for example a home visit plus follow up, that if this takes 3 hours to complete, all 3hrs will be chargeable and paid for?

Answer. The boroughs will call off and pay for the actual number of hours they require - which will include some face to face time as well as follow up and travelling time. As an example, if three hours are called off this may include 1 hour face to face, half an hour travelling time and 1 and a half hours follow up.

- 4.5. Consequently, there does not appear to be a firm basis for HAFAD's interpretation, and significantly, all other bidders appear to have priced as instructed.
- 4.6. On receipt of the initial price submissions, and noting the discrepancy in relation to HAFAD, all providers were asked to clarify their price with the message below.

We would like you to confirm the hourly rates you have submitted for all lots and contracts. We want to clarify that we require rates for one hour of support inclusive of all activities (except where we have requested a price with accommodation). Please confirm the prices you have submitted on your form of tender or re-submit any amendments in reply to this clarification by no later than 5pm on Tuesday 19th June 2012.

- 4.7. In relation to this action, the Legal Services Division comments as follows:

In running a procurement process the Council must ensure that it acts in a transparent manner and treats all tenderers equally. As a general rule this will mean giving the same information and opportunity for clarification to all tenderers.

The purpose of the clarification request was not (and should not have been) to give any of the tenderers a second chance at repricing their tender, simply to ensure that none of the tenderers had misunderstood what they were meant to be pricing.

It would have been wrong for the Council to approach only one tenderer to seek clarification on the basis that their prices seemed too high. That would have given that tenderer an unfair opportunity to reduce their prices with knowledge that the other tenderers didn't have. The approach taken by Council officers was in accordance with procurement rules.

- 4.8. In response to this query, HAFAD kept their pricing as it was. Consequently, they could not be shortlisted as a preferred provider on the new framework.

Will the new service be as good as that currently provided by HAFAD?

4.9. The current service provided by HAFAD was established in June 2005, and since then this organisation has been the key provider of advice information and support to users in relation to self directed support and direct payments, supporting users with a range of needs as illustrated below

Information (N.B. numbers are subject to further analysis and clarification).	No's
1) Level of Support	
<ul style="list-style-type: none"> • Low - information updates (newsletter) and peer support groups 	153
<ul style="list-style-type: none"> • Medium - some 1-to-1 support, information and advice incl. monitoring, budgeting, dealing with agencies and standard employment advice but no sustained periods of intensive support 	192
<ul style="list-style-type: none"> • High - periods of intensive support (e.g. complex employment support, reductions in employees terms and conditions or re-budgeting, negotiating with HMRC over repayment of tax arrears) Or Where DP user has little effective support network, has substantial access needs and needs a lot of support to understand complex situations. 	19
<ul style="list-style-type: none"> • Very High - a sustained level of high support when someone with very high support needs encounters a very complex situation. 	1

Needs Assessment

4.10. Officers are working closely with HAFAD to clarify the current levels of need of users supported by HAFAD, in order to establish the level of service they will require going forward. The DP support needs of all users will be reassessed in order to facilitate this process.

4.11. The indication at this stage is that there will be around 212 users with medium or higher levels of need, who are likely to need access to specialist DP support. All these users will be supported through the operational teams, a specific reviewing team and in partnership with HAFAD to ensure a smooth transition.

Advice and Information

4.12. As indicated in 3.12 above, the model going forward is that the provision of basic advice and information should be core to the work of the operational teams, and no longer necessitates a specialist provider.

4.13. However, in order to ensure that this change works effectively, it is crucial that operational staff have the capacity and skills to provide this basic service, and this is a key element of the transition planning.

4.14. HAFAD have previously offered to provide training for operational staff, and officers are working closely with them, operational managers and

Workforce Development officers to put in place the required training and development plan.

Specialist Support

- 4.15. With basic advice and information being provided from within the operational teams, input from a specialist provider will be required in relation to the set up of direct payments, in relation to employment (of a Personal Assistant) and where there is a need for ongoing support.
- 4.16. In order to offer this support, the framework will be used to call off a short-term (6-month) block contract for support with set up and ongoing management of DPs, pending the establishment of the new Tri-Borough arrangements. This will ensure that users have a single identified organisation providing their support.
- 4.17. As indicated in 4.11, operational staff and a specific reviewing team will work closely with individual users to support them with the transition from HAFAD to the new provider.

Peer Support

- 4.18. As indicated in the table above, users with all levels of support need have benefitted from the peer support service currently provided by HAFAD, and the intention is to continue of this service, with a new funding arrangement with them.

Transition Planning and Management

- 4.19. In general it is recognised that it is important to ensure that the transition process is carefully and sensitively managed, and that HAFAD are key partners in this process. Consequently, an implementation plan and governance structure has been developed, and HAFAD will play a key role in this.
- 4.20. Though the current agreement with HAFAD ends at the end of January 2013, it is recognised that their support will be key in assisting the council in this process, and a 2 month transition contract will be agreed with them, and officers are, and will continue to be, working closely with them.
- 4.21. In terms of the specific question above, as to whether the new service will be as good, this is not a like-for-like commissioning process. The world of personalisation has changed significantly since the original service was established, and it (personalisation) is and should be part of everyone's business, no longer appropriately only delivered by specialist service providers.
- 4.22. The framework will enable users to get specialist support when they need it, for as long as they need it, HAFAD will continue to provide a peer support service, and will support the training and development of operational staff, but this represents a transitional arrangement, supporting users while a significantly different model of service is developed and implemented. Ultimately this will offer a more appropriate support

arrangement for people, but it will not be the same as that currently offered by HAFAD.

