

# Cabinet

## Agenda

**MONDAY**  
**7 APRIL 2014**  
**6.00 pm**

**COURTYARD ROOM**  
**HAMMERSMITH**  
**TOWN HALL**  
**KING STREET**  
**LONDON W6 9JU**

### Membership

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

Councillor Greg Smith, Deputy Leader (+ Residents Services)

Councillor Helen Binmore, Cabinet Member for Children's Services

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

Councillor Marcus Ginn, Cabinet Member for Community Care

Councillor Andrew Johnson, Cabinet Member for Housing

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

Councillor Georgie Cooney, Cabinet Member for Education

**Date Issued**  
**27 March 2014**

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

Reports on the open Cabinet agenda are available on the Council's website: [http://www.lbhf.gov.uk/Directory/Council\\_and\\_Democracy](http://www.lbhf.gov.uk/Directory/Council_and_Democracy)

### PUBLIC NOTICE

The Cabinet hereby gives notice of its intention to hold part of this meeting in private to consider items 21-25 which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

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

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

### DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on non-exempt item numbers **4-18** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to David Viles at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 2 April 2014.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Wednesday 9 April 2014**. Items on the agenda may be called in to the relevant Scrutiny Committee.

The deadline for receipt of call-in requests is: **Monday 14 April 2014 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Monday 14 April 2014**.

# Cabinet Agenda

7 April 2014

<u>Item</u>		<u>Pages</u>
1.	<b>MINUTES OF THE CABINET MEETING HELD ON 3 MARCH 2014</b>	1 - 9
2.	<b>APOLOGIES FOR ABSENCE</b>	
3.	<b>DECLARATION OF INTERESTS</b>	
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.</p>	
4.	<b>REVENUE BUDGET 2013/14 - MONTH 10 AMENDMENTS</b>	10 - 19
5.	<b>DEVELOPING TRI-BOROUGH CORPORATE SERVICES</b>	20 - 26
6.	<b>CONTRACT FOR CASH IN TRANSIT AND CASH PROCESSING SERVICES</b>	27 - 33

<b>7.</b>	<b>ELECTRONIC DOCUMENT MANAGEMENT SYSTEM CONTRACT EXTENSION</b>	<b>34 - 37</b>
<b>8.</b>	<b>BUSINESS INTELLIGENCE</b>	<b>38 - 113</b>
<b>9.</b>	<b>DEPOT WELFARE FACILITIES - HAMMERSMITH PARK : REFURBISHMENT OF THE EXISTING STAFF WELFARE BLOCK FOR OCCUPATION BY THE STREET CLEANING TEAMS AND THE GROUNDS MAINTENANCE TEAMS</b>	<b>114 - 119</b>
<b>10.</b>	<b>SPECIAL GUARDIANSHIP ALLOWANCE POLICY</b>	<b>120 - 130</b>
<b>11.</b>	<b>DELIVERING THE SCHOOLS CAPITAL PROGRAMME</b>	<b>131 - 142</b>
<b>12.</b>	<b>SCHOOLS ORGANISATION AND INVESTMENT STRATEGY 2014</b>	<b>143 - 187</b>
<b>13.</b>	<b>APPROVAL OF A ROLL-OVER OF TEAM WHITE CITY PROGRAMME BUDGET UNDERSPEND INTO 2014/15.</b>	<b>188 - 194</b>
<b>14.</b>	<b>BETTER CARE FUND PLAN</b>	<b>195 - 249</b>
<b>15.</b>	<b>HRA HOUSING CAPITAL PROGRAMME 2014/15 TO 2016/17</b>	<b>250 - 261</b>
<b>16.</b>	<b>APPROVAL OF THE 2014/15 HIGHWAYS MAINTENANCE WORK PROGRAMME</b>	<b>262 - 272</b>
<b>17.</b>	<b>PERMISSION TO TENDER FOR A BI-BOROUGH PARKING MANAGEMENT INFORMATION SYSTEM</b>	<b>273 - 285</b>
<b>18.</b>	<b>COLLECTIVE INVESTMENT VEHICLE FOR LONDON LOCAL AUTHORITY PENSION FUNDS</b>	<b>286 - 323</b>
<b>19.</b>	<b>KEY DECISIONS LIST</b>	<b>324 - 336</b>
<b>20.</b>	<b>EXCLUSION OF PRESS AND PUBLIC</b>	
	<p>The Cabinet is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.</p>	
<b>21.</b>	<b>CONTRACT FOR CASH IN TRANSIT AND CASH PROCESSING SERVICES : EXEMPT ASPECTS (E)</b>	

- 22. ELECTRONIC DOCUMENT MANAGEMENT SYSTEM CONTRACT EXTENSION : EXEMPT ASPECTS(E)**
- 23. BUSINESS INTELLIGENCE : EXEMPT ASPECTS (E)**
- 24. PERMISSION TO TENDER FOR A BI-BOROUGH PARKING MANAGEMENT INFORMATION SYSTEM : EXEMPT ASPECTS (E)**
- 25. DISPOSAL OF 1-3 CARNWATH ROAD AND RELOCATION OF CO-OP HOMES TENANTS ON 5 CARNWATH ROAD : EXEMPT (E)**

# Agenda Item 1

London Borough of Hammersmith & Fulham



# Cabinet

## Minutes

Monday 3 March 2014

### **PRESENT**

Councillor Nicholas Botterill, Leader (+ Regeneration, Asset Management and IT)  
Councillor Mark Loveday, Cabinet Member for Communications (+ Chief Whip)  
Councillor Marcus Ginn, Cabinet Member for Community Care  
Councillor Andrew Johnson, Cabinet Member for Housing  
Councillor Victoria Brocklebank-Fowler, Cabinet Member for Transport and Technical Services  
Councillor Georgie Cooney, Cabinet Member for Education

### **167 MINUTES OF THE CABINET MEETING HELD ON 3 FEBRUARY 2014**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 3<sup>rd</sup> February 2014 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **168 MINUTES OF THE CABINET MEETING HELD ON 10 FEBRUARY 2014**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 10<sup>th</sup> February 2014 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **169 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Helen Binmore and Greg Smith.

### **170 DECLARATION OF INTERESTS**

There were no declarations of interest.

**171 FURTHERING THE BOROUGH OF OPPORTUNITY: A SHARED VISION FOR HAMMERSMITH AND FULHAM 2014-22**

Cabinet was informed that the strategy document required Full Council approval before publication.

**RESOLVED:**

That approval be given to the publication of the draft strategy document, subject to agreement by Full Council.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**172 CORPORATE PLANNED MAINTENANCE PROGRAMME 2014/2015**

**RESOLVED:**

1.1 That approval be given to the 2014/2015 Corporate Planned Maintenance Programme and scheme budgets (as set out in Appendices A and B), subject to any amendments as agreed for operational reasons by the Executive Director of Finance and Corporate Governance and the Director for Building and Property Management.

1.2 That the Corporate Planned Maintenance Programme will be monitored, incorporating operational changes made by the Executive Director of Finance and Corporate Governance and the Director for Building and Property Management, via progress reports to the Leader.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

## 173 ICT PROGRAMME MANAGEMENT

### RESOLVED:

That approval be given to the continuation of this ICT Programme Manager role, the total costs of £140,000 to be funded from the IT enablers fund, with the resulting cost to H&F, after recovering the agreed contribution from the other two boroughs, being £46,667.

### Reason for decision:

As set out in the report.

### Alternative options considered and rejected:

As outlined in the report.

### Record of any conflict of interest:

None.

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

None.

## 174 THE GENERAL FUND, HOUSING REVENUE ACCOUNT AND DECENT NEIGHBOURHOODS CAPITAL PROGRAMMES - BUDGET VIREMENTS AT QUARTER 3, 2013/14

### RESOLVED:

That approval be given to the budget virements as at quarter 3 for 2013/14 as set out in the report.

### Reason for decision:

As set out in the report.

### Alternative options considered and rejected:

As outlined in the report.

### Record of any conflict of interest:

None.

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

None.



## **175 ENHANCED REVENUE COLLECTION PROGRAMME**

### **RESOLVED:**

That authority be given to vary the contract between Agilisys Ltd and the Council in relation to Enhanced Revenue Collection by way of a Deed of Variation from the earliest possible date to include services in relation to Council Tax, NNDR and Council Rent and to enter into any associated contract documentation to implement the variation.

### **Reason for decision:**

As set out in the report.

### **Alternative options considered and rejected:**

As outlined in the report.

### **Record of any conflict of interest:**

None.

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

None.

## **176 APPROVAL TO AWARD A TEMPORARY STATIONERY CONTRACT FOR FIVE MONTHS (APRIL TO AUGUST 2014)**

### **RESOLVED:**

- 1.1. That a waiver from the Council's Contract Standing Orders (under CSO 3) be approved in respect of seeking tenders and that authority be given to the Executive Director of Finance and Corporate Governance (in consultation with the Bi-borough Director of Law) to negotiate a new short term contract for a duration of five months with Office Depot (UK) Ltd for the supply of office stationery from 1 April 2014 to 31st August 2014.
- 1.2. That the Council participates in the retendering arrangements being led by the London Borough of Havering for a London and Surrey wide framework agreement for the supply of stationery for a four year period commencing on 1 September 2014.
- 1.3. That the Leader awards a contract for the supply of stationery from 1 September 2014 for a four year period to be based upon the proposed tendering exercise for a London and Surrey wide framework agreement to be undertaken by the London Borough of Havering.

### **Reason for decision:**

As set out in the report.

### **Alternative options considered and rejected:**

As outlined in the report.

### **Record of any conflict of interest:**

None.

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

None.

**177 MONITORING OFFICER REPORT TO CABINET : LOCAL GOVERNMENT OMBUDSMAN FINDING - MALADMINISTRATION CAUSING INJUSTICE (CASE NO. 1212460)**

**RESOLVED:**

1.1 That the Cabinet notes:

(i) The Local Government Ombudsman's report, findings and recommendations and endorses the actions already undertaken by officers as a result, in particular (a) the Council prioritising arrangements to correct the system for reselling water services to residents which will be fully implemented during the current financial year; (b) the action taken by officers in July 2013 to write to all residents at Meadowbank Close who have been overcharged advising them of refund; and (c) a written apology issued.

(ii) That the Council has advised residents at Meadowbank Close in July 2013 that all water charges for the financial year beginning 1 April 2013 are currently being reviewed, and that these will be reset in accordance with the estimated levels of usage and cost for the remainder of the year.

(iii) That any difference between the amount paid to Thames Water and the amount charged to all residents will be corrected at the end of the year via an adjustment to their rent account.

(iv) That the officers involved in this case no longer work for the Council.

1.2 That, on the basis of these actions, the Cabinet takes no further action in relation to the matter for the reasons set out in the report.

1.3 That this report be adopted as the Cabinet's formal response as required under S5A of the Local Government and Housing Act 1989 and distributed to all Members of the authority and the Monitoring Officer.

1.4 That this report be adopted as the Council's formal response under s.31 of the Local Government Act 1974 and the Local Government Act 1974 and the Local Government Ombudsman be notified of the action the Council has taken.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**178 APPOINTMENT OF SERVICE PROVIDER TO DELIVER THE "IMPACT PROJECT - ZERO TOLERANCE OF DOMESTIC VIOLENCE" IN HAMMERSMITH & FULHAM**

**RESOLVED:**

That approval be given to the appointment of Shepherds Bush Housing Group (SBHG) and ADVANCE (Advocacy Project) to deliver the Impact Project in Hammersmith & Fulham from 2013/14 to 2016/17 at a year one cost of £188,000 (£752,000 over 4 years), all of which is to be funded from external sources.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**179 HAMMERSMITH FLYUNDER FEASIBILITY STUDY : REFERENCE FROM THE TRANSPORT, ENVIRONMENT AND RESIDENTS SERVICES SELECT COMMITTEE**

**RESOLVED:**

That Cabinet supports the Transport, Environment and Residents Services Select Committee recommendation as listed below:-

- 1.1 That approval be given to the publication of the Hammersmith Flyunder feasibility study for issue to TfL. The key findings and recommendations to TfL from the study are below and detailed further in the select committee report attached as Appendix 1 to this report.

**Key Findings**

- There is a high level of local public support for removing the flyover, alongside concerns around traffic disruption and the local road network.
- Both long and short tunnels were found to be geotechnically feasible to construct at a cost of £200m to £1700m

- The degree to which Hammersmith Town Centre can be reimagined is dependent on the removal of the flyover but also on addressing the gyratory
- The longer the tunnel the less traffic is likely to use it
- Junctions from a main tunnel increase its use but considerable environmental and economic issues arise
- Neighbouring Councils have been involved in the study from the outset and are broadly supportive of the Council's vision.

#### Recommendations to TfL

- To establish strategic aspirations and concerns
- To continue and take forward the feasibility study allowing a more strategic view and detailed analysis of such matters as alignment, portal location and junctions
- To build on the collaborative work undertaken by the flyunder taskforce
- To develop an appraisal framework in order to inform investment decisions with regards to road infrastructure projects.

1.2 That the Council recommends that TfL take full account of the environmental benefits for residents and the restoration of community links that the project would achieve in reaching their decision.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

## 180 **RIGHT TO BUY PART**

**RESOLVED:**

1.1 That approval be given to launch a Right to Buy Part Scheme Pilot as set out in section 5 of the report, and with consideration to the implications detailed in the subsequent sections.

1.2 That a further report be brought before Cabinet to consider the findings from the Right to Buy Part Pilot and consider its wider implementation, be approved.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**181 PROCUREMENT OF NON HALF HOURLY QUARTERLY ELECTRICITY SUPPLIES**

**RESOLVED:**

- 1.1 That approval be given to the Council accessing the fully flexible framework awarded by LASER to EDF in October 2012 for the renewal of the NHHQ contracts for large size quarterly supplies over 50,000kwh hours for a period of 1 April 2014 to 30 September 2016.
- 1.2 That approval be given to the Council accessing the new Flexible light framework to be awarded by LASER to EDF from 1 April 2014 for the renewal of NHHQ contracts for all staircase and landlord lighting housing supplies for a period of 30 months from 1 April 2014 to 30 September 2016, initially for mid-size electricity supplies with annual consumption between 10,000-50,000 kwh.
- 1.3 That authority be delegated to the Director of Building and Property Management to enter into contracts with utility companies with supplies on the new fixed term fixed price framework to be awarded by LASER to commence on 1 April 2014 for a period of 30 months to 30 September 2016 for small consuming sites (including some housing, corporate stock and school supplies) under 10,000kwh at a current estimated contract value of £800,000 per annum .

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

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

None.

**182 KEY DECISIONS LIST**

The Key Decisions list was noted.

**183 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:**

That under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the remaining items of business on the grounds that they contain information relating to the financial or business affairs of a person (including the authority) as defined in paragraph 3 of Schedule 12A of the Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

[The following is a public summary of the exempt information under S.100C (2) of the Local Government Act 1972. Exempt minutes exist as a separate document.]

**184 EXEMPT MINUTES OF THE CABINET MEETING HELD ON 3 FEBRUARY 2014 (E)**

**RESOLVED:**

That the minutes of the meeting of the Cabinet held on 3<sup>rd</sup> February 2014 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

**185 ENHANCED REVENUE COLLECTION PROGRAMME : EXEMPT ASPECTS (E)**

**RESOLVED:**

That the report be noted.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.


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

None.

Meeting started: 6.00 pm

Meeting ended: 6.03 pm

Chairman .....

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>7 APRIL 2014</b>
<b>REVENUE BUDGET 2013/14 - MONTH 10 AMENDMENTS</b>	
<b>Report of the Leader of the Council - Councillor Nicholas Botterill</b>	
<b>Open Report.</b>	
<b>Classification - For Decision</b> <b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director:</b> Jane West – Executive Director of Finance and Corporate Governance	
<b>Report Author:</b> Gary Ironmonger, Principal Revenue Accountant	<b>Contact Details: Gary Ironmonger</b> Tel: 020 (8753 2109) E-mail: <a href="mailto:gary.ironmonger@lbhf.gov.uk">gary.ironmonger@lbhf.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. This report sets out proposed amendments to the Revenue Budget as at Month 10.
- 1.2. Virement requests of £2.056m for General Fund are recommended for approval.
- 1.3. It is proposed that £0.398m of bad debt is written off. TTS are requesting the write off of £0.199mk of commercial rents debts. Housing are proposing to write off £0.104m of general fund commercial rent debts arising from the Townmead and Sullivan way industrial units. Housing are also requesting the write off of £0.082m of HRA commercial rents and £0.013m tenant repair charges dating back as far as 1997.
- 1.4. Departments are proposing to carry forward planned underspends of £3.752m into 2014/15, subject to each specific approval. The final position is dependent on the year end outturn therefore these proposals may need to be scaled down
- 1.5. Children's Services Department are proposing to reallocate some of their current reserves for wider application to address the risk profile identified for 2014/15

- 1.6. In order to produce the final accounts to the statutory deadline of 30<sup>th</sup> June, a significant amount of activity is under way. As a result of this activity, there will be a number of areas where actions are required that normally need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). In order to meet the deadline, it is therefore proposed that decision making in relation to these issues is delegated to the Executive Director of Finance and Corporate Governance in consultation with the Leader.

## **2. RECOMMENDATIONS**

- 2.1. That £0.398m of bad debt be written off.
- 2.2. That approval be given to the carry forward of departmental underspends of £3.752m as detailed in Appendix 2 to this report.
- 2.3. That the Executive Director of Finance and Corporate Governance be given delegated authority to authorise a reallocation of the current Children's Services reserves to help them manage their 2014/15 risks in line with their current risk assessment.
- 2.4. That approval be given to virements totalling £2.056m as set out in Appendix 1 to this report.
- 2.5. That approval be given to the request for the Executive Director of Finance and Corporate Governance, in conjunction with the Leader, to take the necessary decisions required to ensure the Council's accounts are closed by 30 June 2014.

## **3. REASONS FOR DECISION**

- 3.1. To comply with Financial Regulations.

## **4. 2013/14 REVENUE BUDGET AMENDMENTS MONTH 10**

- 4.1. Cabinet is required to approve all budget virements that exceed £0.1m.
- 4.2. Virements totalling £2.056m to the General Fund are requested. (details in Appendix 1).
- 4.3. It is requested that £0.398m of bad debt is written off. TTS are requesting the write off of £0.199mk of commercial rents debts. Housing are proposing to write off £0.104m of general fund commercial rent debts arising from the Townmead and Sullivan way industrial units. Housing are also requesting the write off of £0.082m of HRA commercial rents and £0.013m tenant repairs charges dating back as far as 1997.



## 5. CARRY FORWARD PROPOSALS

- 5.1. Departments have presented justifications to carry forward underspend budgets of £3.752m into 2013/14 (details in Appendix 2). Consideration and approval of the carry forward proposals is sought in this report. If the year end outturn is lower than the current forecasts, these carry forward proposals will be scaled down.

**Table 3: Proposed Departmental Budget Carry Forward**

	Underspend	Proposed Carry Forward
Department	£000s	£000s
Adult Social Care	(1,901)	1,220
Children's Services	(245)	220
Unaccompanied Asylum Seeking Children	0	0
Environment, Leisure & Residents' Services	(527)	499
Finance and Corporate Services	(513)	458
Housing & Regeneration	(630)	630
Library Services (Tri-Borough)	(30)	30
Public Health Services	(311)	0
Transport & Technical Services	(186)	170
Controlled Parking Account	(1,404)	525
Centrally Managed Budgets	(1,913)	0
<b>Net Operating Expenditure</b>	<b>(7,660)</b>	<b>3,752</b>

- 5.2. Children's Services Department are proposing to reallocate some of their current reserves for wider application to address the risk profile identified for 2014/15.

## 6. DELEGATED AUTHORITY FOR CLOSING ACCOUNTS

- 6.1. In order to produce the final accounts to statutory deadlines a significant amount of activity is under way. As a result of this activity there will be a number of areas where actions are required that need Cabinet approval (final budget carry forwards, use of reserves, budget virements, level of bad debt provision etc.). The process of taking these decisions via Business Board, Briefing to Cabinet and then Cabinet is too long to enable these decisions to be agreed and get the final accounts produced to the statutory deadlines. It is therefore proposed that decision making in relation to all issues in relation to closing the accounts is delegated to the Executive Director of Finance and Corporate Governance in conjunction with the Leader.

## **7. CONSULTATION**

7.1. Not applicable.

## **8. EQUALITY IMPLICATIONS**

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

## **9. LEGAL IMPLICATIONS**

9.1. Not applicable.

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

10.1. Virements totalling £2.056mm are requested.

10.2. Write off of £0.398m of bad debt is requested.

10.3. Departments have request carry forward of £3.752m of budget underspends.

10.4. It is proposed to give delegated authority to the Executive Director of Finance and Corporate Governance to take financial decisions, in consultation with the Leader, required to ensure the closing of accounts in line with statutory deadlines.

10.5. Implications verified/completed by: Gary Ironmonger, Principal Revenue Accountant ,Tel: 020 (8753 2109)

## **11. RISK MANAGEMENT**

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

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

12.1. 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.	CRM6	Gary Ironmonger	FCS

**LIST OF APPENDICES**

Appendix 1	Virement Request Form
Appendix 2	Departmental Carry Forward Requests

## APPENDIX 1 - VIREMENT REQUEST FORM

### BUDGET REVENUE MONITORING REPORT – PERIOD 10

Details of Virement	Amount (£000)	Department
<b>GENERAL FUND:</b>		
Budget alignment from Parking Reserves for TFM adjustments (Parking expenditure will be met from capital instead).	100 / (100)	TTS/ Parking Reserve
In year movement of budgets from Support Services to Building Control - for unachievable income targets	258.4/ (258.4)	Within TTS
Realignment required from Support Services to Environmental Health-Noise and Nuisance for unachievable income targets.	55 (55)	Within TTS
The reallocation of budgets for support services and other overheads in accordance with local authority accounting rules. This is an accounting exercise and has no net impact on the department's net budget.	123 / (123)	Within HRD
This relates to the realignment of Adult Learning budgets following the confirmation of courses to be delivered in the new academic year. This adjustment has no net impact on the department's net budget.	340 / (340)	Within HRD
This relates to adjustments made to the funding of the Council's Strategic Regeneration function, including the use of Section 106 and contributions from the Joint Venture. This adjustment has no net impact on the department's net budget.	131 / (131)	Within HRD
This relates to the planned drawdown from corporate reserves already approved by Cabinet (in November 2012) to fund a package of incentives to landlords associated with the Council's temporary accommodation portfolio	349 / (349)	Within HRD
This relates to the planned drawdown from corporate reserves already approved by Cabinet (in November 2012) to fund the Housing Benefit Assist project to manage the impact of Welfare Reform	112 / (112)	Within HRD
Transfer pro-rated security budget (October – April) to fund security element of TFM agreement which transferred from ELRS	(258) 258	ELRS TTS
Transfer £90k from waste disposal underspend to offset pressure in transport section due to an unachievable MTFS efficiency	(90) /90	Within ELRS
Funding from contingency to cover additional costs of Southwark judgement cases.	240 / (240)	CHS / CMB
<b>Total of Requested Virements (Debits)</b>	<b>2,056.4</b>	

## APPENDIX 2 Detailed Budget Carry Forward Proposals

CARRY FORWARD PROPOSALS	AMOUNT £000
<b>ADULT SOCIAL CARE</b>	
<p><b>Careline Income</b> A MTFFS savings shortfall of £400,000 is not offset by reserves for 2014/15. A carry forward is requested from the 2013/14 underspend to cover this income shortfall. The service is being reviewed with Commissioning to look at recommissioning a telephony / monitoring service on a Bi or Tri borough basis. A local response service will be developed as part of the wider Rapid Response Service developments.</p>	400
<p><b>Learning Disabilities Service</b> Based on the latest baseline modelling an increase in demand for Learning Disabled People placements and care packages is anticipated with budget pressures of £235,000. As detailed in the MTFFS Leaders June challenge meeting, a growth bid of £623,000 was requested and the advice was if these pressures materialise reserves will need to be reviewed to meet this pressure.</p>	235
<p><b>Community Equipment</b> There is increased pressure on equipment budgets as a whole as the Health &amp; Social Care community work together to deliver on admission avoidance &amp; delaying admissions to Residential or Nursing Facilities. The service received one-off balance sheet reserves of £50,000 in 2012/13 and £100,000 in 2013/14 to reduce the overspend, but this is not available in 2014/15.</p>	200
<p><b>People First Website in Hammersmith</b> Following the launch of the People First website in WCC and RBKC, LBHF are seeking funding to implement a People First Website which will allow customers and staff to self-help and be independent in reviewing the services on offer. The estimated one-off cost of implementation is £105,000 and annual maintenance costs of £22,000. The department is requesting a carry forward to fund the implementation costs and to pay for the first year of maintenance.</p>	127
<p><b>Integrated Care at Parkview and Tri-Borough move (Infrastructure Costs)</b> As part of the new Integrated Care service at Parkview, the Learning Disability Team will need to move from its existing premises at Stamford Brook, which is likely to lead to double running costs until the move is completed. It is estimated to cost £25,000 in rental payments. The Tri-Borough Commissioning hub is based in Glenthorne Road on the 3<sup>rd</sup> and 4<sup>th</sup> floors and with the lease expiring within the next 12 months, accommodation will need to be found for the Commissioning Teams. A high level indicative infrastructure cost of the move for IT and removal costs are estimated at £75,000.</p>	100




<b>CARRY FORWARD PROPOSALS</b>	<b>AMOUNT</b>
	<b>£000</b>
<p><b>Public Finance Initiative (PFI) Contract expert</b></p> <p>The Council has been in negotiation with the PFI contractor Care UK on a range of contractual disputes over a period of time. Both parties agreed to call an expert whose decision on the agreement has resulted in the Council making an interim payment to Care UK of £1,087,336. Negotiations remain ongoing to resolve other queries.</p> <p>The department is proposing to employ a contract/finance expert, reporting to the Procurement Team, who would have the knowledge and the expertise on this 25 year contract (with an annual gross spend of £7,500,000) in order that future matters are resolved with the provider.</p>	60
<p><b>Review of Advocacy Support</b></p> <p>Within the 2014/15 MTFS savings proposals is a review of the Advocacy Support service with an overall savings target of £165,000. The advocacy tender has been delayed due to issues with confirming the NHS Funding and with the return of Pre-Qualification Questionnaires. The revised contract implementation date is 1st October 2014 with an estimated shortfall in the savings of £40,000.</p>	40
<p><b>Review of Learning Disability Residential Support Living</b></p> <p>The consultation on the future of Coverdale Road residential home for people with Learning Disability forms part of the Borough's Learning Disability and Housing Support Strategy. This involves a review of current in house provision to ensure this is compatible with current and future needs. Cabinet have agreed that a consultation on the future of Coverdale should take place which has been extended to ensure that everyone has the opportunity to be consulted and there is enough time evaluate the options. Within the 2014-15 MTFS is a savings proposal of £108,000, this extended extension will result in a budget shortfall of £36,000.</p>	36
<p><b>Review of Mental Health Day Services</b></p> <p>Within the 2014/15 MTFS savings proposals is a strategic review of Mental Health Day Services across Tri-Borough. The purpose of the review is to ensure a commissioned approach to a range Mental Health Services which will promote wellbeing and prevent relapse. There are a number of contracts to be reviewed and the overall timescale for recommendations will only be available in November 2014 leaving a shortfall in the savings proposed.</p>	22
<b>Total ASC</b>	<b>1,220</b>
<b>CHILDREN'S SERVICES</b>	
<p>Children's Services are requesting the carry forward of Adoption Reform Grant of £220k.</p> <p>The department is also requesting a reallocation or wider application of existing reserves for alternative use given the risks and pressures identified for 14/15. The rationale for this is that existing pressures have been met from containing some of the expenditure for which the reserve was established, or offsetting it against other favourable variances.</p>	220
<b>Total CHS</b>	<b>220</b>
<b>ENVIRONMENT, LEISURE &amp; RESIDENTS' SERVICES</b>	
Funding for Fulham Palace Trust once Heritage Lottery Funding commitment ends (covers 2 to 3 years only)	269

<b>CARRY FORWARD PROPOSALS</b>	<b>AMOUNT</b>
	<b>£000</b>
Fund Fulham Palace Trust unbudgeted insurance and lease costs for three years	120
Initiatives for reducing waste tonnages and contaminated recyclate (part of total expected invest to save bid of c. £250k)	50
Increase marketing reserve to progress income generating initiatives in 2014/15	50
Implement mobile working as part of the Waste and Street Scene service review recommendations	10
<b>Total ELRS</b>	<b>499</b>
<b>FINANCE AND CORPORATE SERVICES</b>	
Legal & Democratic Services – request a carry forward to cover additional election costs due to the local and European elections in May 2014.	100
Finance & Audit – request a carry forward to cover additional resource costs due to the delayed implementation of Managed Services.	100
Carry forward to fund extension of Electronic Document Management System contract.	258
<b>Total FCS</b>	<b>458</b>
<b>HOUSING AND REGENERATION DEPARTMENT</b>	
<b><u>HB Assist Plus</u></b> To continue the existing team for 2014/15 to concentrate on the existing core activity of managing the response to the Overall Benefit Cap, co-ordinating activity around the spare bedroom subsidy and from the middle of the financial year expanding the team's activities to include those claimants for Universal Credit who may need assistance with their housing circumstances. Total funding required is £243k, and this will include utilising the existing reserve of £83k.	160
<b><u>Universal Credit - project management and preparation of local support framework</u></b> The existing DWP support in the introduction of universal credit is the subject of a contract between the Council and DWP for 2012/13 and includes an element of payment for project management costs. It is anticipated that DWP will extend this arrangement into 2014/15 but it is not yet clear whether they will continue to fund project management costs. If they do, this will partly offset the costs included here. In any event, the bigger task for the Council in 2014/15 is the building of a local support framework amongst statutory and voluntary agencies in preparation for the expanded cohort of claimants and for the point at which many thousands of residents in the borough will be claiming Universal Credit. This will form the main mitigation against the risks arising from direct payment of universal credit. The carry forward requested is for a project management resource to cover this work for the year.	70

<b>CARRY FORWARD PROPOSALS</b>	<b>AMOUNT</b>
	<b>£000</b>
<p><b>Incentive payments to private sector landlords (Direct Lettings)</b>            In October 2012, Cabinet agreed to approve the use of general reserves of £750k to procure Direct Lettings units as a direct alternative to the use of Bed &amp; Breakfast accommodation. This package of incentives has contributed significantly to the Council's overall reduction in the usage of B&amp;B in 2013/14 (from a budgeted level of 270 to a forecast of 132) and importantly, to a reduction in the number of families in B&amp;B for more than 6 weeks from 42 at the end of March 2013 to 3 at the end of January 2014. Carry forward of £400k of the departmental underspend is requested to enable further mitigating action against the risk of the Council incurring substantially higher costs in using B&amp;B. It is anticipated that an additional 200 cases will be procured in 2014/15 at an average cost of £3k per unit and this will be funded from the existing Temporary Accommodation incentive payments reserve of £200k, supplemented by this proposal for a further £400k.</p>	400
<b>Total HRD</b>	<b>630</b>
<b>LIBRARY SERVICE</b>	
The carry forward is to support a phased stock renewal programme for the Hammersmith Library opening in April 2014.	30
<b>TOTAL LIBRARY SERVICE</b>	<b>30</b>
<b>TRANSPORT &amp; TECHNICAL SERVICES</b>	
1) Responding to 'Your Voice' survey with staff development sessions.	20
2) Asbestos inspection costs not covered by the Total Facilities Management contract.	100
3) Funding to help TTS develop and implement savings proposals for 15/16.	50
<b>TTS Total Carry Forward requests.</b>	<b>170</b>
<b>CONTROLLED PARKING ACCOUNT</b>	
To meet the one off costs of implementing a new IT system	525
<b>Controlled Parking Account Total Carry Forward Requests</b>	<b>525</b>
<b>Total Carry Forward Proposals</b>	<b>3,752</b>



## Executive Decision Report

<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	Full Cabinet:  Date of decision: 7 April 2014	
	<i>Insert Full Cabinet, Cabinet Member for X or Director for X as appropriate</i>  Date of decision (i.e. not before): <i>[insert]</i>  Forward Plan reference: <i>[insert]</i>	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Full Cabinet 24 February 2014	 City of Westminster
<b>Report title (decision subject)</b>	<b>DEVELOPING TRI- BOROUGH CORPORATE SERVICES</b>	
<b>Reporting officer</b>	Jane West, Executive Director of Finance and Corporate Governance	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Public report.	

## **1. EXECUTIVE SUMMARY**

- 1.1 The Tri Borough Leaders agreed on 13 February 2014 to establish Tri Borough Corporate Services. In addition they agreed to undertake further work on the risks and benefits of a range of detailed business propositions for particular services. Those services agreed to be within remit of the detailed business planning exercise include:
- Human Resources
  - Procurement
  - Legal Services
  - Revenues and Benefits
- 1.2 The new Corporate Services will also include relevant functions which are already being delivered on a Tri Borough basis, namely the Tri Borough Treasury / Pensions function, an Audit and Fraud function and an ICT function where a Tri Borough Chief Information Officer is already in post and developing proposals to extend the function further. It will also include the Innovation and Change Management Team based in H&F.
- 1.3 It is further recommended that a Bi-borough Customer Services function is established for H&F and RBKC.
- 1.4 It is recommended that the Chief Executive of Westminster City Council acts as the SRO and lead for the programme, with work on planning and implementation undertaken by the s151 officer of the London Borough of Hammersmith & Fulham.

## **2. RECOMMENDATIONS**

- 2.1 That the three Cabinets agree with the principle of the establishment of Tri Borough Corporate Services.
- 2.2 That the three Cabinets appoint the Chief Executive of Westminster City Council to be the SRO overseeing the development of detailed business plans, including the establishment of necessary business cases, for the creation of Tri Borough Corporate Services.
- 2.3 That the three Cabinets endorse the decision of the Chief Executive of Westminster City Council to appoint the s151 officer from the London Borough of Hammersmith and Fulham to undertake the consequent planning and implementation of the Tri-borough Corporate Services, plus day to day line management of Legal Services, Human Resources and Procurement in Westminster City Council on an interim basis.

- 2.4 That further reports with detailed business cases for Tri Borough Corporate Services be provided to all three Cabinets in due course for formal agreement.
- 2.5 That a budget of £210,000 is allocated by each Council, funded from the Efficiency Projects Reserve in H&F.
- 2.6 That in accordance with a previous delegated decision, the s151 officers in the three boroughs are requested to approve all s113 agreements required to underpin Tri-borough Corporate Services.

### **3. REASON FOR DECISION**

- 3.1 The creation of Tri-borough Corporate Services will deliver greater efficiencies, additional annual savings and contribute to the shared objective of safeguarding front line services.

### **4. BACKGROUND, INCLUDING POLICY CONTEXT**

- 4.1 The Tri Borough partnership was formally announced in late 2010. At present the scope of the partnership includes Children's Services, Adult Services, Public Health and Libraries, which are all delivered on a Tri-Borough basis and have unlocked efficiencies and a range of savings which will exceed £40m per annum across the area by 2015.
- 4.2 The creation of Tri Borough Corporate Services was endorsed by the Leaders of the Tri Borough authorities on 13 February 2014. This builds on the work already underway in Corporate Services across Tri-borough which is on track to deliver £13 million in savings by 2015.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 Initial modelling indicates potential savings of £2.8 million per annum across the Tri Borough area by 2015/16 with significantly greater savings to follow in subsequent years pending the findings of the detailed business planning exercise and agreed business cases.

### Savings identified to date

<b>Corporate Services area</b>	<b>Savings identified to be delivered by 2015/16 £s</b>
Senior Management	74,000
Legal	716,000
Human Resources	420,000
Procurement	680,000
Revenues and Benefits	216,000
Bi-borough Customer Services	687,000
<b>Total</b>	<b>2,793,000</b>

- 5.2 As examples of further potential future savings, research undertaken to date indicates the following savings would be accrued through the establishment of Tri Borough Corporate Services:

**Human Resources** – centralising training budgets would be expected to deliver a saving of 10% in each borough.

**Procurement** – a more centralised procurement function across the Tri Borough area would be expected to yield an 8 to 10% reduction in annual addressable spending. It is estimated that the total addressable spend could be as much as £200m including schools, Housing Revenue Account and capital spend. Work is underway to more accurately assess the potential for general fund savings through the implementation of an improved model, which mitigates against any potential double counting with savings attributed to departmental budgets.

**Legal** – a further £50k saving would be expected through creating a single business support team. Additional savings beyond this sum may also be achievable through outsourcing some routine work such as property and re-tendering some contracts on a Tri Borough basis. There is also potential to unlock increased income arising from the greater capacity and skills available in a Tri Borough service.

**Revenue and Benefits** – a 5% savings in total Revenues and Benefits costs (delivering annual savings in excess of £1m) following the overall review of client-side and operational services and also through the future tendering of Revenue Services.

- 5.3 A Portfolio Team has been established to support the Tri-borough Corporate Services programme. The budget for this team needs to be extended to October

2015 to complete this work. This requires further budget to be identified across the three Councils of £483,725 or £161,000 for each Council. The details are set out in the table below.

Portfolio Team Cost

	Int / Ext	Daily Cost	Days	Cost (£)
<b>External Spend</b>				
Portfolio Manager	External	£600	275	£165,000
Portfolio Office Manager	External	£575	275	£158,125
Portfolio Business Change Manager	Internal	£550	192	£105,600
Portfolio Communications Lead	Internal	£500	110	£55,000
Total External				£323,125
Maximum Backfill costs				£160,600
<b>Total Cost</b>				<b>£483,725</b>
<b>Budget required per borough</b>				<b>£161,000</b>

- 5.4 There are also some project level costs that need to be funded totalling £147,000 or £49,000 per Council.

Programme costs

<b>Project</b>	<b>£</b>
Review of Procurement	36,000
Procurement Project Manager	30,000
Legal Project Manager	51,000
Administration Project Manager	30,000
<b>Total</b>	<b>147,000</b>
<b>Budget required per borough</b>	<b>49,000</b>

- 5.5 It is recommended that £210,000 is set aside by each borough to meet these costs. It is recommended that in H&F this funding is transferred to the programme from the Efficiency Projects Reserve.
- 5.6 Implications confirmed by Jane West, Executive director of Finance and Corporate Governance, LBH&F. ext. 1900.

**6. LEGAL IMPLICATIONS**

- 6.1 The legal model for the creation of a Tri Borough service will involve the use of Section 113 of the Local Government Act 1972, under which a local authority may enter into an agreement with another authority for the placing at the disposal of the latter officers employed by the former, on such terms as may be provided for by agreement. That is consistent with the model for existing Tri-Borough arrangements.
- 6.2 Implications confirmed by Tasnim Shawkat, Bi-borough Director of Law, tel. 020 8753.2700.

**7. STAFFING IMPLICATIONS**

- 7.1 The integration of the existing three borough Corporate Services into one Tri Borough service is likely to result in a reduction of posts. The staffing structure for the new Tri Borough Corporate Services will be developed in line with agreed Human Resources Protocols for Establishment and Working in Integrated teams. All posts in the new Tri Borough Corporate Service will be filled in accordance with the agreed policies for Tri Borough Working. Staff affected by these proposals will be ringfenced to posts in the new structure and every effort will be made to seek to redeploy staff and avoid redundancies wherever possible.

Arrangements are already in place to avoid permanent recruitment to vacant posts which may be affected by the proposals in this report.

## **8. CONSULTATION**

- 8.1 There is no legal requirement to consult with the public. Leaders and Cabinet Members holding the Corporate Services portfolio responsibility have been consulted upon the proposals within this paper. Corporate Services Executive Directors have communicated the proposals to their senior management teams.
- 8.2 Staff and the trade unions will be consulted on the proposals in this report and consultation will be ongoing as the proposals are developed.

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

None

# Agenda Item 6

 <p>the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<p><b>CONTRACT FOR CASH IN TRANSIT AND CASH PROCESSING SERVICES</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report</b></p> <p>This report seeks approval to award the Contract for the Council's Cash in Transit and Cash Processing services to Contract Security Services Limited as the most economically advantageous tender in terms of price and quality. The contract includes the secure collection and delivery, transportation and safe custody of cash and cheques from a number of establishments across the borough and the counting and banking of deposits.</p> <p>A separate report on the exempt Cabinet agenda provides information relating to any commercially sensitive financial details.</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: (All Wards); None</b></p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Sue Evans, Head of Pay and Park</p>	<p><b>Contact Details:</b> Tel: 020 8753 1852 E-mail: sue.evans@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. Hammersmith and Fulham directly handle approximately £3.7 million in cash per annum in addition to several thousand cheques, through 14 sites located across the borough. The cash and cheques relate to payments made by residents and businesses for a variety of Council services. In addition, a small number of services require bulk cash deliveries in order to facilitate outbound payments to vulnerable clients.



- 1.2. Hammersmith and Fulham currently has an arrangement in place with G4S Cash Solutions (UK) Ltd for the secure collection, delivery, transportation and safe custody of cash and cheques from Council establishments including associated cash processing services. There are currently around 840 collections / deliveries per annum.
- 1.3. The arrangement with G4S Cash Solutions (UK) Ltd has been in place for a number of years though it has not been possible to formalise this contractually to date. However, as the arrangements meet with the projected cost and the contractor fulfils the Councils requirements, the service has operated outside of a formal contract. Attempts to formalise this have failed.
- 1.4. In January 2014, the Council undertook an open procurement process in respect of cash in transit and cash processing services for a contract period of six years. A six year period was chosen in order to seek out maximum current market rates whilst, at the same time, recognise bi-borough and tri-borough customer access strategies by building in a termination clause after three years. This approach also allows for future discussion to take place with Kensington and Chelsea in order to work collaboratively and to achieve favourable rates by use of a joint procurement process when their current contract expires.
- 1.5. Approval is being sought to award the Contract for Cash in Transit and Cash Processing Services to Contract Security Services Limited for a contract value as set out in the exempt report.

## **2. RECOMMENDATIONS**

- 2.1. That the Contract for Cash in Transit and Cash Processing Services be awarded to Contract Security Services Limited as the tenderer with the most economically advantageous tender submission in terms of price and quality.
- 2.2. That approval be given to the Council entering into a contract for services, commencing on 1 June 2014 for a period of six years, with an option to break after the third anniversary of the commencement of the contract, for a contract value as set out in the exempt report

## **3. REASONS FOR DECISION**

- 3.1. To allow the Council to formalise arrangements for cash in transit and cash processing services whilst, at the same time, identify existing suppliers and seek out current market rates.
- 3.2. To secure an overall contract saving of £2k per annum by the implementation of a six year contract with the option to break after the third anniversary of commencement of the contract.

- 3.3. The contract has built in flexibility which allows for the fluctuation of services and the reduction of charges as the service declines in the future. This meets with the Council's Customer Access Strategy as the contract charges will reduce as any channel transfer takes place. If, at the three year point, the Council still has cash collection and delivery requirements, a decision can be taken to work collaboratively with bi / tri borough partners in order to amalgamate contractual requirements and gain further savings.
- 3.4. The contract period of six years was chosen in order to avoid repetitive procurement costs but also to gain maximum current market rates. However; the option to break after the third anniversary of the contract commencement date provides the Council with an opportunity to terminate the services in accordance with any changes in service direction and allows any bi-borough or tri-borough obligations to be met.

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

- 4.1. The Council has historically managed cash and valuables in transit and cash processing services via a third party supplier. The services are necessary in order to accommodate the collection of cash and cheques from specific sites across the borough. The contractor is also required to reconcile and bank the cash on behalf of the Council and to deliver any cheques by secure transfer to the Council's designated cheque processing centre. In addition, the contractor provides a small number of bulk cash deliveries on a weekly basis in order to facilitate the provision of vulnerable client services operated by Adult and Children's Services.
- 4.2. There are currently 14 sites across the borough which requires cash in transit services though this figure fluctuates throughout the year in response to changes in service delivery. Each year, there are approximately 840 collections / deliveries which equate to around £3.7 million in cash collected or delivered and processed.
- 4.3. G4S Cash Solutions (UK) Ltd currently operates the services on behalf of the Council and has done so for a number of years. However it has not been possible to formalise the arrangement to date.
- 4.4. Rapid advances in technology both globally and across the UK have subsequently increased service user's ability and willingness to move to more digitally enabled services. These changes are driving the Council's Customer Access Programmes and more services can now be completed online. This has resulted in a gradual decline of cash in transit services as cash and cheque transactions are being replaced by credit and debit cards. In turn, the number of contractors available to operate these specialist services has also reduced in number making the options in this area of the market very limited.

- 4.5. In recognition that the Council still has a need to operate cash in transit services, an open procurement process was undertaken, in order to test the market and to identify the best available rates whilst at the same time formalise the Council's current contractual arrangements.
- 4.6. Following the recent procurement process, one supplier tendered for the service and Contract Security Services Limited was identified as the most economically advantageous bid in terms of price and quality. In addition, the procurement exercise successfully reached out to all potential suppliers thus gaining a fair assessment of the current market and securing favourable up to date rates which meet with projected budgets.
- 4.7. The option to break, which can be initiated after the third anniversary of the commencement of the contract, will allow the Council to opt for inclusion in any collaborative arrangements with bi / tri boroughs partners to accommodate future service needs and drive additional savings.

## **5. PROPOSAL AND ISSUES**

- 5.1. The proposal to award the contract follows a recent open procurement process in which one tenderer submitted prices in a very limited industry. The tender process provided an opportunity to seek out the best market rates in an area of business which has few operators left who can undertake these specialist services.
- 5.2. The proposal is based on the opinion that Contract Security Services Limited currently offers the best value for money and is therefore the most economically advantageous bid in terms of price and quality.
- 5.3. The contract is proposed to commence on 1<sup>st</sup> June 2014 for a period of six years though the council have the option to terminate after three years from the commencement of the contract should they wish to do so.
- 5.4. The contract will remain in place for a minimum three year term however, it has built in flexibility to allow charges to decrease in conjunction with any opportunities for channel transfer and services can be modified accordingly.
- 5.5. The contract will allow the Council to formalise arrangements relating to cash in transit and cash processing services.

### **New Contract Arrangements**

- 5.6. The Council's current arrangements for cash in transit services require a three month termination notice period.
- 5.7. The three month termination period will allow for the current arrangements to be concluded and for the new formalised contract to be put in place with

the new supplier from 1<sup>st</sup> June 2014. As arrangements will essentially remain unchanged, this period can be used to accommodate the new contractual requirements whilst operating a business as usual approach to the operation of the service.

- 5.8. There are no IT requirements to consider as part of this contract so it is envisaged that there will be no additional costs involved.
- 5.9. There is a possibility that TUPE may apply on termination of the current contract with G4S Cash Solutions (UK) Limited however, the incumbent supplier has previously confirmed that the Council's services are not performed using either dedicated vehicles or staff so the risk is deemed to be low. Tenders were sought on the basis that TUPE would not apply.
- 5.10. Each participating service will need to be advised of the new contract in place in order to maintain the security of Council funds. However, the operational elements of the service will remain unchanged.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. The option to procure a six year contract was taken in preference to joining a framework agreement as the service is a specialised area with limited suppliers.
- 6.2. Cash in transit is a service in decline and the move towards digital services either within the Council or across the wider market has meant that cash and cheque methods of payment are likely to be withdrawn in the longer term.
- 6.3. The procurement process was carried out as an open procedure therefore reaching out to the limited numbers of contractors who operate in this specialist area. This identified the most economically advantageous prices whilst at the same time ensuring that the Council could formalise any arrangements put in place.
- 6.4. The three year option to break allows the Council time in which to progress bi / tri borough services and to work collaboratively as required. Alternatively, to provide a prescribed period of time in which to operate the service whilst, at the same time, monitor channel transfer and reduce the services required accordingly.
- 6.5. Westminster has opted for a cashless approach so does not require this type of service. A joint procurement process was considered with Kensington and Chelsea however, neither authority was at a point which would allow the combining of respective services. The new contract will allow for a period of alignment to take place. In addition, the successful tenderer is also the current supplier for Kensington and Chelsea's secure cash in transit services.

## **7. CONSULTATION**

- 7.1. Not applicable.

## **8. EQUALITY IMPLICATIONS**

- 8.1. This contract represents a process relating to the Council's cash in transit and cash processing services and therefore does not impact on any groups either internally or externally to the Council.

## **9. LEGAL IMPLICATIONS**

- 9.1. Legal services have advised the client throughout the procurement process.
- 9.2. It is permissible to award the contract even though only one tender was received, provided the tender meets the Council's requirements and the Council is satisfied that it is receiving value for money. It is noted that the tendered price is more competitive than the current price being paid by the Council.
- 9.3. Legal will continue to work with the client department to arrange for termination of the current contract, and the formalisation of contracts with the new contractor.
- 9.4. Implications completed by: Cath Irvine, Senior Solicitor (Contracts) ext 2774.

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

- 10.1. The proposed contract will be met from within the existing budgetary provision.
- 10.2. Implications verified/completed by Andrew Lord, Head of Strategic Planning and Monitoring, Ext 2531.

## **11. RISK MANAGEMENT**

- 11.1. The Council has been operating on an implied contract basis with the current provider accessed through a framework provided by another council. The recommendation to formally enter into a contract directly with the proposed service provider meets the council's financial regulations and contract standing orders. Risk management of the procurement process, post award implementation and ongoing contract performance

management including business continuity remains the responsibility of the Head of Service for this area.

- 11.2. Implications completed by: (Michael Sloniowski, Bi-borough Risk Manager ext 2587.)

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

- 12.1. The Corporate Procurement Team has provided support, advice and guidance throughout the procurement exercise. The Council's Contracts Standing Orders have been complied with during the tendering of this service. Consequently, the Director agrees with the recommendation to award the contract for Cash in Transit and Cash Processing Services to Contract Security Services Limited
- 12.2. Implications verified/completed by: Alan Parry, Procurement Consultant (TTS) 020 8753 2581

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Procurement Paperwork (exempt)	Sue Evans x 1852	FCS, H&F Direct, Pay and Park

 <p>the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<p><b>ELECTRONIC DOCUMENT MANAGEMENT SYSTEM CONTRACT EXTENSION</b></p>	
<p><b>Report of the Leader of the Council – Councillor Nicholas Botterill</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt Cabinet agenda provides exempt information about costs and the supplier of the service.</p>	
<p><b>Classification</b> – For decision  <b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Jane West, Executive Director of Finance and Corporate Governance</p>	
<p><b>Report Author:</b> Ciara Shimidzu, Information Manager</p>	<p><b>Contact Details:</b>          Tel: 020 8753 3895          E-mail:  <a href="mailto:ciara.shimidzu@lbhf.gov.uk">ciara.shimidzu@lbhf.gov.uk</a></p>

## 1. EXECUTIVE SUMMARY

- 1.1. The current electronic document management system (EDMS) contract for the provision of a corporate EDMS and workflow called Information @ Work expires on 31 July 2014.
- 1.2. An extension of up to 3 years is needed to cover the time required to maintain EDMS support during the implementation of Universal Credit and the scoping for a new shared service for Revenues and Benefits, including the procurement of a new Tri-borough system for both corporate and H&F Direct use.
- 1.3. The supplier of the service was unwilling to provide a three year contract with suitable break clauses. The Council's intention is therefore to enter into a contract of one year in the first instance. The Council can then enter into two further annual contracts, if required, thereby achieving the desired result.

## **2. RECOMMENDATION**

- 2.1. That approval be given to potential contract costs as set out in the exempt report for the provision of a corporate EDMS from carried forward Finance and Corporate Services resources.

## **3. REASONS FOR DECISION**

- 3.1. The Council anticipated that the majority of the corporate EDMS solution would have been provided by the new Universal Credit system by this stage. The other services had planned to migrate their document to a shared Tri-borough instance. However, uncertainty regarding the introduction of Universal Credit means that the Council has to continue with the EDMS extension to ensure existing H&F users of the Information @ Work can continue to use the system until a replacement system has been sourced. EDMS is used by Benefits; Business Rates; Corporate Anti-fraud Service; Council Tax; Education Benefits; Housing Assessment; Housing Projects and Procurement; Infectious Diseases and Parking Permits.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. The EDMS is an application for managing electronic documents. The management of electronic documents is complex, requiring a large range of functionality in order for business needs to be met. This specialist system was procured and implemented to meet these needs using specialised software. It allows for the application and enforcement of classification, retention and access standards to ensure compliance with the Freedom of Information Act 2000 (Section 46) and the Data Protection Act 1998.
- 4.2. H&F have been using an EDMS since 2006 in the following service areas: Benefits; Business Rates; Corporate Anti-fraud Service; Council Tax; Education Benefits; Housing Assessment; Housing Projects and Procurement; Infectious Diseases and Parking Permits.
- 4.3. The purpose of this report is to obtain sufficient funding to extend the contract for the EDMS for up to 36 months from the point when it is currently due to expire, 31 July 2014.

## **5. PROPOSAL AND ISSUES**

- 5.1. The main consideration for Cabinet is if the additional funding is not approved then the EDMS contract cannot be extended to allow for the Tri-borough and/or H&F Direct replacement systems to be procured and implemented, and for Universal Credit to be fully rolled out. The existing services using the EDMS will not be supported by the supplier. For example, H&F Direct currently use the EDMS and workflow to assist them



in managing Council Tax payments and benefits; without it the division would not be able to process Council Tax and housing payments and benefits, therefore Council Tax revenue will not be collected and benefits not paid without resorting to a paper system.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. Several options were considered: a Tri-borough ICT procurement; an H&F SharePoint solution; or use of an existing shared Tri-borough SharePoint solution.
- 6.2. The recommendation is to extend the contract for up to 3 years from 31 July 2014 until Universal Credit has been fully implemented and the Tri-borough plans are fully scoped, procured and implemented.
- 6.3. None of the other options are as appropriate or cost effective without risking a breakdown in the EDMS service for key clients such as H&F Direct.

## **7. CONSULTATION**

- 7.1. The recommendations are in response to those who need to use the EDMS after the current contract expires on 31 July 2014 and until a replacement service has been implemented. The Corporate EDMS is overseen by a cross-H&F Project Board who have been consulted on and approve the proposal to extend the contract. No further consultation is considered needed.

## **8. EQUALITY IMPLICATIONS**

- 8.1. The recommendations in this report are not relevant to the public sector equality duty.

## **9. LEGAL IMPLICATIONS**

- 9.1. The Council's IT requirements are provided by HFBP under a service contract dated 1 November 2006 (the "IT Service Contract"). Under the IT Service Contract, HFBP contracts directly with software suppliers for the provision of IT software to the Council. This report requests the approval of funding to enable the Council to pay for the continued provision of EDMS.
- 9.2. Implications verified/completed by: Catherine Irvine (on behalf of Tasnim Shawkat), Principal Contracts Lawyer, 020 8753 2774.

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

- 10.1. The Council intends to enter into a contract of one year in the first instance. If needed, the Council can then enter into two further annual contracts.
- 10.2. The additional corporate funding for the EDMS is recommended to come from carried forward Finance and Corporate Service Resources and will support departments until a replacement system has been procured.
- 10.3. Implications verified/completed by: Andrew Lord, Head of Strategic Planning and Monitoring, 020 8753 2531.

## **11. RISK MANAGEMENT**

- 11.1. The EDMS is a business critical application for managing electronic documents. The management of electronic documents is complex, requiring a large range of functionality in order for business needs to be met. The funding requirement serves to ensure existing H&F users can continue to use the system while a Tri-borough ICT Provision procurement takes place. Information management and continuity risk is considered in the Enterprise Wide Risk and Assurance Register (Risk Number 6, Business Resilience).
- 11.2. Implications verified/completed by: Michael Sloniowski, Principal Consultant Risk Management, 020 8753 2587.




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

- 12.1. The Corporate Procurement Team agree to the approach to enter into a potential series of three one-year contracts to ultimately allow a joint procurement exercise with the Tri-borough councils to take place. The Director agrees with the comments from the Bi-borough Director of Law.
- 12.2. Implications verified/completed by: Mark Cottis, Procurement Consultant, 020 8753 2757

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

None.

## Executive Decision Report

<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	Full Cabinet  Date of decision: 7 April 2014	
	Councillor Gardner  Date of decision (i.e. not before): 20 <sup>th</sup> March 2014  Forward Plan reference: KD04047	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Approved by Strategic Executive Board as funded from existing ICT budgets  Date of meeting or formal issue (i.e. not before): 4th February 2014	 City of Westminster
<b>Report title (decision subject)</b>	<b>BUSINESS INTELLIGENCE</b>	
<b>Reporting officer</b>	Jane West Executive Director of Finance and Corporate Governance	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Open report. A separate report on the exempt Cabinet agenda contains exempt information regarding comparative costs.	

## **1. EXECUTIVE SUMMARY**

- 1.1 This Key Decision Report presents the business case for a pilot project to prove the benefits of a Tri-borough Business Intelligence (BI) service that centralises the existing fragmented BI activity across Tri-borough. The Tri-borough BI service pilot aims to demonstrate how the integration and interrogation of multiple data sources would substantially increase our insight on services and customers, while being a critical enabler to wider public service reform.
- 1.2 It is proposed to deliver the service by building a virtual team from existing technical and analytical staff across Tri-borough and by upgrading the existing data warehouse used by Westminster City Council.
- 1.3 The pilot will set up the Tri-borough service and will deliver a series of BI projects. These projects will deliver business outcomes in support of the budget challenges facing Tri-borough whilst providing the benefits of a permanent BI service. To date a number of projects have been identified with benefits as follows
- Assured: 3 projects with net benefit of £1.5m
  - Projected 1 project with a net benefit of £2.5 – 2.7m over 3 years
  - Possible: 42 projects with significant benefits to be quantified (pipeline)

## **2. RECOMMENDATIONS**

- 2.1 That the Tri-borough Councils approve plans for the 18 month Business Intelligence (BI) Service Pilot, and that funding of £1,743k be approved for the 18 month BI Service Pilot with assured ROI of 55% over 3 years with other projects providing a contribution that will increase the ROI beyond 55% (projected and possible).
- 2.2 That the Tri-borough Councils approve the setting up of a Section 113 agreement to enable the virtual team to be established.

## **3. REASONS FOR DECISION**

- 3.1 The development of a BI capability enables improved understanding of service performance and provides the insights needed for increased and improved evidence-based decision making. These capabilities are essential to the Tri-borough councils' abilities to respond to future financial and delivery challenges.
- 3.2 Approval and funding will enable the initial pilot projects proposed within this document (Freedom Passes, Single Person Discounts and Tenancy Fraud) to be delivered as a minimum. These offer assured net financial benefits of £1.5m and a

return on investment of 55% over 3 years with other projects providing a contribution that will increase the ROI beyond 55% (projected and possible).

- 3.3 The resource invested in the business intelligence capability to deliver the initial three projects is designed to be completely reusable and allow individual projects to build into a BI Service. This delivery model maximises benefits beyond just the project-specific ROI or outcomes, offering the potential for further benefits within the 18 month pilot period and beyond. Appendix H lists possible candidate projects beyond those already identified with assured and projected benefits.
- 3.4 Delivering successful BI-enabled projects will provide the evidence to engage a greater number of services in employing the BI Service. In turn, this will enable greater return on investment and delivery of additional benefits across Tri-borough, by capitalising on the significant reusability that a shared BI service offers.
- 3.5 The internal BI Pilot model recommended in this business case offers significant value for money especially when compared to outsourced solutions, and would be an excellent example of an innovative approach only made possible by the Tri-borough arrangement.

#### **4. BACKGROUND**

- 4.1 The term “Business Intelligence” (BI) is used to describe the analysis and modelling of data to provide information to support a business in decision-making and planning. A data warehouse is simply a database with specialised features: (1) it is used to store large quantities of usually historic data from multiple datasets from difference services; and (2) this data has been optimised for producing reports in a way that supports business decision making.
- 4.2 Organisations without BI capability often struggle to establish a comprehensive view of their business because their information is poor, fragmented across the organisation, and not easily accessible. In a council this may manifest in siloed information about services and residents, which can lead to missing crucial insights and interventions, untapped opportunities for fraud prevention and duplicated officer time.
- 4.3 Currently in Tri-borough there is some utilisation of BI, and extensive use of a data warehouse in Westminster, but this is extended to limited services. There are analytical teams in two of the corporate centres and in some departments who support commissioners and services. However, the exploitation of the full potential of information owned by the organisations through these functions is uneven. Under current arrangements, multiple copies of data are sometimes held, work is duplicated, data across Tri-borough is underused and information governance barriers are only overcome on an ad-hoc basis. In addition several similar BI toolsets are licensed and maintained and opportunities for reuse are not exploited.
- 4.4 From this nascent activity, there are convincing examples of successful BI deployment in Tri-borough. The successful delivery of the Family Recovery programme is one example of BI-type work in action, as it brought together and

maximised information from across service areas to identify families at risk of requiring costlier interventions. Whilst this programme demonstrated the clear benefits of this type of BI application, synthesising data from diverse sources into useful reports that enabled preventative action required extensive effort, officer time and analyst resource. The reality is that without a Tri-borough BI service in place, enabling such analysis is highly problematic, time consuming and must be repeated for each new initiative. A Tri-borough BI service, using an enterprise data warehouse, would provide much faster access to cross-cutting intelligence whilst ensuring that the intelligence gained could be used in other ways.

## **5. THE CASE FOR A SHARED BUSINESS INTELLIGENCE SERVICE**

### **5.1 Change drivers for BI**

Further reform of services across Tri-borough is essential if we are to deliver the required savings. Without up-to-date, integrated information we will struggle to respond to the Local Government reform agenda in an effective and economical way (e.g. Social Impact Bonds, Community Budgets, and Public Health).

A Tri-borough BI service would play an important role in enabling inter-borough working. Information is spread across numerous, disparate systems across the three councils. A data warehouse can be utilised to deliver a single set of integrated information whilst making it far easier to map outcomes against interventions.

There are significant, untapped opportunities to improve service performance, increase revenues and reduce operating costs through better use of available information. This document highlights a number of identified opportunities to make better use of available information to achieve the following outcomes:

- Improved quality of life for residents
- Cost savings
- Increased Revenue
- More from better
- Joined up service delivery

It is difficult to quantify accurately the cost of delivery of the current statistical analysis activity as analysis teams operate at the corporate centres and in many services in a dispersed way. This means that the budget for this activity is not segmented to allow costing, without significant resource investment. What we do know is that numerous, very similar BI and analysis toolsets are maintained across the council and a number of key activities are repeated. Furthermore, in many cases outputs are not reused and instead new solutions are delivered in response to each new requirement. Stakeholders believe this is due to both technical limitations and lack of knowledge across business group silos and Councils.

Investing in a single, reusable BI capability will therefore save councils money and officer time in the medium term, and will improve the quality and capability of BI to support council analysis, planning and decision-making in the longer term. It will reduce our dependency upon key specialists who currently hold considerable knowledge of our systems and data. This is a key inherent risk for our current BI delivery practices.

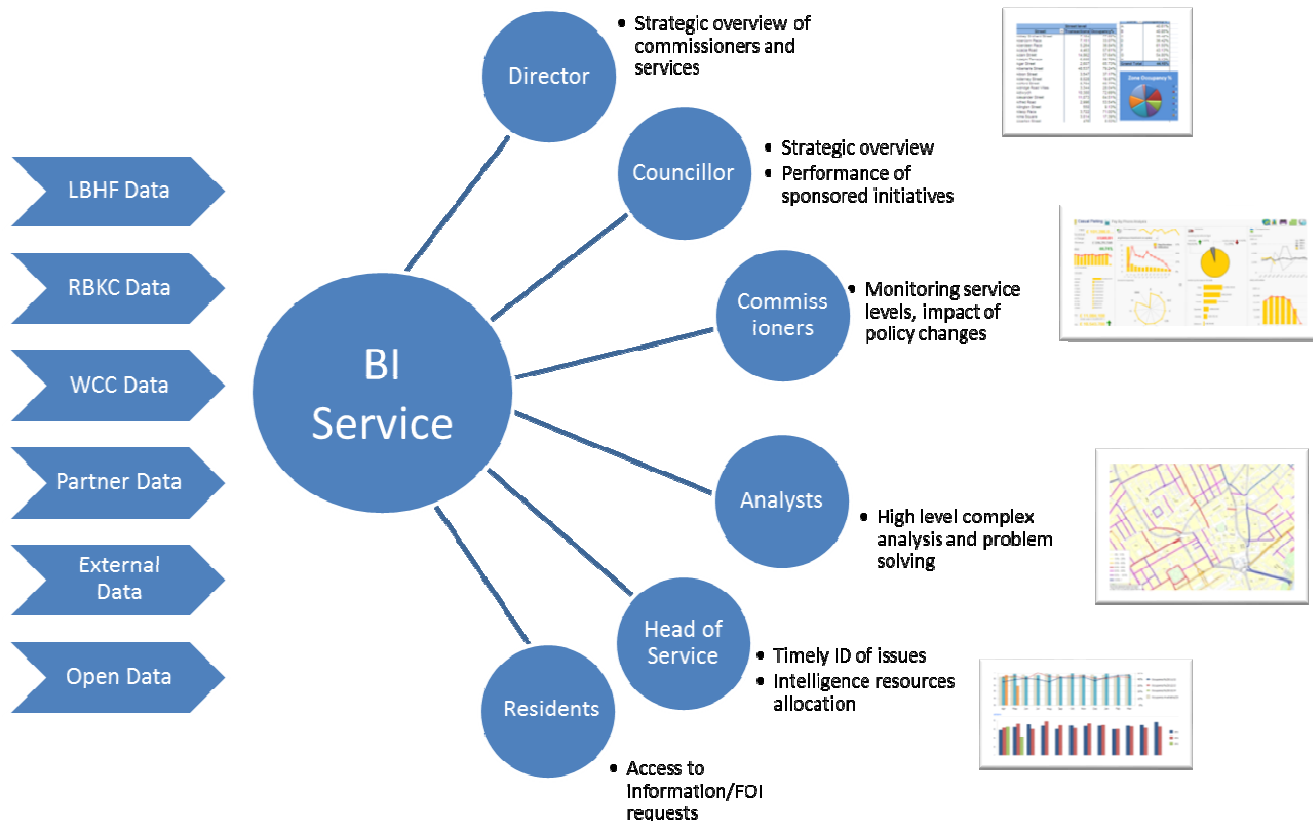
Evidence from across Tri-borough suggests that we do not make best use of information to influence and evidence our key decisions, policies and plans. This can result in missed opportunities, delays in spotting problems or insufficient control over resources. Whilst we often want for analysis tools and information that are effective and accessible, in many cases we also lack critical information management and analysis skills and experience.

Evidence-based decision making must be developed as a management capability within councils. As this improves, the availability of business intelligence will become increasingly important. Therefore, in order to ensure the availability and quality of business intelligence develops in line with our capability to use it effectively; BI delivery must be established as a core back office service.

## 5.2 **BI vision (future state)**

The following diagram illustrates the vision for a Tri-Borough, Corporate BI Service:

Figure 1. Tri-borough Bi Service Vision



The vision offers a number of significant advantages:

- The BI Service will establish a single, consistent set of information that is processed once and reused many times. Data is integrated and consolidated from multiple sources and transformed into information once, centrally within a data warehouse. This consolidates the costs of information delivery. It also promotes information consistency because all staff are working from the same, up to date set of numbers.
- Decision makers are able to self-serve to access exactly the BI they need, when they need it. Easy-to-use information and reporting/analysis tools are key enablers of self-service BI. If the tools are too complex or if the structure of the information is not intuitively understood by business users it will not be used. This is crucial if the BI competencies of the Tri-borough are to be developed. Self Service BI also reduces managers' dependency upon analysts. This is often a bottleneck that can reduce critical information usage.
- If managers can produce their own reports and answer their own questions, analysts can focus on more complex, high-value analysis, modelling and planning activities. For example, there is insufficient analytical capacity to identify the types of trends that will allow us to understand the interventions that reduce the number of children who are ultimately taken into care. This will also



make the analyst role more interesting and rewarding, thereby promoting retention of talent.

## 6. PROPOSAL AND ISSUES

### 6.1 Tri-borough BI Service three-year plan

It is proposed that a Tri-borough BI service is established and tested through a series of projects and business changes. A three phase implementation model is proposed to deliver the vision set out in section 5.2. The three phases are described at high level in the following table and are designed to cover a three year timescale. This KDR is concerned with Phase 1 only, which covers the initial 18 month BI Pilot.

	Phase 1	Phase 2	Phase 3
<b>Objective</b>	Initial setup of BI Service: Deliver initial projects to prove the value of Business Intelligence to the Tri-borough	Invest (in Service & Organisation) to establish BI as a Tri-borough Capability.	BI established as BAU capability.
<b>Success indicator</b>	Business Units are bought into the BI Vision	Business approach BI Service to complete work.	Business approach BI Service less - now able to self-serve.
	BI team established and delivering to time/cost and business benefits.	All Business units feed into Pipeline and contribute to BI demand management.	Business see BI Service as the primary source of internal Information to support decision making
		Emerging corporate information-driven culture.	

### Workstreams

<b>BI Delivery</b>	Set up of Tri-Borough warehouse architecture and processes.	Deliver additional BI projects from pipeline	TBC
	Migrate WCC Data Warehouse to BI Platform	Extend usage of existing BI capability	
	Deliver Freedom Passes		
	Deliver SPD		
	Deliver Tenancy Fraud		
	Deliver other projects		
<b>BI Service (Organisation, Skills, Processes and Technology)</b>	Setup BI Platform & Integrate into Tri-borough Infrastructure	Acquire additional software tools to improve effectiveness and extend capability (e.g. Multivue?)	TBC
	Refine Service Delivery Principles	Refine Service Delivery Principles	

	Initial definition of Tri-borough BI Architecture	Establish Service Level Agreements	
	Recruit to new roles within extended BI team	Engage additional BI teams - extend virtual network across Tri-borough	
<b>Business Change, Engagement and Organisational Development</b>	Communicate outcomes of BI projects	TBC	TBC
	Deliver BI road show to demonstrate capability across Tri-borough	TBC	TBC
<b>Information Governance</b>	Agree and deliver Information Governance Framework for BI	TBC	TBC
<b>BI Governance &amp; Demand Management</b>	Implement provisional BI Governance & Demand Management mechanisms	TBC	TBC

## 6.2 Phase 1: Tri-borough BI 18 month pilot objectives

To successfully grow a Tri-borough BI Service it is proposed to run an 18 month pilot project to demonstrate the benefits that can be achieved and justify further investment. The objectives of this pilot will be to:

- Build the Tri-borough BI service team
- Build the Tri-borough data warehouse
- Set up information governance
- Deliver, as a minimum three projects with assured benefits
- Develop and implement an operating model for the service
- Establish appropriate governance
- Manage the business change necessary to embed and sustain the service
- Set up a process for prioritising a pipeline of demand and initiating projects
- Deliver other projects from the pipeline according to priority.

## 6.3 Build the Tri-borough BI service team

The BI service team will be formed by bringing together teams of BI and analytical experts from across Westminster and Hammersmith and Fulham to work as a virtual team. Individually these teams have the proven skills and experience to deliver successful BI solutions. They have a thorough understanding of the data that is held and of the workings of the business units.

The Westminster BI team currently comprises 3 FTE. This will be increased by 2 FTE to enable the pilot to be supported without impacting the business-as-usual activities of that team.