5. CONSULTATION

- 5.1. The details of the consultation processes, particularly with service users are detailed in the original Cabinet Members report.
- 5.2. In terms of the process of managing the transition, officers have worked closely in consultation with HAFAD, and have discussed issues and arrangements with DP users. Further information and updates for users are planned as part of the transition process.

6. EQUALITY IMPLICATIONS

- 6.1. The Equality Impact assessment and issues were detailed in the original Cabinet Members report. The intention of the transition planning is to ensure that the impact on service users is negligible, and that users who require support in relation to their DP's will continue to receive it.

7. LEGAL IMPLICATIONS

- 7.1. The legal implications of the procurement were detailed in the original Cabinet Members report. A specific comment in relation to the actions taken in response to the pricing information received is included at 4.7.

8. FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1. The financial and resource implications of the procurement were detailed in the original Cabinet Members report.

9. RISK MANAGEMENT


- 9.1. The risks associated with the procurement were addressed in the original Cabinet Members report.
- 9.2. As is clear from the report, the transition process from current to new arrangements presents a risk, particularly for users of the services. The transition planning, including as it does close work with HAFAD including their participation (along with commissioning and operational officers) in the governance structure, is intended to manage, minimise and/or mitigate these risks.

10. PROCUREMENT ISSUES

- 10.1. Procurement issues were addressed as part of the original Cabinet Members Report.

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">HOUSING HEALTH & ADULT SOCIAL CARE SELECT COMMITTEE</p> <p align="center">22 January 2013</p>
<p>TITLE OF REPORT Establishment of a Housing and Regeneration Joint Venture Vehicle</p>	
<p>Report of the Cabinet Member for Housing/ Executive Director of Housing and Regeneration/ Director Asset Management and Property Services</p>	
<p>Open Report</p>	
<p>Classification - For Scrutiny Review & Comment</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Melbourne Barrett, Executive Director Housing and Regeneration</p>	
<p>Report Author: (name and title) Matin Miah Head of Area Regeneration Programmes</p>	<p>Contact Details: Tel: 020 8753 3480 E-mail: martin.miah@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATIONS

Members review and comment upon the following recommendations agreed by Cabinet on 12th November 2012

1. That approval be given to undertake an OJEU compliant procurement exercise using

the negotiated procedure to select a Private Sector Partner (PSP) to establish a housing and regeneration Joint Venture Vehicle (JVV), and that a further report be submitted to Cabinet with a recommendation regarding the preferred partner including details of the JVV structure, financial implications and governance arrangements.

2. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration and the Executive Director of Finance and Corporate Governance to make decisions during the procurement process in order to identify a preferred PSP and to negotiate the terms for establishing a JVV.
3. That Cabinet notes that Watermeadow Court and Edith Summerskill House are proposed to be transferred to the JVV (once established) to be redeveloped for housing, following the satisfaction of certain pre-conditions, including:
 - obtaining satisfactory planning consents for those sites
 - securing best consideration; and
 - where relevant, disposal being subject to the Secretary of State's approval.
 - finalisation of the other financial and tax arrangements
4. That Cabinet notes:
 - its previous approval of the appointment of Lambert Smith Hampton (LSH) as the property and commercial advisors at the cost of £94,600 funded from S106 balances.
 - that the Director of Law has agreed the appointment of Eversheds LLP via delegated authority as the legal advisors in relation to this project.
5. That approval is given to incur expenditure of up to:
 - an additional £40,000 for property and commercial advice from LSH
 - £162,385 for property and procurement related legal work to be undertaken by Eversheds
 - £35,000 to appoint WYG Management Services Ltd to undertake technical surveys on the selected sites
 - £75,000 to appoint accountants to provide tax and financial advice on the structure of the JVV
 - £50,000 to undertake financial due diligence at the final stages of the partner selection
 - together with a contingency of circa £43,015, providing an overall budget for the Professional Team of £500,000,

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

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

3. INTRODUCTION AND BACKGROUND

- 3.1. On 12th November 2012, Cabinet agreed the attached report.

4. PROPOSAL AND ISSUES

- 4.1. The background and context is set out in the attached report.
- 4.2. Since the Cabinet decision, the procurement has reached the stage where the Pre-Qualification Questionnaires have been received. The next stage is to evaluate the submissions and issue the Invitation to Negotiate on 15th February.

5. EQUALITY IMPLICATIONS

- 5.1. These were set out in the attached report.

6. LEGAL IMPLICATIONS

- 6.1. These are set out in the attached report.

7. FINANCIAL AND RESOURCES IMPLICATIONS

7.1. These are set out in the attached report.

8. RISK MANAGEMENT

8.1. These are set out in the attached report.

9. PROCUREMENT AND IT STRATEGY IMPLICATIONS

9.1. These are set out in the attached report.

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:

Establishment of a Housing and Regeneration Joint Venture Vehicle Cabinet
12th November 2012

Cabinet

12 NOVEMBER 2012

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

CONTRIBUTORS

EDHR
EDFCG
DoL
EDELRS
DPIS

**HAS AN EIA BEEN
COMPLETED?
YES**

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

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

Wards: All

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

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

Recommendations

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

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

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

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

4. That Cabinet notes:

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

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

- an additional £40,000 for property and commercial advice from LSH**
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- £50,000 to undertake financial due diligence at the final stages of the partner selection
- together with a contingency of circa £43,015, providing an overall budget for the Professional Team of £500,000,

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

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

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

1. BACKGROUND

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

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

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

(A) Hidden Homes Programme

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

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

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

(B) Innovative Housing Built Using Modern Methods of Construction

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

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

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

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

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

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

(C) Joint Venture Vehicle

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

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

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

2 DEVELOPMENT SITES

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

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

Site Descriptions

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

Watermeadow Court, SW6

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

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

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

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

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

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

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

Edith Summerskill House, SW6

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

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

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

Options Appraisal

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

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

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

3. DELIVERY - PROFESSIONAL TEAM

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

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

Property & commercial

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

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

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

Legal

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

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

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

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

Tax & financial advice

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

Due diligence and technical surveys

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

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

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

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

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

Table A: Summary of Professional Fees

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

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

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

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

Watermeadow Court Demolition - Costs

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

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

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

4. JVV STRUCTURE & GOVERNANCE

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

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

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

5. PROCUREMENT OF PRIVATE SECTOR PARTNER

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

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

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

6. RISK MANAGEMENT

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

Procurement risks

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

JV set up risks

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

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

Information data quality and marketing risks

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

Partner selection risks

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

Development risks

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

Market risks

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

7. EQUALITY IMPLICATIONS

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

- Age
- Disability

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

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

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

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

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

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

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

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

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

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

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

² To be coded against RHQ004

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

8.8 Further comments are in the exempt Cabinet report.

9. COMMENTS OF THE DIRECTOR OF LAW

Legal powers

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

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

Structure and governance

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

Procurement

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

- Open
- Restricted
- Competitive Dialogue
- Negotiated

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

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

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

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

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

Covenant affecting Watermeadow Court

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

10. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY

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

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

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

Appendix 1 – Examples of other successful JVV schemes

Bournemouth

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

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

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

Croydon

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

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

Oxford

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

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

APPENDIX 2

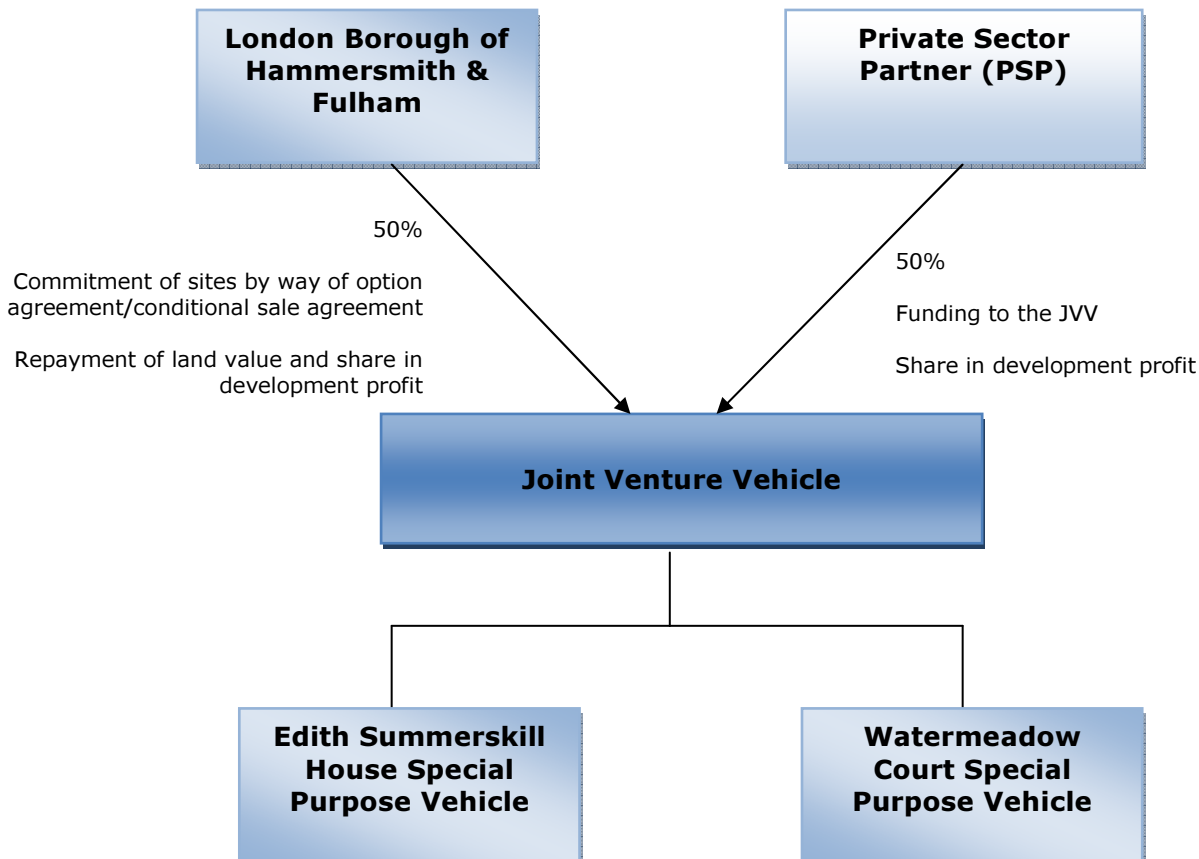
LONDON BOROUGH OF HAMMERSMITH AND FULHAM SELECTION OF A HOUSING AND REGENERATION JOINT VENTURE PARTNER