Intelligence Analysts from Westminster and Hammersmith and Fulham will, while remaining in their constituent boroughs, form the remainder of the virtual core

delivery team and work across Tri-borough. This team will work with a wider virtual team including managers, business change consultants and customer representatives to deliver the BI service.

#### 6.4 Tri-borough data warehouse

To establish the data warehouse for the Tri-borough BI Pilot, the existing Westminster data warehouse and BI service will be reused and enhanced to enable Tri-borough delivery. This current technical infrastructure is insufficient for a Tri-borough capability so it will be necessary to move the existing warehouse to a new platform and to build additional interfaces with operational systems to bring in additional data.

This Tri-borough data warehouse will then become the basis for the development of a single data store for the Tri-borough that enables data to be processed and loaded once and reused many times. The team will integrate and consolidate data from multiple sources and transform it into information for decision making. This makes key decision-making data more useable, accessible to more managers and commissioners, reduces the cost of information by removing duplication of data storage and creates consistency as outputs are delivered from the same source.

#### 6.5 Information governance

Critical to the working of a Tri-borough BI service is the ability to source, share, process and use information and data. This requires appropriate information governance to be in place to ensure maximum use of data whilst maintaining legal/organisational compliance. An Information Governance Position Statement has been developed through a series of workshops. In order to ensure full collaboration these have been attended by the BI Pilot team, Business Change team, Information Managers, data owners and Caldicott Guardians from all three boroughs.

This Information Governance Position Statement sets out an agreed road map of processes and templates required to develop BI information governance. It represents a validated scope of work to ensure data sharing for Tri-borough BI works successfully. Whilst the development of the roadmap has been driven by the BI programme, most of the actions have wider applicability for Tri-borough information management. The full statement is attached as Appendix A.

#### 6.6 The three initial projects to be delivered by the Pilot are:

##### Freedom Passes

Across Tri-borough around £30m per annum is spent on freedom passes for people over 65, people with disabilities and/or vulnerable people. (LBHF - £9m per annum, WCC - £13m, RBKC £8.5m). An internal study in Hammersmith and Fulham has enabled 730 passes to be closed as the holder has proved to have subsequently died or moved out of the borough. This has saved £240k pa. It is estimated that on-going cost avoidance will be around £100k pa.

A similar exercise in RBKC has identified 572 passes that are likely to be candidates for closure. The same analysis has not been carried out in Westminster and it has identified that more passes are issued to older people than there are older residents in the population, according to census estimates. There are around 1700 passes that might be closed when full analysis has been undertaken.

The Freedom Passes project will deliver a repeatable process and a solution that uses multiple data sets to identify discrepancies and assign a risk score. This will enable the service to target cases where there is a high probability of cancellation.

The business case for the Freedom Passes project is attached as Appendix B.

#### Single Person Discount

A Single Person Discount (SPD) of 25 per cent can be claimed by any household where there is only one adult eligible to pay Council Tax living in the property. It is believed that a large number of SPDs are fraudulently or mistakenly claimed. Different levels of validation checks are undertaken in the three boroughs with varying levels of rigour. In the case of RBKC £30k per annum is spent on using an external provider to match data against credit agency data.

The SPD project would deliver a framework that models the likelihood of an erroneous or fraudulent claim. The results of investigations will be used to modify the model and new datasets will be added and so the model will evolve and become more effective.

The business case for the SPD project is attached as Appendix C to the exempt report.

#### Tenancy Fraud

Tenancy Fraud is a breach by a tenant for personal gain. It can take a number of forms such as sub-letting, abandonment (leaving a property empty, usually for future misuse), succession (where the successor of a deceased resident remaining in a property when ineligible to do so) and general breach (such as obtaining tenancy using falsified documents).

Boroughs are generally reactive in their approach to managing tenancy fraud. As a result the severity of the problem is unclear as is the effectiveness of remedial measures. Where pro-active investigations are undertaken (e.g. in Westminster) third party data matching is employed.

The Tenancy Fraud project will use existing data to produce exception reports that identify high-risk addresses. This data will be cross-referenced with data from the credit agency Experian in order to target investigations.

The business case for the Tenancy Fraud project is attached as Appendix D.

## 6.7 Operating model

The detailed operating model for BI Service delivery will be developed throughout the pilot. It will focus on the integrating elements of organisation, process and technology to deliver an effective service to the Tri-borough councils.

It is anticipated that the following services will be included in the target operating model

### **Front Office Services (Partly or wholly visible to the customer):**

- Expertise and Consulting Service
- Benefits Planning & Realisation Service
- Organisation Development & Business Change Management Service
- Major Setup and Change Service
- BI Helpdesk and User Support Service
- Data Reporting Service
- Data Analysis and Expertise Service
- Data Quality Issue Management Service

### **Back Office Services (Mostly invisible to the customer):**

- Service & Demand Management Service
- BI Solution Architecture Service
- Operation, Support & Maintenance Service
- ETL (Extract, Transform & Load) Services
- Data Store (Data Warehouse & Data Mart) Services
- Export Interface Data Service
- Master Data Matching Service

## 6.8 Pilot governance

The proposed governance requirements for the successful delivery of the pilot encompass two functions - the Strategic and the Executive.

The Strategic function will ensure the business builds incrementally on project delivery to establish a fully-fledged BI service whilst creating a parallel cultural change of evidence based decision-making and commitment to service improvement. This board would be likely to have senior representation from across all service areas.

The Executive function will manage and take accountability for the successful delivery of the Pilot plan and outcomes, own the Service Delivery Principles, act as the operational decision-making body for the programme and escalate decisions to the Strategic function only when there are large strategic implications. This board will have representation from each team involved in service delivery and the services where projects are in implementation. The membership of these boards and how they function will be defined as part of the mobilisation phase of the pilot with guidance from senior stakeholders.

A cultural shift will be necessary to embed BI as a pivotal part of the decision-making process and as central to achieving business outcomes. We propose this should be

achieved by linking BI planning to other strategic activities such as business planning and the monitoring of benefit realisation. In parallel with the technical capability being developed by the BI Pilot, a business change work stream will be undertaken to develop people and culture, grow the engagement across Tri-borough and build awareness of the opportunities that the BI Service can offer. To this end the Innovation and Change Management and Business Development Unit functions of the three councils will work closely with the BI service and have specific responsibility for benefits management during project delivery.

During the setup activity for the BI Pilot a pipeline of potential projects for the service to deliver has been created. This contains 42 potential projects across the three boroughs that are queued and ready to explore once the pilot is up and running and the first three projects delivered. The potential projects have financial and non-financial benefits. For example:

### **Tri-Borough Asset Management Portfolio**

The aim is to use BI to build on the Tri-borough property asset database which will be delivered through Lot 3 of the Managed Service Programme, providing detailed information on our assets linked to systems maintained by the Tri-Borough Total Facilities Management provider. To illustrate the impact, an additional five per cent release of operational floor space could provide a £2.5m additional revenue savings per annum or £2.7m additional income per annum or increased capital receipts of £53m (at 5 per cent yield).

### **RBKC Community Safety**

There is new legislation coming into power regarding antisocial behaviour and the ability for residents to call for a case review if they have made three or more reports to any of the above agencies and have not received a satisfactory response.

The RBKC community Safety Team wants to improve the efficiency of identifying repeat victims, hotspots, emerging issues and trends of antisocial behaviour across the borough. They require a BI solution that will bring together disparate data sources into a single source to enable intelligent deployment of resources to areas of most need and to comply with the new ASB legislation.

Weekly tasking meeting will use the intelligence from BI to proactively identify, and potentially predict, neighbourhoods with the highest incidents of antisocial behaviour. The detection of persistent address locations through BI will also assist with the identification and tracking of families in the tri borough Troubled families program where ASB is one of the 3 qualifying criteria. This improved intelligence will then inform the activities required to reduce antisocial behaviour and will be used to monitor the effectiveness of these actions.

This project will also lend itself to development of ASB BI for Hammersmith and Fulham where Bi-borough databases are used or similar dashboard specifications are desired.

## 7. THE PIPELINE OF PROJECTS

7.1 The following table outlines 10 of the projects in the pipeline that are currently considered to be high priority candidates for inclusion in the pilot.

Taxi Card Discrepancies	Taxi Cards are a transport benefit awarded to mobility-challenged residents whereby the council pay for a cardholder's taxi journeys. An exception report is required to highlight discrepancies regarding pass holder eligibility to hold the pass, thereby minimising the cost burden of this benefit to the council and introducing tighter controls to minimise future fraudulent claims.
Blue Badge Discrepancies	Blue Badges are a transport benefit awarded to disabled and elderly residents enabling them to park anywhere within the Borough. An exception report is required to highlight discrepancies regarding badge holder eligibility to hold the badge, thereby (potentially), introducing tighter controls to minimise future fraudulent claims.
New Homes Bonus	London Councils are incentivised to increase the number of residential properties within their boundaries. For every additional residential property that the council can report every year a financial bonus of £1000 a year for 6 years is paid to them. The councils maintain lists of long-term empty properties. A BI solution is required that highlights indicators of residential activity within these properties based upon transactions within council systems. This solution will also highlight potential cases of fraudulent activity.
Adults Services: Minimise the use of Residential and Nursing Care.	A BI solution will enable the Adults team to proactively intervene and reduce the number of elderly and vulnerable adults requiring residential and nursing care. The solution must enable the housing team to identify "at risk" adults and to target the interventions that offer the greatest chance of avoiding the need for residential or nursing care. It must also enable them to track whether proactive; targeted interventions are having the desired impact.
Adults Services: Minimise the use of Home Care.	Tri-borough expends significant resources every year to provide home care services to elderly and vulnerable adults. A BI solution will enable the Adults team to proactively intervene and reduce the number of adults requiring care by identifying "at risk" adults and targeting interventions that offer the greatest chance of avoiding the need for home care. This will allow the service to track whether proactive; targeted interventions are having the desired impact.

<p>Children's Services: (Children on the edge of care) Reduce the use of expensive childcare placements (incl. SEN, Fostering)</p>	<p>A BI solution will enable the Children's team to proactively intervene and reduce the number of children requiring placement care. This will enable the children's team to identify at-risk children and to target the interventions that offer the greatest chance of avoiding the need for placement care. It must also enable them to track whether proactive targeted interventions are having the desired impact. Using for payments mechanisms in social impact bond development.</p>
<p>Reducing crime and antisocial behaviour (ASB) in the borough. Focus on reducing re-offending.</p>	<p>Despite crime levels reducing, more work needs to be carried out to better understand reoffending levels, interventions and the impact of those interventions. The solution should include employment, training and housing interventions and help identify which interventions lead to the best outcomes in ASB managed cases.</p>
<p>Parking Permits - eligibility checking</p>	<p>As inner London boroughs, all three local authorities face intensive pressure on the number of parking spaces available in their respective boroughs. Residents can apply for parking permits which allow them to park in or near their own neighbourhoods.</p> <p>However misuse of parking permits is increasing across London, with the Evening Standard stating that each of the London Boroughs has an average of 500 people misusing such passes.<sup>1</sup> Between 2010 and 2012, RBKC said the number of falsely held residents' permits it had recovered annually had increased from 144 to 253 per year.</p> <p>We need a solution in place to routinely assess whether or not the holder remains eligible to use the parking permit in the borough, reduce any fraudulent use of passes, and potentially free up new spaces and increase the revenue received through parking fees.</p>

<sup>1</sup> <http://www.standard.co.uk/news/london/thousands-turn-to-parking-badge-fraud-7614559.html>



<p>Property and TFM: Optimise running costs, space efficiency, income generation and carbon savings across the Tri-Borough property portfolio.</p>	<p>The introduction of an appropriate BI system will assist and speed up the property review process which will in turn deliver revenue savings, income generation and carbon savings across Tri-borough. This will be achieved by reducing the operational estate footprint over and above current rationalisation projects. It will provide better quality data for analysis and decision-making. Outcome of property reviews will ensure that the operational estate is optimised in terms of utilisation and meets the current and future needs of council services. This can be delivered through the investment in existing buildings or the provision of new buildings.</p> <p>The headline figure is that every 1% reduction of freehold accommodation could provide for a net benefit of circa £1m (savings and income combined)</p>
<p>Individual Electoral Registration</p>	<p>Government legislation exists to tackle electoral fraud by speeding up and modernising voter registration. Westminster's match of Electoral Role to the DWP database was the 2nd lowest in the country (behind RBKC)</p> <p>The electors unmatched to DWP data need to be verified against council held data in order for them to be kept on the Electoral Register.</p>

## 8. OPTIONS AND ANALYSIS

- 8.1 In 2012 a BI managed service was scoped through competitive dialogue with a number of providers. This was conducted under the Athena Managed Services Programme. Cognizant were appointed preferred supplier and their managed service offering was geared towards assisting Tri-borough to achieve the BI vision and strategy outlined within this document.
- 8.2 Subsequently a comparison was conducted on the basis of cost and quality to establish whether the Tri-borough should deliver the BI vision and strategy internally rather than via the managed service. The findings of this exercise are in the BI Financial Evaluation document (Appendix E in the exempt report). This shows that it would be significantly cheaper to pursue the internal option.
- 8.3 The BI Programme Board agreed that the internal option should be pursued initially as an 18-month pilot. This will use a virtual BI organisation to deliver the pilot and so minimise the timescale and costs associated with mobilising the project. It utilises the skills and experience from a number of corporate teams across Tri-borough. It will work to a set of agreed service delivery principles - successful joint working, successful delivery, demonstrable results and satisfied customers. The full service delivery principles are attached as Appendix F.
- 8.4 Subsequently it has been agreed that BI will be closed down as a Managed Services project. The BI Pilot proposed here will be initiated as a new project under the oversight of the Corporate Services Portfolio.

- 8.5 For the replatforming of the existing data warehouse three options have been considered for the replatforming work
- a. Outsource to Cognizant
  - b. Use the existing IT team in RBKC
  - c. Undertake a full GCloud procurement exercise.

8.6 The BI Programme Board on the 17 December 2013 it was agreed to recommend the adoption of the RBKC proposal. In making this decision it considered the following factors:

- It acknowledged that as BI specialists Cognizant are likely to have more specific, expertise than RBKC but this was not considered crucial as RBKC have considerable experience and this is bolstered by considerable knowledge and capability in Westminster
- Storing data through an external hosting company as opposed to using internal infrastructure would add complication to data security issues
- Using RBKC will represent a clear benefit of the principle of Tri-borough working
- Performing a full GCloud procurement exercise would add several months delay to the programme and it would not be realistically expected to yield prices that would compete with the RBKC proposal.

A table of evaluation considerations for each option is attached as Appendix G to the exempt report.

8.7 Once the pilot is completed progress will be reviewed and a decision made whether to continue with the internal option, to switch across to the managed service or to stop the programme entirely.

## **9. CONSULTATION**

9.1 No external consultation is required for this proposal

9.2 This paper will be presented to: -

- Bi-borough Transformation Board
- Strategic Executive Board
- Tri-borough Corporate Services Steering Group
- LBHF Cabinet
- RBKC sign off by Councillor Gardner via Policy Board
- WCC sign off by Councillor Caplan

- 9.3 Individual project business cases have been signed off by business champions in each of the boroughs as laid out in the relevant business cases.
- 9.4 Consultation will need to take place with employees included in the Section 113 agreement.

## **10. EQUALITY IMPLICATIONS**

- 10.1 The business case has been reviewed by Carly Fry, Opportunities Manager, Innovation and Change Management
- 10.2 There are no direct equality implications arising from the building of a Tri-borough BI service. However it is likely that individual projects that make use of the capability will advance the Tri-borough's objectives under S149 of the Equality Act 2010 in eliminating discrimination, advancing equality of opportunity and fostering good relations. Candidate projects include: -
- Welfare Reform  
Offender Management  
Troubled Families

## **11. LEGAL IMPLICATIONS**

- 11.1 Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided for by the agreement, of officers employed by the former. Officers placed at the disposal of the "borrowing" authority are treated as an officer of that authority for the purposes of all their statutory functions whilst remaining an employee of the "lending authority" for employment law purposes. Before entering into an agreement under section 113 the affected staff must be consulted.
- 11.2 Any services which fall outside the scope of a section 113 agreement may be subject to the Public Contracts Regulations 2006, unless one of the exceptions established under case-law are satisfied, i.e. the in-house Teckal exception or the Hamburg waste exception. In this instance it does not appear that the tri-borough business intelligence service would fall under either exception as the arrangement is not an in-house arrangement and neither is it an arrangement of co-operation between public bodies with the aim of ensuring that a public task which they each or all have to perform is accomplished.
- 11.3 If the procurement rules apply to the arrangement the risk of a challenge from an aggrieved bidder is mitigated by the fact that the pilot arrangement between the authorities is under the current EU threshold for services, which is £172,514.00. However the fundamental rules and general principles of the Treaty on the Function of the European Union apply, in particular the principles of equal treatment, transparency and non-discrimination on grounds of nationality. As a general rule,

the Council should undertake a degree of advertising even for below the threshold services, in particular where the contracts have a connection with the functioning of the EU internal market.

- 11.4 If it is later established that a service contract in addition to the section 113 agreement is required, authority will need to be sought to waive the requirement to seek tenders in accordance with the Contract Standing Orders.
- 11.5 Legal Services will be available to assist the client department with finalising the Section 113 Agreement and any other contractual documentation.
- 11.6 Implications verified/completed by: (Kar-Yee Chan, Solicitor (Contracts) Tel No 020 8753 2772)

## 12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1 The assured benefits alone enabled by the pilot, together with BI being a critical enabler for public service reform, show that the BI pilot is a very attractive investment even before the financial benefits from the other projects are considered.
- 12.2 The table below summarises the costs and benefits.

The costs in the table are broken down as follows

**Staff** – This encompasses

- § One LBHF analyst who will be shared with RBKC
- § The existing WCC BI team increased by two FTE. This additional resource may not be required depending on demand
- § Technical Expert – contracted to WCC BI team to set up the technology platform and processes, train staff and manage transition to new platform
- § ICM business change staff

**Technology** – This represents the cost of upgrading the WCC data warehouse, replatforming on RBKC infrastructure and providing connections to the various users. The £170k represents approximately £145k one-off set up costs and £25k ongoing support costs.

**Project Delivery** – This includes the costs of building and supporting new interfaces to operational systems to bring in new data sets as projects require them. It would be expected that this cost will reduce as the service matures as fewer new interfaces will be required and more reuse is made of existing data.

There is a significant variance in the level of costs across Tri-borough for the following reasons:

- WCC costs are relatively low as many interfaces are already in place

- LBHF costs are based on estimates provided by the Bridge Partnership based on high-level requirements. It is not possible to provide detailed requirements until comprehensive analysis has been undertaken for each project.
- RBKC will use internal resource and so their costs are relatively low.

**Contractors and Consultancy – This includes**

- Programme management - to manage the setup of the service
- Information management - project manager to set up processes and governance around data sharing and to manage data sharing issues and risks
- Expert business intelligence consultancy – for example from Cognizant

12.3 Financial Implications verified by for LBHF by Gary Ironmonger (Finance Manager – FCS).

12.4 The business case has been reviewed by Stephen Muldoon for WCC. Westminster will fund the project from existing ICT budgets.

12.5 The business case has been reviewed by Hitendra Godhania for RBKC who has commented as follows  
 “The estimated costs for RBKC of this initiative range from £581,000 for an 18 month pilot to £922,000 for a 36 month pilot. Any costs that cannot be contained within existing resources will need to be met from the Transformation Reserve. “

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

	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
	None		

**LIST OF APPENDICES:**

Appendix A – Tri-borough Business Intelligence Pilot : information governance position statement

Appendix B - Tri-borough Business Intelligence Pilot : project business case  
– Freedom Passes

Appendix D - Tri-borough Business Intelligence Pilot : project business case  
– Tenancy fraud

Appendix F – Tri-borough Business Intelligence Pilot : service delivery  
principles

Appendix H - Tri-borough Business Intelligence Pilot : project pipeline

Benefits	18 Month Pilot				3 Years			
	LBHF	RBKC	WCC	Tri-Borough	LBHF	RBKC	WCC	Tri-Borough
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Freedom Passes	£200.00	£350.00	£539.00	<b>£1,089.00</b>	£550.00	£818.00	£1,260.00	<b>£2,628.00</b>
Single Person Discounts	£452.00	£208.50	£124.50	<b>£785.00</b>	£817.00	£417.00	£249.00	<b>£1,483.00</b>
Tenancy Fraud	£54.46	£40.85	£39.00	<b>£134.31</b>	£64.20	£48.20	£78.00	<b>£190.40</b>
<b>Total Initial 3 Projects</b>	<b>£706.46</b>	<b>£599.35</b>	<b>£702.50</b>	<b>£2,008.31</b>	<b>£1,431.20</b>	<b>£1,283.20</b>	<b>£1,587.00</b>	<b>£4,301.40</b>
<b>Costs</b>	<b>Full Cost Basis</b>							
	This includes all costs including those that would be incurred by the boroughs irrespective of where the project was undertaken or not e.g. cost of permanent staff salaries who would otherwise be deployed on other work.							
Staff	£225.23	£225.23	£241.00	<b>£691.45</b>	£406.45	£406.45	£438.00	<b>£1,250.90</b>
Technology	£63.71	£43.07	£63.70	<b>£170.49</b>	£87.16	£62.48	£87.16	<b>£236.81</b>
Project Delivery	£291.79	£158.13	£80.00	<b>£529.92</b>	£499.18	£299.08	£140.00	<b>£938.26</b>
Contractors & Consultants	£154.19	£154.19	£43.49	<b>£351.88</b>	£154.19	£154.19	£43.49	<b>£351.88</b>
<b>Total costs</b>	<b>£734.91</b>	<b>£580.62</b>	<b>£428.20</b>	<b>£1,743.73</b>	<b>£1,146.98</b>	<b>£922.20</b>	<b>£708.65</b>	<b>£2,777.84</b>
<b>Return On Investment</b>								
Benefits after costs (£)	-£28.45	£18.73	£274.30	<b>£264.58</b>	£284.22	£361.00	£878.35	<b>£1,523.56</b>
ROI after costs (%)	-4%	3%	64%	15%	25%	39%	124%	55%
	<b>Additional Funding Basis</b>							
	* This excludes the costs that will be included in the Boroughs' budgets irrespective of whether this project is carried out. This table shows the additional funding requirement over and above that already budgeted							
Staff	£173.00	£200.23	-£45.50	<b>£327.73</b>	£302.00	£356.45	-£135.00	<b>£523.45</b>
Technology	£63.71	£30.57	£63.70	<b>£157.99</b>	£87.16	£42.48	£87.16	<b>£216.81</b>
Project Delivery	£291.79	£0.00	£80.00	<b>£371.79</b>	£499.18	£0.00	£140.00	<b>£639.18</b>
Contractors & Consultants	£154.19	£154.19	£43.49	<b>£351.88</b>	£154.19	£154.19	£43.49	<b>£351.88</b>
Additional funding Requirement*	<b>£682.69</b>	<b>£384.99</b>	<b>£141.70</b>	<b>£1,209.38</b>	<b>£1,042.53</b>	<b>£553.13</b>	<b>£135.65</b>	<b>£1,731.31</b>
<b>Return On Investment</b>								
Benefits after costs (£)	£23.78	£214.35	£560.80	<b>£798.94</b>	£388.67	£730.07	£1,451.35	<b>£2,570.09</b>
ROI after costs (%)	3%	56%	396%	66%	37%	132%	1070%	148%

\*Data recently received from Data Tank that may result in a benefit to RBKC from the Single Person Discount project is currently being analysed

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA  
LONDON BOROUGH OF HAMMERSMITH AND FULHAM  
JOINT MANAGEMENT TEAM**

**TRI BOROUGH BUSINESS INTELLIGENCE PILOT**

**INFORMATION GOVERNANCE POSITION STATEMENT**

The Joint Management Team is invited to comment on the Information Governance Position Statement which sets out the activities to develop information governance to support a future Tri Borough Business Intelligence service.

For information and discussion



The Information Governance Statement is a supporting document for the Tri Borough Business Intelligence (BI) business case that will be submitted to Bi borough Transformation Board on 22<sup>nd</sup> January 2014.

## **1 Introduction**

Critical to the working of a Tri-borough Business Intelligence (BI) service is the ability to source, share, process and use information and data. Developing a Tri-borough BI Pilot therefore requires appropriate information governance. This Information Governance Position Statement sets out a road map of processes and templates to develop BI information governance, in order to ensure maximum use of data whilst maintaining legal/organisational compliance.

These suggested processes and templates have been developed collaboratively (see Appendix A) with the key challenges and opportunities of Tri-Borough BI in mind. However, while all processes and templates will directly support BI, as an added benefit most have wider Tri-Borough applicability and potential use.

This Position Statement represents an agreed scope by the stakeholders involved of what work is needed to make data sharing for Tri-Borough BI work well. A decision is required to authorise this scope.

Next steps following decision are to:

- Prioritise the suggested processes and templates based on most efficient, logical or time sensitive way forward
- Schedule resourcing and development including responsibilities and timescales.

## **2 Information sharing and use needs in Business Intelligence: data warehousing**

A data warehouse is a database used for reporting and data analysis. It is a central repository of records that are created by integrating data from one or more disparate sources. Data warehouses store current as well as historical data in records and are used for analysis, modeling and forecasting to support management decision making.

Benefits to the Tri-Borough of data warehousing include:

- Reduction of the amount of effort, time and cost associated with acquiring, integrating and preparing data for analysis and reporting. This in turn provides analysts with the opportunity to spend more time analysing data sets and identifying useful insights.
- Increased consistency of information used across the Tri-Borough for reporting and analysis (one set of numbers).
- Removal of the barriers and limitations associated with siloed information.
- Non-technical specialists enabled to perform data analysis for themselves.
- Data quality is systematically measured. This doesn't solve the problem of poor data quality but:
  - it makes it easier to manage the problem and;
  - it enables managers to factor quality of information into their decision-making.
- Information is presented in a format that minimises processing times for complex analysis enabling more of these operations to be carried out.
- Better means to understand the compliance requirements of any primary legislation governing the processing of data collected and stored by the business, for example the Local Government Finance Act 1992 for council tax data.
- Standardised approach to information security could reduce Tri-Borough risk of unauthorised information access or usage.

### 3 Information management concerns associated with data warehousing:

- Those responsible for information sharing and usage have a reduced capacity for control over the data.
- A data warehouse is a single point of failure for unlawful information access and usage. Security risks could increase with more data sharing.
- Data quality and consistency is uneven and could make it difficult to integrate and match data.
- Poor data quality reduces the potential value to be derived from a single, integrated information set.
- Ensuring compliance with legislation in a data warehouse could be complex.
- Inappropriate data matching could impact negatively upon the public, increase service user/customer complaints and could cause reputational damage.
- Technical complications could arise interfacing across systems, including how to manage masking sensitive data.
- Clear retention and disposal controls are necessary to satisfy both primary and secondary legislation (such as principle 5 of the Data Protection Act 1998).

### 4 Information governance for BI – suggested processes and templates

This section details what would be needed to meet requirements of elements of information governance. The next steps following decision will be agreement on priorities and how to resource and develop each solution, including deciding accountabilities and responsibilities.

Element of data sharing	Suggested action, new process or document	Priority	Potential approach
Selecting datasets	1. Develop profiles of different core datasets, particularly Council Tax, the edited Electoral roll and ASC data	High	TBC
	2. Develop Business Intelligence project decision tree for selecting datasets	TBC	TBC
	3. Develop and establish Tri-borough template consent forms	TBC	TBC
Data use – personal and sensitive data	4. Establish standardised guidelines on how to meet Principles 1 and 2 and Schedule 2 and 3 conditions in Data Protection Act	TBC	TBC
	5. Develop a process flow chart on how to secure data sharing and use permission	High	TBC
	6. Develop Tri-borough Privacy Impact Assessment template	TBC	TBC
Data sharing with third parties	7. Use the Tri-borough Operational Information Sharing Agreement	TBC	TBC
	8. Use the register of existing mono/bi/tri-borough partnership information sharing protocols in place	TBC	TBC
	9. Use the Tri-borough Information Sharing Protocol template	TBC	TBC
Assurance of technical capability and using masking	10. Establish Tri-borough standards for technical assurance of information security and handling, including masking data	TBC	TBC
	11. Develop a statement of technical compliance that sets out how BI systems meet technical and masking requirements	High	TBC
Data and record retention and storage	12. Agree a retention and disposal mechanism for the data and records stored in data warehouse	TBC	TBC

## 5 Information governance for Business Intelligence – what needs to be done

<b>Element</b>	<b>What's needed to demonstrate compliance</b>	<b>Suggested processes or documents to be developed</b>	<b>Benefits</b>	<b>BI Pilot only or wider Tri-borough?</b>	<b>Project-by-project, or reusable?</b>
Data sets held by service areas across the Councils	See other sections	<p><b>1. Generic profiles of core datasets (e.g. Council Tax, edited Electoral Roll)</b></p> <p>Each core data set would be profiled in order to create a re-usable, consistent set of information agreed by data owner and information managers.</p> <p>Profile would describe:</p> <ul style="list-style-type: none"> <li>A. What the data set contains (borough addresses, person end date, etc.)</li> <li>B. Compliant sets of information available by use (e.g., level 1 - <i>age group</i> and <i>end date</i> available for most purposes; level 2 - <i>address</i> and <i>specific age</i> available if xyz purpose demonstrated; level 3 - <i>name</i> available only if escalated and released by senior risk owner)</li> <li>C. Cost and means of extraction, including what interfaces have been already built with data warehouse</li> <li>D. What laws apply to that data set and what legal exemptions could be met to allow access (e.g. criminal investigation exception)</li> <li>E. Who the data owner is</li> <li>F. Masking and anonymising data options</li> </ul>	<p>Minimise effort associated with data set risk assessment</p> <p>Promote consistency of decision making</p> <p>Minimise Information Manager workload – would need to only develop a complete profile of each dataset once and tweak this as needed.</p>	Wider Tri-borough use possible	Reusable

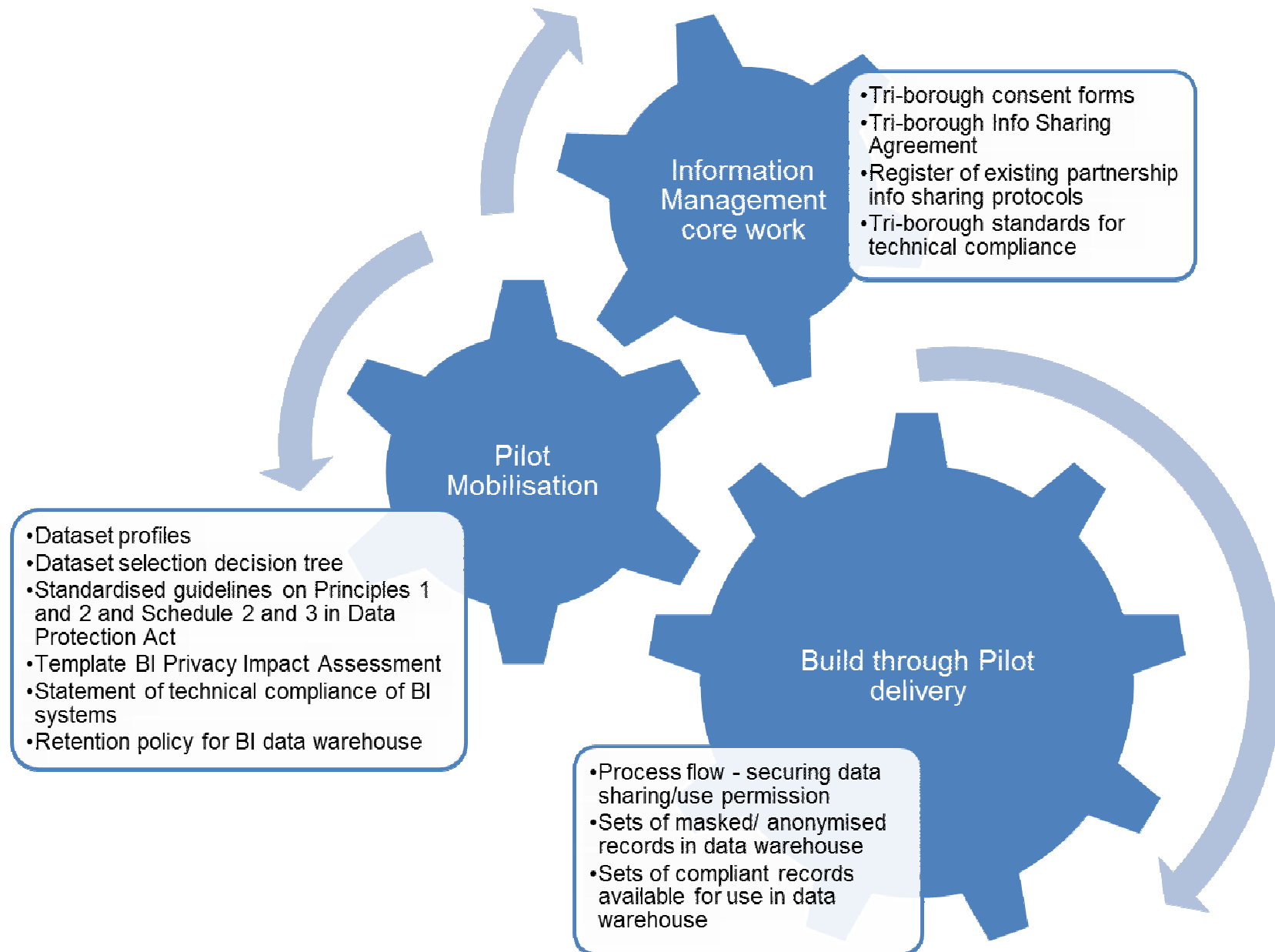
		<p>and existing identifier tracking systems in place, if applicable</p> <p>G. Rating of data quality using agreed criteria/process</p> <p>H. Escalation road map should data owner refuse</p> <p>These profiles would be centrally maintained to assist with keeping up to date with law changes, and used by BI and other projects that need data to decide which data sets to pursue.</p>			
		<p><b>2. BI project dataset decision tree</b></p> <p>Decision tree to assist decision-making about which datasets to pursue for any given BI project.</p>	<p>Promote consistency of decision making and standardise BI project definition process</p> <p>Minimise Information Manager workload</p>	<p>BI Pilot relevant, but could be made generic for Tri-borough use if demand</p>	<p>Reusable</p>
		<p><b>3. Tri-borough consent forms guidelines/template</b> for the business, designed to maximise potential data use whilst maintaining fairness, transparency and protecting privacy of data subjects.</p> <p>Issues will need to be resolved through the process of developing a consent template. These include concerns around service user choice, ensuring understanding of combining their data and likely impacts on them alongside a proportional consideration of how likely data collected will be used for BI purposes.</p>	<p>Consistent data usage and processing across Tri-borough</p> <p>Widest possible consent gathered at point of collection, enabling best use for best insights from BI</p>	<p>Wider Tri-borough use</p>	<p>Reusable</p>

<b>Element</b>	<b>What needed to demonstrate compliance</b>	<b>Suggested processes or documents to be developed</b>	<b>Benefits</b>	<b>BI Pilot only or wider Tri-borough?</b>	<b>Project-by-project, or reusable?</b>
Data collection and use – personal ( <u>non sensitive</u> ) data	<p>Must fulfil Principles 1 and 2 and legal condition of use in Schedule 2 of Data Protection Act.</p> <p>Project scope and outline plan that clearly states:</p> <ul style="list-style-type: none"> <li>- Purpose of using the data, why it is being sought</li> <li>- Type of data wanting to process and why this data in particular</li> </ul>	<p><b>4. Standardised guidelines on how the Principles 1 and 2, and Schedule 2 and 3 conditions of use can be met</b>, including what types of data use purposes have been approved in the past that can be referenced</p> <p><b>5. Process flow chart on how to secure permission</b> for personal (non sensitive) and sensitive data sharing and use (e.g. develop project brief, submit to information manager for consideration and support, clear with data owner, escalate if refused). Will need to be developed alongside information managers current work to align to a single, Tri-borough information security policy/risk assessment model.</p>	<p>Promote consistency of decision-making. Minimise Information Manager workload</p> <p>Promote consistency of decision-making.</p>	<p>Standardised guidelines have wider Tri-borough use; examples could be built BI project-by-project</p> <p>BI Pilot relevant, but could be made generic for Tri-borough use if demand</p>	<p>Reusable</p> <p>Reusable</p>
Data collection and use – <u>sensitive</u> data	<p>Must fulfil Principles 1 and 2 and legal condition of use in Schedule 2 and 3 of Data Protection Act.</p> <p>Project scope and outline plan that clearly states:</p> <ul style="list-style-type: none"> <li>- Purpose of using the data</li> <li>- Type of data needed and why this data in particular</li> <li>- Outcome of the project – what action is to be taken, and if negative impacts for service users, how impacts will be mitigated</li> <li>- Whether the data can or will be masked, and how</li> <li>- If proposing masking is not possible, evidence why not</li> </ul>	<p><b>6. Tri-borough PIA template</b>, potentially a specific version for BI</p>	<p>Promote consistency of decision-making.</p>	<p>Tri-borough or BI Pilot specific if useful</p>	<p>Reusable</p>

<b>Element</b>	<b>What needed to demonstrate compliance</b>	<b>Suggested processes or documents to be developed</b>	<b>Benefits</b>	<b>BI Pilot only or wider Tri-borough?</b>	<b>Project-by-project, or reusable?</b>
Data sharing with third parties	<p>Information Sharing Agreement or clause in contract/SLA/KPI/Non-Disclosure Agreement that covers information sharing</p> <p>Tri-borough sharing: - There is an existing Tri-borough Section 113 information sharing protocol covering the three Councils which should be referenced and used</p> <p>ISP or NDA only to be created if confirmed existing ISA or contract clause not sufficient.</p>	<p><b>7. Tri-borough Operational Information Sharing Agreement</b> available and accessible</p>	<p>Users aware of and able to access this when setting up Tri-borough data sharing</p>	Wider Tri-borough	Reusable
		<p><b>8. Published register of existing tri/bi/mono borough partner contracts</b> that already contain a sufficient information sharing protocol (e.g. with NHS, Agilisys, etc.)</p>	<p>Users are of and able to access when setting up partnership data sharing, saving effort and time</p> <p>Minimise Information Manager workload</p>	Wider Tri-borough	Reusable
		<p><b>9. Tri-borough Information Sharing Protocol or Non-Disclosure Agreement template</b></p> <p>For use only when information sharing not covered by existing and current information sharing arrangements either as distinct agreements or existing clauses and KPIs in SLA or contract.</p>	<p>Users able to ensure all elements have been covered when needing to set up new agreement.</p> <p>Minimise Information Manager workload</p>	Wider Tri-borough	Reusable
<p>Assurance of technical capability and security</p> <p>Using identifiers with data masking</p>	<p>Statement that sets out: - Who has access to the data warehouse, and what controls are in place to manage access in general and to specific 'walled' sections if applicable - How staff who have</p>	<p><b>10. Tri-borough technical compliance standards</b> for data management systems that details data protection and compliance measures for masking data and tracking data identifiers</p> <p>Will need to be developed alongside information managers current work to align to a single, Tri-borough policy and in consultation with all three data security reps.</p>	<p>Promote consistency of decision making</p> <p>Minimise Information Manager workload</p> <p>Support data sharing requests and inform risk management decisions</p>	Wider Tri-borough	Reusable

	<p>access to sensitive data have been trained, CRB checked, etc.</p> <ul style="list-style-type: none"> <li>- What technical controls and security protocols are in place and how these are maintained</li> <li>- Contingency/procedures for dealing with any breach should it occur</li> <li>- Assurance on how tech is able to mask data and ensure masking carries through all stages of data processing</li> <li>- Assurance that have used masked identifiers wherever possible</li> </ul>	<p>11. Statement that provides details of how the <b>Business Intelligence Pilot's technical systems</b> meet all of the components needed to demonstrate compliance</p> <p>Proposed Data Warehouse Controls (to be more fully scoped with technical, information security teams):</p> <ul style="list-style-type: none"> <li>- Microsoft BI Enterprise Security measures.</li> <li>- Separate data matching and data analysis areas to ensure that personal and sensitive data sets are never combined.</li> <li>- Establish permissible record formats for key record types (e.g. Resident, Property, Business) to maximise scope for analysis, minimise information governance overhead and to eliminate information processing and usage risks.</li> <li>- Role-based access controls to restrict user access to specific reports or subsets of data (e.g. only records associated with a specific team, service or ward).</li> <li>- Audit logs to track user access and usage of information.</li> </ul>	<p>Minimise BI project team workload</p> <p>Provide robust assurance to data owners and support decision-making when data sharing requests escalated</p>	BI Pilot only	Reusable
Data and record retention and storage	<p>Record of how long each record can be retained for in the data warehouse and assurance that a system is in place to manage this</p>	<p><b>12. A retention and disposal mechanism for the data and records stored in data warehouse</b> that logs how long each record can be retained and flags records to be destroyed or retention re-negotiated.</p> <p>Data from business will be processed in the data warehouse to create records. Data is then destroyed and the records retained for a pre-defined period of time assessed on a project-by-project basis.</p>		BI Pilot only	<p>Reusable system</p> <p>Needs to be done again with each project</p>

## 6 BI Information Governance – Outline diagram action plan





## Appendix A

### Workshop 1 attendees

<b>Name</b>	<b>Position</b>	<b>Borough</b>
Ciara Shimidzu	Information Manager	LBHF
Fatima Zohra	Information Manager	WCC
Liz Man	Information Manager	RBKC
Kate Singleton	CHS Caldicott Guardian	Tri-borough CHS
Alison Painter	CHS	Tri-borough CHS
Damian Highwood	Data Analyst	WCC
Lee Fitzjohn	Data Analyst	LBHF
Simon Jones	Business Intelligence Business Owner	LBHF
Manisha Patel	Tri-borough Analysis and Customer Feedback Manager	Tri-borough ASC
Haydn Durrant	Business Intelligence Project Manager	Tri-borough
Caeli Christianson	Workshop Facilitator (ICM)	Tri-borough
Beth Gray	Workshop Facilitator (ICM)	Tri-borough

### Workshop 2 attendees

<b>Name</b>	<b>Position</b>	<b>Borough</b>
Ciara Shimidzu	Information Manager	LBHF
Fatima Zohra	Information Manager	WCC
Damian Highwood	Data Analyst	WCC
Lee Fitzjohn	Data Analyst	LBHF
Simon Jones	Business Intelligence Business Owner	LBHF
Manisha Patel	Tri-borough Analysis and Customer Feedback Manager	Tri-borough ASC
Haydn Durrant	Business Intelligence Project Manager	Tri-borough
Caeli Christianson	Workshop Facilitator (ICM)	Tri-borough

### Commented on drafts

<b>Name</b>	<b>Position</b>	<b>Borough</b>
Haydn Durrant	Business Intelligence Project Manager	Tri-borough
Matthew Castle	Business Intelligence - Change Consultant	Tri-borough
Lee Fitzjohn	Data Analyst	LBHF
Simon Jones	Business Intelligence Business Owner	LBHF
Ciara Shimidzu	Information Manager	LBHF
Fatima Zohra	Information Manager	WCC
Liz Man	Information Manager	RBKC
Jo Lodge	Business Intelligence Team Leader	Tri-borough

## **Appendix B**

**Key terminology**

**Data**

**Information**

**Information Sharing**

**Information Usage**

**Record**

# Appendix B

Innovation and Change Management

Tri-borough Business Intelligence Programme

Project Business case

Freedom Passes

## 1. Introduction/summary

- The Tri-borough spends approximately £30.5m each year on accessible transport for disabled and vulnerable people in the form of freedom passes. (LBHF £9m, WCC £13m, and RBKC £8.5m)
- This equates to £338(LBHF), £317(WCC), £314 RBKC per pass per year. Each pass is issued for a five year period.
- Since the last Freedom Pass renewal in 2010 until the summer of 2013, there had been no attempt to cleanse or validate the freedom pass holder list, and so spend and volume has been increasing as the boroughs are paying for passes for people who have died or moved out of the borough.
- By comparing and matching various data sets from disparate systems it is possible to identify discrepancies that indicate a possible fraud. A risk score can be assigned to each pass depending on the indicator, allowing the service to investigate those most likely to be closed and so ensuring the most effective use of resources.

## 2. Objectives

### a. Current State description

#### **Hammersmith and Fulham**

- An internal exercise has been undertaken that resulted in 730 passes being closed by the Accessible Transport team in H&F Direct. This realised an avoided cost of £240k pa. It is estimated that on-going annual cost avoidance will be in the region of £100k pa. These figures are net of any passes closed or cost avoidance as a result of a separate exercise to review eligibility by the London Councils and Experian.
- 670 additional passes that can be closed have been identified through work undertaken by London Councils and Experian. These are currently being closed.
- The backlog has been cleared and the target date for next full check is under consideration

#### **Westminster**

- In Westminster the budget for Freedom Passes lies in Adult Services
- Westminster undertook an exercise in June 2013 to scope the extent of the Freedom Pass issue in the Borough.
- The type of discrepancies found are broadly aligned with those identified by Hammersmith and Fulham and are shown in Appendix 1.
- Westminster does not have a significant issue with passes issued to out of Borough households, but does have a particular issue with multiple passes at properties which support vulnerable adults – in particular day and residential hostels.
- The methodology for identifying potential discrepancies is slightly different from H&F, and RBKC, although the principles are the same. A full solution would encompass other available data-sets from, for example Housing and Electoral Roll databases.
- No passes have been deactivated in Westminster and the percentages used to estimate deactivations are conservative based on a reprise of a sample of cases given more in-depth scrutiny, as opposed to actual deactivation.
- The Westminster Knowledge and Information Board, 14<sup>th</sup> November 2013, agreed that Adult Services should arrange to switch off passes for those deceased, write to out of borough households, and that the BI service should undertake further investigations to bring back improved certainties around other discrepancies.
- The Cabinet Member has agreed with this approach, and SEB informed of intended actions.

## **Kensington and Chelsea**

- In RBKC the budget for Freedom Passes lies in Adult Services. An initial exercise in RBKC identified 1695 passes with some level of discrepancy and 572 that are the most likely to be able to be closed immediately. This equates to a saving of £179.6k per annum. The remaining discrepancies will need further investigation to confirm (544 cases with a potential saving of £170.8k). These figures are net of any passes closed or cost avoidance as a result of the London Councils / Experian eligibility review.
- The type of “discrepancies” are broadly aligned with those detailed by Hammersmith and Fulham and are outlined in the table below.
- No passes had been de-activated in RBKC (mid November 2013).
- Due to experience with London Councils/ Experian closure exercise the Council will take a cautious approach to closing Freedom Passes.

### **b. Target State description**

A rule-based model is to be produced that provides a score indicating the likelihood that a pass can be cancelled because they were either issued in error or because of change in circumstances. The model will be developed continuously as new datasets are identified and added to the warehouse and as new business rules are identified based on feedback from customers. In this way it will become more effective as it is used.

Business customers will be able to access the model via dashboards and excel, providing a tool to enable likely cancellations to be carried out at source or picked up quickly and so maximising savings.

### **c. Measures of Success**

- Increase in number of passes closed and related avoided costs.
- Decrease in number of passes closed and subsequently reinstated.
- Decrease in number of complaints.
- Decrease in number of discrepancies not investigated
- Possible further avoided costs not yet realised
- Increase in model success (hit) rate

## **3. Business champion, buy-in**

Hammersmith and Fulham

- John Collins (Director, H&F Direct, Finance and Corporate Services) has been identified as Business Sponsor from H&F Direct and is actively engaged and pursuing projects within his area.
- Natalie Luck has been identified as key operational manager and fully engaged in initial project to identify and close freedom passes. Key officer responsible for the closure of passes, and the monitoring of benefits. Delivered successful project to clear backlog of LBHF cases.

## **Westminster / Kensington and Chelsea**

- Rachel Wigley is the budget holder and project sponsor in both Westminster and Kensington and Chelsea. Christian Markandu is the lead Commissioner. The solution in

Westminster is being driven forward by Damian Highwood (corporate analyst team manager) and Manisha Patel (Adult Services Business Analyst).

- Within Westminster and RBKC there is full agreement that for the purpose of protecting the public purse that Freedom Pass findings should be implemented.
- Other key data holders Westminster (Council Tax, Phil Black, Electoral Roll, Martin Pyriannous) have been involved and supportive in the scoping exercise, and would likely support data usage (providing the correct Information Management templates are developed) in implementation.
- Alice Devine and Ray Brown have been identified as key RBKC operational managers, and are fully engaged in initial project to identify and close freedom passes. They will be instrumental in the process of closing passes and the monitoring of benefits.
- RBKC key data holders include Danny McIlroy for Council Tax and Housing, Manisha Patel for Frameworki and Amanda Gill for Temporary Accommodation.

#### 4. Outline business case

Financial profiles differ across the councils due to H&F already addressed the backlog and RBKC/WCC not having done so yet

#### Hammersmith and Fulham Financial Benefits

The financial benefit is future cost avoidance and reducing unnecessary waste.

It is estimated that each Freedom Pass costs the local authority £338 per annum. Based an estimate of 300 passes closed per annum on an ongoing basis the savings in the following table are possible, based on the assumption that each pass closed would have been opened for 2.5 years (the time of eligibility reviews).

Freedom Pass benefits - over 5 years, all financial information in £(000's)	Yr 1 2014/15	Yr 2 2015/16	Yr 3 2016/17	Yr 4 2017/18	Yr 5 2018/19	Total
<b>Number of Passes Deactivated in Each Year</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>1500</b>
Value of Passes Closed in Year 1	£100	£100	£50			<b>£250</b>
Value of Passes Closed in Year 2		£100	£100	£50		<b>£250</b>
Value of Passes Closed in Year 3			£100	£100	£50	<b>£250</b>
Value of Passes Closed in Year 4				£100	£100	<b>£200</b>
Value of Passes Closed in Year 5					£100	<b>£100</b>
<b>Total Savings</b>	<b>£100</b>	<b>£200</b>	<b>£250</b>	<b>£250</b>	<b>£250</b>	<b>£1050</b>

Note that Local Authorities are billed for Freedom Pass costs based on the list at the end of May each year. This means that a reduction in Freedom Passes through deactivation work completed by the end of May 2014 would result in those costs being avoided in financial year 2015/16.

## Westminster Financial Benefits

- The potential financial benefits to Westminster in the table below were presented to KIB.
- The percentage estimated to deactivate was originally taken from early Hammersmith and Fulham work- they may require revisiting to reflect later H&F research and local conditions in Westminster.
- Savings have been produced on the basis of the annual cost of a Freedom Pass (taken as £317<sup>1</sup>), and are shown below over 5 years. These figures assume that since year 1 will sweep up historic discrepancies which could have occurred in the past 5 years (an average of 2.5 years has been used), all subsequent discrepancy figures will be 33.7% of year one. 33.7% is derived from actual pass discrepancies picked up by LBHF in subsequent years.

Freedom Pass benefits - over 5 years, all financial information in £(000's)	Yr 1 - 2014/15	Yr 2 - 2015/16	Yr 3 - 2016/17	Yr 4 - 2017/18	Yr 5 - 2018/19	Total
<b>Number of Passes Deactivated in Each Year</b>		<b>1,700</b>	<b>680</b>	<b>680</b>	<b>680</b>	<b>4420</b>
Value of Passes Closed in Year 1		£539	£539	£269		<b>£1,347</b>
Value of Passes Closed in Year 2			£182	£182	£91	<b>£539</b>
Value of Passes Closed in Year 3				£182	£182	<b>£539</b>
Value of Passes Closed in Year 4					£182	<b>£431</b>
Value of Passes Closed in Year 5						<b>£216</b>
<b>Total Savings</b>		<b>£539</b>	<b>£721</b>	<b>£633</b>	<b>£455</b>	<b>£3,072</b>

## RBKC Financial Benefits

- Savings have thus far been produced on the basis of the annual cost of a Freedom Pass (taken as £314<sup>2</sup>), and are shown below over 5 years. These figures assume that since year 1 will sweep up historic discrepancies which could have occurred in the past 5 years (an average of 2.5 years has been taken), all subsequent discrepancy figures will be 33.7% of year one. 33.7% is derived from actual pass discrepancies picked up by LBHF in subsequent years.

Freedom Pass benefits - over 5 years, all financial information in £(000's)	Yr 1 2014/15	Yr 2 2015/16	Yr 3 2016/17	Yr 4 2017/18	Yr 5 2018/19	Total
<b>Number of Passes Deactivated in Each Year</b>		<b>1,110</b>	<b>370</b>	<b>370</b>	<b>370</b>	<b>2220</b>
Value of Passes Closed in Year 1		£350	£350	£175		<b>£875</b>
Value of Passes Closed in Year 2			£118	£118	£59	<b>£295</b>
Value of Passes Closed in Year 3				£118	£118	<b>£236</b>
Value of Passes Closed in Year 4					£118	<b>£118</b>
Value of Passes Closed in Year 5						
<b>Total Savings</b>		<b>£350</b>	<b>£468</b>	<b>£411</b>	<b>£295</b>	<b>£1,524</b>

<sup>1</sup> Total annual cost in Westminster divided by total live Freedom Passes.

<sup>2</sup> Total annual cost in RBKC divided by total live Freedom Passes.

**a. Benefits - non financial**

- Reputational benefit – cracking down on fraud and reducing unnecessary waste.
- Potential secondary benefit of identifying possible fraud in other areas – single person discounts, empty homes etc.
- This project will further highlight the need for clarity about the policy of establishments such as hostels who may support clients for a short period, but should not be used as Freedom Pass long-term addresses, thus tightening control procedures.

**b. Benefits realisation outline plan**

**Hammersmith and Fulham**

- Initial meeting was held with operational leads to determine which flags or data items could indicate discrepancies.
- Data sets were pulled together and flags identified for each pass. A sample of passes with each type of flag was checked and validated. The model was then developed and applied to all freedom passes and assigned a risk score (between 0 and 1) to each freedom pass. Those with the highest risk scores were prioritised.
- This is an ongoing process and the risk scoring mechanism will be continually refined based on feedback to improve results.
- Operational Team will log on CMS all passes closed and the source and reason behind the closure. They will log how many passes are closed and over what period. They will also log the number of complaints and number of passes closed and subsequently reinstated.
- There is no way of querying CMS directly so a manual exercise will need to be undertaken to feed back results to analysts to refine the model.
- Outstanding discrepancies to be monitored by the accountable officer and finance staff.

**Westminster**

- Benefits realisation plan has yet to be fully developed in Westminster
- It is anticipated that around 35% of benefits would be made from the removal of deceased and out of borough clients at minimal cost.
- Those discrepancies relating to single person discount, empty properties and multiple (over 5 in household) need to be better understood, i.e. more finesse in terms of risk before the associated costs of de-activation for those people can be estimated.

**RBKC**

- The benefits realisation plan has been agreed with the key responsible officers (Alice Devine/ Ray Brown) and will be implemented only when the data safeguards have been undertaken.
- The approach for those passes identified deceased and out of borough will be the similar to the approach taken in LBHF.
- For those passes identified as deceased the passes will be switched off and the relevant systems updated and the experience of LBHF indicates that the level of certainty of accuracy is high with minimal queries raised.
- The approach for those persons who have moved out of borough is to notify these pass holders by letter that our records indicate they have moved out of the borough and their pass will be de-activated unless they respond with recent proof of residence. These



letters will be sent out with 'do not forward' envelopes. Once the time period has elapsed and no response received then the passes will be de-activated..

- Additional costs through staff overtime for the closure of passes, issue of notification letters and dealing with queries is estimated at approximately 85 hours additional staff hours that would cost an estimated £1,530.
- For all other categories of discrepancy further investigation will be required

**c. Business Costs (staff resource cost on the business side + benefits realisation costs)**

**Hammersmith and Fulham**

- The estimated operational, implementation cost to LBHF of the original exercise was £3.8k, all of which is officer time. On an ongoing basis, 2 hours per month to refine model (analyst) and 1 day per month operational staff to close passes down and 1 day per month of CAFS / validation time. Overall estimate per month is £450, equating to £5.4k pa.

**RBKC**

- Using the same basis for staff time as in the benefits realisation cost there is an additional 34 hours operational staff time equating to £600 and an additional 1 day per month analyst time.

**5. BI Deliverables & Project Plan**

- As the freedom pass project will be the first to be delivered by the Tri-Borough service there is minimal reuse of existing data available.
- With the exception of deceased pass holders, data sharing agreements will need to be in place in order to implement BI findings. This means that the Information Governance project is a key dependency for this work stream
- To enable the identification of erroneously issued passes a risk matrix will be produced for each borough. The matrix will allocate a score on a from 1 to 10 to each pass, where a score of 1 indicates a valid freedom pass and 10 indicates that the pass has been issued in error or is no longer required.
- The risk matrix may be made available to the business either through a dashboard interface or via excel. The scores in the matrix enable the business to make informed decisions on which passes can be turned off and which require further investigation.
- It is estimated that the project, from scoping to productionisation of the matrix, will take 131 man days, this includes time from all members of the virtual team and the customer.
- The project will be completed within the first 3 months of the BI service, with the matrices released in phases as datasets are added to the data warehouse and matched to the freedom pass list. This means that the business does not have to wait for the project completion before making use of the matrix score.

Risk Description	Impact Description	Impact L/M/H	Likelihood L/M/H	Mitigation	Containment
Information Owners not prepared to share data for purpose	Passes that could be closed will not be identified and avoided cost would not be maximised	H	H	Meet data providers and reassure around security, uses and auditing.	Chief Executive / SROs to corporately manage risk and authorise the exchange of data.
Operational staff capacity to implement findings	Passes might not be closed and costs avoided might not be maximised.	H	L	Need to be embedded as business as usual	Consider additional resources (at cost)
Operational staff capacity to record results	Difficulty in assessing effectiveness of overall project and model	H	L	Need to be embedded as business as usual – create simple systems for capturing key data	Escalation through Business Sponsor
Increase in number of complaints / reputational risk	Members of the public will complain if freedom passes are incorrectly closed	H	L	Model as accurate as possible and findings carefully validated where possible.	Existing complaints processes
The assembly of the information sharing agreement (ISA) is protracted	Analysis and implementation is delayed and excessive staff time taken in securing agreement	H	H	Information Governance Position Statement and action plan.	
Operational staff capacity to review and update policies (e.g. Hostels providing an address for FP claimants)	Ongoing passes may be issued to non-residents as lack of clarity over policy	M	M	Need to engage stakeholders fully in implementation	

## Westminster – Freedom Pass – Numbers &amp; Potential Discrepancies

Factors	Measure	Incidence	Est. % to deactivate	Number to deactivate
<b>Demographic Comparison</b>	<b>More passes than residents in single year groups over 60 (compared to Census 2011)</b>	<b>4,130</b>		
Out of Borough Properties	No of FPs issued at out of borough properties	27	100	27
Deaths	No of FPs active where individuals are deceased	551	100	551
Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	1,511	30	453
Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	911	30	273
5 or more at a single property	No of FPs at addresses where at least 5 Freedom Passes are active	1,431	39	555
<b>Cumulative Anomalies</b>		<b>4,431</b>	<b>299</b>	<b>1,859</b>
Minus FP's in > 1 risk factor		156		
<b>Grand Total</b>		<b>4,275</b>		<b>1,703</b>

## Westminster Financial Benefits

Discrepancies identified in Year 1 resulting in savings for 2015/16 would be realised from passes closed in the circumstances below

Factors	Measure	Incidence	Est. % to deactivate	Number to deactivate	Potential saving
<b>Demographic Comparison</b>	<b>More passes than residents in single year groups over 60 (compared to Census 2011)</b>	<b>4,130</b>			<b>£1,309,210</b>
Out of Borough Properties	No of FPs issued at out of borough properties	27	100	27	£8,559
Deaths	No of FPs active where individuals are deceased	551	100	551	£174,667
Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	1,511	30	453	£143,696

Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	911	30	273	£86,636
5 or more at a single property	No of FPs at addresses where at least 5 Freedom Passes are active	1,431	39	555	£175,780
<b>Cumulative Anomalies</b>		<b>4,431</b>	<b>299</b>	<b>1,859</b>	<b>£589,339</b>
<i>Minus FP's in &gt; 1 risk factor</i>		156			
<b>Grand Total</b>		<b>4,275</b>		<b>1,703</b>	<b>£539,887</b>

*RBKC – Freedom Pass – Numbers & Potential Discrepancies*

actors	Measure	Incidence	Est. % to deactivate	Number to deactivate
Deaths	No of FPs active where individuals are deceased	314	100	314
Out of Borough Properties	No of FPs issued at out of borough properties	197	100	197
More than one at a single property (duplicates)	No of FPs where at least 2 Freedom Passes are active for the same person	122	50	61
Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	183	47	86
Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	879	52	458
<b>Grand Total</b>		<b>1695</b>	<b>66</b>	<b>1116</b>

Discrepancies identified in Year 1 resulting in savings for 2015/16 would be realised from passes closed in the circumstances below

Factors	Measure	Incidence	Est. % to deactivate	Number to deactivate	Potential saving
Deaths	No of FPs active where individuals are deceased	314	100	314	98,596
Out of Borough Properties	No of FPs issued at out of borough properties	197	100	197	61,858
More than one at a single property (duplicates)	No of FPs where at least 2 Freedom Passes are active for the same person	122	50	61	19,154
Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	183	47	86	27,004
Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	879	52	458	143,812
		<b>1695</b>	<b>66</b>	<b>1116</b>	<b>350,424</b>

Factors	Measure	Incidence	Est. % to deactivate	Number to deactivate
Deaths	No of FPs active where individuals are deceased	346	100	346
Out of Borough Properties	No of FPs issued at out of borough properties	455	31	139
Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	136	46	63
5 or more passes at same address	5 or more freedom passes at the same residential address	226	5	11
Commercial properties	Freedom passes issued at properties flagged as commercial on the gazetteer	177	18	31
Age checks	Where an internal system contains a date of birth different to that recorded on the Freedom Pass extract, making the holder ineligible.	444	3	15
Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	867	27	231
<b>Grand Total (unique)</b>		<b>2441</b>	<b>30</b>	<b>737</b>

\*a freedom pass might appear in more than one risk factor, hence the column totals do not sum to the row (Grand Total)

LBHF Financial Benefits

Note these benefits have not been attributed to this project as they have been realised from the initial exercise. They are shown to support the overall case.

Factors	Measure	Incidence	Est. % to deactivate	Number to deactivate	Potential saving
Deaths	No of FPs active where individuals are deceased	346	100	346	116,948
Out of Borough Properties	No of FPs issued at out of borough properties	455	31	139	46,982
Empty Properties	No of FPs at address which have no occupants according to the Council Tax list	136	46	63	21,294
5 or more passes at same address	5 or more freedom passes at the same residential address	226	5	11	3,718
Commercial properties	Freedom passes issued at properties flagged as commercial on the gazetteer	177	18	31	10,478
Age checks	Where an internal system contains a date of birth different to that recorded on the Freedom Pass extract, making the holder ineligible.	444	3	15	5,070

Multiple Passes at Single Discount Properties	No of multiple FPs at addresses which according to the Council Tax list are claiming single person discounts	867	27	231	78,078
<b>Grand Total (unique)</b>		<b>2441</b>	<b>30</b>	<b>737</b>	<b>249,106</b>

*\*a freedom pass might appear in more than one risk factor, hence the column totals do not sum to the row (Grand Total)*

## Appendix D

Innovation and Change Management

Tri-borough Business Intelligence  
Programme

Project Business case

Tenancy Fraud



## 1. Introduction/summary

The purpose of the project is to ensure that best use is made of internal and external information sets in order to identify potential cases of Tenancy Fraud and to ensure that this problem is under control across the Tri-Borough.

Tenancy Fraud is defined as a breach by a tenant for personal gain:

- Sub-letting
- Abandonment
- Succession
- General Breach

## 2. Objectives

- A. To use existing internal data sources to reduce, minimise and prevent tenancy fraud within the Tri-Borough and to verify the number of households where there is no evidence of tenancy fraud.

a. **Current state:**

Some pro-active investigations are undertaken but these use expensive third party data matching. More can be done to manage tenancy fraud using BI generated from internal data sources.

**Hammersmith and Fulham**

Checks are carried out by dedicated resource within the housing team, using information from Experian.

**RBKC**

Dedicated officers react to reported discrepancies. However workload restricts activity.

**Westminster**

Door-to-door checks are carried out by City West Homes (Westminster's Housing ALMO) and further checks are made via outsourced 3<sup>rd</sup> party residency checks under contractual agreement. It is difficult to process or prioritise the volume of discrepancies sent by Experian.

There is a major opportunity to build on our understanding of tenancy fraud, adding to the effectiveness of existing measures.

b. **Target state:**

A BI-based approach to exception reporting will be implemented by cross-referencing high probability cases identified using existing internal data with Experian data. This will enable the anti-fraud team to target the highest probability fraud cases.

Boroughs will be able to demonstrate that regular, reasonable, proactive measures are in place and used to manage tenancy fraud.

There will be a clearer understanding of the extent of tenancy fraud across Tri borough and the effectiveness of remedial measures.

We will be able to implement measures based upon findings to prevent Tenancy Fraud.

**Measures of success**

- i. Increase in number of properties recovered.
- ii. Reduction in number of properties requiring investigation and associated cost.
- iii. Increase in the ration of Number of Investigations / Number of Property Recoveries.
- iv. Increase in number and percentage of properties confirmed as occupied by Council Tenants.

**3. Business champion, buy-in**

<b>Name</b>	<b>Role</b>	<b>Scope / Mandate</b>
Andy Hyatt	Tri Borough Head of Anti Fraud	Tri-Borough Anti Fraud
Cecily Herdman	Strategy Officer, WCC Housing Strategy and Performance Team	WCC Tenancy Housing
Teresa Brown	Head of Neighbourhood Services	H&F Housing Team
Maria Needham & Kiran Singh	Kensington and Chelsea Tenant Management Organisation (KCTMO)	RBKC Tenancy Housing
Amanda Gill	Head of Housing	RBKC Housing Team

**Roles & Responsibilities**

- The Tri-Borough Head of Fraud will sponsor the project and act as primary business point of contact for the BI Service team.
- The individual Borough Housing Teams will be engaged by the business sponsor and will play a key role in the planning and realisation of the business case.
- The BI team will manage the project and ensure that the business and business intelligence streams are sufficiently coordinated to enable the successful achievement of the benefits.
- The BI team will manage the specification, delivery and on-going support of the business intelligence deliverables. They will manage the interaction with the business sponsor and housing teams on the specification of requirements and the design of the BI deliverables.

#### 4. Outline business case

##### a. Benefits – financial:

###### Local Authority Savings

The potential for achieving financial benefits from this project are dependent upon the successful identification of Local Authority Housing Accommodation which is subject to tenancy fraud, and its subsequent reallocation to residents on the housing waiting list. Savings will be made where households can be taken out of properties which are financial burden to the Local Authority – this will mainly be homeless households in Temporary Accommodation where the rent is higher than the subsidy that the Council can reclaim from central Government. Not all “reclaimed” properties will go to homeless households – and some people will be moving from accommodation e.g. unsuitable housing in the private rented sector which the Council was not subsidising.

Accurate predictions of the numbers of properties likely to be uncovered by the project is problematic because of the following issues

- There is little data on the level of success of previous exercises upon which to base projections.
- In the past external rather than internal datasets have been used to identify tenancy fraud so projections based on historic results are unlikely to be accurate.

Potential financial benefits and assumptions are set out below

Using a sample of 15 properties recovered by LBHF it is assumed that the proportion of the type of property recovered is split proportionately as follows

- The drivers of the savings calculations are laid out below for each borough

	Hammersmith and Fulham and Kensington and Chelsea	Westminster
Average Length of time spent in Temporary Accommodation* <sup>1</sup>	93 weeks	208 weeks
Average weekly Council subsidy to support TA per unit	38.37	£100
% of households moving into premises vacated by BI tenancy fraud ID, from TA	90%	50%
<b>Savings per Unit</b>	3,212	10,400

<sup>1</sup> In reality this varies considerably depending on the number of rooms required

Total savings have been calculated as follows for each borough –

**No of Units Released x Average Weekly LA subsidy of TA x No of average weeks in TA x % of households taking that released accommodation who would otherwise remain in TA**

A cautious projection of this benefit for the Tri-Borough based upon the figures in the above example is provided below. Only properties uncovered in the first year are included as it unclear what the drop off identifications would be in subsequent years – assuming that year 1 uncovers long-standing issues

	No of tenancies	1 <sup>st</sup> year Property Recovery Projection	Savings in Year 1	Savings in 3 year period
<b>RBKC</b>	7,500	15	£27,232	£48,180
<b>LBHF</b>	12,500	20	£36,309	£64,240
<b>WCC</b>	12,000	10	£26,000	£78,000
<b>Totals:</b>	<b>32,000</b>	<b>45</b>	<b>£89,541</b>	<b>£190,420</b>

### Public Purse Savings

The savings to the individual boroughs are deflated because a contribution to the cost is made from housing benefit. The average cost per week including the housing benefit contribution is

RBKC £267

LBHF £267

WCC £362

**From this we can estimate the savings to the public purse as a whole using the same formula as above as follows**

	No of tenancies	1 <sup>st</sup> year Property Recovery Projection	Projected Saving to the public purse (£000) over 3 years
<b>RBKC</b>	7,500	15	£624
<b>LBHF</b>	12,500	20	£833
<b>WCC</b>	12,000	10	£565
<b>Totals:</b>	<b>32,000</b>	<b>45</b>	<b>£2,022</b>

In all 3 Boroughs Temporary Accommodation costs are a major financial pressure. Creating voids through recoveries would help reduce pressure on TA budgets.

### Notes:

- Estimating that the use of internal data sets combined with external data sets could double the likelihood of identifying tenancy fraud a success rate of 0.03% has been applied to the data.
- Actual success rates will not be known until the project is underway.
- In addition to the benefits outlined above it is possible that additional properties could be regularly recovered. This outcome would be enabled by the capability to

regularly re-run the exception reports and would also require that housing investigations are conducted on a more frequent basis.

**Reduction in the cost of building additional properties.**

It has been proposed that if we can recover properties and reallocate them to families on the housing waiting list, we can avoid the cost of building new properties.

**Improvements in Investigator Effectiveness**

In RBKC the investigation team currently have a success rate of 5:1 on tenancy fraud. This deteriorated from 4:1 in 2011 as fraudsters become wiser to the tactics used to detect them following large-scale media attention on this area of fraud.

**Reduced costs of external data checks.**

By firstly conducting internal data checks the number of houses for which external agencies are required to perform financial checks will be reduced. The following table shows the potential cost saving of reducing required checks to the highest risk 500 cases:

Borough	Number of Tenancies	Cost per Property	Total Cost	Top 500 Cost	Cost Saving
RBKC	7,500.00	£1	£7,500	£500	£7,000
LBHF	12,500.00	£0.7	£8,750	£350	£8,400
WCC	8,000	£1	£8,000	£500	£7,500
		<b>Total:</b>	<b>£24,250</b>	<b>£1,350</b>	<b>£22,900</b>

The Tri Borough could either realise this 94% cost saving or choose to conduct external data checks more frequently. For the same budget, the reduced cost would enable 18 checks for every 1 check carried out currently.

**b. Benefits - non financial**

There are various non-financial benefits that will accrue from this project

Benefit	Description
Assurance of Tenancy Alignment	Ability to demonstrate that the majority of council tenants are in homes meant for them
Provide evidence for a more targeted approach	Risk cases flagged up through the project could form the basis of tenancy checks
More streamlined processes	Once the data is aligned it will enable individual checks to be carried out more efficiently i.e. one check instead of checking a range of different systems which will save time
Reputation of the Council	Ability to demonstrate that everything is being done to address tenancy fraud and new methods are being tested, particularly when demand for social housing is very high and households face long waits in temporary accommodation before social rented accommodation
Disincentive to commit tenancy fraud	People less inclined to commit tenancy fraud if boroughs demonstrate they are effective at tackling it and have sophisticated methods.
Reunite vulnerable people with their communities	Many families in temporary accommodation have been moved out of their communities. This will enable them to be moved back and reunited with their friends and families.

### c. Benefits realisation outline plan

The project team agreed that they would take an on-going, iterative approach to developing an analytical model to identify high-risk cases of Tenancy Fraud. This is described within the following table:

Process step	Anti Fraud Team	BI Team	External Partners
Develop initial analytical model utilising internal data sets	Advise on likely indicators of Fraud.	Acquire required data sets. Analyse recovered properties to identify important indicators Develop initial analytical model.	
Review, verify and feedback on model	Investigate a subset of highlighted cases and feedback on outcomes.	Update weightings of key factors within model based upon feedback.	
Use updated model to focus external data checks		Update weightings of key factors within model based upon feedback.	Run financial and sub letting checks against cases within model and feedback results.
Investigate cases within model in priority order and feedback on results.	Investigate highlighted cases and feedback on outcomes.	Update weightings of key factors within model based upon feedback.	
Track cases of recovered properties across Tri Borough	Ongoing,		

The following initial list of indicators was proposed by the project team:

Indicator	Internal / External
No gas check in the past 12 months	Internal
Rent Balance Paid In Advance	Internal
Residency Check Discrepancy	Internal
Schools – Children not associated with home address	Internal
Parking Ticket for Resident – home address listed not same as home address.	Internal
Parking permits at address for non-residents.	Internal
Financial Details not associated with home address	External
Home address advertised for Let on Rightmove.com	External
Council Tax Balance Paid In Advance	Internal
Phone, Email, Hotline Referrals	Internal
Police intelligence	External
Anti Social Behaviour Data	External

#### Targeted Insights

- High risk cases of fraud

### **Additional points**

- What information do investigators require from the BI report in order to commence an investigation?
  - *Name, address and details of the qualifying indicators. If possible with capability to drill through to the underlying, detailed information for each indicator (Investigators like to review the evidence in each case).*
- How will we track progress and capture feedback?
  - *The 3 Boroughs have the same case management tool and can setup a new common case type against which to record and track progress and feedback.*
- Would there be any benefit in analysing trends associated with the high risk cases? (i.e. geographic spread)
  - *It would be useful to understand over time which indicators are providing the most reliable referrals. These insights could potentially be used to plan/target/implement preventative controls.*

#### **d. Business Costs**

LBHF

Absorb into current workloads. Fund overtime from DCLG grant.

RBKC

Absorb into current workloads. Fund overtime from DCLG grant.

WCC

Westminster is under contract with Baker Tilly for 65 investigations pa so are limited on investigations. However they may be able to resource through CWH. Would commit to investigating high-risk cases only.

### **5. BI Deliverables**

As the Tenancy Fraud project will be the third delivered by the BI service it will be able to reuse all of the datasets already brought into the warehouse from the freedom pass and single person discount developments. Only 3 additional datasets will be required to complete the analysis for Tenancy Fraud.

A risk matrix will be produced to enable the identification of tenancy fraud cases. The matrix will allocate a score on a sliding scale between 1-10 to each address, where a score of 1 indicates that we're 100% sure no fraud is being committed and 10 indicates that there is definite case of fraud.

The risk matrix will be made available to the business through a dashboard interface or via excel. The sliding scores in the matrix enables the business to make informed decisions on which discounts can be revoked and which addresses require further investigation.

A suite of dashboards will also be developed to compliment the matrix, this will enable business users to drill down into data in more detail for use in fraud investigations and encourage a self service culture.

The processes and steps required to develop the matrix are described in the benefits realisation process table earlier within this document.

It is estimated that the project, from scoping to live running of the matrix, will take 36.5 days effort, this includes time from all members of the virtual team and the customer. The low level of effort reflects the large amount of reuse of the data collected for the Freedom pass project, extra days were added to the development to account for the creation of the accompanying dashboards. The project will be started in the third month of the BI service and completed by the 5th, the matrix and dashboards will be released in phases in the months before as datasets are added to the warehouse. This means that the business do not have to wait for the project completion before making use of the matrix and dashboards.

## 6. Interfaces and data sources

The project will aim to reuse data sets integrated into the data warehouse for Freedom Passes:

- Freedom Pass Holders
- Gazetteer: Dwellings, properties and postcodes in Borough
- Council Tax: Single Person Discounts, Empty Properties, Person End Dates, Current Register
- Housing Benefit / CTB: Person End Dates, Out of Borough addresses, Current claimants
- Adult Social Care: Deceased people, permanent placements outside Borough, Out of Borough addresses
- ASB: Out of Borough addresses
- Housing: People on Housing Register OOB, People in TA long term OOB, People rehoused OOB.
- Electoral Roll: People on current register
- Registrars: People deceased from a specific time.

To these will be added the following:

- Housing: Gas checks
- Housing: Repairs Data
- Finance: Rent Account Credit
- Housing Association Tenancy Data
- External: Right Move lettings, Gum Tree Lettings, Credit Status

## 7. Risks and issues

Initial assessment of key risks:

<b>Risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Mitigation</b>
Information Sharing and Usage.	Regulation and risk averse Information Governance culture makes it impossible to use available data as	High	A position statement has been agreed with Tri Borough Information Managers and Caldecott Guardians. This sets



	enabler for realisation of business case.		out the mechanisms required to manage the risks of information sharing and usage. The pilot will deliver and operate within this framework.
Data Quality.	Quality of data makes it unsuitable to support business intelligence requirements. BI enablers for realisation of business cases cannot be delivered.	Medium	Data quality will be measured as part of delivery feasibility for each project. It will also be measured on an ongoing basis as part of production data warehouse. Issues along with their impact upon feasibility of business case delivery will be communicated back to business owners for resolution and escalated through governance framework if necessary.
Council Reputation	If the new BI highlights a significant amount of Tenancy Fraud it could be embarrassing for the Boroughs.	High	Benefits realisation plan should enable Boroughs to demonstrate an effective response should this occur.

## **Tri-Borough Business Intelligence Pilot Service Delivery Principles**

### **Contents**

Introduction – context, about the Principles, using the Principles

Service Delivery Principles:

1. Statements of intent for joint working
2. 'Virtual team' diagram, description and overview of accountabilities and responsibility
3. Table of responsibilities for the key activities of service delivery (RACI)
4. Template process flow of the key activities
5. Template project plan

## Introduction

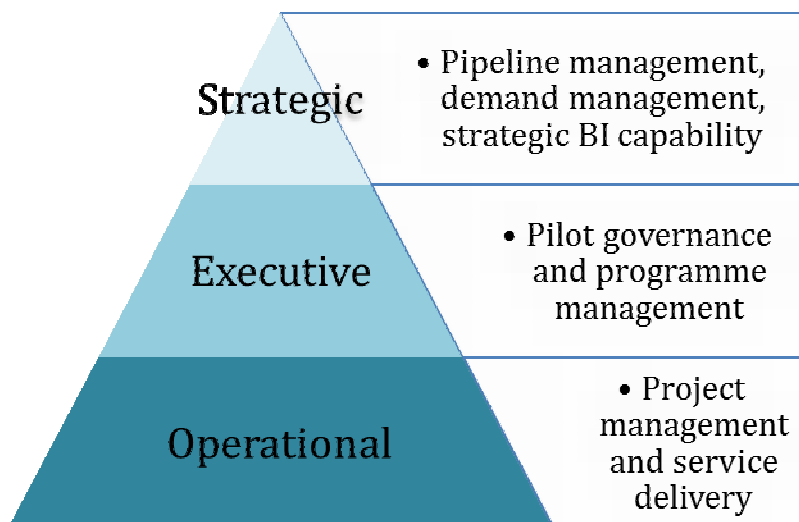
### Context

The Tri-Borough Business Intelligence (BI) Pilot runs via three levels of governance:

The **strategic** function focuses on ensuring the business builds incrementally on project delivery to establish a fully- fledged BI service.

An **executive** function manages and takes accountability for the successful delivery of the Pilot plan and outcomes.

An **operational** function delivers the projects and BI services selected by the strategic function.



### The Service Delivery

**Principles are concerned only with setting out the team roles and responsibilities for the operational function.**

### About the Principles

These agreed principles define working arrangements between the key stakeholders to enable operational service delivery of the BI Pilot. The purpose of these Principles is to provide necessary clarity on responsibilities at the level of detail needed for stakeholders to then assign tasks to roles in their business areas.

The Principles apply to the 'virtual team' assembled for the Pilot that includes a distributed set of stakeholders performing existing relevant roles within the three boroughs including the Tri-borough BI team, Analyst teams, ICM, BDU, Customers and Information Managers.

### Using the Service Delivery Principles

These Principles should be considered 'live' throughout the length of the Pilot and adjusted as necessary as they are 'road tested' to ensure they are fit for purpose.

The RACI table and template process flow should be used as the starting point by the Nominated Project Manager of each selected project as the means to develop the project plan and assign delivery tasks across the virtual team.

It is the responsibility of the Programme Manager of the Pilot to regularly revisit this document and ensure it continues to be fit for purpose.

If disputes or duplication of work occurs, these agreed Principles should be referred to in order to resolve any issues and restore clarity and effective collaboration.

## **Service Delivery Principles**

### **Statements of intent for joint working**

**Successful joint working** - *within the virtual team there is/are:*

- Clear leadership and accountability/ownership lines
- Clarity of roles such that each individual is clear on his/her role, the other roles in the virtual team and how all roles work together
- A seamless 'virtual team' with close collaboration and communication
- A Tri-Borough Business Intelligence Team rather than a Westminster Business Intelligence Team.

**Successful delivery** - *the virtual team is:*

- Clear on the direction of travel with all the virtual team going in one direction
- Working together on clearly defined projects
- Streamlined with no duplication or holdups and clearly defined projects.

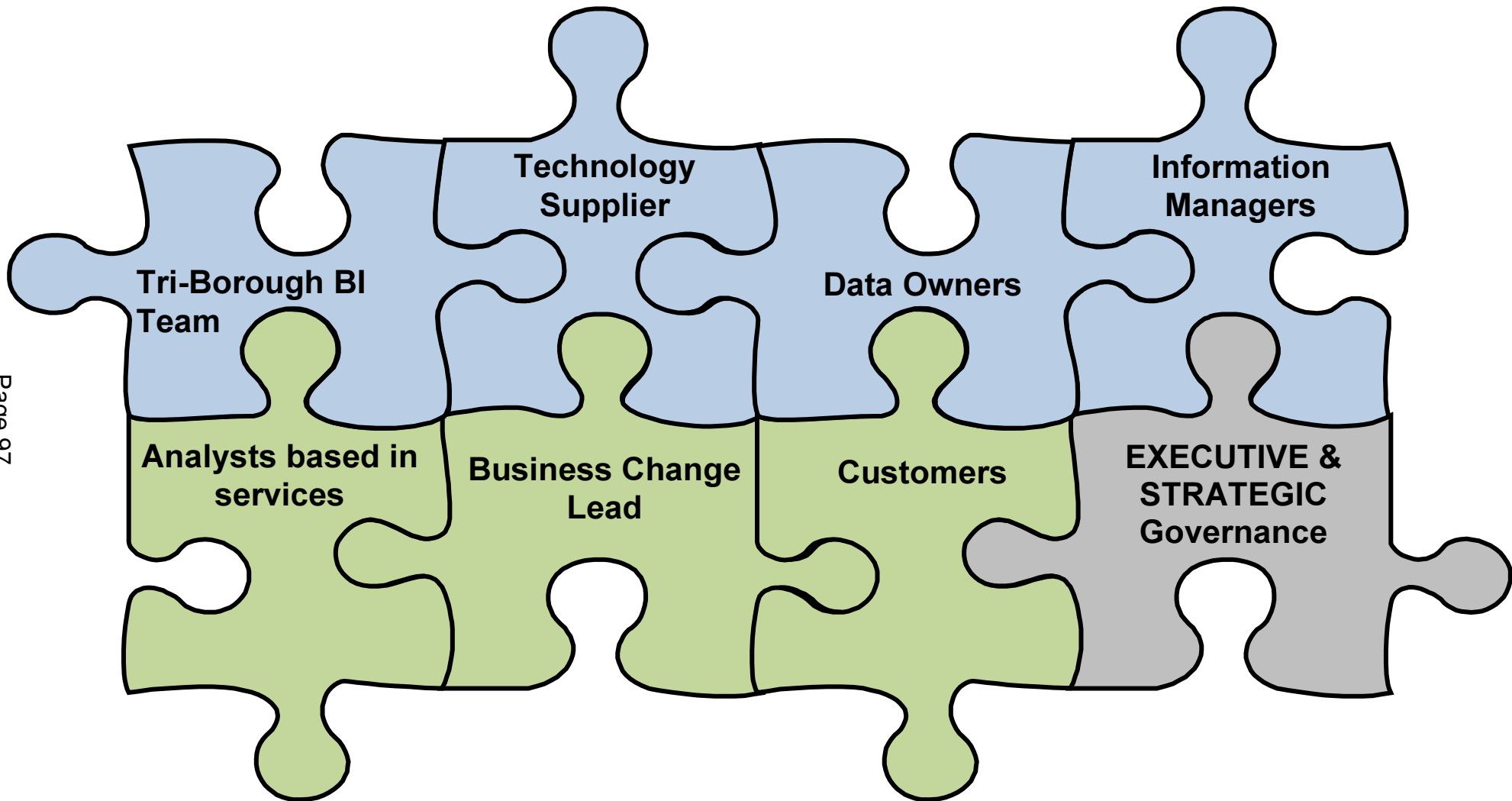
**Demonstrable results** - *the virtual team is:*

- Measuring progress both within the team and within the organisation
- Demonstrating visible and apparent weekly progress
- Doing new and ground-breaking work that is achieving a step-change from where we started.

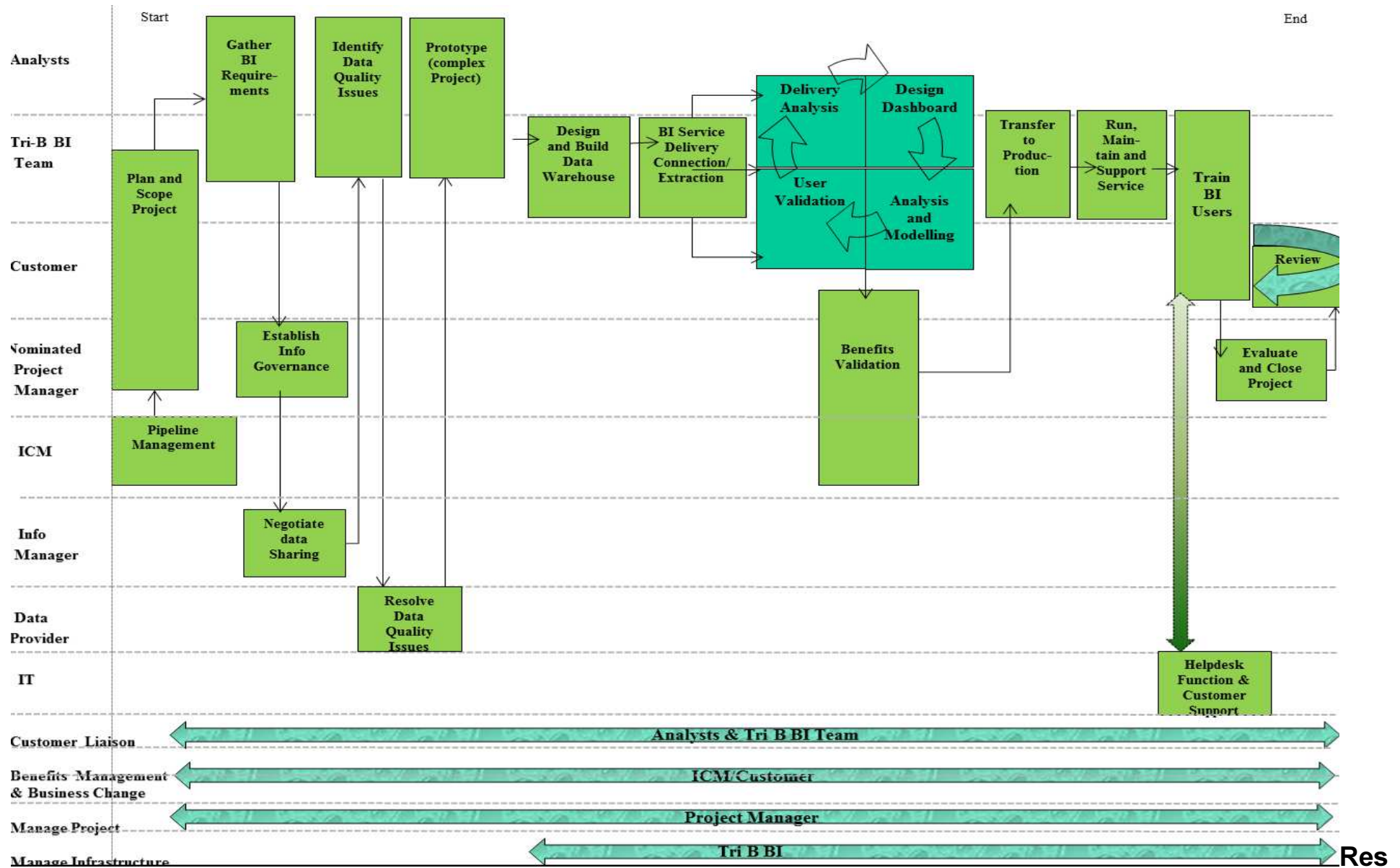
**Satisfied customers** - *the virtual team has 'happy customers' because it is delivering:*

- High quality deliverables that are responsive to customer requirements
- Clearly articulated messages that are improving customer understanding
- Good customer management with a single contact or clear contacts from customer perspective all the way through the service delivery process.

# 'Virtual Team' Diagram



## Process Activity Flow





## Responsibilities for the key activities of service delivery (RACI)

Please refer to SharePoint Excel document for best viewing and use:

<http://partnerweb/corpservices/it/gisbi/BI/BIPilot/layouts/xlviewer.aspx?id=/corpservices/it/gisbi/BI/BIPilot/Project%20Documents/BI%20Pilot%20Service%20Delivery%20Principles%20-%20RASCI%20and%20process%20flow.xlsx>

A = Accountable = owns activity and at fault if activity fails

R= Responsible = Does the work, lead 'doer'

S = Supports = contributes to doing the work and supports the responsible team as needed

C = Consulted = inputs knowledge or expertise as needed into the work without 'doing' any tasks

I = Informed = briefed on activity progress or output

<b>Activities</b>	<b>Nominated Project Manager</b>	<b>Tri-B BI Team (Jo Lodge)</b>	<b>Change Management ICM/BDU (Martin/Tim)</b>	<b>Analysts (Lee/Damian + ICM/BDU Analysts)</b>	<b>Information Managers</b>	<b>Customer</b>	<b>Supplier</b>	<b>Data Provider</b>	<b>IT</b>	<b>Executive function</b>	<b>Strategic function</b>
Plan and scope project after strategic approval	<b>A+R</b>	<b>R</b>	<b>S</b>	<b>S</b>	<b>I</b>	<b>R</b>					
Gather BI requirements	<b>I</b>	<b>A+R</b>	<b>C</b>	<b>S+R</b>		<b>R</b>					
Establish information governance	<b>R</b>		<b>C</b>		<b>C</b>					<b>A</b>	
Negotiate data sharing	<b>I</b>	<b>S</b>		<b>S</b>	<b>A+R</b>	<b>S</b>		<b>S</b>		<b>S</b>	
Prototype (with complex project)	<b>I</b>	<b>R</b>		<b>A +R</b>		<b>I+C</b>					
Design and build data warehouse	<b>I</b>	<b>A+R</b>		<b>S</b>							

<b>Activities</b>	<b>Nominated Project Manager</b>	<b>Tri-B BI Team</b>	<b>ICM/BDU</b>	<b>Analysts</b>	<b>Information Managers</b>	<b>Customer</b>	<b>Supplier</b>	<b>Data Provider</b>	<b>IT</b>	<b>Executive function</b>	<b>Strategic function</b>
Identify data quality issues	<b>C</b>	<b>A+R</b>		<b>R</b>	<b>I</b>	<b>S</b>					
Resolve data quality issues	<b>I</b>	<b>S</b>			<b>I</b>	<b>I</b>		<b>A+R</b>		<b>I</b>	
BI Service Delivery - Connection	<b>I</b>	<b>A+R</b>			<b>I</b>		<b>S</b>	<b>S</b>	<b>S</b>		
BI Service Delivery – Extraction	<b>I</b>	<b>A+R</b>			<b>I</b>			<b>S</b>			
BI Service Delivery - Delivery analysis	<b>A</b>	<b>R</b>	<b>S</b>	<b>S</b>		<b>C</b>		<b>S</b>			
BI Service Delivery - Design/Dashboard	<b>I</b>	<b>A+R</b>	<b>S</b>	<b>S</b>		<b>C</b>				<b>I</b>	
Analysis and modelling	<b>I</b>	<b>R</b>	<b>S</b>	<b>R+A</b>							
User acceptance testing and validating	<b>A</b>	<b>R</b>	<b>S</b>	<b>S</b>		<b>R</b>					
Benefits validation	<b>C</b>	<b>S</b>	<b>R</b>	<b>S</b>		<b>A + R</b>					
Transfer to production	<b>I</b>	<b>A+R</b>				<b>I</b>	<b>S</b>		<b>S</b>		
Run and maintain services		<b>A+R</b>					<b>S</b>		<b>S</b>		
Promote service		<b>R</b>	<b>S</b>	<b>S</b>							<b>A</b>
Train BI Users	<b>I</b>	<b>A+R</b>	<b>S</b>	<b>S</b>		<b>R</b>					
Helpdesk function and customer support		<b>A+R</b>							<b>R</b>		
Evaluate and close project	<b>R</b>	<b>S</b>	<b>S</b>	<b>S</b>		<b>C</b>				<b>A</b>	

<b>Activities</b>	<b>Nominated Project Manager</b>	<b>Tri-B BI Team</b>	<b>ICM/BDU</b>	<b>Analysts</b>	<b>Information Managers</b>	<b>Customer</b>	<b>Supplier</b>	<b>Data Provider</b>	<b>IT</b>	<b>Executive function</b>	<b>Strategic function</b>
Review (ongoing after transfer to production)	<b>C</b>	<b>S</b>	<b>S</b>	<b>S</b>		<b>R</b>				<b>A</b>	
Customer liaison (Throughout)	<b>S</b>	<b>A+R</b>	<b>S</b>	<b>S+R</b>		<b>S</b>					
Project management (Throughout)	<b>R</b>									<b>A</b>	
Benefits management (Throughout)	<b>I</b>	<b>S</b>	<b>R</b>	<b>S</b>		<b>R</b>				<b>A</b>	
Benefits tracking (Throughout)	<b>C</b>	<b>S</b>	<b>A+R</b>	<b>S</b>		<b>R</b>					
Manage infrastructure (Throughout)		<b>A+R</b>							<b>S</b>		
Business change (runs parallel)			<b>R+S</b>								<b>A</b>

## 'Virtual Team': Description and overview of accountabilities and responsibilities

Team or Stakeholder	Accountabilities	Responsibilities (highlighted = shared R with other roles)
Tri-Borough Business Intelligence Team (Jo Lodge)	<ul style="list-style-type: none"> <li>- Customer Liaison</li> <li>- Managing BI infrastructure</li> <li>- Determining BI requirements</li> <li>- Designing and building BI Data Warehouse</li> <li>- BI Service Delivery – connection, extraction, delivery analysis, design of dashboard</li> <li>- Transfer to production</li> <li>- Running and maintaining BI services</li> <li>- Training BI users</li> <li>- Helpdesk function and customer support</li> </ul>	<ul style="list-style-type: none"> <li>- Customer Liaison</li> <li>- Managing BI infrastructure</li> <li>- Plan and scope project</li> <li>- Determining BI requirements</li> <li>- Identifying data quality issues</li> <li>- Prototyping if necessary</li> <li>- Designing and building BI Data Warehouse</li> <li>- BI Service Delivery – connection, extraction, delivery analysis, design of dashboard</li> <li>- Analysis and modelling</li> <li>- User acceptance testing and validating</li> <li>- Transfer to production</li> <li>- Running and maintaining BI services</li> <li>- Promote Service</li> <li>- Training BI users</li> <li>- Helpdesk function and customer support</li> </ul>
ICM/BDU (Martin Nottage/Tim Stranak)	<ul style="list-style-type: none"> <li>- Benefits Tracking</li> </ul>	<ul style="list-style-type: none"> <li>- Business Change</li> <li>- Benefits Management</li> <li>- Benefits Tracking</li> <li>- Benefits Validation</li> </ul>
Analysts (Lee Fitzjohn (LBHF) / Damian Highwood (WCC) + ICM/BDU analysts)	<ul style="list-style-type: none"> <li>- Prototyping if necessary</li> <li>- Analysis and modelling</li> </ul>	<ul style="list-style-type: none"> <li>- Customer Liaison</li> <li>- Determining BI Requirements</li> <li>- Identifying data quality issues</li> <li>- Prototyping if necessary</li> <li>- Analysis and modelling</li> </ul>
Information Managers	<ul style="list-style-type: none"> <li>- Negotiating data sharing</li> </ul>	<ul style="list-style-type: none"> <li>- Negotiating data sharing</li> </ul>

Customer / Business Champion Lead		<ul style="list-style-type: none"> <li>- Benefits Management</li> <li>- Benefits Tracking</li> <li>- Planning and scoping project</li> <li>- Determining BI requirements</li> <li>- User acceptance testing and validating</li> <li>- Training BI users</li> <li>- Review after transfer</li> </ul>
Supplier	- None (Support, Consult, Informed only)	- None (Support, Consult, Informed only)
Data Provider	- Resolve data quality issues	- Resolve data quality issues
IT		- Helpdesk function and customer support
Nominated Project Manager	<ul style="list-style-type: none"> <li>- Plan and scoping of project</li> <li>- BI Service Delivery – Delivery Analysis</li> <li>- User acceptance testing and validating</li> </ul>	<ul style="list-style-type: none"> <li>- Project management for nominated project</li> <li>- Plan and scoping of project</li> <li>- Establish information governance</li> <li>- Evaluate and close project</li> </ul>

## Template Project Plan

X Project Plan

Version 1 DATE

Project activity	Resource (days)	Lead	Week 1	Week 2	Week 3	Week 4	Week 5
Plan and scope project after strategic approval		Project manager					
Gather BI requirements		Tri-B BI Team					
Establish information governance		Project manager					
Negotiate data sharing		Information manager					
Identify data quality issues		Tri-B BI Team					
Resolve data quality issues		Data provider					
Prototype phase		Analysts					
Design and build data warehouse		Tri-B BI Team					
BI Service Delivery - Connection		Tri-B BI Team					
BI Service Delivery – Extraction		Tri-B BI Team					
BI Service Delivery - Delivery analysis		Tri-B BI Team					
BI Service Delivery - Design/Dashboard		Tri-B BI Team					
Analysis and modelling		Analysts					
User acceptance testing and validating		Tri-B BI Team					
Benefits validation		Customer					
Transfer to production		Tri-B BI Team					
Run and maintain services		Tri-B BI Team					
Promote service		Strategic function					
Train BI Users		Tri-B BI Team					
Helpdesk function and customer support		Tri-B BI Team					
Evaluate and close project		Project manager					
Review (ongoing after transfer to production)		Executive function					
Customer liaison (Throughout)		Tri-B BI Team					
Project management (Throughout)		Project manager					
Benefits management (Throughout)		ICM/BDU					
Benefits tracking (Throughout)		ICM/BDU					
Manage infrastructure (Throughout)		Tri-B BI Team					
Business change activities		Strategic function					

## Appendix H

**draft**

# **Tri-Borough Business Intelligence Pilot Project Pipeline**

<b>Project Name</b>	<b>Outline Case</b>
Taxi Card Discrepancies	<p>Taxi Cards are a transport benefit awarded to mobility-challenged residents whereby the council pay for a cardholder's taxi journeys.</p> <p>An exception report is required to highlight discrepancies regarding pass holder eligibility to hold the pass, thereby minimising the cost burden of this benefit to the council and introducing tighter controls to minimise future fraudulent claims.</p>
Blue Badge Discrepancies	<p>Blue Badges are a transport benefit awarded to disabled and elderly residents enabling them to park anywhere within the Borough. An exception report is required to highlight discrepancies regarding badge holder eligibility to hold the badge, thereby (potentially), increasing parking and parking permit revenues for the council and introducing tighter controls to minimise future fraudulent claims.</p>
New Homes Bonus	<p>London Councils are incentivised to increase the number of residential properties within their boundaries. For every additional residential property that the council can report every year a financial bonus of £1000 a year for 6 years is paid to them. The council maintain a list of long-term empty properties. A BI solution is required that highlights indicators of residential activity within these properties based upon transactions within council systems. This solution will also highlight potential cases of fraudulent activity.</p>
Residency checker (Council Social Housing and Right to Buy).	<p>The council requires a BI solution to highlight discrepancies in the place of residence stated by applicants for social housing and the right to buy scheme. This will deliver reputational benefits to the council, act as a deterrent to future fraud and maximise the number of properties available to residents with genuine needs (and thereby reduce the Council's temporary accommodation cost burden).</p>
Debt Recovery (Aged Debt)	<p>The council requires a BI solution that will enable them to utilise multiple, internal information sources in order to locate debtors. Once located these can be targeted for debt recovery.</p>
Raising Revenue (Licensing)	<p>A BI solution is required that ties together the annual schedule of licensee revenue payments with the actual payments received by the finance team. This will enable the Licensing team to establish greater control over the management of license fee payments, increasing the overall revenue collected and reducing debtor days.</p>



<p>Adults Services. Reduce unit costs of residential and nursing care.</p>	<p>The 3 Boroughs that constitute the Tri Borough Adults Social Care Service all use the same providers of residential and nursing care services. They require a BI solution to enable them to benchmark the unit costs that they each pay to the same providers and to arrive upon an intelligent, tri Borough procurement strategy that will rationalise and reduce unit costs overall for these services.</p>
<p>Adults Services. Reduce unit costs of home care.</p>	<p>The 3 Boroughs that constitute the Tri Borough Adults Social Care Service all use the same providers of home care services. They require a BI solution to enable them to benchmark the unit costs that they each pay to the same providers and to arrive upon an intelligent, tri Borough procurement strategy that will rationalise and reduce unit costs overall for these services.</p>
<p>Children's Services. Reduce unit costs of Child (incl. SEN) placements (Tri Borough)</p>	<p>The 3 Boroughs that constitute the Tri Borough Children's Services all use the same providers of Child Placement services. They require a BI solution to enable them to benchmark the unit costs that they each pay to the same providers and to arrive upon an intelligent, tri Borough procurement strategy that will rationalise and reduce unit costs overall for these services.</p>
<p>Improve processes for adoption/fostering (Tri Borough)</p>	<p>The 3 Boroughs that constitute the Tri Borough Children's Services need to improve the processes that they follow for adoption/fostering. The current processes are slow, resource intensive and expensive. The processes are also managed across multiple IT platforms making it very difficult to establish and analyse an end to end picture of process steps, responsibilities, timescales, bottlenecks and costs. A BI solution is required to consolidate the different data sets, to present an end-to-end picture of the current processes and to enable service analysts to analyse and identify the root causes that need to be rectified.</p>
<p>Improving homeless prevention</p>	<p>Hammersmith expend a considerable amount of budget every year maintaining residents in costly, temporary accommodation. A BI solution is required that will enable the housing team to proactively intervene and enable more residents to stay in their current accommodation. The BI solution must enable the housing team to identify the interventions that are effective in this regard as well as the types of people (cohorts) that these interventions have historically been effective with. The Bi solution must also enable them to track whether proactive interventions are having the desired impact.</p>

Adults Services:  
Minimise the use of  
Residential and  
Nursing Care.

The Tri Borough expend a considerable amount of budget every year maintaining elderly and vulnerable adults in costly residential and nursing care. A BI solution is required that will enable the Adults team to proactively intervene and reduce the number of adults requiring this care. The BI solution must enable the housing team to identify "At Risk" adults and to target the interventions that offer the greatest chance of avoiding the need for residential or nursing care. The BI solution must also enable them to track whether proactive; targeted interventions are having the desired impact.

Adults Services:  
Minimise the use of  
Home Care.

The Tri Borough expend a considerable amount of budget every year providing home care services to elderly and vulnerable adults. A BI solution is required that will enable the Adults team to proactively intervene and reduce the number of adults requiring this care. The BI solution must enable the adults team to identify "At Risk" adults and to target the interventions that offer the greatest chance of avoiding the need for home care. The BI solution must also enable them to track whether proactive; targeted interventions are having the desired impact.

Children's Services:  
(Children on the edge  
of care) Reduce the  
use of expensive  
childcare placements  
(incl. SEN, Fostering)

The Tri Borough expend a considerable amount of budget every year providing expensive childcare placements. A BI solution is required that will enable the Children's team to proactively intervene and reduce the number of children requiring this care. The BI solution must enable the children's team to identify "At Risk" children and to target the interventions that offer the greatest chance of avoiding the need for placement care. The BI solution must also enable them to track whether proactive; targeted interventions are having the desired impact. Using for payments mechanisms in social impact bond development.

Reducing Fires and  
associated injuries  
within the Borough

Whilst deaths related to fires within Hammersmith are reducing the number of fires are not. It has been proven that home fire visits are an effective intervention that significantly reduces the risk of fires. The council and the fire brigade require a BI solution that will profile and identify high-risk residents so that they can be prioritised for this intervention. The BI solution must also enable the council to track whether proactive; targeted interventions are having the desired impact.

<p>Securing the best outcomes from employment, training and education services (incl. WCOA)</p>	<p>Whole system analysis from school, education to employment (including through commissioned employment support services) to see which interventions have the desired outcomes for which cohorts of people. Match the skills of people to the skills gaps and demands in the market place. Predictive model applied to emerging cohorts.</p>
<p>White City Opportunity WCOA - Housing and Regeneration Reducing crime and anti social behaviour in the borough (incl. WCOA). Focus on reducing re-offending.</p>	<p>Despite crime levels reducing more work needs to be carried out to better understand reoffending levels, interventions and the impact of those interventions. Should include employment, training and housing interventions. Identify which interventions lead to the best outcomes in ASB managed cases.</p>
<p>White City Opportunity WCOA - Health and social care White City Opportunity WCOA – Children’s and families Troubled Families Parking Permits - eligibility checking Parking</p>	<p>Bring all parking data together into the warehouse to; -Reduce the enforcement cost base - aim to move away from issuing tickets, enforcing parking costs as much to run as the income brought in from tickets. -Increase cashless parking usage -Reduce Congestion -Increase customer satisfaction</p>
<p>Customer Programme</p>	<p>Intelligence and self service analysis is required to baseline customer channel usage, to track level of shift, to ascertain success of implemented projects, and to inform forthcoming channel shift projects. For Delivery Units and customer Units to track access to service and inform projects to shift to cheaper channels. -to have a range of customer and business Intelligence data available which will inform service design, optimising service Delivery to meet customer preferences.</p>
<p>Residential Environmental Health</p>	<p>To have an accessible tool for officers and managers to analyse officer performance in accordance with the service P.I.s To monitor customer service standards within the service area.</p>
<p>Built Environment</p>	<p>To review work activity across the wards</p>

<p>Service Transformation TFM: Optimise running costs, space efficiency, income generation and carbon savings across the Tri-Borough property portfolio.</p>	<p>This was formally the Service Mapping Project - Damian to complete? The introduction of an appropriate BI system will assist and speed up the property review process which will in turn deliver revenue savings, income generation and carbon savings across Tri-borough which could be achieved by reducing the operational estate footprint by (over and above current rationalisation projects). It will provide better quality data for analysis and decision-making. Outcome of property reviews will ensure that the operational estate is optimised in terms of utilisation and meets the current and future needs of council services. This can be delivered through the investment in existing buildings or the provision of new buildings.</p>
<p>Improved collection of business rates</p>	<p>The headline figure is that every 1% reduction of freehold accommodation could provide for a net benefit of circa £1m (savings and income combined) With councils now keeping 30% of NNDR, we need to identify active businesses in the borough that are not paying their business rates or falsely claiming subsidies. Link to those businesses at risk and identify business support interventions that could sustain the business.</p>
<p>Reduce the demand for expensive, statutory services</p>	<p>We need to understand which interventions lead to the desired outcomes across all commissioned and internal services; including those commissioned through the 3rd sector.. We do not necessarily have a good enough grasp of what works for who, why and when. Relevant across CHS, ASC, Housing and almost all services across the authority.</p>
<p>Reducing Fires and associated injuries within the Borough</p>	<p>Whilst deaths related to fires within Hammersmith are reducing the number of fires are not. It has been proven that home fire visits are an effective intervention that significantly reduces the risk of fires. The council and the fire brigade require a BI solution that will profile and identify high-risk residents so that they can be prioritised for this intervention. The BI solution must also enable the council to track whether proactive; targeted interventions are having the desired impact.</p>
<p>Optimise the use of council housing stock</p>	<p>Reduce overcrowding and underoccupancy through the use of matching analytics to identify suitable and available accommodation for households who wish to move.</p>

Monitoring the impact of welfare reform	We need to be able to routinely monitor the impacts of the welfare reform changes across a number of different services and sectors. Identify those households most at risk of not achieving employment outcomes, and most at risk of falling into rent arrears and reapproaching as homeless.
Improve understanding of businesses in the borough	Create a master list of businesses in the borough, including their business rates, current financial risk levels, current council spend with business. Analytics to identify business that are missing in specific clusters and supply chains, those most at risk and the relevant business support interventions that could help. To include communication channels to improve the way the council and partners liaise with businesses.
Improved and targeted communications with the population of the borough Reduce Costs of Waste Collection	Use available sources of information across the council to determine which issues matter to which sorts of people in which areas and what is the preferred channel of communication. What interactions in the council lead to satisfaction / dissatisfaction ? How can Business Intelligence help the Residential Waste team to identify and evaluate opportunities for cost savings
IoT - Internet of Things	Support the Internet of Thing project funded by the Technology Strategy Board drawing on a range of to enable them to be packaged in web and smart phone applications which a) are useful to residents, businesses and visitors by augmenting existing information; and b) contribute to wider objectives such as behaviour change and engagement, channel shift and the digital vision. Such work will inform our own City Council web redesign and third party applications such as Living Map. We could also give/sell access to data to others in the long term which will assist enterprise in the technology sector
Individual Electoral Registration	Government Legislation to tackle electoral fraud by speeding up and modernising voter registration. Westminster's match of Electoral Role to the DWP database was the 2nd lowest in the country (behind RBKC) The electors unmatched to DWP data need to be verified against council held data in order for them to be kept on the Electoral Register.

Anti social Behaviour	There is new legislation coming into power regarding antisocial behaviour and the ability for residents to call for a case review if they have made more three or more reports to any of the above agencies and have not received a satisfactory response. By integrating our data and linking it through common fields such as UPRN and location we would be in a much stronger position to identify our repeat victims and locations for antisocial behaviour problems.
Campaign Monitoring Improve Recycling Rates City Survey - Customer Satisfaction	i.e Dog fouling campaign

# Agenda Item 9

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>7 APRIL 2014</b>
<b>DEPOT WELFARE FACILITIES - HAMMERSMITH PARK : REFURBISHMENT OF THE EXISTING STAFF WELFARE BLOCK FOR OCCUPATION BY THE STREET CLEANING TEAMS AND THE GROUNDS MAINTENANCE TEAMS</b>	
<b>Report of the Deputy Leader (+Residents Services) – Councillor Greg Smith</b>	
<b>Open Report</b>	
<b>Classification - For Decision</b> <b>Key Decision: YES</b>	
<b>Wards Affected:</b> Shepherds Bush Green	
<b>Accountable Executive Director:</b> Nigel Pallace - Transport & Technical Services	
<b>Report Authors:</b> Mike Cosgrave Head of Professional Services & Facilities Management Building Property Management Transport and Technical Services	<b>Contact Details:</b> mike.cosgrave@lbhf.gov.uk Tel No 020 8748 3020 Ext 4849

## 1.0 EXECUTIVE SUMMARY

- 1.1 The proposed works are the refurbishment of the existing staff welfare facilities at Hammersmith Park, currently occupied by the Parks Grounds Maintenance Teams. These works will enable the Street Cleaning Teams to relocate from their existing welfare facilities, and to co-locate to a more suitable combined welfare facility at this location.
- 1.2 The combining of the welfare facilities used by these two services will reduce pressure on the Revenue budgets. The accommodation liberated by combining these facilities will be demolished and the space used for recreational use.

## 2.0 RECOMMENDATIONS

- 2.1 That approval is given for the works to be procured from Amey Community Limited (ACL) in accordance with the approved Terms and Conditions of the Tri-Borough TFM contract. The estimated cost of the works will be £134,225 which includes a contingency sum of £12,200 to which fees of £20,134 will be added, making a total cost for approval of £154,359.
- 2.2 The funding for this scheme will be met from the Corporate Planned Maintenance Programme 2012/2013 which was approved by Cabinet as a Key Decision on 30<sup>th</sup> January 2012 and the WSTF08 Westfield Section 106 agreement dated 11 June 2010 clause 11.29.3.

### **3.0 REASONS FOR DECISION**

- 3.1 The existing welfare provision are currently delivered across four buildings and are of a poor standard which is well below modern day standards. It is therefore proposed that these facilities are to be provided from a single building, refurbished for the use of both the Street Cleaning Teams and the Grounds Maintenance Teams.

### **4.0 INTRODUCTION AND BACKGROUND**

- 4.1 There are currently two buildings at Hammersmith Park being used to provide welfare facilities for the operatives. One being used by the Grounds Maintenance Teams and the other being used by The Street Cleaning Teams. It is therefore proposed that this situation be rationalized, whereby both services will use the building currently used by the grounds maintenance team, once the facility has been upgraded to provide combined facilities. However the condition of the fabric of the building and facilities within are extremely poor and consequently it will be necessary for significant works to be carried out before this proposal can be implemented. It should also be noted that the Corporate Health and Safety unit have visited the sites and have raised numerous concerns in respect to the poor condition of the facilities and the building fabric. These will be resolved through the proposed works.
- 4.2 On completion of these works the building currently occupied by the Street Cleaning Teams will be demolished and the space used for recreational use
- 4.3 The provision of local service depots for storage of equipment, materials and mess room facilities improve health and safety conditions for all staff involved. They also allow the service/department to operate more efficiently, which minimises operational costs.

### **5.0 PROPOSAL AND ISSUES**

#### **5.1 Proposed works**

- 5.1.1 The proposed works are to be carried out to the welfare block consist of:-

- The renewal of the roof covering to the welfare block and yard storage block.
- Alterations to below ground drainage
- Creation of new shower, WC facilities and Kitchenette.
- The general refurbishment of the mess rooms area
- The supply and installation of new windows to the welfare block and yard storage block
- The external decorations and repairs to the yard storage block
- Alterations to fencing to the Grounds Maintenance site compound
- Renewal of the electrical installation throughout the welfare block
- Renewal of the hot and cold water services within the welfare block
- The supply and installation of a new fire alarm system, new CCTV security system and the provision of an intruder alarm system



## 5.2 Funding, Cash flow and programme of works

5.2.1 The proposed funding for this scheme of £184,000 will be met from the following sources;

- A sum of £90,000, will be met from the WSTF08 Westfield Section 106 agreement dated 11th June 2010 clause 11.29.3. The expenditure of those funds was approved in the March 05, 2012 Parks Capital Programme Cabinet Report.
- A sum of £63,250, will be met from the Corporate Planned Maintenance Programme 2013/2014 (Parks, Cemeteries and Open spaces) which was approved by Cabinet as a Key Decision on 14<sup>th</sup> January 2013
- The balance of £1,109 will be met from Corporate Planned Maintenance Programme (CPMP) 13/14 as a variation in accordance with the agreed protocol for change and scheme substitution, by the Director of Building & Property Management and the Executive Director of Finance and Corporate Services in consultation with the Corporate Asset Delivery Team (CADT).

5.2.2 Planning Implication/ S106 Compliance

The use of Westfield S106 fund towards the refurbishment of the Welfare Facilities at Hammersmith Park complies with the S106 agreement dated 11 June 2010 clause 11.29.3d. The clause states that the Council shall use the contribution towards any one or more of the following such as regeneration of or scheme within or in the vicinity of Shepherd Bush Town Centre and White City Opportunity Area on informing the developer. Given the fact that Hammersmith Park is within the White City Opportunity Area and the developer has been notified of the proposed use of the fund, the Director of Planning raises no objection to the use of the S106 contribution towards this project.

5.2.3 Implications verified/completed by:

Peter Kemp, Planning Change Manager, on behalf of the Director of Planning.  
0208 753 6970

5.2.4 The anticipated cash flow for these works is as follows

	<b>2013/ 2014</b>	<b>2014/2015</b>	<b>TOTAL</b>
Construction cost	£0	£122,025	£122,025
Contingency Sum:	£0	£ 12,200	£ 12,200
Fees:	£0	£ 20,134	£ 20,134
<b>Total:</b>	<b>£0</b>	<b>£154,359</b>	<b>£154,359</b>

5.2.5 Cost Code: 99207 PLE001 CAP005 CENV00859

Project Ref: ECH595551

5.2.6 **Fees**

Works procured via Amey Community Limited under the Tri-Borough TFM contract. have professional services fees allocated in accordance with the agreed fee schedule and in accordance with the approved Contract Terms and Conditions. BPM fees are calculated on the basis of 15% with final account reconciliation at the end of each project. Therefore fees are applicable to the

proposed works at a rate of 15% which is estimated to be £20,134.

#### 5.2.8 Programme of works

The anticipated programme of work is as follows

CADT	11 <sup>th</sup> November 2013
H&FC Business Board	20 <sup>th</sup> November 2013
Briefing to Cabinet	3 <sup>rd</sup> March 2014
Cabinet meeting	7 <sup>th</sup> April 2014
Start on Site:	28 <sup>th</sup> April 2014
Completion:	21 <sup>st</sup> June 2014

### 6.0 OPTIONS AND ANALYSIS OF OPTIONS

#### 6.1 Procurement Details

- 6.1.1 The Cabinets of each of the Tri-Borough councils gave approval to the appointment of Amey Community Limited to provide Facilities Management services for a period of 10 years (Plus 3 years optional extension). The Cabinet of Hammersmith & Fulham Council giving their approval on the 13<sup>TH</sup> May 2013.
- 6.1.2 Orders are placed to carry out works to non housing properties on an order by order basis, using an approved Schedule of Rates as the pricing mechanism. This being appropriate to undertake the required work and its use will save the time required to invite and obtain approval of building tenders. This approach to procurement allows projects to be processed quickly without recourse to a separate tender, whilst at the same time maintaining value for money, as the completed works are paid for at competitively tendered rates.
- 6.1.3 Officers from Building & Property Management have reviewed the project requirements and programme timescale and agree that the appointment of Amey Community Limited is appropriate for this project. The contractor has been approached and agrees that they can meet the specific requirements of this project.

### 7.0 CONSULTATION

- 7.1 These works form part of the approved Corporate Planned Maintenance Programme which has been developed in conjunction with Local ELRS officers.
- 7.2 The London Borough of Hammersmith and Fulham own the premises and it is not necessary to seek landlord's approval
- 7.3 The energy saving implications are as follows:
- The roof shall be insulated in accordance with the requirements of the Building Regulations which could achieve a saving of up to £150.00 per year on the heating bills.
  - Double glazed windows shall be supplied and installed in accordance with the requirements of the Building Regulations and this will result in a 50%

reduction in heat loss through the windows.

- The existing lights will be replaced with LED fittings which will result in a reduction of 75.0% of the existing lighting energy consumption. The proposed replacement works will result in approximately 75% reduction in electricity consumption due to LED lighting efficiency. This represents an approximate on going saving of approx. £300 per year and a carbon reduction of 1.0 tonnes of CO<sup>2</sup> per year. This represents approx. 0.0051% of LBHF's carbon emission reduction target (40% by 2016)

## **8.0 EQUALITY IMPLICATIONS**

8.1 This scheme only involves general refurbishment and has no identifiable equality implications.

## **9.0 LEGAL IMPLICATIONS**

9.1 It is noted that it is intended to award the works in this report under the Council's existing Non-Housing works Measured Term Contract 2011/2015.

9.2 Implications verified/completed by:  
Cath Irvine - Principal Contracts Lawyer : 020 8753 277

## **10.0 FINANCIAL AND RESOURCES IMPLICATIONS**

10.1 The funding for the estimated cost of the proposed scheme, £184,000 are detailed in paragraph 5 above.

10.2 The financial standing of the company Amey Community Limited has been examined. The Council has been advised that in the light of the information available as at 3<sup>rd</sup> October.2013 the overall financial performance of the company is still considered to be sound.

10.3 Implications verified/completed by:  
Isaac Egberedu, Principal Accountant: 0208 753 2503.

## **11.0 RISK MANAGEMENT**

11.1 Risks relating to the project's pre-construction processes have been ascertained, and the project will not commence until the necessary actions identified on the register have been undertaken. A post-contract risk register will be developed jointly with the contractor once they have been appointed, in order that risks can be managed throughout the duration of the project

11.2 Implications verified/completed by:  
Pat Nolan: Project Manager (ECH Framework Contract) 020 8753 4516  
Paul Chapple : Project Manager EC Harris 020 7812 2359


## **12.0 PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1 There are no procurement related issues as the recommendation relates to an order to be placed with Amey Community Limited under the Tri-Boroughs' Total Facilities Management contract.

12.2 Implications verified/completed by:  
Alan Parry, Procurement & I T Strategy Division : 0208 753 2581

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Controlled Contract/Project Documents (exempt).	Paul Chapple Project Manager 0207 812 2635	EC Harris LLP 181 King Street Hammersmith W6 9JT

 <p><b>h&amp;f</b> the low tax borough</p>	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>7 APRIL 2014</b></p>
<p><b>SPECIAL GUARDIANSHIP ALLOWANCE POLICY</b></p>	
<p><b>Report of the Cabinet Member for Children's Services – Councillor Helen Binmore</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For Decision <b>Key Decision:</b> No</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Andrew Christie – Children's services</p>	
<p><b>Report Author:</b> Steve Miley – Director Family Services</p>	<p><b>Contact Details:</b> Tel: 020 8753 2300 E-mail: Steve.Miley@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report proposes updating the Hammersmith and Fulham Special Guardianship Allowance policy to bring it into line with the London wide initiative to have a consistent policy across London. These changes will also bring our policy into line with our tri borough partners so that the tri borough fostering and adoption service are operating under a single Special Guardianship allowance policy.
- 1.2. Special Guardianship allowances are used to provide financial support in situations where it is right for the child to leave the Council's care and legally become a full member of that family but financial support is needed to enable the carers to continue caring for the child. .
- 1.3. The main change in the policy is to provide a commitment to continuing the fostering allowance during the period of the Special Guardianship Order and to introduce a new Department for Education developed model of means testing. The overall cost of introducing this change is neutral.
- 1.4. The key benefit of this change is that it will encourage carers to proceed with Special Guardianship rather than leave children remaining looked after. It will also ensure that the single tri borough service can operate more effectively under one policy for all three Local Authorities.

## **2. RECOMMENDATION**

- 2.1. That the new Special Guardianship allowance policy (attached at Appendix 1) be approved.

## **3. REASONS FOR DECISION**

- 3.1. The current policy is in need of revising in the light of recent case decisions in court (where children have remained looked after with a fostering status when carers have been reluctant to proceed to a Special Guardianship Order) and the development of the Tri-borough fostering and adoption service which need to operate under a single policy.
- 3.2. It is also necessary to bring the policy into line with current practice; in the majority of cases financial support is provided to carers for the duration of the order and a policy that gave a commitment to this when carers were considering Special Guardianship or remaining as foster carers would encourage more carers to move to a Special Guardianship order.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Usually children are best brought up in a family. To achieve this when they are looked after and cannot return home to their parent(s), the Council will seek to place them permanently with another family and to secure that placement with a court order – usually Adoption, Special Guardianship or residence order.
- 4.2. For all these orders the Council will assess what support the carers need; many carers will have planned taking a child into their family and have the financial resources to manage (most adopters will be in this position). Other carers, usually family members will have not expected to be caring for their relatives but have stepped in when a problem arose. A high proportion of these family arrangements are with grandparents who may be or will soon become of pension age. These families are more likely to need financial support.
- 4.3. Our current policy provides carers with a guarantee of three years of non means tested financial support (equivalent to the fostering allowance) and then ongoing financial support is annually reviewed. An assessment is made after three years and if it is not reasonable to expect the carer to continue without financial support, then it will continue and a significant proportion do.
- 4.4. An unintended consequence of this policy is that carers making a permanent commitment to a child do not know if they will have financial support in three years' time; there have been a number of carers recently where carer have refused to move from fostering to Special Guardianship because of this uncertainty. In those circumstances the child remains looked after and the financial support continues under the fostering

regulations. This is not helpful to the child to remain looked after; neither to the Council as the financial costs are higher.

- 4.5. In many cases the Council does continue to provide financial support; but the fact that this is uncertain at the point of agreeing the Special Guardianship Order support offer means that it can act as a deterrent and less carers move to Special Guardianship Order than we would like.
- 4.6. In addition since the creation of the tri borough fostering and adoption service the new tri borough fostering and adoption service has had to work under different policies in the three boroughs. It would simplify and assist the service to operate under one policy.
- 4.7. The number of children moving onto Special Guardianship Orders is shown in the table below:

Year ending March	2010	2011	2012	2013	2014
Special Guardianship Orders	13	21	27	18	16

- 4.8. The cost per child is based on the fostering allowances (less benefits relevant to that child such as child benefit, tax credits etc) and is means tested

Weekly Rates	Babies	Pre Primary	Primary	Secondary (11-15)	Secondary (16-17)
England	119	122	134	154	179
South East	131	135	151	171	201
London	137	140	157	178	209

## 5. PROPOSAL AND ISSUES

- 5.1. It is therefore proposed that the Council adopts a new Special Guardianship allowance policy; this policy is the current policy operating in the other two Local Authorities.
- 5.2. The key proposals in the new policy are that the allowance would:
- 5.2.1. Continue for the duration of the order.
  - 5.2.2. Match the fostering rate for a child of that age
  - 5.2.3. Have benefits that duplicate the allowance deducted (Child Benefit, Child tax credit and working tax credit)
  - 5.2.4. Introduce a new rigorous annual means test that is to be implemented by a new finance post funded by the Adoption Reform Grant.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. The main alternative option would be to remain with the current scheme. As outlined above that leaves the Council in the position of some carers not being willing to move to a Special Guardianship Order and children would remain looked after unnecessarily.

## **7. CONSULTATION**

- 7.1. No additional consultation is required.
- 7.2. In developing the London wide initiative there was consultation with all London Local Authorities.

## **8. EQUALITY IMPLICATIONS**

- 8.1. There is no impact on the public sector equality duty as a result of this new policy as the proposals apply equally to all looked after children where Special Guardianship is being considered.

## **9. LEGAL IMPLICATIONS**

- 9.1. The legal duty to assess and the power to provide a Special Guardianship allowance is governed by sections 14F and 14G of the Children Act 1989, the accompanying Special Guardianship Regulation 2005 and DfE Special Guardianship Guidance.
- 9.2. Strict adherence to the Regulations would mean that the Local Authority could cease payment of the allowance after 3 years, subject to a further assessment of needs and the carer continuing to reside within the area of LBHF. As such, the Policy may have the beneficial effect not only of increasing the number of Special Guardianship applications and thus reducing the number of looked after children but also reducing the number of legal challenges from Special Guardians who seek an allowance that is equivalent to the fostering allowance and who seek that it should continue for as long as they continue to care for the child.
- 9.3. Implications verified/completed by: (Jade Monroe, Senior Solicitor 0208 753 2695)

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

- 10.1. The proposed implementation of the revised policy is estimated to be cost neutral for LBHF. Although the current scheme only guarantees to pay the allowance for the first 3 years in reality most continue beyond this time due to the carer's financial circumstances.



10.2. The revised policy will formalise the process of robust financial assessment which will be carried out annually after 3 years and will ensure that where financial circumstance change the allowance is reduced or stopped accordingly.

10.3. Completed by Caroline Osborne, Tri Borough Head of Finance, Children’s Social Care.

**11. RISK MANAGEMENT**

11.1. The changes bring the Councils’ sovereign policy into line with our Tri-borough partners so that the Tri-borough fostering and adoption service operates under a single Special Guardianship allowance policy. In doing so these contribute to the Enterprise Wide Risk Management Bi-borough risk number 6 - Managing statutory duty, compliance with laws and regulations. A London Local Authorities initiative to develop across London a standardised approach to financial support is being developed for special guardians in accordance with the Special Guardianship Regulations 2005 and the DfE Special Guardianship Guidance.

1.1. Implications verified by; Michael Sloniowski, Bi-borough Risk Manager ext. 2587.

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Draft London Special Guardianship Order Support Policy	Steve Miley/2300	Children's services

**LIST OF APPENDICES:**

- 1 Special Guardianship Financial Support Policy

## **APPENDIX 1**

### **HAMMERSMITH AND FULHAM SPECIAL GUARDIANSHIP FINANCIAL SUPPORT POLICY**

This Policy is based on the London Local Authorities initiative to develop across London a standardised approach to financial support for special guardians in accordance with the Special Guardianship Regulations 2005 ('the Regulations') and the DfE Special Guardianship Guidance ('the guidance').

It is written in four parts:

1. The regulatory framework.
2. The principles underpinning the payment of Special Guardianship allowances and financial support
3. The agreed allowances and financial support.
4. Exceptional payments.

#### **1 THE SPECIAL GUARDIANSHIP REGULATIONS 2005 AND THE DFE GUIDANCE :**

- 1.1 The Regulations, supported by the DfE guidance and recent case law govern the processes by which local authorities exercise their discretion in determining requests for special guardianship support services, including financial support.
- 1.2 Carers who are proposing to care for a child under a Special Guardianship Order or who are caring for a child under a Special Guardianship Order can request an assessment for support, including financial support, under the Special Guardianship regulations 2005.
- 1.3 If a request for financial assistance is made by a prospective special guardian of a child who is looked after by the Local Authority or a special guardian of a child who was looked after immediately before the making of the special guardianship order, (or such child or his parents) or would have become looked after, had the special guardian (or prospective special guardian) not stepped in, then an assessment will be carried out. (Reg. 11.1). While requests for financial support from other persons will be considered, save for in exceptional circumstances, a financial assessment, including a means test, will not be conducted. The Local Authority will notify them of the reasons for the decision and allow him/her 28 days in which to make representations, which will be considered by the Local Authority. The final decision will be made, and the person requesting assessment notified of it, within 28 days of receipt of their representations (Reg. 11.2 & 11.3).
- 1.4 (1) Financial support may be paid to a special guardian or prospective special guardian –
  - (a) to facilitate arrangements for a person to become the special guardian of a child where the local authority consider such arrangements to be beneficial to the child's welfare; or

(b) to support the continuation of such arrangements after a special guardianship order is made.

(2) Such support is payable only in the following circumstances –

(a) where the local authority consider that it is necessary to ensure that the special guardian or prospective special guardian can look after the child;

(b) where the local authority consider that the child needs special care which requires a greater expenditure of resources than would otherwise be the case because of his illness, disability, emotional or behavioural difficulties or the consequences of his past abuse or neglect;

(c) where the local authority consider that it is appropriate to contribute to any legal costs, including court fees, of a special guardian or prospective special guardian,

## **2 THE PRINCIPLES UNDERPINNING THE PAYMENT OF SPECIAL GUARDIANSHIP ALLOWANCES AND FINANCIAL SUPPORT.**

1. Allowances should be used to enable children to be secured by a legal order in placements that meet their needs where there would otherwise not be able to remain without the payment of that financial support.
2. Each case will be decided on its merits with the aim of ensuring that there is equal and fair allocation of resources.
3. Allowances and grants are paid to support carers in covering expenditure arising from caring for the child.
4. The allowance will usually be agreed until the child is 18 but will be subject to means testing and an annual review.
5. Any additional financial benefits arising from the making of the order (child benefits, child tax credit etc.) will be deducted from the allowance to be paid to the carer to ensure that the carer is not paid twice for the same expenditure.
6. Foster carers who are receiving remuneration (a fee as well as an allowance) will be paid that fee for a transition period only. The regulations state that this should be for two years except in exceptional circumstances such as the carer having to give up work to care for the child.
7. Payments to cover expenditure arising from for a child's special needs will be made only after a full assessment of that child's needs and the Special Guardian's financial circumstances. Payments will only be made for the child after all other alternatives in terms of benefits, grants and services have been explored; and the level of the child's needs will be reviewed annually.

8. Special Guardianship financial support is payable to the Special Guardians to care for the child and meet his/her assessed needs, irrespective of where the Special Guardians are living i.e. including abroad. However, if the Special Guardians move abroad from the UK, or are already living abroad when the child moves to their care, the level of allowance may be altered to take into account comparative costs of living in that country..
9. The special guardian must agree to the conditions listed in reg. 10(1) and must comply with them: s/he must notify the Local Authority of any change of circumstances and must complete and return the annual statement. Failure to do so may result in payment being suspended or terminated and recovery of any payments made.
10. The Local Authority will review the payment of financial support on receipt of the annual statement each year and, if it proposes to reduce or terminate the support or revise the plan, it will notify the special guardian of the decision and will allow a period of 28 days in which the special guardian may make representations, which will then be considered by the Local Authority and a final decision made.
11. The payment will cease when any of the events listed in Reg.9 occur (leaves home, commences employment, qualifies for income support, becomes 18).

### 3 FINANCIAL SUPPORT

3.1 There are a number of different expenses arising from caring for the child for which financial support can be paid.

- **Contribution to settling in grant** – This is based on the needs of child joining a new family under a special guardianship order. The price of items needed is based on the price of equivalent items in the Argos or Mothercare catalogues. The grant is not paid if the child was in foster care and the foster carers have applied to be that child’s special guardians: nor is it paid for a child already in placement with prospective special guardians, unless there are exceptional circumstances which would justify such a grant being made. It is paid up to a usual maximum per child of £500. This may be exceeded in exceptional cases.
- **Legal advice** –It is paid at the ‘legal help’ rates. It is only paid for children known to the Local Authority prior to the application being made (i.e. Children Looked After, or designated Children in Need, subject to child protection plans), unless there are exceptional circumstances and where:
  - i) the Local Authority considers that the carer or prospective special guardian requires legal advice about the different care arrangements that could be made for the subject child and supports the child being placed or remaining in his/her care; and

- ii) where he/he is not eligible for legal help or any other financial assistance for example under an insurance policy; and
- iii) the Local Authority considers that his/her financial circumstances are such that it would not be reasonable to expect him/ her to pay his /her own fees.

This is payable up to the Local Authority's agreed limit for the initial consultation of £350. The solicitor instructed should be a member of the Law Society's Children Panel, unless otherwise agreed by the Local Authority in advance. Itemised bills will be required.

- **Legal fees for representation in court –**

a) To make an application for a special guardianship order. These are only paid where:

- i) the application relates to a child who is Looked After or who was looked after prior to being cared for by the prospective special guardian or would have been had the special guardian not stepped in; and
- ii) the Local Authority supports the application; and
- iii) the Local Authority considers that the prospective special guardian requires separate representation; and
- iv) where he/he is not eligible for public funding or any other financial assistance for example under an insurance policy; and
- v) the Local Authority considers that his/her financial circumstances are such that it would not be reasonable to expect him/ her to pay his /her own fees.

Legal fees are paid at the CLS Public funding rate, up to a maximum of £3000 save for exceptional circumstances. The solicitor instructed should be a member of the Law Society's Children Panel, unless otherwise agreed by the Local Authority in advance. Itemised bills will be required

b) Applications for payment of legal fees for other purposes (contact etc) to will be subject to the criteria listed above and the Local Authority's assessment of the merits of the case.

- **Day to day cost for which an Allowance is needed**

Special Guardianship allowances are linked to the Local Authority's fostering allowances and are based on the needs of the child. They are not paid for a child who would not otherwise need to be accommodated by the Local Authority, save in exceptional circumstances. The allowance is paid to foster carers and friends and family carers following the making of a special guardianship order in respect

of the previously fostered child. Where foster carers were in receipt of a fostering allowance and fee, they will continue to receive this as the Special Guardianship allowance, less Child Benefit and Child Tax Credits, in order to maintain their level of income.

Where the foster carer is approved by an Independent Fostering Provider, the fee allowance and fee payment may be negotiated individually. The allowance includes payment for birthdays, festivals, holidays and school uniform, and separate additional payments will not be made.

The Government's Model Means Test will be used to assess eligibility for allowance for all other Special Guardianship applications, and to calculate the proportion of the full allowance payable (on a sliding scale according to the Special Guardian's means).

Eligibility for the allowance, and the proportion payable to a particular special guardian, are subject to review every year to take account of both the changing needs and circumstances of the child and Special Guardians. The Model Means test will be applied annually or on receipt of notification of a change of circumstances.

- **Contact expenses** – The payment of these expenses to those visiting a child or to the special guardian by the Local Authority will be based on an assessment of child's needs, the circumstances of the individuals involved and the nature of the contact arrangements and may cover payment of travel costs and accommodation depending on the circumstances. Such support agreed must be recorded in the Special Guardianship Support Plan and is subject to annual review. If contact supervision is needed, this should be based on a risk assessment by the Local Authority. The principle employed by the Local Authority is that the Special Guardians are expected to be able to manage contact themselves or working towards taking responsibility for this within a reasonable timeframe

#### **4. Exceptional payments:**

- **Nursery/child minding fees** – The payment of these fees is exceptional and based on an assessment of the child's and Special Guardian's needs and only where all other means of providing such service has been exhausted. It must be recorded in the Special Guardianship Support Plan. The Special Guardians will be expected to apply for the child's nursery allowance at the first possible opportunity.
- **Building conversions** – loans to finance such work may be paid to private home owners, or Housing Associations, and only in exceptional cases e.g. to enable them to accommodate larger sibling groups. The Special Guardians must supply evidence that all other routes have been explored e.g. housing transfer or other funding through a mortgage. The loan will either be recoverable when the child subject to a special guardianship order reaches the age of 21 years or on sale of the property if earlier than that or by a monthly deduction from the Special


Guardian's allowance at source. A proportion of any equity in the property at the time that the repayment becomes due arising from loan or any interest payable on the loan will be subject to negotiation and agreement before the loan is agreed between the special guardian and the Local Authority.

- **Loss of earnings** – If the child's needs require the Special Guardian to be at home on leave from work, at the time of introductions, the Local Authority may pay a proportion of their net earnings for the length of the agreed period in addition to the special guardianship allowance, depending on the circumstances. This will be assessed and recorded in the Special Guardianship Support Plan. It will be based on the statutory adoption pay arrangements.

Foster carers are a particular group recognised in the regulations and would receive the fee for up to two years as per principle 6 in section two above.

- **Respite care and Short Breaks** – These are paid for only in exceptional circumstances and are based on the child's assessed needs and must be agreed in the Special Guardianship Support Plan.

# Agenda Item 11

 the low tax borough	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>7 APRIL 2014</b>
<b>DELIVERING THE SCHOOLS CAPITAL PROGRAMME</b>	
<b>Report of the Cabinet Member for Education – Councillor Georgie Cooney</b>	
<b>Open Report</b>	
<b>Classification:</b> For Decision <b>Key Decision:</b> Yes	
<b>Wards Affected:</b> All	
<b>Accountable Executive Director Andrew Christie – Executive Director Children’s Services</b>	
<b>Report Author:</b> Dave McNamara – Tri-borough Director of Finance & Resources (Children’s Services)	<b>Contact Details:</b> Tel: 020 (8753 3404) E-mail: (dave.mcnamara@lbhf.gov.uk)

## 1. EXECUTIVE SUMMARY

- 1.1. This report builds on the previous reports set out in the School Organisation Strategy for Hammersmith & Fulham 2012/13. It makes recommendations for additional capital funding decisions in support of the Council’s key educational priorities.

## 2. RECOMMENDATIONS

- 2.1. That approval be given to the capital allocations, and appropriate delegations where required to develop the priority schemes at the following schools:
- 2.2. **Ark Conway**
  - 2.2.1. To note that the Council is the contracting authority for the expansion of the Ark Conway Free School, subject to confirmation that the construction qualifies for zero-rating for VAT purposes, and that the costs of the project



are underwritten by the Education Funding Agency (EFA). Ministerial approval is being sought for a contract sum of £4,282,297.

- 2.2.2. That the Leader and the Cabinet Member for Education approve the appointment of the contractor for these Ark Conway works, following a competitive exercise.

### 2.3. **Burlington Danes**

- 2.3.1. To note the increased funding requirement of approximately £1.5m (to approximately £6m) for the creation of a primary school within the grounds of Burlington Danes and the contribution from the Burlington Danes Trust to cover the cost of expanding the sixth form.

- 2.3.2. That the Council undertakes the role of Contracting Authority for the establishment of new-build construction at Burlington Danes subject to confirmation that the construction qualifies for zero-rating for VAT purposes;

### 2.4. **New King's & Sullivan (and re-location of Paray House from New Kings to Normand Croft)**

- 2.4.1. That Contract Standing Orders be waived and that approval be given to the direct award to Elliott Group Ltd for the supply and installation of the temporary classroom units at Sullivan at an estimated cost of £500k to accommodate the students to be relocated from New King's School.
- 2.4.2. That Contract Standing Orders be waived and that approval be given to delegate the approval of the contractor for Normand Croft refurbishment works to the Cabinet Member for Education in order to facilitate the relocation of Paray House from New King's primary school.
- 2.4.3. That approval be given to the procurement strategy as set out at paragraph 5.4 below for the procurement of a contractor to carry out further construction works, and that the Leader and the Cabinet Member for Education approve the award the contract for the construction works at New King's primary school, providing the tendered sum is within the estimated value of £3.8m for this project. (This particular delegation is needed in order to facilitate a timely submission of the planning application and commencement of building works. The estimated cost of works is currently £3.8m).

### 2.5. **St. Peter's**

- 2.5.1. That the Leader and Cabinet Member for Education approve a funding agreement between the Council and the school, and other appropriate parties, to draw down funding up to the maximum available of £2.279m subject to satisfactory planning and contract award approvals to allow the school to carry out the project described in paragraph 5.5.1 of this report.

### 2.6. **William Morris**

- 2.6.1. That the approval of a funding agreement between the Council and the school for the provision of post-16 SEN teaching facility be delegated to the Cabinet Member for Education, subject to the development of agreed

education strategy for post-16 SEN, the availability of the adjacent St. Dunstan's site, and planning permission.