1. INTRODUCTION AND BACKGROUND

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

2. PROPOSED STRUCTURE OF THE JVJ

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



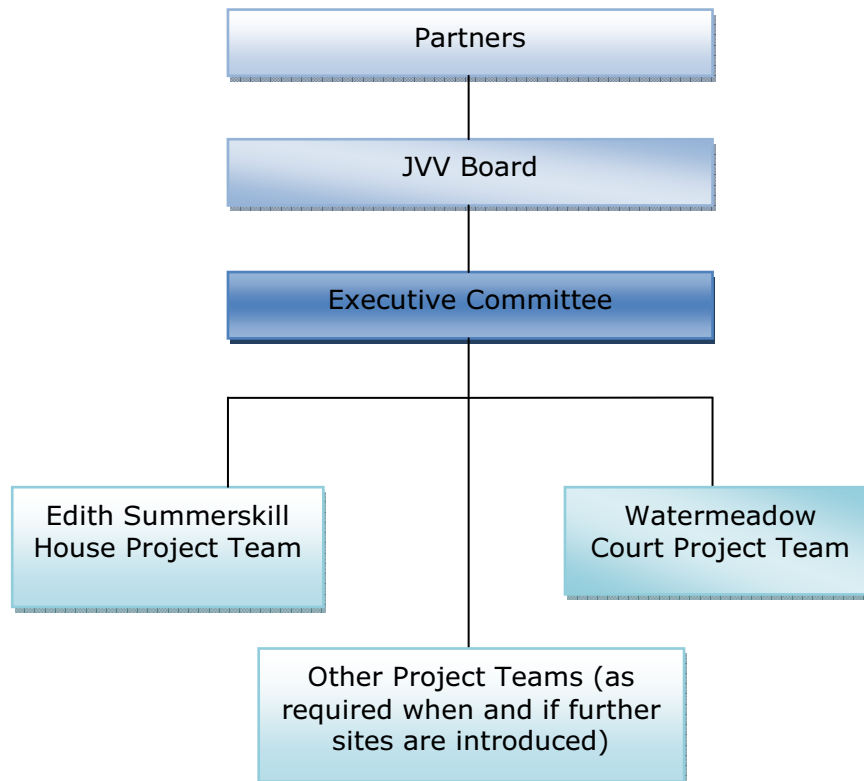
- 2.2 The JVV is to be established as a separate legal entity. The Council does not wish to be prescriptive to the market on the form of the joint venture and will consider the form proposed by bidders. In Eversheds' experience the form of the JVV is likely to be either a partnership (i.e. a limited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

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

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

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

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



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

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

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

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

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

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

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

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

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

4.7 The Project Teams for each development

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

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

The project teams will report regularly to the Executive Committee.

5. DECISION MAKING AND DEADLOCK

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

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

6. Council Appointees to the JVV – Conflicts of Interest

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

Code of Conduct

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

Officers

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

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

APPENDIX

1. STATE AID

1.1 Land Transfer

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

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

1.2 Council Investment

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

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

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

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

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

2. **VIRES AND BEST CONSIDERATION**

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

2.2 Here the Council is:

2.2.1 entering into a JVV with the PSP; and

2.2.2 disposing of its land to the JVV.