## 2.7. **Wood Lane Special School**

- 2.7.1. Subject to receiving tenders within the estimated value of the proposed works of £750,000, that approval of the contractor for the expansion of Wood Lane Special School be delegated to the Cabinet Member for Education in order to facilitate the commencement of works in May 2014 and completion in September 2014.

## 2.8. **Lady Margaret's**

- 2.8.1. That approval be given to additional Council funding of £500k up to £6.5m to fund 1 form of entry expansion proposals as described in paragraph 5.8 of this report.

## 2.9. **St Thomas'**

- 2.9.1. That a provision of up to £124k be established to settle a contractual dispute with the contractors as further described below in paragraph 5.9 and that authority be delegated to the Tri-borough Executive Director of Children's Service, and to the Cabinet Member for Education if required, to determine the appropriate use of this provision in settling the dispute.

## 2.10. **Pope John**

- 2.10.1. That approval be given to the allocation of up to £100,000 to fund the cost of providing temporary classroom to accommodate the additional children on roll for September as described below in paragraph 5.10.

## 2.11. **Queensmill @ Fulham College for Boys**

- 2.11.1. That approval be given to the allocation of £50,000 to fund the expansion of the autism pilot run by Queensmill school at Fulham college for Boys as described in paragraph 5.11 of this report, the school being the contracting authority.

## 2.12. **Contingency**

- 2.12.1. That approval be given to the establishment of a contingency fund of £742k and that authority be delegated to the Cabinet Member for Education to determine the appropriate use of this contingency fund in support of the schemes approved by Members as part of the Schools' Capital Programme..
- 2.13. That approval be given to establish a Planned Maintenance Programme in the value of £1,481,072.

### 3. REASONS FOR DECISION

3.1. The recommendations listed above will contribute to the Council meeting its identified key educational priorities.

- To meet the Council's statutory responsibility to provide school places to meet demand
- The Schools of Choice agenda for expanding popular schools
- Increase the percentage of resident children choosing the Borough's schools
- The Special Schools Strategy

### 4. INTRODUCTION AND BACKGROUND

4.1. In response to the receipt of additional Basic Need Grant in 2011-12 the Council developed a process to invite bids from schools that addressed the Council's key essential priorities of Schools of Choice. Since that time the Council has continued to use the same process to allocate funds. The total amount of funding within the Schools' Capital Programme is **109.524m**. In total, £93.116m has already been allocated. This leaves a current balance available for further allocation of £16.408m.

### 5. PROPOSAL AND ISSUES

5.1. The following projects are proposed for Children's Services capital funding allocations:

	<b>£000</b>
Available funding to meet new commitments	<b>16,408</b>
<b>New Commitments</b>	
Ark Conway	4,282
St Peter's site rationalisation	2,279
William Morris	1,950
Burlington Danes Primary	1,500
Lady Margaret	500
St Thomas'	124
Pope John	100
Expansion of Autism Pilot	50
LA Maintenance Grant	1,481
Contingency	742
	<b>13,008</b>
<b>Residual available budget</b>	<b>3,400</b>

## 5.2 Ark Conway

- 5.2.1 One of the first free schools, the one-form primary is being developed at the former Old Oak library and requires the stopping up of an adjacent road that has significant utility works to ensure the safety of the construction.
- 5.2.2 The Council is the contracting authority for this project which is being managed and completely underwritten by the EFA. The next stage of the project is due to go out to tender with ministerial approval of £4,282,297.

## 5.3 Burlington Danes

- 5.3.1 Ark, on behalf of Burlington Danes submitted a free school application to establish a primary school (and adjacent nursery) within the footprint of the current site. Subsequent to that, and in recognition that the land represents the last opportunity for development the Burlington Danes governors have decided to incorporate an extended sixth form block, on top of the proposed primary, in to the proposed design.
- 5.3.2 Whilst the Council will only fund the statutory primary provision, the project requires additional funding from the EFA to fund the nursery, and from Burlington Danes to fund the sixth-form works.
- 5.3.3 The opening of the primary school, scheduled to open in temporary classrooms for September 2014 has been deferred for one year due to significant risks associated with establishing temporary classrooms whilst undertaking a major building project on a constrained site.
- 5.3.4 Due to the complexity of the scheme and the need to work constructively with planners and within planning advice all parties prefer to use 3BM as the designers and project managers. This is only possible if the Council were the contracting authority. Notwithstanding the complexity of the project, there are no implications for the council's VAT position as the project is a new-build scheme that would qualify for a zero-rating VAT rate. The zero-rating status is dependent on the school being used 95% for educational/charitable use and the school providing the Authority with a certificate to this effect. Under these circumstances the council is willing to act as contracting authority.
- 5.3.5 The scheme is estimated to cost approximately £6m. The EFA establish a budget envelope for these type of schemes and have calculated a budget of Approximately £4.8m which is supported by an increase in Free School Grant. Whilst the grant does not cover the entire costs, the £1.2m difference is less than previously provided for within the budget.

## 5.4 New King's & Sulivan

- 5.4.1 Further to the Cabinet decision to implement the proposals for the discontinuance of Sulivan Primary School and the enlargement of

New King's Primary School, there is a need to proceed with three elements of the project:

**A. *Accommodation works at the Sullivan school site;***

5.4.2 In order to complete the project in time for the new academic year, planning permission is required in April and to facilitate that process it is proposed to appoint Elliott Group Ltd to support the planning process with a view to them supplying and installing the temporary classroom. In order to enable the required level of design and construction logistics prior to appointment to facilitate a positive planning determination and installation on site for occupation September 2014, there has not been time to carry out a competitive process as required by the Council's contract standing orders. However, the Council has acted on the advice of 3BM. Elliot's have demonstrated their competitiveness in relation to a previous tendering exercise for temporary classrooms for Queensmill school at Gibbs Green. In addition, of the companies that tendered for that job, Elliot's were the only respondent who confirmed that they would be able to support the process to achieve planning approval.

**B. *Relocation of Paray House School within Normand Croft primary school;***

5.4.3 Works at Normand Croft school will also include the relocation of an NHS drop-in facility and other works to be funded by the school. It is expected that the works associated with accommodating Paray House will cost approximately £100,000. These works will form part of a wider project at the schools that is expected to cost approximately £300,000. In order that these works can be achieved in time for the start of the new academic year it is recommended to delegate the approval of the contractor for Normand Croft refurbishment works to the Cabinet Member for Education in order to facilitate the relocation of Paray House from New King's primary school

**C. *Developing the planning application for the enlargement of New King's Primary School.***

5.4.4 The scheme will be developed by 3BM, with New King's interests supported by the appointment of a Client Design Advisor, funded by the Council. The proposal is to achieve planning approval by the 31<sup>st</sup> July and to develop the scheme to stage D of the RIBA process and then go out to tender to appoint a contractor to help develop and cost the scheme to stage E of the RIBA process. In this way it is felt that the Council and the school will achieve the maximum value for money from an agreed design. In order to facilitate the submission of the planning application and commencement of building works it is proposed to delegate the approval of the contractor the construction

works at New King's primary school to the Leader and Cabinet Member for Education. The estimated cost of works is currently £3.8m

#### **5.5 St. Peter's**

- 5.5.1 The Council supports the rationalisation of St Peter's school from 3 sites to 2, to prevent the unnecessary movement of children along the highway.
- 5.5.2 The school has developed proposals which will be managed by the diocese on the school's behalf. The scheme has been costed at £2.494m and the schools is requesting council funding of £2.279m. The balance will be funded from the school and a small contribution of LCVAP funding.
- 5.5.3 To develop this project further it is proposed to delegate approval of a funding agreement between the council and the school, and other appropriate parties to the Leader and Cabinet Member for Education to draw down funding up to the maximum available of £2.279m subject to satisfactory planning and contract award approvals
- 5.5.4 The school will act as contracting authority for any construction work carried out.

#### **5.6 William Morris**

- 5.6.1 William Morris is a newly established academy providing post-16 education facility that provides specialist learning for SEN students. The Council is keen to commission places at the school and is willing to support the school's plans to provide facilities in the adjacent St. Dunstan's clinic, once the NHS facility moves to the White City Collaborative Care Centre.(Park View).
- 5.6.2 In order to develop this scheme further it is proposed to delegate approval of a funding agreement between the council and the school for the provision of post-16 SEN teaching facility to the Cabinet Member for Education, subject to the development of agreed education strategy for post-16 SEN, the availability of St. Dunstan's and planning permission, if appropriate.
- 5.6.3 The academy will act as contracting authority for any construction work carried out.

#### **5.7 Wood Lane Special School**

- 5.7.1 The proposed Wood Lane funding allocation will provide additional accommodation required to enable the school to meet the needs of the current roll of 94 pupils in a school designed for 65, and expand further provision to deliver the curriculum in an inclusive and safe environment for teaching and learning.
- 5.7.2 The key dates associated with the high level programme are as follows:

Activity	Date
Tender issued	5 March 2014
Tender return	15 April 2014
Tender Evaluation Recommendation report Issued to LBHF	1 May 2014
Target date for confirmation of Contract Award	6 May 2014
Start on Site	20 May 2014
Completion	23 September 2014

5.7.3 In order to facilitate the commencement of works in May and completion in September it is proposed to delegate the approval of the contractor for the expansion of Wood Lane Special School to the Cabinet Member for Education. The estimated cost of these works is £750k.

#### 5.8 **Lady Margaret's**

5.8.1 The School Organisation Strategy of January 2013 awarded a contribution of £6m to Lady Margaret School to fund 1 form of entry expansion proposals against an initial bid of £6.5m. The school have undertaken an analysis of the impact of inflation on the costs of the project and have identified that it is not possible to deliver the agreed scope of the project for less than the initial bid. It is proposed to increase the council's contribution by £500,000 to complete the works.

#### 5.9 **St Thomas'**

5.9.1 The contractor appointed to carry out upgrades to the teaching and kitchen accommodation so support 2 forms of entry has served a claims notice of £124,000 citing flawed specification by the project managers requiring an extension of time and consequential costs . 3BM, as the Council's programme managers are investigating the matter further and will report in due course. In order that the council, as contracting authority, retain sufficient flexibility to contest or to settle the claim it is proposed to establish a specific provision of £124,000 and to delegate to the Tri-borough Executive Director of Children's Service, and to the Cabinet Member for Education if the sums require it, authority to draw down from the provision if deemed appropriate.

#### 5.10 **Pope John**

5.10.1 In order to accommodate the additional children on roll for September 2014 it is proposed to install a temporary classroom. The building project has been affected by delays over the necessary land transfer to support the planning application.. The additional costs associated with are estimated to be £100k. The school is the contracting authority for these works.

## **5.11 Queensmill @ Fulham College for Boys**

- 5.11.1 The Council is keen to support the development of specialist locally provided SEN provision. The Council has previously approved funding of [£50k] to support this development and it is proposed to allocate a further £50k to expand the Queensmill Autistic Spectrum Disorder pilot unit at Fulham Boys College.

## **5.12 Contingency**

- 5.12.1 Given the complexity of a number of the schemes it is proposed to establish a contingency fund of £742k. It is recommended to delegate to the Tri-borough Executive Director of Children's Service the authority to determine the appropriate use of this provision in support of schemes approved by members as part of the Schools' Capital Programme.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. As part of the funding decision making process, projects considered for funding under this draft strategy have been discussed at Cabinet Member briefings, and the schools in question have been visited by Cabinet Members and/or Council officers to appraise the merit of the projects for funding.

## **7. CONSULTATION**

- 7.1. There is no external consultation involved in the allocation of funding to these projects.

## **8. EQUALITY IMPLICATIONS**

- 8.1. The proposals relating to Sullivan and New King's were part of a comprehensive assessment undertaken as part of the decision-making process in relation to those schools.
- 8.2. All other proposed projects within this report were considered for funding under the Schools Organisation Strategy 2012/13 approved by Cabinet 10<sup>th</sup> December 2012. As such, these projects are incorporated in the Equality Impact Assessment for that report.
- 8.3. Funding and delivery of the projects proposed within this report, is part of the Councils strategy to deliver its schools of choice agenda. This will have a positive impact on all the residents of Hammersmith and Fulham, with children of school age, as it is an integral part of an all-encompassing strategy for all learners in the borough. The new opportunities that these new and expanded schools will provide will improve the choices for more



local children to attend local schools, regardless of race, gender, disability, sexual orientation or religious belief.

## **9. LEGAL IMPLICATIONS**

- 9.1. It is noted that it is proposed to directly award a contract for around £500k in relation to the supply and installation of temporary classrooms at New Kings/Sullivan. Although the value of the contract means it is below the threshold for works contracts (and therefore is not covered by the full regime of the Public Contracts Regulations 2006) the Council should still seek to comply with general EU principles of transparency, non-discrimination and equal treatment. This generally requires a competitive process to be carried out, as is also required by the Council's own contract standing orders. The reasons for the proposed direct award are set out in the body of this report.
- 9.2. Generally, officers (and schools) should ensure that all individual procurements are carried out in accordance with the Council's contract standing orders and EU procurement rules.
- 9.3. Implications completed by: Catherine Irvine, Senior Solicitor (Contracts) tel 020 8753 2774

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

- 10.1. The Schools Capital Programme has a complex and diverse set of funding streams as set out in paragraph 4.1 totalling £109.524m( being the total since the inception of the programme in 2011). The previously reported envelope for the Programme was £96.963m. The increase of £11.080m is represented by additional targeted Basic Needs allocations (£1.998m), additional Free School and Academy funding (£9.082m) and the confirmed LA Maintenance grant for 2014/15 (£1.481m). There is no additional call on Council mainstream resource - the increase in the programme is wholly attributable to increased external grant funding.
- 10.2. To date, the Cabinet has allocated a total of £93.116m leaving a balance of £16.408m. The proposed allocation of resources of £13.008m in this report (inclusive of a sum set aside for contingency) would leave a further £3.4m for future allocations.

### **VAT Implications**

- 10.3. Except in special circumstances, the Council is only able to reclaim VAT relating to capital expenditure on Community Schools. Where projects relate to other schools the Council must be mindful of this. With specific regard to Voluntary Aided schools the HMRC have issued revised guidance which will need to be complied with.

- 10.4. In addition, where leases of land and buildings are involved as part of the project, or there are complex streams of funding (for example contributions from schools or third parties), the VAT implications must be explored due to the potential impact on the Council's partial exemption. The potential impact is determined by the nuances of each project and the nature of the consideration and therefore this should be reviewed on a case by case basis.
- 10.5. Comments provided by: Christopher Harris, Head of Corporate Accountancy and Capital, tel 0208 753 6440

## **11. RISK MANAGEMENT**

- 11.1. The Tri-borough Children's Services Department is compliant with the established Tri-borough approach to management of risk and the proposals contribute positively to the Bi-borough Enterprise Wide Risk Register entry number 2, Managing the Business Objectives, ensuring the public's needs and expectations are known and addressed. The department report quarterly on its risks to the Hammersmith and Fulham Business Board and an established process is in place to record and present emerging risks to its senior leadership team. 3BM are responsible to ensure it has an effective risk management system in place for the monitoring and management of the risks associated with the works programme. Procurement risk will be the responsibility of the Children's Services Directorate.
- 11.2. Comments provided by: Michael Sloniowski, Bi-borough Risk Manager 020-8753-2587.

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

- 12.1 The report seeks approval for a number of waivers and prior delegated approvals in order to give efficient effect to the Council's Schools' Organisation Strategy and other educational priorities in the borough.
- 12.2 With the exception of the Burlington Danes scheme, the estimated financial value for each scheme described in the report, for which the Council is the contracting authority, falls below the current financial threshold of £4,348,350 for works that would necessitate a fully regulated competition under the Public Contract Regulations 2006. Appointment of the contractor for the works at Burlington Danes will therefore need to comply with the public procurement regulations.
- 12.3 The estimated value of works required at Ark Conway (£4.282m) is close to the regulated threshold. If officers believe and are able to demonstrate that the pre-tender estimate is accurate, robust and realistic, the placing of an OJEU contract notice and fully regulated procurement for Ark Conway will not be required. If, however, commissioning officers believe the eventual tendered sum could exceed £4.3m, they should consider whether it would be prudent to place an OJEU contract notice for this scheme in order to prevent possible legal complications and delays later on.


- 12.4 The commissioning of *3BM* to act on the Council's behalf in schools and educational related matters is provided for in the OJEU notice posted prior to the creation of *3BM*.
- 12.5 Paragraphs 12.5 and 12.5.1 of the Council's Contracts Standing Orders (CSOs) allows waivers to normal contract award procedures to be granted for new contracts which are reported to Cabinet as either part of a capital or planned maintenance programme, provided the proposed programme for tendering the schemes is approved as a Key Decision by Cabinet and the Key Decision is made prior to the commencement of the tendering procedure. Such a report should also include a realistic estimation of the costs involved. This report does that. If the Key Decision is approved, subsequent contract award decisions can then be delegated to the relevant individual Cabinet Members as set out below.
- Where an open and transparent tendering exercise has been completed, and the tendered sum is within budget, the contract can be awarded by:
- a) the relevant Cabinet Member(s) where the value is £100,000 or more but less than £1,000,000; or
  - b) the relevant Cabinet Member(s) and the Leader of the Council where the value is £1,000,000 or more but less than £5,000,000.
- 12.6 In respect of waiving the Council's normal competition requirements for the supply and installation of temporary classrooms at Sullivan and the relocation of Paray House to Normand Croft, this is provided for in Section 3.1 of the Council's Contracts Standing Orders: it is in the Council's overall interest; there are genuinely exceptional circumstances; and prior approval to obtain the waiver has been sought, along with the reasons for it being reported to Cabinet, which this report does.

Comments provided by: John Francis, Principal Consultant, H&F Corporate Procurement. 020-8753-2582.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Condition Survey + Targeted need Application	Dave McNamara Ext. 3404	Children's Services

# Agenda Item 12

 <p><b>h&amp;f</b> the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<p><b>SCHOOL ORGANISATION AND INVESTMENT STRATEGY 2014</b></p>	
<p><b>Report of the Cabinet Member for Education and Cabinet Member for Children's Services – Councillor Georgie Cooney and Cllr. Helen Binmore</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For decision <b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Andrew Christie, Tri-Borough Strategic Executive Director of Children's Services</p>	
<p><b>Report Author:</b> Alan Wharton, Tri-Borough Head of Asset Strategy (Schools and Children's Services)</p>	<p><b>Contact Details:</b> Tel: 020 7641 2911 E-mail: awharton@westminster.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1 The Council has up-dated the School Organisation and Investment Strategy based on projected pupil numbers and opportunities for providing new school places.
- 1.2 This report outlines the recent background to pupil place planning in Hammersmith & Fulham, and seeks Cabinet approval to the development of the Strategy.

## 2. RECOMMENDATION

- 2.1 That approval be given to the School Organisation and Investment Strategy 2014 contained in Appendix B and the recommendations contained therein.

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

- 3.1. The decision is required in order to endorse the recommendations in the School Organisation and Investment Strategy 2014.

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

- 4.1. The School Organisation Strategy was last updated in December 2012. The Strategy outlined the programme of capital investment projects which are necessary to meet the projected need for additional school places.
- 4.2 The Strategy also contained a series of new policy objectives, in particular with reference to the use of Council owned assets for free schools and academies, and the support of popular schools. This aligns with policies adopted in both RBKC and Westminster.
- 4.3 As referred to in paragraph 8 below, the significant Basic Need grant allocations in recent years have been key to the successful delivery of new school places, so that, on current projections, there will be sufficient primary school places until 2023 (the limit of the projections), and that there will be not be a need for new secondary places until 2019-20. This would appear to be the reason why the Council has not been allocated any Basic Need grant for the two year period 2015-17. However, it is anticipated that the Government will continue to move towards a much more focused approach to new school investment, such as inviting bids under a new round of Targeted Basic Need allocations.
- 4.4 The Council is supportive of new free schools, which are the responsibility of the Department for Education, including the proposed Fulham Boys School (secondary), and is also working with Planning Department colleagues to ensure that the need for new places arising from major developments is fully reflected in the emerging Infrastructure Plan.

### **5. PROPOSAL AND ISSUES**

- 5.1 In order to progress the Strategy, on 17 February 2014 the Education and Children's Services Select Committee considered the impact of major regeneration schemes, such as Earl's Court and White City, and the opportunities offered by the Community Infrastructure Levy based on the emerging Infrastructure Plan.

### **6. CONSULTATION**

- 6.1 Key stakeholders including the Diocesan Authorities, the Education Funding Agency, Tri-Borough forums, and individual schools, will be consulted on the development of the strategy, and on individual proposals.

## **7. LEGAL IMPLICATIONS**

- 7.1 There are no legal implications arising directly from these proposals.
- 7.2 Implications verified/completed by: David Walker, Principal Solicitor, Bi-Borough Legal Services, 020 7361 2211

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1 The Council's allocation of Basic Need grant for providing new school places for the period 2013-15 amounted to £4,245,993. The Council has not been allocated Basic Need grant for the period 2015 to 2017. This reflects the success of the significant investment from previous allocations, and the contribution to delivery of new school places by new free schools.
- 8.2 Any potential future schemes are expected to arise as a result of large regeneration projects. As with the case at Earl's Court, these will be eligible for s106 planning contributions, or the Community Infrastructure Levy.
- 8.3 The Government has yet to announce allocations for maintenance.
- 8.4 Implications verified/completed by: Dave McNamara, Director of Finance, Children's Services, 020 8753 3404

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	School Organisation Strategy 2013 (published)	Ian Heggs 020 7745 6458	CHS

### **LIST OF APPENDICES:**

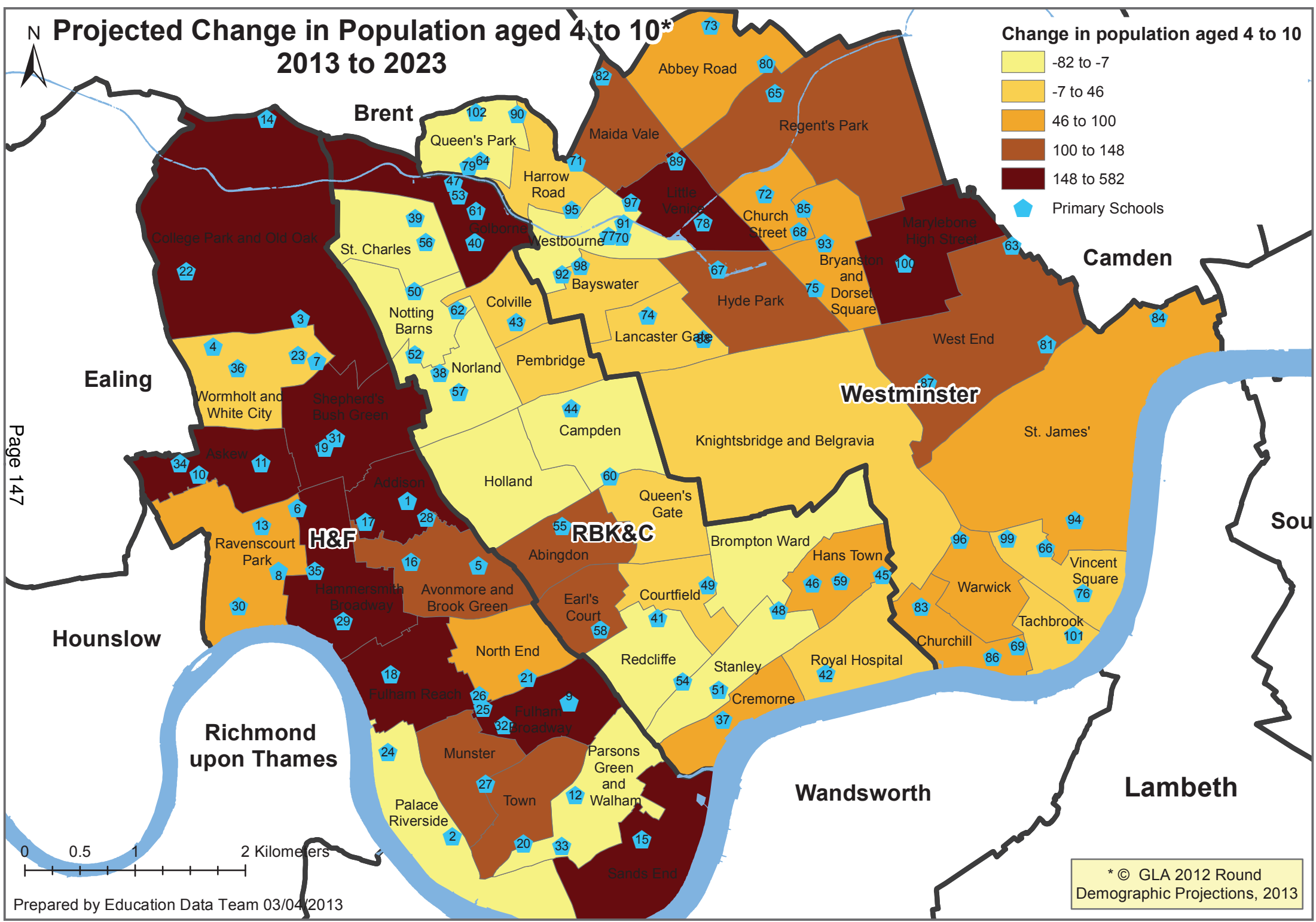
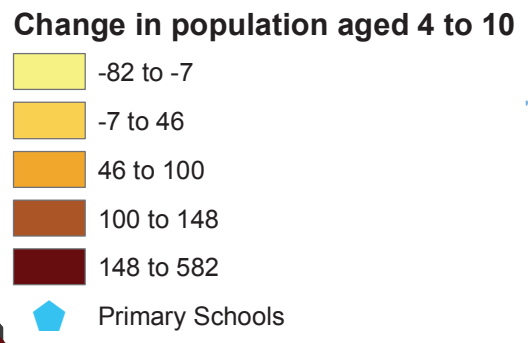
- A. Other Implications
- B. School Organisation and Investment Strategy 2014

## **APPENDIX A**

### **Other Implications**

1. Business Plan – the Strategy will contribute to the Business Plan
2. Risk Management – Any risks will be identified in subsequent reports
3. Health and Wellbeing, including Health and Safety Implications - none
4. Crime and Disorder - none
5. Staffing - none
6. Human Rights - none
7. Impact on the Environment – none.
8. Energy measure issues - none
9. Sustainability – none
10. Communications – a consultation strategy will be implemented as part of any proposals arising from the strategy

# Projected Change in Population aged 4 to 10\* 2013 to 2023



Page 147



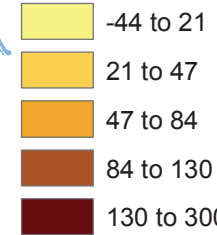
\* © GLA 2012 Round Demographic Projections, 2013



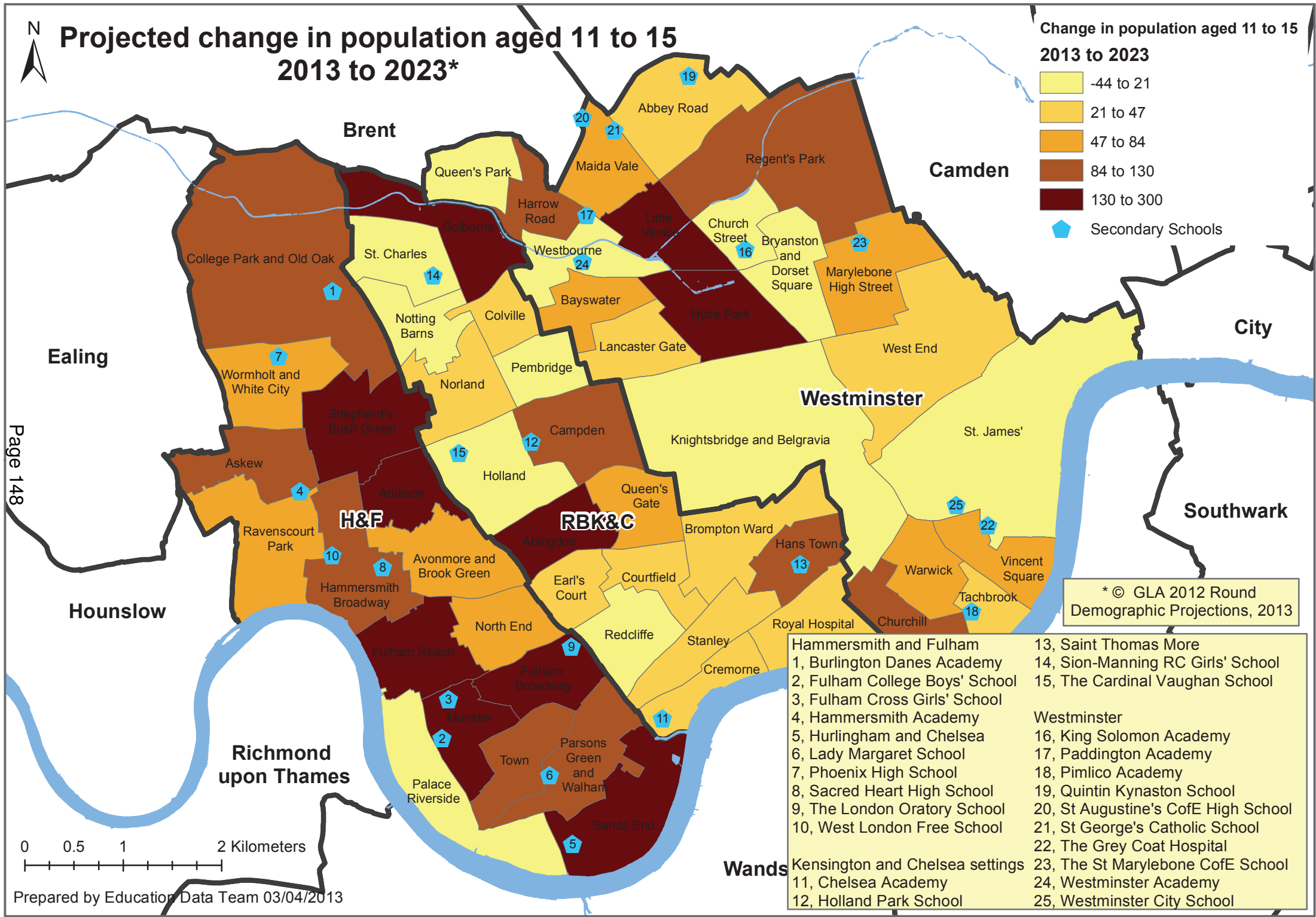


# Projected change in population aged 11 to 15 2013 to 2023\*

Change in population aged 11 to 15  
2013 to 2023



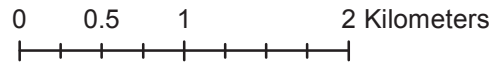
Secondary Schools



Page 148

\* © GLA 2012 Round  
Demographic Projections, 2013

Hammersmith and Fulham	13, Saint Thomas More
1, Burlington Danes Academy	14, Sion-Manning RC Girls' School
2, Fulham College Boys' School	15, The Cardinal Vaughan School
3, Fulham Cross Girls' School	
4, Hammersmith Academy	Westminster
5, Hurlingham and Chelsea	16, King Solomon Academy
6, Lady Margaret School	17, Paddington Academy
7, Phoenix High School	18, Pimlico Academy
8, Sacred Heart High School	19, Quintin Kynaston School
9, The London Oratory School	20, St Augustine's CofE High School
10, West London Free School	21, St George's Catholic School
	22, The Grey Coat Hospital
Kensington and Chelsea settings	23, The St Marylebone CofE School
11, Chelsea Academy	24, Westminster Academy
12, Holland Park School	25, Westminster City School



# **London Borough of Hammersmith & Fulham**

## **School Organisation and Investment Strategy, March 2014**

### **1. Background**

- 1.1 The School Organisation Strategy was last updated in December 2012. The Strategy outlined the effectiveness of the policy to address the pressure on school places and proposed further investment.
- 1.2 A series of new policy objectives were included, in particular with reference to use Council owned assets for free schools and academies, and the policy with regard to popular schools. This aligns with policies adopted in both Westminster and Kensington & Chelsea.
- 1.3 This Strategy sets out the current data on demand, supply, and work on identifying priority investment schemes in the light of announcements concerning Government priorities and funding.
- 1.4 Attention is drawn to the increase in application for primary school places in H&F of 8% compared to a decrease of 10% in both Westminster and RBKC. This is concentrated in the north of the Borough, and is referred to later in this Strategy.

### **2. National , London, and local context**

#### **2.1 DfE Statistical release on national pupil projections**

DfE national data (released March 2013) indicates that rising pupil numbers continues to be an issue for the country as a whole.

- Overall pupil numbers (aged up to and including 15) in state-funded schools began to increase in 2011 and are projected to continue rising.
- Numbers in maintained nursery and state-funded primary schools started increasing in 2010 and are projected to continue rising. By 2021, numbers are projected to be 18% higher than in 2012, reaching levels last seen in the 1970s.

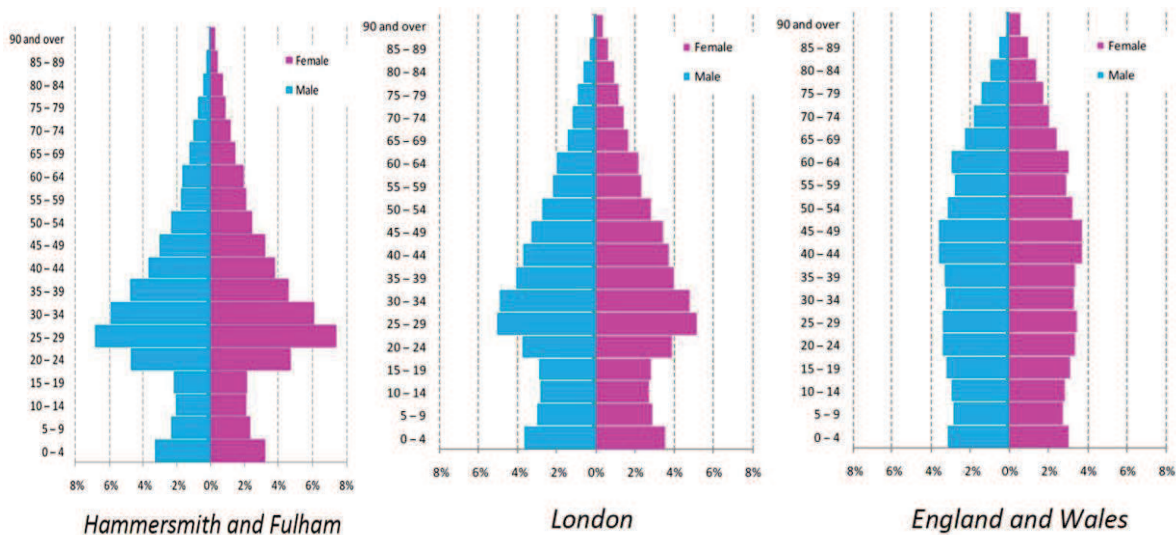
- Between 2012 and 2016, pupil numbers in state-funded primary schools are projected to increase by 9%.
- State-funded secondary pupil numbers aged up to and including 15 started declining in 2005 and are projected to continue to decline until 2015, after which the increases in primary pupil numbers will start to flow through.

## 2.2 Census 2011 – Hammersmith & Fulham

The first results of the 2011 Census were released in July 2012. The population of Hammersmith and Fulham has increased by 10.4 per cent from 165,242 to 182,500.

According to the ONS, which uses the Census data, the number of children and young people (0-19s) is a similar proportion to the previous census (20%, or around a fifth), although the proportion of residents aged 0-19 is less than London as a whole (24%), and England (also 24%).

**Figure 1**



However, although the ONS population figures show a decrease compared to previous census data, *both ONS and GLA projections indicate that the population will rise for statutory school age ranges.* By 2020, the number of 4-10 year-olds (primary sector) is predicted to rise from 13,096 to

15,597 (GLA). For the age range 11-15 (secondary sector), numbers will rise from 7,441 to 8,757 (GLA).

There is also some variation by area within the borough; for example, two of the sixteen wards are projected to see a drop in the number of four to ten year olds up to 2023 (ranging from 2% in Parsons Green to 13% in Palace Riverside). On the other hand, fourteen wards are projected a rise, with Fulham Broadway the largest – a rise of 95%. When eleven to fifteen year olds are considered, all wards are expected to see a rise, ranging from 3% (Palace Riverside) to 60% (Fulham Broadway). Overall, in the borough the overall increase is projected to be 23% for the primary sector, and 27% for secondary, by 2023.

The proportion of residents applying for places in the *maintained* sector rose between 2011 and 2012 (from 65% in 2011 to 72% in 2012) and again in 2013 to 74% (in contrast to a drop in Westminster and in Kensington and Chelsea in 2013).

### 2.3 School population and places in Hammersmith & Fulham

The following chart illustrates the current capacity, Published Admissions Number (PAN) and Numbers on Roll (NOR) in Hammersmith & Fulham.

The capacity is derived from a calculation of the physical space available within schools. This usually does not coincide with the actual numbers of pupils attending the school.

The Published Admissions Number (PAN) is the advertised number of places.

The Numbers on Roll (NOR) is the actual numbers of pupils attending the school at a given date.

The projected future numbers of pupils requiring a school place are shown in further detail in paragraph 2.4 below. It is most relevant to compare these to the Numbers on Roll. These figures are applicable for 2013-14.

#### Primary

<b>Capacity</b>	<b>PAN</b>	<b>Projected number (see below)- GLA</b>	<b>NOR</b>	<b>Difference PAN/NOR</b>
10,730	10,452	9,714	9,497	955 available spaces

#### Secondary

<b>Capacity (including West London Free School) when fully</b>	<b>PAN</b>	<b>Projected number (see below) - GLA</b>	<b>NOR</b>	<b>Difference PAN/NOR</b>

open				
9,210	6,790	6,299	6,203	587 available spaces

## 2.4 GLA data and Borough projections

H&F has obtained data from the GLA School Roll Projection Service in order to make a comparison with Westminster and RBKC. These projections are based on existing rolls, forward population estimates, inward and outward migration, new housing developments, GP registrations, child benefit data and other sources, which can then be compared with existing capacity. The GLA does not take account of schools which are due to open; these adjustments are made by the local authority when considering its own strategy for pupil place planning, as referred to later in this Strategy.

The existing GLA model has limitations. The GLA is currently developing a new Pan-London model, which will account for cross border movement, and will also forecast the effects of popular schools reaching capacity. As it is a Pan-London model, it will yield results that are more consistent with the underlying total population data, and will allow boroughs to access information for neighbouring boroughs. This will be particularly useful in the Tri-Borough context.

For some years, H&F have calculated projected school numbers on a different basis. This calculates demand for primary places as a percentage of births, and takes greater account of preference data than in other methods. The popularity of schools has the effect of reducing inward migration from other boroughs.

The two methodologies compare as follows:

### **Primary**

<b>Year</b>	<b>GLA Projection</b>	<b>3BM Projection</b>
2014	9714	9622

2015	10141	10098
2016	10485	10482
2017	10735	10776
2018	10990	10923
2019	11160	not calculated
2020	11347	not calculated

### **Secondary**

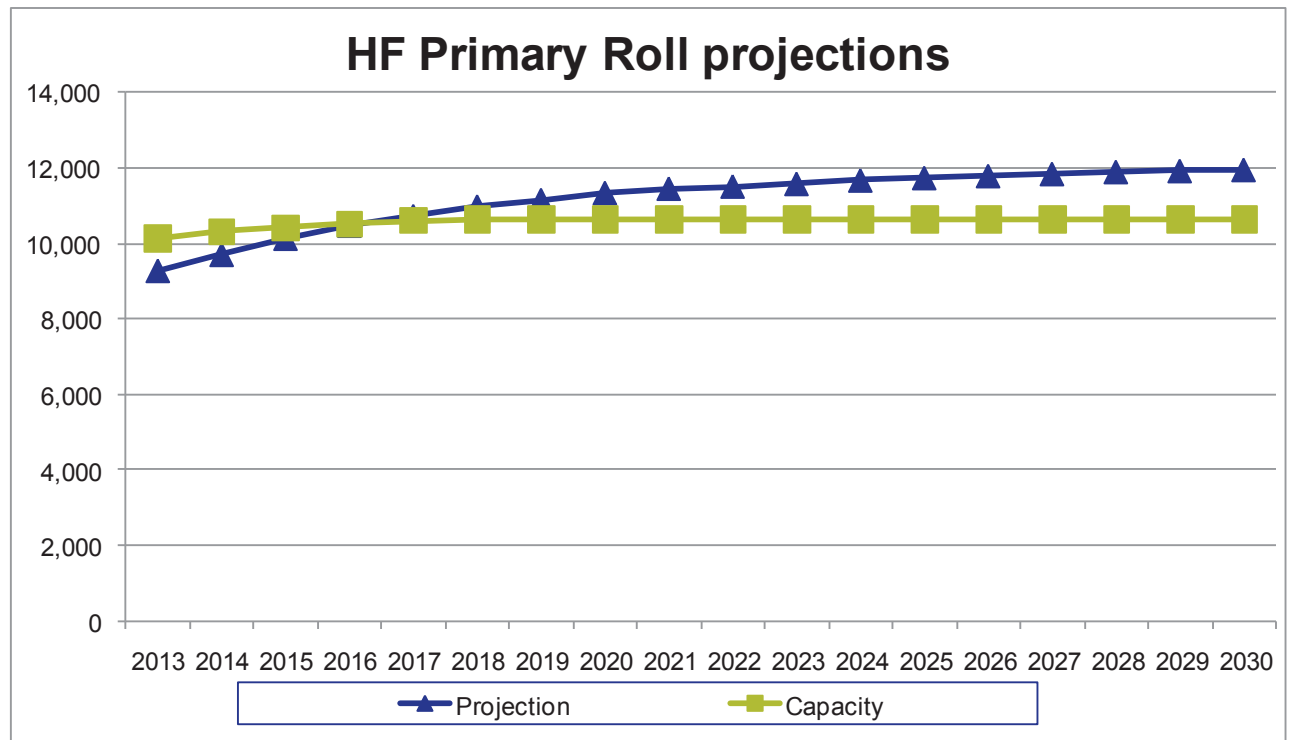
<b>Year</b>	<b>GLA Projection</b>	<b>3BM Projection</b>
2014	6299	6371
2015	6632	6819
2016	7056	7287
2017	7322	7475
2018	7650	7685
2019	8066	7775
2020	8411	not calculated

It will be noted that the difference between the figures is not significant for the purposes of school place planning.

Pupil roll projections, from whichever method is chosen, are used to complete the annual returns to DfE in August (SCAP), where it is used to calculate the Basic Needs Allocations to local authorities which funds the provision of new school places. It should be noted that whilst these returns continue to be required, in future all new schools will open as academies or free schools which are outside of local authority control, and are provided from a separate Government funding stream. Local authorities may only provide new places by expanding existing schools.

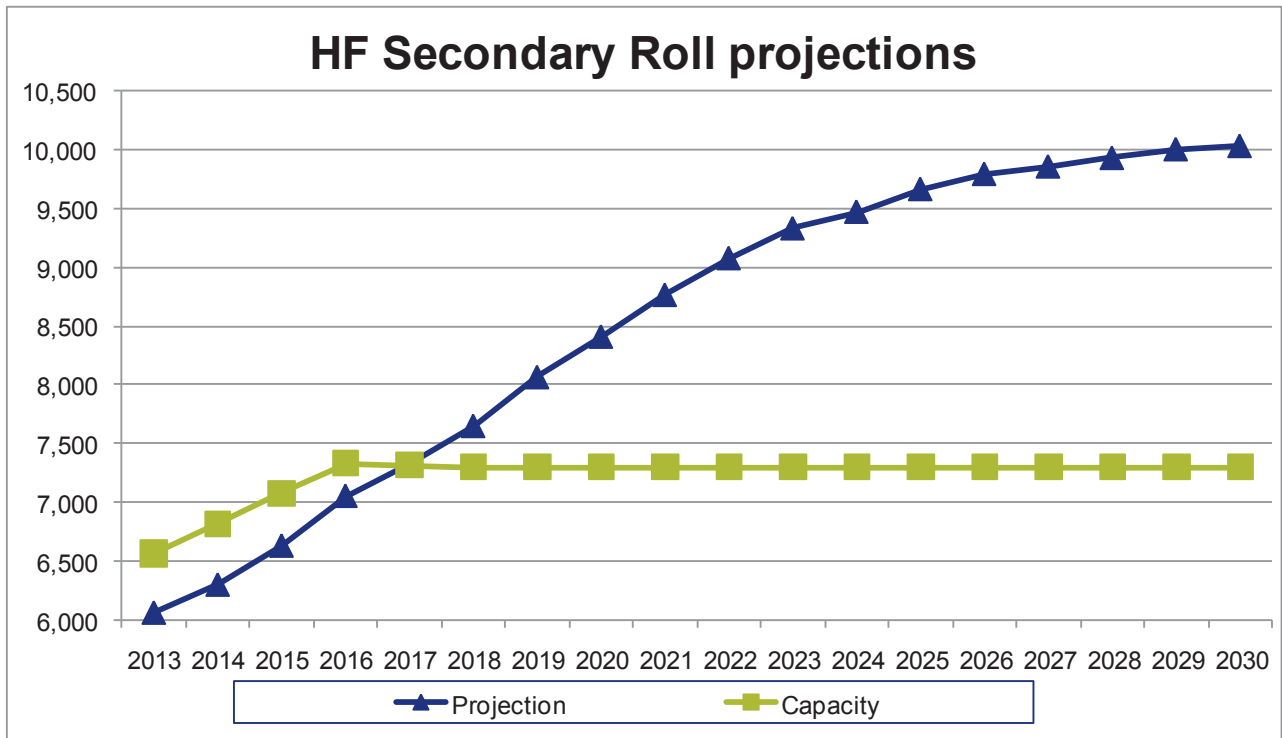
The following charts, based on GLA projections, clearly show that the need for additional secondary places will increase after 2017 at a much faster rate than for primary places. The Council uses these projections to help plan future investment in new places. As noted below in paragraph 5, the investment programme will maintain a surplus of primary places until 2023, however there will be a deficit in secondary provision by 2019-20 without further investment.

**Figure 2**





**Figure 3**



**3. Analysis of school place provision in Hammersmith & Fulham**

3.1 The population trends reflected in the statistics above are affected by local factors which beyond the scope of the GLA projections. These include:

- The Voluntary Aided school sector

The contribution of Voluntary Aided schools in H&F is significant. Of the 37 primary schools, 5 are Church of England Schools and 7 are Roman Catholic Schools. Of the 10 secondary schools, 2 are Church of England, and 2 are Roman Catholic.

Primary

Diocese	Borough resident	Other Tri-Borough resident	Non-Tri-Borough resident	Total

Roman Catholic (7 schools)	1,892	44	199	2,139
Church of England (5schools)	1,122	11	142	1,275

The number of VA primary places is therefore about one-third of the total available places.

Analysis of pupils offered a community place and those offered a place in a VA school is complex. The majority of pupils offered places in a VA primary school are more likely to reflect Church attendance than secondary schools, which tend to reflect the primary school attended.

### Secondary

<b>Diocese</b>	<b>Borough resident</b>	<b>Other Tri-Borough resident</b>	<b>Non-Tri Borough resident</b>	<b>Total</b>
Church of England (2 schools)	827	397	517	1,741
Roman Catholic (2 schools)	333	279	1,538	2,150

The number of VA secondary places is therefore over half of the total available places. Some 2,731 pupil places are taken by non-borough resident pupils, which represents about 40% of the places available. A particularly high proportion of secondary age pupils attending Roman Catholic schools are non-borough resident.

- Variations in areas pressure within the Borough

**Appendix 1** shows the areas of the Borough expected to see high levels of school population increase over the next 10 years. Although widely spread, the north area is expected to see the highest levels of growth at primary level, whereas at secondary level, the concentration is in the south and central areas.

- Impact of benefit changes, and other economic factors

The impact of the changes to Housing Benefit entitlements has been of concern to schools for some time.

Welfare reform and changes to benefits are impacting on some children and families across the tri-borough area. The introduction of a cap on Housing Benefit in the private rented sector since 2012 has impacted on pupils in some schools in some areas. Some schools have reported increased turnover, with children moving at relatively short notice, and others are reporting that some children are commuting longer distances, especially in primary schools. Anecdotal evidence suggests that families who are moving, whether into temporary accommodation or permanently, are often keen to sustain a local school place. However given the phased implementation it has not been possible to predict the impact locally, especially as decisions to stay or move home (and/or change schools), are taken by each individual family. The next year will present further challenges as more reforms are implemented and the overall benefit cap is introduced but census data from schools will enable us to retrospectively gauge the impact of the changes that occurred during 2012. Schools have been asked to provide further details of the impact of benefit changes during the summer term.

It is anticipated that there will be limited impact on our secondary schools as many children already travel several miles to attend schools, and will probably continue doing so if they were moved further away.

- School performance factors, reflected in levels of demand.

Tri-Borough application and preference data is set out in **Appendix 2**, showing the high level of parental preference for the Borough's schools.

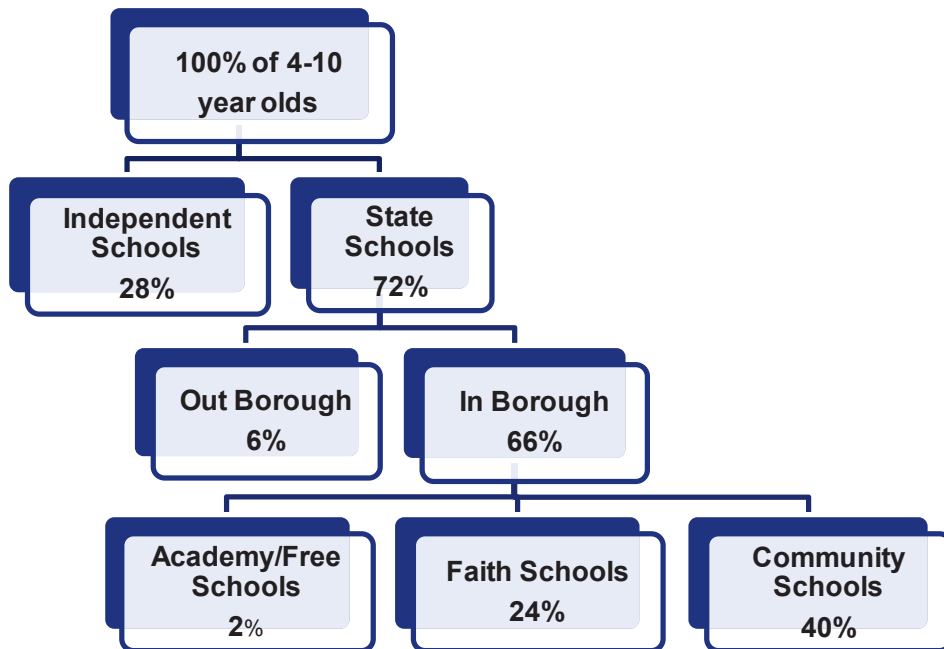
Applications for school places increased by 8% in 2013. However, early indications from applications for September 2014 show a 6% drop compared to 2013 (1,571 to 1,477). As there was a higher than expected number of applications in 2013, the overall trend continues to be an increase.

- 3.2 It is important to note that whilst some trends are clear, the projections are subject to constant change, and a range of other factors apply (such as patterns of housing tenure and commercial development) which affect the geographical distribution and levels of required investment. GLA projections are updated on an annual basis, and the Council's strategy will also be updated on a regular basis to take account these detailed factors. Investment programmes take 2-3 years to develop and there is an inevitable risk of some mismatch between local demand and availability of places. This is also a consequence of new free schools which are outside the Council's control. However, collaboration between the Council, the Education Funding Agency and other stakeholders will enable public resources to be targeted in the most effective way.

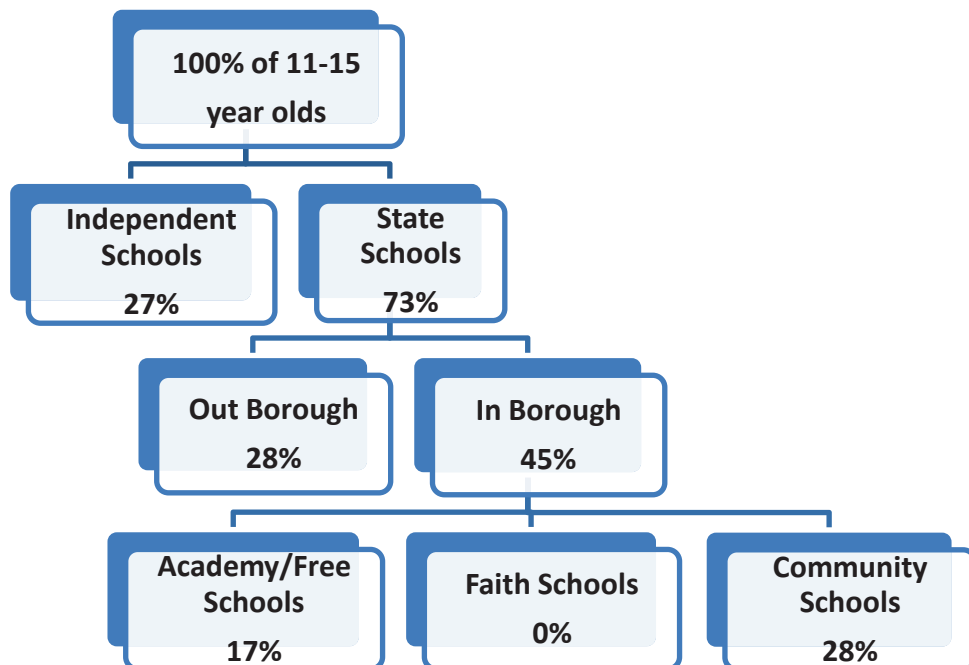
#### 4. Where pupils attend school

4.1 H&F resident pupils attend school as follows (January 2013 figures):

##### Primary:



##### Secondary:



4.2 The boroughs in which H&F-resident children attend maintained schools are shown below:

<b>H&amp;F resident children in</b>	<b>Primary</b>	<b>Secondary</b>
H&F	66%	45%
Westminster	0%	2%
RBKC	4%	8%
Other boroughs	2%	18%
Independent schools –in any borough or location	28%	27%
Total	100%	100%

The home boroughs of children attending H&F maintained schools are:

<b>Home borough of children</b>	<b>Primary</b>	<b>Secondary</b>
H&F	88%	47%
KC	2%	11%
Ealing	4%	9%
Wandsworth	0%	7%
Brent	2%	4%
Westminster	0%	4%
Other boroughs	4%	18%
Total	100%	100%

These charts also illustrate the close relationship between the Tri-Borough councils.

#### 4.3 Independent Sector

As noted above, in H&F, 28% of primary age and 27% of secondary age pupils attend non-maintained (independent) schools. The comparative figures for Westminster and K&C are higher, particularly in K&C, and are shown below.

	Residents in LA maintained	Residents in other LA maintained	Residents in maintained sector	Residents in non maintained (private)
<b>Primary:</b>				
Hammersmith and Fulham	66%	6%	72%	28%
Kensington and Chelsea	44%	3%	47%	53%
Westminster	63%	7%	70%	30%
<b>Tri-Borough average</b>	<b>58%</b>	<b>6%</b>	<b>64%</b>	<b>36%</b>
<b>Secondary:</b>				
Hammersmith and Fulham	45%	28%	73%	27%
Kensington and Chelsea	30%	21%	51%	49%
Westminster	53%	17%	69%	31%
<b>Tri-Borough average</b>	<b>44%</b>	<b>22%</b>	<b>65%</b>	<b>35%</b>
<b>All schools:</b>				
Hammersmith and Fulham	58%	14%	72%	28%
Kensington and Chelsea	39%	10%	48%	52%
Westminster	59%	10%	70%	30%
<b>Tri-Borough average</b>	<b>53%</b>	<b>12%</b>	<b>64%</b>	<b>36%</b>

#### 4.4 Tri-Borough

The Tri-Borough partnership enables the three Boroughs to compare data more readily and make strategic plans which enable better sharing of resources to take place. The introduction of the GLA Pan-London projections during 2013 will enable a more consistent comparison across the Tri-Borough area. It is expected that more joint planning will develop over time (this has already occurred for the Alternative Provision

Service). It will also enable a co-ordinated approach to new funding opportunities offered by the Community Infrastructure Levy (CIL) – see below.

#### 4.5 Conclusions

Based on the statistics above, the following factors will influence the development of this Strategy.

- There is an upward trend in the school population over the next 10 years but there is a more urgent need to address a projected deficit in secondary school places,
- There is an increase in applications for school places in September 2013, compared to K&C and Westminster, the reasons for this are not yet fully understood,
- Applications for new Free Schools may change the dynamics of supply and demand beyond those set out in this Strategy.
- It is assumed that the proportion of children in the independent sector will not change significantly.
- There are a number of major development areas within the borough, which are detailed below in paragraph 10. New provision required as a result will be covered within the planning infrastructure process.



## **5. Progress on current school investment projects**

5.1 The table below illustrates progress in the Borough's investment programme for providing additional places for the period 2013-2024.

### **Primary sector**

**APPENDIX B Hammersmith and Fulham School Place Planning**

Primary - Reception - Year 6

	Projected Population	Published Admissions Number (PAN)	Surplus/Deficit = PAN number minus Projected Population	New Provision/Expansions	
Taken from SCAP 2013 return to the DFE	2013/14	9,662	10,452	790	Ark Conway = + 30 (Year 2) West London Free Primary NEW = + 60 (reception) St John's = + 30 (Year 4) St Thomas' = + 15 (Year 4) Old Oak = + 15 (Year 1) St Stephen's = + 30 (Reception) Holy Cross bilingual school = + 28 (Year 3) Holy Cross Primary = + 30 (Year 1) TOTAL = + 238
	2014/15	10,098	10,765	667	Ark Conway = + 30 (Year 3) West London Free Primary = + 60 (Year 1) St John's = + 30 (Year 5) St Thomas' = + 15 (Year 5) Old Oak = + 15 (Year 2) St Stephen's = + 30 (Year 1) Holy Cross bilingual school = + 28 (Year 4) Holy Cross Primary = + 30 (Year 2) Earls Court Primary NEW 1 FE = + 15 (Reception - 50% H&F) Burlington Danes Primary NEW 1FE BDA pri = + 30 (reception) Pope John = + 30 (Reception) TOTAL = + 313
	2015/16	10,482	11,093	611	Ark Conway = + 30 (Year 4) West London Free Primary = + 60 (Year 2) St John's = + 30 (Year 6) St Thomas' = + 15 (Year 6) Old Oak = + 15 (Year 3) St Stephen's = + 30 (Year 2) Holy Cross bilingual school = + 28 (Year 5) Holy Cross Primary = + 30 (Year 3) Earls Court Primary 1FE = + 15 (Year 1 - 50% H&F) Amalgamation of New Kings and Sullivan = - 15 (Reception) Burlington Danes Primary 2FE BDA pri = + 60 (reception) Pope John = + 30 (Year 1) TOTAL = + 328
	2016/17	10,776	11,376	600	Ark Conway = + 30 (Year 5) West London Free Primary = + 60 (Year 3) St John's = COMPLETE St Thomas' = COMPLETE Old Oak = + 15 (Year 4) St Stephen's = + 30 (Year 3) Holy Cross bilingual school = + 28 (Year 6) Holy Cross Primary = + 30 (Year 4) Earls Court Primary 1FE = + 15 (Year 2 - 50% H&F) Amalgamation of New Kings and Sullivan = - 15 (Year 1) Burlington Danes Primary 2FE BDA pri = + 60 (Year 1) Pope John = + 30 (Year 2) TOTAL = + 283
	2017/18	10,923	11,631	708	Ark Conway = + 30 (Year 6) West London Free Primary = + 60 (Year 4) Old Oak = + 15 (Year 5) St Stephen's = + 30 (Year 4) Holy Cross bilingual school = COMPLETE Holy Cross Primary = + 30 (Year 5) Earls Court Primary 1FE = + 15 (Year 3 - 50% H&F) Amalgamation of New Kings and Sullivan = - 15 (Year 2) Burlington Danes Primary 2FE BDA pri = + 60 (Year 2) Pope John = + 30 (Year 3) TOTAL = + 255

Hammersmith and Fulham School Place Planning					
Primary - Reception - Year 6					
	Projected Population	Published Admissions Number (PAN)	Surplus/Deficit = PAN number minus Projected Population	New Provision/Expansions	
Using GLA population projections	2018/19	11,160	11,871	711	Ark Conway COMPLETE West London Free Primary = + 60 (Year 5) Old Oak = + 15 (Year 6) St Stephen's = + 30 (Year 5) Holy Cross Primary = + 30 (Year 6) Earls Court Primary 1FE = + 15 (Year 4 - 50% H&F) 2FE = + 15 (Reception - 50% H&F) Amalgamation of New Kings and Sullivan = - 15 (Year 3) Burlington Danes Primary 2FE BDA pri = + 60 (Year 3) Pope John = + 30 (Year 4) TOTAL = + 240
	2019/20	11,347	12,066	719	West London Free Primary = + 60 (Year 6) Old Oak = COMPLETE St Stephen's = + 30 (Year 6) Holy Cross Primary = COMPLETE Earls Court Primary 1FE = + 15 (Year 5 - 50% H&F) 2FE = + 15 (Year 1 - 50% H&F) Amalgamation of New Kings and Sullivan = - 15 (Year 4) Burlington Danes Primary 2FE BDA pri = + 60 (Year 4) Pope John = + 30 (Year 5) TOTAL = + 195
	2020/21	11,462	12,171	709	West London Free Primary = COMPLETE St Stephen's = COMPLETE Earls Court Primary 1FE = + 15 (Year 6 - 50% H&F) 2FE = + 15 (Year 2 - 50% H&F ) Amalgamation of New Kings and Sullivan = - 15 (Year 5) Burlington Danes Primary 2FE BDA pri = + 60 (Year 5) Pope John = + 30 (Year 6) TOTAL = + 105
	2021/22	11,519	12,201	682	Earls Court Primary 1 FE COMPLETE 2 FE = + 15 (Year 3 - 50% H&F ) Amalgamation of New Kings and Sullivan = - 15 (Year 6) Burlington Danes Primary 2FE BDA pri = + 30 (Year 6 - Previously 2014/15) Pope John = COMPLETE TOTAL = + 30
	2022/23	11,587	12,216	629	Earls Court Primary 2 FE = + 15 (Year 4 - 50% H&F) Amalgamation of New Kings and Sullivan COMPLETE Burlington Danes Primary = COMPLETE TOTAL = + 15
	2023/24	11,679	12,231	552	Earls Court Primary 2 FE = + 15 (Year 5 - 50% H&F) TOTAL = + 15

## Secondary sector

Hammersmith and Fulham School Place Planning Secondary - Year 7 - Year 11					
		Projected Population	Published Admissions Number (PAN)	Surplus/Deficit = PAN number minus Projected Population	New Provision/Expansions
Taken from SCAP 2013 return to the DFE	2013/14	6,371	6,790	419	Hammersmith Academy = + 120 (Year 9) West London Free School = + 120 (Year 9) Sacred Heart High (165 PAN year)= + 15 (Year 7) Total = + 255
	2014/15	6,819	7,180	361	Hammersmith Academy = + 120 (Year 10) West London Free School = + 120 (Year 10) Lady Margaret = + 30 (Year 7)* Fulham Boys School NEW = + 120 (Year 7) Total = + 390
	2015/16	7,287	7,600	313	Hammersmith Academy = + 120 (Year 11) West London Free School = + 120 (Year 11) Lady Margaret = + 30 (Year 8)* Sacred Heart High (expansion to 180) = + 30 (Year 7) Fulham Boys School = + 120 (Year 8) Total = + 420
	2016/17	7,475	7,780	305	Hammersmith Academy = COMPLETE West London Free School = COMPLETE Lady Margaret = + 30 (Year 9)* Sacred Heart High = + 30 (Year 8) Fulham Boys School = + 120 (Year 9) Total = + 180
	2017/18	7,685	7,930	245	Sacred Heart High = + 30 (Year 9) Fulham Boys School = + 120 (Year 10) Total = + 150
	2018/19	7,775	8,080	305	Sacred Heart High = + 30 (Year 10) Fulham Boys School = + 120 (Year 11) Total = + 150
	Using GLA population projections	2019/20	8,411	8,095	-316
2020/21		8,766	8,095	-671	-
2021/22		9,079	8,095	-984	-
2022/23		9,333	8,095	-1,238	-
2023/24		9,474	8,095	-1,379	-

\* Lady Margaret school is expanding to 120 from 90 PAN permanently from 2014/15.

However, as two 120 bulge years already exist within the school and are included in the 2013/14 PAN total, for the purposes of this exercise just three years further years of + 30 expansion will be shown.

## **6. Early Years**

- 6.1 There are currently 2,410 residents attending H&F schools and nurseries aged two to four. The 2 year old expansion from Sept 2013 is targeted at 20% nationally, rising to 40% by Sept 2014. Across the three boroughs it is likely that the majority of 2 year old places will be created in the PVI sector (including childminders). There has been limited interest from the maintained sector at present but this may change, especially once the impact of moving from full time to part time nursery places has been measured. Schools will need to allow up to 6 months to be re-registered with Ofsted to take 2 years olds (or they can contract with a PVI provider to run the provision on school premises – again there will need to be a new registration done for a third party to deliver places on site).
- 6.2 H&F received, from the DfE, a projection on the number of places which were expected to be needed by Sept 13 (170 places, based on an 80% take up from eligible families). These projections are based on the take up of FSM for the 4-6 year old cohort and applied to the 2 year old population. Hempells, the consultancy firm, has been hired by DfE to support boroughs with the expansion and will lead on future strategy.

## **7. Post 16**

- 7.1 There are currently 646 post-16 resident students attending school sixth forms. A third of students (34%) of students in the maintained sector are H&F residents. In H&F, there has been an identified population growth of 1.1% between 2013 and 2015 when the participation age rises to 18 (GLA statistics). Not all of this growth will be expected to be absorbed by maintained schools. The majority is likely to be within FE providers, or with apprenticeship providers. However, schools are being encouraged to put in capital growth applications where their cohorts are known to come from high population growth areas.

There are 146 individuals who are NEET (Not in Education, Employment or Training), compared to 152 in RBKC and 269 in Westminster.

## 7.2 Post 16 learners with Learners with Learning Difficulties and Disabilities (LLDD)

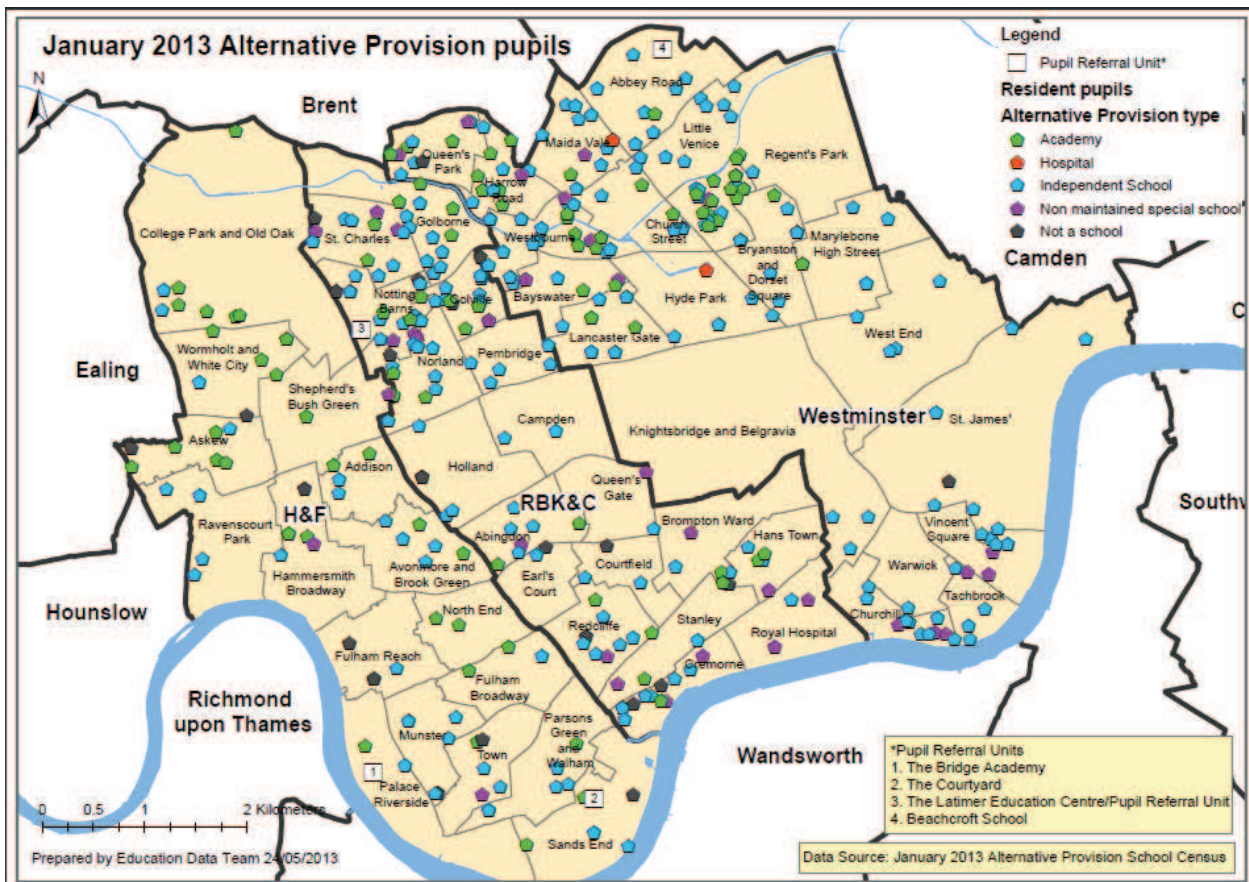
Capital projects that have been allocated to London providers to be ready for the 2013/14 intake span seventeen sites, which should allow approximately 600 additional places for post-16 LLDD learners. Ealing, Hammersmith and West London College re-submitted a proposal to extend its site but was unsuccessful.

### **Special Educational Needs**

- 8.1 Two thirds or 67% of *secondary* SEN pupils are H&F resident. This suggests that SEN pupils are more likely to attend school within the borough than other pupils.
- 8.2 The initial focus of the SEN strategy was on ASD (Autistic Spectrum Disorder) as the major growth area.
- 8.3 The number of children with severe learning difficulties (SLD) has remained fairly constant for 5 years but the number with profound and multiple learning difficulties is increasing. These two groups have traditionally been educated together but this is increasingly problematical, and there is a shortage of placements for children with SLD. At the same time, there are increasing numbers of children with complex language/communication.

## **9. Alternative Provision Service**

- 9.1 There were over 400 children identified in alternative provision in the three boroughs in January 2013, most in academies and independent schools in the north of the boroughs, as mapped by residence below. A brief for the Bi-Borough Alternative Provision hub project between H&F and K&C has been developed. This work has identified the optimum property and site requirements, and feasibility studies on options are being prepared. The intention is to deliver the chosen solution in September 2016.



## 10. Impact of new housing developments

### 10.1 South Riverside, Fulham

The potential requirement for a new 2FE primary school within the development area and the equivalent of 1FE at secondary level could be met within existing schools where space is currently available, subject to appropriate investment.

### 10.2 Earl's Court

A new 2 form entry primary school in Earl's Court has been secured by a planning obligation on the developer. The majority of the demand arises from the development on the LBHF side of the border, but a capital contribution reflecting demand on the RBKC side of the border will allow expansion or other provision within the Royal Borough if required. The Council is also exploring whether demand for secondary

school places created by the development could be provided by an all-through school. This provision will also be on the LBHF side of the development.

### 10.3 White City

The current proposals will require the equivalent of 1 form entry and both primary and secondary level. There are two primary schools within the development area in H&F (Pope John and ARK Swift), of which one, Pope John, is already subject to proposals to expand from 1 FE to 2FE. Additional primary provision also is planned alongside Burlington Danes Secondary School, and will be a free school. There are no proposed secondary schools within the development area. The two closest schools in H&F are Burlington Danes and Phoenix schools and an assessment of capacity will be carried out as proposals are brought forward. The Royal Borough will be opening the new Kensington Aldridge Academy (KALC) in 2014-15 which is 500 metres from the development area but has limited physical access due to the A3220 West Cross Route. However KALC is also outside the priority admissions area for White City. Further consideration of secondary provision in H&F will therefore be required.

10.4 Other new developments will create demand for new school places. These will include the Old Oak Common and Westfield areas, and will be reflected in the Council's new Infrastructure Plan.

## **11 Capital funding for school investment**

### 11.1 DfE Allocations for Basic Need provision

Funding allocations by the DfE for new school places (Basic Need) are based on statistical returns on projected pupil numbers, supplied by the Council, which are in turn derived from data provided by the GLA (and 3BM).

The pattern of allocations since 2012 has been as follows:



Basic Need Allocation 2012-13	£14,381,918
Additional Allocation from national £600M pot to address the need for additional places	£18,800,000
Basic Need Allocation 2013 to 2015 (two years)	£4,245,993
Basic Need Allocation 2015-16	NIL
Basic Need Allocation 2016-17	NIL

The sharp reduction in allocations indicates that the Government is taking account of funding decisions for primary free schools which meet basic need. The current surplus provision at both primary and secondary level remove basic need funding requirements in this allocation period. In 2013 the Government also announced the Targeted Basic Need Programme to fund the provision of new places in the areas that need it most, and to prepare for future rises in pupil numbers. The approach signalled a move away from formula based funding allocations, and targeted resources to areas facing high demand for new places. This pot will also deliver free schools and academies in future. An application was made for the funding of the expansion of Sacred Heart RC School which was successful. The Government has not yet announced a further round of TBN allocations.

All new schools in future will open as Academies or Free Schools. Local authorities will be required to run a competitive process in order to select the best provider.

## 11.2 DfE Maintenance Allocations

The Government is in the process of gathering extensive information about the condition of the national school estate through the Property Data Survey. As with funding for new places, this process indicates that the Government is working towards implementing the recommendations of the James Review, in which capital for maintenance will be allocated according to evidence of the need for investment. In the meantime, funding for condition and maintenance will be allocated on a per-pupil basis.

The funding allocations are shown below for 2012-13, 2013-14 and 2014-15:

Year	DFC		Maintenance		Total 2013-14 DFC and Maintenance
	LA	VA	LA	VA	
2012-13	292,534	133,235	1,917,031	748,582	3,091,382
2013-14	279,916	98,946	1,625,760	512,815	2,517,437
2014-15	242,760	99,924	1,481,082	583,619	2,407,375

### 11.3 Other DfE funding

The Government's announcement also includes capital funding for 16-19 provision. £80M will be made available for 2013-14 and 2014-15 to maintained schools, Academies, sixth form colleges and independent specialist providers to fund additional places needed as a result of demographic changes. This funding will also support the provision of new places for students with learning difficulties and disabilities.

£61M of capital maintenance funding will be allocated to sixth form colleges in 2013-14. Alongside this, £15M of capital maintenance funding will be allocated to independent specialist providers for 2013-14 and 2014-15.

Funding for future nursery provision is uncertain despite the requirement to make extra provision for 2 year olds.

### 11.4 Planning contributions

The new Earl's Court free school is an example of a planning contribution which, in this case, was sufficiently substantial to deliver a complete new school. S106 receipts, calculated from a 'child yield' usually result in a financial contribution in lieu of actual provision. S106 is due to be replaced by the Community Infrastructure Levy (CIL) in 2014. This will be based on the Borough's Infrastructure Plan. CIL is a non-negotiable tax on development and is not site specific.

### 11.5 Other funding sources

This is most likely to comprise land transactions, where asset sales and regeneration may contribute to capital investment.

## **12. Investment Programme for Schools**

12.1 The School Organisation Strategy 2012-13 sets out the current investment programme.

In May 2012, schools (both community and VA), were invited by the Council to submit bids for financial support from the Basic Need allocation. Bids for £72.1M were received, comprising £14.3M of condition works and £57.8M of other works. Further analysis resulted in recommended schemes of £7.770M for condition works and £11.507M other works, some of which related to providing additional capacity, totalling £19.278M. This sum is adjusted in the table below.

The spending profile against available resources for 2012-13 was therefore:

Item	(£,000)
Basic Need grant	33,139
<u>Less</u>	
New allocations	1,578
Priority condition works	7,577
Schools of Choice proposals	11,701
Contribution to Lyric Theatre	1,500
Sub total	10,783
<u>Less</u>	
Substitution of previously identified revenue borrowing commitment following significant Government capital investment	5,300
Balance of available funding	5,483

12.2 The total available funding is therefore:

Balance remaining	5.483M
Basic Need grant 2013-15	<u>4.246M</u> (unallocated)
Total	9.729M

NB: Capital grant for free schools is additional to Basic Need grant.

### **13. Recommendation**

13.1 That the progress in the policy objectives contained in the previously approved Strategy is noted.

13.2 That the approach set out in this Strategy, and continuing the previously approved policy objectives, is approved.

Ian Heggs  
Director of Schools Commissioning

Andrew Christie  
Executive Director of Children's Services

### **Appendices**

1. Projected population changes for pupils aged 4-10 and 11-15
2. Application and Preference Data

### **Background Papers**

School Organisation Strategy, December 2012

**Contact Officer:** Alan Wharton, Tri-Borough Head of Asset Strategy (Schools and Children's Services) **Tel:** 020 7641 2911 **E-mail:** [awharton@westminster.gov.uk](mailto:awharton@westminster.gov.uk)

## APPENDIX 2A

## PRIMARY TRANSFER 2013

## TRI-BOROUGH APPLICATION AND PREFERENCE DATA

Kensington and Chelsea	On-time (considered up to 15 February 2013)	Late applications (considered after 17 April 2013)	Total (as at 15 May 2013)
Resident application cohort	873	33	906
Total applications submitted for K&C schools	1378		
Total preferences submitted For K&C schools	3378		

## Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total	Further late preferences*
Ashburnham	30	8	9	11	6	3	2	39	16
Avondale Park	60	34	16	20	12	7	11	100	11
Barlby	45	52	42	30	22	30	14	190	5
Bevington	45	35	20	34	17	13	12	131	6
Bousfield	60	139	64	49	31	19	8	310	15
Christ Church CE	30	51	19	13	10	6	4	103	6
Colville	45	25	14	15	16	5	12	87	22
Fox	45	126	59	51	28	17	17	298	14
Holy Trinity CE	30	19	9	14	10	8	6	66	25
Marlborough	60	21	17	12	8	15	14	87	34
Middle Row	45	16	6	2	9	3	4	40	10
Oratory RC	30	63	38	36	22	16	7	182	6
Our Lady of Victories RC	30	53	46	22	15	14	6	156	8
Oxford Gardens	60	47	38	22	16	23	14	160	6
Park Walk	30	19	27	23	14	4	10	97	13

St Barnabas and St Philips CE	30	29	44	28	23	17	8	<b>149</b>	12
St Charles RC	45	37	28	19	8	7	4	<b>103</b>	12
St Clement and St James CE	30	25	8	14	7	5	5	<b>64</b>	9
St Cuthbert with St Matthias CE	30	16	8	11	8	12	9	<b>64</b>	13
St Francis of Assisi RC	45	45	32	15	11	6	6	<b>115</b>	3
St Joseph RC	30	15	18	17	19	6	7	<b>82</b>	2
Saint Mary RC	60	33	14	6	14	5	2	<b>74</b>	11
St Mary Abbots CE	30	49	67	45	18	25	6	<b>210</b>	7
St Thomas CE	30	25	18	19	6	4	4	<b>76</b>	8
Servite RC	30	40	38	33	32	16	16	<b>175</b>	9
Thomas Jones	30	73	61	40	27	14	5	<b>220</b>	4
	<b>1035</b>	<b>1095</b>	<b>760</b>	<b>601</b>	<b>409</b>	<b>300</b>	<b>213</b>	<b>3378</b>	<b>287</b>

\*Further preferences made after offer day. This figure will include preferences made for schools from applicants that did not have their original preferences met.

Hammersmith and Fulham	On-time (considered up to 15 February 2013)	Late applications (considered after 17 April 2013)	Total (as at 15 May 2013)
Resident application cohort	1614	54	1668
Total applications submitted for H&F schools	1984		
Total preferences submitted For H&F schools	5244		

#### Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total	Further late preferences*
Addison	60	46	28	25	17	23	19	158	8
All Saints	30	61	36	28	11	15	8	159	5
Ark Bentworth	30	30	16	13	7	8	3	77	5
Ark Conway	30	35	33	22	22	16	14	142	3
Avonmore	30	39	26	14	16	13	9	117	4
Brackenbury	60	65	106	91	46	53	24	385	7
Canberra	60	38	15	4	5	2	4	68	10
Flora Gardens	30	27	22	23	28	23	16	139	7
Fulham Primary	60	27	11	21	11	12	11	93	12
Greenside	30	34	24	29	29	29	13	158	11
Holy Cross L'ECole	28	90	40	18	17	5	4	174	10
Holy Cross	60	60	55	31	18	5	7	176	10
John Betts	30	65	113	90	37	27	8	340	6
Kenmont	30	41	23	16	13	9	0	102	4
Langford	45	19	3	3	2	6	4	37	1
Larmenier & Sacred Heart	60	93	46	18	17	11	5	190	6
Lena Gardens	30	18	19	25	18	19	23	122	14



<b>Melcombe</b>	60	29	15	18	17	12	12	<b>103</b>	16
<b>Miles Coverdale</b>	30	34	18	15	13	14	8	<b>102</b>	10
<b>New Kings</b>	30	12	19	21	13	5	9	<b>79</b>	16
<b>Normand Croft</b>	30	29	23	16	13	9	3	<b>93</b>	4
<b>Old Oak</b>	60	52	16	9	9	3	5	<b>94</b>	12
<b>Pope John</b>	30	32	17	12	9	2	3	<b>75</b>	3
<b>Queens Manor</b>	30	27	21	17	13	6	5	<b>89</b>	1
<b>Sir John Lillie</b>	60	49	23	23	18	13	10	<b>60</b>	9
<b>St Augustines</b>	30	51	46	37	17	13	7	<b>171</b>	8
<b>St John's</b>	60	47	54	15	19	6	8	<b>149</b>	9
<b>St Mary's</b>	30	24	36	23	13	9	6	<b>111</b>	6
<b>St Paul's</b>	30	33	13	16	12	9	8	<b>91</b>	3
<b>St Peter's</b>	30	31	17	29	16	13	11	<b>117</b>	6
<b>St Stephen's</b>	60	72	36	36	25	9	9	<b>187</b>	11
<b>St Thomas of Canterbury</b>	60	33	34	28	18	14	8	<b>135</b>	22
<b>Sulivan</b>	45	26	13	18	8	11	7	<b>83</b>	17
<b>The Good Shepherd</b>	30	42	29	20	15	7	6	<b>119</b>	7
<b>Wendell Park</b>	60	56	18	16	26	16	21	<b>153</b>	13
<b>West London Free School</b>	60	135	95	76	47	27	14	<b>394</b>	7
<b>Wormholt Park</b>	60	30	27	28	11	5	12	<b>113</b>	26
	<b>1588</b>	<b>1632</b>	<b>1186</b>	<b>944</b>	<b>646</b>	<b>479</b>	<b>344</b>	<b>5155</b>	<b>329</b>

\*Further preferences made after offer day. This figure will include preferences made for schools from applicants that did not have their original preferences met.

Wesminster	6 February 2013	Up to 15 February 2013 (on-time late)	After 15 February and before 17 April 2013 (late)
Resident application cohort	1418	51	1469
Total applications submitted for WCC schools	1879		
Total preferences submitted For WCC schools	4622		

#### Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total	Further late preferences*
All Souls CE	30	20	10	9	8	4	4	55	5
ARK Atwood Primary Academy	60	70	38	29	17	8	9	171	10
Burdett Coutts CE	54	25	17	14	10	6	8	80	10
CET Primary School Westminster	56	14	11	7	15	6	5	58	6
Christ Church Bentinck CE	30	24	19	29	5	7	5	89	7
Churchill Gardens	30	29	21	8	8	6	3	75	6
Edward Wilson	56	42	25	11	12	7	4	101	17
Essendine	60	48	32	24	14	16	6	140	10
Gateway	90	98	74	55	16	15	9	267	16
George Eliot	60	51	33	32	30	21	19	186	10
Hallfield	90	55	12	19	12	7	5	110	15
Hampden Gurney CE	30	81	52	21	14	11	4	183	5
King Solomon Academy	60	92	93	41	21	7	16	270	17
Millbank	60	41	21	27	19	7	6	121	10
Our Lady of Dolours RC	45	26	20	8	10	11	9	84	7
Paddington Green	60	20	20	31	23	8	11	113	20
Pimlico Primary	60	26	29	21	18	10	6	110	6
Queen's Park	42	29	22	24	12	11	8	106	12

Robinsfield Infant	60	75	31	24	18	20	11	179	5
Soho Parish CE	23	24	8	20	6	6	4	68	3
St Augustine's CE	30	41	30	14	6	9	6	105	8
St Barnabas' CE	23	7	7	2	7	4	3	30	5
St Clement Dane's CE	30	37	10	14	6	8	4	79	3
St Edward's RC	60	34	25	27	26	14	8	134	7
St Gabriel's CE	30	21	19	16	9	4	2	71	9
St George's Hanover Square CE	30	17	15	24	21	9	5	91	6
St James's & St Michael's CE	25	23	17	9	14	10	5	78	6
St Joseph's RC	42	68	42	31	17	12	11	181	6
St Luke's CE	30	7	11	18	14	9	6	65	10
St Mary Magdalene CE	30	20	11	22	10	10	10	83	6
St Mary of the Angels RC	45	43	34	27	16	6	3	129	7
St Mary's Bryanston Square CE	30	28	23	26	14	9	2	102	3
St Matthew's	30	17	9	9	5	9	4	53	8
St Peter's (Chippenham Mews) CE	30	33	46	26	9	7	2	123	14
St Peter's Eaton Square CE	50	48	44	37	18	5	4	156	6
St Saviour's CE	30	46	42	23	17	9	7	144	8
St Stephen's CE	30	30	3	9	1	8	5	56	13
St Vincent de Paul RC	30	46	23	12	7	5	4	97	7
St Vincent's RC	30	44	38	22	9	8	4	125	3
Westminster Cathedral RC	30	27	33	19	7	8	5	99	8
Wilberforce	60	22	20	5	1	3	4	55	8
	<b>1781</b>	<b>1549</b>	<b>1090</b>	<b>845</b>	<b>522</b>	<b>360</b>	<b>256</b>	<b>4622</b>	<b>349</b>

\*Further preferences made after offer day. This figure will include preferences made for schools from applicants that did not have their original preferences met.

## SECONDARY TRANSFER 2013

## TRI-BOROUGH APPLICATION AND PREFERENCE DATA

Hammersmith and Fulham	19 November 2012	Up to 15 December 2012 (on- time late)	After 1 March (incl.lates)
Resident application cohort	1130	1147	1184
Total applications submitted for H&F schools	3656	3735	n/a
Total preferences submitted for H&F schools	5804 (2526 from H&F residents)	5840	n/a

## Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total
Burlington Danes	180	206	211	159	99	69	34	778
Fulham Cross Girl's	125	78	65	49	49	30	30	301
Fulham College Boy's	120	33	23	29	18	25	11	139
Hammersmith Academy	120	160	180	162	106	64	42	714
Hurlingham &Chelsea	150	51	40	48	41	38	22	240
Phoenix High	180	84	70	64	34	31	14	297
Lady Margaret	90	289	171	119	63	38	18	688
Sacred Heart	165	314	140	105	63	33	20	675
The London Oratory	160	293	238	128	77	40	17	793
West London Free School	120	296	284	262	185	88	66	1179

Kensington and Chelsea	19 November 2012	Up to 15 December 2012 (on-time late)	After 1 March (incl.lates)
Resident application cohort	633	645	659
Total applications submitted for K&C schools	2402	2435	n/a
Total preferences submitted for K&C schools	3297 (1083 from K&C residents)	3321 (1094) from K&C residents)	n/a

#### Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total
Chelsea Academy	162	171	190	170	105	64	43	743
Holland Park	240	383	267	175	132	73	41	1071
Sion Manning	120	25	31	28	23	13	11	131
St Thomas More	120	87	113	146	89	65	35	535
The Cardinal Vaughan	120	294	305	111	59	35	13	817

Westminster	19 November 2012	Up to 15 December 2012 (on-time late)	After 1 March (incl. lates)
Resident application cohort	1209	1228	1239
Total applications submitted for WCC school	3341	3379	n/a
Total preferences submitted for WCC schools	6025 (3050 from WCC residents)	6093 (3098 from WCC residents)	n/a

#### Preferences made per school

School	PAN	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	Total
The Grey Coat Hospital	151	371	283	196	105	50	32	1037
King Solomon Academy	60	153	116	115	64	46	22	516
Paddington Academy	180	205	164	128	98	45	37	677
Pimlico Academy	210	201	130	110	101	61	45	648
Quinton Kynaston	210	108	180	120	85	49	26	568
St Augustine's	150	134	118	123	60	45	26	506
St George's	150	119	133	105	91	65	34	547
The St Marylebone	150	366	287	159	91	40	21	964
Westminster Academy	180	71	84	82	61	39	24	361
Westminster City	130	74	68	52	36	18	20	268

**Tri -Borough secondary transfer outcomes for entry September 2013 (captured on 1<sup>st</sup> March 2013)**

	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The number of <b>resident</b> applications for September 2013	1147	642	1228
Comparable figures for 2012	1189	633	1244
	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The number of <b>total preferences</b> for secondary schools located <b>in each borough</b> for September 2013	5860	3321	6089
Comparable figures for 2012	5634	3325	5954
	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The percentage of <b>each borough's resident</b> children granted places at their <b>first preference</b> school in 2013	56.7%	59%	58.4%
Comparable figures for 2012	54.5%	57.3%	60.9%
	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The percentage of <b>each borough's resident</b> children granted at least one of the top <b>three preferences</b> in 2013	81%	81%	84.6%
Comparable figures for 2012	78%	83.4%	87.7%
	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The number and percentage of <b>resident</b> children without an offer of a school place in 2013	134 – 11.7%	73 – 11%	24 – 2.0%

Comparable figures for 2012	151 – 12.6%	67 – 10.5%	29 – 2.3%
	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The number of vacancies in each borough in 2013	143	65	0
Comparable figures for 2012	170	49	0

**Update for Admissions Forum – date captured on 22 May 2013**


	<b>H&amp;F</b>	<b>RBKC</b>	<b>Westminster</b>
The number of <b>resident</b> applications for September 2013 <b>inclusive of late applications</b>	1184	656	1239
The number and percentage of <b>resident</b> children without an offer of a school place in 2013 <b>inclusive of late applications</b>	41 – 3.4%	26 – 4%	13– 1.0%
	<b>H&amp;F*</b>	<b>RBKC*</b>	<b>Westminster*</b>
The number of vacancies <b>remaining</b> in each borough in 2013	111	55	9

\*H&F - Fulham College Boys 55, Hurlingham and Chelsea 46, Phoenix 10

\*RBKC – 55 vacancies in Sion Manning School

\*Westminster - 9 vacancies in Westminster City School



 <p><b>h&amp;f</b> the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<p><b>APPROVAL OF A ROLL-OVER OF TEAM WHITE CITY PROGRAMME BUDGET UNDERSPEND INTO 2014-15</b></p>	
<p><b>Report of the Cabinet Member for Community Care – Councillor Marcus Ginn</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For Decision</p>	
<p><b>Key Decision:</b> Yes</p>	
<p><b>Wards Affected:</b> Wormholt and White City, Shepherds Bush Green</p>	
<p><b>Accountable Executive Director:</b> Mel Barrett, Executive Director for Housing and Regeneration</p>	
<p><b>Report Author:</b> Kim Dero, Head of Economic Development, Learning &amp; Skills</p>	<p><b>Contact Details:</b> Tel: 020 8753 6320 E-mail: kim.dero@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. Over £50,000,000 of public money is spent annually in the White City area on public services including welfare and benefits, crime and policing, health and social care and children’s services.
- 1.2. Residents of the White City estate have significantly lower average life expectancy, income, and chances of employment than the borough, London or national average.
- 1.3. The aim of the White City Neighbourhood Community Budget is to improve the life chances of residents and achieve better value for money from public expenditure, through better design and delivery of public services in partnership with the community.
- 1.4. The White City Opportunity Area was selected by Government, in late 2011, to be one of 12 local areas to pilot the development of neighbourhood community budgets. Under the banner Team White City (TWC) a plan of action was submitted to Government and endorsed in

March 2013. The detailed operational and implementation plans included community engagement activity to increase interest and ownership; a number of exemplar projects focused on public service redesign and decentralisation; partnerships and community capacity building in order to deliver transformational change in White City.

- 1.5. In 2014/15 the Team White City project will be more narrowly focused upon a smaller number of initiatives which meet the following criteria:
  - 1.5.1. Address negative outcomes for White City residents
  - 1.5.2. More effective use of public money
  - 1.5.3. Involve the community
  - 1.5.4. Bring together different public service providers
  - 1.5.5. Create lasting, transformational change
- 1.6. The budget agreed for the TWC programme covered 2012/-14 and was underspent each year. This report requests roll-over of the budget balances in order to complete the implementation phase and deliver on the above criteria in 2014/15.
- 1.7. It is not intended to have any further recourse to Local Authority General Fund or Housing Revenue Account and the TWC programme will be financed from the existing public sector budgets and available grants from 2015/16.

## **2. RECOMMENDATION**

- 2.1. That approval be given to a roll-over of £136,000 underspend from the Team White City programme budget into 2014/15.

## **3. REASONS FOR DECISION**

- 3.1. Cabinet is asked to approve a roll-over of the TWC budget balances to cover the ongoing costs of implementation of the community budget TWC Programme in 2014/15 and achieve initiatives which meet the criteria laid out in 1.5 of this report.

## **4. INTRODUCTION AND BACKGROUND**

- 4.1. Over £50,000,000 of public money is spent annually in the White City area on public services including welfare and benefits, crime and policing, health and social care and children's services.
- 4.2. Residents of the White City estate have significantly lower average life expectancy, income, and chances of employment than the borough, London or national average.
- 4.3. The aim of the White City Neighbourhood budget is to improve the life chances of residents and achieve better value for money from public

expenditure, through better design and delivery of public services in partnership with the community.

- 4.4. The Team White City (TWC) programme budget was previously agreed in March 2012 and amounted to £730k from General Fund reserves and £20k from the Housing Revenue Account. The budget allocation was £405k for 2012/13 and £345k for 2013/14.
- 4.5. The TWC funding acted as a catalyst for Hammersmith United Charities to agree a £1,000,000 grant for the White City area and this award together with a further £1,000,000 'Big Local' grant means that there is now a significant opportunity to lever in further funding and investment.
- 4.6. In 2012/13 there was significant TWC budget underspend due to a combination of the late recruitment of the project team and a favourable outcome of a bid to DCLG for funding. This underspend was rolled over into 2013/14 and the forecast underspend at the end of this financial year is projected to be £136,000.
- 4.7. To date the TWC budget has been spent on mapping public expenditure and developing a pilot strategy, developing community engagement and interest in TWC's objectives; particularly communications production and website design costs; staffing and community events.
- 4.8. The Team White City project will be refocused in 2014 upon a smaller number of projects which meet the criteria laid out in section 1.5 of this report.
- 4.9. The TWC programme should over time provide a net saving to Local Authority and other public sector budgets, as a result of improved outcomes for residents and lower reliance upon public services, and this will be enabled by pooled budgets and shared savings across public sector agencies.

## **5. PROPOSAL AND ISSUES**

- 5.1. Much was achieved in the early TWC phases; an analysis of the negative outcomes experienced by White City Residents, mapping of public services delivered, development of co-designed services with the community, engagement with different public agencies operating in the area. In addition work to improve two way communication with the community has led to the development of a popular, locally produced bi-monthly magazine; the TWC 'fanzine' and a very well received local website. In turn residents are accessing public services in much greater numbers, which could over time, improve their life chances and reduce the 'cost of failure' upon the public purse.
- 5.2. January 2014 figures show that there is a reduction in Job Seekers Allowance (JSA) claimants in the White City Opportunity Area from 6.5% in January 2013 to 5.9%. On the estate itself there are currently 304 residents claiming JSA which is down from 386 residents in January 2013. In addition, there has been a 5% increase in learners accessing learning at

the Adult Community Learning Centre (formerly the Paragon). This increase in learners is in the following areas; Literacy, Maths, ESOL, ICT, Childcare, Entry into Care and Money Matters.

- 5.3. In addition TWC's work to support and foster community leadership has enabled the development of the White City Enterprise (WCE), a newly constituted social enterprise. This community led partnership is tasked with delivering the Big Local (National Lottery) £2m programme; premises management for WC Tenants & Residents Association and delivery for the WC Neighbourhood Forum, a strategic voice and platform for the community. Work to transition TWC programmes to the WCE is well underway including:
- Our Neighbourhood Mums and Dads peer mentoring programme for local families requiring support to better access early intervention and preventative public services.
  - IT Mentoring programme which is helping residents to access on line job applications and shopping discounts as well as LBHF's 'My account' with a view to increasing self-service, cost savings using the IT expertise of other local residents.
  - The proposed transfer of community based assets such as the White City community centre, Drop-in Centre and commercial leasing of a Bloemfontein Road shop front for employment support services to enable the WCE to develop and deliver increased community based projects.
  - The development of a local skills audit leading to more targeted job recruitment campaigns and a time banking service, which will enable local residents to make greater use of their skills locally.
- 5.4. The next phase of work will be to leverage TWC to play a meaningful role in public service transformation. A particular opportunity is a partnership with Adult Social Care (ASC) and the NHS to deliver NHS funded, community based services which reduce demand for Local Authority and NHS funded services, promote independence and improve the health of residents. As part of the Better Care Fund work programme, opportunities are being explored including 'time banking', 'home sharing' and local recruitment of care workers.
- 5.5. A pooled budget across ASC and the NHS, as part of the TWC initiative, could provide a blueprint for service transformation and shared savings that could be applied in future to joint working with MOPAC, MOJ, DWP and other budget holders for the White City Area.
- 5.6. The available budget totals £136,000 and it is proposed to use this sum as follows:

<b>Development of TWC Initiatives:</b>	<b>Budget £</b>
Development of community leadership and participation in ASC Transformation programme	42,000
Communications post	16,000
Communications including fanzine production and website costs	12,000
White City Enterprise business plan implementation (to support the achievement of TWC outcomes)	56,000
Contingencies	10,000
<b>Total</b>	<b>136,000</b>

- 5.7. It is envisaged that WCE will be able to lever in other funding and grants to develop a sustainable business model and a sum of £56k is proposed to support the implementation of the business plan particularly the establishment of business critical posts for this new organisation in order to achieve set TWC objectives.
- 5.8. A sum of £46k is proposed to assist the community and WCE in playing a full role in developing joint 'community based' health and care services, in partnership with ASC and the NHS. The NHS is intending to provide funding to assist community involvement in care delivery as part of the Better Care Fund programme and this work will be joined together in 2014/15.
- 5.9. During the pilot phase the TWC project team was led by a Deloitte Consultant and reported to a cross-party group of Councillors. The project is now run in-house within the Economic Development team, with strong links to the ASC directorate. In this way TWC work streams will be integrated in to 'business as usual' for the authority and leveraged to support the service transformation work underway within ASC. TWC will continue to be supported by a 'Challenge Board', comprising of members of the community, business and political leaders from outside the authority.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. The availability of a budget for the purposes outlined in this report is key to the continuing implementation of the TWC objectives and the transfer of projects to the WCE. If this funding is no longer available the value of this DCLG community budget pilot would be difficult to calculate as proposed cost benefit analysis of the planned projects and service transformation initiatives would not have been tested.
- 6.2. At this stage in the development of the programme it would be extremely difficult to find alternative funding as the WCE is an entirely new organisation with no track record of delivery and it is too early for any evaluation of outcomes to demonstrate the validity of the business cases that have been prepared.

- 6.3. TWC is a new and untested initiative in the transformation of public services and local population outcomes. A model is emerging which could reduce pressure upon public expenditure and improve poor outcomes for residents, however more time and the funding requested will be required to test the scale of the opportunity.

## **7. CONSULTATION**

- 7.1. The TWC Plan was produced in close consultation with the local community, via the White City Neighbourhood Forum. The initial programmes were worked up on the basis of community feedback from face to face interviews with 500 local residents.

## **8. EQUALITY IMPLICATIONS**

- 8.1. There are no expected equality implications in respect of the roll-over of this funding.

## **9. LEGAL IMPLICATIONS**

- 9.1. There are no expected legal implications in respect of the roll-over of the funding. Any transfer of funds to the White City Enterprise will be done in line with the Council's standing orders.

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

- 10.1. The overall budget for this programme was agreed in March 2012. No additional funding is sought beyond that agreed in 2012.

## **11. RISK MANAGEMENT**

- 11.1. There are risks in decentralising services and transferring resources to community control and these will be assessed and managed by the Team White City Programme Board. The Board will continue to be responsible in ensuring that an effective risk management process is embedded to provide appropriate programme management assurance to the council.


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

- 12.1. The transfer of resources to the White City Enterprise may require a waiver of standing orders with regard to procurement processes. In any such instance, the provisions of the Social Value Act 2012 will apply.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Team White City Programme Budget.	Peter Smith x2206	FCS/ Rm 39 HTH

# Agenda Item 14

 <p><b>h&amp;f</b> the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<b>BETTER CARE FUND PLAN</b>	
<b>Report of the Cabinet Member for Community Care - Councillor Marcus Ginn</b>	
<b>Open Report</b>	
<b>Classification:</b> For Decision	
<b>Key Decision:</b> Yes	
<b>Wards Affected:</b> All	
<b>Accountable Executive Director:</b> Liz Bruce, Executive Director for Adult Social Care and Health	
<b>Report Author:</b> Cath Attlee, Whole Systems Lead, Tri-borough Adult Social Care	<b>Contact Details:</b> Tel: 07903 956 961 E-mail: <a href="mailto:cattlee@westminster.gov.uk">cattlee@westminster.gov.uk</a>

## 1. EXECUTIVE SUMMARY

- 1.1. This report contains the “near-final” version of the Better Care Fund Plan for approval by the Cabinet Member, prior to sign off by the Health and Wellbeing Board. The Plan has been prepared according to the DH template and sets out the vision for health and social care services, aims and objectives and planned changes encompassing 18 workstreams to deliver integrated operational services, integrated commissioning and contracting, supported self care, personal health and care budgets and improved patient experience, and integrated infrastructure such as IT and information governance.
- 1.2. The report sets out the governance arrangements to ensure that the Health and Wellbeing Board receives regular reports on progress with implementation and achievement of outcomes. It proposes bringing existing budgets together into a pooled budget within the legal framework of the s75 Partnership Agreement and identifies the risks associated with partnership working and the actions being taken to



mitigate these risks. The report explains how service providers, service users and other stakeholders have been involved in preparing the plan to date, and sets out a plan for further engagement in the detailed development and implementation of the plan.

- 1.3. The report addresses the national conditions as required, which are:
  - a) protecting social care services
  - b) 7 day services to support discharge
  - c) Data sharing
  - d) Joint assessments and accountable lead professional
- 1.4. Finally, the plan includes a set of Outcomes and Metrics, of which four have been set nationally; one relates to patient/service user experience for which two measures (one for health and one for social care) are proposed; and one local indicator which is for agreement.
- 1.5. The Plan is being taken to the three Cabinet Members in Tri-borough, the three Clinical Commissioning Group Governing Bodies, and the three Health and Wellbeing Boards for consideration and approval. There may therefore be minor amendments prior to the submission date of 4<sup>th</sup> April. That is why this report is being presented as “near-final”, but no significant changes will be made without further reference to the accountable bodies.

## **2. RECOMMENDATIONS**

- 1.6. That approval is given to the Plan and specifically to the following elements:
  - i. The establishment of a Better Care Fund Programme of work relating to integrated operational services; service user experience; integrated contracting and commissioning; and programme delivery.
  - ii. The development of a Better Care Fund pooled budget, to be held by the local authority on behalf of both the Council and the NHS, to enable the development of integrated health and social care services for the people of Hammersmith and Fulham.
  - iii. The allocation of £47,781,199 local authority existing budgets to the pooled budget in 2015/16 (this is a minimum figure based on existing partnership commitments and during 2014-15 further proposals may be brought to the Cabinet Member (and the CCG Governing Bodies) for possible inclusion in the pooled budget).

- iv. Confirmation of the Integration Partnership Board as the BCF Implementation Board, reporting to the Hammersmith and Fulham Health and Wellbeing Board on delivery of the BCF Programme.
- v. Agreement that, following sign off, any significant variations to the Plan relating to the allocation of funds by the local authority will be brought back to the Cabinet Member for approval.

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

- 3.1 As reported to Cabinet in January, development of an integrated Better Care Fund Plan is a requirement of the Department of Health and the Department for Communities and Local Government. Funding allocations to the Local Authority and to the local NHS in 2014-16 are dependent on agreement between the parties on the BCF Plan. In addition, the programme of work is consistent with the stated vision and objectives of the partners within the Hammersmith and Fulham Health and Wellbeing Board, and is a mechanism for delivering the outcomes and efficiencies required.

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

- 4.1 The Better Care Fund (BCF) is “a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities”.
- 4.2 In *Integrated care and support: our shared commitment*, integration was helpfully defined by National Voices – from the perspective of the individual – as being able to “plan my care with people who work together to understand me and my carer(s), allow me control, and bring together services to achieve the outcomes important to me”. The BCF is a means to this end and by working together we can move toward fuller integration of health and social care for the benefit of the individual.
- 4.3 The BCF does not come into full effect until 2015/16, but an additional £200m will be transferred to local government from the NHS in 2014/15 (on top of the £900m already planned) and it is expected that CCGs and local authorities will use this year to transform the system. Consequently, a two year plan for the period 2014/16 has to be put in place by March 2014.
- 4.4 The BCF provides an opportunity to transform care so that people are provided with better integrated care and support. It will help deal with

demographic pressures in adult social care and is an opportunity to take the integration agenda forward at scale and pace – it is a catalyst for change.

- 4.5 The BCF will align with the strategy process set out by NHS England and supported by the LGA and others in *The NHS belongs to the people: a call to action*<sup>1</sup>. The BCF will provide part of the investment required to achieve the shared vision for health and social care.
- 4.6 The BCF will support the aim of providing people with the right care, in the right place, at the right time, including expansion of care in community settings. This will build on CCG Out of Hospital strategies and local authority plans expressed locally through the Community Budget and Pioneer programmes.

## **5. CONSULTATION**

The Better Care Fund has been developed within the existing Whole Systems partnership between the local authority and the NHS, with service providers and with service user and carer representatives including Healthwatch, and reflects the shared aspirations for integrated care. The draft plan has been made available to partners for comment, in the knowledge that it captures a range of workstreams which already involve local stakeholders. An engagement plan is being developed with all stakeholders to ensure full involvement and, where possible, co-production of the specific initiatives going forward.

## **6. EQUALITY IMPLICATIONS**

- 6.1 Each workstream within the Better Care Fund programme will be preparing an Equality Impact Assessment and as the programme develops a programme-wide EIA will be prepared. The programme contributes to the implementation of integrated health and care services across the tri-borough area and will improve services for the most vulnerable adults in the community.

## **7. LEGAL IMPLICATIONS**

- 7.1 The Department of Health and the Department for Communities and Local Government have established a multi-year fund, confirmed in the Autumn Statement, as an incentive for councils and local NHS

---

<sup>1</sup> <http://www.england.nhs.uk/2013/07/11/call-to-action/>

organisations to jointly plan and deliver services, so that integrated care becomes the norm by 2018. A fund will be allocated to local areas in 2015/16 to be put into pooled budgets under Section 75 joint governance arrangements between CCGs and Councils. A condition of accessing the money in the Fund is that CCGs and councils must jointly agree plans for how the money will be spent, and these plans must meet certain requirements.

- 7.2 Legislation is needed to ring-fence NHS contributions to the Fund at national and local levels, to give NHS England powers to assure local plans and performance, and to ensure that local authorities not party to the pooled budget can be paid from it, through additional conditions in Section 31 of the Local Government Act 2003, which will allow for the inclusion of the Disabled Facilities Grant.
- 7.3 Implications verified by: Andre Jaskowiak, Senior Solicitor, Bi-Borough Contract Law Team. Tel: 020 7361 2756

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1 In 2014-15 the minimum value required of the BCF Pooled Budget is £2,590,000; Tri-borough partners are proposing at least £157,110,353 which includes the funding in existing s75 and s256 agreements. Of this, £49,715,999 will come from the London Borough of Hammersmith and Fulham and £12,629,786 from Hammersmith and Fulham CCG. The detailed budgets are shown in Part 2 of the BCF Plan and a summary appears in the table below.
- 8.2 In 2015-16 the minimum value required of the BCF Pooled Budget is £47,836,000 and the Tri-borough authorities are proposing at least £211,460,612. Of this, £47,781,199 will come from the London Borough of Hammersmith and Fulham and £31,923,371 from Hammersmith and Fulham CCG.
- 8.3 It is estimated that the programme will contribute to the delivery of around £15m in savings across Tri-borough partners by the end of 2015/16, if targets are fully met, as shown in the table below.
- 8.4 In addition to the identified savings we will be constructing a financial model which enables NHS revenue to flow into out of hospital services delivered by social care, and reimburses the local authority against agreed targets. This will reflect an agreed portion of the savings which will accrue to the NHS by preventing unnecessary admissions and facilitating timely discharge from hospital.

- 8.5 The near-final BCF Plan includes figures based on current estimates of costs and savings. These are being refined and it is anticipated that revised proposals will be submitted periodically through 2014-15 as the detailed modelling of the integration work is undertaken.
- 8.6 Implications verified/completed by: Rachel Wigley, Director of Finance, Tri-borough Adult Social Care.

#### Tri-borough Better Care Fund Financial Summary

Organisation	Holds the pooled budget? (Y/N)	Spending on BCF schemes in 14/15	Minimum contribution (15/16)	Actual contribution (15/16)	Anticipated Benefit
Westminster City Council	Y	28,761,068	1,379,000	26,252,068	4,895,193
Royal Borough of Kensington and Chelsea	Y	22,942,850	874,000	22,003,850	
London Borough of Hammersmith and Fulham	Y	49,715,999	1,052,000	47,781,199	
Central London CCG	N	27,137,037	13,553,000	43,754,621	3,366,231
West London CCG	N	15,923,613	17,830,000	39,745,502	3,572,468
Hammersmith and Fulham CCG	N	12,629,786	13,148,000	31,923,371	3,873,119
<b>BCF Total</b>		<b>157,110,353</b>	<b>47,836,000</b>	<b>211,460,612</b>	<b>15,707,010</b>

Actual savings will be tracked by borough or, where at tri-borough level, will be pro-rated by population.

Our intention is for the local authorities to hold the pooled budget, but the pooling agreement will recognise that each scheme will be led by the most appropriate commissioner.

## 9. RISK MANAGEMENT

- 9.1 A Schedule of Risks and Mitigations is included within the Better Care Fund Plan.

## 10. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 10.1 The Better Care Fund Programme includes a workstream on Information Technology and Information Governance which is consistent with the council's IT strategy and policies. The programme will in due course include a number of procurement initiatives but these will be dealt with through contract standing orders on a case by case basis.

10.2 Implications verified/completed by: Joanna Angelides. Procurement Consultant, ext. 2586

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Tri-borough Better Care Fund Plan – “near-final” March 2014	Attached	Adult Social Care
2.	Tri-borough BCF Finance and Outcomes Spreadsheet “near-final” March 2014	Attached	Adult Social Care

# Tri-borough Better Care Fund – Part 1

## 1) PLAN DETAILS

### a) Summary of Plan

#### Local Authority

City of Westminster  
London Borough of Hammersmith and Fulham  
Royal Borough of Kensington and Chelsea

#### Clinical Commissioning Groups

Central London Clinical Commissioning Group  
Hammersmith & Fulham Clinical Commissioning Group  
West London Clinical Commissioning Group

#### Boundary Differences

Co-terminus (limited exceptions)

The Plan covers all three boroughs so the CCG boundary exception is not relevant to the narrative. The finance section sets out local authority funding by borough and CCG funding by CCG so the NHS figures for Westminster are split between CLCCG (78%) and WLCCG (22%).

#### Date to be agreed at Health and Well-Being Boards:

24/03/2014

(draft agreed in December 2013/January 2014)

#### Date submitted:

To be completed

<b>Minimum required value of BCF pooled budget:</b>	<b>2014/15</b>	£2,590,000
	<b>2015/16</b>	£47,836,000
<b>Total proposed value of pooled budget:</b>	<b>2014/15</b>	£157,110,353
	<b>2015/16</b>	£211,460,612

## b) Authorisation and sign off

---

Dr Fiona Butler  
Chair,  
NHS West London CCG

Date \_\_\_\_\_

---

Councillor Mary Weale  
Cabinet Member for Adult Social Care &  
Public Health, RB Kensington and Chelsea  
And Chair, RBKC Health & Wellbeing Board

Date \_\_\_\_\_

---

Dr Ruth O'Hare  
Chair,  
NHS Central London CCG

Date \_\_\_\_\_

---

Councillor Rachael Robathan  
Cabinet Member for Adults &  
Public Health, Westminster City Council  
And Chair, WCC Health & Wellbeing Board

Date \_\_\_\_\_

---

Dr Tim Spicer  
Chair,  
NHS Hammersmith & Fulham CCG

Date \_\_\_\_\_

---

Councillor Marcus Ginn  
Cabinet Member for Community Care,  
LB Hammersmith and Fulham  
And Chair, LBHF Health & Wellbeing Board

Date \_\_\_\_\_



### **c) Service provider engagement**

*Please describe how health and social care providers have been involved in the development of this plan, and the extent to which they are party to it*

This plan reflects a number of existing programmes which have included health providers as active participants. Together with a range of local social care providers, and our voluntary and community sector as a whole, providers are now also being engaged in developing future plans.

Details of existing consultation work can be found in *Shaping a Healthier Future*, our agreed *Out of Hospital Strategies* and *Living Longer and Living Well*, and our successful application to become an Integrated Care Pioneer.

A joint commissioner and provider forum across North West London forms a core part of the co-design work in our Whole Systems Integrated Care Programme. A number of the BCF workstreams are particularly relevant to our community health services providers and we are involving them closely in these developments.

As part of creating the Tri-borough Market Position statement the local authorities have been developing a more regular dialogue with local providers of social care, including community organisations. In developing the Better Care Fund plans for the future we are looking to link this wider range of social care and community providers to the Whole Systems forum as a reference group for the BCF and for the wider Health and Wellbeing programmes.

### **d) Patient, service user and public engagement**

*Please describe how patients, services users and the public have been involved in the development of this plan, and the extent to which they are party to it*

Our vision for whole system integrated care is based on what people have told us is most important to them: high quality, integrated care provided in people's homes and communities, tailored to their needs.

Through patient and service user workshops, interviews and surveys across North West London (NWL) we know that what people want is choice and control, and for their care to be planned with people working together to help them reach their goals of living longer and living well. They want their care to be delivered by people and organisations who show dignity, compassion and respect at all times.

A North West London Patient and Public Representative Group has now been established, including CCG Patient and Public Involvement lay members, representatives from HealthWatch and from service user and carer groups to ensure that the patient perspective is reflected in all our programmes as they develop.

At a borough and CCG level, service users and carers are involved in developing person centred services; and each Health and Wellbeing Board has adopted the National Voices approach, involving service users in identifying local measures of success.

Tri-borough Adult Social Care is currently undertaking a Customer Journey project to understand better the views of service users and carers on their experience of social care. This builds on the information already received through the national survey and will inform our integrated operational working.

We will be building on these existing approaches to develop a strong service user and community voice within the Better Care Fund to ensure that our integration plans deliver better outcomes and experiences for all our citizens. The draft engagement plan is included in the supplementary documents.

### e) Related documentation

*Please include information/links to any related documents such as the full project plan for the scheme, and documents related to each national condition*

The following list is a current synopsis of some of the key source documents that have informed this submission, together with a brief synopsis of each.

Ref	Document	Synopsis
D1	<b>“Living Longer, Living Well” Pioneer Application June 2013</b>	The vision for whole system integrated care in NW London, including that people, their carers and families will be empowered to exercise choice and control; GPs will be at the centre of organising and co-ordinating people’s care; and systems will not hinder the provision of integrated care.
D2	<b>“Shaping a Healthier Future” NHS North West London</b>	The strategy for future healthcare services in North West London including how care will be brought nearer to people; how hospital provision will change, including centralising specialist hospital care onto specific sites so that more expertise is available more of the time; and how this will be incorporated into a co-ordinated system of care so that all the organisations and facilities involved in caring for the people of North West London can deliver high-quality care and an excellent experience.
D3	<b>Out of Hospital Strategies</b>	NHS West London CCG, NHS Hammersmith & Fulham CCG, and NHS Central London CCG’s strategies for commissioning and delivering better care for people, closer to home. These focus on local care provided out of hospital, integrating with the future development of acute services across the region as outlined in “Shaping a Healthier Future”.
D3	<b>Joint Strategic Needs Assessment (JSNA)</b>	Joint local authority and CCG assessments of the health needs of a local population in order to improve the physical and mental health and well-being of individuals and communities for each of the 3 localities.

<b>Ref</b>	<b>Document</b>	<b>Synopsis</b>
<b>D4</b>	<b>Joint Health &amp; Wellbeing Strategy(JHWS)</b>	The Joint Health and Wellbeing Strategy sets out the priorities and actions which the Health and Wellbeing Board are planning to carry out in the period 2013 to 2016 for each of the 3 localities.
<b>D5</b>	<b>Joint Commissioning Intentions</b>	A single view of commissioning intentions across the Triborough health and social care landscape. The CCGs commissioning intentions for 2014/15 have been mapped against each other and also against the Triborough market statement (which brings together Local Authority Social Care commissioning intentions across Westminster, Kensington & Chelsea, and Hammersmith & Fulham).
<b>D6</b>	<b>CIS Business Case</b>	This outline business case argues for the development of a detailed single specification for a Triborough Community Independence Service (CIS) which will integrate and enhance existing local models and delivery frameworks to achieve common and improved outcomes for the populations of Hammersmith & Fulham, Kensington and Chelsea and Westminster.
<b>D7</b>	<b>Delivering Seven Day Services</b>	North West London's vision to be an early adopter for seven day services across health and care.
<b>D8</b>	<b>Individual CCG QIPP, operating and local authority corporate and service plans</b>	Detailed plans by the CCGs and Local Authorities for the funding and delivery of services and associated efficiency targets for 2014/15 and 2015/16.
<b>D9</b>	<b>Borough/CCG Health and Wellbeing Partnership Agreements</b>	S75 Partnership Agreements established between each local authority and CCG as a framework within which integrated commissioning can be implemented; along with annually agreed service schedules of those services jointly commissioned or in a pooled budget.

## 2) VISION AND SCHEMES

### a) Vision for Health and Care Services

*Please describe the vision for health and social care services for this community for 2018/19.  
- What changes will have been delivered in the pattern and configuration of services over the next five years? - What difference will this make to patient and service user outcomes?*

Our aim is to provide care and support to the people of Westminster, Hammersmith & Fulham and Kensington & Chelsea, in their homes and in their communities, with services that:

- **co-ordinate around individuals**, targeted to their specific needs;
- **improve outcomes**, reducing premature mortality and reducing morbidity;
- **improve the experience of care**, with the right services available in the right place at the right time;
- **maximise independence** by providing more support at home and in the community, and by empowering people to manage their own health and wellbeing;
- **through proactive and joined up case management**, avoid unnecessary admissions to hospitals and care homes, and enable people rapidly to regain their independence after episodes of ill-health.

To do this, our starting point is our patients and service users themselves.

The following 3 “personas” are examples of those which have been developed to capture the experience of typical service users. They bring together feedback from real people and from the frontline professionals who are working to help them today. They allow us to focus our interventions on meeting the needs of individuals, working with them on the things which are most important to them.

## Example Personas

### **Asmita**

- *Asmita is 66 and lives in Westminster. She has a low income and lives alone in a rented basement flat. She is recently widowed. Her husband, who was her carer and organised her medicines also used to translate for her as English is not her first language*
- *She often feels lonely as her family lives abroad and she cannot communicate easily with her neighbours.*
- *Asmita has multiple long term conditions including diabetes, arthritis, chronic heart failure and early onset dementia. However, she does have some capacity at the moment.*
- *She receives a number of different services which include meals on wheels, two homecare visits a day to help her dress. Since her husband died, she makes frequent 999 calls and associated A&E visits. Her medicines are delivered by the pharmacy but she often misses her regular doses.*

### **April**

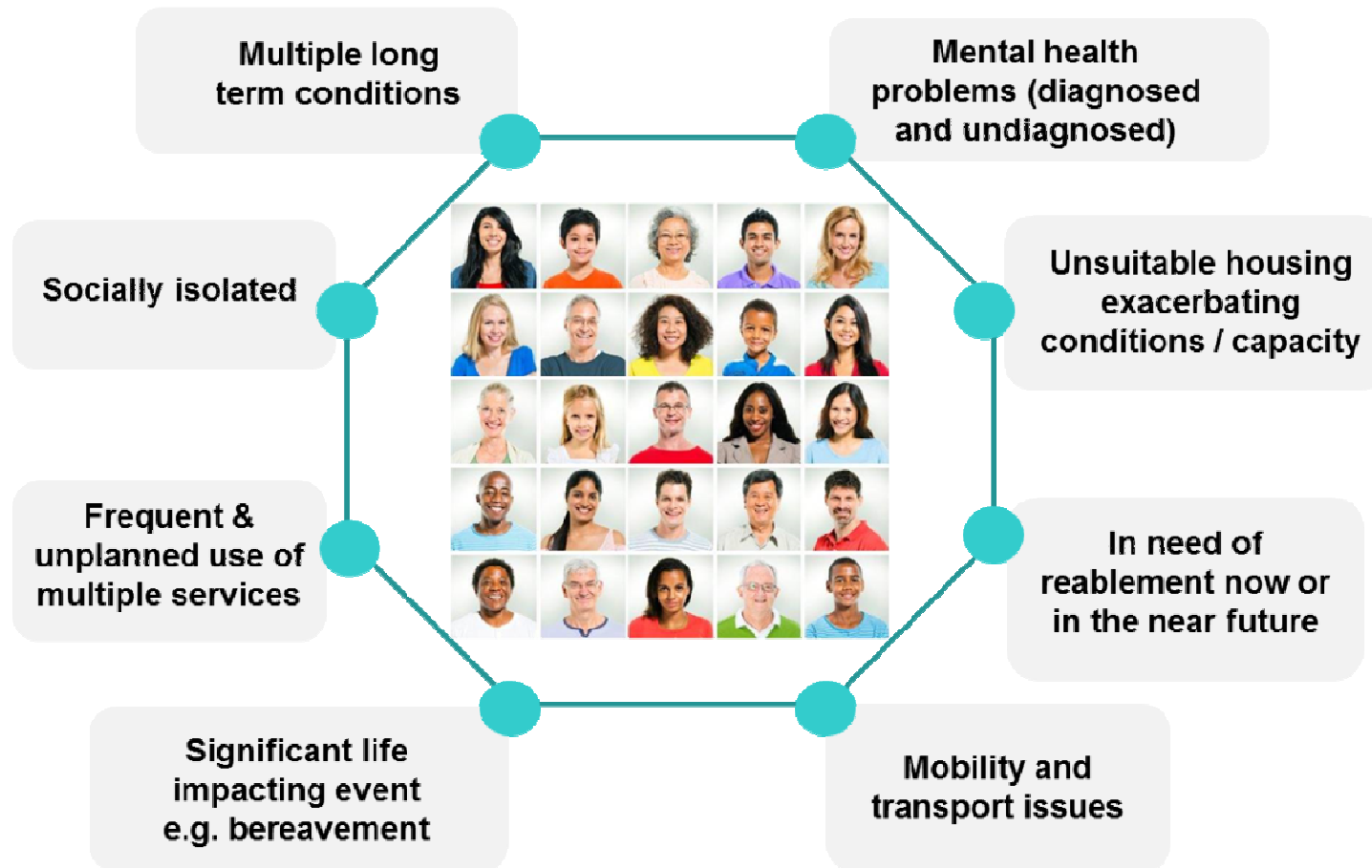
- *April is 82. She lives in a second floor, privately-rented flat near Holland Park. There is no lift and a stone staircase, so she is at high-risk of falling. She has had 2 hip replacements and is currently taking warfarin following general anaesthetic for her second operation.*
- *She regularly visits her GP for blood pressure checks and has high levels of anxiety, leading to panic attacks. She has an informal support network in her block of flats, but her daughters live abroad and will not be returning to the UK.*
- *She has physio services for her hips and accesses transport services for hospital appointments. April has capacity at the present time, but is at high risk of losing her independence. She would benefit from help in the home to keep her in her current accommodation for as long as possible. She would benefit from some computer literacy, for example, to help with shopping, general contact etc.*

### **Les**

- *Les lives in Hammersmith. He has two children. He lives on his own in social housing and is currently unemployed.*
- *Les feels isolated. He receives services in a reactive way, although he is on the brink of receiving more proactive services. He does not have a care manager.*
- *Les has multiple long term conditions including diabetes (which may not have been diagnosed at this stage). He is a smoker who has alcohol issues and heart problems. He also has mental health problems (a combination of depression and dementia).*
- *He frequently uses Charing Cross Hospital A&E (visits are often alcohol-related). He has lots of disconnected referrals to care managers, social workers and district nurses. With the right advice and support Les could potentially care for himself.*

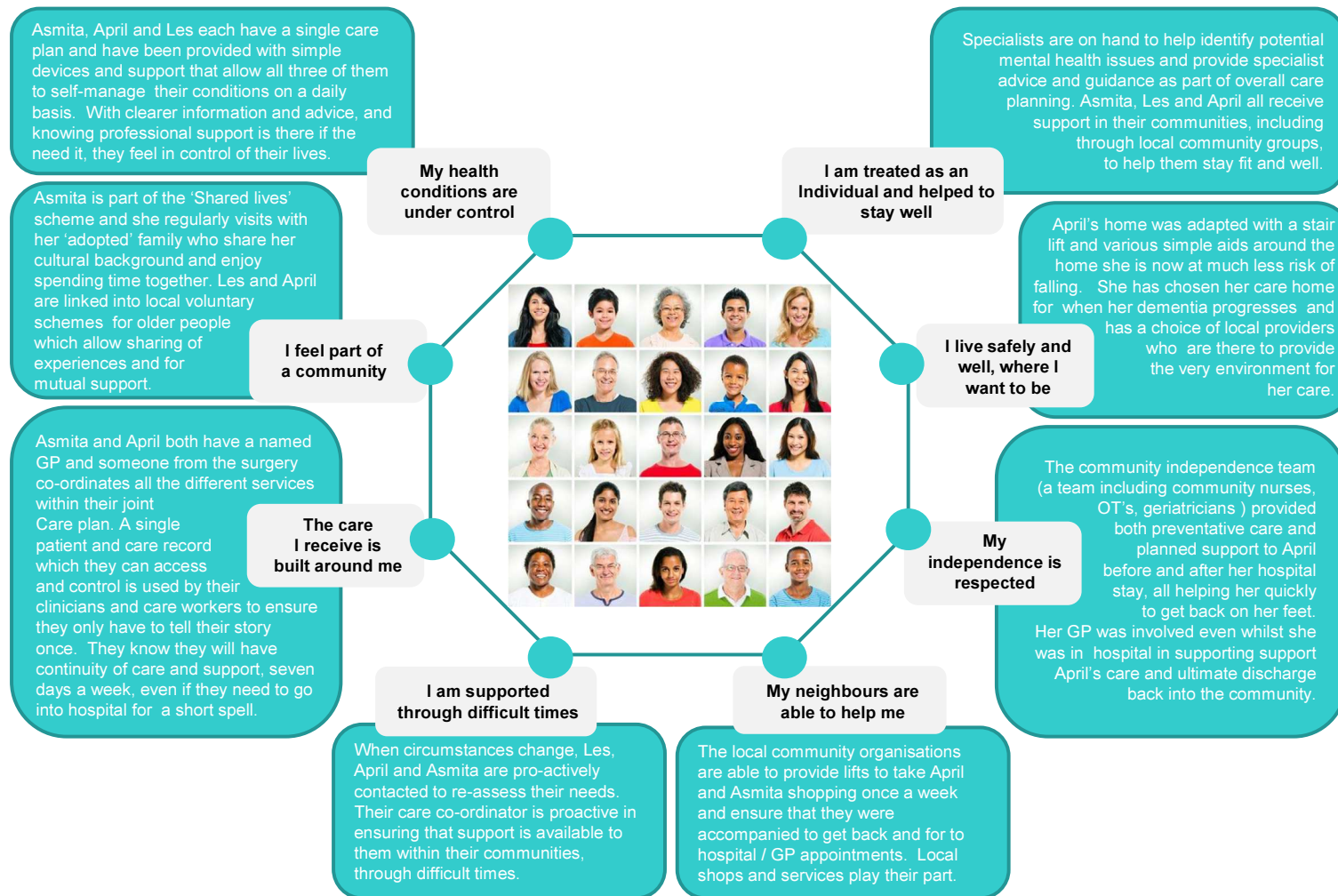
## Transforming outcomes, transforming lives

As our work and engagement in this area has evolved, so increasing we have been able to identify a number of common challenges for those in greatest need, which if addressed, would genuinely transform the quality of life and wellbeing.



## Our vision for those we serve

Our vision for 2018/19 is built around tackling these issues, empowering and supporting individuals to live longer and live well. This is about creating services that enable frontline professionals to work with individuals, their carers and families to maximise health and wellbeing and address specific individual needs.

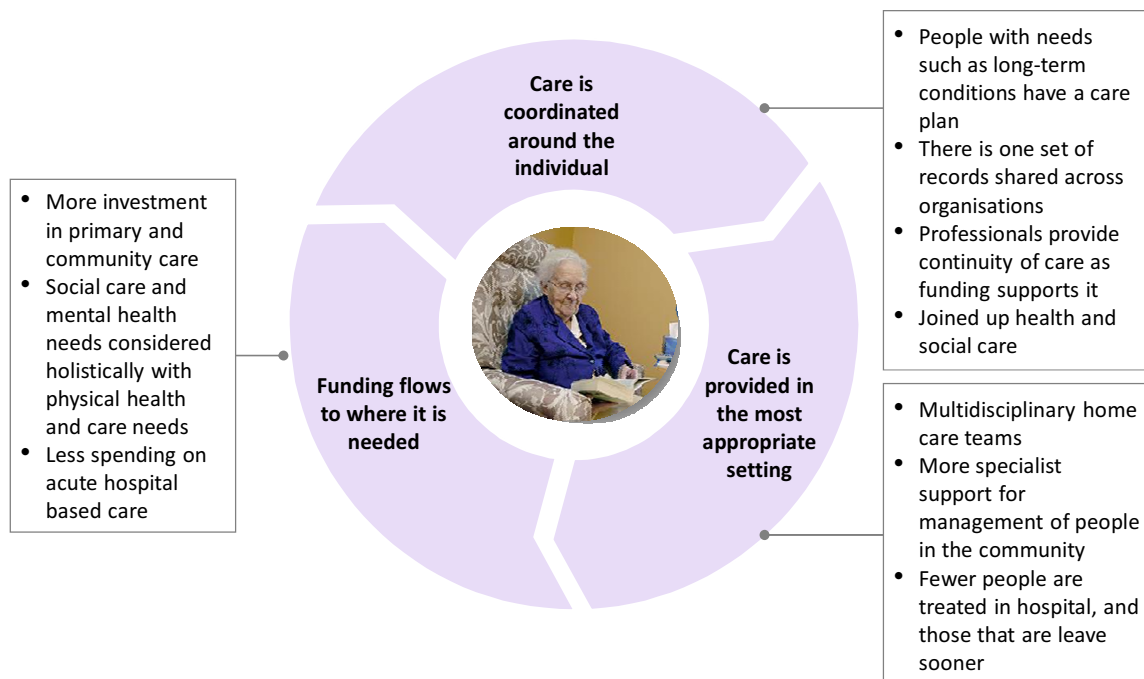


## Our Vision - What this will mean for our health and social care services

**Our vision for whole system integrated care** is based on what people have told us is most important to them. **Through patient and service user workshops**, interviews and surveys across North West London (NWL), we know that what people want is choice and control, and for their care to be planned with people working together to help them reach their goals of living longer and living well. They want their care to be delivered by people and organisations who show dignity, compassion and respect at all times.

**We recognise that realising this vision will mean significant change across the whole of our current health and care provider landscape.** Whilst our GPs will play a pivotal role within this, **all providers of health and care services will need to change** how they work, and particularly how they interact with patients and each other. The CCGs and local authority commissioners who make up the Triborough are committed to working together to create a marketplace, and to effect the required behavioural and attitudinal change in the acute sector, to ensure that this happens at scale and at pace.

**Integrated care means care that is coordinated around the individual, provided in the most appropriate place, and funding flows to where it is needed**



In ***Living Longer and Living Well***, our application for Pioneer status, we set out our strategy for developing person-centred, co-ordinated care in North West London.



This strategy is based on 3 core principles:

1. **People will be empowered** to direct their care and support, and to receive the care they need in their homes or local community.
2. **GPs will be at the centre** of organising and coordinating people's care.
3. **Our systems will enable and not hinder** the provision of integrated care. Our providers will assume joint accountability for achieving a person's outcomes and goals and will be required to show how this delivers efficiencies across the system

This work starts and ends with the individual experience of care. Through mapping the current experiences, capabilities and needs of our patients and service users, and working with them to develop the future models of care, we have focussed on a number of priority areas. This is about not simply looking at people in terms of the cost of their care, or the types of interactions they currently have with local public services, but looking further to the root cause of the challenges many experience today, and how these can be converted into more positive experiences and outcomes in the future.

For Asmita, April and Les – typical individuals who are being supported by a range of local health and social services within the Tri-borough today, but have been identified as being at high risk of losing their independence – our focus is on helping them to manage their physical or mental health conditions, and enabling them to live safe, well and comfortably in their own homes and communities for as long as possible.

In practice, this means that from 2015/16 we will work towards the following vision:

- **The care I receive is built around me:** Asmita and April both have a named GP and someone from the surgery co-ordinates all the different services within their joint Care plan. A single patient and care record which they can access and control is used by the clinicians and care workers who are involved in their care, to ensure they only ever have to tell their story once. They know they will have continuity of care and support, seven days a week, even if they need to go into hospital for a short spell.
- **My health conditions are under control:** Asmita, April and Les each have a single care plan and have been provided with simple devices and support that allow all three of them to self-manage their conditions on a daily basis.

With clearer information and advice, and knowing that professional support is there if they need it, they feel in control of their lives

- **I feel part of a community:** Asmita is part of the 'Shared lives' scheme and she regularly visits with her 'adopted' family who share her cultural background and enjoy spending time together. Les and April are linked into local voluntary schemes for older people, which allow sharing of experiences and for mutual support.
- **I am supported through difficult times:** When circumstances change, Les, April and Asmita are contacted to re-assess their needs. Their care co-ordinator is proactive in ensuring that support is available to them within their communities, through difficult times.
- **My neighbours are able to help me:** The local community organisations are able to provide lifts to take April and Asmita shopping once a week and ensure that they were accompanied to get back and forth for hospital and GP appointments. Local shops and other community-based services play their part in helping to ensure that they are able to live healthy, well lives in their own homes.
- **My independence is respected:** The community independence team (a team including community nurses, OT's, geriatricians) provided both preventative care and planned support to April before and after her hospital stay, all helping her quickly to get back on her feet. Her GP was involved even whilst she was in hospital, supporting April's ongoing care, and ultimate discharge back into the community
- **I live safely and well, where I want to be:** April's home was adapted with a stair lift and various simple aids around the home she is now at much less risk of falling. She has a choice of local providers who are there to provide the very best environment for her care.
- **I am treated as an individual and helped to stay well:** Specialists are on hand to help identify potential mental health issues and provide specialist advice and guidance as part of overall care planning. Asmita, Les and April all receive support in their communities, including through local community groups, to help them stay fit and well.

**As a result of these changes,** Asmita, Les and April and those around them feel confident in the care they are receiving in their communities and homes. Their conditions are better managed and their attendances and reliance on acute services, including their local A&E departments, are significantly reduced. If they

do require a stay in hospital then they are helped to regain their independence and are appropriately discharged as soon as they are ready to leave, with continuity of care before, during and after the admission.

They routinely report that they feel in control of their care, informed and included in decision-making, are supported in joined-up way, and are empowered and enabled to live well.

**Overall pressures** on our hospitals and health budgets have reduced, as we shift from high-cost reactive to lower cost preventative services, supporting greater self-management and community based care; and our social service budgets are going further, as new joint commissioning arrangements deliver better value and improved care at home reduces the need for high-cost nursing and care home placements.

**To achieve this** we are engaging with local health and care providers, and associated public, private and voluntary and community sector groups, to “co-design” models of care that will engage with and meet people’s aspirations and needs.

**People will be empowered to direct their care and support, and to receive the care they need in their homes or local community.**

**Over the next 5 years** community healthcare and social care teams will work together in an increasingly integrated way, with single assessments for health and social care and rapid and effective joint responses to identified needs, provided in and around the home.

Our teams will work with the voluntary and community sector to ensure those not yet experiencing acute need, but requiring support, are helped to remain healthy, independent and well. We will invest in empowering local people through effective care navigation, peer support, mentoring, self-management and time-banking programmes to maximise their independence and wellbeing; and we will help identify and combat social isolation, as a major influence on overall health and wellbeing.

At the heart of this will be integrated Community Independence teams that will provide a rapid response to support individuals in crisis and help them to remain at home. Community Independence will also work with individuals who have lost their independence through illness or accident and support them to build confidence, regain skills and, with appropriate information and support, to self-manage their health conditions and medication. The service will introduce individuals to the potential of assistive technologies and, where these are to be employed, will ensure individuals are familiarised and comfortable with their use.

Underpinning all of these developments, the BCF will enable us to start to release health funding to extend the quality and duration of our re-ablement services. By

establishing universally accessible, joint services that proactively work with high-risk individuals irrespective of eligibility criteria, we will be able to:

- Improve our management of demand within both the health and care systems, through earlier and better engagement and intervention;
- Work sustainably within our current and future organisational resources, whilst at the same time expanding the scope and improving the quality of outcomes for individuals”

In doing so our plan is to go far beyond using BCF funding to back-fill existing social care budgets, instead working jointly to reduce long-term dependency across the health and care systems, promote independence and drive improvement in overall health and wellbeing.

***Shaping a Healthier Future*** describes what success in this area will require of, and mean for, our hospitals, with services adapting to ensure the highest quality of care is delivered in the most appropriate setting.

The volume of emergency activity in hospitals will be reduced and the planned care activity in hospitals will also reduce through alternative community-based services. A managed admissions and discharge process, fully integrated into local specialist provision and Community Independence provision, will mean we will eliminate delays in transfers of care, reduce pressures in our A&Es and wards, and ensure that people are helped to regain their independence after episodes of ill health as quickly as possible.

We recognise that there is no such thing as integrated care without mental health. Our plans therefore are designed to ensure that the work of community mental health teams is integrated with community health services and social care teams; organised around groups of practices; and enables mental health specialists to support GPs and their patients in a similar way to physical health specialists. By improving the way we work with people to manage their conditions, we will reduce the demand not just on acute hospital services, but also the need for nursing and residential care.

### **GPs will be at the centre of organising and coordinating people's care.**

Through investing in primary care, we will ensure that patients can get GP help and support in a timely way and via a range of channels, including email and telephone-based services. The GP will remain accountable for patient care, but with increasing support from other health and social care staff to co-ordinate and improve the quality of that care and the outcomes for the individuals involved.

We will deliver on the new provisions of GMS, including named GP for patients aged 75 and over, practices taking responsibility for out-of-hours services and individuals being able to register with a GP away from their home. Flexible provision over 7 days will be accompanied by greater integration with mental health services and a closer relationship with pharmacy services. Our GP practices will collaborate in networks focused on populations over at least 20,000 within given geographies, with community, social care services and specialist provision organised to work effectively with these networks. A core focus will be on providing joined up support for those individuals with long-term conditions and complex health needs.

As a result of all of these changes, some GPs may have smaller list size with more complex patients and with elements of basic care delivered by nurse practitioners; and in the acute sector, our specialist clinicians will work increasingly flexibly, within and outside of the hospital boundaries, supporting GPs to manage complex needs in a “whole person” way.

**Our systems will enable and not hinder the provision of integrated care. Our providers will assume joint accountability for achieving a person's outcomes and goals and will be required to show how this delivers efficiencies across the system.**

Our CCG and Social Care commissioners will be commissioning and procuring jointly, focussed on improving outcomes for individuals within our communities.

In partnership with NHS England we are identifying which populations will most benefit from integrated commissioning and provision; the outcomes for these populations; the budgets that will be contributed and the whole care payment that will be made for each person requiring care; and the performance management and governance arrangements to ensure effective delivery of this care.

In order that our systems will enable and not hinder the provision of integrated care, we will introduce payment systems that improve co-ordination of care by incentivising providers to coordinate with one another. This means ensuring that there is accountability for the outcomes achieved for individuals, rather than just payment for specific activities. It also means encouraging the provision of care in the most appropriate setting, by allowing funding to flow to where it is needed, with investment in primary and community care and primary prevention.

This means co-ordinating the full range of public service investments and support, including not just NHS and adult social services but also housing, public health, the voluntary, community and private sectors. As importantly, it means working with individuals, their carers and families to ensure that people are enabled to manage their own health and wellbeing insofar as possible, and in doing so live healthy and well lives.

In order to track the results, we will leverage investments in data warehousing, including total activity and cost data across health and social care for individuals and whole segments of our local populations. We are developing interoperability between all systems that will provide both real time information and managerial analytics, starting by ensuring that GP and Social Care systems across the Tri-borough are integrated around the NHS number, and individual information shared in an appropriate and timely way.