2.3 **Entering into the JVV**

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

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

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

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

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

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

2.4 **Disposal of Land – Best Consideration**

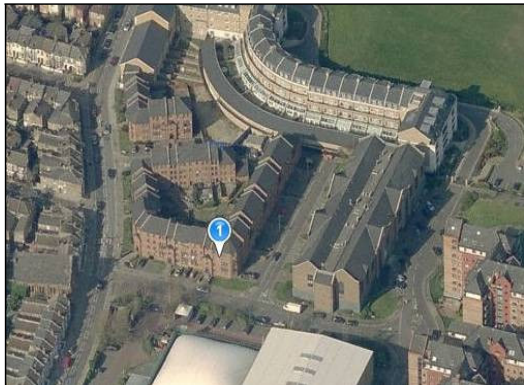
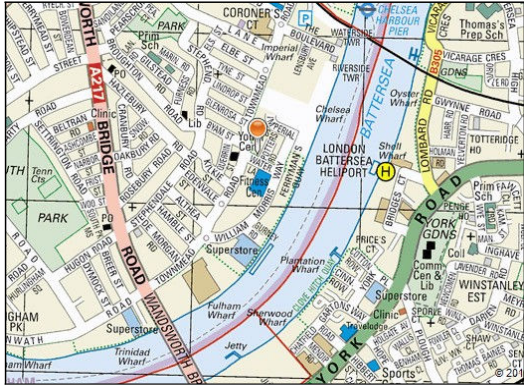
- 2.4.1 There are numerous powers for holding and disposing of land available to the Council.
- 2.4.2 Powers enabling local authorities to dispose of land require the Council to secure "the best consideration that can reasonably be obtained". Relevant powers include:
- 2.4.2.1 s.123 Local Government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

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



Appendix 3 Property Report: Watermeadow Court, SW6 2RW

Location



Source; www.multimap.co.uk



Description



Size

0.048 Hectares (1.20 Acres)

Site Description

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

Site Potential

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

Potential Issues

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

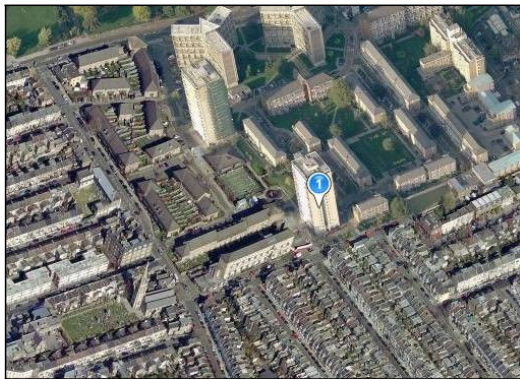
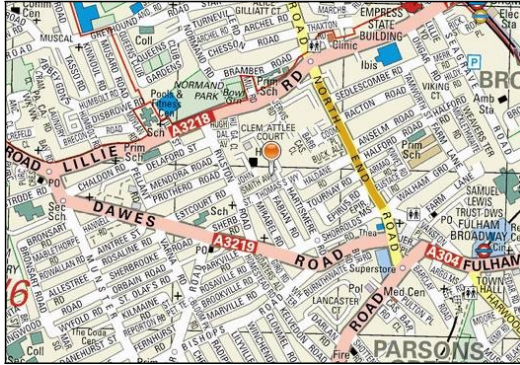
Planning Comments

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



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

Location



Source; www.multimap.co.uk



Description



Size

0.066 Hectares (0.16 Acres)

Site Description

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

Site Potential

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

Potential Issues

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

Planning Comments

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

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">HOUSING HEALTH AND AND ADULT SOCIAL CARE SELECT COMMITTEE</p> <p align="center">22 January 2013</p>
<p>WORK PROGRAMME AND FORWARD PLAN 2012-2013</p>	
<p>Report of the Director of Law</p>	
<p>Open Report</p>	
<p>Classification - For Scrutiny Review & Comment</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Sue Perrin, Committee Co-ordinator</p>	<p>Contact Details: Tel: 020 8753 2094 E-mail: sue.perrin@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 The Committee is asked to give consideration to its work programme for this municipal year, as set out in Appendix 1 of the report.
- 1.2 Details of the Key Decisions which are due to be taken by the Cabinet at its next meeting are provided in Appendix 2 in order to enable the Committee to identify those items where it may wish to request reports.

2. RECOMMENDATIONS

- 2.1 The Committee is asked to consider and agree its proposed work programme, subject to update at subsequent meetings of the Committee.

3. INTRODUCTION AND BACKGROUND

- 3.1 The purpose of this report is to enable the Committee to determine its work programme for this municipal year 2012/13.

4. PROPOSAL AND ISSUES

- 4.1 A draft work programme is set out at Appendix 1. The list of items has been drawn up in consultation with the Chairman, having regard to relevant items within the Key Decision list and actions and suggestions arising from previous meetings of this select committee.
- 4.2 The Committee is requested to consider the items within the proposed work programme and suggest any amendments or additional topics to be included in the future, whether for a brief report to Committee or as the subject of a time limited Task Group review or single issue 'spotlight' meeting. Members might also like to consider whether it would be appropriate to invite residents, service users, partners or other relevant stakeholders to give evidence to the Committee in respect of any of the proposed reports.
- 4.3 Attached as Appendix 2 to this report is the list of Key Decisions to be taken by Cabinet at its next meeting, which includes decisions within the relevant Cabinet Members portfolio areas which will be open to scrutiny by this Committee should Members wish to include them within the work programme.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. As set out above.

6. CONSULTATION

- 6.1. Not applicable.

7. EQUALITY IMPLICATIONS

- 7.1. Not applicable.