We are ensuring related activity will align by working in close collaboration with the other boroughs in northwest London (NWL) in co-designing approaches to integrating care. This is designed to ensure shared providers have a consistent approach from their different commissioners, and that we are proactively sharing learning across borough boundaries.

Our plans are aggregated into the NWL Pioneer Whole Systems Plan in order to accelerate learning and joint planning. On a NWL basis the NWL Integration Board provides oversight to this process, as described in the governance section below; with each locality Health & Wellbeing Board taking the lead in approving local joint commissioning plans.

## b) Aims & Objectives

*Please describe your overall aims and objectives for integrated care and provide information on how the Better Care Fund will secure improved outcomes in health and care in your area.*

*Suggested points to cover:*

- What are the aims and objectives of your integrated system?*
- How will you measure these aims and objectives?*
- What measures of health gain will you apply to your population?*

**Our aim** is to provide care and support to people in their own homes and communities, with services that:

- **co-ordinate around individuals** and are targeted to their specific needs;
- **improve outcomes**, reducing premature mortality and reducing morbidity;
- **improve the experience of care**, with the right services available in the right place at the right time;
- **maximising independence** by providing more support at home and in the community, and by empowering people to manage their own health and wellbeing;
- **through proactive and joined up case management**, avoid unnecessary admissions to hospitals and care homes, and enable people rapidly to regain their independence after episodes of ill-health.

We recognise that this journey will involve further significant changes to the way in which services are designed and delivered, but that journey is now underway. From 2014/15,

- **Our CCG and Social Care commissioners will be commissioning and procuring jointly**, focussed on improving outcomes for individuals within our communities starting with enhanced Community Independence and Nursing and Residential Care.
- **Our community providers** will be implementing new models of service delivery, driven by clinical staff on the ground, and integrated with our broader health and wellbeing strategies.

This will involve a single approach to assessing and meeting the needs of individuals in their homes and communities, with seamless delivery of health and care functions.

- **Our GP practices will be collaborating in networks** focused on populations over at least 20,000 within given geographies.

Community, social care services and specialist mental and physical health services will be organised to work effectively with these networks, enabling GPs to ensure their patients are getting the very best person-centred care.

We will deliver on the new provisions of GMS, including named GP for patients aged 75 and over; and practices will take responsibility for out of hours services and individuals will be able to register with a GP away from their home.

- **We will be investing in co-ordinated care** that promotes a holistic view of individual needs and works with people to empower them and enable them to stay as independent as possible.

This means ensuring there is a good quality care plan in place for all those at risk, backed by co-ordinated provision commissioned to deliver on the required support and outcomes envisaged in each and every plan.

- **The volume of emergency and planned care activity in hospitals, together with the number of residential and nursing care placements, will be reduced** through enhanced preventative and community independence functions, and improved support in the community and in the home.

By improving individual health and wellbeing, and access to home and community based services, we will relieve pressures on our acute services and

help to eliminate the costs that arise from failures to provide adequate help to those at greatest risk of deterioration.

In parallel, results of investment in 7 day social care provision and critical capacity areas such as neuro-rehabilitation will help us to eliminate delayed transfers of care.

**In order to manage and track outcomes**, we will leverage investments in data warehousing, including total activity and cost data across health and social care for individuals and whole segments of our local populations. We are developing interoperability between all systems to provide both real time information and managerial analytics.

By autumn 2014, our GP practices will all be using the same IT system, providing the opportunity for our care providers to all use the same patient record; the BCF will help ensure this happens by joining up Health and Social Care data across the Tri-borough, linked via the NHS number.

We will guarantee that individual information is shared in an appropriate and timely way to maximise safeguarding, wellbeing and user experience; and aggregated to allow effective identification and management of need and outcomes across our health and care economy as a whole.

In parallel, we will be investing in developing our infrastructure around understanding the experience of care, including introducing in 2014/15 regular customer satisfaction surveying for those with one or more long-term conditions, looking holistically at their experience of care.

**Part 2** describes how we expect these changes to impact on key performance measures, including our proposed local measure.

### **c) Description of Planned Changes**

*Please provide an overview of the schemes and changes covered by your joint work programme, including: 1. The key success factors including an outline of processes, end points and time frames for delivery 2. How you will ensure other related activity will align, including the JSNA, JHWS, CCG commissioning plan/s and Local Authority plan/s for social care*

**We recognise that achieving our vision will mean significant change across the whole of our current health and care provider landscape.** Whilst our GPs will play a pivotal role within this, all providers of health and care services will need to change how they work, and particularly how they interact with patients and each other. The CCGs and local authority commissioners who make up the Tri-borough are committed to working together to create a marketplace, and effect the required behavioural and attitudinal change in the acute sector, to ensure that this happens at scale and at pace.



**Across North West London, our process** for achieving our vision, as set out in our joint commissioning intentions means:

- **Local health and social care commissioners**, supported by public health and in partnership with NHS England where necessary, identifying what populations will most benefit from integrated commissioning and provision; the outcomes for these populations; the budgets that will be contributed and the whole care payment that will be made for each person requiring care; the performance management and governance arrangements to ensure effective delivery of this care. Commissioning plans will reflect local priorities set out in the joint strategic needs assessments for each borough and captured in the Health and Wellbeing Strategies.
- **Local health and care providers**, and associated public, private and voluntary and community sector groups, co-designing the care models that will deliver these outcomes; transitioning resources into these models to deliver the outcomes required; ensuring governance and organisational arrangements are in place to manage these resources; agreeing the process for managing risks and savings achieved through improving outcomes; establishing information flows to support delivery; and ensuring effective alignment of responsibilities and accountability across all the organisations concerned.

**People will be empowered to direct their care and support, and to receive the care they need in their homes or local community.**

**We will use the BCF to:**

- **Help people self-manage and provide peer support** working in partnership with voluntary, community and long-term conditions groups.
- **Invest in developing personal health and care budgets** working with patients and service users and frontline professionals to empower people to make informed decisions around their care.
- **Implement routine patient satisfaction surveying** from GP Practices to enable the capture and tracking of the experience of care.
- **Invest in re-ablement** through a new joint Tri-borough approach to Community Independence, reducing hospital admissions and nursing and residential care admissions.
- **Reduce delayed discharges** through investment in Neuro-Rehabilitation services and strengthen 7 day social care provision in hospitals.

- **Integrate NHS and social care systems** around the NHS Number to ensure that front-line professionals, and ultimately all patients and service users, have access to all of the records and information they need.
- **Undertake a full review of the use of technology** to support primary and secondary prevention, enable self-management, improve customer experience and access, and free up professional resources to focus on individuals in greatest need.

**GPs will be at the centre of organising and coordinating people's care.**

**We will use the BCF to:**

- **Roll out the Whole Systems Integrated Care model** building on existing care planning, care co-ordination, risk stratification and multi-disciplinary teams.
- **Invest in 7 day GP access** in each locality and deliver on the new provision of the GMS.

**Our systems will enable and not hinder the provision of integrated care. Our providers will assume joint accountability for achieving a person's outcomes and goals and will be required to show how this delivers efficiencies across the system.**

**We will use the BCF to:**

- **Establish a Joint Integration Team** working across the local authorities and CCGs to support the implementation of integrated commissioning of health and social care.
- **Review all existing services**, including services commissioned under existing section 75, 76 and section 256 agreements, to ensure they represent VFM and effectively deliver integrated working
- **Create a joint Nursing and Care Home Contracting Team** focussed on improving outcomes through transforming the quality, consistency and co-ordination of care across the nursing and care homes of the Tri-borough.
- **Extend Psychiatric Core 24 services** to cover all acute sites in Tri-borough, providing holistic support for physical and mental health needs.

The full list of schemes which we propose to take forward in 2014-15 and 2015-16 appears below:

<b>Group A – Integrated Operational Services</b>				
<b>BCF Scheme</b>	<b>Scheme Description</b>	<b>Condition/ Metric relevant</b>	<b>Milestones</b>	<b>Timeframe</b>
BCF01 & BCF15 7 Day Services – Social Care and GPs	As part of the NWL Early Adopter for 7 Day Services, extend social care to provide 7 day access particularly to facilitate early discharge; and extend primary care offer to prevent unnecessary attendances at A&E	7 day services; avoidable admissions; delayed transfers of care	Review of 13-14 arrangements Business case for extension Implementation	Apr-May 2014 June- July 2014 October 2014
BCF 08 - Community Independence Services	Investment in an integrated network of community support and multidisciplinary teams to provide step up and step down care, preventative care and reablement through a community independence approach.	reduce non- elective admissions and nursing and residential care costs and maximise service user independence	Complete business case Undertake procurement Implement new service	Apr-June 2014 July – Dec 2014 April 2015
BCF10 - Rehabilitation and Re- ablement Services	Increase investment in additional community and bed based capacity, particularly for neuro-rehabilitation; streamline process Extend community rehabilitation period up to 12 weeks in the community including home care	Reduce delayed discharges; better experience for patients; reduce admissions to care homes	Complete business case Undertake procurement Implement improved services	Apr- June 2014 July-Dec 2014 April 2015
BCF11 – Integrated Services for People with Long Term Conditions	Develop integrated approach to prevention and early intervention for people with, or likely to have, long term conditions including housing interventions and home care – Links to Whole Systems Early Adopters ( BCF17)	Joint approach to assessment and care planning, service user experience; reduce admissions to care homes	Early adopters develop business cases Pilot models  Roll out models	Feb-Apr 2014  Apr 2014 – March 2015 April 2015
BCF13 – Psychiatric Liaison [will be taken forward as part of BCF01 and BCF08]	Develop psychiatric liaison services in line with the NWL wide review, delivering a common specification and contracting of services to ensure equity of access, improve performance and consistent standards assurance	Joint approach to assessment and care planning; service user experience; 7 day services	Service specification developed Procurement Implementation	Apr-June 2014  October 2014

<b>Group B – Service User Experience</b>				
<b>BCF Scheme</b>	<b>Scheme Description</b>	<b>Condition/ Metric relevant</b>	<b>Milestones</b>	<b>Timeframe</b>
BCF02 – Developing Self Management and Peer Support	Working with individuals and community groups to co-design, co-develop and co-produce improved health and care outcomes, maximising service user capacity within the system	Joint approach to assessment and care planning Service user experience	Project plan to be developed	Feb-May 2014
BCF06 & BCF12– Patient Satisfaction/Service User Experience/Patient Surveys	Set up routine collection of patient satisfaction from GP practices to enable capture of experience of care for people with long term conditions	Service user experience; evaluation of the whole programme	Project plan to be developed	Feb-May 2014
BCF16 – Developing Personal Health and Care Budgets	Extend our current arrangements for personal health budgets, working with patients, service users and front line professionals to empower people with long term conditions to make informed decisions around their care; link to BCF02	Joint approach to assessment and care planning; service user experience	PHBs for continuing healthcare in place PHBs for long term conditions in preparation Implementation	April 2014  April-Dec 2014 April 2015

<b>Group C – Integrated contracting and commissioning</b>				
<b>BCF Scheme</b>	<b>Scheme Description</b>	<b>Condition/ Metric relevant</b>	<b>Milestones</b>	<b>Timeframe</b>
BCF03 – Transforming Nursing and Care Home Contracting	Create a single care home placement contracting team across health and social care; develop outcomes based specifications, maximise value and ensure appropriate and timely provision reduces pressure on hospitals	Admissions to care homes; delayed transfers of care	Business case developed Consultation on changes Implementation	Jan-March 2014 April – June 2014 October 2014
BCF07 – Review Portfolio of Jointly Commissioned Services	Review all existing jointly commissioned services with S75 and S256 partnership arrangements, to ensure services provide value for money and are aligned with the objective of integrated working	Plans to be jointly agreed; joint approach to assessment and care planning; reablement	Review programmes Include recommendations in Commissioning Intentions	April – August 2014  Sept 2014
BCF09 – Integrated Commissioning	Review range of health and social care services to be jointly commissioned and infrastructure required including establishment of an Integrated Commissioning Team - Links to BCF programme implementation and joint	Plans to be jointly agreed; data sharing; joint approach to assessment and care planning	Scoping future integrated commissioning programme Identifying infrastructure required	March-May 2014

	commissioning review			
BCF17 – Whole Systems Integrated Care Early Adopter Pilots	Incorporating current investment in the Whole Systems Integrated Care programme into the BCF, to build fully integrated and sustainable risk stratification, care planning, care coordination, and multi-disciplinary team working across health and social care	Plans to be joint agreed; integrated approach to assessment and care planning; service user experience	Early adopter pilots agreed  Pilots under way  Evaluation and roll out	March 2014  April 2014  April 2015

<b>Group D – Programme Delivery</b>				
<b>BCF Scheme</b>	<b>Scheme Description</b>	<b>Condition/ Metric relevant</b>	<b>Milestones</b>	<b>Timeframe</b>
BCF04 – Better Care Fund Programme - including Performance and Governance	Programme for development, implementation and monitoring of delivery of the BCF	Plans to be jointly agreed; all elements	Programme developed Governance structure in place Implementation and reporting	Nov 2013 – March 2014 March 2014  April 2015 onwards
BCF05 – Information Technology and Information Governance	Implementation of IT and IG solutions to link tri-borough social care systems to the GP systems and to ensure consistent use of the NHS number as primary identifier	Data sharing; joint approach to assessment and care planning	Implementation plans developed Implementation to be completed	March 2014  March 2015
BCF18 – Care Bill Implementation	Programme of work to implement all aspects of the new Care Bill	Protection for social care spending; all elements	Preparatory work Detailed preparations	Oct 2013 – March 2014 April 2014 – March 2015

**An overview of the overall timeline** on both a North West London and Tri-borough perspective is provided below:

#### **August - December 2013:**

- On a North West London-wide basis, we created a framework and supporting toolkit that identifies target population segments, their desired outcomes, and the finances available.
- On a North West London-wide basis, we developed approaches to some of the most difficult practical aspects of making integration across providers effective, for example, information requirements and explored how we will put these in place, how GP and Provider Networks could contract to incentivise collaborative working and developing options for joint commissioning governance model.

- Across the Tri-borough, we have developed joint commissioning intentions, outline specifications, business cases and plans to support the greater co-ordination and integration of priority services, including in relation to community health and adult social care.

#### **January – March 2014:**

- On a North West London-wide basis, we are developing locality integration plans, which set out the scope of commissioners' plans for integrated care, including target population, desired outcomes and budgets available, as well as providers' responses.
- Across the Tri-borough, prepare the detailed specifications and plans for joint commissioning and provision in 2014/15 as per the priority areas outlined above.
- Planning in detail each of the constituent schemes, identifying interdependencies, gaining engagement and support from key stakeholders and mobilising ready for implementation in April.
- Understanding in greater detail the potential impact of the schemes on service delivery on a provider-by-provider basis – we will be working closely with our local NHS and social care providers to model this.
- Discussing and agreeing the local metrics at HWBs throughout March
- In-depth understanding of the impact should scheme outcomes not be delivered or in the case of savings not materialising, and creating clear contingency plans to mitigate against this
- Further work on our approach for joint governance arrangements to support delivery of the BCF plan, including a detailed focus on how risk will be shared
- Further provider engagement to ensure alignment and buy-in across the Tri-borough
- Further discussion and agreement with the governing bodies, cabinet members and Health and Wellbeing Boards on the most efficient and effective vehicle for the pooled budget(s), understanding the implications of the various options
- In addition, we are currently undertaking a comprehensive review of anticipated financial and non-financial benefits to ensure they are as robust as possible.

## **April 2014 – March 2015**

- On a North West London-wide basis, we will complete detailed planning to implement concepts developed during the co-design phase to achieve our objectives.
- On a North West London-wide basis, we will use Wave One Whole System sites to test models and share learning.
- On a North West London-wide basis, we will monitor financial flows in shadow budgets to evaluate financial impact of possible models on different providers and on total cost to commissioners.
- Across the Tri-borough, we will manage the implementation and benefits tracking for the newly integrated services that are “live” and developing our next tranche of joint commissioning plans in line with local needs and the Whole Systems approach.
- Introduce regular customer satisfaction surveying to develop our baseline for user experience.

## **From April 2015**

- Use preparation from planning using co-designed materials and learning from Wave One sites and local schemes to implement new models of care at scale with actual budgets attached.

We are ensuring related activity will align by working in close collaboration with the other boroughs in North West London (NWL) in co-designing approaches to integrating care. This is designed to ensure shared providers have a consistent approach from their different commissioners, and that we are proactively sharing learning across borough boundaries.

Our plans are aggregated into the NWL Pioneer Whole Systems Plan in order to accelerate learning and joint planning. On a NWL basis the NWL Integration Board provides oversight to this process, as described in the governance section below; with each locality Health & Wellbeing Board taking the lead in approving local joint commissioning plans.

Each Health and Wellbeing Board has agreed a Health and Wellbeing Strategy based on local joint strategic needs assessment and identifying key priority areas for action. The Better Care Fund programme is consistent with these priorities and

will be reported regularly to the Health and Wellbeing Board as part of evidencing delivery against these actions.

Within Tri-borough, building on the Community Budget programme, we are developing an approach to strengthening self care and preventative action by drawing on community assets within our neighbourhoods to complement the out of hospital strategies developed by the CCGs.

#### **d) Implications for the Acute Sector**

*Set out the implications of the plan on the delivery of NHS services including clearly identifying where any NHS savings will be realised and the risk of the savings not being realised. You must clearly quantify the impact on NHS service delivery targets including in the scenario of the required savings not materialising. The details of this response must be developed with the relevant NHS providers.*

**Shaping a Healthier Future** and our **Out of Hospital Strategies** set out how we plan to reconfigure hospital services in North West London to focus on the needs of our patients. These plans have been developed and consulted upon with local authority, hospitals, community and mental health services and other local stakeholders fully engaged.

Achieving our targets will require significant investment in primary and community care and reduced acute activity, as described in our *Out of Hospital Strategy*. In *Shaping a Healthier Future*, we set out major changes in how services will be configured in our health economy over the next 3-5 years, including:

- **Central Middlesex** becoming a local hospital and elective hospital
- **Charing Cross** becoming a local hospital
- **Ealing** becoming a local hospital
- **Hammersmith** becoming a specialist hospital with obstetric-led maternity unit and a local hospital
- **St Mary's** – a local hospital, a major hospital, a Hyper Acute Stroke Unit (moved from Charing Cross Hospital) and a specialist ophthalmology hospital (moving the Western Eye Hospital onto the site)



Following Secretary of State agreement, implementation of *Shaping a Healthier Future* is now being taken forward. This depends on development of local hospital arrangements and local primary and community hubs in each borough. Business cases for local hospitals are currently in preparation and will be confirmed during 2014-15. Local hubs business cases are also in development, with the new north hub in Hammersmith (White City) about to open in Spring 2014.

The **North West London Whole Systems Integrated Care (WSIC) Programme** and related initiatives are focussed supporting these developments through improving patient pathways to reduce hospital stays, by number and length of stay. We have evaluated our proposed changes on the Value for Money criterion. These covered activity, capacity, estates and finance analyses, including commissioner forecasts, Trust forecasts, the out of hospital forecasts and the capital requirement to deliver the proposed changes.

The analysis indicates that commissioner forecasts over the five years (across NWL) involve a gross QIPP of £550m, with reinvestment in out of hospital services of £190m.

Our local community health services provider, **Central London Community Healthcare (CLCH)** and mental health trusts, **Central and North West London Mental Health NHS Foundation Trust (CNWL)** and **West London Mental Health Trust (WLMHT)** have been fully involved in the development of community services and in the co-production of different models of care to deliver the changes described above. The WSIC pilot schemes will see providers working together to offer integrated services to improve both patient experience and value for money.

We expect our changes to improve the delivery of NHS services. Specifically, we expect them to reduce mortality through better access to senior doctors; improve access to GPs and other services so patients can be seen more quickly and at a time convenient to them; reduce complications and poor outcomes for people with long-term conditions by providing more coordinated care and specialist services in the community; and ensure less time is spent in hospital by providing services in a broader range of settings.

If we do not deliver activity reductions through improved out of hospital care, we expect most NWL sites to move into deficit, with no overall net surplus. In the downside scenario there would be an overall deficit of £89m, with all bar one acute site in deficit.

We anticipate that the changes proposed will have a significant impact on community services, and both statutory and independent providers of health and social care will

be partners with us in delivering this Better Care Fund Plan. We will be assessing this impact scheme by scheme in the next few months.

## **e) Governance**

*Please provide details of the arrangements are in place for oversight and governance for progress and outcomes*

Across the Tri-borough, we have invested significantly in building strong governance that transcends traditional boundaries. The Health and Wellbeing Board in each of our boroughs has matured well, and this year we have been able to write joint commissioning intentions covering all of our CCGs and local authorities as well as signing off Health and Wellbeing Strategies, based on the joint strategic needs assessments. We have regular meetings between our 3 council cabinet members responsible for health-related services and our 3 CCG chairs, (The Integration Partnership Board) together with joint monthly meetings between the executive teams of our CCGs and local authorities. Our transformational plans and programmes are formally discussed and approved at local borough governance levels within each local authority and CCG.

We have formal Health and Wellbeing Partnership Agreements in place between each borough and CCG providing a legal framework for closer integration of commissioning and an established programme of jointly commissioned services which are already overseen by the joint executive team referred to above. This will enable us to put in place the new pooled budget required by April 2015. We anticipate that this will be hosted by the local authorities, in view of the practical advantages which this offers in relation to treatment of VAT and the carrying forward of funding, but the pooling agreement will recognise that each scheme will be led by the most appropriate commissioner, be that local authority or CCG.

However, we also recognise the opportunities to deepen these relationships in the context of the scale and ambition of our future joint fund.

### **A shared approach to leadership and management**

To deliver the ambition contained in our BCF, we recognise the need to develop further our strategic and operational governance arrangements. We therefore propose to look at, as part of this process, how we bring together management responsibilities and accountability across care and health services, for our residents and patients as whole. We would see our future management team accountable for the commissioning of integrated care, through the Health and Wellbeing Board, to both the Local Authorities and the CCGs. In parallel, we will ensure that the leadership of the CCG and Local Authority have clear and shared visibility and accountability in relation to the management of all aspects of the joint fund.

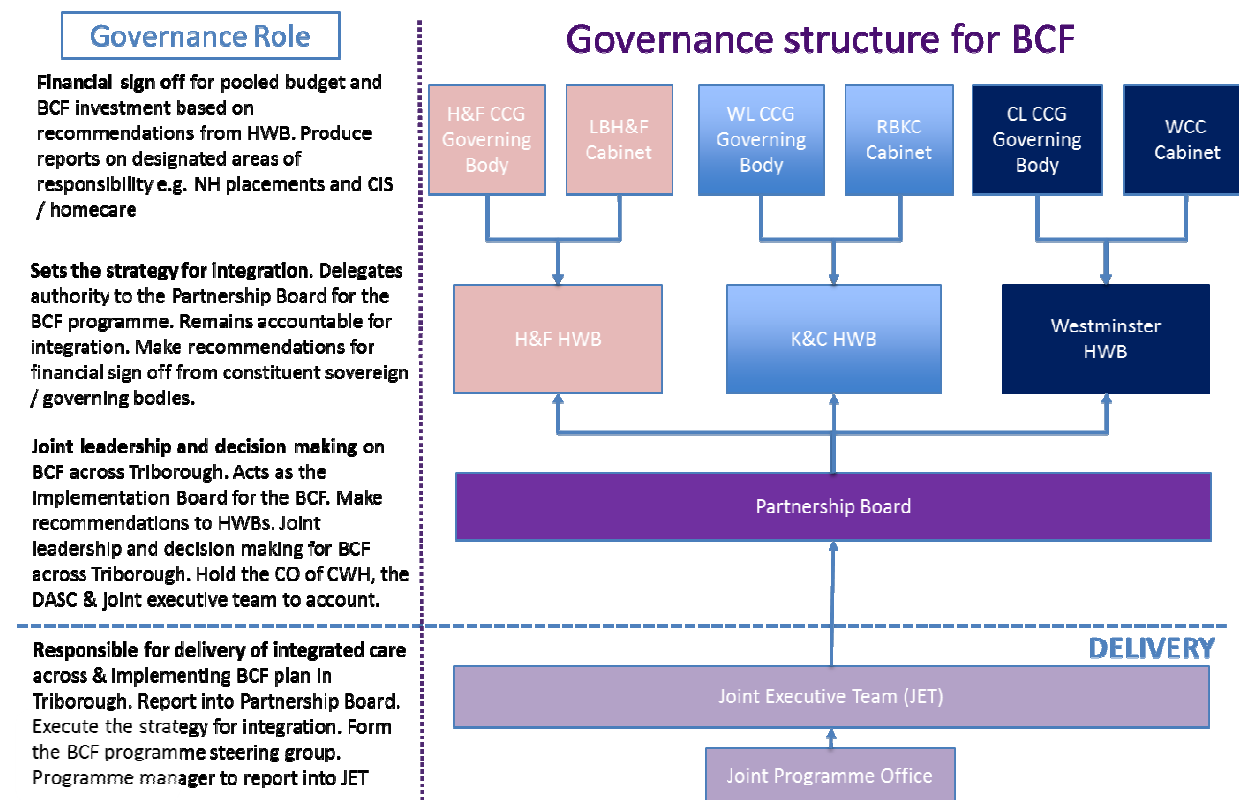
Our current proposal is to delegate specific functions between Local Authority and CCGs in areas that facilitate delivery of the BCF. The initial areas that we wish to

consider are the contracting of nursing and residential care placements, and the contracting of care delivered in people's homes.

Our business case for the contracting of nursing and residential care home placements demonstrates that, if this were done as one team across our agencies, we would save money and improve quality. Our local authorities have a strong track record in this area, and we are therefore looking at options for our CCGs to delegate this responsibility to the local authorities. We envisage that these joint arrangements would enable us to remove current gaps and duplication in procurement and improve oversight of quality and safety within this area of service provision.

In addition, joint commissioning of community independence and re-ablement services will enable us to procure integrated and effective services in the community and in people's homes, preventing unnecessary admissions to hospital and reducing length of stay for those who are admitted.

The first step in doing this will be to pool our funding for these services, and to establish one team who will be responsible for managing the health and social care budget for these functions (including assessment, brokerage and in-house provision). We envisage that both the local authority teams and the CCG teams would be held to account for the delivery of these services by a strengthened Health and Wellbeing Board. The diagram below outlines our proposed governance structure across Tri-borough.



## **Providing effective oversight and co-ordination**

Regular briefings to Cabinet are designed to help to ensure effective debate and engagement at a borough level, and that our plans are directionally aligned with the priorities of local communities. Cabinets are the constitutional forum for key decision making and a core part of the due process for the changes envisaged in this document, which will also include scrutiny and challenge across each locality.

Throughout this process, we will ensure that the local Health and Wellbeing Boards for each borough remain central to the development and oversight of the proposed schemes making up our Better Care Fund, with a principle of pooling as much health and care funding as is sensible to do so, and with a focus on developing our joint commissioning and outcomes frameworks to drive quality and value, reflecting the needs of our local communities as identified through the joint strategic needs assessment and captured in the Health and Wellbeing Strategies.

Reviewing the Terms of Reference of our current Health and Wellbeing Boards, and ensuring they are in a position to provide effective governance for the new joint funding, will be a priority for the coming months.

Across North West London, the North West London Whole System Integration Board, combining health and local authority membership, will continue to provide direction and sponsorship of the development of integrated care across the geography. The Shaping a Healthier Future (SaHF) Programme Board will continue to oversee the delivery of the acute hospital and Out of Hospital reconfigurations, and we will continue to be accountable to the CCG collaboration board made up of the 8 CCGs in NW London. This will ensure we have a comprehensive view of the impact of changes across North West London on the Tri-borough, and vice-versa; and that we are able to make the necessary shared investment across our region in overcoming common barriers, and maximising common opportunities.

In terms of operational governance, the Integration Partnership Board (3 Cabinet members and 3 CCG chairs) will act as the BCF implementation Board. They will be accountable for the delivery of the BCF programme. The Joint Executive Team will be responsible for delivery and report into the Partnership Board. A joint programme office will be established to oversee, manage and co-ordinate this major transformation programme across the 6 partner organisations, to ensure the effective engagement of partners – service users, carers, citizens as well as service providers – and to evaluate the success of the programme, reporting to the Health and Wellbeing Boards on progress in achieving the outcomes agreed.

## 2) NATIONAL CONDITIONS

### a) Protecting social care services

*Please outline your agreed local definition of protecting social care services.*

Protecting social care services in the Tri-borough means ensuring that those in need within our local communities continue to receive the support they need, in a time of growing demand and budgetary pressures. Whilst maintaining current eligibility thresholds is one aspect of this, our primary focus is on developing new forms of joined up care which help ensure that individuals remain healthy and well, and have maximum independence, with benefits to both themselves and their communities, and the local health and care economy as a whole. By proactively intervening to support people at the earliest opportunity and ensuring that they remain well, are engaged in the management of their own wellbeing, and wherever possible enabled to stay within their own homes, our focus is on protecting and enhancing the quality of care by tackling the causes of ill-health and poor quality of life, rather than simply focussing on the supply of services.

*Please explain how local social care services will be protected within your plans.*

Funding currently allocated under the Social Care to Benefit Health grant has been used to enable the local authorities to sustain the current level of eligibility criteria and to provide timely assessment, care management and review and commissioned services to clients who have substantial or critical needs and information and signposting to those who are not FACS eligible.

This will need to be sustained, if not increased, within the funding allocations for 2014/15 and beyond if this level of offer is to be maintained, both in order to deliver 7 day services and in particular as the new Social Care Bill requires additional assessments to be undertaken for people who did not previously access Social Services.

It is proposed that additional resources will be invested in social care to deliver enhanced rehabilitation / re-ablement services which will reduce hospital readmissions and admissions to residential and nursing home care.

### b) 7-day services to support discharge

*Please provide evidence of strategic commitment to providing seven-day health and social care services across the local health economy at a joint leadership level (Joint Health and Wellbeing Strategy)*

North West London was awarded “Early Adopter” status by the NHS England/NHSIQ Seven Day Services Improvement Programme, meaning that we have a responsibility to progress the seven day services agenda at scale and pace.

The joint strategic needs assessments and Joint Health and Wellbeing Strategies (JHWS) have helped us to identify the main areas where integration and joint working will improve outcomes and informed our commitment to drive forward 7 day services.

The 7 Day Services programme is an overarching programme which includes a number of projects, many of which will be delivered through existing work streams. The work streams closely linked with the BCF programme relate to social care and primary care providers.

*Please describe your agreed local plans for implementing seven day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends.*

Additional funding has been identified within the Tri-borough area during the winter period of 2013/14 to facilitate 7 day services in health and social care. This will enable partners to assess what additional capacity is required to develop an ongoing 7 day service offer and to evaluate how successful the approach is to facilitating discharges and avoiding un-necessary admissions

Further work is also being undertaken to understand the Adult Social Care Customer Journey, including interfaces with health providers to enable timely assessment and transfer, and 7 day services in social care will be considered as part of this work.

A costed plan for 7 day services will be developed in 2014 for implementation in advance of the 2014/15 Winter period.

### **c) Data-sharing**

*Please confirm that you are using the NHS Number as the primary identifier for correspondence across all health and care services.*

All health services use the NHS number as the primary identifier in correspondence.

Social services are in the process of adopting this, and we are committed to ensuring this adoption is universal across the 3 local authorities of the Tri-borough.

*If you are not currently using the NHS Number as primary identifier for correspondence please confirm your commitment that this will be in place and when by.*

Number to be the primary identifier across all 3 localities by April 2015.

*Please confirm that you are committed to adopting systems that are based upon Open APIs and Open Standards (i.e. secure email standards, interoperability standards (ITK))*

We are committed to adopting systems based upon Open APIs and Open Standards. We already use:

- System One, a clinical computer system that allows service users and clinicians to view information and add data to their records;
- Emis Web, a tool that allows primary, secondary and community healthcare practitioners to view and contribute to a service user's cradle to grave healthcare record;
- Carefirst 6, a software solution to provide a range of services and content to social care, while allowing the involvement of health care partners.

To enable cross-boundary working, we will improve interfaces between systems. Further, we are creating a data warehouse that will aggregate data from different sources into a consistent format. This will provide one view over the whole systems of health and social care, and allow queries and analyses to take place across multiple, separate systems. Also, it will improve data quality by identifying gaps or inconsistent records.

By Autumn 2014 our GP practices will all be using the same IT system, providing the opportunity for our care providers to all use the same patient record; the BCF will help ensure this happens by joining up Health and Social Care data across the Tri-borough, linked as above via the NHS number.

*Please confirm that you are committed to ensuring that the appropriate IG Controls will be in place. These will need to cover NHS Standard Contract requirements, IG Toolkit requirements, professional clinical practice and in particular requirements set out in Caldicott2.*

All of this will take place within our Information Governance framework, and we are committed to maintaining five rules in health and social care to ensure that patient and service user confidentiality is maintained. The rules are:

- Confidential information about service users or patients should be treated confidentially and respectfully
- Members of a care team should share confidential information when it is needed for the safe and effective care of an individual
- Information that is shared for the benefit of the community should be anonymised
- An individual's right to object to the sharing of confidential information about them should be respected
- Organisations should put policies, procedures and systems in place to ensure the confidentiality rules are followed



#### **d) Joint-assessments and accountable lead professional**

*Please confirm that local people at high risk of hospital admission have an agreed accountable lead professional and that health and social care use a joint process to assess risk, plan care and allocate a lead professional.*

*Please specify what proportion of the adult population are identified as at high risk of hospital admission, what approach to risk stratification you have used to identify them, and what proportion of individuals at risk have a joint care plan and accountable professional.*

North West London has been implementing an Integrated Care Programme across local CCG areas that involves risk stratification of practice populations and review by multi-disciplinary groups, followed by implementation of care planning and case management as appropriate.

In Hammersmith and Fulham and West London CCGs the ICP risk stratification tool, modified from the Combined Predictive Mechanism (CPM), has identified 4% of the population at high risk of hospital admission. Central London CCG uses WellWatch who are planning to transition from an approach which selects patients on the basis of pathways, to one based on selecting patients on the basis of their relative risk score. WellWatch may begin to use the ICP risk stratification tool.

Each CCG has set different targets around care planning:

- In Hammersmith and Fulham, they are working towards the 4% having a joint care plan and accountable professional
- In West London, all patients with a risk score of 20 or over will be care planned, and those with a risk score of 65 or over will be case-managed
- In Central London, WellWatch Case Management Services will care plan for those in the 61-91 centile risk stratified cohort.

Our integrated plan envisages GPs taking a lead in coordinating care as the agreed accountable lead professionals for people at high risk of hospital admission.

Under the Integrated Care Programme, around 2% of patients and service users have a care plan, and this will increase to 4% to account for the population that has been identified as high risk. The CPM algorithms are used to predict emergency hospital admission in the next year. The algorithm draws on information from primary and acute care, as well as patients' ages, to make its predictions.

Further, we stratify segments of our population based on risk. The segments identified as high risk are (a) diabetes; (b) chronic obstruction pulmonary disorder (COPD); (c) coronary heart disease (CHD); or (d) if they are over 75. The multi-disciplinary groups within each borough also use these segments as a basis for focussing their discussions. Based on these four indicators, approximately 4% of our population is at high risk of hospital admission.

Based on the algorithm and our stratification, we then closely monitor those classified as at high risk of hospital admission within the next year.

The Early Adopter pilots being proposed by the CCGs as part of the Whole Systems Integrated Care programme reflect a commitment by GP networks to undertake systematic risk stratification and care planning for their high risk populations and to develop an integrated response to providing treatment and care.

## 4) RISKS

*Please provide details of the most important risks and your plans to mitigate them. This should include risks associated with the impact on NHS service providers.*

The table below provides an overview of some of the key risks identified through the co-design process to-date. A full risks and mitigations log is being produced in support of our final BCF submission.

Ref	Risk	Risk Rating	Mitigating Actions
1	Shifting of resources to fund new joint interventions and schemes will destabilise current service providers, both in the acute and community sector	High	<ul style="list-style-type: none"> <li>• Our current plans are based on the agreed strategy for North West London, as outlined in “Shaping a Healthier Future”.</li> <li>• The development of our plans for 2014/15 and 2015/16 will be conducted within the framework of our Whole System Integrated Care programme, allowing for a holistic view of impact across the provider landscape and putting co-design of the end point and transition at the heart of this process.</li> <li>• We will establish strong mechanisms for involving service providers, both statutory and independent, in our programme.</li> </ul>
2	A lack of detailed baseline data and the need to rely on current assumptions means that our finance and performance targets for 2015/16 onwards are unachievable.	High	<ul style="list-style-type: none"> <li>• The Whole Systems Integrated Care programme is undertaking a detailed mapping and consolidation of opportunities and costs which will be used to validate our plans.</li> <li>• We are investing specifically in areas such as customer satisfaction surveying and data management to ensure that we have up-to-date information around which we will adapt and tailor our plans throughout the next 2 years.</li> </ul>
3	Operational pressures will restrict the ability of our workforce to deliver the required investment and associated projects to make the vision of care outlined in our BCF submission a reality.	High	<ul style="list-style-type: none"> <li>• Our 2014/15 schemes include specific non-recurrent investments in the infrastructure and capacity to support overall organisational development.</li> <li>• We will build on existing arrangements such as the Whole Systems Integrated Care Programme which have already established some of the infrastructure and mechanisms for engagement, data gathering and analysis, and work closely with public health and the academic community to add value to our own capacity.</li> </ul>

Ref	Risk	Risk Rating	Mitigating Actions
4	Improvements in the quality of care and in preventative services will fail to translate into the required reductions in acute and nursing / care home activity by 2015/16, impacting the overall funding available to support core services and future schemes.	High	<ul style="list-style-type: none"> <li>We have modelled our assumptions using a range of available data, including metrics from other localities and support from the National Collaborative.</li> <li>2014/15 will be used to test and refine these assumptions, with a focus on developing detailed business cases and service specifications.</li> <li>We will rigorously evaluate the impact of our workstreams and, where these do not appear to be contributing to the required outcomes, we will bring them to an end and look to alternative approaches.</li> </ul>
5	The introduction of the Care Bill, currently going through Parliament and expected to receive Royal Assent in 2014, will result in a significant increase in the cost of care provision from April 2016 onwards that is not fully quantifiable currently and will impact the sustainability of current social care funding and plans.	High	<ul style="list-style-type: none"> <li>We have undertaken an initial impact assessment of the effects of the Care Bill and will continue to refine our assumptions around this as we develop our final BCF response, and begin to deliver upon the associated schemes.</li> <li>We believe there will be potential benefits that come out of this process, as well as potential risks.</li> <li>We will work with other local authorities across the country to monitor closely the anticipated impact of the Care Bill.</li> </ul>
6	Risks associated with pooled budgets	Medium	<ul style="list-style-type: none"> <li>The three local authorities and CCGs have established Health and Wellbeing Partnership Agreements which contain the necessary legal and financial framework to protect local sovereignty while facilitating partnership and collaboration.</li> <li>During 2014-15 the terms of the new pooled budgets will be developed, consulted upon and agreed to provide all authorities with the confidence and trust they need to go forward.</li> </ul>

Ref	Risk	Risk Rating	Mitigating Actions
7	Risk of failing to achieve targets	Medium	<ul style="list-style-type: none"> <li>• Performance against the national metrics is already strong locally, so the setting of additional stretches is challenging and there is a risk of double counting.</li> <li>• The programme office will ensure that we monitor carefully, understanding the attribution of outcomes between workstreams both within the BCF programme and externally, and take steps to address slow performance as soon as a problem is identified.</li> </ul>
8	Cultural change and workforce development	Medium	<ul style="list-style-type: none"> <li>• Changing organisational structure is not necessary or sufficient to achieve integration. We will work with local education and training institutions and with service providers to develop integrated ways of working and behaviours to transform the quality of health and social care as well as the efficiency and effectiveness of delivery.</li> </ul>

# Tri-borough Better Care Fund

## Part 2 Outcomes and Finances

The development of our outcomes framework and financial plans is now underway.

This has commenced with a baseline of current joint spending and national performance measures across health and care in the 3 localities which make up the Tri-borough, followed by development of high-level estimates for the priority interventions, over the next 2 years, which will help to make our overall vision a reality.

In addition to the identified savings we will be constructing a financial model which enables NHS revenue to flow into out of hospital services delivered by social care, and reimburses the local authority against agreed targets. This will reflect an agreed portion of the savings which will accrue to the NHS by preventing admissions and facilitating timely discharge from hospital.

The current joint commissioning arrangements under s75 partnership agreements are now fully reflected in the 2014-15 figures. The established partnership agreements provide a framework for the development of a new pooled budget(s) for the Better Care Fund.

We are in parallel looking at a local “person-centred” outcomes framework which will help us define our and our communities’ expectation of what good looks like, for future providers of integrated care within the Tri-borough; and allow us to evaluate at a more detailed level our progress over the next 5 years. In doing so we will work with partners including NHS England, the LGA and other localities to ensure that our measures are consistent, achievable and represent genuine improvement on the ground for the populations we serve.

At present the options we are considering for a Local Metric are contained in Appendix A.

Please see the attached BCF Part 2 Excel file for details of current baseline performance and metrics for our areas, and estimates of our BCF costs and benefits.

The assumptions upon which our costs and benefits are based are set out in Appendix B attached.

Appendix A – Options for a Local Metric

Indicator	Relevance to BCF Projects	RAG	Accuracy/ benchmarking	RAG	Feasibility of measurement	RAG
<b>Rate (per 1000) of avoidable admissions for persons aged 75 and over supported in the community with social care</b>	It is a joint health and social care indicator, therefore embodying the principles of the BCF. It targets the cohort most likely to be impacted by BCF projects. It is therefore a very strong indicator.		Locally defined indicator, so not possible to benchmark with other areas outside Tri-borough. Could be monitored quarterly, but admissions will probably need to be on a rolling 12 month basis to ensure sufficient numbers to detect change. May have to focus on those social care clients registered with a Tri-borough GP to ensure there is associated hospital activity		It is a NEW indicator which is reliant on data linkage being carried out by the CSU DMIC Team at regular (probably quarterly) intervals by linkage to NHS number. This poses a risk, as a process to facilitate this linkage does not appear to currently be in place between social care and the DMIC. Data linkage would need to take place before the end of Q1 2014/15 so that a baseline can be provided and a target set.	
<b>Number of persons aged 65 and over supported with long term social care</b>	This indicator would ensure that we have a 'whole system' view and that demand is not 'shunted' from different settings. If people can be better supported to manage long term conditions, avoid hospital admissions and when crisis occurs receive rehab/reablement, then fewer people should require long term social care.		May be possible to benchmark with other areas. But may be challenging to achieve targets given the 'other noise'.		This information is not currently reported but the data is available from the social care case management system to establish it as an indicator.	
<b>Weighted percentage of people who feel supported to manage their long-term condition</b>	This is a measure of the level of support patients in primary care feel they receive from their GP. It embodies some of the principles of BCF but does not give a full picture across both health and social care		Will be possible to benchmark against other areas, as this is calculated using a national definition. However, the response rate to the survey is relatively low (46%) and the numbers are therefore prone to fluctuate due to chance.		This is a routinely collected indicator, used for the NHS Outcomes Framework (2.1) and comes from the GP Patient Survey, which is collected routinely. It has been suggested as a potential local indicator in the Better Care Fund Technical Guidance. As of Dec 2013 the HSCIC states that the method of calculating the indicator is 'under review', but a consistent back series of data will be provided	

## Appendix B – Tri-borough BCF Costs and Benefits Assumptions

BCF Investment	Costing Assumptions	Savings Assumptions
BCF01/11 - Strengthen 7 Day Social Care Provision in Hospitals	Costs based on 5 months of winter pressures funding with additional 7 months at 45% intensity of the winter months.	N/A
BCF02/06/12 - Developing Self-Management and Peer Support/Patient Satisfaction	Costs as per the scheme PID	N/A
BCF03/09 - Transforming Nursing and Care Home Contracting/Existing Joint Commissioning (CCG Joint Commissioning Team spend only - LA included within BCF07b)	Costs reflect the CCG contribution to the joint commissioning team plus project costs from the scheme PID.	Initial work done by PPL suggested an opportunity in spot placements alone of £1.2m from bringing 25% of the higher cost placements into line with the lower cost placements. Savings have been pro-rated by spend with £0.82m in LA spend and £0.38m in CCG spend.
BCF04 - Better Care Fund Programme Management	Costs from scheme PID	N/A
BCF05 - IT Integration	Costs from scheme PID	N/A
BCF07a - Review Existing Section 75 services	Costs reflect existing Section 75 agreements	Assumes that 50% of Section 75 agreements would be reviewed and 2% savings could be achieved. £867k in LA, £561k in CCG
BCF07b - Existing Section 256 pass through funds (including LA Joint Commissioning team spend)	Costs reflect the existing Section 256 Social Care to benefit health spend and includes the LA contribution to the joint commissioning team.	N/A
BCF07c - Existing Community Services (unless included in other schemes)	Costs reflect the community services commissioned from CLCH which align with an integrated service target operating model	Assume 2% savings on Community Services review
BCF07d - Carers	Costs reflect current Carers Section 75 agreements	N/A
BCF07e - Reablement Section 256	Costs reflect current reablement Section 256 agreements	N/A
BCF08 - Community Independence Service	Costs taken from the draft CIS business case which includes £11.1m of existing spend plus £6.1m of new investment	Savings based on high-level benchmarking done by PPL as part of the CIS business case with some triangulation against the LGA Value Cases toolkit. Savings are a combination of reduced demand for Nursing and Care homes and reductions in emergency admissions. Current split is £8.89m CCG and £3.2m LA. Savings are indicative and subject to further validation and assessment as the CIS business case is developed.



## Appendix B – Tri-borough BCF Costs and Benefits Assumptions

BCF Investment	Costing Assumptions	Savings Assumptions
BCF09 - Integrated Commissioning		N/A
BCF10 - Rehabilitation and Reablement Services	Costs based on estimated requirement of 18 new neuro-rehabilitation beds	N/A
BCF13 - Psychiatric Liaison	Costs reflect existing investment in Psychiatric Liaison plus an additional 0.5m investment by H&F CCG in Hammersmith and Charing Cross Hospitals.	N/A
BCF15 - GP 7-Day Access	Costs based on 2 practices per locality open 8 hours a day Sat and Sun	Assumes that 10% of the additional capacity is used by people diverting from UCC where providers are reimbursed on a cost per case.
BCF16 - Developing Personal Health and Care Budgets	Costs as per PID	N/A
BCF17 - Whole System Integration		N/A
BCF18 - Implementation of Care Bill	Costs as per PID	N/A
BCF14/19 - Developing integrated services for people with Long Term Conditions		N/A
Disabled Facilities Grants	As per notified allocations	N/A
Community Capacity Grant	As per notified allocations	N/A

## ASSOCIATION

## Finance - Summary

For each contributing organisation, please list any spending on BCF schemes in 2014/15 and the minimum and actual contributions to the Better Care Fund pooled budget in 2015/16.

Organisation	Holds the pooled budget? (Y/N)	Spending on BCF schemes in 14/15	Minimum contribution (15/16)	Actual contribution (15/16)
Westminster City Council	Y	28,761,068	1,379,000	26,252,068
Royal Borough of Kensington and Chelsea	Y	22,942,850	874,000	22,003,850
London Borough of Hammersmith and Fulham	Y	49,715,999	1,052,000	47,781,199
Central London CCG	N	27,137,037	13,553,000	43,754,621
West London CCG	N	15,923,613	17,830,000	39,745,502
Hammersmith and Fulham CCG	N	12,629,786	13,148,000	31,923,371
<b>BCF Total</b>		<b>157,110,353</b>	<b>47,836,000</b>	<b>211,460,612</b>

Approximately 25% of the BCF is paid for improving outcomes. If the planned improvements are not achieved, some of this funding may need to be used to alleviate the pressure on other services. Please outline your plan for maintaining services if planned improvements are not achieved.

Our aim is to ensure that we have the strong governance in place around delivery of our BCF plans, aligned to a benefits realisation framework with regular monitoring of early warning indicators. This will allow early intervention where plans are not on target and should ensure that the risk of failing to achieve the planned savings is minimised. In the event that the savings aren't delivered in full, planning contingencies could be used to ensure that services are maintained in the short-term while delivery of the savings is brought back on target.

Contingency plan:		2015/16	Ongoing
<b>Reduction in admissions to residential and nursing homes</b>	Planned savings (if targets fully achieved)	7,647,192	7,647,192
	Maximum support needed for other services (if targets not achieved)	2,676,517	0
<b>Reduction in Emergency Admissions</b>	Planned savings (if targets fully achieved)	5,017,896	5,017,896
	Maximum support needed for other services (if targets not achieved)	4,014,317	0
<b>Reduction in costs through joint commissioning of nursing and</b>	Planned savings (if targets fully achieved)	1,200,000	1,200,000

Please list the individual schemes on which you plan to spend the Better Care Fund, including any investment in 2014/15. Please expand the table if necessary.

BCF Investment	Lead provider	2014/15 spend		2014/15 benefits		2015/16 spend		2015/16 benefits	
		Recurrent	Non-recurrent	Recurrent	Non-recurrent	Recurrent	Non-recurrent	Recurrent	Non-recurrent
BCF01/11 - Strengthen 7 Day Social Care Provision in Hospitals	ASC/Home Care	1,303,760	0	0	0	1,303,760	0	0	0
BCF02/06/12 - Developing Self-Management and Peer Support/Patient Satisfaction	TBD	227,047	0	0	0	289,555	0	0	0
BCF03/09 - Transforming Nursing and Care Home Contracting/Existing Joint Commissioning (CCG Joint Commissioning Team spend only - LA included within BCF07b)		600,000	160,000		0	600,000	111,000	1,200,000	0
BCF04 - Better Care Fund Programme Management		0	272,800	0	0	307,800	0	0	0
BCF05 - IT Integration		150,678	100,000	0	0	150,678	659,881	0	0
BCF07a - Review Existing Section 75 services		138,774,943	0	0	0	138,774,943	0	1,387,749	0
BCF07b - Existing Section 256 pass through funds (including LA Joint Commissioning team spend)		11,126,000	0	0	0	11,126,000	0	0	0
BCF07c - Existing Community Services (unless included in other schemes)		0				22,710,000		454,200	
BCF07d - Carers		1,931,875				1,931,875			
BCF07e - Reablement Section 256		2,076,000				2,076,000			
BCF08 - Community Independence Service		0	0	0	0	17,223,400	0	12,096,000	0
BCF09 - Integrated Commissioning		0	0	0	0	0	0	0	0
BCF10 - Rehabilitation and Reablement Services		0	0	0	0	2,700,270	0	0	0
BCF13 - Psychiatric Liaison		0	0	0	0	4,119,000	0	0	0
BCF15 - GP 7-Day Access		0	0	0	0	2,432,600	0	569,088	0
BCF16 - Developing Personal Health and Care Budgets		100,000	0	0	0	100,000	0	0	0
BCF17 - Whole System Integration		0	0	0	0	0	0	0	0
BCF18 - Implementation of Care Bill		0	287,250	0	0	1,400,000	138,850	0	0
BCF14/19 - Developing integrated services for people with Long Term Conditions		0	0	0	0	0	0		0
Disabled Facilities Grants		0	0	0	0	1,574,000	0	0	0
Community Capacity Grant		0	0	0	0	1,731,000	0	0	0
<b>Total</b>		<b>156,290,303</b>	<b>820,050</b>	<b>0</b>	<b>0</b>	<b>210,550,881</b>	<b>909,731</b>	<b>15,707,037</b>	<b>0</b>

### Outcomes and metrics LBHF

For each metric other than patient experience, please provide details of the expected outcomes and benefits of the scheme and how these will be measured.

Details on outcome trajectories and technical specifications have been given below. Expected outcomes and benefits of the scheme have been detailed in other documentation

For the patient experience metric, either existing or newly developed local metrics or a national metric (currently under development) can be used for October 2015 payment. Please

it is suggested that the national patient experience measure be used, to ensure consistency with other areas and hence the ability to benchmark against them

For each metric, please provide details of the assurance process underpinning the agreement of the performance plans

We are establishing robust programme governance across health and social care, with a joint programme board than can monitor the improvements that the schemes will deliver.

If planning is being undertaken at multiple HWB level please include details of which HWBs this covers and submit a separate version of the metric template both for each HWB and

This covers Hammersmith and Fulham, which is part of the Tri-borough (alongside Kensington and Chelsea and Westminster)

Metrics		Current Baseline (as at....)	Performance underpinning April 2015 payment	Performance underpinning October 2015 payment	Notes
Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population	Metric Value	618.2	N/A	584.6 (Apr 14-Mar 15)	Trajectory: to hit the average of the top quartile nationally by 2018/19 (27% improvement) at time when the Care Bill and demographic change means upward pressure. 14/15 figure represents one fifth of this straight line 5 year improvement. <b>Technical notes:</b> actual number of admissions given as opposed to 'rounded to the nearest 5' nationally reported figure.
	Numerator	105			
	Denominator	16,985			
		( April 2012 - March 2013 )			
Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Metric Value	88.6	N/A	89.2 (Apr 14-Mar 15)	Trajectory: to hit the average of the top quartile nationally by 2018/19 (3.3% proportionate improvement - H&F is already in top quartile). 14/15 figure represents one fifth of this straight line 5 year improvement. <b>Technical notes:</b> caveat re methodology which is based on exclusions, therefore any improvements / refinements to the methodology will reduce outcome performance. Furthermore calculation of the 91 day reablement/ rehab measure has previously been carried out by using data linkage between hospital admission, community rehab, local authority reablement and deaths data. Given changes in the law around identifiable data and data linkage, it is no longer possible to calculate this measure using this approach. Any changes made to the methodology for calculating this data may impact on the outcomes/ targets in the future, so baselines may need to be recalculated.
	Numerator	140			
	Denominator	160			
		( April 2012 - March 2013 )			
Delayed transfers of care from hospital per 100,000 population (average per month)	Metric Value	200	187.0 (Apr - Dec 2014)	176.1 (Jan-Jun 2015)	Trajectory to hit the average of the top quartile nationally by 2018/19 (43% reduction). Figures represent points in time within this straight line 5 year improvement. <b>Technical notes:</b> ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations.
	Numerator	298			
	Denominator	148,931			
		( April 2012 - March 2013 )			
Avoidable emergency admissions (composite measure)	Metric Value	1933.9	1908.1 (Apr -Sep 2014)	1858.4 (Oct 2014-Mar 2015)	Trajectory: these targets represent the same drop as the CCG 'Everyone Counts - Planning for Patients' submission with the following proportionate drops on baseline: 2.6% in 14/15, 5.2% in 15/16, 7.8% in 16/17, 10.4% in 17/18, and 13.0% in 18/19. CCG figures are based around the 'Shaping a Healthier Future' assumptions. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations. <b>Technical notes:</b> figure provided is actual number of avoidable admissions divided by ONS MYE 2013 and expressed as rate per 100,000. For April 2015 and October 2015, it is the 6 month figure multiplied by 2 to get an annualised rate. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations
	Numerator	3539			
	Denominator	182,995			
		( Dec 2012 - Nov 2013 )			
Patient/ service user experience - Recommendation to use national measure		Recommendation to use national measure			Recommendation to use national measure, to ensure benchmarking against other areas
Local measure: Options around suggested local measures have been presented in a paper which discusses relevance, accuracy, and feasibility. Options include:  1. Rate (per 1000) of avoidable admissions for persons aged 75 and over supported in the community with social care 2. Number of persons aged 65 and over supported with long term social care  3. Weighted percentage of people who feel supported to manage their long-term condition					Several options for local indicators have been discussed in a separate paper

### Outcomes and metrics RBKC

For each metric other than patient experience, please provide details of the expected outcomes and benefits of the scheme and how these will be measured.

Details on outcome trajectories and technical specifications have been given below. Expected outcomes and benefits of the scheme have been detailed in other

For the patient experience metric, either existing or newly developed local metrics or a national metric (currently under development) can be used for October 2015

It is suggested that the national patient experience measure be used, to ensure consistency with other areas and hence the ability to benchmark against them

For each metric, please provide details of the assurance process underpinning the agreement of the performance plans

We are establishing robust programme governance across health and social care, with a joint programme board than can monitor the improvements that the schemes

If planning is being undertaken at multiple HWB level please include details of which HWBs this covers and submit a separate version of the metric template both for

This covers Kensington and Chelsea, which is part of the Tri-borough (alongside Hammersmith and Fulham and Westminster)

Metrics		Current Baseline (as at....)	Performance underpinni ng April 2015 payment	Performance underpinning October 2015 payment	Notes
Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population	Metric Value	138.3	N/A	138.3 (Apr 14-Mar 15)	Trajectory: to maintain the very low rate of admission - currently the lowest (best) in the country - at time when the Care Bill and demographic change means upward pressure. <b>Technical notes:</b> actual number of admissions given as opposed to 'rounded to the nearest 5' nationally reported figure. <b>NEED TO RECALCULATE BASELINE</b>
	Numerator	28			
	Denominator	20,240			
		( April 2012 - March 2013 )			
Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Metric Value	84.7	N/A	86.1 (Apr 14-Mar 15)	Trajectory: to hit the average of the top quartile nationally by 2018/19 (8.0% proportionate improvement). 14/15 figure represents one fifth of this straight line 5 year improvement. <b>Technical notes:</b> caveat re methodology which is based on exclusions, therefore any improvements / refinements to the methodology will reduce outcome performance. Furthermore calculation of the 91 day reablement/ rehab measure has previously been carried out by using data linkage between hospital admission, community rehab, local authority reablement and deaths data. Given changes in the law around identifiable data and data linkage, it is no longer possible to calculate this measure using this approach. Any changes made to the methodology for calculating this data may impact on the outcomes/ targets in the future, so baselines may need to be recalculated.
	Numerator	110			
	Denominator	130			
		( April 2012 - March 2013 )			
Delayed transfers of care from hospital per 100,000 population (average per month)	Metric Value	267.7	244.1 (Apr - Dec 2014)	224.6 (Jan-Jun 2015)	Trajectory to hit the average of the top quartile nationally by 2018/19 (57% reduction). Figures represent points in time within this straight line 5 year improvement. <b>Technical notes:</b> ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations.
	Numerator	350			
	Denominator	130,761			
		( April 2012 - March 2013 )			
Avoidable emergency admissions (composite measure)	Metric Value	1477.3	1458.1 (Apr - Sep 2014)	1419.7 (Oct 2014-Mar 2015)	Trajectory: these targets represent the same drop as the CCG 'Everyone Counts - Planning for Patients' submission with the following proportionate drops on baseline: 2.6% in 14/15, 5.2% in 15/16, 7.8% in 16/17, 10.4% in 17/18, and 13.0% in 18/19. CCG figures are based around the 'Shaping a Healthier Future' assumptions. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations. <b>Technical notes:</b> figure provided is actual number of avoidable admissions divided by ONS MYE 2013 and expressed as rate per 100,000. For April 2015 and October 2015, it is the 6 month figure multiplied by 2 to get an annualised rate. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations.
	Numerator	2349			
	Denominator	159011			
		( Dec 2012 - Nov 2013 )			
Patient/ service user experience - Recommendation to use national measure		<b>Recommendation to use national measure</b>			Recommendation to use national measure, to ensure benchmarking against other areas
Local measure: Options around suggested local measures have been presented in a paper which discusses relevance, accuracy, and feasibility. Options include:  1. Rate (per 1000) of avoidable admissions for persons aged 75 and over supported in the community with social care 2. Number of persons aged 65 and over supported with long term social care  3. Weighted percentage of people who feel supported to manage their long-term condition					Several options for local indicators have been discussed in a separate paper

### Outcomes and metrics WCC

For each metric other than patient experience, please provide details of the expected outcomes and benefits of the scheme and how these will be measured.

Details on outcome trajectories and technical specifications have been given below. Expected outcomes and benefits of the scheme have been detailed in other

For the patient experience metric, either existing or newly developed local metrics or a national metric (currently under development) can be used for October 2015

It is suggested that the national patient experience measure be used, to ensure consistency with other areas and hence the ability to benchmark against them


For each metric, please provide details of the assurance process underpinning the agreement of the performance plans

We are establishing robust programme governance across health and social care, with a joint programme board than can monitor the improvements that the schemes will

If planning is being undertaken at multiple HWB level please include details of which HWBs this covers and submit a separate version of the metric template both for each

This covers Westminster, which is part of the Tri-borough (alongside Hammersmith and Fulham and Kensington and Chelsea)

Metrics		Current Baseline (as at....)	Performance underpinning April 2015 payment	Performance underpinning October 2015 payment	Notes
Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population	Metric Value	472.7	N/A	468.2 (Apr 14-Mar 15)	Trajectory: to hit the average of the top quartile nationally by 2018/19 (4% improvement - Westminster is already 17th highest in country) at time when the Care Bill and demographic change means upward pressure. 14/15 figure represents one fifth of this straight line 5 year improvement. Technical notes: actual number of admissions given as opposed to 'rounded to the nearest 5' nationally reported figure.
	Numerator	120			
	Denominator	25,385			
		( April 2012 - March 2013 )			
Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Metric Value	86.1	N/A	87.2 (Apr 14-Mar 15)	Trajectory: to hit the average of the top quartile nationally by 2018/19 (6.3% proportionate improvement). 14/15 figure represents one fifth of this straight line 5 year improvement. Technical notes: caveat re methodology which is based on exclusions, therefore any improvements / refinements to the methodology will reduce outcome performance. Furthermore calculation of the 91 day reablement/ rehab measure has previously been carried out by using data linkage between hospital admission, community rehab, local authority reablement and deaths data. Given changes in the law around identifiable data and data linkage, it is no longer possible to calculate this measure using this approach. Any changes made to the methodology for calculating this data may impact on the outcomes/targets in the future, so baselines may need to be recalculated.
	Numerator	180			
	Denominator	210			
		( April 2012 - March 2013 )			
Delayed transfers of care from hospital per 100,000 population (average per month)	Metric Value	225.2	208.1 (Apr - Dec 2014)	194.0 (Jan-Jun 2015)	Trajectory to hit the average of the top quartile nationally by 2018/19 (49% reduction). Figures represent points in time within this straight line 5 year improvement. Technical notes: ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations.
	Numerator	436			
	Denominator	193,621			
		( April 2012 - March 2013 )			
Avoidable emergency admissions (composite measure)	Metric Value	1440.3	1421.6 (Apr Sep 2014)	1384.1 (Oct 2014-Mar 2015)	Trajectory: these targets represent the same drop as the CCG 'Everyone Counts - Planning for Patients' submission with the following proportionate drops on baseline: 2.6% in 14/15, 5.2% in 15/16, 7.8% in 16/17, 10.4% in 17/18, and 13.0% in 18/19. CCG figures are based around the 'Shaping a Healthier Future' assumptions. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations. Technical notes: figure provided is actual number of avoidable admissions divided by ONS MYE 2013 and expressed as rate per 100,000. For April 2015 and October 2015, it is the 6 month figure multiplied by 2 to get an annualised rate. ONS 2013 used for trajectories due to unreliability of ONS on Tri-borough populations.
	Numerator	3317			
	Denominator	230,302			
		( Dec 2012 - Nov 2013 )			
Patient/ service user experience - Recommendation to use national measure		Recommendation to use national measure			Recommendation to use national measure, to ensure benchmarking against other areas
Local measure: Options around suggested local measures have been presented in a paper which discusses relevance, accuracy, and feasibility. Options include:  1. Rate (per 1000) of avoidable admissions for persons aged 75 and over supported in the community with social care 2. Number of persons aged 65 and over supported with long term social care 3. Weighted percentage of people who feel supported to manage their long-term condition					Several options for local indicators have been discussed in a separate paper

	<b>London Borough of Hammersmith &amp; Fulham</b>  <b>CABINET</b>  <b>7 APRIL 2014</b>
<b>HRA HOUSING CAPITAL PROGRAMME 2014/15 TO 2016/17</b>	
<b>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</b>	
<b>Open Report</b>	
<b>For Decision: Yes</b>	
<b>Key Decision: Yes</b>	
<b>Wards Affected: All</b>	
<b>Accountable Executive Director:</b> Melbourne Barrett, Executive Director, Housing and Regeneration Department	
<b>Report Author:</b> Stephen Kirrage, Director Asset Management and Property Services, Housing and Regeneration Department	<b>Contact Details:</b> <a href="mailto:Stephen.kirrage@lbhf.gov.uk">Stephen.kirrage@lbhf.gov.uk</a> 020-8753-3064

## 1. EXECUTIVE SUMMARY

- 1.1. This report provides specific details of the proposed 2014/15 Housing Capital Programme, proposes budget envelopes for the following two years to allow for certainty when planning the forward programme, especially where projects are not completed within any one financial year, and seeks authority to proceed with the various projects identified in Appendix 1.

## 2. RECOMMENDATIONS

- 2.1. That approval be given to the projects and schemes identified in this report (at Appendix 1) which form the 2014/15 Housing Capital Programme to the value of £48.391 million (this envelope of £48.391 million was approved at Budget Council on 26 February 2014).
- 2.2. That approval be given to the budget envelope of £43.580 million for 2015/16 and £43.543 million for 2016/17 together with capital receipts contributions of £21.386 million for 2015/16 and £21.115 million for 2016/17 from the Decent Neighbourhoods Fund and to note that revenue

contributions will also be made to the programme, subject to future quarterly / annual changes to the overall Council capital programme.

- 2.3. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to award contracts over £100,000 and, if appropriate, exercise built-in options to extend such contracts in respect of any individual projects and schemes under the Housing Capital Programme identified in Appendix 1, in accordance with Contract Standing Order 9.4 and 9.4.1.
- 2.4. That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to approve future amendments to the 2014/15 programme for operational reasons where such amendments can be contained within the overall approved 2014/15 – 2016/17 budget envelope and available resources.

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

- 3.1 In April 2013, Cabinet approved the Housing Revenue Account (HRA) Asset Management Plan. Based on updated and validated stock condition survey information and linked to the HRA 30 year Business plan and HRA financial strategy it provides clear strategic guidance for future investment in the Council's housing stock. The Plan sets out the Council's strategic approach and priorities relating to:
  - i. managing the housing related assets held in the Housing Revenue Account (HRA) to ensure stock is safe, sustainable and well managed;
  - ii. its intentions to act as a strategic enabler to deliver large scale projects such as regeneration and new build.
- 3.2 Approval of the 2014/15 capital programme and the budget envelopes for the two subsequent years provides the delivery mechanism for the first of these two priorities and allows certainty when programming. It will enable the Council to continue to fulfil its statutory obligations and protect the health, safety and wellbeing of residents whilst preserving the integrity and asset value of the housing stock.

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

- 4.1. On 26 February 2014, Budget Council considered as part of the Council's capital programme a funding envelope of £48.391 million for the housing capital programme for 2014/15. This report provides further details of the proposed projects to be undertaken in 2014/15 and of the proposed budget envelopes for 2015/16 and 2016/17. A list of schemes, including budget estimates, is provided in Appendix 1.



## 5. PROPOSAL AND ISSUES

### 5.1. Detailed 2014/15 Capital Programme

5.3.1 The 2014/15 programme has been broadly divided into four categories as follows:

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

#### Category 1: Prior commitments

5.3.2 Prior Commitments, Refs 1-23 (£14.677m): This category includes approved contracts where works are continuing on site or where final accounts have yet to be settled. It also includes projects originally approved as part of the 2013/14 programme which are either expected to start on site before the end of the 2013/14 financial year or are still being developed.

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

5.3.4 Fire Safety Improvements, Ref 24 (£1.000m): A management plan has been developed for the delivery of large-scale improvements to the borough's housing stock to comply with current regulations and best practice under The Regulatory Reform (Fire Safety) Order 2005. Specific works are dependent on the recommendations of detailed fire risk assessments and guidance from The London Fire Brigade. Works within the plan may include the replacement of communal or flat entrance doors, compartmentalisation of roof voids, improvements to means of escape and the like.

5.3.5 Charecroft Estate AOVs, Ref 25 (£0.200m): It is proposed to install Automated Opening Vents (AOVs) to the four tower blocks comprising the Charecroft Estate. This is a commonly used method of smoke control to lobbies and stairwells of tall buildings to comply with the requirements of Approved Document B of The Building Regulations.

5.3.6 Water Tank Replacements, Ref 26 (£0.100m): A rolling programme replacing old steel communal water tanks will be largely completed once the 2013/14 phase ends. The proposed budget provision for 2014/15 will allow for ad hoc replacements where the potential spread of legionella is identified as a risk during statutory biennial surveys or other site inspections, Works may also include the upgrade of loft spaces to ensure secure access and a safe working environment for operatives.

- 5.3.7 Disabled Adaptations, Ref 27 (£0.800m): A programme delivering major adaptations to the homes of disabled tenants in order to meet their needs and statutory entitlements. The programme is important in restoring or enabling independent living, privacy, confidence, and dignity for individual tenants and their families. The Government Office for Disability Issues has published research showing that the provision of housing adaptations and equipment for disabled people produces savings to health and social care budgets by reducing the need for admission to, or facilitating the earlier discharge from, residential care; by reducing the need for home care; and by prevention of accidents within the home. The proposed budget is set to meet current demand.
- 5.3.8 Landlord's Electrical Installations, Ref 28 (£0.600m): This programme seeks to ensure the safety and reliability of landlord's electrical installations and distribution systems. Blocks are being prioritised and proposed work will include the replacement of old cabling, risers and distribution boards, together with improvements to communal and external lighting where currently inadequate and the provision of emergency lighting where none exists.
- 5.3.9 Capitalisation Works Refs 29-35 (£3.780m): The day-to-day running of the housing repairs service will sometimes require works of a capital nature to be undertaken because circumstances mean they cannot be reasonably deferred to future planned programmes. Such work may include remedial works to address potential hazards, or to prevent deterioration of elements that would otherwise have a knock-on effect. The category includes the refurbishment of voids to ensure they remain in a lettable condition; the replacement of defective or inefficient central heating boilers; major asbestos removal or containment works; planned refurbishment of tenant and community halls; essential works to estate lighting and estate roads.
- 5.3.10 Capitalisation Salaries/IT Refs 36-37 (£2.299m): The delivery of the programme requires building architects, mechanical and electrical engineers, project managers and support staff. These costs can be legitimately charged to capital as they are directly attributable to the works. A budget provision is included for the upgrade of existing and provision of new information technology systems to improve services and increase efficiency. A sound business case will need to be made before commissioning work against this budget.
- 5.3.11 Category 3: Mechanical and electrical works, building structure.
- 5.3.12 Communal Boiler replacements, Ref 38 (£0.591m): Over 1,700 homes are connected to district heating systems. Many of the communal boilers supporting these systems are approaching the end of their economic lives and a phased programme of replacement is ongoing to ensure residents continue to receive efficient and effective heating. The schemes to be progressed in 2014/15 will be subject to further site investigation but are expected to include Banim Street Sheltered Housing, Malabar Court, and Seagrave Lodge hostel. In addition, new immersion heaters will be

installed at Seagrave Road sheltered housing ahead of the planned replacement of the heating distribution system in 2015/16.

- 5.3.13 Wall Insulation and other energy initiatives, Ref 39 (£0.500m): The Council has in recent years been successful in accessing significant grants from external energy suppliers to support energy efficiency measures such as wall insulation, loft insulation, central heating boiler upgrades, draught proofing and so on. The effect of recent changes to the Government's Energy Companies Obligation (ECO) programme is not yet clear but officers will continue to negotiate with suppliers and draw up plans to improve the least energy efficient properties whilst maximising potential grant income. The calculations for energy grants are complex and dependant on various factors and the council will be required to make some contribution to the cost of the scheme. A separate approval will be sought should the proposed budget provision prove inadequate to match-fund any future scheme where the financial case is compelling.
- 5.3.14 Lift modernisation, Refs 40-48 (£4.290m): The council's housing assets include 217 passenger lifts, (and one goods lift), the majority of which serve blocks of six or more storeys. Many of these lifts have exceeded or are approaching the end of their design life and are increasingly difficult to maintain due to obsolete parts. A programme of modernisation has been prioritised and individual sites identified. Sixteen lifts were modernised as part of the 2012/13 programme; twenty lifts are being modernised as part of the 2013/14 programme and are nearing completion; a further forty five lifts have been designed and are scheduled to start on site during 2014. The 2014/15 programme seeks to continue this accelerated catch-up programme and thirty-eight lifts have been identified for full modernisation. Due to the long lead-in time for the design and manufacture of lifts these schemes are not expected to start on site until 2015 and the individual scheme budgets will be re-profiled following tender approval.
- 5.3.15 Cyclical Planned Maintenance, Ref 49-50 (£14.227m): 2013 saw the start of a three-year contract with Mitie Property Services to deliver a programme of preventative maintenance, repairs, and renewals, primarily to the stock that did not have external or communal works carried out under decent homes. The establishment of an effective preventative programme is essential to avoid much costly future failure of building components and ultimately reduce the responsive repair workload. Where components need to be replaced this will be, where possible, in low-maintenance materials to reduce future decoration and pre-decoration repair bills.
- 5.3.16 Controlled Access, Ref 51 (£0.600m): A rolling programme to replace ageing systems has been established and individual sites have been identified for 2014/15. In addition, those blocks which do not currently benefit from controlled access will be considered for installation where it is technically feasible, cost-effective, and supported by residents.

5.3.17 Digital Television Integrated Reception Systems, Ref 52 (£0.250m): Most purpose-built blocks are now served by these systems but a budget provision is necessary to enable completion of the programme.

#### 5.3.18 Category 4: Internal amenity, estate works, miscellaneous

5.3.19 Internal Modernisation, Ref 53 (£2.611m): A programme of internal modernisation has been established to replace attributes such as kitchens, bathrooms, and wiring, as they reach the end of their standard lives. The programme planned for 2014/15 primarily targets the White City Estate but will also include Harold Wilson House on the Clem Attlee Estate and decent homes refusals as necessary.

5.3.20 Estates CCTV, Ref 54 (£250k): This budget will support the continued extension and upgrade of CCTV on housing estates, a programme started in 2009. Priorities for 2014/15 will be finalised by the Safer Neighbourhoods team in consultation with housing management and the local police.

5.3.21 Minor Estate Improvement Programme, Ref 55 (£270k) and Groundwork Environmental Programme, Ref 56 (£220k): The Minor Estate Improvement Programme is an annual budget historically controlled by registered Tenant and Resident Associations and earmarked for small-scale improvements to the estate environment or tenant facilities. Schemes are considered and funding allocated by each Local Area Housing Forum. The Groundwork Environmental Programme is an annual budget allocation administered by a tenant representative panel in partnership with Groundwork West London. The panel considers and approves environmental improvement schemes submitted by TRAs which can include, for example, soft and hard landscaping of open spaces or provision of new play areas.

5.3.22 Other environmental projects, Play areas Refs 57-58 (£0.576m): Bids are being considered for various other environmental schemes that would fall outside the scope of the above budgets.

5.3.23 Brought forward and unforeseen works, Ref 59 (£500k): This budget is proposed for unforeseen or emergency works that may arise during the year and where project substitution is not practicable. It will be allocated to specific projects in consultation with the Cabinet Member for Housing.

#### 5.4 2015/16 and 2016/17 Budget Envelope

5.4.1 The proposed budget envelope for 2015/16 and 2016/17 is derived from the HRA Asset Management Plan and current stock condition data.

5.4.2. Approval of a budget envelope for the years 2015/16 and 2016/17 will provide greater certainty for forward programming. Appendix 1 includes some detail on the proposed spending plans in these years. However,

further detailed site surveys and continued analysis of repairs data will be used to prioritise specific schemes within the headings identified.

- 5.4.2. Various lift and planned maintenance schemes identified and expected to be approved in 2014/15 will carry a significant commitment into 2015/16. This has been allowed for within the proposed budget envelope. Commitments will be closely monitored to ensure that expenditure does not exceed resources.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1. The HRA Asset Management Plan approved by Cabinet on 8 April 2013 is the first since the housing stock returned to direct council management in April 2011. It seeks to build on the achievements of the decent homes initiative whilst acknowledging that programmes' limitations. The plan uses HRA reform as an opportunity for the council to adopt a pro-active asset management approach to its stock, creating a 30-year investment plan that allows for realistic future investment needs, remodelling, rationalising and reinvestment of assets which feeds into the HRA 30 year business plan. It is intended that this information will be refreshed every 3 to 4 years to maintain the resilience of the Asset Management Plan.
- 6.2. The plan includes assumptions about life cycles and costs of various building components. It has drawn from the work undertaken by the Building Research Establishment for Communities and Local Government as part of the wider review of finance for Council housing. This looked at differentials between archetypes, reviewed detailed specifications of work, examined prices, reviewed current costs and lifetime scenarios, and ultimately produced new models for estimating spend profiles over thirty years. The stock validation exercise undertaken in 2013 by Lambert Smith Hampton and Pennington Choices further examined rates and life cycles, drawing on previous benchmarking exercises, recent tenders, and comparing with standard unit costs and lives used by Savills. These assumptions will be continually reviewed in light of actual costs and the longevity, or otherwise, of building components.
- 6.3. In developing the annual capital programme, the analysis of building components in relation to life cycles will be a starting point only. Further site surveys and analysis of actual repair data will determine whether replacement is appropriate for individual elements in specific properties at any given time.
- 6.4. The proposed 2014/15 programme seeks to meet the ongoing investment needs of the borough's social housing stock which comprises nearly 12,500 rented homes and over 4,500 leasehold homes. The investment needs of the stock have been prioritised and a balance sought between maintaining homes at a decent standard and addressing the residual backlog of works to elements not specifically covered by the standard, particularly: specific Health and Safety risks; lift modernisation; controlled

entry upgrades; landlord's electrical services; cyclical external and communal repairs; and improvements to curtilage areas and the public realm.

## **7. CONSULTATION**

- 7.1. There is a statutory obligation to consult tenants and leaseholders before carrying out works and to have regard to any observations or representations made by the residents. For schemes included in the 2014/15 capital programme, residents will be consulted on the proposed works. Following approval of the programme it is proposed to submit to individual Members details of proposed schemes in their wards.

## **8. EQUALITY IMPLICATIONS**

- 8.1. An Equality Impact Assessment has been completed for the 2014/15 Housing Capital Programme and is available electronically; some key issues are discussed below.
- 8.2. The programme includes various projects specific to sheltered housing, that is accommodation specifically designed or adapted for people aged 60 years or over. Schemes include upgrades to communal heating, renewal of warden call systems, and replacement windows. Other than the potential short-term inconvenience of having works on site, these schemes will have a positive impact.
- 8.3. The programme includes projects to modernise passenger lifts serving blocks on various housing estates. These works will mean that lifts are temporarily out of service and this may be of particular inconvenience to elderly residents, people with impaired mobility, pregnant women, or residents with young children. Prior to works, consultation with residents will be undertaken and alternative arrangements for vulnerable residents will be considered. In exceptional circumstances this may entail a temporary decant while service is interrupted. However, in the longer term, the works will improve the reliability of the affected lifts. This project is therefore analysed as having both positive and negative impacts, with the positive outweighing the short-term negative impacts.
- 8.4. The programme includes a budget of £800k for disabled adaptations. These are works that can help give tenants more freedom into and around their home and to access essential facilities within it. Adaptations can range from minor works such as the provision of grab rails or stair rails to major improvements such as the installation of stairlifts, ramps or walk-in showers. Eligibility for equipment or adaptations is assessed under the Fair Access to Care Services (FACs) criteria. Major adaptations are subsequently assessed by the council's Occupational Therapist and will be appropriate to meet the needs of tenants with a permanent or substantial disability.

## 9. LEGAL IMPLICATIONS

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

## 10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. Budget Council on 26 February 2014 approved a funding envelope of £48.4m for the 2014/15 housing capital programme. The various funding streams are shown in Table 1 below:

*Table 1: Anticipated Resources 2014/15*

<b>Funding Source</b>	<b>Value (£m)</b>
Revenue Contributions from HRA in the Major Repairs Reserve (formerly Major Repairs Allowance)	17.9
Capital Receipts	25.8
Leasehold Contributions	4.6
Contributions from HRA revenue	0.1
<b>Total</b>	<b>48.4</b>

- 10.2. The HRA Financial Strategy Report presented to Cabinet on 3 February 2014 sets out the overall strategic financial objectives for the HRA and the measures to be adopted to meet these objectives.
- 10.3. For the capital programme it is recognised that, in the medium term, there will be a continued need to use receipts generated from the sale of void properties to supplement the major repairs allowance (funded by revenue via depreciation), leaseholder contributions, and contributions from revenue. The various funding streams for 2014/15 and 2015/16 are shown in Table 2 below:

Table 2: Anticipated Resources 2015-2017

<b>Funding Source</b>	<b>2015/16 Value (£m)</b>	<b>2016/17 Value (£m)</b>
Revenue Contributions from HRA in the Major Repairs Reserve (formerly Major Repairs Allowance)	16.7	17.4
Capital Receipts, proposed	21.4	21.1
Leasehold Contributions	4.7	4.5
Contributions from HRA revenue	0.8	0.5
<b>Total</b>	<b>43.6</b>	<b>43.5</b>

- 10.4. Affordability is a key priority for the HRA Asset Management Plan. The stock condition survey validation work completed thus far indicates that reliance on receipts will diminish over time as set out in the HRA Financial Strategy Report noted above. This position will be monitored as the validation work continues. If there are any significant variances then a further full report will be produced in conjunction with Finance.
- 10.5. With regards to the capitalisation of salaries and IT charges (cited in paragraph 5.3.10) it will need to be ensured that statutory capitalisation guidance is adhered to with appropriate time sheets being completed.
- 10.6. Implications verified/completed by: Kathleen Corbett, Director Finance & Resources, HRD, 020-8753-3031

## **11. RISK MANAGEMENT**

- 11.1. Various risks associated with the delivery of the housing capital programme are included on the corporate risk register. Appropriate risk strategies will be developed for the programme overall and for individual projects.
- 11.2. Individual projects will be subject to separate, appropriate tender approval reports by Members or delegated officers. Recommendations for contract awards will include an assessment of the financial standing of successful contractors.
- 11.3. The revised stock condition survey increases the reliance of the business plan on void sales and therefore increases the vulnerability of the business plan to any property market risk which might crystallise.
- 11.4. Implications verified/completed by: Stephen Kिरrage, Director Asset Management & Property Services, HRD, 020-8753-3064



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

- 12.1 All procurements will need to comply with the Council's Contract Standing Orders and the Public Contracts Regulations 2006 (as amended).
- 12.2 It is noted that recommendation 2.4 is "That authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director of Housing and Regeneration, to approve future amendments to the 2014/15 programme for operational reasons where such amendments can be contained within the overall approved 2014/15 – 2016/17 budget envelope and available resources."
- 12.3 Implications verified/completed by: (Robert Hillman, Procurement Consultant x 1538)


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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	HRA Asset Management Plan 2013-16	Vince Conway x1915	HRD, Property Services, 3 <sup>rd</sup> Floor HTH Extension

#### **LIST OF APPENDICES:**

**Appendix 1: 2014-17 Housing Capital Programme, details of proposed schemes**

Category 1: Prior Commitments					
Ref	Scheme	Description	2014/15	2015/16	2016/17
1	Warden Call System upgrade	Replacement of emergency call systems within sheltered housing	1,000		
2	Hostel refurbishments	Installation of remote monitoring systems for communal heating	521	500	
3	Meadowbank Close communal boilers	Replacement of 2no. Communal boilers	90		
4	Malvern Court communal boilers	Replacement of 2no. Communal boilers	102		
5	Water pressure boosters	Thames Water repayment	175		
6	Ethel Rankin, Barclay Close, The Grange	Full modernisation of 7 no. passenger lifts	117		
7	Ashcroft Square lifts	Full modernisation of 7 no. passenger lifts	240		
8	Campbell, Denham, Mitchell lifts	Full modernisation of 6 no. passenger lifts	129		
9	Cedar Lodge, Viking Ct	Full modernisation of 4 no. passenger lifts	375		
10	Barclay Road, Meadowbank Close	Full modernisation of 4 no. passenger lifts	426		
11	West Kensington Estate high-rise	Lift component renewal to 10 no. passenger lifts	400		
12	Mitie PPM framework Year 1	External/communal refurbishment	5,619		
13	Baird, Durban PPM	External/communal refurbishment	175		
14	Ellenborough, Lawrence etc windows/PPM	Window replacement; external/communal refurbishment	2,212		
15	Creighton Close PPM	External/communal refurbishment	470		
16	Philpot Square B & C windows	Window replacement; external/communal refurbishment	950		
17	Chelmsford Close/St Albans Terrace windows	Window replacement; external/communal refurbishment	900		
18	Cox House, Horton House controlled access	Provision of new systems	150		
19	Controlled Access contract 1 Barclay etc	Upgrade of existing systems	35		
20	Controlled Access contract 2 Emllyn etc	Upgrade of existing systems	55		
21	Rainville Road estate works	Specific improvements to estate and public realm	320		
22	Play facilities Rainville, Horton House	Replacement and upgrade of play facilities	120		
23	EU Life+ Sustainability project	Various projects around environmental sustainability	96	183	139
<b>Sub-total</b>			<b>14,677</b>	<b>683</b>	<b>139</b>
Category 2: Statutory works; Health & Safety priorities; capitalisation					
Ref	Scheme	Description	2014/15	2015/16	2016/17
24	Fire Safety improvements	Various works arising from Fire Risk Assessments	1,000	1,000	1,000
25	Charecroft AOVs	Installation of automated vents	200		
26	Water tank replacements	Replacement of communal cold water storage systems	100	100	100
27	Disabled Adaptations	Provision of aids and adaptations	800	800	800
28	Landlord's electrical, various sites	Works arising from periodic testing of landlord's electrics	600	600	600
29	Asbestos works	Provision for major asbestos removal/containment	50	50	50
30	Gas contract boiler replacements	Ad hoc boiler replacement	1,430	1,430	1,430
31	Major voids	Major refurbishment of void properties	1,000	1,000	1,000
32	Tenant Halls	Essential works to TRA/Community halls (H&S, DDA, general fabric)	100	100	50
33	Planned capital repairs	Capitalisation of planned repair works	1,000	1,000	1,000
34	Estate lighting	Renewal of estate lighting columns, luminaires	150	150	
35	Estate Roads	Major works to estate roads, paths, parking areas etc	100	100	100
36	Project management	Project management costs, engineers, architects etc	2,049	2,092	2,092
37	IT	Major IT projects, systems development	250	250	250
<b>Sub-total</b>			<b>8,829</b>	<b>8,672</b>	<b>8,472</b>
Category 3: Mechanical & Electrical services, building structure					
Ref	Scheme	Description	2014/15	2015/16	2016/17
38	Heating renewal programme	Replacement of life-expired communal boilers and heating systems generally	591	2,961	2,978
39	Wall insulation & other energy efficiency	Potential LBHF contributions to match-funded energy initiatives	500	500	500
40	Edward Woods tower blocks	Full modernisation of 9 no. passenger lifts	3,500		
41	Munden St, Planetree Ct, Thamesview, College Ct	Full modernisation of 6 no. passenger lifts, 1 no. goods lift	800		
42	Jim Griffiths, Tom Williams	Full modernisation of 4 no. passenger lifts	700		
43	White City lifts (Durban, Lugard, Malabar, Mackay, Wolfe)	Full modernisation of 6 no. passenger lifts	800		
44	Sullivan Court Blocks C, E, F, G, H	Full modernisation of 5 no. passenger lifts	700		
45	Walham Green Ct Block A	Full modernisation of 2 no. passenger lifts	378		
46	Manor Ct, Vereker Road 1,25,50	Full modernisation of 5 no. passenger lifts	700		
47	Lifts reprofiling	Reprofiling of lift modernisation projects cashflowed over two years	-3,288		
48	Lift programme future years	Continuing programme of lift modernisation		5,668	5,513
49	Mitie PPM Years 2-3	External/communal refurbishment, Mitie PPM framework	14,227	20,007	4,500
50	PPM Future years	Continuing programme of ppm			16,528
51	Controlled Access upgrades	Upgrade of existing old installations, provision of new	600	600	600
52	IRS	Provision of digital systems to blocks lacking facility	250	250	
<b>Sub-total</b>			<b>20,458</b>	<b>29,986</b>	<b>30,619</b>
Category 4: Internal amenity, estate works, miscellaneous					
Ref	Scheme	Description	2014/15	2015/16	2016/17
53	Internal Modernisation	Kitchen & bathroom renewal, electrical upgrade	2,611	2,551	2,600
54	Estates CCTV	New systems and extension of existing	250	250	250
55	Minor Estate Improvement programme	Minor improvements to estate amenities or tenant facilities	270	270	270
56	Groundwork Estate Improvements	Environmental projects, (e.g. hard/soft landscaping)	220	220	220
57	Major environmental projects	Continuing programme	526	398	423
58	Play Areas	Major refurbishment of play or amenity areas	50	50	50
59	Brought forward/Unforeseen works	Contingency for brought forward works/unforeseen new calls	500	500	500
<b>Sub-total</b>			<b>4,427</b>	<b>4,239</b>	<b>4,313</b>
<b>Grand Total</b>			<b>48,391</b>	<b>43,580</b>	<b>43,543</b>

 <p><b>h&amp;f</b> the low tax borough</p>	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 APRIL 2014</b></p>
<p><b>APPROVAL OF THE 2014/15 HIGHWAY MAINTENANCE WORK PROGRAMME</b></p>	
<p><b>Report of the Cabinet Member for Transport and Technical Services – Councillor Victoria Brocklebank-Fowler</b></p>	
<p><b>Open report</b></p>	
<p><b>Classification:</b> For decision <b>Key decision</b> Yes</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Nigel Pallace, Executive Director of Transport and Technical Services</p>	
<p><b>Report Author:</b> Ian Hawthorn – Head of Highway Maintenance and Projects</p>	<p><b>Contact Details:</b> Tel: 0208 753 3058 E-mail: ian.hawthorn@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. Seeking approval of the annual highway maintenance work programme for 2014-2015.

## 2. RECOMMENDATIONS

- 2.1. That approval be given to the programme in Appendix A to the report, with provision to make adjustments during the year as necessary.
- 2.2. That authority be delegated to the Cabinet Member for Transport and Technical Services, in conjunction with the Director for Transport and Technical Services, to make amendments to the programme as agreed for operational and cost effective reasons, in order to make the optimum use of resources.
- 2.3. That reports and updates on programme amendments (additions and removals) to the approved scheme list be made, as and when required, during the year to the Cabinet Member for Transport and Technical Services

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

- 3.1 The Council has a statutory duty to maintain the highways that are maintainable at the public expense under Section 41 of the Highways Act 1980.
- 3.2 Our records of inspections along with any remedial action taken are valuable tools in defending claims made against the Council for accidents and personal injuries. Officers also use the information from our regular inspections to support the preparation of this work programme.
- 3.3 To avoid the need for repeated authorising reports, the programme needs to be managed as a whole. On this basis, officers are again seeking exception from the normal key decision process of seeking approval on a scheme by scheme basis noting that some schemes will exceed the £100,000 key decision threshold.

### **4. BACKGROUND**

- 4.1 The Council is the highway authority for all publicly maintained roads in the borough with the exception of the Transport for London Road Network (TLRN).
- 4.2 The Community Strategy emphasises the contribution of highways towards several of the key components of sustainable communities, including:
  - To protect and enhance the Borough's residential and historic character
  - To seek to continuously improve the Borough's streetscape by undertaking major improvement projects, promoting good design, using high quality materials and workmanship, and removing street clutter
  - Creating and maintaining well-designed, well-managed, clean and safe streets and open spaces
  - Maintaining streets to a high standard, so that walking is easy and safe and cyclists, buses and other vehicles can move safely.

### **5. HIGHWAY MAINTENANCE WORK PROGRAMME**

- 5.1 The principal considerations in preparing the maintenance programme are to ensure that the network is maintained in a safe condition and secondly to ensure that this asset is maintained in a cost effective way.
- 5.2 Officers achieve this by carrying out regular safety inspections as well as surveys of the condition of the highway. The surveys are used to develop the annual planned maintenance programme and the frequencies of the inspections are carried out in accordance with the recommendations of the Code of Practice for Highways Maintenance Management, published by the U.K. Roads Board in 2005.

- 5.3 In the case of the carriageways on our principal road network, officers carry out both visual inspections and quantitative surveys to assess the condition of these roads. On all other roads and all footways where maintenance should be considered, we rely on visual surveys conducted by experienced highway engineers.
- 5.4 The visual surveys produce a condition score for each road based on the severity of defects in footways, such as broken paving slabs, undulations, trips, ponding and in carriageways reflective cracking, loss of chipping and rutting. The resulting list of potential schemes is then prioritised in order of overall score. This establishes a useful benchmark of the percentage of streets below the desired maintenance threshold, the reasoning behind this is given in Appendix C. The streets are further validated taking account of other factors, such as programmed utility road works. The number of sites falling below our acceptable standard always exceeds our maintenance budget, but the expectation is that there will be a degree of carry-over into subsequent years.
- 5.5 Continued improvements are sought through working with the Council's specialist term contractors to search for new technology and new materials to ensure value for money is achieved whilst obtaining long term durability.

## **6 HIGHWAY MAINTENANCE BUDGETS**

- 6.1 Footway and carriageway works are funded either from the Capital Programme or the annual revenue budget. Typically, planned maintenance (changes to road design, resurfacing etc) would qualify as capital expenditure and would be funded by the capital programme. Reactive repairs and general maintenance (eg. Pot holes) would not meet the definition of capital expenditure and would be funded by the revenue budget. The capital budget is £1,880,000 and the revenue budget is £1,538,400. Capital project funding can be supplemented by revenue funding but revenue projects cannot utilise capital funding.
- 6.2 Our TfL Local Implementation Plan (LIP) funding allocation for principal road maintenance for 2014-2015, is £538,000. This is capital expenditure only.
- 6.3 The condition of our principal road network determines our TfL funding allocation. In contrast, the assessment of our non-principal roads and pavements is based on a qualitative assessment by our highway inspectors. We score each road based on a range of surface defects. For example with pavements, we consider the proportion of broken paving slabs, surface undulations and water ponding. This method of assessing the condition of roads and pavements is used by most local authorities to plan their annual maintenance programme.
- 6.4 The draft estimates for 2014 - 2015 for planned and reactive highway maintenance work, including the LIP funding allocation are shown below:

<b>Budget</b>	<b>2014-15</b>
Carriageways - Reactive	£620,000
Carriageways- Planned	£1,765,000
<b>Carriageway - Total</b>	<b>£2,385,000</b>
Footways – Reactive	£741,000
Footways - Planned	£830,000
<b>Footway - Total</b>	<b>£1,571,000</b>

6.5 Appendix B lists the roads and pavements proposed for inclusion in the programme for the coming year. The maintenance programme takes into account any ongoing and proposed utility and TfL works that officers are aware of.

6.6 This report identifies the carriageways and footways in most need of planned repair. Work on all the schemes on the programme in Appendix B is not achievable within the available budgets. However, there will inevitably be instances when we will have to defer the maintenance work in some roads. In these circumstances alternate roads will be substituted from the reserve list of roads in Appendix A.

## **7 EQUALITY IMPLICATIONS**

7.1 There are no equality implications in this report.

## **8 LEGAL IMPLICATIONS**

8.1 The Legal Implications are contained within the body of the report.

## **9 FINANCIAL AND RESOURCES IMPLICATIONS**

9.1 The budgets detailed in paragraph 6.1 have already been submitted to members as part of the Capital Programme and Revenue Budget reports for 2014-15.

9.2 The table in 6.4 shows a total Planned Maintenance Programme of £2.517m. The available capital budget is £2.418m. There is therefore an assumption that the difference of £99k will be funded by the revenue account.

9.3 The table in 6.4 totals £3.956m which matches the budgets given in 6.1. There are therefore no financial implications.

9.4 Implications verified by: Giles Batchelor, Finance Manager, ex. 2407  
**Mahmood Siddiqi**  
**Director for Transport and Highways**

**Nigel Pallace**  
**Executive Director Transport and Technical Services**

---

**Local Government Act 1972 (as amended) – Background papers used in the preparation of this report.** None

**Contact officer(s):** Mr Ian Hawthorn

**Tel:** 020 8753 3058 and **E-mail:** ian.hawthorn@lbhf.gov.uk

Cleared by Finance (officer's name)	Giles Batchelor
Cleared by Legal (officer's name)	N/A

## **APPENDICES**

Appendix A – Planned Maintenance Scheme list

Appendix B – Equalities Impact Assessment (available electronically)

Appendix C – Highways Condition Assessment

## Appendix A: Planned Maintenance Scheme List

Road Name	Section
<b>CARRIAGEWAYS</b>	
<b>PRINCIPAL ROADS</b>	
BUTTERWICK ROAD	Hammersmith Broadway to A4
FULHAM BROADWAY	North End Road - Harwood Road
GLENTHORNE ROAD	Cambridge Grove - Overstone Road
GOLDHAWK ROAD	Askew Road - Cathnor Road
HAMMERSMITH BRIDGE RD	Queen Caroline Street - A4
HAMMERSMITH ROAD	Beadon Road - Butterwick/Bute Gardens
NEW KING'S ROAD 2	Wandsworth Bridge Rd - Bagley's Lane
SCRUBS LANE 1	Hythe Road)- Railway Bridge
SCRUBS LANE 2	South Side Railway Bridge
UXBRIDGE ROAD	Shepherds Bush Green - Bloemfontein d
WOOD LANE	Du Cane Road - A40
<b>NON PRINCIPAL ROADS</b>	
ASHCHURCH PARK VILLAS	Whole Road
ASPENLEA ROAD	Whole Road
BAGLEYS LANE	Whole Road
BASSEIN PARK ROAD	Whole Road
BEAVOR LANE	Whole Road
BLOEMFONTEIN AVENUE	Whole Road
BLOEMFONTEIN ROAD	DEVELOPMENT S106
BLYTHE ROAD	Whole Road
BRACKENBURY ROAD	Whole Road
BRAYBROOK STREET	Erconwald - Wulfstan
BROOK GREEN	Shepherds Bush Rd to island
CHARLEVILLE ROAD	Challoner - NE RD
DAVISVILLE ROAD	Whole Road
DONNERAILE ROAD	Woodlawn - Stevenage
DOWN PLACE	Whole Road
EVERINGTON STREET	Whole Road
EYOT GARDENS	Whole Road
GLIDDON ROAD	Edith Road - Barons Court Road
GOATERS ALLEY	Asphalt alleyway
GODOLPHIN ROAD	Thornfield - Gldhwk
GUNTERSTONE ROAD	Glazbury - Gliddon
HADYN PARK ROAD	Whole Road
HOLCOMBE STREET	Whole Road
HUMBOLT ROAD	Whole Road
JEDDO ROAD	Whole Road
LEAMORE STREET	Whole Road



LENA GARDENS	Whole Road
LIME GROVE	Whole Road
LINDROP STREET	Whole Road
LOFTUS ROAD	ELLERSLIE ROAD TO END
MUSARD ROAD	Whole Road
NORTH END ROAD	Lillie Road - Vanston Place
ORMISTON GROVE	Halsbury Road to Dunraven Road
PADDENSWICK ROAD	Whole Road
PARSONS GREEN	East arm only
PERCY ROAD	Askew Road to Vespan Road
RAVENSCOURT ROAD	Whole Road
SAWLEY ROAD	Whole Road
STARFIELD ROAD	Whole Road
WELLS ROAD	Whole Road
WELTJE ROAD	King Street to A4
WHITECITY ROAD	HOUSING?
WOODGER ROAD	Whole Road
WORMHOLT ROAD	Whole Road

## FOOTWAYS

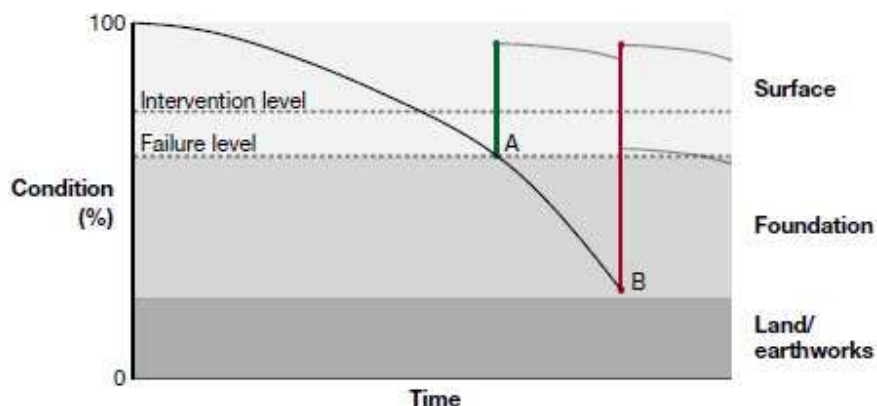
Road Name	Section
<b>PRINCIPAL FOOTWAYS</b>	
HOPGOOD STREET	Uxbridge Road - MacFarlane Road
MACFARLANE ROAD	Hopgood Street - Wood Lane
SCRUBS LANE	Hythe Road to Bridge
WANDSWORTH BRIDGE RD	Bovingdon Road to New Kings Road
<b>NON - PRINCIPAL FOOTWAYS</b>	
ADELAIDE GROVE	Whole Road
ASHCHURCH TERRACE	Whole Road
BEAVOR LANE	Whole Road
BICHOPS AVENUE	From Fulham Palace Rd
BRAYBROOK STREET	Whole Road
BROOK GREEN	South Arm
BROOMHOUSE LANE	Daisy Lane to Sullivan Rd
CRABTREE LANE	Whole Road
DEVONPORT ROAD	Goldhawk Rd to Uxbridge Rd
DU CANE ROAD	Wulfstan Street to Wood Lane
FOLIOT STREET	Whole Road
GALLOWAY ROAD	Whole Road
GLENROY STREET	Whole Road
GRAVESEND ROAD	Whole Road
HOLCOMBE STREET	Whole Road
LETTICE STREET	Parsons Grn to Whittingstall
LISGAR TERRACE	Whole Road

MITRE WAY	Whole Road
PALLISER ROAD	Whole Road
PERCY ROAD	Askew Rd to Uxbridge Rd
RIVERCOURT ROAD	King St to Upper Mall
ST PETERS GROVE	Whole Road
ST PETERS ROAD	Whole Road
ST PETERS SQUARE	King St to End
WALHAM GROVE	Whole Road
WELTJE ROAD	King St to A4
WULFSTAN STREET	Du Cane Rd to Erconwald Street

## Appendix C – Highway Condition Assessment

1. Our assessment of the condition of the highway may not accord with the public perception of a highway in need of maintenance, (an example of a case is shown below). Visual defects such as potholes and surface cracking can often be addressed by a minor localised repair rather than extensive carriageway resurfacing. However widespread wheel-track deformation or cracking in a road may not appear to be serious, but if left unchecked the road will quickly deteriorate requiring far more extensive remedial work in the future.
2. Getting the balance right between the volumes of work undertaken as planned maintenance and that undertaken as reactive maintenance will deliver the most cost effective service. For example, undertaking too little work through the planned maintenance programme will, over time, lead to an increase in more expensive reactive safety “patchwork” repairs.
3. Our approach to highway maintenance is to carry out the optimum amount of planned maintenance to minimise the need for more expensive reactive repairs. This makes the best use of our resources and our objective is always to maintain our pavements at the minimum “whole life” cost.
4. The chart below is an extract taken from a report produced by the Audit Commission in 2011 entitled “Going the Distance: Achieving better value for money in road maintenance”. It illustrates the benefit of carrying out maintenance at the critical stage of deterioration in the condition of a road. A road can be economically restored by suitable intervention at Point A on the chart. If that point is missed and the condition allowed to deteriorate further, then a more expensive intervention may be required below the failure threshold (shown at Point B on the chart) to bring it back to standard

Figure 7: Failure to intervene at the right time and with the most appropriate treatment will result in poor roads and represents poor value for money



Source: Professor Martin Snaith, University of Birmingham

**Case Study - A typical footway identified for repaving.**



**Note:**



At a glance the footway in the above photograph may appear to be in a reasonable condition and not to require much work. However a detailed survey reveals a number of defects including trip hazards and subsidence causing drainage problems, shown below. Water puddles in these circumstances can be dangerous for pedestrians, especially during freezing conditions. Such defects also expose the Council to increased risk from footway accident claims. Planned maintenance at the right time will avoid the need for more expensive full reconstruction later.





# Agenda Item 17

## Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet  Date of decision: 7 April 2014	 h&f hammersmith & fulham
	Cabinet Member for Planning Policy, Transport and Arts  Date of decision (i.e. not before): 14 <sup>th</sup> February 2014  Forward Plan reference: <b>04176/14/PIA</b>	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Report title (decision subject)	<b>PERMISSION TO TENDER FOR A BI-BOROUGH PARKING MANAGEMENT INFORMATION SYSTEM</b>	
Reporting officer	David Taylor, Bi-Borough Head of Parking Services	
Key decision	Yes	
Access to information classification	Open report  A separate report on the exempt Cabinet agenda provides exempt information regarding the costs of this project.	

## **1. EXECUTIVE SUMMARY**

- 1.1. The Royal Borough of Kensington and Chelsea (RBKC) and the London Borough of Hammersmith and Fulham (H&F) have established a Bi-borough Parking Office and are proposing to deliver further integration and efficiency savings from 2014/15. Linked to this is the need for both boroughs to replace their separate Parking IT systems which run to the end of their extended terms in 2016.
- 1.2. Initial soft market testing has indicated that both boroughs can make significant savings by jointly tendering for a shared system. The core requirement in the specification will be for a fully hosted PCN processing system with options to include suspensions processing and permit processing. The objective is to award a contract by the end of 2014 and begin implementation in 2015.
- 1.3. An additional flexible option to include on-street handheld hardware will also be specified. The technology is rapidly changing and therefore difficult to price.

## **2. RECOMMENDATIONS**

- 2.1. That permission be given to carry out a Bi-borough regulated procurement process (in accordance with the Public Contracts Regulations 2006 (as amended)) for a hosted Parking Management Information System (PMIS) for Penalty Charge Notice (PCN) processing with options to include handheld devices, parking bay suspensions, permit processing, and printing and scanning services.
- 2.2. That the procurement exercise contains provision that would allow other London borough Councils the facilities to call off from a framework agreement (within the first 4 years after it has been awarded).
- 2.3. **Hammersmith & Fulham (only)**  
In accordance with the paragraph 12.5 of the Council's Contract Standing Orders that the decision to award the contract following the tender evaluation process be delegated to the appropriate Cabinet Member(s) providing that the actual contract value is within the estimated values set out below in paragraphs 10.2 and 10.3.

## **3. REASONS FOR DECISION**

- 3.1. Both boroughs are required to replace their PMIS by November 2016 at the latest. It is therefore recommended that the boroughs carry out a single procurement for a shared system to minimise procurement costs, reduce

annual maintenance charges and enable further operational integration through the use of a single system for both boroughs.

- 3.2. Allowing for the establishment of a London-wide framework agreement would permit other councils to link into the system with the potential for additional cost savings.

#### 4. BACKGROUND

- 4.1. In June 2013, H&F and RBKC lead Cabinet Members approved the establishment of a merged Bi-Borough Parking Office. The report estimated savings could be achieved by:

- Creating a fully integrated in-house Parking Office. The restructure will conclude shortly and deliver savings to both boroughs from April 2014.
- Procuring a shared Parking IT platform (PMIS) to deliver savings on the current contracts and enable further opportunities for operational integration and efficiencies by using a single system.

- 4.2. Both boroughs currently have separate contracts with Mouchel Traffic Support (MTS) for their PMIS called Integrated Civic Processing System (ICPS). The system is responsible for the issuance and processing of PCN's in both boroughs and also for resident permit issuance and parking bay suspensions in RBKC. H&F have developed in-house bespoke systems maintained by HFBP for permit processing and suspensions. These can no longer be upgraded or modified without significant risk and cost and therefore need replacing as soon as possible.

- 4.3. These systems are critical to processing Parking transactions totalling over £40 million per annum across the two boroughs.

- 4.4. RBKC have entered into the final three year extension of their contract which will expire in November 2016. H&F are in their final five year extension which will expire in December 2016. Both boroughs have a rolling 12 month break clause which means they can give 12 months' notice at any point to terminate their current contracts.

- 4.5. The following table outlines what is covered by the current contracts with MTS in each borough:

Function / area	RBKC	H&F
PCN processing and handheld software	Yes	Yes
Handheld hardware	No	No
Resident permit processing	Yes	No
Parking bay suspensions	Yes	No
System hosting	No	No
Printing and scanning contract management	No	Yes



4.6. The leading suppliers in the market have not changed significantly since the boroughs last went out to their individual procurements in 2005/6, however the pricing models, technology and way of delivering the services have. Some of the changes identified as part of our soft market testing exercises which the boroughs will potentially benefit from include:

- Development of online self-service portals which act as a front end into the back office software. This provides a much more user- friendly way for residents and motorists to interact with the Councils whilst requiring less bespoke integration with our online customer account systems. Potential services include:
  - the ability to view all PCN details and evidence on a single page;
  - the ability to apply for new Permits online, including validation of proof of address documents and option for the motorist to print their permit at home;
- Software hosting. ICPS sits internally on HFBP and ISD servers and requires ongoing support and maintenance. Suppliers now all offer to host and support their systems on behalf of authorities and offer secure web-based access. This has the advantage of reducing local support and infrastructure costs, speeding up issue resolution, and allowing upgrades and enhancements to be implemented much more quickly.
- Making use of new technologies for integrated handheld units. This can take into account virtual parking permits, bay sensor data, pay by phone data. Many suppliers are now developing their handheld software on the Android platform which opens up opportunities to use ruggedised Smartphones / tablets on street. These are potentially much cheaper than traditional CEO handheld units, have good quality integrated cameras for photos, and allow information to be transmitted in real time via wi-fi and 3/4G. They also allow other applications to be loaded on to them providing opportunity for CEO's to diversify the work they carry out should the requirement arise.
- Much richer use of analytics to measure parking stress and provide a richer source of data to inform parking policy.

## 5. PROPOSAL AND ISSUES

### The proposed procurement process

5.1. As the value of the contract will be greater than £172,514, the provisions of the Public Contracts Regulations 2006 (as amended) apply. Given that the boroughs can specify their requirements, it is proposed that the tender is carried out using the Restricted Procedure (as defined in the Regulations). It is also proposed that RBKC act as the lead Council for the purposes of the Regulations (using the Council's e-tendering system). The main reasons for RBKC to lead are that:

- Their current contract has a wider scope, covering permits and suspensions so there is greater exposure to risk for RBKC.
  - RBKC retain many of the key personnel who led on the last procurement process and also in-house project and IT support.
- 5.2. One of the lessons learnt from the recent award of the Tri-boroughs' Total Facilities Management Contract and London-wide Framework agreement was the interest generated from other councils wanting to be a part of the procurement exercise. The three councils had invested time, effort and money in developing the model and since its award this is now being marketed for commercial purposes to other London boroughs as a win-win situation. There will be revenue generation for the three councils by payments made by other councils calling off from the framework agreement and for other London councils calling off from the framework they will not need to undertake the procurement with its associated costs and time delays and they will obtain favourable rates.
- 5.3. Given that PMIS is a system for which most London borough councils have a need, officers are considering whether it would be appropriate when placing the Contract Notice to include provision for a similar framework agreement to run alongside the contract between RBKC and H&F. Rather than naming each borough on an individual basis the notice could follow the example of the Crown Commercial Services (commercial arm of the Cabinet Office) by reference to a generic website (e.g. <http://openlylocal.com/councils/all>).

#### **Proposals for the development of the contract documentation**

- 5.4. The contract is being drawn up by the Bi-Borough Legal Services team in collaboration with Parking Services, who have established a project team to lead on creating the tender specification and evaluation criteria. The team have used the current contracts and previous tender specifications as a starting point from which to develop the new specification. Changes to the specification and contract are being made to take into account officer experience since the contracts were previously tendered, feedback received through the soft market testing exercise, and recent examples from other boroughs.
- 5.5. The proposal is for a joint contract for 12 years with the option to extend for a further three years. The will include a year six break clause and review points every three years. This allows both parties to take stock and end the relationship at year six if required. The review points enable both sides to assess could the quality of service and identify changes to enable further efficiencies and operational enhancements.
- 5.6. The contract will be signed by both RBKC and H&F. Formal arrangements regarding contract management will be subject to agreement following the outcome of the Corporate Services review. It is intended, however, for the day to day operational management of the system and support services to be delivered by the Parking Services' Business Development Team. ISD and

HFBP will continue to provide corporate IT services to the Parking Office including hardware, telephony, desktop support, business analysis etc.

5.7. Having explored the options with suppliers and reflected on our previous procurement terms, we feel the Councils can achieve best value for money by entering into a longer term relationship as this:

- Gives the bidders greater certainty and confidence to invest in new products and technologies;
- Allows bidders to spread their costs over a longer period;
- Reduces officer time involved in extending or retendering (including testing, training and implementation) assuming performance meets the required standards.

5.8. In areas where technology use is rapidly changing, such as with handheld units used by Civil Enforcement Officers, we will propose an open book accounting method. This will mean that prices will not be fixed at the start of the contract but will move to reflect the market price plus the supplier's margin.

5.9. Please see Appendix B for a proposed timetable and details of the letting process and tender.

**Supplier Relationship Management and Monitoring**

5.10. The contract will be monitored by the Parking Services Business Development Team which will be responsible for monitoring performance and carrying out reviews on a quarterly basis. Reviews will look at overall performance against the service level agreement (SLA) and look at future development / efficiency opportunities. Service credits will be obtained as a penalty if performance fails to meet agreed standards. For example, if the system is unavailable for a period longer than the SLA specifies, costs would be recovered. This falls broadly in line with how the current RBKC contract is managed.

**Risk Analysis**

5.11. The following table outlines the high level risks and mitigating actions:

Risk	Mitigation
Suppliers are unable to meet our requirements and either inflate their prices or decide not to bid.	Ensure specification is in keeping with what the market can offer.
Specification and contract terms place too much risk on suppliers leading to inflated prices in the tender submissions	Share contract terms after PQQ to give suppliers the option to feedback comments. These can be taken into account in a revised set of terms.

High level of interest from suppliers who do not have the requisite experience or financial standing to be acceptable to the two Councils.	Ensure PQQ is robust and has suitable thresholds in terms of supplier experience and financial requirements.
The contract term make it difficult to price for future developments in technology at the contract outset.	Use open book accounting to protect suppliers and ensure Councils get value for money.
Internal IT implementation and annual support costs may be greater than currently forecast.	Engagement with HFBP throughout the tender process and early drafting of Solution Proposal for implementation options and decommissioning costs. This will also cover potential TUPE liability once the hosting moves to the winning bidder.

## 6. OPTIONS AND ANALYSIS

- 6.1. The two boroughs recently completed a service review of the Parking Office which considered in-house and outsourcing options. Following review by senior officers and lead members, it was agreed to pursue a local, in-house service with a shared IT platform.
- 6.2. Alternative IT options considered were to either delay procurement until 2016, carry out separate procurements in each borough or join an existing framework. These were rejected as they would not provide best value for the two boroughs.
- 6.3. Joining with Westminster City Council in their procurement was considered; however, given their significantly different operating model and requirements, it was not felt that this would provide the best solution for RBKC and H&F.

### **Recommended option – procure new systems for 2015**

- 6.4. The main benefits of the recommended option are:
- H&F and RBKC should make direct savings on their PMIS contracts plus benefit from significant enhancements to the service.
  - Moving to a hosted service will enable H&F to make savings from 2016 in HFBP IT infrastructure and support costs. This can only be confirmed through a Solution Proposal once a supplier's solution is chosen and support processes agreed.

- It is assumed that RBKC will share some of the cost for their Business Development team in relation to IT support with H&F once a new contract with a supplier is agreed. This will provide a single unit to manage application incidents and contract management for the two boroughs.
- The two boroughs will include Suspensions and Permits as part of the tender with a view to making additional savings and removing the need for running further procurements at additional cost.
- It gets both boroughs on to the same platform allowing for further streamlining of business processes and resulting efficiencies.

## **7. CONSULTATION**

7.1. This report has been developed in consultation with the following groups:

- H&F Cabinet Member for Transport and Technical Services
- RBKC Cabinet Member for Planning, Transport and Arts
- H&F Business Board
- Transport and Technical Services Departmental Management Team
- Bi-Borough Parking Services
- RBKC Customer Services Centre
- H&F Direct Accessible Transport
- H&F Contract Monitoring Office / Hammersmith and Fulham Bridge Partnership
- RBKC Information Systems Division
- RBKC Information Governance / H&F Information Management

## **8. EQUALITY IMPLICATIONS**

8.1. There are no equality implications as a result of the recommendations in this report.

## **9. LEGAL IMPLICATIONS**

9.1. The legal power to buy the software and associated services is found in the “incidental powers” of the Local Government Act 1972. Section 111(1) gives

local authorities power to do anything which is “calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions”.

- 9.2. The proposal for a single contract in which the two authorities are jointly treated as the buyer poses particular issues such as liability, cost sharing and contract management which will require collateral agreement between the authorities.
- 9.3. Bi-Borough Legal Services will draft contract terms and conditions and advise as necessary.
- 9.4. Comments provided by Andre Jaskowiak, Senior Solicitor, Bi-Borough Contract Law Team, 22 January 2014.

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

- 10.1. In June 2013, lead Cabinet Members approved funding of £60K to cover Legal costs for drafting the contract and for H&F to engage HFBP for support in developing the tender specification.
- 10.2. There is sufficient budget provision in both boroughs to cover annual support and maintenance costs. However, both H&F and RBKC would need to fund initial costs including handheld hardware. The current proposal is for these costs to be funded in RBKC from the anticipated Parking under spend in 2013/14 and in H&F from the Invest to Save budget.
- 10.3. Comments provided/verified by Mark Jones, Bi-borough Director of Finance and Resources, TTS and ELRS, 27 January 2014.

## **11. PROCUREMENT IMPLICATIONS**

- 11.1. The procurement will be undertaken by RBKC as lead Council on behalf of both boroughs using the recently installed CapitalESourcing e-tendering system.
- 11.2. The service review project team has concluded that as since the procurement can be fairly well defined that it will be carried out using the Restricted Procedure as set out in the 2006 Regulations.
- 11.3. Given the nature of the contract (IT related), consideration is being given to inviting comments from all those that respond to the Contract Notice on the proposed terms and conditions. Whilst this is an unconventional approach both councils are anxious to ensure that any barriers that would mitigate against a reasonable competitive tendering exercise are removed.

11.4. Comments provided/verified by Alan Parry, Bi-borough Procurement Consultant (TTS), 22<sup>nd</sup> January 2014.

## 12. ICT IMPLICATIONS

12.1. This move to a shared hosted arrangement is in line with the current ICT strategy.

12.2. Comments provided/verified by Jackie Hudson, Director of Procurement and IT strategy, 24<sup>th</sup> January 2014

Mahmood Siddiqi  
**Bi-Borough Director of Transportation and Highways**

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

- Cabinet Member Decision - Recommendations for the future of the Bi-Borough Parking Office, June 2013

**Contact officer(s):** Matt Caswell, Departmental Project Manager, London Borough of Hammersmith and Fulham, [matt.caswell@lbhf.gov.uk](mailto:matt.caswell@lbhf.gov.uk), 0208 753 2708.

Cleared by Finance (officer's initials)	<i>MJ</i>
Cleared by Legal (officer's initials)	<i>AJ</i>

### **APPENDICES:**

Appendix A – in exempt report

Appendix B – Proposed Letting Process

## APPENDIX B – Proposed Letting Process

1.1. The high level procurement timetable is as follows:

<b>Activity</b>	<b>Start</b>	<b>Finish</b>
Establish project team, set up tender appraisal panel and confirm procurement approach and plan*	September 2013	October 2013
Soft market testing / market analysis	October 2013	November 2013
Prepare selection criteria, tender evaluation criteria and contract documents	November 2013	January 2014
Review documents and sign off evaluation criteria (Gate 1)	January 2014	March 2014
Cabinet approval process to launch tender	February 2014	April 2014
Complete preparation of contract and tender documents	February 2014	April 2014
PQQ and Invitation to tender	May 2014	July 2014
Clarification of details with suppliers	August 2014	August 2014
Tender evaluation	September 2014	October 2014
Sign off recommendation (Gate 2)	October 2014	November 2014
Contract Award (delegated approval)	November 2014	December 2014
Implementation	January 2015	July 2015



## **Proposed tender evaluation and information**

### **Expressions of Interest**

- 1.2. An initial assessment of potential providers will take place at the expression of interest stage, using the Tri-Borough procurement portal. Tenderers will be asked to complete a pre-qualification questionnaire which will be used to assess financial standing, experience, technical capacity and organisation capability.

### **Tenders**

- 1.3. The contract will be awarded on the basis of the most economically advantageous tender. It is proposed to weight price at 40% and quality as 60% each. This is in line with the standard RBKC approach to IT tenders which seeks a higher quality ratio to minimise as the risk of disruption to the services and to try to ensure, as far as possible, continuity of service delivery. The system will be responsible for processing transactions amounting to over £40 million per annum. The potential additional savings that may be achieved therefore by a higher price and lower quality ratio would be dwarfed by the financial loss if a poorer quality system was implemented that resulted in more frequent errors and loss of service. These factors lead officers to recommend a 40/60 split as the most suitable approach for this Bi-Borough procurement.

#### Price – 40%

- 1.4. Marks will be awarded across the following:
- Back office software, including implementation, user training licences and support
  - On street handheld software and training
  - System hosting
  - Data migration
  - Supplier margin for handhelds and printers
  - One off costs (Future consultancy and training support)
- 1.5. If all the systems fail to meet quality criteria for suspensions and permits, prices excluding these modules can be assessed.

#### Quality – 60%

- 1.6. Marks will be awarded based on the responses to the tender, reference site visits and scenario testing, where suppliers are asked to demonstrate the functionality of their software. The marks will fall across the following categories:
- Functionality - how the system processes PCNs (including on-street issuance), permits and suspensions. This will also cover correspondence,

representations and appeals management, workflow and online self-service functionality.

- Supplier hosting – This is a new requirement for Parking Services which currently has its systems locally hosted by HFBP and ISD. It is therefore extremely important to ensure the hosted solution is fit for purpose and that site security, data security, business continuity processes etc are up to required standards. It also covers a multitude of interfaces including the DVLA and bulk printing and scanning contractors.
- Service provision – covers application support and account management, response times to incidents, ensuring system availability, and delivering system upgrades.
- Hardware – Vital to on-street effectiveness as this covers devices used by Civil Enforcement Officers and Suspension officers.
- Implementation – Covers areas including the timetable and approach to implementation, migration of data, software testing etc. Evidence of previous implementations will be assessed.

1.7. The provisional Tender Appraisal Panel (TAP) will be as follows:

David Taylor – Head of Parking Services

Prakash Patel – TTS / ELRS Finance Projects Manager

Ray Brown – Head of Customer Services

Natalie Luck – Head of Accessible Transport

Roger Hindin – ISD System Development Manager

Jackie Hudson – Director of Procurement and IT Strategy




Alan Parry – Bi-Borough Procurement Officer

Marya Lee – Head of Appeals, Investigations and Special Events

Dominic Hurley – Parking Programme and Development Manager

Vanessa Junkere – Head of PCN correspondence

## Executive Decision Report

<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	Full Cabinet  Date of decision: 7 April	 <p><b>h&amp;f</b> hammersmith &amp; fulham</p>
	Full Cabinet  Date of decision (i.e. not before): 1 May  Forward Plan reference: KD04232 (not a key decision)	 <p>THE ROYAL BOROUGH OF <b>KENSINGTON AND CHELSEA</b></p>
	Full Cabinet  Date of decision: 7 April	 <p><b>City of Westminster</b></p>
<b>Report title (decision subject)</b>	<b>COLLECTIVE INVESTMENT VEHICLE FOR LONDON LOCAL AUTHORITY PENSION FUNDS</b>	
<b>Reporting officer</b>	Tri-Borough Director of Pensions & Treasury	
<b>Key decision</b>	No	
<b>Access to information classification</b>	Public	

## **1. EXECUTIVE SUMMARY**

- 1.1. London Councils is seeking to establish a Collective Investment Vehicle for London Local Authority Pension Funds to pool certain funds (on a voluntary basis) and as a result, benefit from economies of scale and cheaper investment costs.
- 1.2. The decision for each Council to be a party to the proposed vehicle is a decision for the Executive rather than the relevant pension committees.

## **2. RECOMMENDATIONS**

That the Cabinets agree with regard to their respective authorities:

- 2.1. that a private company limited by shares be incorporated to be the Authorised Contractual Scheme Operator (the “ACS Operator”) of the Common Investment Vehicle and that the Council become a shareholder in the ACS Operator;
- 2.2. to contribute £1 to the ACS Operator as initial capital;
- 2.3. the establishment of a London Councils “Pensions CIV Joint Committee”, to be formed under the Local Government Act 1972 and the Local Government Act 2000 and to delegate to the Joint Committee those functions necessary for the proper functioning of the ACS Operator, including the effective oversight of the ACS Operator and the appointment of Directors;
- 2.4. agree that Mayor Pipe, Councillors O’Neill and Dombey, Mr Chris Bilsland (Chamberlain, City of London), Mr Chris Buss (Finance Director, LB Wandsworth), Mr Ian Williams (Finance Director, LB Hackney), and Mr John O’Brien (Chief Executive, London Councils) be appointed as the interim Directors of the ACS Operator, subject to the consent of their relevant authorities to the appointments. These directors may be replaced once FCA authorisation is formally applied for;
- 2.5. In the case of RBKC, the Cabinet appoints the Chairman of the Investment Committee to the Joint Committee and to delegate to him the authority to act for the Council in exercising its rights as a shareholder of the ACS Operator;
- 2.6. In the case of LBHF, the Cabinet appoints the Chairman of the Audit, Pensions & Standards Committee to the Joint Committee and to delegate to him the authority to act for the Council in exercising its rights as a shareholder of the ACS Operator; and,
- 2.7. In the case of WCC, the Cabinet appoints the Chairman of the Superannuation Committee to the Joint Committee and to delegate to him the authority to act for the Council in exercising its rights as a shareholder of the ACS Operator.

/

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

- 3.1. The Cabinet needs to decide whether or not to participate in the CIV, and in the event that it decides to do so, it will need to the establishment of a Joint Committee. In addition, the Cabinet will need formally to delegate powers to the Joint Committee to act as a representative body on behalf of the shareholders of the ACS Operating Company.

### **4. BACKGROUND**

- 4.1. The government is currently undertaking a review of the structure of the Local Government Pension Scheme (LGPS) and is expected to issue a consultation on a number of proposals in the near future. One of the principal aims is to reduce the cost of investment management fees incurred by the scheme as a whole, either through merging funds or encouraging them to work together to achieve economies of scale.
- 4.2. The three separate Tri-Borough pensions committees have been aware of this issue for some time and are supportive of approaches which allow the funds to remain independent, with a view to keeping accountability local so that Council Tax payers are not required to support deficits which have been incurred elsewhere.
- 4.3. London Councils Leaders' Committee has considered the issue of collective investments for London Pension Funds throughout 2012, and 2013. They have concluded that more collaboration between boroughs that wished to invest collectively some or all of their pension funds would be likely to produce significant savings. The three Tri-Borough pensions committees all support the establishment of a collective investment vehicle (CIV) for London with the aim of reducing fund management costs while allowing them to make their own investment decisions.
- 4.4. This will require a framework for capital allocation to the CIV operating company, and a framework for the appropriate pensions committee to delegate relevant functions to a Joint Committee to enable the governance of the CIV to operate effectively. London Councils Leaders' Committee approved the formation of the CIV on 11 February 2014, so it is necessary for the Cabinets to consider, on behalf of their respective Councils, whether to join the CIV company and participate in a new Joint Committee.
- 4.5. The London Councils Leaders' Committee has approved the detailed business case and a proposed governance structure. They have also approved that a London Local Government Pension Scheme Collective Investment Vehicle, in the form of a UK based, Financial Conduct Authority approved, Authorised Contractual Scheme be set up.

[

## 5. PROPOSAL AND ISSUES

- 5.1. At its meeting on 11 February 2014, London Councils Leaders' Committee approved that they should recommend to the London boroughs that they proceed to establish an Authorised Contractual Scheme (ACS) and the ACS Operator (the company that would manage the ACS). For this to happen, London boroughs would need to agree to become shareholders in the ACS Operator and delegate oversight of the ACS Operator to a Joint Committee hosted by London Councils. A copy of the paper submitted to London Councils Leaders Committee is attached as appendix 1.
- 5.2. It should be noted that participation by each borough is voluntary and, even if a borough decides to participate in the ACS Operator, each borough's pension fund will make separate decisions to invest, disinvest or not invest at all for each asset mandate in the same way that its Committee does currently. It is expected that the decision as to whether to invest in the ACS would be made by individual boroughs later in the year.
- 5.3. The business case considered by London Councils analysed the savings, benefits and costs for a variety of different levels of collective assets under management ranging between £5-£24 billion which produced estimated annual net savings between £21-£112 million. It is anticipated that a reasonable minimum target size of assets under management for the ACS around £5 billion. This is based on analysis of existing investments held by London borough funds and also takes into account that initially the majority of investment mandates are likely to be passive mandates. Over time, it is expected that actively managed mandates and investments into alternatives such as property and infrastructure assets may be added to the range of investments offered by the ACS.
- 5.4. The London Councils Leaders Report sets out the likely governance structures and key principles. The principles confirm that investment in the ACS should be voluntary; and that each pension fund will be able to choose how much to invest in individual asset classes. The London boroughs will collectively control the ACS Operator and authorities seeking to invest in the ACS will also take a shareholding interest in the Operator (and have membership of the Pensions CIV Joint Committee). This Joint Committee will be established under the existing London Councils arrangements to assist in the appointment of directors to the ACS Operator. The Terms of Reference for this Joint Committee, as proposed in a paper by London Councils to Leaders Group at a meeting on 11 March 2014 is attached as Appendix 2.
- 5.5. The Pensions CIV Joint Committee will comprise elected Councillors nominated by participating boroughs as provided for under the existing London Councils Governing Agreement. Information will be provided regularly by the ACS and the ACS Operator to local authorities investing, and their Pension Committees and officers, and the Pensions CIV Joint Committee. Directors of Finance will provide advice to both the borough Pension Committees (as they do now) and to their authority's representative on the Pensions CIV Joint Committee. The London

l

Council's report proposes that the Chairman of the Pensions Committee represents the Council or in the event that all 33 boroughs decide to join then the Leader fulfils this role, as in that event the existing London Councils Leaders Committee can undertake the role.

## **6. CONSULTATION**

- 6.1. The substance of this proposal has been discussed at each of the relevant pensions committees, with JMT and individual Cabinet Members where possible.

## **7. LEGAL IMPLICATIONS**

- 7.1. Sections 1 and 4 of the Localism Act 2011 provide the powers to set up the ACS Operator which provide the powers to set up the company and trade. As it is anticipated that the ACS Operator will be wholly owned by the local authorities that will receive services from it the Public Contracts Regulations 2006 would not apply. If the requirements of the FCA cause this arrangement to change this would need to be reviewed. The Joint Committee will be set up by the participating authorities using their powers under sections 101 and 102 of the Local Government Act 1972 and section 9EB of the Local Government Act 2000.

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1. In broad terms, the proposed structure is that the London boroughs will own all the share capital of the ACS Operator. Initially this will require minimal share capital (£1 per borough) but this capital requirement may increase once the operator is authorised and investments are made in the ACS.

Jonathan Hunt  
**Tri-Borough Director of Pensions & Treasury**

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

None

/

# Leaders' Committee

## **Pensions Working Group: Progress report, business case, and proposed next steps towards a London LGPS CIV**

Item no: X

**Report by:** Hugh Grover      **Job title:** Director, Fair Funding, Performance and Procurement

**Date:** 11 February 2014

**Contact Officer:**

**Telephone:** 020 7934 9942      **Email:** [hugh.grover@londoncouncils.gov.uk](mailto:hugh.grover@londoncouncils.gov.uk)

---

### **Summary**

This report follows on from previous discussions, in particular at Leaders' Committee throughout 2012, and in May and December of 2013, and discussions at the Executive in September and November 2013. Those discussions have focussed on the potential for more collaboration between boroughs that wished to do so, on the management and investment of pension funds.

In response to the report presented to Leaders' Committee in December 2013, London Councils has engaged expert legal and financial services advisors to develop a robust business case and formal proposal to inform decisions for implementation of a London LGPS Collective Investment Vehicle (CIV), in the form of a UK based, Financial Conduct Authority (FCA) Authorised Contractual Scheme (ACS).

This report which reflects the views and advice of the advisers, in consultation with London Councils' legal advisors from the City of London Corporation, fulfils that request. It sets out the current thinking of the Pensions Working Group (PWG) and asks Leaders' Committee to recommend to the boroughs that they proceed to establish an Authorised Contractual Scheme (ACS) and the ACS Operator (which is the company that would manage the ACS)

It should be noted that, all the proposals outlined in this report are based on voluntary participation by boroughs, and the decision as to whether to invest in the ACS would be made by individual boroughs later in the year. There is nothing proposed in the report that locks any borough into any level of commitment to invest.

Dialogue with HM Government relating to the Government's review of Local Government Pension Schemes is ongoing, and it is apprised of the progress made to date by London Councils and the PWG. At the time of writing the report, we still await the Government announcement on their proposed direction of travel.

This report provides an overview of the proposals and recommendations, Annex A provides Elected members with the underlying detail.

---



---

**Recommendations** Leaders' Committee is asked to:

1. Consider the report and the underlying business case supporting the establishment of a collective investment vehicle, in the form of an authorised contractual scheme (the "ACS"), for local authority pensions in London ("the Arrangements"); AND
  2. Endorse and recommend to each local authority which decides to participate that, they resolve that:
    - (a) a private company limited by shares be incorporated to be the Authorised Contractual Scheme Operator (the "ACS Operator"), structured and governed as outlined in this report, and that the local authority agrees –
      - (i) to become a shareholder in the ACS Operator, and
      - (ii) to contribute £1 to the ACS Operator as initial capital, and
      - (iii) to appoint an elected Councillor who will have power to act for the local authority in exercising its rights as a shareholder of the ACS Operator, and
      - (iv) that Mayor Pipe, Councillors O'Neill and Dombey, Mr Chris Bilsland (Chamberlain, City of London), Mr Chris Buss (Finance Director, LB Wandsworth), Mr Ian Williams (Finance Director, LB Hackney), and Mr John O'Brien (Chief Executive, London Councils) be appointed as the interim Directors of the ACS Operator, subject to the consent of their relevant authorities to the appointments. These directors may be replaced once FCA authorisation is formally applied for; and
    - (b) a representative body, in the form of a new sectoral joint committee (the "Pensions CIV Joint Committee"), is established (pursuant to the existing London Councils Governing Agreement, dated 13 December 2001 (as amended)) to act as a representative body for those local authorities that resolve, in accordance with 2(a) above, to participate in the Arrangement (or in the alternative, should all 33 London authorities resolve to participate, that Leaders' Committee exercise these functions and the Governing Agreement be varied accordingly); and
    - (c) All London local authorities respond in writing to the London Councils Chief Executive, by 14 April 2014, or before the day of the local government elections (22 May 2014), to advise of their decisions regarding the matters set out at paragraphs 2(a) and 2(b) above.
-

# **Pensions Working Group: Progress report and proposed next steps towards a London LGPS CIV**

## **Introduction**

1. At its December 2013 meeting, Leaders' Committee received a progress update from the Pensions Working Group (PWG), which outlined the views and recommendations of the PWG in respect of the potential London LGPS Collective Investment Vehicle (CIV). Leaders' Committee agreed the recommendations of the PWG that a business case and formal proposal should be prepared to inform decisions for implementation of a CIV which should be structured as a UK based, Financial Conduct Authority (FCA) Authorised Contractual Scheme (ACS). This report sets out the proposed business case, and formal proposal as to how to proceed. Leaders' Committee is asked to endorse the formal proposal for the formation of the ACS and its Operator, and to recommend the proposal to their own Council.
2. This paper recaps the financial benefits which may arise from operating an ACS, and sets out further details of the expected costs. It also sets out further details of the proposed structure of the ACS and potential governance arrangements (including the ACS Operator), together with the steps that are required to progress the project and establish the ACS and its Operator. This is set out in detail in Annex A, which should be read in conjunction with this report. The decision as to whether to invest in the ACS, once established, will remain with each Borough Pensions Committee and is distinct from the decision which is now being recommended to establish a new Pensions CIV Joint Committee and the Operator of the ACS. Any decisions regarding investment in the ACS will not begin until later in the year and are likely to be on an asset class by asset class basis.

## **Background**

3. In 2012, a report from PwC set out options for reconfiguring the London LGPS funds, and indicated the possible financial benefits of a CIV. Since then, the matter has been discussed several times, and it was agreed that further consideration should be given to creating a CIV, and that the most appropriate structure for the CIV would be an ACS. A number of the local authorities agreed to contribute £25-£50k towards exploring the proposal which are held in a designated fund by London Councils. These contributions will fund the professional costs associated with development of the proposed ACS and its Operator.
4. The Government issued a call for evidence on the future structure of the LGPS last year, and sought professional advice to consider either Collective Investment Vehicles or merger of funds as potential routes forward. This advice, being provided by Hymans Robertson, and the Government consultation are expected to be published shortly. However, it is unlikely that this will be ahead of Leaders' Committee meeting. Nonetheless, informal indications are that, while undoubtedly Leaders' Committee position will need to be considered in the light of whatever is published, it seems unlikely that the benefit of CIVs will be fundamentally challenged.

5. At its December 2013 meeting, Leaders' Committee resolved to engage expert legal and financial services advisors to assist in the development of the ACS and its Operator. These advisors, along with a Custodian advisor, have been appointed and over recent weeks further analysis has been undertaken on the legal, regulatory, and financial aspects of implementing the CIV, in consultation with City of London lawyers who are London Councils' general legal advisors. The Leaders' Committee asked the PWG, having regard to that specialist advice, to develop a robust business case and formal proposal to proceed with implementation of the ACS to inform Boroughs' decisions, and this is set out in the sections which follow.

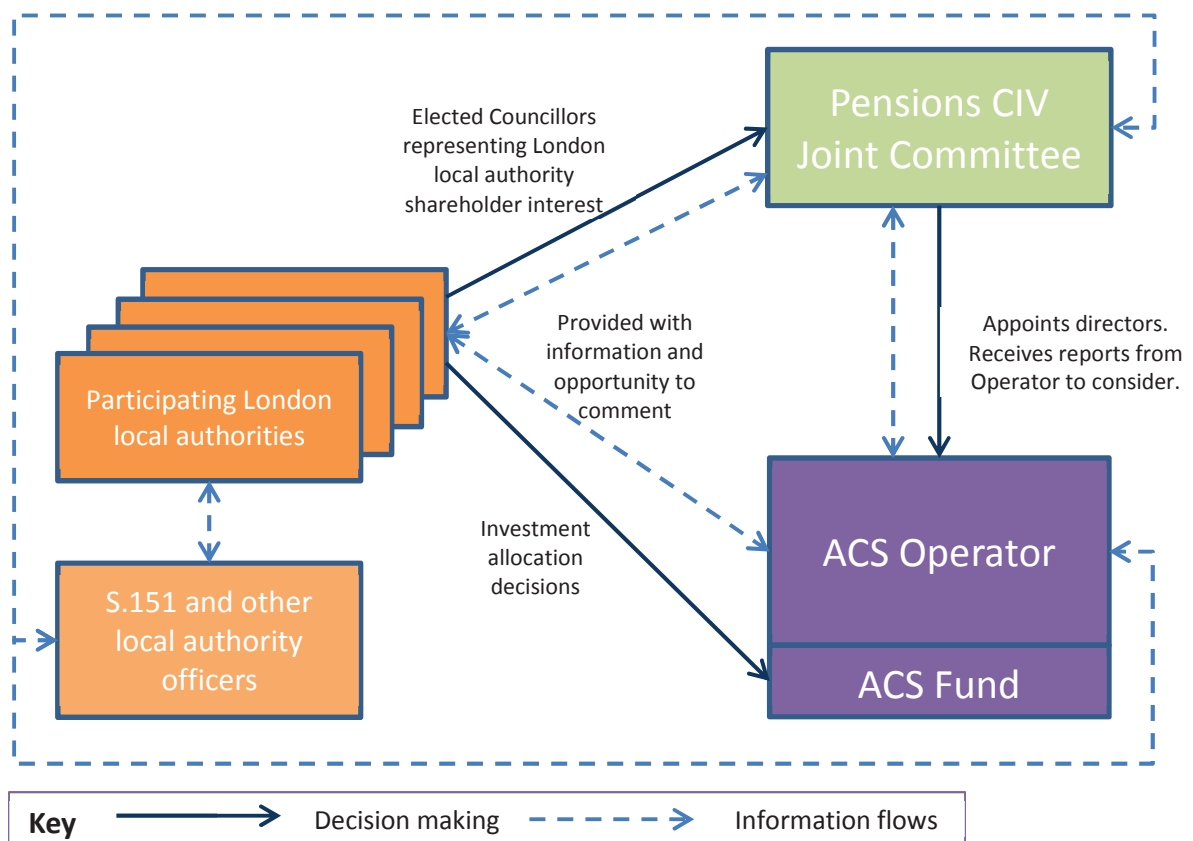
### **Proposed structure**

6. It was previously agreed that the most appropriate structure for the CIV is an ACS fund and nothing has emerged to suggest that that recommendation should change. The ACS will require an FCA regulated ACS Operator to be established. The board of directors and employees of this company will have overall responsibility for the operation of the ACS.
7. In considering the proposed structure of the ACS and its Operator, the PWG has sought to adhere to the following overarching principles, in order that the arrangement can best meet the requirements of the boroughs:
  - a) Investment in the ACS should be voluntary. A borough should be able to decide it does not wish to participate, or to the extent it initially decided to participate, to choose to withdraw its investment.
  - b) If a borough chose to invest, it will be able to choose which asset classes to invest into, and how much it might invest into each asset class.
  - c) The boroughs should have sufficient control over the ACS Operator, in order to be assured that it will be acting in their best interests.
  - d) The ACS Operator would provide regular information to participating boroughs regarding the performance of managers, investment options, and other areas, so that information continues to be available to the same extent it is currently in order for boroughs to make investment decisions.
  - e) Authorities seeking to invest in the ACS will also take a shareholding interest in the Operator (and have membership of the Pensions CIV Joint Committee).
  - f) The ACS will not increase the overall investment risk faced by boroughs.
8. The ownership structure and process for governance and decision making of the ACS Operator has been considered in some detail and is set out in the diagram below. The analysis contained in this paper including the Annex is a summary of the key issues associated with the establishment of the structure. Additional detail including in particular legal and regulatory analysis will be required in due course as the project progresses.
9. In broad terms, the proposed structure is that the boroughs will own all the share capital of the ACS Operator. Initially this will require minimal share capital (£1 per borough) but this capital requirement will increase once the operator is authorised and investments

are made in the ACS. The capital requirements are considered in more detail below (see paragraphs 14-18).