8. LEGAL IMPLICATIONS

- 8.1. Not applicable.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. Not applicable.

10. RISK MANAGEMENT

- 10.1. Not applicable.

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
1.	None		

LIST OF APPENDICES:

Appendix 1 - List of work programme items

Appendix 2 - Key Decision List

Housing, Health & Adult Social Care Select Committee

Draft Work Programme 2012/2013
17 July 2012
<p>Central London Community Healthcare: NHS Foundation Trust Status Application</p> <p>Housing Strategy</p> <p>Imperial College Healthcare NHS Trust: Oral report</p> <p>Shaping a Healthier Future: NHS Public Consultation</p> <p>Task Group: Repairs and Maintenance Services</p>
24 September 2012
<p>Housing Performance Indicators</p> <p>Imperial College Healthcare NHS Trust</p> <p>Shaping a Healthier Future: NHS Public Consultation</p>
14 November 2012
<p>Public Health Transition Plans</p> <p>Housing Benefits Update</p> <p>Housing Performance Indicators</p>
22 January 2013
<p>HRA Financial Strategy and Rent Increase Report</p> <p>Housing Joint Venture Vehicle</p> <p>Revenue Budget 2013/2014</p> <p>Self Directed Support Procurement and HAFAD</p>
19 February 2013
<p>Central London Community Healthcare: NHS Foundation Trust Status Application</p> <p>Housing Legislative Changes: Strategy</p> <p>Imperial College Healthcare NHS Trust: Management of Waiting Lists</p>

Out of Hospital Care/Homecare

Shaping a Healthier Future

09 April 2013/ 2013-2014

Housing Performance Indicators

Personalisation/Direct Budgets

Remodel of Adult Social Care Day Services

Safeguarding Annual Report

Transfer of Public Health Functions to the London Borough of Hammersmith & Fulham: Establishment of a Tri-borough Public Health Service

Transition from Children's to Adult Social Care (specifically disabled people)

Tri-borough Integrated Health and Social Care Community Services

West London Mental Health Services: Service Gaps

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 11 FEBRUARY 2013 AND AT FUTURE CABINET MEETINGS UNTIL MAY 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. 5 (published 11 January 2013)

KEY DECISIONS LIST - CABINET ON 11 FEBRUARY 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>
February				
Cabinet	11 Feb 2013	<p>Purchase of car parking spaces to the rear of Fulham Town Hall</p> <p>As part of the sale process of Fulham Town Hall the Council is purchasing the freehold interest of car parking spaces at the rear of the building.</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>	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): Parsons Green and Walham	
Cabinet	11 Feb 2013	<p>Barclay Close Lifts A–D, Ethel Rankin Crt & The Grange (Lisgar W14) Lifts A & B - Modernisation of the Passenger Lifts</p> <p>The report seeks approval to let a contract to modernise the existing passenger lifts at Barclay Close Est, Ethel Rankin Court and the Grange (Lisgar terrace)</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
	Reason: Expenditure more than £100,000		Ward(s): Avonmore and Brook Green; Town	

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>	<p>Danny.Reynolds@lbhf.gov.uk , Matthew.Martin@lbhf.gov.uk</p>	<p>considered.</p>
Cabinet	<p>11 Feb 2013</p> <p>Reason: Expenditure more than £100,000</p>	<p>Tri-borough managed services-finance and human resources (transactional services)</p> <p>Following the completion of the Managed Services procurement process, a report will be brought to Cabinet for decision on LBHF's position re. signing up to the framework</p> <p>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>Ward(s): All Wards</p> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
Cabinet	<p>11 Feb 2013</p> <p>Reason: Expenditure more than</p>	<p>Interim Provision of Children's Centres and Sure Start Services</p> <p>Aligning of Hammersmith and Fulham hub and spoke children's centres to comply with the</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and</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>)
	£100,000	department of education (DfE) Children's Centre model and to fit the proposed Ofsted locality based inspections	Contact officer: Margaret Murphy Tel: 020 8753 2045 Margaret.Murphy@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	11 Feb 2013 Reason: Expenditure more than £100,000	Approval of the 2013/14 Highway Maintenance Programme The report seeks approval for the Carriageway and Footway 2013/14 Planned Maintenance Programme and authority to manage the programme and overall budget throughout the year.	Cabinet Member for Transport and Technical Services Ward(s): All Wards Contact officer: Ian Hawthorn ian.hawthorn@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	11 Feb 2013 Reason: Affects more than 1 ward	Housing Revenue Account Budget Strategy 2013-14 HRA budget and rent increase	Cabinet Member for Housing Ward(s): All Wards Contact officer: Kathleen Corbett, Danny Rochford Tel: 020 8753 3031, Kathleen.Corbett@lbhf.gov , Danny.Rochford@lbhf.gov	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	11 Feb 2013 Reason: Expenditure more than £100,000	Award of contract to support an employee-led mutual providing services to schools and Award of contract to support an employee-led mutual providing services to schools and Tri-borough Councils The report will seek Cabinet approval of a private sector partner to help establish, support and expand an Employee-Led Mutual that will be providing support services to schools and a number of strategic consultancy services to Tri-borough Councils. The selection of a suitable partner	Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Lyn Carpenter lyn.carpenter@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>)
		<p>follows a competitive tendering exercise conducted in line with EU and UK public procurement rules.</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 Full Council	11 Feb 2013 27 Feb 2013 Reason: Expenditure more than £100,000	<p>Treasury Management Strategy Report</p> <p>This report provides information on the Council's Treasury Management Strategy for 2013/14</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Halfield Jackman Halfield.Jackman@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 Full Council	11 Feb 2013 27 Feb 2013 Reason: Budg/pol framework	<p>Revenue Budget and Council Tax levels 2013/14</p> <p>To approve the 2013/14 Budget Estimates and Council Tax levels.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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 Full Council	11 Feb 2013	Draft four year Capital Programme 2013/14 to 2015/16 This report sets out proposals in respect of the capital programme, together with ancillary issues.	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: Hitesh Jolapara hitesh.jolapara@lbhf.gov.uk	
Cabinet	11 Feb 2013	Local HealthWatch - contract award Award of the contract to meet the new statutory responsibility for a Local HealthWatch as set out in the Health & Social Care Act 2012.	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 Contact officer: David Evans david.evans@lbhf.gov.uk	
Cabinet	11 Feb 2013	Corporate Complaints Policy Introduction of Two Stage Process The Introduction of a Two Stage Process	Cabinet Member for Communications (+Chief Whip)	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: Lyn Anthony lyn.anthony@lbhf.gov.uk	
Cabinet	11 Feb 2013	Tri-borough ICT Strategy Implementation Programme - from technology-based provision to deployment "as a service" To approve the Tri-borough ICT Strategy Implementation Programme, including prioritisation of projects and the associated funding.	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
	Reason: Expenditure more than £100,000		Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900	

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>)
			jane.west@lbhf.gov.uk	papers to be considered.
Cabinet Full Council	11 Feb 2013 27 Feb 2013 Reason: Affects more than 1 ward	Transfer of Public Health functions to local authorities - scheme of delegation To approve a suitable scheme of delegations to deal with the transfer of Public Health functions to local authorities from 1 April 2013.	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.
Cabinet	11 Feb 2013 Reason: Expenditure more than £100,000	Procurement Strategy for Holy Cross Basuto Road Classroom Extension and Queensmill New-Build projects The report recommends a procurement and delivery plan to implement the construction of 6 additional classrooms at Holy Cross Primary School, Basuto Road, and the construction of new Queensmill 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 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): Parsons Green and Walham; Wormholt and White City Contact officer: John Brownlow Tel: 020 8753 john.brownlow@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 (other relevant documents may be submitted)
March				
Cabinet	4 Mar 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.
Cabinet	4 Mar 2013 Reason: Expenditure more than £100,000	Reprocurement of frameworki Social Care IT system Confirmation of reprocurement of Frameworki social care system (or equivalent social care system) is requested for both Adult Social Care and Children's Services from January 2013. 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)	Cabinet Member for Community Care, Cabinet Member for Children's Services Ward(s): All Wards Contact officer: Mark Hill mark.hill2@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>)
		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	4 Mar 2013 Reason: Affects more than 1 ward	Cemeteries Reorganisation Facilitating the Cemeteries operations through Quadron Services Limited.	Deputy Leader (+ Residents Services) Ward(s): All Wards Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013 Reason: Expenditure more than £100,000	Linford Christie Stadium Remedial works to the roof covering and rainwater goods. Internal refurbishment and upgrade to the male changing room and kitchen upgrade (including asbestos removal) to the London Nigerians' clubhouse. 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): College Park and Old Oak Contact officer: Pat Nolan, Sally Williams Tel: 020 8753 4516, Tel: 020 8753 4865 sally.williams@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 (other relevant documents may be submitted)
Cabinet	4 Mar 2013 Reason: Expenditure more than £100,000	Award of a Framework Agreement for Printing Services (Web Offset) Lots 3 & 4 Report to approve recommended contractors for Lots 3 & 4 and set up a Framework Agreement to commence in February 2013 for a period of 4 years 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: Louise Raisey, Bob Hillman Tel: 020 8753 2012, Tel: 020 8753 1538 Louise.Raisey@lbhf.gov.uk, robert.hillman@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	4 Mar 2013 Reason: Expenditure more than £100,000	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 Ward(s): Shepherds Bush Green Contact officer: Roger Thompson Tel: 020 8753 3920 Roger.Thompson@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	4 Mar 2013	Capital Budget Monitor - 3rd Quarter Amendments 2012/13 To seek approval for changes to the Capital Programme 2012/13	Leader of the Council (+Regeneration, Asset Management and IT)	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	4 Mar 2013	Holy Cross/Lycée expansion and co-location Tender Approval 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. 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 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	
Cabinet	4 Mar 2013	Housing Capital Programme 2013-2014 This report sets out the proposed 2013/14 Housing Capital Programme and seeks authority to	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
	Reason: Expenditure more than		Ward(s): All Wards	