10. A new 'Pensions CIV Joint Committee' will be established under the existing London Councils arrangements to assist in the appointment of directors to the ACS Operator. The Pensions CIV Joint Committee will comprise elected Councillors nominated by participating boroughs as provided for under the existing London Councils Governing Agreement. Information will be provided regularly by the ACS and the ACS Operator to local authorities investing, and their Pension Committees and officers, and the Pensions CIV Joint Committee. Borough treasurers will provide advice to both the borough Pension Committees (as they do now) and to their authority's representative on the Pensions CIV Joint Committee.
11. The governance arrangements and lines of communication between various interested parties are illustrated in the diagram below.

**Fig 1 – CIV governance and communication lines**



12. The proposed structure has been designed to allow boroughs to have strong oversight and control over the ACS Operator. This oversight and control is achieved at a number of levels including the following:
  - a) The boroughs will own all the shares in the ACS Operator and will be able to exert influence over the ACS Operator's board and activities through their shareholdings;

- b) The 'Pensions CIV Joint Committee' will be made up of elected Councillors nominated by their boroughs. This Joint Committee will represent and assist the boroughs having a shareholding in the ACS and will have the power to identify and appoint key directors to the ACS Operator. It would also be a forum to discuss key issues which affect the participating local authorities, both individually and collectively;
  - c) Subject to regulatory requirements, the board of directors of the ACS Operator is likely to include some representatives of the shareholders of the ACS Operator (expected to be appointed from the elected Councillors who will sit on the Pensions CIV Joint Committee and who will represent all participating local authorities' interests);
  - d) The ACS operator will require staff (on a part-time basis) to assist in activities including investment manager selection and it is proposed that as many of these roles as possible may be undertaken by existing elected Councillors and officers of boroughs with relevant experience; and
  - e) Information relating to the performance of investments and the ACS Operator will be made available on a regular basis to boroughs investing and the Pensions CIV Joint Committee representing the boroughs' shareholding interest in the Operator.
13. Should boroughs be minded to proceed with establishing the ACS Operator, at this stage the company can be established with interim directors, with formal appointments for the ongoing directors made in the autumn, prior to FCA approval.

#### **Capital requirements of the ACS Operator**

14. Initially the ACS Operator will only require minimal share capital and, as such, it is recommended that each borough that wishes to proceed will acquire £1 of share capital in the company.
15. Immediately before the ACS Operator receives regulatory approval (expected to be 4th quarter 2014 or 1st quarter 2015), it will require capital of c£100,000. It is proposed that this capital would be contributed by those boroughs who choose to move forward with the ACS in Autumn – so for example if 10 boroughs decided to proceed with the ACS in Autumn, this would require a capital contribution of £10,000 per borough.
16. Once the ACS starts receiving investments, it will require additional capital. It is proposed that boroughs who invest pension assets in the ACS, would contribute capital to the ACS Operator in proportion to the assets invested, expected to be c.2 to 3 basis points of assets invested (e.g. for £5bn of assets invested in the ACS, the ACS Operator would require capital of £1m to £1.5m). It should be noted that this contribution is an investment rather than an expense as this capital would be invested in liquid assets such as gilts rather than being used to pay expenses.
17. It should be noted that this contribution is an investment rather than an expense as this capital would be invested in liquid assets such as gilts rather than being used to pay expenses. It is not expected that this should materially impact any return to the boroughs as the funds invested could be from existing pension assets which are currently invested in gilts or similar investments. As such the borough fund could retain

exactly the same investment profile except that a very small proportion of its assets invested via gilts would be held indirectly through the ACS Operator rather than directly as at present.

18. It should be noted that boroughs who contribute £1 of share capital now will be under no obligation to make any further capital payments to the ACS operator. To the extent a borough takes a subsequent decision to invest in the ACS, it is proposed the borough would at that point invest further capital. (see paragraph 15).

### Financial case

19. Previous work undertaken by PwC estimated savings in the region of £120m per annum from the creation of a CIV (the ACS), provided there was close to full participation by the 33 London local authorities. These benefits arose from reduced investment management fees, and improved performance. Costs of running the ACS were estimated to be £4.8m if there was full participation from all the authorities. At lower levels of participation, both the financial benefits and the costs would reduce.
20. More work has now been undertaken on potential costs and benefits, based on high level assumptions, and these are summarised in the table below. Additional details on the savings and costs are set out at Annex A. It is clear that, based on the expected savings previously identified, forecast costs should be comfortably covered by savings in reduced management fees.

**Fig 2 - Summary of savings and costs**

	<b>Assets under management £24bn</b>	<b>Assets under management £10bn</b>	<b>Assets under management £5bn</b>
	<b>£ 000's</b>	<b>£000's</b>	<b>£ 000's</b>
Expected savings per annum	120,000	50,000	25,000
On-going Costs per annum	(6,100)	(3,650)	(2,750)
Establishment Costs	(1,700)	(1,500)	(1,400)

21. Savings and costs have been analysed for assets under management of £24bn, £10bn and £5bn. It is considered that a reasonable minimum target size of assets under management for the ACS is in the range of £5bn. This is based on analysis of existing investments held by LGPF funds undertaken by the PWG and also takes into account that initially the majority of investment mandates are likely to be passive mandates. Over time, it is expected that active mandates and investments into alternatives such as property and some infrastructure assets may be added to the range of investments offered by the ACS.
22. Even at a level of assets under management of £5bn, the expected savings materially outweigh the expected costs. The actual savings and costs will naturally depend on the number of participating boroughs, amount of assets under management and the mix of investments that are selected for the ACS. It is expected that additional work to decide

on new investment managers and to agree costs will begin in the 4th quarter 2014 in order that boroughs can make investment decisions in 1st quarter 2015.

23. There will be professional fees and other costs associated with making the ACS fully operational (described as Establishment Costs in Fig 2 above). £625,000 of these costs has already been funded by boroughs and £344,000 committed to date. It is currently proposed that any additional costs of establishment, over and above the £625,000, would be borne by boroughs that choose to participate further in Autumn.
24. It should be noted that there is no obligation for any boroughs that choose to agree the recommendations set out in this paper to commit to any additional funding of costs. To the extent a borough takes a subsequent decision to invest in the ACS, it is proposed the borough would at that point invest further capital. (see paragraph 15).

### **Next Steps**

25. Broadly, if the recommendations of this paper are agreed, and a number of boroughs wish to participate in the joint arrangements, the following steps will be undertaken:
- a) A new joint committee, (the 'Pensions CIV Joint Committee') will be established under the relevant legislation and existing London Councils Governing arrangements. To the extent all 33 boroughs wish to participate, London Councils Leaders' Committee would fulfil this role instead and the London Councils' Governing Agreement varied accordingly.
  - b) The ACS Operator will be established, with participating boroughs having £1 of share capital in the company, and interim directors appointed.
  - c) Further work will be undertaken regarding the final design and operation of the ACS Operator and ACS. The documents required by the FCA for the ACS and the ACS Operator to become authorised will be prepared.
26. A proposal will be prepared for Leaders' Committee to consider in the Autumn which will provide a clear timetable and costs for obtaining regulatory approval for the ACS Operator and the ACS, request a commitment for the initial capital of c. £100,000 from those authorities wishing to participate such that the ACS Operator can be authorised and request funding for establishing the initial staffing of the ACS Operator, and to meet any further establishment costs (per paragraphs 23 and 24 above).

### **Recommendations**

27. Leaders' Committee is asked to:
- 1. Consider the report and the underlying business case supporting the establishment of a collective investment vehicle, in the form of an authorised contractual scheme (the "ACS"), for local authority pensions in London ("the Arrangements"); AND
  - 2. Endorse and recommend to each local authority which decides to participate that, they resolve that:
    - (a) a private company limited by shares be incorporated to be the Authorised Contractual Scheme Operator (the "ACS Operator"), structured and governed as outlined in this report, and that the local authority agrees –

- (i) to become a shareholder in the ACS Operator, and
  - (ii) to contribute £1 to the ACS Operator as initial capital, and
  - (iii) to appoint an elected Councillor who will have power to act for the local authority in exercising its rights as a shareholder of the ACS Operator, and
  - (iv) that Mayor Pipe, Councillors O'Neill and Dombey, Mr Chris Bilsland (Chamberlain, City of London), Mr Chris Buss (Finance Director, LB Wandsworth), Mr Ian Williams (Finance Director, LB Hackney), and Mr John O'Brien (Chief Executive, London Councils) be appointed as the interim Directors of the ACS Operator, subject to the consent of their relevant authorities to the appointments. These directors may be replaced once FCA authorisation is formally applied for; and
- (b) a representative body, in the form of a new sectoral joint committee (the "Pensions CIV Joint Committee"), is established (pursuant to the existing London Councils Governing Agreement, dated 13 December 2001 (as amended)) to act as a representative body for those local authorities that resolve, in accordance with 2(a) above, to participate in the Arrangement (or in the alternative, should all 33 London authorities resolve to participate, that Leaders' Committee exercise these functions and the Governing Agreement be varied accordingly); and
- (c) All London local authorities respond in writing to the London Councils Chief Executive, by 14 April 2014, or before the day of the local government elections (22 May 2014), to advise of their decisions regarding the matters set out at paragraphs 2(a) and 2(b) above.

## **Legal Implications**

28. The main legal implications are contained in this report and the attached Annex. The detail of the structure and governance of the ACS and its Operator will be firmed up as the preparatory work progresses. The establishment of a joint committee will be in accordance with arrangements under the Local Government Act 1972 and the Local Government Act 2000 to arrange for the joint discharge of decision making by the participating local authorities to support the arrangements for the collective investment vehicle. The Joint Committee will initially be established under the London Councils Governing Agreement, and the Terms of Reference of the new joint committee will provide for shared administrative functions, a forum to discuss key issues and power to appoint key directors of the ACS Operator; and it could be used more broadly if boroughs felt that to be appropriate. Should all 33 London local authorities resolve to participate, Leaders' Committee would discharge the relevant local authority functions and the Governing Agreement formally varied accordingly.
29. The Councils have power to enter into these arrangements as part of their function as an administering pensions authority taking account of its duty to invest in the interests of the pension fund and obligations in the Local Government (Pension Scheme) Management and Investment of Funds Regulations 2009. Additionally Councils have



power to invest further to Section 12 of the Local Government Act 2003 and must act in accordance with principles of best value and their general fiduciary duty.

### **Financial Implications**

30. The Director of Corporate Resources reports that the estimate of possible costs and benefits arising from the establishment of a collective investment vehicle are detailed in full within the Annex of this report and summarised in the table at paragraph 20.
31. These figures are initial estimates and will be firmed up as preparatory work progresses, particularly in relation to the establishment and on-going costs. As detailed in paragraph 23, 25 boroughs have each been invoiced for a sum of £25,000 as a contribution towards establishment costs, amounting to £625,000 in total, with £344,000 of that sum committed to date.
32. There are some governance related issues that require further clarification, particularly surrounding the accounting requirements of the newly proposed Pensions CIV Joint Committee and how this will relate to the existing London Councils financial structures and work will continue to clarify this position.

### **Equalities Implications**

33. There are no equalities implications for London Councils.

### **Attachments**

Annex A: Business Case

### **Background Papers**

13 March 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4796](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4796)

13 November 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5072](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5072)

11 December 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5109](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5109)

14 May 2013, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5252](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5252)

19 September 2013, Executive report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5353](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5353)

26 November 2013, Executive report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5490](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5490)

10 December 2013, Leaders' Committee report

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5495](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5495)

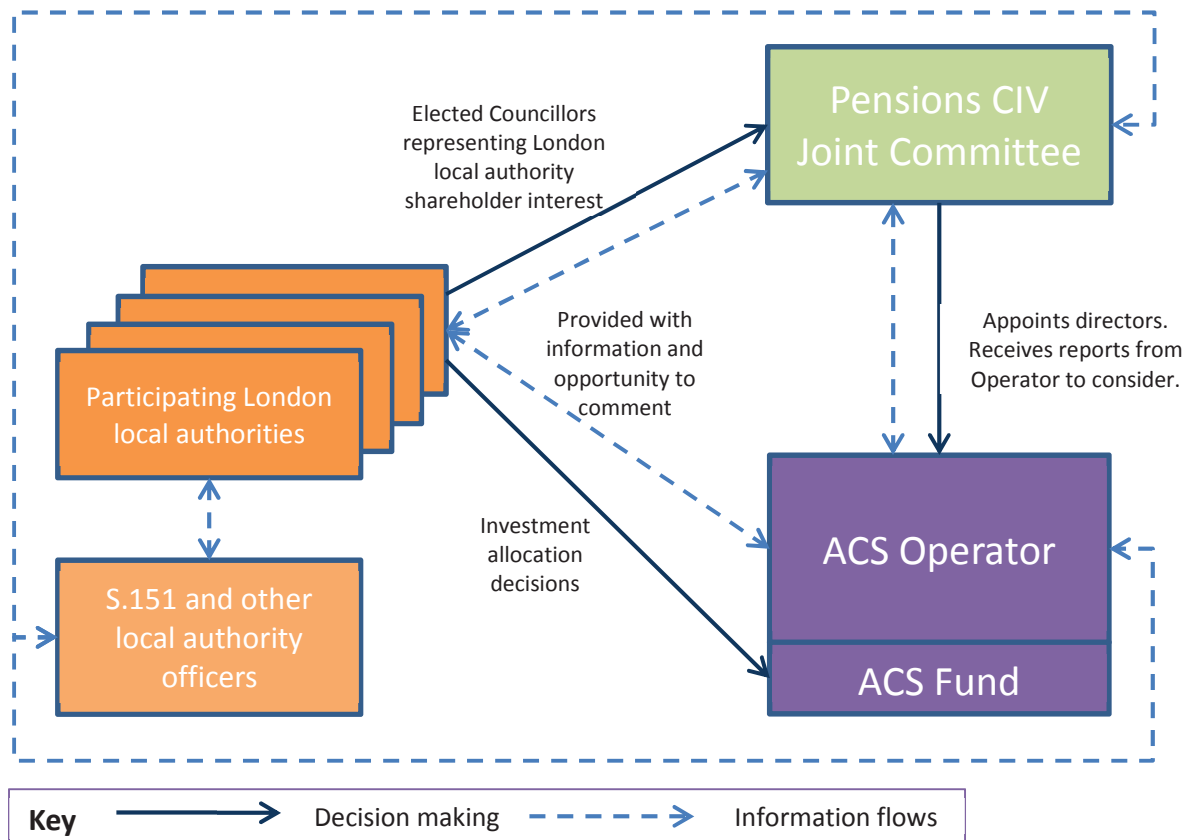
## **Business Case**

1. At its December 2013 meeting, Leaders' Committee agreed the recommendations of the PWG that a business case and formal proposal should be prepared to proceed with implementation of a Collective Investment Vehicle, in the form of an Authorised Contractual Scheme (ACS). This Annex sets out the proposed business case.
2. This paper sets out further details of the proposed structure of the ACS and potential governance arrangements, including the establishment and capital requirements of the ACS Operator. It then recaps the financial benefits which may arise from operating an ACS, and sets out further details of the expected costs.

## **Proposed structure**

3. It was previously agreed that the most appropriate structure for the CIV is an ACS fund and nothing has emerged to suggest that that recommendation should change. The ACS will require an FCA regulated ACS Operator to be established. The board of directors and employees of this company will have overall responsibility for the operation of the ACS.
4. In broad terms, the proposed structure is that the participating boroughs will own all the share capital of the ACS Operator. Initially this will require minimal share capital (£1 per borough from those who wish to participate) but this capital requirement will increase once the operator is authorised and investments are made in the ACS. The capital requirements are considered in more detail at paragraph 32 onwards.
5. A new 'Pensions CIV Joint Committee' will be established to assist in the appointment of key directors of the ACS Operator, such as the Chairman and Chief Executive Officer. The Pensions CIV Joint Committee will comprise elected Councillors nominated by participating boroughs. Information will be provided regularly by the ACS Operator to investors in the ACS and borough Pension Committees and officers, and the Pensions CIV Joint Committee.
6. The governance arrangements and lines of communication between various interested parties are illustrated in the diagram below.

**Fig 1 – CIV governance and communication lines**



7. The following sections set out the above arrangements in more detail, setting out the governance arrangements, potential staff requirements, and the proposed process for investment manager selection and asset allocation.

**Governance structure of the ACS Operator**

8. The process for governance and decision making has been considered in some detail, and there are a range of options for how the governance arrangements could be structured. The precise arrangements would always be open to Council scrutiny and amendment, and subject to FCA requirements, but what is laid out below is seen as appropriate initial proposals to take the project forward at this point. Extensive legal advice has been taken and has been used to formulate the proposals that lead to the framework described below.

9. It is proposed that a new joint committee (the ‘Pensions CIV Joint Committee’) will be established under both section 102 of the Local Government Act 1972, Section 9EB of the Local Government Act 2000, and clause 3.1 of the existing London Councils’ Governing Agreement, to act as a representative body for those local authorities that have chosen to participate, and would be made up of the Leaders (or another nominated elected Councillor) of those councils participating in the ACS. Should all the boroughs participate, this role would be performed by London Councils’ Leaders’ Committee (and the Governing Agreement would need to be formally varied). In relation to the make-up of this joint committee, it is proposed that boroughs that agree to become a shareholder in the ACS Operator would appoint a representative who will sit

on this committee. Whilst typically the borough Leader might be appointed as the representative on the joint committee, in the event that meetings are required to deal with specialist matters e.g. discussions on investment matters, it may be that a person with appropriate expertise would act as a deputy to attend such meetings, e.g. for investor matters, the Chair of the relevant Borough Pension Committee could be appointed. A deputy would need to be appointed at the same time as the main representative. Provision is made for these arrangements under the existing London Councils Governing Agreement dated 13 December 2001 (in particular refer to clauses 3.1 and 4.5 of the Agreement and Standing Orders).

10. One of the main purposes of the Pensions CIV Joint Committee will be to act as a forum to recommend/approve the appointment of key directors to the board of the ACS Operator. The ability to appoint directors of the ACS Operator ultimately rests with the shareholders (who in practice, the Elected Councillors sitting on the joint committee represent) and analysis is currently on-going to determine the most appropriate methodology for the wishes of the shareholders to be executed in a manner which is acceptable given various constraints that exist within local government, Companies Act 2006 requirements, and FCA regulations.
11. The exact mandate of the joint committee will require further consideration. The frequency of meetings of the joint committee also needs to be decided.
12. Should boroughs be minded to proceed with establishing the ACS Operator, at this stage the company can be established with interim directors, with formal appointments for the ongoing directors made later in the year, prior to FCA approval. It is proposed that, subject to no impediment for the individuals, the members of the Pensions Working Group would sensibly be asked to take the roles of interim directors, augmented by the Chief Executive of London Councils. For clarity that would be Mayor Pipe, Councillors O'Neill and Dombey, Mr Chris Bilsland (Chamberlain, City of London), Mr Chris Buss (Finance Director, LB Wandsworth), Mr Ian Williams (Finance Director, LB Hackney), and Mr John O'Brien (Chief Executive, London Councils). Their appointment would be subject to the consent of their relevant authorities.
13. It is proposed that up to three elected Councillors from the Pensions CIV Joint Committee could be directors of the ACS Operator. The directors have to be approved by the FCA and will have fiduciary duties and responsibilities. The decision as to who could be in these roles is to be decided. It is not a requirement for Elected Councillors sitting on the joint committee to have any director roles, and this will be one of the early matters on which the initial participating boroughs who join the joint committee and participate in the ACS will be asked to decide.
14. The ACS Operator will provide regular information to the participating Borough Pensions Committees about the ACS. The Borough Pensions Committees would be given the right to receive presentations by the investment managers on performance.
15. As illustrated in Figure 1, it is recognised that s.151 officers will provide advice to both their representative joint committee elected Councillor, and their Borough Pension Committee. In addition, it is anticipated that Treasurers may require occasional opportunities to receive information directly from the ACS Operator and to raise any

issues or questions. The Society of London Treasurers is likely to have a role in facilitating discussions with the ACS Operator at an officer level where those matters under discussion collectively affect Treasurers' authorities.

#### *Staff resources*

16. In terms of staffing requirements, there are a number of roles required within the ACS Operator, and the precise detail of the final establishment of the ACS Operator will need to be confirmed later. However, in order to understand costs, the following has been assumed. Firstly, there would be 2-3 FTE admin staff, who are likely to be graded at bands B and C on London Councils' salary scales. These staff would assist in the running of the ACS Operator, for example drafting and reviewing reports, and providing support to the meetings of the board of directors, relevant committees of the board, and support teams.
17. At the outset, there will also be a lot of activity in respect of investment management selection. This may require 5 to 6 individuals, with a strong level of understanding of the process for selection of managers. It is thought that this group could comprise of a number of existing borough pensions staff, potentially seconded into the ACS Operator for a period of time. Potentially an external hire may also be required. This group would undertake the activities which would ultimately lead to a recommendation being made to the ACS board as to investment mandates of the ACS and the managers to appoint, in a similar fashion to the existing arrangements within boroughs where pension officers will report to their Pensions Committee. Further details are set out at paragraph 22 onwards.
18. To oversee the activities set out above, and oversee and manage suppliers, it is expected that a chief operating officer would be required. In the first instance, this is likely to be a full time role, however once the ACS Operator and ACS are fully established, the time required may decrease. The need for this role, its responsibilities, and options for filling it, could be considered by the ACS Operator interim directors (see paragraph 12).
19. In addition, a chief executive officer and finance director would be required. These are expected to be part time roles, and could potentially be undertaken within the existing roles of London Councils. These decisions do not need to be taken immediately and, again, could be addressed by the interim directors as one of their early decisions. A compliance director, risk officer, anti-money laundering officer, and chief investment officer will also be required, and how to source these individuals will be considered as an early part of the process. It should be noted that, in addition to the liability of the corporate entity, individuals in these roles need approval from the FCA and have personal liability.
20. To the extent that resource is not available, either from within London Councils or seconded from boroughs, additional third party or professional costs may be incurred. It is anticipated that these costs will be analysed in due course once the key roles have been more fully defined and the availability of suitable internal resources have been considered.

21. The fact that the boroughs will have a significant role both at the level of the ACS Operator and as investors in the ACS means that the FCA will require a robust conflicts of interest policy to be in place.

### **Investment manager selection and asset allocation**

22. There are two key areas of responsibility which will allow boroughs to select the investments they wish to make. Following consultation with boroughs, the ACS Operator will offer a number of mandates to investors and will select a number of managers for this. The final decision over the selection of managers rests with the board of directors of the ACS Operator. The decision regarding asset allocation and whether to invest in the mandates being offered will be at the full discretion of each borough.
23. It is proposed that investment manager selection would be undertaken by an investment advisory team of the ACS Operator as described in paragraph 17 above which would report into the board of directors. There are a range of options for how this is set up, as the team can comprise elected Councillors, officers, and external hires if required. The preferred composition of this group would be decided in due course, but it is expected to be a mix of elected Councillors and officers, probably 6 to 8 in number. The majority of the roles on this group are expected to be part time although as more assets are added to the ACS and additional mandates and alternative investments are added, some of these roles may become full-time.
24. Once the ACS itself is established, it would be at the discretion of the boroughs whether they choose to invest in any or all of the ACS sub-funds. In order to allow individual borough to decide asset allocations between managers, the assumption is that the fund structure will be an umbrella fund, with each sub-fund having a specific investment mandate and investment manager. If a borough decides to invest in a particular mandate, they would simply acquire units in the relevant sub-fund. Please see Appendix A for a visual representation of this structure.

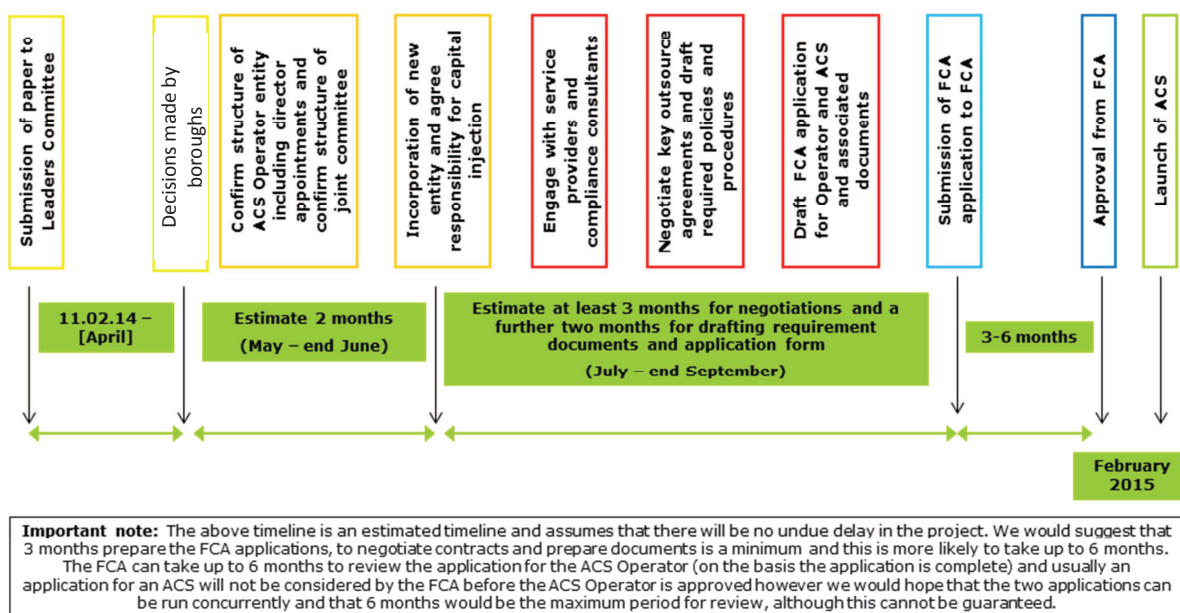
### **Legal and regulatory considerations**

25. This section sets out some of the legal and regulatory considerations in connection with the set-up of the ACS Operator and the ACS, and sets out a timeline for achieving this.
26. The ACS will require a Financial Conduct Authority (FCA) regulated ACS Operator to be established. Typically this is in the form of a limited liability company, which is proposed here. The ACS Operator and the ACS are heavily regulated. There is a separate authorisation process for each of them, involving different divisions of the FCA. The process for the authorisation of the ACS Operator requires detailed information to be supplied in particular around the qualifications of the board and key employees, their ability to carry out the key operational functions or supervise delegates, financial requirements etc. The form requires detailed information. The authorisation process can take between 6 and 12 months. As this application is for local authorities it is hoped that the application for the ACS operator and the ACS would be run concurrently by the FCA and we would hope the authorisation process would take nearer to six months than twelve, however this cannot be guaranteed.

27. The board of directors and employees of the ACS Operator will be responsible for the overall operation of the ACS. In order to meet these obligations it will need to appoint a number of external service providers, including the administrator, the registrar and transfer agent and investment managers. These appointments will need to be reasonably advanced to submit detail and draft documents to the FCA at the time of the application for authorisation.
28. In addition to the corporate entity being authorised individuals performing certain functions as described in this paper also require personal approval by the FCA.
29. We have set out below a proposed timetable for the launch of the ACS Operator and the ACS. This is subject to change and dependent on a number of factors, such as consideration by Leaders' Committee, relevant decisions being taken by the boroughs wishing to participate in the arrangements, selection of key personnel and negotiation of key contracts.

**Fig 2. Proposed timetable for launch**

## Proposed timeline for launch of ACS and ACS Operator



30. The proposed timeline emphasises when certain decisions will need to be made. For example the fund mandates and strategies, and you will also note that certain service providers will need to be identified shortly following the incorporation of the ACS Operator entity, so that key commercial terms and service levels can be agreed. As discussed further below, the FCA application forms require in depth detail and draft documents which will take time to agree and complete and as such it is critical to consider these factors at the outset.
31. During the ACS establishment process, some regulatory clarifications will be required although it is not currently expected that there will be any material difficulties. In

particular, it will be important to confirm that a borough will be able to invest substantially all of its pension assets in a single ACS vehicle. Restrictions currently apply to certain collective investment vehicles. Whilst specific reference to ACSs is not made it will be important to ensure that the legislation is either amended or made clear that ACSs (and possibly other collective investment vehicles) which are operated by local authorities are carved out from these restrictions.

### **Capital requirements of the ACS Operator**

32. Initially the ACS Operator will only require minimal share capital and, as such, it is recommended that each borough that wishes to proceed will acquire £1 of share capital in the company.
33. Immediately before the ACS Operator receives regulatory approval (expected to be 4th quarter 2014, see timetable comments at paragraph 30), it will require capital of c. £100,000. The calculation of regulatory capital is complex, and depends on a variety of factors, including the expected fixed overheads of the ACS Operator.
34. It is proposed that the c. £100,000 of ACS capital would be contributed by those boroughs which choose to move forward with the ACS in Autumn – so for example if 10 boroughs decided to proceed with the ACS in Autumn, this would require a capital contribution of £10,000 per borough. It should be noted that this contribution is an investment rather than an expense as this capital would be invested in liquid assets such as gilts rather than being used to pay expenses.
35. Once the ACS starts receiving investments, the ACS Operator will require additional capital, which may be c.2 to 3 basis points of assets invested in the ACS (for £5bn of assets invested in the ACS, the ACS Operator would require capital of £1m to £1.5m). This capital is broadly required at the point in time when the assets under management are due to increase. The total required regulatory capital of an ACS Operator will not exceed 10m euros.
36. Once boroughs choose to invest pension assets in the ACS, it is proposed that they would contribute capital to the ACS Operator in proportion to the assets invested. It is not expected that this should materially impact any return to the boroughs as the funds invested could be from existing pension assets which are currently invested in gilts or similar investments. As such the borough could retain exactly the same profile for its pension investments except that a very small proportion of their assets invested via gilts would be held indirectly through the ACS Operator rather than directly as at present. The precise capital requirements, and the mechanism for the contribution of this capital, will be considered in more detail in the next phase of the project.
37. It should be noted that boroughs who contribute £1 of share capital now will be under no obligation to make any further capital payments to the ACS operator. To the extent a borough takes a subsequent decision to invest in the ACS, it is proposed the borough would at that point invest further capital.

### **Financial Case**

38. Having considered the potential structure and process for establishment, the following sections consider the financial case in more detail. There are a number of areas to



consider. Firstly the potential financial benefits of the ACS, and then the potential costs. These are considered in more detail below. It is clear that, based on the expected savings previously identified, forecast costs should be comfortably covered by savings in reduced management fees.

#### *Financial benefits*

39. The 33 London boroughs currently have over £20bn of pension assets under management. Previous work undertaken by PwC estimated savings in the region of £120m per annum from the creation of a CIV, provided there was close to full participation by authorities. Costs of running the ACS were estimated to be between 1 and 5 basis points (0.01% to 0.05%) of assets under management with the estimated costs, for full participation from all 33 London local authorities, estimated to be £4.8m per annum. At lower levels of participation, both the financial benefits and the costs would reduce. More work has now been undertaken on potential costs and benefits, based on high level assumptions, and these are summarised in the table below. It is clear that, based on the expected savings previously identified, forecast costs should be comfortably covered by savings in reduced management fees.
40. The primary cost savings previously identified were in respect of lower investment management fees, and improved performance. Further work since then indicates that there may be further savings in other areas. For example, when investing in a third party fund, it is likely that income from activities such as stock lending and foreign exchange will be earned, however may not be passed on to the boroughs and their pension investments to the same level as could be possible in the ACS. It has been estimated that the income from these activities could be in the region of 10 to 20 basis points. There is no current information available about the level of return that is currently allocated to boroughs in relation to their existing pension investments.
41. Additional analysis of costs has been undertaken since the PwC report. The broad conclusion of this analysis is that, depending on the level of participation, the marginal costs for investing in the ACS are likely to be in the middle of the original 1 to 5 basis point estimate and that there are potential additional savings that could be made.
42. A reasonable minimum target size of assets management for the ACS is considered to be in the range of £5bn of assets. This is based on work undertaken by the PWG, which shows that there are a number of boroughs who currently have very similar investment mandates with exactly the same investment managers. This research suggests that if 6 of the largest similar mandates with identical investment managers across a range of passive and active equity and bond mandates were selected in the ACS, scale of around £3bn could be achieved without any individual borough pension funds materially changing their currently selected mandates or manager. On the assumption that a number of other London boroughs would also be minded to invest in the ACS if it offered these mandates and given the initial interest expressed by boroughs in participating, a minimum target size of £5bn appears a reasonable assumption.
43. Indicative costs and potential savings are set out in the table below, for assets under management of £24bn, £10bn, and the minimum target size of £5bn explained at paragraph 42.

**Fig 3. Summary of potential savings and costs**

	<b>Assets under management</b>	<b>Assets under management</b>	<b>Assets under management</b>
	<b>£24bn £ 000's</b>	<b>£10bn £000's</b>	<b>£5bn £ 000's</b>
<b>Expected savings per annum<sup>(1)</sup></b>			
Investment management fees - 15 bps	36,000	15,000	7,500
Improved performance - 35 bps	84,000	35,000	17,500
<b>Total expected savings</b>	<b>120,000</b>	<b>50,000</b>	<b>25,000</b>
<b>On-going Costs per annum<sup>(2)</sup></b>			
<b>Custody costs</b>			
Custody costs (at 3.5bp, 4bp and 5bp)	(8,400)	(4,000)	(2,500)
<i>Incurring in existing third party funds (3)</i>	<u>3,600</u>	<u>1,500</u>	<u>750</u>
Net Custody Cost	(4,800)	(2,500)	(1,750)
<b>Other Costs</b>			
Salaries –e.g. COO/Admin	(400)	(400)	(400)
- Audit/advice	(200)	(150)	(100)
- Offices/expenses	(200)	(200)	(200)
- Misc. Advisory	(500)	(400)	(300)
<b>Total On-going Costs</b>	<b>(6,100)</b>	<b>(3,650)</b>	<b>(2,750)</b>
<b>Establishment costs<sup>(2)(3)</sup></b>			
- Transition advisory including custody selection	(700)	(500)	(400)
- Other misc. fund advisory	(500)	(500)	(500)
- Legal, regulatory, and financial advice (funded already)	(600)	(600)	(600)
<b>Total Establishment Costs</b>	<b>(1,700)</b>	<b>(1,500)</b>	<b>(1,400)</b>

**Notes**

- (1) These savings are as previously reported. They have been allocated on a straight-line basis for assets under management less than £24bn. This is an assumption made for simplicity and any real savings may well be less and will depend on types of mandate, asset mix, etc. There are also other potential areas where financial benefits may arise, such as increased income from activities such as stock lending, which have not been quantified within the above.
- (2) All costs (other than custody costs) are estimated on very high level assumptions and may not reflect final costs.
- (3) For "other costs" and "Establishment costs", some of these expenses would be incurred in existing investments or on changes of manager/investment. No attempt has been made to estimate these existing costs to date.

### *Custody costs*

44. The main cost associated with running the ACS is from the custody of the assets. Custody costs are calculated as a basis point fee on the amount of assets, with the basis point fee reducing on a sliding scale as the amount of assets under custody increases.
45. In order to consider potential costs, assumptions regarding the potential value of the fund and number of sub-funds and investors have been made. These consider 3 possible scenarios based on the most commonly used asset classes, which are set out below. The assumptions used are not recommendations and are purely for illustration purposes for the business model:
- sub-funds representing the most frequently used asset classes with minimal uptake by London local authorities investing 50% of total value in these asset classes into the fund,
  - broader range of sub-fund asset classes with a third of London local authorities investing 50% of total value in these asset classes into the fund,
  - all London local authorities investing 75% of total value in these asset classes into the fund.
46. Based on the above, the indicative cost of running the fund may be as follows:
- 5 investors in 4 sub-funds (made up of mix of passive and active, global equity and UK equity) total £1bn, up to 10bps/minimum charge circa £500k per annum,
  - 11 investors in 10 sub-funds (made up of mix of passive and active, global equity, UK equity, global bonds, & alternatives) total £6bn, up to 5 basis points,
  - 33 investors in 15 sub-funds (made up of mix of passive and active, global equity, UK equity, global bonds, UK bonds & alternatives) total £14bn, up to 3.5 basis points.
47. These costs include Fund Administration (Transfer Agency and Fund Accounting), Depository and Custody. These costs would reduce where additional services e.g. a proportion of cash, foreign exchange and Securities Lending services are also conducted by the appointed Custodian (which is standard with London boroughs existing custody arrangements). Other factors that feed into the cost consideration include the frequency of investor dealing and frequency of valuation points. It should also be noted that Fund Accounting fees typically operate on a sliding scale with minimum fees per sub-fund, therefore the larger each sub-fund in terms of value the more cost effective.
48. In terms of a cost-benefit analysis, it is important to note that borough pension funds already pay custody fees either directly for existing segregated mandates or indirectly in third party fund investments. Accordingly, the cost-benefit analysis needs to look at the amount by which the custody costs that would be incurred from investing in an ACS exceed current custody costs borne by the boroughs on their existing investments.
49. In relation to existing segregated mandates, it is likely that savings would be achieved through moving such mandates to an ACS as this would reduce custody costs. This is

because most existing segregated mandates are relatively small and accordingly consolidating these mandates in the ACS should increase the amount invested in each mandate which in turn would result in a lower basis point custody charge.

50. In relation to existing third party funds, the cost-benefit analysis is more complex because it is difficult to determine the custody fees that are payable by the investment managers that have established these funds as such numbers are not always publicly available. An estimate of these costs would be in the 1 to 2 basis point range.
51. Based on this analysis, it appears that for higher levels of participation the costs will be lower than previously anticipated. For very low levels of participation (e.g. £1bn) the costs could be higher than the 5 basis point charge previously anticipated. Even at a £1bn level of participation, there may well be financial benefits associated with establishing an ACS but this level of participation is below the minimum level that might reasonably be expected.
52. At a level of assets of £5bn the additional custody costs would be expected to be in the range of 3 to 4 basis points (or £1.5 to £2m per annum), being an ACS custody cost of c.5 basis points less the 1 to 2 basis point charge which would have been incurred on existing investments.

#### *Other costs and benefits*

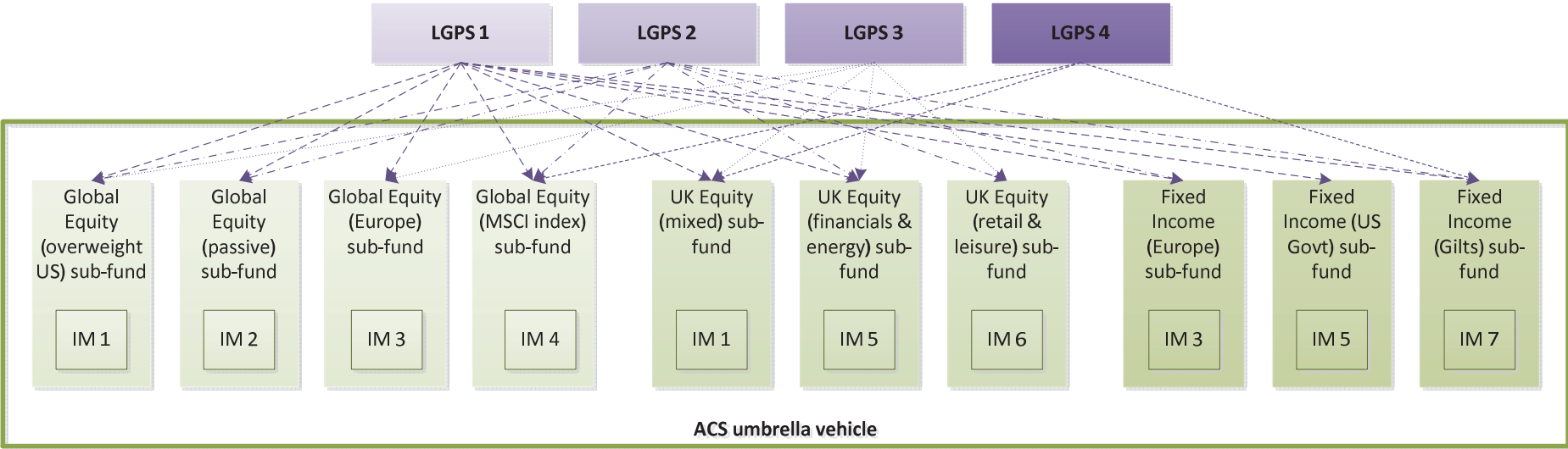
53. Other on-going costs of the ACS are likely to include staff costs, FCA fees, consultancy fees and administration costs including audit and taxation. These fees would be charged directly to the fund, as they would be now. Consultancy fees might include professional advice on investment manager selection. As this would be performed centrally at the ACS level rather than multiple times at individual borough level, it is likely that savings would be achieved in this regard. Admin costs would not be expected to be significant compared to the benefits identified.
54. In relation to staff costs, this is considered in more detail below but on the basis that it is expected that a majority of functions may not be full time and might be performed by existing local authority personnel, additional staff costs are not expected to be significant. For the purposes of the cost benefit analysis undertaken, an estimate of £400,000 per annum has been made. Practically, the roles which might be required are set out below.

#### *Establishment costs*

55. There will be a number of establishment costs incurred in setting up the fund. These will be one-off costs in the first year.
56. £625,000 has already been contributed to these costs by the boroughs, in order to engage professional advisors to perform the necessary financial and regulatory work. It is currently expected that this work will be performed within this existing budget.
57. As the project progresses, additional professional fees are likely to be incurred, for example to assist in training relevant individuals on their regulatory roles and to assist in the development of procedure manuals. It will become clearer in due course where costs may arise in this regard.

58. The transition of assets into the fund will also need to be considered, as assets are moved from existing managers to new managers appointed to the ACS. To a large extent, boroughs already incur similar costs as they transition assets to different managers in the ordinary course of their pension activities. As such these costs may well simply offset existing costs incurred by boroughs although clearly this depends on the level of fees currently charged and the number of transitions. Until further decisions are taken on the mandates that will be launched in the ACS, it is difficult to estimate accurately what these costs might be. An estimate of advisory fees required in connection with this transition management is included within the table, and is based on the experience of advisors on similar projects. It should be noted that the boroughs currently have regular manager transitions, and as such the costs of transition from setting up the ACS should result in lower annual transition costs going forwards.
59. From a tax perspective, the transfer of UK securities into an ACS should not be subject to UK stamp duty reserve tax (SDRT), and a tax clearance can be obtained in advance to give comfort. It is envisaged that the costs of transition would be borne by the pension funds who are moving their assets into the fund, and the cost would depend on the assets being moved. Due diligence will be needed for individual pension funds should they choose to invest, to consider the most appropriate way to transition into the fund.

Appendix A - Indicative ACS umbrella structure



# Leaders' Committee

## Pensions CIV Joint Committee: Terms of Reference

Item no: 5

**Report by:** Hugh Grover      **Job title:** Director, Fair Funding, Performance and Procurement

**Date:** 11 March 2014

**Contact Officer:**

**Telephone:** 020 7934 9942      **Email:** hugh.grover@londoncouncils.gov.uk

---

### Summary

This report follows from Leaders' Committee consideration of the last Pensions Working Group (PWG) progress report at its 11 February meeting.

At that meeting, Leaders' Committee agreed the recommendations of the PWG and resolved to endorse and recommend to each local authority which decides to participate that, a representative body, in the form of a new Sectoral joint committee (the "Pensions CIV Joint Committee"), be established to act as a representative body for those local authorities that resolve to participate in the arrangements.

It is required that this new joint committee has terms of reference, and a proposed form of these, which can be amended from time to time as required, is attached at Annex A for consideration and agreement.

---

**Recommendations** Leaders' Committee is asked to:

- a. consider the matters raised in this report; and
  - b. agree, in principle, the Pensions CIV Joint Committee terms of reference attached at Annex A, in anticipation of sufficient London local authorities agreeing the recommendations of the 11 February report, and the incorporation of the ACS Operating company, which would predicate the need for the establishment of this Pensions CIV Joint Committee.
-





# **Pensions CIV Joint Committee: Terms of Reference**

## **Background**

1. At its February 2013 meeting, Leaders' Committee considered a report from the Pensions Working Group (PWG), which presented a detailed business case and proposals in respect of establishing a London LGPS Collective Investment Vehicle (CIV).
2. Leaders' Committee agreed the recommendations of the PWG, and resolved to endorse and recommend to each local authority which decides to participate that, in addition to matters connected to the establishment of an Authorised Contractual Scheme operating company, a representative body, in the form of a new Sectoral joint committee (the "Pensions CIV Joint Committee"), be established (pursuant to the existing London Councils Governing Agreement, dated 13 December 2001 (as amended)) to act as a representative body for those local authorities that resolve to participate in the arrangements.
3. The recommendation also noted that, should all 33 London local authorities resolve to participate, then Leaders' Committee would exercise these functions and London Councils' Governing Agreement would be varied accordingly. Current indications are, that it is unlikely that all 33 London authorities will resolve to participate at this time.
4. In anticipation of the probable need to form a new Sectoral joint committee, attached at Annex A are proposed terms of reference for the consideration and agreement of Leaders' Committee, in anticipation of sufficient London local authorities agreeing the recommendations of the 11 February report, and the incorporation of the ACS Operating company, which would predicate the need for the establishment of this Pensions CIV Joint Committee. Terms of reference are open to amendment from time to time as required, and should the need arise.

## **The Arrangements for Establishing a Sectoral Joint Committee**

5. In the absence of all 33 London authorities resolving to participate in the Pensions CIV arrangements, a new joint committee (the "Pensions CIV Joint Committee") will be established to act jointly on behalf of the participating local authorities as shareholders of the ACS Operating company. This will be set up by the local authorities using their powers in sections 101 and 102 of the Local Government Act 1972 and section 9EB of the Local Government Act 2000. It will allow the local authorities to streamline their decision making by delegating responsibility for decisions to the Pensions CIV Joint Committee, rather than requiring decisions from the individual local authorities.
6. The London Councils' Governing Agreement, under which Leaders' Committee operates, was entered into in pursuance of arrangements made under sections 101 and 102 of the Local Government Act 1972 and other powers that were relevant at the time. The Agreement also sets out the Standing Orders, Financial Regulations and the administrative framework under which all London Councils' activities operate. The

establishment and use of a joint committee in this instance is, therefore, a familiar arrangement that is consistent with the provisions of the Governing Agreement.

7. The Pensions CIV Joint Committee requires terms of reference setting out its powers and the functions for which it is responsible (i.e., the functions relating to acting jointly for the shareholders in the ACS Operator). Proposed terms of reference are attached at Annex A for the consideration and agreement in principle of Leaders' Committee (in anticipation of sufficient local authorities agreeing the recommendations of the 11 February report, and the incorporation of the ACS Operating company, which would predicate the need for the establishment of this Pensions CIV Joint Committee) in accordance with the Governing Agreement of London Councils which established Sectoral joint committees and made provision for additional Sectoral joint committees to be established. Clause 7.2 of the Governing Agreement referred to "Each Sectoral joint committee established hereunder from time to time" and provided that such committees would discharge the functions delegated to them by the local authorities which agreed to subscribe to them and would act in the collective interests of those local authorities.
8. "Sectoral joint committee" is defined in the Governing Agreement as "a joint committee appointed under section 102 Local Government Act 1972 to discharge functions which a minimum of three and a maximum of 32 of the London Local Authorities have agreed to delegate to it, whose terms of reference have been approved by London Councils<sup>1</sup> and which shall operate in relation to London Councils, in accordance with this Agreement". The Governing Agreement provides for standing orders and rules of debate and procedure for the conduct of meetings of the Leaders' Committee and says that these also apply, wherever appropriate to any Sectoral joint committee. Therefore, appropriate provisions in the standing orders apply to the new Pensions CIV Joint Committee. Although some of the provisions would not be relevant, it would be clear which provisions apply.
9. The Standing Orders as currently agreed, would benefit from review and amendment, and a number of additional clauses are presented at Annex B, which would be relevant to the Pensions CIV Joint Committee. However, as these clauses would also be relevant to other committees, it is proposed that a report will come to the Annual General Meeting of Leaders' Committee on 15 July 2014 with recommendations for amending the Standing Orders, including the adoption of these additional clauses..
10. Clause 4.5 of London Councils Governing Agreement, states that "each London Local Authority shall appoint its Leader as its representative to any Sectoral joint committee and shall be entitled to appoint deputy representatives in accordance with standing orders." However, it will be important to have a Councillor with the right skills set and time to devote to the responsibilities to ensure the relevant matters can be consulted on appropriately between the participating local authorities and the Pensions CIV Joint Committee. The existing London Councils arrangements provide for the appointment of Deputies. In the event that meetings are required to deal with specialist matters (e.g. discussions on investment matters such as the setting of original investment mandates by the ACS Operator), it is recommended that a person with appropriate expertise

---

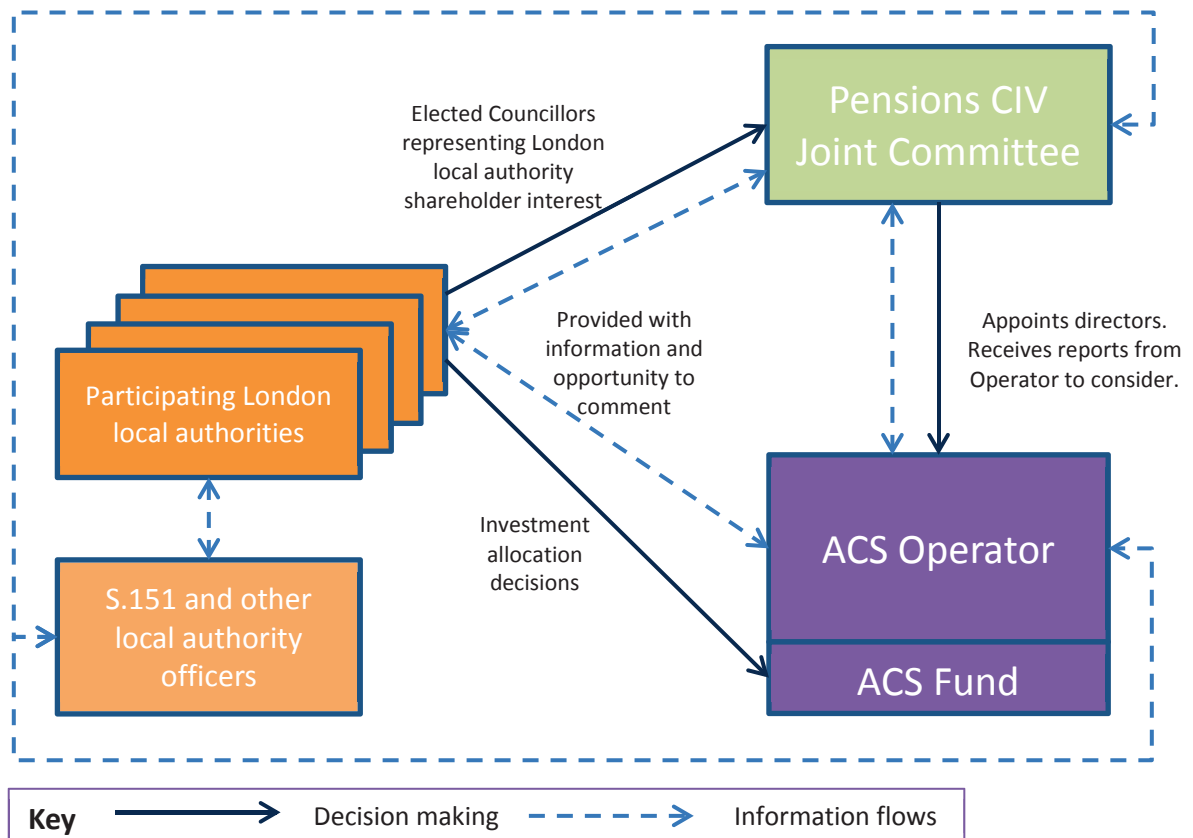
<sup>1</sup> Formerly known as ALG

attend such meetings (e.g. the Chair of the relevant Borough Pension Committee could be appointed).

**Roles and responsibilities**

11. The governance arrangements and lines of communication between various interested parties are illustrated in the figure 1 below.
12. Although, as shown in figure 1, there will be a level of information flowing between the Pensions CIV Joint Committee, the participating local authorities and the ACS Operator, it is important to note that the Pensions CIV Joint Committee will be a representative body acting on behalf of the shareholders in the ACS Operator collectively, and its functions will be consistent with the provisions of the existing London Councils framework.
13. The Pensions CIV Joint Committee will take decisions in accordance with the functions which have been delegated to it by the participating local authorities. The Pensions CIV Joint Committee will have usual shareholder powers of appointing the directors (subject to FCA approval of the appointees) and auditors of the ACS Operator, changing the articles of association of the ACS Operator, and the ability to wind up the ACS Operator. The Pensions CIV Joint Committee will act for the shareholders of the ACS Operator collectively, and the shareholders (i.e. the participating local authorities) will nominate the representatives of the Pensions CIV Joint Committee to act for them.

**Fig 1 – CIV governance and communication lines**



14. There is an inherent conflict of interests in the structure that is proposed, where representatives of borough Pensions Committees sit on the Pensions CIV Joint Committee, as they will be both shareholder representatives of the ACS Operator and also make decisions on investments into the ACS itself. This inherent conflict will be managed in the terms of reference of the Pensions CIV Joint Committee and the conflicts policy of the ACS Operator which is required by the FCA.

### **Recommendations**

Leaders' Committee is asked to:

- a. consider the matters raised in this report; and
- b. agree, in principle, the Pensions CIV Joint Committee terms of reference attached at Annex A, in anticipation of sufficient London local authorities agreeing the recommendations of the 11 February report, and the incorporation of the ACS Operating company, which would predicate the need for the establishment of this Pensions CIV Joint Committee.

### **Legal Implications**

15. Legal implications are contained throughout this report. A joint committee may only exercise those functions delegated to it by the relevant public authorities. Further, as set out in the Report, those authorities that wish to participate and take a shareholder interest in the proposed ACS company are therefore currently taking their decisions to delegate the exercise of those functions to a London Councils joint committee which will be established under the existing London Councils governance framework, whether as a new sectoral joint committee or by amendment to the governing agreement to enable Leaders' Committee to exercise the functions should all 33 local authorities resolve to participate.

16. It has been identified that the Standing Orders of London Councils would benefit from review and amendment, which will be taken forward separately.

### **Financial Implications**

17. No further financial implications at this stage, although issues surrounding appropriate accounting and associated governance arrangements, highlighted in the February Leaders' Committee report, remain under consideration.

### **Equalities Implications**

18. There are no equalities implications for London Councils.

### **Attachments**

Annex A: Pensions CIV Joint Committee – draft terms of reference

Annex B: Clauses to be considered later for inclusion in London Councils' Governing Agreement, Standing Orders

### **Background Papers**

13 March 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=4796](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=4796)

13 November 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5072](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5072)

11 December 2012, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5109](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5109)

14 May 2013, Leaders' Committee report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5252](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5252)

19 September 2013, Executive report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5353](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5353)

26 November 2013, Executive report:

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5490](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5490)

10 December 2013, Leaders' Committee report

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5495](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5495)

11 February 2014, Leaders' Committee report

[http://www.londoncouncils.gov.uk/committees/agenda.htm?pk\\_agenda\\_items=5562](http://www.londoncouncils.gov.uk/committees/agenda.htm?pk_agenda_items=5562)

## 1. Pensions CIV Joint Committee

### 1.1 Constitution

- 1.1.1 The Pensions CIV Joint Committee is a sectoral joint committee operating under the London Councils governance arrangements.<sup>2</sup>
- 1.1.2 Each London local authority participating in the arrangements shall appoint a representative to the Pensions CIV Joint Committee being either the Leader of the local authority or the elected mayor as applicable or a deputy appointed for these purposes.<sup>3</sup>
- 1.1.3 The Pensions CIV Joint Committee shall appoint a Chair and Vice-Chair.
- 1.1.4 The Pensions CIV Joint Committee shall meet at least twice each year one of which shall be an Annual General Meeting.
- 1.1.5 Subject to Clause 1.1.4 above, meetings of the Pensions CIV Joint Committee shall be called in accordance with London Councils' Standing Orders and the procedure to be adopted at such meetings shall be determined in accordance with those Standing Orders.
- 1.1.6 If the Pensions CIV Joint Committee is required to make decisions on specialist matters in which the members of the Pensions CIV Joint Committee do not have expertise the Pensions CIV Joint Committee shall arrange for an adviser(s) to attend the relevant meeting to provide specialist advice to members of the Pensions CIV Joint Committee.

### 1.2 Quorum

- 1.2.1 The requirements of the Standing Orders of London Councils regarding quorum and voting shall apply to meetings of the Pensions CIV Joint Committee.

### 1.3 Membership [*To be confirmed following decisions being taken by London local authorities*]

Borough	Representative	Party

<sup>2</sup> The London Councils' Governing Agreement dated 13 December 2001 (as amended), London Councils' Standing Orders, Financial Regulations and other policies and procedures as relevant.

<sup>3</sup> Clause 4.5 of the London Councils' Governing Agreement dated 13 December 2001 (as amended).

## 1.4 Terms of Reference

- 1.4.1 To act as a representative body for those London local authorities that have chosen to take a shareholding in the Authorised Contractual Scheme (ACS) Operator company established for the purposes of a London Pensions Common Investment Vehicle (CIV).
- 1.4.2 To take decisions on behalf of the participating London local authorities in their capacity as shareholders exercising the shareholder rights in relation to the Pensions CIV Authorised Contractual Scheme operator (as provided in the Companies Act 2006 and the Articles of Association of the ACS Operator company) and to communicate these decisions to the Board of the ACS Operator company. These include:
  - 1.4.2.1 the appointment of directors to the ACS Operator board of directors;
  - 1.4.2.2 the appointment and removal of auditors of the company;
  - 1.4.2.3 agreeing the Articles of Association of the company and consenting to any amendments to these;
  - 1.4.2.4 receiving the Accounts and Annual Report of the company;
  - 1.4.2.5 exercising rights to require the directors of the ACS Operator company to call a general meeting of the company;
  - 1.4.2.6 To receive and consider reports and information from the ACS Operator particularly performance information and to provide comment and guidance in response (in so far as required and permitted by Companies Act 2006 requirements and FCA regulations).
- 1.4.3 To exercise functions of the participating London local authorities involving the exercise of sections 1 and 4 of the Localism Act 2011 where that relates to the actions of the participating London local authorities as shareholders of the ACS Operator company.

**Clauses to be considered later for inclusion in London Councils' Governing Agreement, Standing Orders**

Each participating London local authority shall as soon as practicable after appointing a representative or deputy representative to the Joint Committee notify the Chief Executive of London Councils of the identity of its representative and/or deputy representative as applicable.

Each participating London local authority shall be entitled by notice in writing in accordance with Clause [x.x.x] below to remove such representative from the Pensions CIV Joint Committee at any time or until he/she ceases to be entitled to be a representative of that participating London local authority under the constitutional arrangements applicable to the appointing participating London local authority and by like notice to appoint to the Pensions CIV Joint Committee any other representative from that participating London local authority in place of the representative so removed.

A notice of appointment or removal shall be signed by a duly authorised officer of the participating London local authority as the case may be and shall take effect upon delivery thereof to the Chief Executive of London Councils.

Every representative appointed pursuant to Clause [x.x.x] shall hold office until he/she is either removed from office or dies or resigns or until he ceases to be entitled to be a representative of the participating London local authority under the constitutional arrangements applicable to that participating London local authority.



## **NOTICE OF CONSIDERATION OF A KEY DECISION**

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

## **NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE**

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

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

## **KEY DECISIONS PROPOSED TO BE MADE BY CABINET ON 7 APRIL 2014 AND AT FUTURE CABINET MEETINGS UNTIL JULY 2014**

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 (i.e. in excess of £100,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything significantly affecting communities within one ward (where practicable);
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website on a monthly basis.

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

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

### **Access to Cabinet reports and other relevant documents**

Reports and documents relevant to matters to be considered at the Cabinet's public meeting will be available on the Council's website ([www.lbhf.org.uk](http://www.lbhf.org.uk)) a minimum of 5 working days before the meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 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 2013/14**

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

*Key Decisions List No. 18 (published 7 March 2014)*

## KEY DECISIONS LIST - CABINET ON 7 APRIL 2014

**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>
<b>7 April</b>				
Cabinet	7 Apr 2014	<p><b>Disposal of 17-31 and 5 Carnwath Road to Thames Water</b></p> <p>To seek Cabinet approval to enter into a conditional contract to dispose to Carnwath Road Industrial Estate to Thames Water only on the condition that Thames Water secures a Development Consent order (DCO) for the Super Sewer and is granted powers to acquire the site under CPO. This does not affect the Council's right to object to the Thames Water application, but supports the Council's fiduciary duty in obtaining best consideration for the land.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p>	<p>A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.</p>
	Reason: Expenditure more than £100,000		<p>Ward(s): Sands End</p> <p>Contact officer: Maureen McDonald-Khan maureen.mcdonald-khan@lbhf.gov.uk</p>	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
Cabinet	7 Apr 2014	<b>Schools Organisation and Investment Strategy 2014</b>  To approve the updated Schools Organisation Strategy.	Cabinet Member for Education	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 2 or more wards		Ward(s): All Wards	
	Contact officer: Ian Heggs Tel: 020 7745 6458 ian.heggs@lbhf.gov.uk			
Cabinet	7 Apr 2014	<b>Special Guardianship Allowance Policy</b>  To agree a revised policy for allowances to carers.	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): All Wards	
	Contact officer: Andrew Christie Tel: 020 7361 2300 andrew.christie@lbhf.gov.uk			
Cabinet	7 Apr 2014	<b>Depot welfare facilities - Hammersmith Park : refurbishment of the existing Quadron welfare block for occupation by the Quadron and Serco grounds maintenance teams</b>  Refurbishment of the existing Quadron Welfare Block for occupation by the Quadron and Serco Grounds Maintenance Teams.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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	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): Shepherds Bush Green	
	Contact officer: Mike Cosgrave Tel: 020 8753 4849 mike.cosgrave@lbhf.gov.uk			

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet <i>(other relevant documents may be submitted)</i>
		of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.		
Cabinet	7 Apr 2014	<b>Approval of the 2014/15 Highways Maintenance Work Programme</b>  Report on carriageway and footway maintenance programme for 2014/2015.	Cabinet Member for Transport and Technical Services	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	
Cabinet	7 Apr 2014	<b>Business Intelligence</b>  Business case setting out the recommended option to establish a Tri-borough business intelligence service.  <b>PART OPEN</b>  <b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	Deputy Leader (+ Residents Services), 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	7 Apr 2014	<b>Corporate Revenue budget 2013/14 - month 10 amendments</b>  Report on the projected outturn for both the General Fund and the Housing Revenue Account for 2013_14.	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: Affects 2 or more wards		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
			Contact officer: Jane West Tel: 0208 753 1900 jane.west@lbhf.gov.uk	documentation and / or background papers to be considered.
Cabinet	7 Apr 2014  Reason: Expenditure more than £100,000	<b>Permission to tender for a bi-borough Parking Management Information System</b>  Seeking authority to go out to tender under OJEU rules for a shared Parking Management Information System between RBKC and H&F.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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 Transport and Technical Services  Ward(s): All Wards  Contact officer: Matt Caswell Tel: 020 8753 2708 Matt.Caswell@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	7 Apr 2014  Reason: Affects 2 or more wards	<b>HRA Housing Capital Programme 2014/15 to 2016/17</b>  This report provides specific details of the proposed 2014/15 housing capital programme and proposes budget envelopes for the following two years	Cabinet Member for Housing  Ward(s): All Wards  Contact officer: Stephen Kirage Tel: 020 8753 6374 stephen.kirage@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	7 Apr 2014	<b>Contract for Cash in Transit and Cash Processing Services</b>  Contract for cash and valuables in	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

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
	Reason: Expenditure more than £100,000	<p>transit services for specified sites within and outside of the borough. The Contractor will also be required to process and deposit the cash collected and act as a transit service between the Council and their bankers for the deposit of cheques and postal orders.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Ward(s): All Wards</p> <p>Contact officer: Sue Evans Tel: 020 8753 1852 Sue.Evans@lbhf.gov.uk</p>	the meeting and will include details of any supporting documentation and / or background papers to be considered.
Cabinet	7 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Better Care Fund 2014-2016 Final Plan Submission</b></p> <p>The Council is required to submit to the Department of Health a plan for the use of Better Care Funding for integration of health and social care for the period 2014 - 2016.</p>	<p>Cabinet Member for Community Care</p> <p>Ward(s): All Wards</p> <p>Contact officer: Cath Attlee, David Evans  Cath.Attlee@inwl.nhs.uk, david.evans@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	7 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Developing Tri-borough Corporate Services</b></p> <p>A proposal and business case for a re-organisation of Tri-borough Corporate Services to drive efficiency savings and simplify corporate support arrangements for Tri, Bi and Single Borough services.</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Jane West, Andrew Richards Tel: 0208 753 1900, Tel:</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

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> )
			020 8753 5989 jane.west@lbhf.gov.uk, andrew.richards@lbhf.gov.uk	considered.
Cabinet	7 Apr 2014  Reason: Affects 2 or more wards	<b>Participation of Pension Fund in London Councils Collective Investment Vehicle</b>  London Councils are in the process of setting up a collective investment vehicle in which all London boroughs will be able to invest a portion of their pension fund assets in order to reduce costs. Cabinet is asked to approve LBHF's participation in this collective investment vehicle.	Leader of the Council (+Regeneration, Asset Management and IT)  Ward(s): All Wards  Contact officer: Halfield Jackman  Halfield.Jackman@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	7 Apr 2014  Reason: Expenditure more than £100,000	<b>Request for approval of a rollover of underspend from the Team White City programme budget into 2014/15</b>  Request for approval of a rollover of underspend from the Team White City programme budget into 2014/15.	Cabinet Member for Community Care  Ward(s): Shepherds Bush Green; Wormholt and White City  Contact officer: Mel Barrett, Peter Smith Tel: 020 8753 Melbourne.Barrett@lbhf.gov.uk, peter.smith@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	7 Apr 2014  Reason: Expenditure more than £100,000	<b>Delivering the Schools Capital Programme</b>  Phase 3 of Allocations to support the Council's Schools of Choice Agenda.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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	Cabinet Member for Education  Ward(s): All Wards  Contact officer: David McNamara  David.Mcnamara@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> )
		disclosing the information.		
Cabinet	7 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Electronic document management system contract extension</b></p> <p>The council's current electronic document management system (EDMS) contract expires July 2014. An extension is needed to cover the time required to maintain EDMS support during the implementation of Universal Credit and the scoping for a new shared service for Revenues and Benefits, including the procurement of a new Tri-borough system for both corporate and H&amp;F Direct use.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> 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: Jackie Hudson Tel: 020 8753 2946 Jackie.Hudson@lbhf.gov.uk</p>	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
<b>28 April</b>				
Cabinet	28 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Proposed Outsourcing of Commercial Property Management Function</b></p> <p>Lot 1 of New Property Contract.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a</p>	<p>Leader of the Council (+Regeneration, Asset Management and IT)</p> <p>Ward(s): All Wards</p> <p>Contact officer: Miles Hooton Tel: 020 8753 2835 Miles.Hooton@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 (other relevant documents may be submitted)
		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	28 Apr 2014  Reason: Expenditure more than £100,000	<b>Street Lighting Policy Programme</b>  Seeking approval for the 2014/15 planned capital street light column replacement programme, and maintenance work on highway assets	Cabinet Member for Transport and Technical Services  Ward(s): All Wards  Contact officer: Ian Hawthorn Tel: 020 8753 3058 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	28 Apr 2014  Reason: Expenditure more than £100,000	<b>Procurement of a Contractor for the Springvale New Build Scheme</b>  Procurement of a building contractor through a competitive tendering exercise to deliver the new build housing scheme on the Springvale estate.	Cabinet Member for Housing  Ward(s): Avonmore and Brook Green  Contact officer: Matin Miah Tel: 0208753 3480 matin.miah@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	28 Apr 2014  Reason: Affects 2 or more wards	<b>Housing Asbestos Surveys</b>  Re-tender of contract for Housing Asbestos Surveys, Sampling & Monitoring.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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  Ward(s): All Wards  Contact officer: Stephen Kirrage Tel: 020 8753 6374 stephen.kirrage@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)
		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	28 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Procurement of Home Care Services</b></p> <p>The Procurement of a Home Care Service for Eligible Adults in Adult Social Care Across the Tri-Borough of London Borough of Hammersmith and Fulham (LBHF); Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC).</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for Community Care</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Martin Waddington, Tim Lothian Tel: 020 8753 6235, Tel: 020 8753 5377 martin.waddington@lbhf.gov.uk, tim.lothian@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	28 Apr 2014  Reason: Expenditure more than £100,000	<p><b>Bi-borough Customer Access Programme - Resourcing Request</b></p> <p>To agree funding to establish a programme team to design and implement a bi-borough customer access programme which includes creating a bi-borough customer services function (part of the Tri-borough Corporate Services portfolio) and to drive digital service delivery. The development of digital services and efforts to drive channel shift and digital</p>	<p>Deputy Leader (+ Residents Services)</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>
		adoption will underpin how we will continue to deliver high quality services whilst reducing costs.		
<b>July (date to be confirmed)</b>				
Cabinet	21 Jul 2014	<b>Economic Development priorities</b>  This report seeks Members' approval for future economic development priorities which respond to the borough's longer term economic growth and regeneration vision and makes recommendations on use of Section 106 funds to achieve key outcomes.	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	21 Jul 2014	<b>Future of Coverdale Road Residential Care Home</b>  The report will make recommendations and share outcomes regarding the consultation on the future of Coverdale Road - which is an H&F run residential care home for people with learning disabilities in Shepherds Bush.  <b>PART OPEN</b>  <b>PART PRIVATE</b> 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 Community Care	A detailed report for this item will be available at least five working days before the date of the meeting and will include details of any supporting documentation and / or background papers to be considered.
	Reason: Expenditure more than £100,000		Ward(s): All Wards	

Decision to be Made by (Cabinet or Council)	Date of Decision-Making Meeting and Reason	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet ( <i>other relevant documents may be submitted</i> )
Cabinet	21 Jul 2014	<p><b>ASC Information and Signposting Website - People First</b></p> <p>Discussions and decision around rolling out the People First ASC information and signposting website to LBHF. Currently operational in RBKC and WCC.</p> <p><b>PART OPEN</b></p> <p><b>PART PRIVATE</b> Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	Cabinet Member for 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	