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	£100,000	proceed with the various schemes identified.	Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@lbhf.gov.uk	will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013 Reason: Expenditure more than £100,000	<p>2013-14 TfL annual spending submission</p> <p>This report refines and details the integrated transport projects as submitted as part of the council's approved transport plan (LIP2) to be undertaken in 2013/14 funded by Transport for London (TfL).</p> <p>The borough's 2013/14 integrated transport grant was subject to a reduction of approximately 10% to £1,947,000 as a result of the Governmental October 2010 Comprehensive spending review.</p> <p>This funding is specifically provided by TfL for borough transport projects based on the LIP2 objectives, targets and delivery plan. The projects are designed and delivered on the basis of maximising value for money and reducing the costs to the council of maintenance and repairs.</p>	<p>Cabinet Member for Transport and Technical Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nick Boyle Tel: 020 8753 3069 nick.boyle@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	4 Mar 2013 Reason: Affects more than 1 ward	<p>Information, advice & guidance to young people with learning difficulties</p> <p>The report will seek a waiver to the Council's Contracts Standing Orders in order to maintain statutory provision of information, advice and guidance services to young people with learning difficulties until a new joint contract is let with WCC in 2014.</p>	<p>Cabinet Member for Children's Services</p> <p>Ward(s): All Wards</p> <p>Contact officer: John Francis Tel: 0208 753 1328 john.francis@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	4 Mar 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	
Cabinet	4 Mar 2013	Tri-borough ICT strategy 2013-2014 implementation programme plan and costing - from technology-based provision to deployment "as a service" Tri-borough ICT strategy 2013-2014 implementation programme plan and costing - from technology-based provision to deployment "as a service" 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)	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	4 Mar 2013	Tri-borough ICT Target Operating Model New target operating model for ICT from 2013 on	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
	Reason: Budg/pol framework		Ward(s): All Wards	

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		<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>	Contact officer: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk	documentation and / or background papers to be considered.
Cabinet	4 Mar 2013 Reason: Expenditure more than £100,000	<p>Increasing Legal Costs to the Planning Service</p> <p>To approve that: a) contingency reserves are used to fund increased legal costs of apx £300,000 for 2012-13 b) an in principle decision is taken for access to contingency reserves (if needed) in financial years 2013-14 to 2015-16</p>	Cabinet Member for Transport and Technical Services Ward(s): All Wards Contact officer: Juliemma McLoughlin juliemma.mcLoughlin@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.
April				
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	<p>Provision of a blue badge investigation and enforcement service</p> <p>The Council has piloted a scheme to tackle the abuse of Disabled Parking Permits (blue badges). The pilot has proved to be successful and the Council now wants to enter into a long-term contractual arrangement for a minimum of 3 years and a maximum of 7.</p>	Cabinet Member for Transport and Technical Services Ward(s): All Wards Contact officer: Osa Ezekiel Osa.Ezekiel@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: Expenditure more than	<p>Contract for the maintenance of pay and display machines</p> <p>This is a bi-borough contract with RBKC for the maintenance of pay and display machines</p>	Cabinet Member for Transport and Technical Services Ward(s): All Wards	A detailed report for this item will be available at least five working days before the date of the meeting and will include details

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	£100,000		Contact officer: Osa Ezekiel Osa.Ezekiel@lbhf.gov.uk	of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	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) Ward(s): All Wards Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	SERCO Contract Review Description: Review and decision about whether to continue with SERCO Waste and Street Cleansing contract which expires in 2015.	Deputy Leader (+ Residents Services) Ward(s): All Wards Contact officer: Sue Harris Tel: 020 8753 4295 Sue.Harris@lbhf.gov.uk	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	8 Apr 2013 Reason: Affects more than 1 ward	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) Ward(s): All Wards Contact officer: Miles Hooton Tel: 020 8753 2835 Miles.Hooton@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.

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Cabinet	8 Apr 2013	Housing Repairs Re-procurement of Housing Repairs contract arrangements 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: Affects more than 1 ward		Ward(s): All Wards	
Cabinet	8 Apr 2013	Parks Capital Programme 2013/14 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)	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	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	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): Fulham Broadway; Fulham Reach; Munster; North End; Palace Riverside; Parsons Green and Walham; Sands End; Town	

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		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	8 Apr 2013 Reason: Affects more than 1 ward	Market testing of housing service - estate services Update on 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): All Wards 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.
Cabinet	8 Apr 2013 Reason: Expenditure more than £100,000	Section 75 NHS Act 2006 Partnership Agreement between H&F and West London Mental Health Trust (WLMHT) 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. 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	Cabinet Member for Community Care Ward(s): All Wards Contact officer: Stella Baillie	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.

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		gone through a recent management re-structure as well. Therefore it is important that we review our partnership under the new climate.		
Cabinet	8 Apr 2013	Housing Revenue Account car parking and garage strategy Strategic review of the car parking and garage service on council owned housing estates.	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	
May				
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	
Cabinet	13 May 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	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	

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		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	13 May 2013 Reason: Affects more than 1 ward	Notification for the decision on award of contract 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.	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.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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